

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

	<b>As at 30.04.2019 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	68,232	62,920
Investment property	-	1,974
Deferred tax assets	1,904	615
	<u>70,136</u>	<u>65,509</u>
<b>Current Assets</b>		
Inventories	14,489	12,297
Trade receivables	10,428	11,564
Other receivables	4,170	1,023
Tax recoverable	352	316
Cash and bank balances	5,692	11,725
	<u>35,131</u>	<u>36,925</u>
<b>TOTAL ASSETS</b>	<u>105,267</u>	<u>102,434</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the company</b>		
Share capital	45,411	44,405
Reserves	41,290	45,237
	<u>86,701</u>	<u>89,642</u>
<b>Non-controlling Interests</b>	-	-
<b>Total Equity</b>	<u>86,701</u>	<u>89,642</u>
<b>Non-Current Liabilities</b>		
Borrowings	539	109
Deferred tax liabilities	125	123
	<u>664</u>	<u>232</u>
<b>Current Liabilities</b>		
Borrowings	5,131	1,003
Trade payables	10,307	8,368
Other payables	2,464	3,189
	<u>17,902</u>	<u>12,560</u>
<b>Total Liabilities</b>	<u>18,566</u>	<u>12,792</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>105,267</u>	<u>102,434</u>
Net assets per stock unit attributable to ordinary equity holders of the company (RM)	<u>1.9525</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 30 APRIL 2019**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>3 Months Ended</b>		<b>9 Months Ended</b>	
	<b>30-Apr-19</b>	<b>30-Apr-18</b>	<b>30-Apr-19</b>	<b>30-Apr-18</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	17,597	13,864	52,613	48,481
Cost of sales	<u>(17,526)</u>	<u>(13,391)</u>	<u>(49,785)</u>	<u>(43,696)</u>
Gross profit	71	473	2,828	4,785
Other income	34	106	209	492
Selling and administrative expenses	(2,287)	(2,113)	(6,797)	(5,894)
Finance costs	<u>(40)</u>	<u>(87)</u>	<u>(107)</u>	<u>(258)</u>
(Loss)/ profit before tax	(2,222)	(1,621)	(3,867)	(875)
Taxation	647	103	926	(38)
(Loss)/ profit for the period	<u>(1,575)</u>	<u>(1,518)</u>	<u>(2,941)</u>	<u>(913)</u>
Other comprehensive (loss)/ income:				
Other comprehensive (loss)/ income for the period	-	-	-	-
Total comprehensive (loss)/ income for the period	<u>(1,575)</u>	<u>(1,518)</u>	<u>(2,941)</u>	<u>(913)</u>
(Loss)/ profit attributable to:				
Equity holders of the company	(1,575)	(1,518)	(2,941)	(913)
Non-controlling interests	-	-	-	-
	<u>(1,575)</u>	<u>(1,518)</u>	<u>(2,941)</u>	<u>(913)</u>
Total comprehensive (loss)/ income attributable to:				
Equity holders of the company	(1,575)	(1,518)	(2,941)	(913)
Non-controlling interests	-	-	-	-
	<u>(1,575)</u>	<u>(1,518)</u>	<u>(2,941)</u>	<u>(913)</u>
(Loss)/ earnings per share attributable to equity holders of the company:				
Basic and diluted (sen)	<u>(3.55)</u>	<u>(3.42)</u>	<u>(6.62)</u>	<u>(2.06)</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>9 Months Ended</b>	
	<b>30-Apr-19</b>	<b>30-Apr-18</b>	<b>30-Apr-19</b>	<b>30-Apr-18</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	(27)	(101)	(166)	(314)
Interest expenses	40	87	107	258
Depreciation	698	755	1,901	2,147
Amortisation of development costs	-	95	-	286
Impairment of golf club membership	-	-	1	1
(Reversal)/ provision for warranties	(182)	15	71	(591)
Obsolete inventories written off	100	239	100	467
Loss/ (gain) on disposal of plant and equipment	-	7	-	16
(Gain)/ loss on foreign exchange				
- realised	(76)	25	(15)	(155)
- unrealised	77	39	(14)	(49)
Plant and equipment written off	-	-	1	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 30 APRIL 2019**

