



MMS VENTURES BERHAD

Registration No. 200401008621 (647125-P)

(Incorporated in Malaysia)

**Quarterly Report on Consolidated Results
For The Fourth Quarter Ended 31 December 2023**



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

	Note	31.12.2023 (Unaudited) RM	31.12.2022 (Audited) RM
ASSETS			
Non-current assets			
Property, plant and equipment		5,359,279	5,798,860
Right-of-use asset		2,918,703	2,994,188
Deferred tax asset		119,170	-
		<u>8,397,152</u>	<u>8,793,048</u>
Current assets			
Inventories		13,950,998	12,544,823
Other investments	B8	10,878,615	9,486,148
Trade receivables		1,554,513	7,342,475
Sundry receivables, deposits and prepayments		864,985	174,469
Current tax asset		242,473	86,594
Short term funds		21,500,648	21,802,159
Cash and cash equivalents		11,897,123	17,845,375
		<u>60,889,355</u>	<u>69,282,043</u>
TOTAL ASSETS		<u>69,286,507</u>	<u>78,075,091</u>
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		24,213,004	24,008,395
Share options reserve		1,773,852	1,407,723
Treasury shares		(6,821,712)	(6,492,515)
Retained profits		46,191,463	53,252,547
		<u>65,356,607</u>	<u>72,176,150</u>
Non-current liability			
Deferred tax liabilities		-	1,016,820
Current liabilities			
Trade payables		2,269,120	2,632,847
Sundry payables and accruals		1,541,780	2,138,874
Contract liability		119,000	110,400
		<u>3,929,900</u>	<u>4,882,121</u>
Total liabilities		<u>3,929,900</u>	<u>5,898,941</u>
TOTAL EQUITY AND LIABILITIES		<u>69,286,507</u>	<u>78,075,091</u>
Net assets per share (RM)		0.33	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 Fourth Quarter Ended 31 December 2023
(The figures have not been audited)**

	Note	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
		31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
Revenue		2,356,033	6,629,965	12,952,480	52,867,188
Cost of sales		(3,703,719)	(5,283,296)	(15,370,101)	(34,771,975)
Gross (loss)/profit		(1,347,686)	1,346,669	(2,417,621)	18,095,213
Other operating income/ (expense)		1,000,841	367,807	3,425,057	(2,792,974)
Administrative expenses		(1,236,935)	(1,127,475)	(5,150,002)	(5,505,369)
(Loss)/Profit before tax		(1,583,780)	587,001	(4,142,566)	9,796,870
Tax income/(expense)	B6	495,835	(120,040)	1,061,958	(749,766)
Net (loss)/profit for the period	B1	(1,087,945)	466,961	(3,080,608)	9,047,104
Attributable to:					
Shareholders of the Company		(1,087,945)	466,961	(3,080,608)	9,047,104
Minority interests		-	-	-	-
Net (loss)/profit for the period		(1,087,945)	466,961	(3,080,608)	9,047,104
(Loss)/Earnings per share	B14				
(i) Basic (sen)		(0.55)	0.23	(1.55)	4.55
(ii) Diluted (sen)		(0.55)	0.23	(1.54)	4.51

The condensed consolidated statement of profit or loss and other 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 Fourth Quarter Ended 31 December 2023
(The figures have not been audited)

	<u>Non-distributable</u>			<u>Distributable</u>	Total RM
	Share Capital RM	Share Options Reserve RM	Treasury Shares RM	Retained Profits RM	
At 1 January 2023	24,008,395	1,407,723	(6,492,515)	53,252,547	72,176,150
Transactions with owners					
Purchase of treasury shares	-	-	(329,197)	-	(329,197)
Share options vested under ESOS	-	426,435	-	-	426,435
Ordinary shares issued pursuant to exercise of ESOS	204,609	(60,306)	-	-	144,303
Dividend	-	-	-	(3,980,476)	(3,980,476)
	204,609	366,129	(329,197)	(3,980,476)	(3,738,935)
Net loss for the period	-	-	-	(3,080,608)	(3,080,608)
At 31 December 2023	24,213,004	1,773,852	(6,821,712)	46,191,463	65,356,607
At 1 January 2022	23,337,102	786,908	(6,009,182)	48,187,066	66,301,894
Transactions with owners					
Purchase of treasury shares	-	-	(483,333)	-	(483,333)
Share options vested under ESOS	-	823,668	-	-	823,668
Ordinary shares issued pursuant to exercise of ESOS	671,293	(202,853)	-	-	468,440
Dividend	-	-	-	(3,981,623)	(3,981,623)
	671,293	620,815	(483,333)	(3,981,623)	(3,172,848)
Net profit for the period	-	-	-	9,047,104	9,047,104
At 31 December 2022	24,008,395	1,407,723	(6,492,515)	53,252,547	72,176,150

