

# **MMIS BERHAD**

(Formerly known as MMIS Sdn Bhd)  
(Company No. 1315395-W)  
(Incorporated in Malaysia under the Companies Act, 2016)

## **FINANCIAL STATEMENTS FOR THE 2<sup>ND</sup> HALF-YEAR ENDED 30 JUNE 2019**

### **CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) (“LEAP MARKET”)**

**THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET AND MAIN MARKET OF BURSASECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTOR ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY US. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN US AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.**

# MMIS BERHAD

(Formerly known as MMIS Sdn Bhd)

Company No.: 1315395-W

(Incorporated in Malaysia)

## Unaudited condensed Consolidated Statement of Financial Position as at 30 June 2019

	Unaudited as at 30.6.2019 RM	Audited as at 30.6.2018 <sup>(1)</sup> RM
<b>Assets</b>		
Property, plant and equipment	9,470,249	6,522,626
Investment property	1,099,841	1,113,004
<b>Total non-current assets</b>	<u>10,570,090</u>	<u>7,635,630</u>
Inventories	1,013,483	358,558
Contract assets	747,915	-
Trade receivable	2,082,901	4,153,044
Other receivables, deposits and prepayments	205,436	362,686
Tax recoverable	534,450	-
Fixed deposits with a licensed bank	32,978	497,364
Cash and cash equivalents	4,508,171	3,030,458
<b>Total current assets</b>	<u>9,125,334</u>	<u>8,402,110</u>
<b>Total assets</b>	<u>19,695,424</u>	<u>16,037,740</u>
<b>Equity</b>		
Share capital	10,000,002	150,000
Merger deficit	(8,850,000)	-
Retained earnings	9,881,359	7,708,853
<b>Total equity</b>	<u>11,031,361</u>	<u>7,858,853</u>
<b>Liabilities</b>		
Deferred tax liabilities	237,000	34,839
Deferred income	240,000	270,000
Finance lease liabilities	2,519,219	1,986,707
Loan and borrowings	-	2,067,120
<b>Total non-current liabilities</b>	<u>2,996,219</u>	<u>4,358,666</u>
Trade payables	508,691	895,636
Other payables and accruals	648,075	629,331
Amount due to a related company	-	115,255
Finance lease liabilities	789,453	600,454
Loan and borrowings	3,721,625	972,003
Current tax liabilities	-	607,542
<b>Total current liabilities</b>	<u>5,667,844</u>	<u>3,820,221</u>
<b>Total liabilities</b>	<u>8,664,063</u>	<u>8,178,887</u>
<b>Total equity and liabilities</b>	<u>19,695,424</u>	<u>16,037,740</u>
<b>Net assets per share (sen)</b>	<u>2.45</u>	<u>5,239.24</u>

Notes:-

- (1) The comparative figures of the Group were presented based on the financial statements of the subsidiary, Multi Mould Industries Sdn Bhd("MMI") which were accounted for using the book value accounting, as the subsidiary was under common control by the same party both before and after the acquisition by the Company, and that control is not transitory.

# MMIS BERHAD

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Company No.: 1315395-W

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## Unaudited condensed Consolidated Statement of Profit or Loss and other Comprehensive Income for the 2<sup>nd</sup> Half-Year Ended 30 June 2019

	Individual 6 months ended <sup>(1)</sup>		Cumulative 12 months ended <sup>(2)</sup>	
	Unaudited		Unaudited	Audited
	30.06.2019	30.06.2018 <sup>(1)</sup>	30.06.2019	30.06.2018 <sup>(2)</sup>
	RM	RM	RM	RM
<b>Revenue</b>	5,755,645	N/A	13,576,641	17,015,955
Cost of sales	(3,148,777)	N/A	(6,659,703)	(8,362,364)
<b>Gross profit</b>	2,606,868	N/A	6,916,938	8,653,591
Other operating income	168,394	N/A	354,277	128,907
Administrative expenses	(1,707,149)	N/A	(2,353,879)	(2,957,214)
Selling and distribution costs	(130,613)	N/A	(180,914)	(181,697)
Other operating expenses	-	N/A	-	(69,380)
<b>Results from operating activities</b>	937,500	N/A	4,736,422	5,574,207
Finance cost	(221,370)	N/A	(401,021)	(304,533)
<b>Profit before tax</b>	716,130	N/A	4,335,401	5,269,674
Tax expense	145,595	N/A	(842,895)	(1,155,257)
<b>Profit for the period</b>	861,725	N/A	3,492,506	4,114,417
Other comprehensive income	-	N/A	-	-
<b>Total comprehensive income</b>	<u>861,725</u>	<u>N/A</u>	<u>3,492,506</u>	<u>4,114,417</u>

