



MMIS BERHAD

(Registration No.: 201901006068 (1315395-W))
(Incorporated in Malaysia under the Companies Act, 2016)

UNAUDITED SEMI- ANNUAL FINANCIAL STATEMENTS FOR THE 2ND HALF-YEAR ENDED 30 JUNE 2020

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 BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS 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 THEIR DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

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Unaudited Consolidated Statement of Financial Position as at 30 June 2020

	Unaudited as at 30.6.2020 RM	Audited as at 30.6.2019 RM
Assets		
Property, plant and equipment	12,783,235	9,470,249
Investment property	1,086,678	1,099,841
Total non-current assets	<u>13,869,913</u>	<u>10,570,090</u>
Inventories	3,104,678	1,013,483
Contract assets	2,548,116	747,915
Trade receivables	3,301,302	2,082,901
Other receivables, deposits and prepayments	136,828	205,436
Current tax assets	1,369,746	534,450
Fixed deposits with a licensed bank	33,916	32,978
Cash and cash equivalents	4,774,955	4,508,171
Total current assets	<u>15,269,541</u>	<u>9,125,334</u>
Total assets	<u>29,139,454</u>	<u>19,695,424</u>
Equity		
Share capital	14,768,002	10,000,002
Merger deficit	(8,850,000)	(8,850,000)
Retained earnings	9,988,903	9,881,359
Total equity	<u>15,906,905</u>	<u>11,031,361</u>
Liabilities		
Deferred tax liabilities	461,000	237,000
Deferred income	210,000	240,000
Finance lease liabilities	2,077,771	2,519,219
Loan and borrowings	4,257,795	-
Total non-current liabilities	<u>7,006,566</u>	<u>2,996,219</u>
Trade payables	577,250	508,691
Other payables and accruals	2,200,434	648,075
Finance lease liabilities	616,653	789,453
Loan and borrowings	831,646	3,721,625
Amount due to directors	2,000,000	-
Total current liabilities	<u>6,225,983</u>	<u>5,667,844</u>
Total liabilities	<u>13,232,549</u>	<u>8,664,063</u>
Total equity and liabilities	<u>29,139,454</u>	<u>19,695,424</u>
Net assets per share (sen)	<u>3.18</u>	<u>2.45</u>

Note: -

(1) Net asset per share is calculated based on the Company's number of shares of 500,000,000 ordinary share as at 30 June 2020 and 450,000,000 ordinary shares as at 30 June 2019.

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Unaudited Consolidated Statement of Profit or Loss and other Comprehensive Income for the 2nd Half-Year Ended 30 June 2020

	Individual 6 months ended		Cumulative 12 months ended	
	Unaudited 30.06.2020	Audited 30.06.2019 ⁽¹⁾	Unaudited 30.06.2020	Audited 30.06.2019 ⁽¹⁾
	RM	RM	RM	RM
Revenue	5,879,464	5,755,645	11,693,187	13,576,641
Cost of sales	(2,859,923)	(3,148,777)	(5,781,044)	(6,659,703)
Gross profit ("GP")	<u>3,019,541</u>	<u>2,606,868</u>	<u>5,912,143</u>	<u>6,916,938</u>
GP Margin	51.35%	45.29%	50.56%	50.94%
Other operating income	54,232	168,394	95,121	354,277
Administrative expenses	(1,257,742)	(1,707,149)	(2,409,905)	(2,353,879)
Selling and distribution costs	(109,570)	(130,613)	(192,780)	(180,914)
Other operating expenses	(2,945)	-	(2,945)	-
Results from operating activities	<u>1,703,516</u>	<u>937,500</u>	<u>3,401,634</u>	<u>4,736,422</u>
Finance costs	(146,434)	(221,370)	(337,821)	(401,021)
Profit before tax ("PBT")	<u>1,557,082</u>	<u>716,130</u>	<u>3,063,813</u>	<u>4,335,401</u>
PBT margin	26.48%	12.44%	26.20%	31.93%
Tax expense	(255,972)	145,595	(456,269)	(842,895)
Tax rate	<u>16.44%</u>	<u>(20.30%)</u>	<u>14.89%</u>	<u>19.44%</u>
Profit for the period/year	<u>1,301,110</u>	<u>861,725</u>	<u>2,607,544</u>	<u>3,492,506</u>
Other comprehensive income	-	-	-	-
Total comprehensive income	<u><u>1,301,110</u></u>	<u><u>861,725</u></u>	<u><u>2,607,544</u></u>	<u><u>3,492,506</u></u>

