

MCE HOLDINGS BERHAD (1158341-K)*(Incorporated In Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
(THE FIGURES HAVE NOT BEEN AUDITED)

| | As at 31.01.2017 Unaudited RM'000 | As at 31.07.2016 Audited RM'000 |
|---|--|--|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 60,409 | 61,553 |
| Investment property | 1,999 | 2,007 |
| Intangible asset | 540 | 1,084 |
| Deferred tax assets | - | 246 |
| | <u>62,948</u> | <u>64,890</u> |
| Current Assets | | |
| Inventories | 16,277 | 16,635 |
| Trade receivables | 25,891 | 14,250 |
| Other receivables | 1,002 | 932 |
| Tax recoverable | 365 | 475 |
| Cash and bank balances | 8,233 | 12,835 |
| | <u>51,768</u> | <u>45,127</u> |
| TOTAL ASSETS | <u>114,716</u> | <u>110,017</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the company | | |
| Share capital | 44,405 | 44,405 |
| Reserves | 48,049 | 46,550 |
| | <u>92,454</u> | <u>90,955</u> |
| Non-controlling Interests | 9 | 9 |
| Total Equity | <u>92,463</u> | <u>90,964</u> |
| Non-Current Liabilities | | |
| Borrowings | 1,989 | 3,315 |
| Deferred tax liabilities | 116 | - |
| | <u>2,105</u> | <u>3,315</u> |
| Current Liabilities | | |
| Borrowings | 2,252 | 2,263 |
| Trade payables | 13,300 | 7,757 |
| Other payables | 4,596 | 5,718 |
| | <u>20,148</u> | <u>15,738</u> |
| Total Liabilities | <u>22,253</u> | <u>19,053</u> |
| TOTAL EQUITY AND LIABILITIES | <u>114,716</u> | <u>110,017</u> |
| Net assets per stock unit attributable to ordinary equity holders of the company (RM) | <u>2.0821</u> | <u>2.0483</u> |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2016.

MCE HOLDINGS BERHAD (1158341-K)*(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 JANUARY 2017**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTERS | |
|--|---------------------------|--------------------|----------------------------|--------------------|
| | 3 Months Ended | | 6 Months Ended | |
| | 31-Jan-17 | 31-Jan-16 | 31-Jan-17 | 31-Jan-16 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Revenue | 24,600 | 20,403 | 45,833 | 42,809 |
| Cost of sales | <u>(20,791)</u> | <u>(19,700)</u> | <u>(38,269)</u> | <u>(38,934)</u> |
| Gross profit | 3,809 | 703 | 7,564 | 3,875 |
| Other income | 159 | 127 | 323 | 295 |
| Selling and administrative expenses | (3,043) | (2,185) | (5,618) | (5,084) |
| Finance costs | <u>(62)</u> | <u>(105)</u> | <u>(132)</u> | <u>(224)</u> |
| Profit/(loss) before tax | 863 | (1,460) | 2,137 | (1,138) |
| Taxation | (280) | 271 | (638) | 92 |
| Profit/(loss) for the period | <u>583</u> | <u>(1,189)</u> | <u>1,499</u> | <u>(1,046)</u> |
| Other comprehensive income/(loss): | | | | |
| Other comprehensive income/(loss) for the period | - | - | - | - |
| Total comprehensive income/(loss) for the period | <u>583</u> | <u>(1,189)</u> | <u>1,499</u> | <u>(1,046)</u> |
| Profit/(loss) attributable to: | | | | |
| Equity holders of the company | 583 | (1,189) | 1,499 | (1,046) |
| Non-controlling interests | - | - | - | - |
| | <u>583</u> | <u>(1,189)</u> | <u>1,499</u> | <u>(1,046)</u> |
| Total comprehensive income/(loss) attributable to: | | | | |
| Equity holders of the company | 583 | (1,189) | 1,499 | (1,046) |
| Non-controlling interests | - | - | - | - |
| | <u>583</u> | <u>(1,189)</u> | <u>1,499</u> | <u>(1,046)</u> |
| Earnings/(losses) per share attributable to equity holders of the company: | | | | |
| Basic and diluted (sen) | <u>1.31</u> | <u>(2.68)</u> | <u>3.38</u> | <u>(2.36)</u> |

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 July 2016.