### Earnings per ordinary share (sen)

<b>Basic<sup>(3)</sup></b>	34.95	N/A	141.64	2,742.94
<b>Diluted<sup>(4)</sup></b>	N/A	N/A	N/A	N/A

Notes:-

- (1) This is the first interim financial report for the 2<sup>nd</sup> half-year ended 30 June 2019 announced in compliance with the LEAP Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). There are no comparative figures for the preceding period as no interim report was prepared for the comparative financial period concerned.
- (2) The comparative figures of the Group were presented based on the financial statements of the subsidiary, MMI which were accounted for using the book value accounting, as the subsidiary was under common control by the same party both before and after the acquisition by the Company, and that control is not transitory.
- (3) Basic earnings per share is calculated based on the Company's weighted average number of ordinary shares ("MMIS Shares" or "Shares") of 2,465,788 Shares as at 30 June 2019 and 150,000 ordinary shares of MMI as at 30 June 2018.
- (4) There are no dilutive potential equity instruments that would give a diluted effect to the basic earnings per shares.

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## Unaudited condensed Consolidated Statement of Changes in Equity for the 2<sup>nd</sup> Half-Year Ended 30 June 2019

	Share capital	Merger deficit	Distributable retained earnings	Total equity
	RM	RM	RM	RM
<b>At 22.2.2019 (date of incorporation)</b>	2	-	-	2
<i>Transactions with owners:-</i>				
- Share issued for acquisition of a subsidiary	10,000,000	-	-	10,000,000
- Effect of merger of subsidiary	-	(8,850,000)	7,708,853	(1,141,147)
- Dividend paid to owner of subsidiary	-	-	(1,320,000)	(1,320,000)
Total comprehensive income for the period	-	-	3,492,506	3,492,506
<b>Balance at 30 June 2019</b>	<u>10,000,002</u>	<u>(8,850,000)</u>	<u>9,881,359</u>	<u>11,031,361</u>

**MMIS BERHAD**  
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**Unaudited condensed Consolidated Statement of Cash Flow**

	<b>Cumulative 12 months ended</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>30 June 2019</b>	<b>30 June 2018<sup>(1)</sup></b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from operating activities</b>		
Profit before tax	4,335,401	5,269,674
Adjustments for:		
(Reversal of)/Allowance for doubtful debts	(128,445)	32,046
Amortisation of government grant	(30,000)	(30,000)
Bad debt written off	-	36,167
Depreciation of investment property	13,163	13,741
Depreciation of property, plant and equipment	738,944	655,095
Gain on disposal of property, plant and equipment	(124,863)	(20,550)
Finance cost	401,021	304,533
Interest income	(8,481)	(14,192)
	5,196,740	6,246,514
<b>Operating profit before changes in working capital</b>		
Changes in working capital:		
Inventories	(654,925)	39,876
Receivables	1,607,924	(1,282,548)
Fixed deposits with a licensed bank	(32,978)	(14,192)
Payables	(483,456)	78,923
	5,633,305	5,068,573
<b>Cash generated from operations</b>		
Tax paid	(1,782,726)	(625,000)
Interest received	8,481	14,192
	3,859,060	4,457,765
<b>Net cash from operating activities</b>		
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,279,277)	(374,878)
Acquisition of investment property	-	(246,745)
Proceeds from disposal of property, plant and equipment	488,000	237,000
	(791,277)	(384,623)
<b>Net cash used in investing activities</b>		

