



MMS VENTURES BERHAD

Registration No. 200401008621 (647125-P)

(Incorporated in Malaysia)

**Quarterly Report on Consolidated Results
For The Second Quarter Ended 30 June 2024**



**Condensed Consolidated Statement of Financial Position
As at 30 June 2024**

	Note	30.6.2024 (Unaudited) RM	31.12.2023 (Audited) RM
ASSETS			
Non-current assets			
Property, plant and equipment		5,148,200	5,359,279
Right-of-use asset		2,880,961	2,918,703
Deferred tax assets		123,073	119,169
		<u>8,152,234</u>	<u>8,397,151</u>
Current assets			
Inventories		15,197,700	13,950,998
Other investments	B8	11,524,407	10,878,615
Trade receivables		4,691,887	1,554,513
Sundry receivables, deposits and prepayments		3,824,501	1,038,269
Current tax asset		314,846	242,473
Short term funds		19,321,305	21,500,648
Cash and cash equivalents		10,841,491	11,897,122
		<u>65,716,137</u>	<u>61,062,638</u>
TOTAL ASSETS		<u>73,868,371</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		1,906,708	1,773,852
Treasury shares		(6,903,290)	(6,821,712)
Retained profits		47,419,414	46,191,463
		<u>66,660,998</u>	<u>65,356,607</u>
Current liabilities			
Trade payables		1,758,634	518,948
Sundry payables and accruals		1,213,219	1,541,778
Contract liabilities		4,235,520	2,042,456
		<u>7,207,373</u>	<u>4,103,182</u>
Total liabilities		<u>7,207,373</u>	<u>4,103,182</u>
TOTAL EQUITY AND LIABILITIES		<u>73,868,371</u>	<u>69,459,789</u>
Net assets per share (RM)		0.34	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 Second Quarter Ended 30 June 2024
(The figures have not been audited)**

	Note	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30.6.2024 RM	30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
Revenue		5,405,119	2,919,875	10,695,647	7,997,762
Cost of sales		(4,144,337)	(3,245,300)	(9,248,837)	(7,952,051)
Gross profit/(loss)		1,260,782	(325,425)	1,446,810	45,711
Other operating income		825,535	1,077,323	2,467,730	2,371,122
Administrative expenses		(1,299,505)	(1,314,167)	(2,660,965)	(2,648,132)
Profit/(Loss) before tax		786,812	(562,269)	1,253,575	(231,299)
Tax (expense)/income	B6	(13,231)	269,704	(25,624)	346,609
Net profit/(loss) for the period	B1	773,581	(292,565)	1,227,951	115,310
Attributable to:					
Shareholders of the Company		773,581	(292,565)	1,227,951	115,310
Minority interests		-	-	-	-
Net profit/(loss) for the period		773,581	(292,565)	1,227,951	115,310
Earnings/(Loss) per share	B14				
(i) Basic (sen)		0.39	(0.14)	0.62	0.06
(ii) Diluted (sen)		0.39	(0.14)	0.62	0.06

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 2023 and the accompanying explanatory notes attached to these interim financial statements.



Condensed Consolidated Statement of Changes in Equity
For the Second Quarter Ended 30 June 2024
(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 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	-	139,986	-	-	139,986
Ordinary shares issued pursuant to exercise of ESOS	25,162	(7,130)	-	-	18,032
	25,162	132,856	(81,578)	-	76,440
Net profit for the period	-	-	-	1,227,951	1,227,951
At 30 June 2024	24,238,166	1,906,708	(6,903,290)	47,419,414	66,660,998
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	-	-	(226,609)	-	(226,609)
Share options vested under ESOS	-	248,712	-	-	248,712
Ordinary shares issued pursuant to exercise of ESOS	152,234	(45,465)	-	-	106,769
Dividend payable	-	-	-	(1,990,975)	(1,990,975)
	152,234	203,247	(226,609)	(1,990,975)	(1,862,103)
Net profit for the period	-	-	-	115,310	115,310
At 30 June 2023	24,160,629	1,610,970	(6,719,124)	51,376,882	70,429,357

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 Second Quarter Ended 30 June 2024
(The figures have not been audited)