(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
Transition to no par value regime *	1,006	(654)	(352)	-	-	-	-	-
Other comprehensive income/ (loss)	-	-	-	-	-	-	-	-
(Loss)/ profit for the period	-	-	-	-	(2,941)	(2,941)	-	(2,941)
Total comprehensive (loss) for the period	-	-	-	-	(2,941)	(2,941)	-	(2,941)
<b>At 30 Apr 2019</b>	<b>45,411</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,290</b>	<b>86,701</b>	<b>-</b>	<b>86,701</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	-	-	-	-	(913)	(913)	-	(913)
Total comprehensive income for the period	-	-	-	-	(913)	(913)	-	(913)
<b>At 30 Apr 2018</b>	<b>44,405</b>	<b>654</b>	<b>352</b>	<b>-</b>	<b>45,225</b>	<b>90,636</b>	<b>-</b>	<b>90,636</b>

\* Effective from 31 January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balances of the share premium and capital redemption reserve become a part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use these amounts for purposes as set out in Section 618(3) and 618(4) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

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 30 APRIL 2019***(The figures have not been audited)*

	<b>9 months ended 30-Apr-19 RM'000 (Unaudited)</b>	<b>9 months ended 30-Apr-18 RM'000 (Unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/ profit before taxation	(3,867)	(875)
Adjustments for :		
Depreciation	1,901	2,147
Amortisation of development costs	-	286
Impairment of golf club membership	1	1
Interest income	(166)	(314)
Interest expense	107	258
Short term accumulated compensated absences	225	157
Obsolete inventories written off	100	467
Provision/ (reversal) for warranties	71	(591)
Loss on disposal of plant and equipment	-	16
Plant and equipment written off	1	3
Unrealised (gain) on foreign exchange	(14)	(49)
	<hr/>	<hr/>
Operating (loss)/ profit before working capital changes	(1,641)	1,506
Receivables	(2,013)	4,460
Inventories	(2,291)	255
Payables	931	2,662
	<hr/>	<hr/>
Cash (used in)/ generated from operations	(5,014)	8,883
Tax paid	(396)	(282)
Tax refund	-	261
Interest paid	(107)	(258)
	<hr/>	<hr/>
Net cash (used in)/ from operating activities	(5,517)	8,604
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	166	314
Purchase of property, plant and equipment	(4,393)	(3,820)
Proceeds from disposal of plant and equipment	-	20
	<hr/>	<hr/>
Net cash used in investing activities	(4,227)	(3,486)
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(1,106)	(1,532)
Drawdown of bank borrowings	4,817	-
	<hr/>	<hr/>
Net cash from/ (used in) financing activities	3,711	(1,532)
	<hr/>	<hr/>
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>	(6,033)	3,586
<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/>
	5,692	16,595

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 – 3<sup>RD</sup> QUARTER ENDED 30 APRIL 2019**

**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 30 April 2019:

<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)**  
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**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>RD</sup> QUARTER ENDED 30 APRIL 2019**

**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 30 April 2019.

**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 30 April 2019.

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

**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>RD</sup> QUARTER ENDED 30 APRIL 2019**

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

**A8. Dividends Paid**

No dividend has been paid during the financial period ended 30 April 2019.

**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 30 April 2019</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<b><u>Revenue</u></b>				
Revenue	17,597	-	-	17,597
<b><u>Results</u></b>				
Segment results	(2,017)	(35)	-	(2,052)
Interest expenses				(40)
Unallocated expenses				(130)
(Loss) before taxation				<u>(2,222)</u>

<u>Cumulative 9 months ended 30 April 2019</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<b><u>Revenue</u></b>				
Revenue	52,613	-	-	52,613
<b><u>Results</u></b>				
Segment results	(3,228)	(107)	-	(3,335)
Interest expenses				(107)
Unallocated expenses				(425)
(Loss) before taxation				<u>(3,867)</u>



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

**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>RD</sup> QUARTER ENDED 30 APRIL 2019**

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

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

<u>Assets &amp; liabilities as at 30 April 2019</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000

**Assets & liabilities**

Segmental assets	106,629	33,719	(35,116)	105,232
Unallocated assets				35
Consolidated total assets				<u>105,267</u>
Segmental liabilities	18,421	5,122	(5,116)	18,427
Unallocated liabilities				139
Consolidated total liabilities				<u>18,566</u>

**Other information**

Capital expenditure	4,393	-	-	4,393
Depreciation and amortisation	1,901	-	-	1,901

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 30 April 2019.