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**Unaudited condensed Consolidated Statement of Cash Flow (Cont'd)**

	<b>Cumulative 12 months ended</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>30 June 2019</b>	<b>30 June 2018<sup>(1)</sup></b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from financing activities</b>		
Interest paid	(401,021)	(304,533)
Proceeds of issuance of shares	1,000,002	-
Dividend paid to owners of subsidiary	(1,320,000)	(150,000)
Repayment to a related party	-	(2,892)
Repayment of financial lease liabilities	(1,098,916)	(504,641)
Repayment of term loans	(267,498)	(136,532)
Government grant received	-	300,000
<b>Net cash used in financing activities</b>	<u>(2,087,433)</u>	<u>(798,598)</u>
<b>Net increase in cash and cash equivalents</b>	980,350	3,274,544
<b>Effect of acquisition of subsidiary</b>	3,527,821	-
<b>Cash and cash equivalents at beginning of period</b>	<u>-</u>	<u>(244,086)</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>4,508,171</u></u>	<u><u>3,030,458</u></u>

Notes:-

- (1) The comparative figures of the Group were presented based on the financial statements of the subsidiary, MMI which were accounted for using the book value accounting, as the subsidiary was under common control by the same party both before and after the acquisition by the Company, and that control is not transitory.

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## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2<sup>nd</sup> HALF-YEAR ENDED 30 JUNE 2019

### A NOTES TO THE INTERIM FINANCIAL STATEMENTS

#### A1 **Basis of preparation**

MMIS Berhad (formerly known as MMIS Sdn Bhd) (“MMIS” or “the Company”) was incorporated in Malaysia on 22 February 2019 under the Companies Act 2016 with an issued share capital of RM 2.00 comprising 100 ordinary shares.

On 28 June 2019, the MMIS acquired the entire equity interest of Multi Mould Industries Sdn Bhd (“MMI”). The purchase consideration of RM10,000,000 was satisfied by the issuance of 449,999,900 units of new ordinary shares of RM0.10 each of MMIS. As a result of this acquisition, MMI became a wholly-owned subsidiary of MMIS.

The interim financial statements of MMIS and its subsidiary (“the Group”) are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting.

This is the first interim financial report on the Group’s unaudited condensed consolidated financial results for the 2<sup>nd</sup> half-year ended 30 June 2019 announced by the Company in compliance with Paragraph 6.12 of the LEAP Market Listing Requirements of Bursa Securities (“Listing Requirements”). The comparative figures have been presented as if the combination has occurred from the date when then combining entities first came under common control.

The interim financial report should be read in conjunction with the audited financial statements of MMI as disclosed in the Information Memorandum of the Company dated 28 June 2019 and the accompanying explanatory notes attached to the interim financial report.

#### A2 **Significant accounting policies**

The significant accounting policies of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2<sup>nd</sup> HALF-YEAR ENDED 30 JUNE 2019 (CONT'D)

### A2 Significant accounting policies (cont'd)

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group:

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019***

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2019 Cycle)\**
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2019 Cycle)\**
- Amendments to MFRS 112, *Income taxes (Annual Improvements to MFRS Standards 2015-2019 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement\**
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2019 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures\**

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2020***

- Amendments to MFRS 3, *Business Combinations – Definition of a Business<sup>#</sup>*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021***

- MFRS 17, *Insurance Contracts*



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## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2<sup>nd</sup> HALF-YEAR ENDED 30 JUNE 2019 (CONT'D)

### A2 Significant accounting policies (cont'd)

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plans to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning 1 July 2019 for those accounting standards, amendments and interpretation that are effective for annual periods beginning on or after 1 January 2019, except for those marked with “\*” which are not applicable to the Group and the Company;
- from the annual period beginning on 1 July 2020 for those accounting standards, interpretations and amendment that are effective for annual periods beginning on or after 1 January 2020, except for those marked with “#” which are not applicable to the Group and the Company; and

The Group and the Company does not plan to apply MFRS 17, *Insurance Contracts* and Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures* that are effective for annual periods beginning on 1 January 2021 and on or after a date yet to be confirmed respectively as they are not applicable to the Group and the Company.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company as mentioned below:

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## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2<sup>nd</sup> HALF-YEAR ENDED 30 JUNE 2019 (CONT'D)

### A2 Significant accounting policies (cont'd)

#### MFRS 16, Leases

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group will assess the financial impact that may arise from the adoption of MFRS 16.