	6 months ended 30 June	
	2024	2023
	RM	RM
Cash flows from operating activities		
Profit/(Loss) before tax	1,253,575	(231,299)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	222,204	299,437
Depreciation of right-of-use asset	37,742	37,742
Loss on disposal of property, plant and equipment	-	1,169
Gain on fair value adjustment of other investments	(1,539,089)	(1,252,331)
Dividend income	(40,878)	(19,346)
Income distribution on short term funds	(103,879)	(131,193)
Interest income	(130,512)	(185,645)
Share options vested under ESOS	139,986	248,712
Unrealised foreign exchange gain	(14,644)	(49,446)
<i>Operating loss before working capital changes</i>	<u>(175,495)</u>	<u>(1,282,200)</u>
<i>Changes in working capital:</i>		
Inventories	(1,246,702)	(1,886,376)
Trade receivables	(3,138,893)	3,792,734
Sundry receivables, deposits and prepayments	(2,779,526)	94,418
Trade payables	1,239,581	1,302,428
Sundry payables and accruals	(328,559)	(922,726)
Contract liabilities	2,193,284	(110,400)
<i>Cash (used in)/generated from operations</i>	<u>(4,236,310)</u>	<u>987,878</u>
Income tax paid	(101,902)	(95,155)
<i>Net cash (used in)/from operating activities</i>	<u>(4,338,212)</u>	<u>892,723</u>
Cash flows from investing activities		
Dividend received	40,878	19,346
Interest received	130,512	185,645
Income distribution on short term funds	103,879	131,193
Purchase of property, plant and equipment	(11,125)	(60,241)
Net disposals/(purchases) of other investments	893,297	(576,211)
Proceeds from disposal of property, plant and equipment	-	100
<i>Net cash generated from/(used in) investing activities</i>	<u>1,157,441</u>	<u>(300,168)</u>
Cash flows from financing activities		
Fixed deposits pledged to a licensed bank	(7,782)	(7,692)
Purchase of treasury shares	(81,578)	(226,609)
Proceeds from issuance of ordinary shares pursuant to exercise of ESOS	18,032	106,769
Dividend paid	-	(1,990,975)
<i>Net cash used in financing activities</i>	<u>(71,328)</u>	<u>(2,118,507)</u>



Condensed Consolidated Statement of Cash Flows
For the Second Quarter Ended 30 June 2024 (Cont'd)
(The figures have not been audited)

	6 months ended 30 June	
	2024	2023
	RM	RM
Net decrease in cash and cash equivalents	(3,252,099)	(1,525,952)
Effect of exchange differences in cash and cash equivalents	9,342	27,079
Cash and cash equivalents at beginning of period	32,679,145	38,944,126
Cash and cash equivalents at end of period	29,436,388	37,445,253
Cash and cash equivalents at end of period comprises:		
Cash and bank balances	5,221,347	4,550,241
Deposits with licensed banks	5,620,144	11,464,486
Short term funds	19,321,305	22,141,626
	30,162,796	38,156,353
Less: Fixed deposits pledged to a licensed bank	(726,408)	(711,100)
	29,436,388	37,445,253

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:

Treasury shares

Number of treasury shares held as at 30 June 2024 were as follows:

Balance as at 1 January 2024	8,556,475
Add: Purchase	<u>169,700</u>
Balance as at 30 June 2024	<u><u>8,726,175</u></u>

A8. Dividend paid

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

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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 30 June 2024			
Malaysia	3,950,641	8,152,234	11,125
America	727,739	-	-
Asia (excludes Malaysia)	381,359	-	-
Australia	108,355	-	-
Europe	237,025	-	-
Consolidated	<u>5,405,119</u>	<u>8,152,234</u>	<u>11,125</u>
3 months ended 30 June 2023			
Malaysia	844,058	8,514,841	35,875
America	802,461	-	-
Asia (excludes Malaysia)	1,168,622	-	-
Australia	18,728	-	-
Europe	86,006	-	-
Consolidated	<u>2,919,875</u>	<u>8,514,841</u>	<u>35,875</u>
6 months ended 30 June 2024			
Malaysia	8,317,154	8,152,234	11,125
America	820,740	-	-
Asia (exclude Malaysia)	543,520	-	-
Australia	108,355	-	-
Europe	905,878	-	-
Consolidated	<u>10,695,647</u>	<u>8,152,234</u>	<u>11,125</u>
6 months ended 30 June 2023			
Malaysia	2,387,832	8,514,841	60,241
America	2,567,640	-	-
Asia (exclude Malaysia)	2,906,058	-	-
Australia	23,719	-	-
Europe	112,513	-	-
Consolidated	<u>7,997,762</u>	<u>8,514,841</u>	<u>60,241</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 30 June 2024 and up to the date of this report.

A13. Capital commitments

There were no capital commitments as at 30 June 2024.

A14. Related party transactions

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	6 months ended	6 months ended
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM	RM	RM	RM
Micro Carbide Engineering Sendirian Berhad - Rental income received	157,362	155,081	314,724	305,601

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 →		
	30.6.2024 RM	31.3.2024 RM	Var %	30.6.2023 RM	Var %	30.6.2024 RM	30.6.2023 RM	Var %
Revenue	5,405,119	5,290,528	2	2,919,875	85	10,695,647	7,997,762	34
Cost of sales	(4,144,337)	(5,104,500)	-19	(3,245,300)	28	(9,248,837)	(7,952,051)	16
Gross profit/(loss)	1,260,782	186,028	578	(325,425)	487	1,446,810	45,711	3065
Other operating income	825,535	1,642,195	-50	1,077,323	-23	2,467,730	2,371,122	4
Administrative expenses	(1,299,505)	(1,361,460)	-5	(1,314,167)	-1	(2,660,965)	(2,648,132)	-
Profit/(Loss) before tax	786,812	466,763	69	(562,269)	240	1,253,575	(231,299)	642
Tax expense/(income)	(13,231)	(12,393)		269,704		(25,624)	346,609	
Net profit/(loss) for the period	773,581	454,370		(292,565)		1,227,951	115,310	