Earnings per share (sen)

Basic	0.26	34.95	0.53	141.64
Diluted⁽²⁾	N/A	N/A	N/A	N/A

Notes: -

(1) The Company was incorporated in Malaysia on 22 February 2019 under the Companies Act 2016 as a private limited company by shares under the name MMIS Sdn Bhd. On 29 April 2019, the Company was converted into a public company limited by shares and adopted the name MMIS Berhad ("MMIS"). On 28 June 2019, the Company completed the acquisition of the entire equity interest of Multi Mould Industries Sdn Bhd in conjunction with the listing of the Company on the LEAP Market of Bursa Securities, the previous corresponding periods as illustrated comprised of 6 months and 12 months to enable a more meaningful presentation for comparable purposes.

(2) There are no equity instruments in issue that would give a dilutive effect to the basic earnings per share.

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Unaudited Consolidated Statement of Changes in Equity for the 2nd Half-Year Ended 30 June 2020

	<---- Non-distributable ---->		Distributable	Total equity RM
	Share capital	Merger deficit	Retained earnings	
	RM	RM	RM	
At 22.2.2019 (date of incorporation)	2	-	-	2
<i>Transactions with owners:-</i>				
- Issue of ordinary shares	10,000,000	-	-	10,000,000
- Effect of merger of a wholly-owned subsidiary	-	(8,850,000)	6,508,853 (120,000)	(2,341,147) (120,000)
- Dividends to owners of the Group	-	-	-	-
Total comprehensive income for the period	-	-	3,492,506	3,492,506
At 30 June 2019	<u>10,000,002</u>	<u>(8,850,000)</u>	<u>9,881,359</u>	<u>11,031,361</u>
<i>Transactions with owners:-</i>				
- Share issuance pursuant to Initial Public Offering ("IPO")	5,000,000	-	-	5,000,000
- Transaction cost attributable to share issuance	(232,000)	-	-	(232,000)
- Dividend to owners of the Group	-	-	(2,500,000)	(2,500,000)
Total comprehensive income for the year	-	-	2,607,544	2,607,544
At 30 June 2020	<u>14,768,002</u>	<u>(8,850,000)</u>	<u>9,988,903</u>	<u>15,906,905</u>

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Unaudited Consolidated Statement of Cash Flows

	Cumulative 12 months ended	
	Unaudited	Audited
	30 June 2020	30 June 2019 ⁽¹⁾
	RM	RM
Cash flows from operating activities		
Profit before tax	3,063,813	4,335,401
Adjustments for:		
Amortisation of government grant	(30,000)	(30,000)
Depreciation of investment property	13,163	13,163
Depreciation of property, plant and equipment	586,983	738,944
Gain on disposal of property, plant and equipment	-	(124,863)
Finance costs	337,821	401,021
Finance income	(17,042)	(8,481)
Reversal of allowance for doubtful debts	-	(128,445)
Property, plant and equipment written off	6,622	-
Operating profit before changes in working capital	3,961,360	5,196,740
Changes in working capital:		
Inventories	(2,091,195)	(654,925)
Trade receivables	(1,218,401)	2,198,588
Fixed deposits with a licensed bank	(938)	464,385
Other receivable, deposits and prepayments	68,608	157,251
Trade payables	68,559	(386,946)
Contract assets	(1,800,201)	(747,915)
Other payables	1,552,359	18,745
Cash generated from operations	540,151	6,245,923
Interest received	17,042	8,481
Tax paid	(1,067,565)	(1,782,726)
Net cash (used in)/ generated from operating activities	(510,372)	4,471,678
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,504,091)	(1,279,277)
Proceeds from disposal of property, plant and equipment	-	488,000
Net cash used in investing activities	(2,504,091)	(791,277)

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Unaudited Consolidated Statement of Cash Flows (Cont'd)

	Cumulative 12 months ended	
	Unaudited	Audited
	30 June 2020	30 June 2019 ⁽¹⁾
	RM	RM
Cash flows from financing activities		
Interest paid	(337,821)	(401,021)
Proceeds from issuance of ordinary shares from IPO	5,000,000	2
Proceeds from issue of preference shares	-	1,000,000
Issuance of share expenses	(232,000)	-
Dividends paid to owners of the Company	(2,500,000)	(120,000)
Repayment of financial lease liabilities	(614,248)	(1,098,916)
Repayment to a related party	-	(115,255)
Repayment of term loans	(2,084,684)	(267,498)
Drawdown of loans and borrowings	2,050,000	-
Advances from Directors	2,000,000	-
Net cash generated from/ (used in) financing activities	3,281,247	(1,002,688)
Net increase in cash and cash equivalents	266,784	2,677,713
Effect of merger of subsidiary	-	1,830,458
Cash and cash equivalents at beginning of year/period	4,508,171	-
Cash and cash equivalents at end of year/period	4,774,955	4,508,171

