

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

	<b>As at 31.10.2018 Unaudited RM'000</b>	<b>As at 31.07.2018 Audited RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	63,618	62,920
Investment property	1,970	1,974
Intangible asset	-	-
Deferred tax assets	951	615
	<u>66,539</u>	<u>65,509</u>
<b>Current Assets</b>		
Inventories	13,357	12,297
Trade receivables	10,412	11,564
Other receivables	1,993	1,023
Tax recoverable	347	316
Cash and bank balances	11,722	11,725
	<u>37,831</u>	<u>36,925</u>
<b>TOTAL ASSETS</b>	<u>104,370</u>	<u>102,434</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the company</b>		
Share capital	45,059	44,405
Reserves	43,597	45,237
	<u>88,656</u>	<u>89,642</u>
<b>Non-controlling Interests</b>	-	-
<b>Total Equity</b>	<u>88,656</u>	<u>89,642</u>
<b>Non-Current Liabilities</b>		
Borrowings	520	109
Deferred tax liabilities	124	123
	<u>644</u>	<u>232</u>
<b>Current Liabilities</b>		
Borrowings	490	1,003
Trade payables	11,159	8,368
Other payables	3,421	3,189
Tax payables	-	-
	<u>15,070</u>	<u>12,560</u>
<b>Total Liabilities</b>	<u>15,714</u>	<u>12,792</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>104,370</u>	<u>102,434</u>
Net assets per stock unit attributable to ordinary equity holders of the company (RM)	<u>1.9676</u>	<u>2.0187</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2018.

**MCE HOLDINGS BERHAD (1158341-K)***(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 OCTOBER 2018**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>3 Months Ended</b>		<b>3 Months Ended</b>	
	<b>31-Oct-18</b>	<b>31-Oct-17</b>	<b>31-Oct-18</b>	<b>31-Oct-17</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	16,704	17,652	16,704	17,652
Cost of sales	<u>(15,745)</u>	<u>(14,874)</u>	<u>(15,745)</u>	<u>(14,874)</u>
Gross profit	959	2,778	959	2,778
Other income	106	191	106	191
Selling and administrative expenses	(2,199)	(1,925)	(2,199)	(1,925)
Finance costs	<u>(54)</u>	<u>(95)</u>	<u>(54)</u>	<u>(95)</u>
(Loss)/ profit before tax	(1,188)	949	(1,188)	949
Taxation	202	(149)	202	(149)
(Loss)/ profit for the period	<u>(986)</u>	<u>800</u>	<u>(986)</u>	<u>800</u>
Other comprehensive (loss)/ income:				
Other comprehensive (loss)/ income for the period	-	-	-	-
Total comprehensive (loss)/ income for the period	<u>(986)</u>	<u>800</u>	<u>(986)</u>	<u>800</u>
(Loss)/ profit attributable to:				
Equity holders of the company	(986)	800	(986)	800
Non-controlling interests	-	-	-	-
	<u>(986)</u>	<u>800</u>	<u>(986)</u>	<u>800</u>
Total comprehensive (loss)/ income attributable to:				
Equity holders of the company	(986)	800	(986)	800
Non-controlling interests	-	-	-	-
	<u>(986)</u>	<u>800</u>	<u>(986)</u>	<u>800</u>
(Loss)/ earnings per share attributable to equity holders of the company:				
Basic and diluted (sen)	<u>(2.22)</u>	<u>1.80</u>	<u>(2.22)</u>	<u>1.80</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 July 2018.

**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/ (loss) before tax:

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>3 Months Ended</b>		<b>3 Months Ended</b>	
	<b>31-Oct-18</b>	<b>31-Oct-17</b>	<b>31-Oct-18</b>	<b>31-Oct-17</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Interest income	(99)	(98)	(99)	(98)
Interest expenses	54	95	54	95
Depreciation	549	716	549	716
Amortisation of development costs	-	95	-	95
Impairment of golf club membership	1	-	1	-
Provision/ (reversal) for warranties	25	(528)	25	(528)
Loss/ (gain) on disposal of plant and equipment	-	9	-	9
Loss/ (gain) on foreign exchange				
- realised	66	47	66	47
- unrealised	(19)	(99)	(19)	(99)
Plant and equipment written off	-	3	-	3

