

MCE HOLDINGS BERHAD (Registration No: 201501033021 (1158341-K))*(Incorporated In Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
(THE FIGURES HAVE NOT BEEN AUDITED)

	As at 30.04.2021 Unaudited RM'000	As at 31.07.2020 Audited RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	63,597	65,474
Right-of-use assets	19,987	19,941
Investment property	1,294	1,308
Investment in an associate	1,209	393
Deferred tax assets	615	615
	<u>86,702</u>	<u>87,731</u>
Current Assets		
Inventories	17,404	14,752
Trade receivables	14,037	11,685
Other receivables	1,383	1,335
Tax recoverable	174	390
Cash and bank balances	5,890	4,422
	<u>38,888</u>	<u>32,584</u>
TOTAL ASSETS	<u>125,590</u>	<u>120,315</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	46,625	44,405
Reserves	35,625	32,639
	<u>82,250</u>	<u>77,044</u>
Non-controlling Interests	-	-
Total Equity	<u>82,250</u>	<u>77,044</u>
Non-Current Liabilities		
Lease liability	672	1,003
Borrowings	12,460	10,063
Deferred tax liabilities	162	84
	<u>13,294</u>	<u>11,150</u>
Current Liabilities		
Lease liability	1,050	1,011
Borrowings	9,426	12,382
Trade payables	12,404	14,117
Other payables	7,161	4,605
Tax payables	5	6
	<u>30,046</u>	<u>32,121</u>
Total Liabilities	<u>43,340</u>	<u>43,271</u>
TOTAL EQUITY AND LIABILITIES	<u>125,590</u>	<u>120,315</u>
Net assets per stock unit attributable to ordinary equity holders of the company (RM)	<u>1.6839</u>	<u>1.7350</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2020.

MCE HOLDINGS BERHAD (Registration No: 201501033021 (1158341-K))
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 APRIL 2021**

	INDIVIDUAL QUARTER 3 Months Ended		CUMULATIVE QUARTERS 9 Months Ended	
	30-Apr-21 RM'000 (Unaudited)	30-Apr-20 RM'000 (Unaudited)	30-Apr-21 RM'000 (Unaudited)	30-Apr-20 RM'000 (Unaudited)
Revenue	25,848	11,035	78,807	49,114
Cost of sales	(22,980)	(11,575)	(68,279)	(47,734)
Gross profit/ (loss)	2,868	(540)	10,528	1,380
Other income	58	54	203	529
Selling and administrative expenses	(2,301)	(2,673)	(6,684)	(7,478)
Finance costs	(252)	(282)	(764)	(563)
Share of loss of associate	(2)	(102)	(141)	(359)
Profit/ (loss) before tax	371	(3,543)	3,142	(6,491)
Taxation	(16)	13	(156)	(7)
Profit/ (loss) for the period	355	(3,530)	2,986	(6,498)
Other comprehensive income/ (loss):				
Other comprehensive income/ (loss) for the period	-	-	-	-
Total comprehensive income/ (loss) for the period	355	(3,530)	2,986	(6,498)
Profit/ (loss) attributable to:				
Equity holders of the company	355	(3,530)	2,986	(6,498)
Non-controlling interests	-	-	-	-
	355	(3,530)	2,986	(6,498)
Total comprehensive income/ (loss) attributable to:				
Equity holders of the company	355	(3,530)	2,986	(6,498)
Non-controlling interests	-	-	-	-
	355	(3,530)	2,986	(6,498)
Earnings/ (loss) per share attributable to equity holders of the company:				
Basic and diluted (sen)	0.73	(7.95)	6.11	(14.63)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 July 2020.

