



MMS VENTURES BERHAD

Registration No. 200401008621 (647125-P)

(Incorporated in Malaysia)

**Quarterly Report on Consolidated Results
For The First Quarter Ended 31 March 2024**



**Condensed Consolidated Statement of Financial Position
As at 31 March 2024**

	Note	31.3.2024 (Unaudited) RM	31.12.2023 (Audited) RM
ASSETS			
Non-current assets			
Property, plant and equipment		5,246,865	5,359,279
Right-of-use asset		2,899,832	2,918,703
Deferred tax assets		120,525	119,169
		<u>8,267,222</u>	<u>8,397,151</u>
Current assets			
Inventories		12,988,535	13,950,998
Other investments	B8	13,742,806	10,878,615
Trade receivables		3,610,446	1,554,513
Sundry receivables, deposits and prepayments		2,301,076	1,038,269
Current tax asset		272,670	242,473
Short term funds		19,169,666	21,500,648
Cash and cash equivalents		11,182,991	11,897,122
		<u>63,268,190</u>	<u>61,062,638</u>
TOTAL ASSETS		<u>71,535,412</u>	<u>69,459,789</u>
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		24,238,166	24,213,004
Share options reserve		1,847,608	1,773,852
Treasury shares		(6,903,290)	(6,812,712)
Retained profits		46,645,833	46,191,463
		<u>65,828,317</u>	<u>65,356,607</u>
Current liabilities			
Trade payables		1,441,723	518,948
Sundry payables and accruals		1,167,023	1,541,778
Contract liabilities		3,098,349	2,042,456
		<u>5,707,095</u>	<u>4,103,182</u>
Total liabilities		<u>5,707,095</u>	<u>4,103,182</u>
TOTAL EQUITY AND LIABILITIES		<u>71,535,412</u>	<u>69,459,789</u>
Net assets per share (RM)		0.33	0.33

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2024
(The figures have not been audited)

	Note	Individual / Cumulative Quarter Current Year Quarter 31.3.2024 RM	Preceding Year Quarter 31.3.2023 RM
Revenue		5,290,528	5,077,887
Cost of sales		(5,104,500)	(4,706,751)
Gross profit		186,028	371,136
Other operating income		1,642,195	1,293,799
Administrative expenses		(1,361,460)	(1,333,965)
Profit before tax		466,763	330,970
Tax (expense)/income	B6	(12,393)	76,905
Net profit for the period	B1	454,370	407,875
Attributable to:			
Shareholders of the Company		454,370	407,875
Minority interests		-	-
Net profit for the period		454,370	407,875
Earnings per share			
(i) Basic (sen)	B14	0.23	0.20
(ii) Diluted (sen)		0.23	0.20

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2024
(The figures have not been audited)

	Non-distributable			Distributable	Total RM
	Share Capital RM	Share Options Reserve RM	Treasury Shares RM	Retained Profits RM	
At 1 January 2024	24,213,004	1,773,852	(6,821,712)	46,191,463	65,356,607
Transactions with owners					
Purchase of treasury shares	-	-	(81,578)	-	(81,578)
Share options vested under ESOS	-	80,886	-	-	80,886
Ordinary shares issued pursuant to exercise of ESOS	25,162	(7,130)	-	-	18,032
	25,162	73,756	(81,578)	-	17,340
Net profit for the period	-	-	-	454,370	454,370
At 31 March 2024	24,238,166	1,847,608	(6,903,290)	46,645,833	65,828,317
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	-	-	(125,225)	-	(125,225)
Share options 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
At 31 March 2023	24,050,493	1,518,034	(6,617,740)	51,669,447	70,620,234

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.



