



**MMS VENTURES BERHAD**

Registration No. 200401008621 (647125-P)

(Incorporated in Malaysia)

**Quarterly Report on Consolidated Results  
For The First Quarter Ended 31 March 2023**



**Condensed Consolidated Statement of Financial Position  
As at 31 March 2023**

	Note	31.3.2023 (Unaudited) RM	31.12.2022 (Audited) RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		5,672,633	5,798,860
Right-of-use asset		2,975,317	2,994,188
		<u>8,647,950</u>	<u>8,793,048</u>
<b>Current assets</b>			
Inventories		12,571,224	12,544,823
Other investments	B8	10,844,346	9,486,148
Trade receivables		4,667,290	7,342,475
Sundry receivables, deposits and prepayments		192,640	174,469
Current tax asset		373,565	86,594
Short term funds		21,959,803	21,802,159
Cash and cash equivalents		19,032,963	17,845,375
		<u>69,641,831</u>	<u>69,282,043</u>
<b>TOTAL ASSETS</b>		<u>78,289,781</u>	<u>78,075,091</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to shareholders of the Company</b>			
Share capital		24,050,493	24,008,395
Share options reserve		1,518,034	1,407,723
Treasury shares		(6,617,740)	(6,492,515)
Retained profits		51,669,447	53,252,547
		<u>70,620,234</u>	<u>72,176,150</u>
<b>Non-current liability</b>			
Deferred tax liabilities		1,066,772	1,016,820
<b>Current liabilities</b>			
Trade payables		3,414,983	2,632,847
Sundry payables and accruals		1,196,817	2,138,874
Contract liability		-	110,400
Dividend payable		1,990,975	-
		<u>6,602,775</u>	<u>4,882,121</u>
<b>Total liabilities</b>		<u>7,669,547</u>	<u>5,898,941</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>78,289,781</u>	<u>78,075,091</u>
<b>Net assets per share (RM)</b>		0.35	0.36

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.



**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the First Quarter Ended 31 March 2023**  
**(The figures have not been audited)**

	Note	Individual / Cumulative Quarter Current Year Quarter 31.3.2023 RM	Preceding Year Quarter 31.3.2022 RM
<b>Revenue</b>		<b>5,077,887</b>	15,965,011
Cost of sales		<b>(4,706,751)</b>	(9,954,582)
<b>Gross profit</b>		<b>371,136</b>	6,010,429
Other operating income/(expenses)		<b>1,293,799</b>	(1,708,680)
Administrative expenses		<b>(1,333,965)</b>	(1,311,359)
<b>Profit before tax</b>		<b>330,970</b>	2,990,390
Tax expense	B6	<b>76,905</b>	(323,464)
<b>Net profit for the period</b>	B1	<b>407,875</b>	2,666,926
<b>Attributable to:</b>			
Shareholders of the Company		<b>407,875</b>	2,666,926
Minority interests		-	-
<b>Net profit for the period</b>		<b>407,875</b>	2,666,926
<b>Earnings per share</b>			
(i) Basic (sen)	B14	<b>0.20</b>	1.34
(ii) Diluted (sen)		<b>0.20</b>	1.33

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to these interim financial statements.



**Condensed Consolidated Statement of Changes in Equity**  
**For the First Quarter Ended 31 March 2023**  
(The figures have not been audited)