### A3 Audit report of preceding annual financial statements

MMIS was incorporated in Malaysia on 22 February 2019 under the Companies Act 2016 thus there is no audit report of preceding annual financial statements.

The auditors' report on the financial statements of MMI for the financial year ended 30 June 2018 was not subject to any qualification.

### A4 Seasonal or cyclical factors

The Group operates pre-dominantly in the semiconductor industry thus the Group is vulnerable to the cyclical nature of the global semiconductor and electronics industry. Save as disclosed herein, the Group's operations were not affected materially by other seasonal or cyclical factors for the current financial period and the financial period-to-date under review.

### A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial period and financial period-to-date.

### A6 Material changes in estimates

There were no material changes in accounting estimates in the current financial period and financial period-to-date.

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## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2<sup>nd</sup> HALF-YEAR ENDED 30 JUNE 2019 (CONT'D)

### A7 Debt and equity securities

On 28 June 2019, MMIS acquired the entire equity interest of MMI. The purchase consideration of RM10,000,000 was satisfied by the issuance of 449,999,900 units of new ordinary shares of RM0.10 each of MMIS. As a result of this acquisition, MMI became a wholly-owned subsidiary of MMIS.

Save as disclosed above, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period and financial period-to-date.

### A8 Dividends

During the financial year ended 30 June 2019, dividends recognized as distribution to ordinary shareholders and irredeemable convertible preference shareholders of the subsidiary company, MMI:-

30 June 2019	Amount RM	Date of payment
Interim ordinary single-tier dividend of RM7.00 per share	1,050,000	31 December 2018
Second interim ordinary single-tier dividend of RM1.00 per share	150,000	29 January 2019
Irredeemable convertible preference shares("ICPS") dividend of RM 0.12 per ICPS	<u>120,000</u>	29 March 2019 and 30 June 2019
	<u><u>1,320,000</u></u>	

### A9 Segment information

There were no products, services and geographical location segment information presented as the Group is viewed as a single reportable segment.

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## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2<sup>nd</sup> HALF-YEAR ENDED 30 JUNE 2019 (CONT'D)

### A10 Profit before taxation

Included in the profit before taxation are the following (income) and expenses:

	Individual 6 months ended		Cumulative period	
	30 June 2019	30 June 2018 <sup>(1)</sup>	30 June 2019	30 June 2018 <sup>(2)</sup>
	RM'000	RM'000	RM'000	RM'000
Allowance for doubtful debts	-	N/A	-	32
Amortisation of government grant	15	N/A	30	30
Bad debts written off	-	N/A	-	36
Depreciation of investment property	7	N/A	13	14
Depreciation of property, plant and equipment	368	N/A	739	655
Loss on foreign exchange	-	N/A	-	1
Listing expenses <sup>(3)</sup>	568	N/A	568	-
Penalty	-	N/A	19	-
Fixed deposits interest received	(0.52)	N/A	(8)	(14)
Gain on disposal of property, plant and equipment	-	N/A	(125)	(21)
Rental income	(15)	N/A	(30)	(15)
Reversal of allowance for doubtful debts	(128)	N/A	(128)	-

Notes:-

- (1) This is the first interim financial report for the 2<sup>nd</sup> half-year ended 30 June 2019 announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding period as no interim report was prepared for the comparative financial period concerned.
- (2) The comparative figures of the Group were presented based on the financial statements of the subsidiary, MMI which were accounted for using the book value accounting, as the subsidiary was under common control by the same party both before and after the acquisition by the Company, and that control is not transitory.
- (3) Listing expenses is a one off expenses. MMIS had accrued all the listing expenses excluding placement fees.