MCE HOLDINGS BERHAD (1158341-K)*(Incorporated in Malaysia)***NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

The following amounts have been charged/ (credited) in arriving at profit before tax:

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTERS | |
|---|---------------------------|--------------------|----------------------------|--------------------|
| | 3 Months Ended | | 6 Months Ended | |
| | 31-Jan-17 | 31-Jan-16 | 31-Jan-17 | 31-Jan-16 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Interest income | (67) | (99) | (146) | (196) |
| Interest expenses | 62 | 105 | 132 | 224 |
| Depreciation | 1,196 | 1,168 | 2,360 | 2,327 |
| Amortisation of development costs | 272 | 272 | 544 | 544 |
| Impairment of golf club membership | 1 | 1 | 1 | 1 |
| (Reversal)/provision for warranties | (80) | 404 | (752) | 991 |
| Obsolete inventories written off | 264 | 461 | 298 | 461 |
| Gain on disposal of plant and equipment | (1) | - | (1) | - |
| Loss/ (gain) on foreign exchange | | | | |
| - realised | 296 | (115) | 346 | 313 |
| - unrealised | (23) | 4 | (3) | (102) |
| Plant and equipment written off | 30 | 1 | 30 | 1 |

Save as disclosed above and in the Condensed Consolidated Statement of Comprehensive Income, the other items required by Bursa Malaysia Securities Berhad Main Market Listing Requirements, Chapter 9, Appendix 9B are not applicable to the Group.

MCE HOLDINGS BERHAD (1158341-K)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 JANUARY 2017**

(The figures have not been audited)

| | Attributable to Equity Holders of the Company | | | | | Total RM'000 | Non-controlling Interests RM'000 | Total Equity RM'000 |
|---|---|----------------------------|---|--|-------------------------------|-----------------|--|---------------------------|
| | Non-distributable | | | Distributable | | | | |
| | Share capital RM'000 | Share premium RM'000 | Share buy- back reserve RM'000 | Foreign Currency Translation RM'000 | Retained profits RM'000 | | | |
| At 1 Aug 2016 | 44,405 | 654 | 352 | (22) | 45,566 | 90,955 | 9 | 90,964 |
| Other comprehensive income | - | - | - | - | - | - | - | - |
| Profit for the period | - | - | - | - | 1,499 | 1,499 | - | 1,499 |
| Total comprehensive income for the period | - | - | - | - | 1,499 | 1,499 | - | 1,499 |
| At 31 Jan 2017 | 44,405 | 654 | 352 | (22) | 47,065 | 92,454 | 9 | 92,463 |
| | | | | | | | | |
| At 1 Aug 2015 | 44,405 | 654 | 352 | (20) | 48,332 | 93,723 | (87) | 93,636 |
| Loss for the period | - | - | - | - | (1,046) | (1,046) | - | (1,046) |
| Total comprehensive loss for the period | - | - | - | - | (1,046) | (1,046) | - | (1,046) |
| At 31 Jan 2016 | 44,405 | 654 | 352 | (20) | 47,286 | 92,677 | (87) | 92,590 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2016.

MCE HOLDINGS BERHAD (1158341-K)*(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 JANUARY 2017***(The figures have not been audited)*

| | 6 months ended 31-Jan-17 RM'000 (Unaudited) | 6 months ended 31-Jan-16 RM'000 (Unaudited) |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/(loss) before taxation | 2,137 | (1,138) |
| Adjustments for : | | |
| Depreciation | 2,360 | 2,327 |
| Amortisation of development costs | 544 | 544 |
| Impairment of golf club membership | 1 | 1 |
| Interest income | (146) | (196) |
| Interest expense | 132 | 224 |
| Short term accumulated compensated absences | 191 | 69 |
| Obsolete inventories written off | 298 | 461 |
| (Reversal)/provision for warranties | (752) | 991 |
| (Gain)/ loss on disposal of plant and equipment | (1) | - |
| Plant and equipment written off | 30 | 1 |
| Unrealised (gain)/ loss on foreign exchange | (3) | (102) |
| | <hr/> | <hr/> |
| Operating profit before working capital changes | 4,791 | 3,182 |
| Receivables | (11,712) | (233) |
| Inventories | 60 | (199) |
| Payables | 4,985 | (1,642) |
| | <hr/> | <hr/> |
| Cash generated from operations | (1,876) | 1,108 |
| Tax paid | (166) | (426) |
| Interest paid | (132) | (224) |
| | <hr/> | <hr/> |
| Net cash (used in)/ from operating activities | (2,174) | 458 |
| | <hr/> | <hr/> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 146 | 196 |
| Purchase of property, plant and equipment | (1,238) | (647) |
| Proceeds from disposal of plant and equipment | 1 | - |
| | <hr/> | <hr/> |
| Net cash used in investing activities | (1,091) | (451) |
| | <hr/> | <hr/> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of borrowings | (1,337) | (1,883) |
| | <hr/> | <hr/> |
| Net cash used in financing activities | (1,337) | (1,883) |
| | <hr/> | <hr/> |
| NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS | (4,602) | (1,876) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 12,835 | 13,672 |
| CURRENCY TRANSLATION DIFFERENCE | - | 1 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | <hr/> <hr/> | <hr/> <hr/> |
| | 8,233 | 11,797 |

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 July 2016.