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 OCTOBER 2018**

(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
	Share capital RM'000	Share premium RM'000	Share buy-back reserve RM'000	Foreign Currency Translation RM'000	Retained profits RM'000			
<b>At 1 Aug 2018</b>	44,405	654	352	-	44,231	89,642	-	89,642
Transfer in accordance with Section 618(2) of the Company Act 2016 *	654	(654)	-	-	-	-	-	-
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	-
(Loss)/ profit for the period	-	-	-	-	(986)	(986)	-	(986)
Total comprehensive (loss) for the period	-	-	-	-	(986)	(986)	-	(986)
<b>At 31 Oct 2018</b>	<b>45,059</b>	<b>-</b>	<b>352</b>	<b>-</b>	<b>43,245</b>	<b>88,656</b>	<b>-</b>	<b>88,656</b>
<b>At 1 Aug 2017</b>	44,405	654	352	-	46,138	91,549	-	91,549
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	-
Profit/ (loss) for the period	-	-	-	-	800	800	-	800
Total comprehensive income for the period	-	-	-	-	800	800	-	800
<b>At 31 Oct 2017</b>	<b>44,405</b>	<b>654</b>	<b>352</b>	<b>-</b>	<b>46,938</b>	<b>92,349</b>	<b>-</b>	<b>92,349</b>

\* Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any amount standing to the credit of the share premium account shall become part of the share capital. Notwithstanding this, within 24 months upon commencement of the CA 2016, the Group may use the amount standing to the credit of the share premium account of RM654,456 as stipulated in Section 618(3) of the CA 2016.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2018.

**MCE HOLDINGS BERHAD (1158341-K)***(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE QUARTER ENDED 31 OCTOBER 2018**

(The figures have not been audited)

	<b>3 months ended 31-Oct-18 RM'000 (Unaudited)</b>	<b>3 months ended 31-Oct-17 RM'000 (Unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/ profit before taxation	(1,188)	949
Adjustments for :		
Depreciation	549	716
Amortisation of development costs	-	95
Impairment of golf club membership	1	-
Interest income	(99)	(98)
Interest expense	54	95
Short term accumulated compensated absences	145	94
Obsolete inventories written off	-	-
Provision/ (reversal) for warranties	25	(528)
Loss on disposal of plant and equipment	-	9
Plant and equipment written off	-	3
Unrealised (gain)/ loss on foreign exchange	(19)	(99)
Impairment of other receivable	-	-
	<hr/>	<hr/>
Operating (loss)/ profit before working capital changes	(532)	1,236
Receivables	181	2,183
Inventories	(1,060)	501
Payables	2,872	4,374
	<hr/>	<hr/>
Cash generated from operations	1,461	8,294
Tax paid	(163)	(114)
Tax refund	-	1
Interest paid	(54)	(95)
	<hr/>	<hr/>
Net cash from operating activities	1,244	8,086
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	99	98
Purchase of property, plant and equipment	(594)	(619)
Proceeds from disposal of plant and equipment	-	7
	<hr/>	<hr/>
Net cash used in investing activities	(495)	(514)
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(752)	(566)
Dividend paid	-	-
	<hr/>	<hr/>
Net cash used in financing activities	(752)	(566)
	<hr/>	<hr/>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>	(3)	7,006
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	11,725	13,009
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<hr/> <hr/>	<hr/> <hr/>
	11,722	20,015

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 July 2018.

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

**NOTES TO THE INTERIM FINANCIAL REPORT – 1<sup>ST</sup> QUARTER ENDED 31 OCTOBER 2018**

**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 2018. 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 2018.

**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 2018.

The adoption of the following new MFRSs, Amendments to MFRSs and IC Interpretation that came into effect on 1 August 2018 did not have any significant impact on the unaudited consolidated financial statements upon their initial application.

- MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014) Initiative (effective from 1 January 2018)
- MFRS 15 Revenue from Contracts with Customers (effective from 1 January 2018)
- Amendments to MFRS 2 Classification and measurement of Share-based Payment transactions (effective from 1 January 2018)
- Amendments to MFRS 15 Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’ (effective from 1 January 2018)
- Amendments to MFRS 140 Transfers of Investment Property (effective from 1 January 2018)
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration (effective from 1 January 2018)

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 October 2018:

<b>MFRS, Amendments to MFRS and IC Interpretation</b>		<b>Effective for annual periods beginning on or after</b>
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
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

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

**NOTES TO THE INTERIM FINANCIAL REPORT – 1<sup>ST</sup> QUARTER ENDED 31 OCTOBER 2018**

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A2. Significant Accounting Policies (Cont'd)**

<b>MFRS, Amendments to MFRS and IC Interpretation</b>		<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015-2017 Cycles		1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards		1 January 2020

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

**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 2018 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 October 2018.