Condensed Consolidated Statement of Cash Flows
For the First Quarter Ended 31 March 2024
(The figures have not been audited)

	3 months ended 31 March	
	2024	2023
	RM	RM
Cash flows from operating activities		
Profit before tax	466,763	330,970
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	112,414	149,324
Depreciation of right-of-use asset	18,871	18,871
Gain on fair value adjustment of other investments	(1,123,330)	(797,023)
Dividend income	(17,878)	(105,852)
Income distribution on short term funds	(53,704)	-
Interest income	(66,154)	(93,744)
Share options vested under ESOS	80,886	124,356
Written off of property, plant and equipment	-	1,269
Unrealised foreign exchange loss	11,540	33,212
<i>Operating loss before working capital changes</i>	<u>(570,592)</u>	<u>(338,347)</u>
<i>Changes in working capital:</i>		
Inventories	962,463	(26,401)
Trade receivables	(2,058,025)	2,701,013
Sundry receivables, deposits and prepayments	(1,262,807)	(18,171)
Trade payables	928,120	776,935
Sundry payables and accruals	(374,755)	(942,057)
Contract liabilities	1,057,731	(110,400)
<i>Cash (used in)/generated from operations</i>	<u>(1,317,865)</u>	<u>2,042,572</u>
Tax paid	(43,946)	(160,114)
<i>Net cash (used in)/from operating activities</i>	<u>(1,361,811)</u>	<u>1,882,458</u>
Cash flows from investing activities		
Dividend received	17,878	105,582
Interest received	66,154	93,744
Income distribution on short term funds	53,704	-
Purchase of property, plant and equipment	-	(24,366)
Net purchase of other investments	(1,740,861)	(561,175)
<i>Net cash used in investing activities</i>	<u>(1,603,125)</u>	<u>(386,215)</u>
Cash flows from financing activities		
Fixed deposits pledged to a licensed bank	(3,860)	(3,982)
Purchase of treasury shares	(81,578)	(125,225)
Proceeds from issuance of ordinary shares pursuant to exercise of ESOS	18,032	28,053
<i>Net cash used in financing activities</i>	<u>(67,406)</u>	<u>(101,154)</u>



Condensed Consolidated Statement of Cash Flows
For the First Quarter Ended 31 March 2024 (Cont'd)
(The figures have not been audited)

	3 months ended 31 March	
	2024	2023
	RM	RM
Net (decrease)/increase in cash and cash equivalents	(3,032,342)	1,395,089
Effect of exchange differences in cash and cash equivalents	(16,631)	(53,839)
Cash and cash equivalents at beginning of period	<u>32,679,145</u>	<u>38,944,126</u>
Cash and cash equivalents at end of period	<u><u>29,630,172</u></u>	<u><u>40,285,376</u></u>
Cash and cash equivalents at end of period comprises:		
Cash and bank balances	3,716,321	4,617,882
Deposits with licensed banks	7,466,670	14,415,081
Short term funds	<u>19,169,666</u>	<u>21,959,803</u>
	30,352,657	40,992,766
Less: Fixed deposits pledged to a licensed bank	<u>(722,485)</u>	<u>(707,390)</u>
	<u><u>29,630,172</u></u>	<u><u>40,285,376</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 2023 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 2023. 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 2023.

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
Amendment to MFRS 16 <i>Lease liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

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 2023 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 46,000 ordinary shares at RM0.392 exercised by the eligible employees pursuant to the Employees' Share Option Scheme ("ESOS") during the current quarter ended 31 March 2024.

2) Treasury shares

Number of treasury shares held as at 31 March 2024 were as follows:

Balance as at 1 January 2024	8,556,475
Add: Purchase of treasury shares	169,700
Balance as at 31 March 2024	<u>8,726,175</u>

A8. Dividend paid

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

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 March 2024			
Malaysia	4,366,513	8,267,222	-
America	93,001	-	-
Asia (excludes Malaysia)	162,161	-	-
Europe	668,853	-	-
Consolidated	<u>5,290,528</u>	<u>8,267,222</u>	<u>-</u>
3 months ended 31 March 2023			
Malaysia	1,543,774	8,647,950	24,366
America	1,765,179	-	-
Asia (excludes Malaysia)	1,742,427	-	-
Europe	26,507	-	-
Consolidated	<u>5,077,887</u>	<u>8,647,950</u>	<u>24,366</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 March 2024 and up to the date of this report.

A13. Capital commitments

There were no capital commitments as at 31 March 2024.