MCE HOLDINGS BERHAD (1158341-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 2ND QUARTER ENDED 31 JANUARY 2017

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

This condensed consolidated interim financial statement (Condensed Report) has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Condensed Report should be read in conjunction with the audited financial statements of MCE Holdings Berhad (‘The Group’) for the financial year ended 31 July 2016. These explanatory notes attached to the Condensed Report provide an explanation of 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 July 2016.

A2. Significant Accounting Policies

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the annual financial statements of the Group for the year ended 31 July 2016.

The Group has not early adopted the following new or revised standards, amendments or IC Interpretations which are applicable to the Group that have been issued by the MASB but are not yet effective for the Group’s current financial period ended 31 January 2017:

| MFRS, Amendments to MFRS and IC Interpretation | | Effective for annual periods beginning on or after |
|---|---|---|
| Amendments to MFRS 107 | Disclosure Initiative | 1 January 2017 |
| Amendments to MFRS 112 | Recognition of Deferred Tax Assets for Unrealised Losses | 1 January 2017 |
| MFRS 9 | Financial Instruments (IFRS 9 issued by IASB in July 2014) | 1 January 2018 |
| MFRS 15 | Revenue from Contracts with Customers | 1 January 2018 |
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred until further notice |
| Amendments to MFRS 15 | Effective Date of MFRS 15 | 1 January 2018 |
| Amendments to MFRS 15 | Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’ | 1 January 2018 |
| Amendments to MFRS 2 | Classification and measurement of Share-based Payment transactions | 1 January 2018 |
| MFRS 16 | Leases | 1 January 2019 |

The adoption of the above pronouncements will not have any financial impact to the Group.

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NOTES TO THE INTERIM FINANCIAL REPORT – 2ND QUARTER ENDED 31 JANUARY 2017

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A3. Disclosure of Audit Report Qualification

The auditors' report of the Group's most recent audited financial statements for the financial year ended 31 July 2016 did not contain any qualification.

A4. Seasonal or Cyclical Factors Affecting Operations

The principal business operations of the Group are not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items Affecting the Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the financial period ended 31 January 2017.

A6. Material Changes in Estimates

There were no changes in estimates that have a material effect in the current quarter.

A7. Changes in Debt and Equity Securities

There were no issuance and repayment of debt securities, share buy back, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 31 January 2017.

A8. Dividends Paid

No dividend has been paid during the financial period ended 31 January 2017.

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NOTES TO THE INTERIM FINANCIAL REPORT – 2ND QUARTER ENDED 31 JANUARY 2017

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting

The Group is organised into 2 main reportable segments as follows:-

- Automotive parts - involved in manufacturing and trading of automotive parts.
- Healthcare services - involved in providing health care services.
(The healthcare services has yet to commence business)

The segmental information are as follows:-

| <u>3 months ended 31 January 2017</u> | Automotive Parts | Healthcare Services | Elimination | Consolidated |
|---|---------------------|------------------------|----------------|---------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Revenue</u> | | | | |
| External sales | 24,600 | - | - | 24,600 |
| Inter-segmental sales | 4,051 | - | (4,051) | - |
| Total Revenue | 28,651 | - | (4,051) | 24,600 |

| | | | | |
|-------------------------------|-------|------|---|------------|
| <u>Results</u> | | | | |
| Segment results | 1,110 | (76) | 1 | 1,035 |
| Interest expenses | | | | (62) |
| Unallocated expenses | | | | (110) |
| Profit before taxation | | | | 863 |

| <u>6 months ended 31 January 2017</u> | Automotive Parts | Healthcare Services | Elimination | Consolidated |
|---|---------------------|------------------------|----------------|---------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Revenue</u> | | | | |
| External sales | 45,833 | - | - | 45,833 |
| Inter-segmental sales | 8,266 | - | (8,266) | - |
| Total Revenue | 54,099 | - | (8,266) | 45,833 |

| | | | | |
|-------------------------------|-------|-------|-----|--------------|
| <u>Results</u> | | | | |
| Segment results | 2,659 | (169) | (9) | 2,481 |
| Interest expenses | | | | (132) |
| Unallocated expenses | | | | (212) |
| Profit before taxation | | | | 2,137 |