MCE HOLDINGS BERHAD (Registration No: 201501033021 (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:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	3 Months Ended		9 Months Ended	
	30-Apr-21	30-Apr-20	30-Apr-21	30-Apr-20
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	(23)	(19)	(73)	(44)
Government grant received	-	-	-	(312)
Interest expenses	252	282	764	563
Depreciation	1,060	1,011	3,136	2,847
Impairment of golf club membership	1	-	1	1
Provision/ (reversal) for warranties	693	29	1,314	167
Obsolete inventories written off	-	-	-	-
Loss/ (gain) on foreign exchange				
- realised	184	15	221	107
- unrealised	(42)	305	6	239
Plant and equipment written off	-	-	45	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 (Registration No: 201501033021 (1158341-K))
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 APRIL 2021**

(The figures have not been audited)

	← Attributable to Equity Holders of the Company → Non-distributable ← Distributable →			
	Share capital RM'000	Capital reserve RM'000	Retained profits RM'000	Total RM'000
At 1 Aug 2020	44,405	1,006	31,633	77,044
Issuance of new share	2,220	-	-	2,220
Other comprehensive income/ (loss)	-	-	-	-
Profit for the period	-	-	2,986	2,986
Total comprehensive income for the period	-	-	2,986	2,986
At 30 Apr 2021	46,625	1,006	34,619	82,250
At 1 Aug 2019	44,405	1,006	37,420	82,831
Other comprehensive income/ (loss)	-	-	-	-
(Loss) for the period	-	-	(6,498)	(6,498)
Total comprehensive (loss) for the period	-	-	(6,498)	(6,498)
At 30 Apr 2020	44,405	1,006	30,922	76,333

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2020.

MCE HOLDINGS BERHAD (Registration No: 201501033021 (1158341-K))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 30 APRIL 2021
(The figures have not been audited)

	9 months ended 30-Apr-21 RM'000 (Unaudited)	9 months ended 30-Apr-20 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (loss) before taxation	3,142	(6,491)
Adjustments for :		
Depreciation	3,136	2,847
Impairment of golf club membership	1	1
Share of loss of associate	141	359
Interest income	(73)	(44)
Interest expense	764	563
Short term accumulated compensated absences	295	(46)
Obsolete inventories written off	-	-
Inventories written down to net realisable value	-	-
Provision/ (reversal) for warranties	1,314	167
Loss on disposal of plant and equipment	-	-
Right-of-use assets written off	45	3
Unrealised (gain)/ loss on foreign exchange	6	239
Fair value gain on short-term investments	-	-
Government grant income	-	(312)
	8,771	(2,714)
Operating profit / (loss) before working capital changes	8,771	(2,714)
Receivables	(2,401)	3,319
Inventories	(2,652)	(5,971)
Payables	(771)	5,844
	2,947	478
Cash generated from operations	2,947	478
Tax paid	(114)	(310)
Tax refund	250	6
Interest paid	(764)	(563)
	2,319	(389)
Net cash from/ (used in) operating activities	2,319	(389)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	73	44
Purchase of property, plant and equipment	(649)	(14,431)
Net changes in investment securities	-	-
Acquisition of an associate	(957)	(783)
Government grant received	-	312
	(1,533)	(14,858)
Net cash (used in) investing activities	(1,533)	(14,858)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issuance of ordinary share	2,220	
Repayment of bankers' acceptance	(50,653)	(45,779)
Drawdown of bankers' acceptance	47,008	51,963
Repayment of hire purchase obligations	(979)	(676)
Drawdown of term loan	4,000	11,500
Repayment of term loan	(914)	(101)
	682	16,907
Net cash from financing activities	682	16,907
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,468	1,660
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	4,422	1,673
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5,890	3,333
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	5,890	3,333
Bank overdraft (included under short term borrowings)	-	-
	5,890	3,333

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 July 2020.

MCE HOLDINGS BERHAD
Registration No: 201501033021 (1158341-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 3rd QUARTER ENDED 30 APRIL 2021

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 2020. 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 2020.

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 2020.

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

- Amendments to MFRS 3: Definition of a Business (effective from 1 January 2020)
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform (effective from 1 January 2020)
- Amendments to MFRS 16: COVID-19-Related Rent Concessions
- Amendments to MFRS 101 and MFRS 108: Definition of Material (effective from 1 January 2020)
- Amendments to References to the Conceptual Framework in MFRS Standards (effective from 1 January 2020)

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 April 2021:

MFRS, Amendments to MFRS and IC Interpretation	Effective for annual periods beginning on or after
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

MCE HOLDINGS BERHAD
Registration No: 201501033021 (1158341-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 3rd QUARTER ENDED 30 APRIL 2021

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A2. Significant Accounting Policies (Cont'd)

MFRS, Amendments to MFRS and IC Interpretation	Effective for annual periods beginning on or after
Amendments to MFRS 10 and MFRS 128	Deferred until further notice
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	

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 2020 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 2021.