	Non-distributable			Distributable	Total RM
	Share Capital RM	Share Options Reserve RM	Treasury Shares RM	Retained Profits RM	
<b>At 1 January 2023</b>	24,008,395	1,407,723	(6,492,515)	53,252,547	72,176,150
<b>Transactions with owners</b>					
Purchase of treasury shares	-	-	(125,225)	-	(125,225)
Share option vested under ESOS	-	124,356	-	-	124,356
Ordinary shares issued pursuant to exercise of ESOS	42,098	(14,045)	-	-	28,053
Dividend payable	-	-	-	(1,990,975)	(1,990,975)
	42,098	110,311	(125,225)	(1,990,975)	(1,963,791)
Net profit for the period	-	-	-	407,875	407,875
<b>At 31 March 2023</b>	<b>24,050,493</b>	<b>1,518,034</b>	<b>(6,617,740)</b>	<b>51,669,447</b>	<b>70,620,234</b>
<b>At 1 January 2022</b>	23,337,102	786,908	(6,009,182)	48,187,066	66,301,894
<b>Transactions with owners</b>					
Share option vested under ESOS	-	89,302	-	-	89,302
Ordinary shares issued pursuant to exercise of ESOS	292,593	(91,072)	-	-	201,521
Dividend payable	-	-	-	(1,991,850)	(1,991,850)
	292,593	(1,770)	-	(1,991,850)	(1,701,027)
Net profit for the period	-	-	-	2,666,926	2,666,926
<b>At 31 March 2022</b>	<b>23,629,695</b>	<b>785,138</b>	<b>(6,009,182)</b>	<b>48,862,142</b>	<b>67,267,793</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 2022 and the accompanying explanatory notes attached to these interim financial statements.



**Condensed Consolidated Statement of Cash Flows**  
**For the First Quarter Ended 31 March 2023**  
**(The figures have not been audited)**

	<b>3 months ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from operating activities</b>		
Profit before tax	305,630	2,990,390
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	149,324	133,732
Depreciation of right-of-use asset	18,871	18,871
Gain on disposal of property, plant and equipment	-	(22,500)
(Gain)/Loss on fair value adjustment of other investments	(797,023)	1,895,600
Dividend income	(105,582)	(17,621)
Income distribution on short term funds	-	(7,574)
Interest income	(93,744)	(16,154)
Share options vested under ESOS	124,356	89,302
Written off of property, plant and equipment	1,269	-
Written down of inventories	-	169,996
Unrealised foreign exchange loss	33,212	13,545
<i>Operating (loss)/profit before working capital changes</i>	<u>(363,687)</u>	<u>5,247,587</u>
<i>Changes in working capital:</i>		
Inventories	(26,401)	(3,851,032)
Trade receivables	2,701,013	(11,292,723)
Sundry receivables, deposits and prepayments	(18,171)	546,906
Trade payables	776,935	3,631,127
Sundry payables and accruals	(942,057)	(685,886)
Contract liability	(110,400)	2,372,145
<i>Cash generated from/(used in) operations</i>	<u>2,017,232</u>	<u>(4,031,876)</u>
Income tax paid	(134,774)	(251,842)
<i>Net cash from/(used in) operating activities</i>	<u>1,882,458</u>	<u>(4,283,070)</u>
<b>Cash flows from investing activities</b>		
Dividend received	105,582	13,557
Interest received	93,744	16,154
Income distribution on short term funds	-	7,574
Purchase of property, plant and equipment	(24,366)	(87,855)
Net purchase of other investments	(561,175)	(2,000,000)
Proceeds from disposal of property, plant and equipment	-	22,500
<i>Net cash used in investing activities</i>	<u>(386,215)</u>	<u>(2,028,070)</u>
<b>Cash flows from financing activities</b>		
Fixed deposits pledged to a licensed bank	(3,982)	(2,520)
Purchase of treasury shares	(125,225)	-
Proceeds from issuance of ordinary shares pursuant to exercise of ESOS	28,053	201,521
<i>Net cash (used in)/from financing activities</i>	<u>(101,154)</u>	<u>199,001</u>



**Condensed Consolidated Statement of Cash Flows**  
**For the First Quarter Ended 31 March 2023 (Cont'd)**  
**(The figures have not been audited)**

	<b>3 months ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	1,395,089	(6,112,787)
<b>Effect of exchange differences in cash and cash equivalents</b>	(53,839)	2,492
<b>Cash and cash equivalents at beginning of period</b>	<u>38,944,126</u>	<u>29,673,565</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>40,285,376</u></u>	<u><u>23,563,270</u></u>
<b>Cash and cash equivalents at end of period comprises:</b>		
Cash and bank balances	4,617,882	3,392,330
Deposits with licensed banks	14,415,081	1,022,515
Short term funds	<u>21,959,803</u>	<u>19,842,486</u>
	40,992,766	24,257,331
Less: Fixed deposits pledged to a licensed bank	<u>(707,390)</u>	<u>(694,061)</u>
	<u><u>40,285,376</u></u>	<u><u>23,563,270</u></u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to these 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 2022. 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 2022.