MCE HOLDINGS BERHAD (1158341-K)
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NOTES TO THE INTERIM FINANCIAL REPORT – 2ND QUARTER ENDED 31 JANUARY 2017

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (Cont'd)

| <u>Assets & liabilities as at 31 January 2017</u> | Automotive Parts | Healthcare Services | Elimination | Consolidated |
|---|------------------|---------------------|-------------|--------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |

Assets & liabilities

| | | | | |
|---------------------------|---------|--------|----------|----------------|
| Segmental assets | 115,664 | 33,168 | (34,158) | 114,674 |
| Unallocated assets | | | | 42 |
| Consolidated total assets | | | | <u>114,716</u> |

| | | | | |
|--------------------------------|--------|-------|---------|---------------|
| Segmental liabilities | 21,890 | 4,124 | (3,916) | 22,098 |
| Unallocated liabilities | | | | 155 |
| Consolidated total liabilities | | | | <u>22,253</u> |

Other information

| | | | | |
|-------------------------------|-------|-----|---|-------|
| Capital expenditure | 302 | 936 | - | 1,238 |
| Depreciation and amortisation | 2,899 | 5 | - | 2,904 |

No segmental information is provided on a geographical basis as the Group's activities are conducted primarily in Malaysia.

A10. Material Events Subsequent to the end of the Reporting Period

There were no material events subsequent to the end of the current financial period that have not been reflected in the interim financial reports for the said period as at the date of this report.

A11. Changes in the Composition of the Group

There was no changes in the composition of the Group during the period under review.

A12. Contingent Liabilities and Contingent Assets

The Group has no contingent liabilities and assets as at 31 January 2017.

MCE HOLDINGS BERHAD (1158341-K)
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NOTES TO THE INTERIM FINANCIAL REPORT – 2ND QUARTER ENDED 31 JANUARY 2017

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of Performance

Comparison to preceding year corresponding quarter

For the second quarter ended 31 January 2017, the Group achieved consolidated revenue of RM24.60 million which was approximately 20.57% higher than the preceding year corresponding quarter. The increase in revenue was mainly due to high demand for Original Equipment Manufacturer (OEM) products in the current quarter. The Group recorded a profit after tax of RM0.58 million for the current quarter as compared to a loss after tax of RM1.19 million in the preceding year corresponding quarter mainly due to higher revenue in current quarter.

B2 Material Changes in Profit before Taxation for the Current Quarter with Immediate Preceding Quarter

| | Current Quarter 31 Jan 2017 RM'000 | Preceding Quarter 31 Oct 2016 RM'000 |
|---|---|---|
| Revenue | 24,600 | 21,233 |
| Pre-tax profit before non-controlling interests | 863 | 1,274 |

For the current quarter, the Group achieved revenue of RM24.60 million, representing a increase of 15.86% as compared to the preceding quarter ended 31 October 2016. The increase was attributable to higher demand for OEM products in the current quarter. The Group recorded a pre-tax profit before non-controlling interests (“NCF”) of RM0.86 million for the quarter under review as compared to RM1.27 million for the preceding quarter as a result of higher operational cost for current quarter.

B3 Prospects Commentary

The Group continues to face the slowdown in demand from its OEM customers in tandem with the slowdown in overall domestic Total Industry Volume (“TIV”). However, the recent launches of new models by the two national car makers are contributing positively to the Group.

The Group will continue its efforts to mitigate increasing costs through its various cost reduction initiatives among which covering improvements of production processes and productivity. The Board is cautious of the challenging operating conditions of the automotive sector.

B4 Variance of Actual Profit from Forecast Profit & Shortfall on Profit Guarantee

There is no profit forecast prepared for public release and no profit guarantee provided by the Group for the current financial period.

MCE HOLDINGS BERHAD (1158341-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 2ND QUARTER ENDED 31 JANUARY 2017

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B5 Taxation

| | 3 months ended | | 6 months ended | |
|---|----------------|--------------|----------------|-------------|
| | 31.01.17 | 31.01.16 | 31.01.17 | 31.01.16 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income tax: | | | | |
| - current year | 103 | (99) | 276 | 129 |
| - Under/(over) provision in prior years | - | - | - | - |
| | <u>103</u> | <u>(99)</u> | <u>276</u> | <u>129</u> |
| Deferred tax | 177 | (172) | 362 | (221) |
| Tax expense/ (income) | <u>280</u> | <u>(271)</u> | <u>638</u> | <u>(92)</u> |

The effective tax rate for the current quarter is higher than the statutory rate mainly due to certain expenses are not deductible for income tax purpose.