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 2021.

A8. Dividends Paid

No dividend has been paid during the financial period ended 30 April 2021.

MCE HOLDINGS BERHAD
Registration No: 201501033021 (1158341-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 3rd QUARTER ENDED 30 APRIL 2021

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (Cont'd)

<u>Assets & liabilities as at 30 April 2021</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000

Assets & liabilities

Segmental assets	128,229	33,732	(38,378)	123,583
Unallocated assets				2,007
Consolidated total assets				<u>125,590</u>

Segmental liabilities	43,979	5,812	(8,379)	41,412
Unallocated liabilities				1,928
Consolidated total liabilities				<u>43,340</u>

Other information

Capital expenditure	649	-	-	649
Depreciation and amortisation	3,137	-	-	3,137

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 current financial period under review.

A12. Contingent Liabilities and Contingent Assets

The Group has no material contingent liabilities and assets as at 30 April 2021.

MCE HOLDINGS BERHAD
Registration No: 201501033021 (1158341-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 3rd QUARTER ENDED 30 APRIL 2021

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 30 April 2021, the Group achieved consolidated revenue of RM25.848 million which was approximately 134.24% higher than the preceding year corresponding quarter. Lower revenue in preceding year corresponding quarter was mainly due to Movement Control Order imposed by Malaysia government started 18th March 2020 which resulted the Group only able to operate for one and half month in that particular quarter.

The Group recorded a profit after tax of RM0.355 million for the current quarter as compared to the loss after tax of RM3.53 million in the preceding year corresponding quarter mainly due to higher revenue generated and improved in operating efficiency.

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

	Current Quarter 30 April 2021 RM'000	Preceding Quarter 31 January 2021 RM'000
Revenue	25,848	24,063
Pre-tax profit before non-controlling interests	371	1,044
Pre-tax profit margin	1.44%	4.34%

For the current quarter, the Group achieved revenue of RM25.848 million, representing an increase of 7.42% as compared to the preceding quarter ended 31 January 2021. The increase was attributable to higher demand for OEM products due to some customers facing supply chain disruption in previous quarter. The Group recorded a pre-tax profit before non-controlling interests (“NCI”) of RM0.371 million for the quarter under review as compared to pre-tax profit of RM1.044 million for the preceding quarter. Pre-tax profit margin has decreased from 4.34% to 1.44% as compared to the preceding quarter due to increase in selling and administrative expenses.

MCE HOLDINGS BERHAD
Registration No: 201501033021 (1158341-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 3rd QUARTER ENDED 30 APRIL 2021

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

B3 Prospects Commentary

The operating environment remained challenging in view of the shortage of electronic components globally and rising of Covid-19 reported cases which resulted Malaysia government to impose Full Movement Control Order starting from 1st June 2021.

The Group notes the stimulus measures introduced by the Government such as extension of Sales Tax exemption for passenger car till 31st December 2021 to spur and aid the economic recovery. The success of these stimulus measures to sustain consumers' confidence and purchasing power cannot be determined at this stage. However, the Group is generally cautious about its outlook and will continue to intensify its effort to improve operational efficiency and cost cutting measures.

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		6 months ended	
	30.04.21	30.04.20	30.04.21	30.04.20
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- current year	20	-	74	36
- Under/ (over) provision in prior years	5	(6)	5	(6)
	25	(6)	79	30
Deferred tax	(9)	(7)	77	(23)
Tax expense	16	(13)	156	7

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
Registration No: 201501033021 (1158341-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 3rd QUARTER ENDED 30 APRIL 2021

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 2021:

	<u>RM'000</u>
(a) Secured borrowings	23,166
Unsecured borrowings	442
	23,608
(b) Short term	
- lease liability	1,050
- bankers' acceptances	7,442
- term loan	1,984
	10,476
Long term	
- lease liability	672
- term loan	12,460
	13,132
Total borrowings	23,608

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 2021.