**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 buyback, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 31 October 2018.

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

**NOTES TO THE INTERIM FINANCIAL REPORT – 1<sup>ST</sup> QUARTER ENDED 31 OCTOBER 2018**

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A8. Dividends Paid**

No dividend has been paid during the financial period ended 31 October 2018.

**A9. Segmental Reporting**

The Group is organized 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 have yet to commence business)

The segmental information are as follows: -

<u>3 months ended 31 October 2018</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<b><u>Revenue</u></b>				
Revenue	16,704	-	-	16,704
<b><u>Results</u></b>				
Segment results	(955)	(36)	-	(991)
Interest expenses				(54)
Unallocated expenses				(143)
(Loss) before taxation				<u>(1,188)</u>

<u>Cumulative 3 months ended 31 October 2018</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<b><u>Revenue</u></b>				
Revenue	16,704	-	-	16,704
<b><u>Results</u></b>				
Segment results	(955)	(36)	-	(991)
Interest expenses				(54)
Unallocated expenses				(143)
(Loss) before taxation				<u>(1,188)</u>



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

**NOTES TO THE INTERIM FINANCIAL REPORT – 1<sup>ST</sup> QUARTER ENDED 31 OCTOBER 2018**

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A9. Segmental Reporting (Cont'd)**

<u>Assets &amp; liabilities as at 31 October 2018</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000

**Assets & liabilities**

Segmental assets	105,564	33,705	(35,028)	104,241
Unallocated assets				129
Consolidated total assets				<u>104,370</u>
Segmental liabilities	15,532	5,036	(5,028)	15,540
Unallocated liabilities				174
Consolidated total liabilities				<u>15,714</u>

**Other information**

Capital expenditure	1,243	-	-	1,243
Depreciation and amortisation	549	-	-	549

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

**A12. Contingent Liabilities and Contingent Assets**

The Group has no material contingent liabilities and assets as at 31 October 2018.

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

**NOTES TO THE INTERIM FINANCIAL REPORT – 1<sup>ST</sup> QUARTER ENDED 31 OCTOBER 2018**

**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 first quarter ended 31 October 2018, the Group achieved consolidated revenue of RM16.70 million which was approximately 5.37% lower than the preceding year corresponding quarter. The decrease in revenue was mainly due to lower demand for Original Equipment Manufacturer (“OEM”) products in the current quarter. The Group recorded a loss after tax of RM0.99 million for the current quarter as compared to profit after tax of RM0.80 million in the preceding year corresponding quarter mainly due to lower revenue in current quarter.

**B2 Material Changes in Profit/ (Loss) before Taxation for the Current Quarter with Immediate Preceding Quarter**

	<b>Current Quarter 31 Oct 2018 RM'000</b>	<b>Preceding Quarter 31 Jul 2018 RM'000</b>
Revenue	16,704	14,059
Pre-tax (loss)/ profit before non-controlling interests	(1,188)	(1,223)

For the current quarter, the Group achieved revenue of RM16.70 million, representing a increase of 18.81% as compared to the preceding quarter ended 31 July 2018. The increase was attributable to higher demand for OEM products in the current quarter. The Group recorded a pre-tax loss before non-controlling interests (“NCI”) of RM1.18 million for the quarter under review as compared to RM1.22 million for the preceding quarter.

**B3 Prospects Commentary**

The Group will continue to enhance its product technology by upgrading its existing production facilities and also control production costs through its various cost reduction initiatives which includes improvement of production processes and productivity together with realignment of its supply chain.

The Group is also looking for strategic partners to expand its product range to broaden its existing customer base and capitalise on operational synergies. During the current financial period, MCE Group had entered into:

- (a) Memorandum of Understanding with Suzhou Prachtig Electronic Material Co., Ltd. for the purpose of better managing the Group’s supply chain as well as to expand its product range into plastic related automotive parts.
- (b) Technical Assistance Agreement (TAA) with Shanghai SIIC Transportation Electric Co., Ltd. (STEC) where during the term of this TAA, STEC shall grant MCE the right and license to use STEC technology for the development, manufacturing, production, sale, marketing and/or distribution of power window regulators.