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 Fourth Quarter Ended 31 December 2023
(The figures have not been audited)

	12 months ended 31 December	
	2023	2022
	RM	RM
Cash flows from operating activities		
(Loss)/Profit before tax	(4,142,566)	9,796,870
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	547,789	569,842
Depreciation of right-of-use asset	75,485	75,485
Loss/(Gain) on disposal of property, plant and equipment	1,169	(45,000)
(Gain)/Loss on fair value adjustment of other investments	(1,536,720)	4,218,551
Dividend income	(37,046)	(261,290)
Income distribution on short term funds	(237,043)	(18,738)
Interest income	(332,413)	(137,205)
Impairment loss on trade receivables	(2,759)	40,000
Share options vested under ESOS	426,435	823,668
Written down of inventories	714,441	234,716
Written off of property, plant and equipment	-	2,982
Unrealised foreign exchange loss	63,631	106,641
<i>Operating (loss)/profit before working capital changes</i>	(4,459,597)	15,406,522
<i>Changes in working capital:</i>		
Inventories	(2,120,616)	2,170,595
Trade receivables	5,778,172	(1,872,244)
Sundry receivables, deposits and prepayments	(690,516)	1,519,452
Trade payables	(364,315)	(3,031,166)
Sundry payables and accruals	(590,360)	(318,251)
Contract liability	8,600	(96,909)
<i>Cash (used in)/generated from operations</i>	(2,438,632)	13,777,999
Income tax paid	(229,911)	(810,916)
<i>Net cash (used in)/from operating activities</i>	(2,668,543)	12,967,083
Cash flows from investing activities		
Dividend received	37,046	46,234
Interest received	332,413	137,205
Income distribution on short term funds	237,043	18,738
Purchase of property, plant and equipment	(109,477)	(596,146)
Net disposal of other investments	144,253	694,684
Proceeds from disposal of property, plant and equipment	100	45,000
<i>Net cash from investing activities</i>	641,378	345,715
Cash flows from financing activities		
Fixed deposits pledged to a licensed bank	(15,218)	(11,867)
Purchase of treasury shares	(329,197)	(483,333)
Proceeds from issuance of ordinary shares pursuant to exercise of ESOS	144,303	468,440
Dividend paid	(3,980,476)	(3,981,623)
<i>Net cash used in financing activities</i>	(4,180,588)	(4,008,383)



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

	12 months ended 31 December	
	2023	2022
	RM	RM
Net (decrease)/increase in cash and cash equivalents	(6,207,753)	9,304,415
Effect of exchange differences in cash and cash equivalents	(57,228)	(33,854)
Cash and cash equivalents at beginning of period	38,944,126	29,673,565
Cash and cash equivalents at end of period	32,679,145	38,944,126
Cash and cash equivalents at end of period comprises:		
Cash and bank balances	4,981,287	3,871,757
Deposits with licensed banks	6,915,836	13,973,618
Short term funds	21,500,648	21,802,159
	33,397,771	39,647,534
Less: Fixed deposits pledged to a licensed bank	(718,626)	(703,408)
	32,679,145	38,944,126

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

Title	Effective date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Insurance Contracts - Initial Application of MFRS 17 and 9 - Comparative Information</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:

1) ESOS

There was issuance of 92,750 ordinary shares at RM0.392 exercised by the eligible employees pursuant to the Employees' Share Option Scheme ("ESOS") during the current quarter ended 31 December 2023.