B6 Status of Corporate Proposals

There were no corporate proposals announced by the Company as at the date of issue of this quarterly report.

B7 Group Borrowings and Debt Securities

Group borrowings as at 31 January 2017:

| | |
|-------------------------|---------------|
| | <u>RM'000</u> |
| (a) Secured borrowings | 4,241 |
| Unsecured borrowings | - |
| | <u>4,241</u> |
| (b) Short term | |
| - term loans (secured) | 2,150 |
| - hire purchase payable | 102 |
| | <u>2,252</u> |
| Long term | |
| - term loans (secured) | 1,882 |
| - hire purchase payable | 107 |
| | <u>1,989</u> |
| Total borrowings | <u>4,241</u> |

All the above borrowings are denominated in Ringgit Malaysia.

B8 Financial Instruments

The Group does enter into forward foreign exchange currencies contracts to hedge its exposure to fluctuations in foreign currency arising from purchases.

The Group has no outstanding derivative financial instruments as at 31 January 2017.

MCE HOLDINGS BERHAD (1158341-K)
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NOTES TO THE INTERIM FINANCIAL REPORT – 2ND QUARTER ENDED 31 JANUARY 2017

PART B – ADDITIONAL EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B9 Changes in Material Litigation

There were no pending material litigation as at 23 March 2017 being a date not earlier than 7 days from the date of this quarterly report.

B10 Dividends

(a) Details of the dividend approved and declared by the Board of Directors is as follows:

| | 31.01.2017 |
|-----------------------------------|---------------|
| Dividend for financial year | 31 July 2017 |
| Amount per share (single-tier) | 1.5 sen |
| Approved and declared on | 29 March 2017 |
| Entitlement to dividends based on | |
| Record of Depositors as at | 28 April 2017 |
| Date payable | 10 May 2017 |

(b) Total dividend for current financial period: 1.5 sen per share under single-tier system (2016: NIL).

B11 Earnings per Share

The basic and diluted earnings per share are calculated as follows:

| | 3 months ended | | 6 months ended | |
|--|-----------------------|-------------------|-----------------------|-------------------|
| | 31.01.2017 | 31.01.2016 | 31.01.2017 | 31.01.2016 |
| Profit/(loss) for the period attributable to ordinary equity holders of the company (RM'000) | 583 | (1,189) | 1,499 | (1,046) |
| Weighted average number of ordinary shares in issue (RM'000) | 44,405 | 44,405 | 44,405 | 44,405 |
| Basic and diluted earnings/(losses) per share (sen) | 1.31 | (2.68) | 3.38 | (2.36) |

MCE HOLDINGS BERHAD (1158341-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 2ND QUARTER ENDED 31 JANUARY 2017

B12 Disclosure of Realised and Unrealised Profits

The breakdown of the retained profits of the Group into realised and unrealised profits is as follows:

| | As at 31.01.2017 | As at 31.01.2016 |
|---|-----------------------------|-----------------------------|
| | RM'000 | RM'000 |
| Total retained profits of the Company and its subsidiaries: | | |
| - Realised | 49,539 | 51,083 |
| - Unrealised | (1,387) | (3,047) |
| | <u>48,152</u> | <u>48,036</u> |
| Less: Consolidation adjustments | (1,087) | (750) |
| Total group retained profits | <u>47,065</u> | <u>47,286</u> |

B13 Memorandum of Understanding (“MOU”)

The Company had entered into a Memorandum of Understanding (“MOU”) with PT GARUDA MULTI INVESTAMA (“GMI”) on 22 September 2015 for the purpose of setting forth a framework for the consultation and exchange of information and technology. The cooperation in the current stage shall focus on the development, production, marketing and supply of the Company’s existing products for automobile manufacturers located in Indonesia and if so desired and mutually agreed by both parties be extended to other electronic and mechatronic parts and systems.

There were no further developments to-date.

B14 Authorised for issue

The interim financial statements were authorised by the Board of Directors in accordance with the resolution of the Directors on 29 March 2017.

By Order of the Board,

Lee Wee Hee (MAICSA 0773340)
Pow Juliet (MAICSA 7020821)
Company Secretaries
Johor Bahru
Date: 29 March 2017
c.c. Securities Commission