### A2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the latest audited financial statements, except for the adoption of the following new and revised MFRSs, Amendments to MFRSs and IC interpretations.

#### **New and revised MFRSs, Amendments to MFRSs and IC interpretations adopted during the financial period**

<b>Title</b>	<b>Effective date</b>
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts - Initial Application of MFRS 17 and 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements - Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

The adoption of the above accounting standards and interpretations have no impact on the financial statements of the Group upon their initial application.

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

The auditors’ report on the financial statements for the financial year ended 31 December 2022 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 issuances, cancellations, repurchases, resale and repayment of debt and equity securities for the current quarter under review, except for the following:

**ESOS**

There were issuance of 25,000 ordinary shares at RM0.589 and 34,000 ordinary shares at RM0.392 respectively exercised by the eligible employees pursuant to the Employees' Share Option Scheme ("ESOS") during the current quarter ended 31 March 2023.

**A8. Dividend paid**

The second interim single tier dividend of 1 sen per ordinary share for the financial year ended 31 December 2022 totalling RM1,990,975 was paid on 18 April 2023.

**A9. Segment reporting**

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

**Information about geographical areas**

	<b>Revenue from external customers by location of customers RM</b>	<b>Non-current assets by location of assets RM</b>	<b>Capital expenditure by location of assets RM</b>
<b>3 months ended 31 March 2023</b>			
Malaysia	1,543,774	8,647,950	24,366
America	1,765,179	-	-
Asia (excludes Malaysia)	1,742,427	-	-
Europe	26,507	-	-
Consolidated	5,077,887	8,647,950	24,366
<b>3 months ended 31 March 2022</b>			
Malaysia	12,249,471	8,780,463	87,855
America	2,490,949	-	-
Asia (excludes Malaysia)	425,906	-	-
Europe	798,685	-	-
Consolidated	15,965,011	8,780,463	87,855

**A10. Post balance sheet events**

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





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

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

**A12. Contingent liabilities and contingent assets**

There were no contingent liabilities or contingent assets as at 31 March 2023 and up to the date of this report.

**A13. Capital commitments**

There were no capital commitments as at 31 March 2023.

**A14. Related party transactions**

	<b>Individual / Cumulative Quarter</b>	
	<b>31.3.2023</b>	<b>31.3.2022</b>
	<b>RM</b>	<b>RM</b>
Micro Carbide Engineering Sendirian Berhad		
- Precision tooling charges	-	580
- Rental income received	<b>150,520</b>	130,680

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

*(The rest of this page has been intentionally left blank)*



**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 →				
	31.3.2023 RM	31.12.2022 RM	Var %	31.3.2022 RM	Var %	31.3.2023 RM	31.3.2022 RM	Var %
<b>Revenue</b>	5,077,887	6,629,965	-23	15,965,011	-68	5,077,887	15,965,011	-68
Cost of sales	(4,706,751)	(5,283,296)	11	(9,954,582)	53	(4,706,751)	(9,954,582)	53
<b>Gross profit</b>	371,136	1,346,669	-72	6,010,429	-94	371,136	6,010,429	-94
Other operating income/(expenses)	1,293,799	367,807	252	(1,708,680)	175	1,293,799	(1,708,680)	175
Administrative expenses	(1,333,965)	(1,127,475)	-18	(1,311,359)	-	(1,333,965)	(1,311,359)	-
<b>Profit before tax</b>	330,970	587,001	-44	2,990,390	-89	330,970	2,990,390	-89
Tax expense	76,905	(120,040)		(323,464)		76,905	(323,464)	
<b>Net profit for the period</b>	407,875	466,961		2,666,926		407,875	2,666,926	

*Comparison with the corresponding period in the previous year*

The Group recorded a revenue of RM5.078 million for the current quarter, a decrease of 68% as compared to RM15.965 million of the corresponding quarter in the previous year due to lower demand for machines from our smart devices customers.