Note:-

- (1) The Company was incorporated in Malaysia on 22 February 2019 under the Companies Act 2016 as a private limited company by shares under the name MMIS Sdn Bhd. On 29 April 2019, the Company was converted into a public company limited by shares and adopted the name MMIS Berhad ("MMIS"). On 28 June 2019, the Company completed the acquisition of the entire equity interest of Multi Mould Industries Sdn Bhd in conjunction with the listing of the Company on the LEAP Market of Bursa Securities, the previous corresponding period as illustrated comprised of 12 months to enable a more meaningful presentation for comparable purposes.

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EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2nd HALF-YEAR ENDED 30 JUNE 2020

A1 Basis of preparation

The Company was incorporated in Malaysia on 22 February 2019 under the Companies Act 2016 as a private limited company by shares under the name MMIS Sdn Bhd. On 29 April 2019, the Company was converted into a public company limited by shares and adopted the name MMIS Berhad (“MMIS”).

On 6 September 2019, the Company was officially listed on the Leading Entrepreneur Accelerator Platform (“LEAP”) Market of Bursa Malaysia Securities Berhad (“Bursa Securities”), raising RM5.00 million from the excluded issue of 50,000,000 new ordinary shares in MMIS at an issue price of RM0.10 per ordinary share to sophisticated investors (*within the meanings of Section 230 Capital Markets and Services Act 2007*).

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 unaudited interim financial report on the Group’s unaudited consolidated financial results for the 2nd half-year ended 30 June 2020 is announced by the Company in compliance with Paragraph 6.12 of the LEAP Market Listing Requirements of Bursa Securities (“Listing Requirements”).

The unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the financial period ended from 22 February 2019 to 30 June 2019 and the accompanying explanatory notes attached to this unaudited interim financial report.

A2 Significant accounting policies

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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 and the Company:

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*[#]
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

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EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2nd HALF-YEAR ENDED 30 JUNE 2020 (CONT'D)

A2 Significant accounting policies (cont'd)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework**
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract**
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

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 initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current and prior financial statements of the Group and the Company.

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EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2nd HALF-YEAR ENDED 30 JUNE 2019 (CONT'D)

A3 Audit report of preceding annual financial statements

The auditors' report on the financial statements of MMIS for the financial period ended from 22 February 2019 to 30 June 2019 was not subject to any qualification.

A4 Seasonal or cyclical factors

The Group's operations were not affected materially by other seasonal or cyclical factors for the current financial year 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 year and financial period-to-date.

A6 Material changes in estimates

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

A7 Debt and equity securities

On 6 September 2019, MMIS was officially listed on the LEAP Market of Bursa Securities, raising RM5.00 million from the excluded issue of 50,000,000 new ordinary shares in MMIS at an issue price of RM0.10 per ordinary share to sophisticated investors (*within the meanings of Section 230 Capital Markets and Services Act 2007*).

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

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EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2nd HALF-YEAR ENDED 30 JUNE 2020 (CONT'D)

A8 Dividend

No dividend had been declared and paid save for the single tier interim dividend of RM0.005 per ordinary share in respect of the financial year ended 30 June 2020 amounting to RM2,500,000 was paid on 10 December 2019.

A9 Segment information

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

A10 Profit before taxation

Profit before taxation is arrived at after charging/(crediting) the following expenses/(income):

	Individual 6 months ended		Cumulative 12 months ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	RM'000	RM'000	RM'000	RM'000
Depreciation of investment property	7	7	13	13
Depreciation of property, plant and equipment	156	369	587	739
Listing expenses	166	568	166	568
Amortisation of government grant	15	15	30	30
Property, plant and equipment written off	6	-	6	-
Interest received	(11)	*	(17)	(8)
Gain on disposal of property, plant and equipment	-	-	-	(125)
Reversal of allowance for doubtful debts	-	-	-	(128)
Rental income	(16)	(15)	(31)	(30)

Note: -

* Amount below RM1,000

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EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2nd HALF-YEAR ENDED 30 JUNE 2020 (CONT'D)

A11 Valuation of property, plant and equipment

There was no valuation on property, plant and equipment and investment property during the current financial year 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 up to the date of this announcement.