Comparison with the corresponding period in the previous year

The Group recorded a revenue of RM5.405 million for the current quarter, an increase of 85% as compared to RM2.920 million of the corresponding quarter in the previous year, 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 corresponding quarter in the previous year following the improvement in revenue captured.

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 quarter in the previous year.

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

The Group recorded a revenue of RM10.696 million for the period-to-date, an increase of 34% as compared to RM7.998 million reported in the previous financial period due to increase in delivery of machines to our medical equipment and automotive customers.

Gross margin has improved in the current period as compared with the preceding period as a result of the improvement in revenue captured.

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



B2. Variation of results against preceding quarter

Revenue for the current quarter of RM5.405 million recorded a 2% increase compared with the preceding quarter, mainly due to a slightly higher demand for machines from our customers.

Gross margin has improved in the current quarter as compared with the preceding quarter in view of different types of machines sold.

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

B3. Current year prospects

The mainstay of our business for the past few years has always been associated with the smart devices. When the industry took a downturn, we made our foray into other industries mainly the medical equipment and energy storage business.

Our earlier investment in these businesses has largely paid off as can be seen in the current quarter commendable results and we intend to keep this momentum going.

With these new businesses mentioned above which have kept us busy, we are cautiously optimistic that our prospect for the rest of the year will remain positive.

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/(income):

	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	6 months ended	6 months ended
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM	RM	RM	RM
Profit/(Loss) before tax	786,812	(562,269)	1,253,575	(231,299)
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	188,835	(134,945)	300,858	(55,512)
Non-deductible expenses	57,581	83,574	330,351	192,192
Non-taxable income	(110,575)	(130,548)	(621,993)	(381,191)
Pioneer income	(6,910)	(27,771)	(94,919)	(92,036)
Crystallisation of deferred tax liability	(2,548)	(2,548)	(5,096)	(5,096)
Unrecognised deferred tax assets	(113,152)	-	115,231	-
(Over)/Underprovision of deferred tax liability in prior years	-	(4,966)	1,192	(4,966)
Reversal of unrecognised deferred tax assets	-	(52,500)	-	-
Tax expense/(income)	13,231	(269,704)	25,624	(346,609)



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 2024 is as follows:

	RM
Balance as at 1 January 2024	10,878,615
Net disposals	(893,297)
Gain on fair value adjustments	<u>1,539,089</u>
Balance as at 30 June 2024	<u>11,524,407</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.

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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		Cumulative Quarter	
	3 months ended		6 months ended	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM	RM	RM	RM
Net profit/(loss) after tax and minority interests (RM)	773,581	(292,565)	1,227,951	115,310
Weighted average number of ordinary shares in issue	198,806,344	199,080,091	198,806,344	199,080,091
Basic earnings/(loss) per share (sen)	0.39	(0.14)	0.62	0.06

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		Cumulative Quarter	
	3 months ended		6 months ended	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM	RM	RM	RM
Net profit/(loss) after tax and minority interests (RM)	773,581	(292,565)	1,227,951	115,310
Effect of share options exercised - ESOS	310,800	916,350	310,800	916,350
Weighted average number of ordinary shares in issue (diluted)	199,117,114	199,996,441	199,117,144	199,996,441
Basic earnings/(loss) per share (sen)	0.39	(0.14)	0.62	0.06



B15. Profit/(Loss) before tax

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.6.2024 RM	30.6.2023 RM	30.6.2024 RM	30.6.2023 RM
Depreciation of property, plant and equipment	109,790	150,113	222,204	299,437
Depreciation of right-of-use asset	18,871	18,871	37,742	37,742
(Gain)/Loss on disposal of property, plant and equipment	-	(100)	-	1,169
Gain on fair value adjustment of other investments	(415,759)	(455,308)	(1,539,089)	(1,252,331)
Foreign exchange (gain)/loss				
- realised	24,808	(88,466)	(86,409)	(192,477)
- unrealised	(26,184)	(82,658)	(14,644)	(49,446)
Share options vested under ESOS	59,100	124,356	139,986	248,712
Dividend income	(23,000)	(15,036)	(40,878)	(19,346)
Income distribution on short term funds	(50,175)	(25,611)	(103,879)	(131,193)
Interest income	(64,358)	(91,901)	(130,512)	(185,645)
Rental income	(157,362)	(155,081)	(314,724)	(305,601)

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 16 August 2024.

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