A14. Related party transactions

	Individual / Cumulative Quarter	
	31.3.2024	31.3.2023
	RM	RM
Micro Carbide Engineering Sendirian Berhad - Rental income received	157,362	150,520

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 →				
	31.3.2024 RM	31.12.2023 RM	Var %	31.3.2023 RM	Var %	31.3.2024 RM	31.3.2023 RM	Var %
Revenue	5,290,528	2,356,033	125	5,077,887	4	5,290,528	5,077,887	4
Cost of sales	(5,104,500)	(3,703,719)	-38	(4,706,751)	-8	(5,104,500)	(4,706,751)	-8
Gross profit/(loss)	186,028	(1,347,686)	114	371,136	-50	186,028	371,136	-50
Other operating income	1,642,195	1,000,841	64	1,293,799	27	1,642,195	1,293,799	27
Administrative expenses	(1,361,460)	(1,236,935)	-10	(1,333,965)	-2	(1,361,460)	(1,333,965)	-2
Profit/(loss) before tax	466,763	(1,583,780)	129	330,970	41	466,763	330,970	41
Tax (expense)/income	(12,393)	495,835		76,905		(12,393)	76,905	
Net profit/(loss) for the period	454,370	(1,087,945)		407,875		454,370	407,875	

Comparison with the corresponding period in the previous year

The Group recorded a revenue of RM5.29 million for the current quarter, an increase of 4% as compared to RM5.08 million of the corresponding quarter in the previous year as the demand for machines remained low.

Gross margin has been low for both current quarter and corresponding quarter in the previous year 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 RM5.29 million recorded a 125% increase compared with the preceding quarter, mainly due to delivery of machines to our medical equipment and automotive customers.

Gross margin has improved in the current quarter as compared with the preceding quarter as revenue improved.

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

The Board expects to achieve satisfactory profit from the introduction of its mixed products for the rest of the year. Contributions from the Semiconductor business will continue to contribute to our profitability.



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 / Cumulative Quarter	
	31.3.2024 RM	31.3.2023 RM
Profit before tax	466,763	330,970
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	112,023	79,433
Non-deductible expenses	272,770	108,618
Non-taxable income	(511,417)	(250,643)
Pioneer income	(88,009)	(64,265)
Crystallisation of deferred tax liability	(2,548)	(2,548)
Unrecognised deferred tax assets	228,382	52,500
Underprovision of deferred tax liability in prior years	1,192	-
Tax expense	<u>12,393</u>	<u>(76,905)</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 2024 is as follows:

	RM
Balance as at 1 January 2024	10,878,615
Net purchases	1,740,861
Gain on fair value adjustments	<u>1,123,330</u>
Balance as at 31 March 2024	<u>13,742,806</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 profit after tax and minority interests for the period by weighted average number of ordinary shares in issue during the period.

	Individual / Cumulative Quarter	
	31.3.2024	31.3.2023
	RM	RM
Net profit after tax and minority interests (RM)	454,370	407,875
Weighted average number of ordinary shares in issue	198,837,184	199,089,162
Basic earnings per share (sen)	0.23	0.20

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	
	31.3.2024	31.3.2023
	RM	RM
Net profit after tax and minority interests (RM)	454,370	407,875
Effect of share options exercised - ESOS	243,200	1,278,200
Weighted average number of ordinary shares in issue (diluted)	199,080,384	200,367,362
Basic earnings per share (sen)	0.23	0.20



B15. Profit before tax

	Individual / Cumulative Quarter	
	31.3.2024	31.3.2023
	RM	RM
Depreciation of property, plant and equipment	112,414	149,324
Depreciation of right-of-use asset	18,871	18,871
Gain on fair value adjustment of other investments	(1,123,330)	(797,023)
Foreign exchange loss/(gain) - realised	(111,217)	(104,011)
- unrealised	11,540	33,212
Share options vested under ESOS	80,886	124,356
Written off of property, plant and equipment	-	1,269
Dividend income	(17,878)	(105,582)
Income distribution on short term funds	(53,704)	-
Interest income	(66,154)	(93,744)
Rental income	(157,362)	(150,520)

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 21 May 2024.

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