A13 Contingent liabilities and contingent assets

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

A14 Capital commitments

Save as disclosed below, there were no material capital commitments in respect of property, plant and equipment as at the end of the current financial period.

	As at 30.6.2020 RM
Capital expenditure commitment	
Land and building	
- Contracted but not provided for	<u>841,500</u>

A15 Significant related party transaction

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

A16 Financial liabilities

The Group has not entered into any derivatives instruments and does not have any other financial liabilities saved as disclosed in the Statement of Financial Position.

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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 12 months ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	RM'000	RM'000	RM'000	RM'000
Revenue	5,879	5,756	11,693	13,577
GP	3,020	2,607	5,912	6,917
PBT	1,557	716	3,064	4,335
Profit after tax ("PAT")	1,301	862	2,608	3,493

Review of 2nd Half year ended 30 June 2020 vs 2nd Half year ended 30 June 2019

For the 2nd half year ended 30 June 2020, the Group recorded revenue of RM5.879 million, which increased by approximately RM0.123 million or 2.14% as compared to the 2nd half year ended 30 June 2019. The marginal increase in revenue was mainly due to increased orders received from customers and the increased of usage and productivity in computer numerated control (CNC) machines.

The Group's gross profit increased by RM0.413 million or 15.85% in the 2nd half year ended 30 June 2020 as compared to the 2nd half year ended 30 June 2019 while the Group's gross profit margin had increased 6.08 percentage point from 45.29% to 51.37%. This was mainly due to the Group's recorded lower cost of sales in the 2nd half year ended 30 June 2020 as the Group increase in revenue due to increase order received from customers and the increase of usage and productivity in computer numerated control (CNC) machines to reduce its cost of production. In line with increased 5 new CNC machines, the Group had managed to reduce its dependent on manpower.

For the 2nd half year ended 30 June 2020, the Group's PBT increased by RM0.841 million or 117.46% compared to the 2nd half year ended 30 June 2019. The increase in PBT was mainly due to higher GP and lower administrative expenses.

Review of results for the financial year ended 30 June 2020 ("FYE 2020") vs the financial year ended 30 June 2019 ("FYE 2019")

In the FYE 2020, the Group's revenue of RM11.693 million was approximately RM1.884 million or 13.88% lower than FYE 2019 mainly attributable to the disruption to our production capacities due to movement control order imposed by the government to control the Covid-19 pandemic in recent months since 18 March 2020. In addition, the Group continue to experience lower order from customers due to the severe trade tension between US and China since 2019 that impacted global supply chain and our major customers. Accordingly, the Group as supply and delivery of raw materials and finished products were impacted.

In tandem with the lower revenue recorded in FYE 2020, the Group's gross profit decreased by RM1.005 million or 14.53% as compared to FYE 2019. Gross profit margin of 50.56% in FYE 2020 was comparable to 50.95% achieved in FYE 2019. The Group manage to maintain 50% gross profit margin is due to the continued cost management effort and Group's received wages subsidy from the government.

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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)

Review of results for FYE 2020 vs FYE 2019 (cont'd)

For the FYE 2020, the Group's PBT of RM3.064 million decreased by RM1.271 million or 29.32% as compared to RM4.335 million achieved in FYE 2019. The lower PBT in FYE 2020 was mainly due to lower revenue, lower other income and higher administrative costs. In the FYE 2020, other income declined to RM0.095 million from RM0.354 million recorded in FYE 2019 due to non-recurring one-time gain from disposal of fixed assets of RM0.125 million and reversal of allowance of doubtful debts of RM0.128 million in FYE 2019. Higher administrative cost in FYE 2020 was due to IPO related expenses and higher staff cost (mainly at the management level to enhance capacity and capabilities in accounting, financial reporting, risk management and internal control functions).

B2 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.

B3 Income tax expense

	Individual 6 months ended		Cumulative period	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	RM'000	RM'000	RM'000	RM'000
Current taxation				
- Current year	(53)	28	147	879
- Prior year	85	(266)	85	(238)
	32	(238)	232	641
Deferred taxation				
- Current year	231	93	231	202
- Prior year	(7)	-	(7)	-
	224	93	224	202
Total tax expenses	256	(145)	456	843

B3 Plans & Strategies

The Group's plans and strategies to grow its business remain as follows: -

1. Expansion of production capacity via:
 - i. Increase production floor space; and
 - ii. Recruitment of additional manpower to populate the Group's expanded production facilities.