2) Treasury shares

Number of treasury shares held as at 31 December 2023 were as follows:

Balance as at 1 January 2023	7,953,475
Add: Purchase of treasury shares	<u>603,000</u>
Balance as at 31 December 2023	<u><u>8,556,475</u></u>

A8. Dividend paid

The first interim single tier dividend of 1 sen per ordinary share for the financial year ended 31 December 2023 totaling RM1,990,975 was paid on 10 October 2023.

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A9. 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 December 2023			
Malaysia	808,212	8,277,982	44,586
America	56,215	-	-
Asia (excludes Malaysia)	345,533	-	-
Australia	67,601	-	-
Europe	1,078,472	-	-
Consolidated	<u>2,356,033</u>	<u>8,277,982</u>	<u>44,586</u>
3 months ended 31 December 2022			
Malaysia	3,014,939	8,793,048	3,000
America	2,154,841	-	-
Asia (excludes Malaysia)	863,972	-	-
Australia	58,741	-	-
Europe	537,472	-	-
Consolidated	<u>6,629,965</u>	<u>8,793,048</u>	<u>3,000</u>
12 months ended 31 December 2023			
Malaysia	5,150,617	8,277,982	109,477
America	2,690,411	-	-
Asia (exclude Malaysia)	3,648,026	-	-
Australia	238,955	-	-
Europe	1,224,471	-	-
Consolidated	<u>12,952,480</u>	<u>8,277,982</u>	<u>109,477</u>
12 months ended 31 December 2022			
Malaysia	34,465,690	8,793,048	596,146
America	8,510,690	-	-
Asia (exclude Malaysia)	5,418,501	-	-
Australia	270,570	-	-
Europe	4,201,737	-	-
Consolidated	<u>52,867,188</u>	<u>8,793,048</u>	<u>596,146</u>

A10. Post balance sheet events

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



A11. Changes in the composition of the Group

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

A12. Contingent liabilities and contingent assets

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

A13. Capital commitments

There were no capital commitments as at 31 December 2023.

A14. Related party transactions

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	12 months ended	12 months ended
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM	RM	RM	RM
Micro Carbide Engineering Sendirian Berhad				
- Precision tooling charges	-	-	-	580
- Rental income received	157,362	150,520	620,325	575,626

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 →		
	31.12.2023 RM	30.9.2023 RM	Var %	31.12.2022 RM	Var %	31.12.2023 RM	31.12.2022 RM	Var %
Revenue	2,356,033	2,598,685	-9	6,629,965	-64	12,952,480	52,867,188	-75
Cost of sales	(3,703,719)	(3,635,573)	-2	(5,283,296)	30	(15,370,101)	(34,771,975)	-56
Gross (loss)/profit	(1,347,686)	(1,036,888)	-30	1,346,669	-200	(2,417,621)	18,095,213	-113
Other operating income/(expense)	1,000,841	53,094	1785	367,807	172	3,425,057	(2,792,974)	223
Administrative expenses	(1,236,935)	(1,343,693)	8	(1,127,475)	-10	(5,150,002)	(5,505,369)	6
(Loss)/Profit before tax	(1,583,780)	(2,327,487)	32	587,001	-370	(4,142,566)	9,796,870	-142
Tax income/(expense)	495,835	219,515		(120,040)		1,061,958	(749,766)	
Net (loss)/profit for the period	(1,087,945)	(2,107,972)		466,961		(3,080,608)	9,047,104	

Comparison with the corresponding period in the previous year

The Group recorded a revenue of RM2.356 million for the current quarter, a decrease of 64% as compared to RM6.630 million of the corresponding quarter in the previous year due to low demand for machines from our customers resulted from the prolonged slowdown in the Semiconductor industry.

The low volume of revenue while certain operational costs remain fixed coupled with the provision for inventories write-down of RM714K have resulted into operational loss for the current quarter.

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

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

The Group recorded a revenue of RM12.952 million for the period-to-date, a decrease of 75% as compared to RM52.867 million reported in the previous financial period due to low demand for machines from our customers resulted from the prolonged slowdown in the Semiconductor industry.