Gross margin has dropped significantly due to low volume of revenue while certain operational costs remain fixed.

Other operating income in the current quarter was mainly attributed to the gain on fair value adjustment of other investments as compared to the corresponding year quarter.

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

Revenue for the current quarter of RM5.078 million recorded a 23% decrease compared with the preceding quarter, mainly due to lower demand for machines from our smart devices customers.

Gross margin has dropped significantly due to low volume of revenue while certain operational costs remain fixed.

Other operating income in the current quarter was mainly attributed to the gain on fair value adjustment of other investments as compared with the preceding quarter.

**B3. Current year prospects**

In view of the challenging global market condition and the lack of orders, the Board expects the performance for the year to be affected accordingly and we are likely to record a lower profit.



**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:

	<b>Individual / Cumulative Quarter</b>	
	<b>31.3.2023</b>	<b>31.3.2022</b>
	<b>RM</b>	<b>RM</b>
<b>Profit before tax</b>	330,970	2,990,390
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	79,433	717,694
Non-deductible expenses	108,618	512,914
Non-taxable income	(250,643)	(6,234)
Pioneer income	(64,265)	(911,389)
Crystallisation of deferred tax liability	(2,548)	(2,548)
Unrecognised deferred tax assets	52,500	-
Underprovision of deferred tax liability in prior years	-	13,027
Tax expense	(76,905)	323,464

**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 2023 is as follows:

	<b>RM</b>
Balance as at 1 January 2023	9,486,148
Net purchases	561,175
Gain on fair value adjustments	797,023
Balance as at 31 March 2023	10,844,346

**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**

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.

**B12. Material litigation**

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.

	<b>Individual / Cumulative Quarter</b>	
	<b>31.3.2023</b>	<b>31.3.2022</b>
	<b>RM</b>	<b>RM</b>
Net profit after tax and minority interests (RM)	407,875	2,666,926
Weighted average number of ordinary shares in issue	199,089,162	198,914,607
Basic earnings per share (sen)	0.20	1.34

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.

	<b>Individual / Cumulative Quarter</b>	
	<b>31.3.2023</b>	<b>31.3.2022</b>
	<b>RM</b>	<b>RM</b>
Net profit after tax and minority interests (RM)	407,875	2,666,926
Effect of share options exercised - ESOS	1,278,200	1,624,750
Weighted average number of ordinary shares in issue (diluted)	200,367,362	200,539,357
Basic earnings per share (sen)	0.20	1.33



**B15. Profit before tax**

	<b>Individual / Cumulative Quarter</b>	
	<b>31.3.2023</b>	<b>31.3.2022</b>
	<b>RM</b>	<b>RM</b>
Depreciation of property, plant and equipment	149,324	133,732
Depreciation of right-of-use asset	18,871	18,871
Gain on disposal of property, plant and equipment	-	(22,500)
(Gain)/loss on fair value adjustment of other investments	(797,023)	1,895,600
Foreign exchange loss/(gain) - realised	(104,011)	63,426
- unrealised	33,212	13,545
Share options vested under ESOS	124,356	89,302
Written down of inventories	-	169,996
Written off of property, plant and equipment	1,269	-
Dividend income	(105,582)	(17,621)
Income distribution on short term funds	-	(7,574)
Interest income	(93,744)	(16,154)
Rental income	(150,520)	(130,680)

**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 26 May 2023.

*(The rest of this page has been intentionally left blank)*