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

**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>RD</sup> QUARTER ENDED 30 APRIL 2019**

**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 third quarter ended 30 April 2019, the Group achieved consolidated revenue of RM17.60 million which was approximately 26.93% 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 loss after tax of RM1.60 million for the current quarter as compared to RM1.50 million in the preceding year corresponding quarter mainly due to higher operating costs incurred in current quarter.

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

	<b>Current Quarter 30 Apr 2019 RM'000</b>	<b>Preceding Quarter 31 Jan 2019 RM'000</b>
Revenue	17,597	18,312
Pre-tax (loss)/ profit before non-controlling interests	(2,222)	(457)

For the current quarter, the Group achieved revenue of RM17.60 million, representing a decrease of 3.90% as compared to the preceding quarter ended 31 January 2019. The decrease was attributable to lower demand for OEM products in the current quarter. The Group recorded a pre-tax loss before non-controlling interests (“NCI”) of RM2.22 million for the quarter under review as compared to RM0.46 million for the preceding quarter.

**B3 Prospects Commentary**

Early May 2019, Bank Negara Malaysia (“BNM”) announced to cut the Overnight Policy Rate (OPR) by 25 basis point to 3%, which also lower the hire purchase interest rate for car. Hence, it is expected to boost consumer spending and give positive impact on the Total Industry Volume (“TIV”) growth and will augur the Group’s revenue. However, the volatility of the currency market arise from trade war between U.S and China may increase the imported material cost.

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 capitalize on operational synergies.

The Board expects that with the strategies and measures put in place, and management’s preparedness to knuckle down, the positive impact of such strategies and measures is expected to be seen in the medium and longer term.

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

**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>RD</sup> QUARTER ENDED 30 APRIL 2019**

**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		9 months ended	
	30.04.19	30.04.18	30.04.19	30.04.18
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- current year	79	116	362	262
- (Over)/ under provision in prior years	(2)	(12)	(2)	(12)
	77	104	360	250
Deferred tax	(724)	(207)	(1,286)	(212)
<b>Tax (income)/ expense</b>	<b>(647)</b>	<b>(103)</b>	<b>(926)</b>	<b>38</b>

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.

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

**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>RD</sup> QUARTER ENDED 30 APRIL 2019**

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

**B7 Group Borrowings and Debt Securities**

Group borrowings as at 30 April 2019:

	<u>RM'000</u>
(a) Secured borrowings	5,670
Unsecured borrowings	-
	<u>5,670</u>
(b) Short term	
- hire purchase payable	314
- bankers' acceptances	4,817
	<u>5,131</u>
Long term	
- hire purchase payable	539
	<u>539</u>
Total borrowings	<u>5,670</u>

All the above borrowings are denominated in Ringgit Malaysia.

**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 30 April 2019.

**B9 Changes in Material Litigation**

There was no pending material litigation as at 21 June 2019 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 (Q3-FY2018: Nil).

**MCE HOLDINGS BERHAD (1158341-K)**  
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**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>RD</sup> QUARTER ENDED 30 APRIL 2019**

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

**B11 Earnings per Share**

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

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.04.2019</b>	<b>30.04.2018</b>	<b>30.04.2019</b>	<b>30.04.2018</b>
(Loss)/ profit for the period attributable to ordinary equity holders of the company (RM'000)	(1,575)	(1,518)	(2,941)	(913)
Number of ordinary shares in issue ('000)	44,405	44,405	44,405	44,405
Basic and diluted (loss)/ earnings per share (sen)	(3.55)	(3.42)	(6.62)	(2.06)

**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.

On 28 November 2018, the Company entered into joint venture agreement with PRACHTIG and currently in the process of implementing the equity and capital structure of the joint venture company.

There were no further development to-date.

**MCE HOLDINGS BERHAD (1158341-K)**  
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**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>RD</sup> QUARTER ENDED 30 APRIL 2019**

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

**B12 Memorandum of Understanding (“MOU”) (Cont’d)**

- c) FORTECHGRP. CO., LTD and WELTRONICS CO., LTD ON 16 April 2019 for the purpose of consultation cooperation and collaboration for the purpose of establishing an equity joint venture to develop, manufacture and market camera and audio-visual related products using and leveraging on each party’s expertise technology.

On 30 May 2019, a joint venture cum shareholders agreement was executed.

**B13 Authorized for issue**

The interim financial statements were authorized by the Board of Directors in accordance with the resolution of the Directors on 26 June 2019.

By Order of the Board,

Lee Wee Hee (MAICSA 0773340)  
Company Secretary  
Johor Bahru  
Date: 26 June 2019