The low volume of revenue for the year while certain operational costs remain fixed coupled with the provision for inventories write-down of RM714K have resulted into operational loss.

Other operating income in the current period was attributed to the gain on fair value adjustment of other investments.

Decrease in administrative expenses was mainly attributed to the decrease in expense of share options vested under ESOS.



B2. Variation of results against preceding quarter

Revenue for the current quarter of RM2.356 million recorded a slight decrease compared with the preceding quarter due to low demand for machines from our customers.

The low volume of revenue while certain operational costs remain fixed coupled with the provision for inventories write-down of RM714K have resulted into operational loss for the current quarter.

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

B3. Commentary on prospect

The global Semiconductor industry appears to be nearing the end of a down cycle and is expected to begin its recovery soon. The outlook for 2024 points to an upswing in the worldwide Semiconductor market.

The Group anticipates the sales revenue to improve gradually over the forth coming quarters. Moreover, we have successfully secured new businesses in the likes of the Medical and Energy Storage industries. We are cautiously optimistic that we will benefit from these new markets.

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 (income)/expense:

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
(Loss)/Profit before tax	(1,583,780)	587,001	(4,142,566)	9,796,870
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	(380,107)	140,881	(994,216)	2,351,249
Non-deductible expenses	410,957	81,471	674,029	1,450,566
Non-taxable income	(378,424)	(21,178)	(700,495)	(161,302)
Pioneer income	1,080	(78,586)	(35,352)	(2,888,124)
Crystallisation of deferred tax liability (Over)/Underprovision of deferred tax liability in prior years	(2,548)	(2,548)	(10,193)	(10,193)
Underprovision of prior year tax	-	-	(4,965)	7,570
Utilisation of previously unrecognized tax losses	-	-	9,234	-
Tax (income)/expense	(495,835)	120,040	(1,061,958)	749,766

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 2023 is as follows:

	RM
Balance as at 1 January 2023	9,486,148
Net disposal of other investments	(144,253)
Gain on fair value adjustments	1,536,720
Balance as at 31 December 2023	<u>10,878,615</u>

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

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
Net (loss)/profit after tax and minority interests (RM)	(1,087,945)	466,961	(3,080,608)	9,047,104
Weighted average number of ordinary shares in issue	199,013,103	199,024,402	199,013,103	199,024,402
Basic (loss)/earnings per share (sen)	(0.55)	0.23	(1.55)	4.55

b) Diluted EPS

Diluted EPS is calculated by dividing the net (loss)/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 Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
Net (loss)/profit after tax and minority interests (RM)	(1,087,945)	466,961	(3,080,608)	9,047,104
Effect of share options exercised - ESOS	393,200	1,418,700	393,200	1,418,700
Weighted average number of ordinary shares in issue (diluted)	199,406,303	200,443,102	199,406,303	200,443,102
Basic (loss)/earnings per share (sen)	(0.55)	0.23	(1.54)	4.51



B15. (Loss)/Profit before tax

	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
Depreciation of property, plant and equipment	116,550	146,940	547,789	569,842
Depreciation of right-of-use asset	18,872	18,872	75,485	75,485
Loss/(Gain) on disposal of property, plant and equipment	-	-	1,169	(45,000)
(Gain)Loss on fair value adjustment of other investments	(659,209)	(182,545)	(1,536,720)	4,218,551
Foreign exchange (gain)/loss				
- realised	(20,324)	(42,581)	(208,829)	(133,016)
- unrealised	105,816	303,080	63,631	106,641
Impairment loss on trade receivables	(2,759)	-	(2,759)	40,000
Share options vested under ESOS	53,367	118,965	426,435	823,668
Written down of inventories	714,441	32,381	714,441	234,716
Written off of property, plant and equipment	-	-	-	2,982
Dividend income	-	(60,043)	(37,046)	(261,290)
Income distribution on short term funds	(58,737)	(1,424)	(237,043)	(18,738)
Interest income	(68,360)	(80,678)	(332,413)	(137,205)
Rental income	(157,362)	(150,520)	(620,325)	(575,626)

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 February 2024.

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