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

B3 Plans & Strategies (cont'd)

2. Enlarge the Group's customers base, by leveraging on its capabilities and technological know-how by:
 - i. Expanding the Group's range of offerings to its existing customers; and
 - ii. 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 during FYE 2020 which may have an impact on the business of the Group.

B4 Prospects

With the continued efforts to contain the Covid-19 pandemic in Malaysia and other parts of the world coupled with the efforts by governments (especially in the developed countries) to promote economic recovery through various measures had been positive with signs of reversal of the downward trend economic growth.

Against such backdrop, the Board of Directors foresees the global semiconductor industry to continue to grow moderately, driven by increase in demand and or strong growth in Artificial Intelligence (AI), Internet of Things (IoT), smart phone upgrades and the advance fifth-generation wireless technology (5G) deployment globally.

The Group's customers are in "Electrical and Electronic" sector (semiconductor and its components and equipment) are essential goods for the global economy. In addition, the Group's principal activity in precision engineering is deemed essential and critical supply to the semiconductor industry. The Board is mindful of the implementation of the Group's plans and strategies and is cautiously optimistic on the business prospects of the Group's financial performance for the financial year ending 30 June 2021.

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C OTHER INFORMATION

C1 STATUS OF CORPORATE PROPOSAL

On 29 July 2019, Bursa Securities approved 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 ordinary 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 of Directors of MMIS had resolved to proceed with the maximum scenario i.e., to issue 50,000,000 new ordinary shares in MMIS pursuant to the excluded issue.

On 6 September 2019, the Company was officially listed on the LEAP Market of Bursa Securities, raising RM5.00 million from the excluded issue of 50,000,000 new ordinary shares in MMIS at an issue price of RM0.10 per ordinary share to sophisticated investors (*within the meanings of Section 230 Capital Markets and Services Act 2007*).

There was no corporate proposal announced pending completion as at the date of this unaudited interim financial report.

C2 Utilisation of proceeds

The status of the utilisation of proceeds from the excluded issue of RM5.00 million as at 30 June 2020 was as follows:

	Proposed utilisation	Actual utilisation	Intended timeframe for utilisation	Remaining balance
	RM'000	RM'000		RM'000
Capital expenditure ⁽¹⁾	2,000	(2,000)	Within 24 months	-
Working capital ⁽²⁾	2,000	(2,000)	Within 12 months	-
Estimated expenses ⁽³⁾	1,000	(1,000)	Immediate	-
Total	5,000	(5,000)		-

Notes: -

- (1) The total actual capital expenditure of approximately RM2.573 million includes the purchase of one (1) Grinding Machine for RM0.335 million, one (1) CNC Turret Punch Press for RM0.350 million, two (2) CNC Heavy Cutting Machining Center for RM0.788 million and one (1) "RAS" Brand Folding Machine for RM1.100 million. The total proposed utilisation for capital expenditure from the excluded issue of RM2.0 million was fully utilised and the balance will be paid via internally generated funds and bank borrowings.
- (2) The total actual utilisation for working capital includes payment to trade creditors for the purchase of raw materials totalling approximately RM1.927 million and salaries for machinists of approximately RM0.142 million. The proposed total utilisation for working capital from the excluded issue of RM2.0 million was fully utilised and the balance will be paid via internally generated funds and bank borrowings.
- (3) The total proposed utilisation of RM1.0 million from the excluded issue for estimated expenses for the IPO such as payment for professional and placement fees, fee to authorities, printing fees, and investor relations expenses and miscellaneous (including travelling cost and other out-of-pocket expenses) had been fully utilised.

The above status of utilisation as at 30 June 2020 should be read in conjunction with the Information Memorandum of the Company dated 28 June 2019.

MMIS BERHAD

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(Incorporated in Malaysia under the Companies Act, 2016)

C OTHER INFORMATION (CONT'D)

C3 Material litigation

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

C4 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 period-to-date and the financial year by the weighted average number of ordinary shares in issue:

	Individual 6 months ended		Cumulative 12 months ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Profit attributable to owners of the Company (RM)	1,301,110	861,725	2,607,544	3,492,506
Weighted average number of ordinary shares	500,000,000	2,465,788	490,821,918	2,465,788
Basic EPS (sen)	0.26	34.95	0.53	141.64

Note: -

- (1) There are no equity instruments in issue that would give a potential dilutive effect to the basic earnings per share.