### A11 Valuation of property, plant and equipment

There was no valuation on property, plant and equipment during the current financial period and financial period-to-date.

### A12 Material events subsequent to the end of the financial period

There were no material events subsequent to the end of the financial period.

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## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE 2<sup>nd</sup> HALF-YEAR ENDED 30 JUNE 2019 (CONT'D)

### A13 Contingent liabilities and contingent assets

There are no material contingent liabilities and contingent assets as at the date of this interim report.

### A14 Capital commitments

	<b>30.6.2019</b>
	<b>RM</b>
<b>Capital expenditure commitment</b>	
<b>Building</b>	
- Contracted but not provided for	<u><u>2,291,879</u></u>

### A15 Significant related party transaction

There were no significant related party transactions in the current financial period and financial period-to-date.

### A16 Financial liabilities

The Group has not entered into any derivatives and do not have any financial liabilities

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## B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENTS FOR THE LEAP MARKET

### B1 Review of performance

	Individual 6 months ended		Cumulative period	
	30 June 2019	30 June 2018 <sup>(1)</sup>	30 June 2019	30 June 2018 <sup>(2)</sup>
	RM'000	RM'000	RM'000	RM'000
Revenue	5,756	N/A	13,577	17,016
Gross profit ("GP")	2,607	N/A	6,917	8,654
Profit before tax ("PBT")	716	N/A	4,335	5,270
Profit after tax ("PAT")	862	N/A	3,493	4,114

Notes:-

- (1) This is the first interim financial report for the 2<sup>nd</sup> half-year ended 30 June 2019 announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding period as no interim report was prepared for the comparative financial period concerned.
- (2) The comparative figures of the Group were presented based on the financial statements of the subsidiary, MMI which were accounted for using the book value accounting, as the subsidiary were under common control by the same party both before and after the acquisition by the Company, and that control is not transitory.

The revenue of the Group for the financial year ended ("FYE") 30 June 2019 of RM13.577 million was derived entirely by MMI. The Group's revenue decreased by RM3.439 million or 20.21% during the FYE 30 June 2019 compare to the previous corresponding period, mainly due to the lower orders from the Group's existing semiconductor customers amidst the severe trade tension between US and China.

In line with the decreased revenue, the Group's gross profit decreased by approximately RM1.737 million or 20.07% during the FYE 30 June 2019, compared to the previous corresponding period. Nevertheless, the Group's overall GP margin for the FYE 30 June 2019 was 50.94% compared to 50.86% for the FYE 30 June 2018, in spite of recording lower revenue.

The Group recorded a PBT of RM4.335 million for the FYE 30 June 2019 against RM5.270 million in the corresponding period of the preceding year, representing a decrease of RM 0.935 million or 17.74%, due to the incurrence of listing expenses of RM0.568 million. Nevertheless, the Group's PBT margin did not decrease in tandem with the decrease of the PBT. For the FYE 30 June 2019, the Group's PBT margin was 31.93% while for the FYE 30 June 2018, the Group's PBT margin was 30.97%. The slight increase in PBT margin of 0.96% were mainly due to:-

- a) The increase in other income of RM0.225 million or 63.61% compared to the preceding year, mainly attributable to the gain on disposal of property, plant and equipment of RM0.125 million and reversal of allowance for doubtful debts of RM0.128 million; and
- b) The decrease in administrative expenses of RM0.603 million or 25.63% compared to the preceding year. The decrease in administrative expenses was mainly due to the absence of director fees of RM1.519 million in the current financial year.

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## **B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENTS FOR THE LEAP MARKET (CONT'D)**

### **B1 Review of performance (cont'd)**

The Group recorded a profit after tax of RM3.493 million for the FYE 30 June 2019 as compared to a profit after tax of RM 4.114 million for the FYE 30 June 2018, representing a decrease of RM 0.621 million or 15.09% in line with the decrease in revenue. However, the PAT margin for FYE 30 June 2019 increased to 25.72% from 24.18% for the FYE 30 June 2018 as a result of lower tax paid during the year due to overprovision in previous year of RM0.270 million and reinvestment allowance of RM0.70 million.