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

**NOTES TO THE INTERIM FINANCIAL REPORT – 1<sup>ST</sup> QUARTER ENDED 31 OCTOBER 2018**

The Board is confident that with the strategies and measures put in place, and management's preparedness to knuckle down, the MCE Group's prospects going forward for financial year 2019 barring any unforeseen circumstances should be brighter in the long term.

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

**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.

**B5 Taxation**

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.10.18	31.10.17	31.10.18	31.10.17
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- current year	132	49	132	49
- (Over)/ under provision in prior years	-	(5)	-	(5)
	132	44	132	44
Deferred tax	(334)	105	(334)	105
Tax (income)/ expense	(202)	149	(202)	149

The effective tax rate of the Group for the current quarter and financial period to date were lower than the statutory tax rate mainly due to increase in the availability of certain tax benefits, such as capital allowance and business losses.

**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 October 2018:

	<u>RM'000</u>
(a) Secured borrowings	1,010
Unsecured borrowings	-
	<u>1,010</u>
(b) Short term	
- term loans (secured)	192
- hire purchase payable	298
	<u>490</u>
Long term	
- term loans (secured)	-
- hire purchase payable	520
	<u>520</u>

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

**NOTES TO THE INTERIM FINANCIAL REPORT – 1<sup>ST</sup> QUARTER ENDED 31 OCTOBER 2018**

Total borrowings 1,010

All the above borrowings are denominated in Ringgit Malaysia.

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

**B8 Financial Instruments**

The Group enters 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 October 2018.

**B9 Changes in Material Litigation**

There was no pending material litigation as at 24 December 2018 being a date not earlier than 7 days from the date of this quarterly report.

**B10 Dividends**

No dividend is recommended for the current quarter (Q1-FY2018: Nil).

**B11 Earnings per Share**

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

	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31.10.2018</b>	<b>31.10.2017</b>	<b>31.10.2018</b>	<b>31.10.2017</b>
(Loss)/ profit for the period attributable to ordinary equity holders of the company (RM'000)	(986)	800	(986)	800
Weighted average number of ordinary shares in issue ('000)	44,405	44,405	44,405	44,405
Basic and diluted (loss)/ earnings per share (sen)	(2.22)	1.80	(2.22)	1.80

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

**NOTES TO THE INTERIM FINANCIAL REPORT – 1<sup>ST</sup> QUARTER ENDED 31 OCTOBER 2018**

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

**B12 Memorandum of Understanding (“MOU”)**

i) The Group had entered into Memorandum of Understanding (“MOU”) with the following strategic partner with the intention to enhance its’ product technology, penetrate into global market and expand its’ existing product range:

a) E-LEAD ELECTRONIC CO., LTD (“E-LEAD”) on 19 September 2017 with an intention to enter into an equity joint venture, setting forth a framework for the consultation and exchange of information and technology. The cooperation in the current stage shall focus on the development, manufacture and marketing of automobile parts in Malaysia using the technology and technical assistance provided by E-Lead.

There were no further developments to-date.

b) SUZHOU PRACHTIG ELECTRONIC MATERIAL CO., LTD (“PRACHTIG”) on 8 October 2018 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 localization of automotive plastic parts and value added processes (hereinafter referred to as “Products”) in order to develop, produce, market and supply the Products in Malaysia and Association of Southeast Asia Nations countries and if so desired and mutually agreed by both parties to further extend the collaboration into an equity joint venture and other electronic and mechatronic parts.

There were no further development to-date.

ii) The following MOUs entered into had been mutually terminated with effect from 21 December 2018:

a) PT GARUDA MULTI INVESTAMA on 22 September 2015.

b) SANDHAR TECHNOLOGIES LTD on 3 January 2017.

**B13 Authorized for issue**

The interim financial statements were authorized by the Board of Directors in accordance with the resolution of the Directors on 27 December 2018.

By Order of the Board,

Lee Wee Hee (MAICSA 0773340)

Company Secretary

Johor Bahru

Date: 27 December 2018