B9 Changes in Material Litigation

There was no pending material litigation as at 28 June 2021 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 (Q2-FY2021: Nil).

MCE HOLDINGS BERHAD
Registration No: 201501033021 (1158341-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 3rd QUARTER ENDED 30 APRIL 2021

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:

Profit/ (loss) for the period attributable to ordinary equity holders of the company (RM'000)	355	(3,530)	2,986	(6,498)
<u>Number of ordinary shares in issue ('000)</u>	<u>48,845</u>	<u>44,405</u>	<u>48,845</u>	<u>44,405</u>
<u>Basic and diluted earnings/ (loss) per share (sen)</u>	<u>0.73</u>	<u>(7.95)</u>	<u>6.11</u>	<u>(14.63)</u>

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) 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.

On 8 June 2021, the Company have mutually agreed with PRACHTIG to terminate the Joint Venture Cum Shareholders Agreement with immediate effect.

MCE HOLDINGS BERHAD
Registration No: 201501033021 (1158341-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 3rd QUARTER ENDED 30 APRIL 2021

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

- b) MALAYSIA AUTOMOTIVE ROBOTICS AND IoT INSTITUTE (“MARii”) on 9 June 2020 to collaborate on the development of Malaysian Intelligent Transport System (ITS) and other automotive technological systems that is in line with the National Automotive Policy 2020. The major elements in such collaboration include the development of various technological components that enable autonomous driving and other advanced driving capabilities for automotive and non-automotive application e.g. agricultural and consumer sector. The technological components involved are camera, sensor, Light Detection and Ranging (LIDAR), Radio Detection and Ranging (RADAR), recorder, and other electronic and mechatronic components that make up of Advanced Driver Assistance System (ADAS), automatic parking, and all kind of autonomous technology module and system. Other than the autonomous driving system, the collaboration also covers the development of various automotive technological systems and components that include functional switches, electronic control modules, digital meter cluster, and other components that are deemed crucial and strategic in the promotion of local industrial technological enhancement.

The MOU will be beneficial and will enhance the Group’s position and standing in the Industry and enable the Group to play a leading role as the preferred vendor for these technological components to be developed which is in the best interest of the Group.

There were no further development to-date.

- c) SOUNDING AUDIO INDUSTRIAL LIMITED (“SA”) on 16 June 2021 with an intention of setting forth a framework for the consultation and exchange of information and technology. The parties have agreed to enter into a definitive agreement on the development, production, marketing and supply of automotive in-vehicle infotainment system for the automotive industries located in Malaysia using the technology and technical assistance provided by SA from China. This MOU shall remain in force for duration of one (1) year and shall automatically be extended on a yearly basis.

There were no further development to-date.

MCE HOLDINGS BERHAD
Registration No: 201501033021 (1158341-K)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT – 3rd QUARTER ENDED 30 APRIL 2021

PART C – DISCLOSURE OF COVID-19 RELATED IMPACTS PURSUANT TO 9.03 OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

C1 Impact on the group’s cash-flows, liquidity, financial position and financial performance

The following summarize key financial performance of the Group:

	30.04.2021	31.01.2021
Trade debtors turnover days	49	39
Trade creditors turnover days	50	63
Working capital ratio	1.29	1.32
Debt-to-capital ratio	0.22	0.18

Trade debtor turnover days slightly increased from preceding quarter due to the increased in sales from debtors in this quarter.

Trade creditor turnover days has decreased from 63 days to 50 days. The Group’s closing inventories has slight decreased from RM17.8mil to RM17.4mil as compared to the preceding quarter and this explained the decreased of creditor turnover days and increased in customer demand for OEM products.

The Group’s working capital ratio and debt-to-capital ratio are 1.29 and 0.22 as compared to the preceding quarter. The Group is able to fulfil its financial obligations to meet the operating expenditure and has sufficient working capital to sustain the business in the foreseeable future.

C2 Authorized for issue

The interim financial statements were authorized by the Board of Directors in accordance with the resolution of the Directors on 28 June 2021.

By Order of the Board,

Lee Wee Hee (MAICSA 0773340)
SSM Practicing Certificate No. 201908004010
Company Secretary
Johor Bahru
Date: 28 June 2021