### **B2 Prospects**

As disclosed in the Information Memorandum of MMIS dated 28 June 2019, the Group has put in place a series of future plans that are expected to contribute to the growth of its business as follows:-

- (i) Expansion of production capacity via:
  - a. Increase production floor space; and
  - b. Recruitment of additional manpower to populate the Group's expanded production facilities.
  
- (ii) Enlarge the Group's customer base, by leveraging on its capabilities and technological know-how by:
  - a. Expanding the Group's range of offerings to its existing customers; and
  - b. Acquiring new customers (including those in the semiconductor industry), via targeted sales and marketing activities.

There has been no change in the business direction of the Group which may have an impact on the business of the Group.

Further details of the Group's business strategies and future plans as well as prospects are disclosed in Section 4.12 and 4.13 of the Information Memorandum dated 28 June 2019.

### **B3 Variance from profit forecast and profit guarantee**

Not applicable as the Group did not publish any profit forecast or profit guarantee in any public document or announcement.

# MMIS BERHAD

(Formerly known as MMIS Sdn Bhd)

Company No.: 1315395-W

(Incorporated in Malaysia)

## B ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES' LISTING REQUIREMENTS FOR THE LEAP MARKET (CONT'D)

### B4 Income tax expense

	Individual 6 months ended		Cumulative period	
	30 June 2019	30 June 2018 <sup>(1)</sup>	30 June 2019	30 June 2018 <sup>(2)</sup>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current taxation		N/A		
- Current year	28	N/A	879	1,179
- Prior year	(266)	N/A	(239)	(6)
	(238)	N/A	640	1,173
Deferred taxation				
- Current year	93	N/A	202	(18)
	(145)	NA	842	1,155

Notes:-

- (1) This is the first interim financial report for the 2<sup>nd</sup> half-year ended 30 June 2019 announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding period as no interim report was prepared for the comparative financial period concerned.
- (2) The comparative figures of the Group were presented based on the financial statements of the subsidiary, MMI which were accounted for using the book value accounting, as the subsidiary was under common control by the same party both before and after the acquisition by the Company, and that control is not transitory.

## C OTHER INFORMATION

### C1 STATUS OF CORPORATE PROPOSAL

On 29 July 2019, Bursa Securities approve MMIS's admission to the Official List of Bursa Securities and the listing of and quotation for the entire issued share capital of MMIS comprising up to 500,000,000 MMIS Shares on the LEAP Market of Bursa Securities subject to the condition that the minimum public spread of 10% pursuant to Rule 3.03 of the Listing Requirements must not include ordinary shares which are subject to moratorium.

As such, the Board has resolved to proceed with the maximum scenario i.e., to issue 50,000,000 issue MMIS Shares pursuant to the excluded issue.

### C2 Material litigation

There was no material litigation as at the date of this report.



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## C OTHER INFORMATION (CONT'D)

### C3 Earnings per share

Basic earnings per share (“EPS”)

Basic EPS was calculated by dividing the profit attributable to owners of the Company for the current financial quarter and the financial period-to-date by the weighted average number of ordinary shares in issue:

	Individual 6 months ended		Cumulative period	
	30 June 2019	30 June 2018 <sup>(1)</sup>	30 June 2019	30 June 2018 <sup>(2)</sup>
Profit attributable to owners of the Company (RM)	861,725	N/A	3,492,503	4,114,417
Weighted average number of Shares	2,465,788	N/A	2,465,788	150,000
Basic EPS (sen)	34.95	N/A	141.64	2,742.94

Notes:-

- (1) This is the first interim financial report for the 2<sup>nd</sup> half-year ended 30 June 2019 announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding period as no interim report was prepared for the comparative financial period concerned.
- (2) The comparative figures of the Group were presented based on the financial statements of the subsidiary, MMI which were accounted for using the book value accounting, as the subsidiary was under common control by the same party both before and after the acquisition by the Company, and that control is not transitory.
- (3) There are no dilutive potential equity instruments that would give diluted effect to the basic earnings per share.