

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
(THE FIGURES HAVE NOT BEEN AUDITED)

	<b>As at 30.04.2022 Unaudited RM'000</b>	<b>As at 31.07.2021 Audited RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	66,263	63,816
Right-of-use assets	19,375	20,675
Investment property	1,276	1,290
Investment in an associate	1,110	1,185
Deferred tax assets	615	615
	<u>88,639</u>	<u>87,581</u>
<b>Current Assets</b>		
Inventories	19,379	19,101
Trade receivables	17,849	4,487
Other receivables	1,920	1,516
Tax recoverable	178	177
Short-term investments	35	1,415
Cash and bank balances	3,663	4,491
	<u>43,024</u>	<u>31,187</u>
<b>TOTAL ASSETS</b>	<b>131,663</b>	<b>118,768</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the company</b>		
Share capital	56,389	46,625
Reserves	35,169	31,804
	<u>91,558</u>	<u>78,429</u>
<b>Non-controlling Interests</b>	<u>-</u>	<u>-</u>
<b>Total Equity</b>	<b>91,558</b>	<b>78,429</b>
<b>Non-Current Liabilities</b>		
Lease liability	663	1,018
Borrowings	13,542	13,381
Deferred tax liabilities	289	73
	<u>14,494</u>	<u>14,472</u>
<b>Current Liabilities</b>		
Lease liability	835	1,149
Borrowings	5,273	7,897
Trade payables	11,927	10,472
Other payables	6,851	5,108
Provision for warranties	725	1,241
	<u>25,611</u>	<u>25,867</u>
<b>Total Liabilities</b>	<b>40,105</b>	<b>40,339</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>131,663</b>	<b>118,768</b>
Net assets per stock unit attributable to ordinary equity holders of the company (RM)	<u>1.6302</u>	<u>1.6057</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2021.

**MCE HOLDINGS BERHAD (Registration No: 201501033021 (1158341-K))**  
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 APRIL 2022**

	INDIVIDUAL QUARTER 3 Months Ended		CUMULATIVE QUARTERS 9 Months Ended	
	30-Apr-22 RM'000 (Unaudited)	30-Apr-21 RM'000 (Unaudited)	30-Apr-22 RM'000 (Unaudited)	30-Apr-21 RM'000 (Unaudited)
Revenue	28,104	25,848	71,497	78,807
Cost of sales	(22,611)	(22,980)	(60,003)	(68,279)
Gross profit	5,493	2,868	11,494	10,528
Other income	50	58	699	203
Selling and administrative expenses	(2,302)	(2,301)	(6,739)	(6,684)
Finance costs	(230)	(252)	(715)	(764)
Share of loss of associate	(26)	(2)	(75)	(141)
Profit before tax	2,985	371	4,664	3,142
Taxation	(183)	(16)	(293)	(156)
Profit for the period	2,802	355	4,371	2,986
Other comprehensive (loss)/ income:				
Other comprehensive (loss)/ income for the period	-	-	-	-
Total comprehensive (loss)/ income for the period	2,802	355	4,371	2,986
Profit attributable to:				
Equity holders of the company	2,802	355	4,371	2,986
Total comprehensive income attributable to:				
Equity holders of the company	2,802	355	4,371	2,986
Earnings per share attributable to equity holders of the company:				
Basic and diluted (sen)	4.99	0.73	7.99	6.18

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 July 2021.

**MCE HOLDINGS BERHAD (Registration No: 201501033021 (1158341-K))**  
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**NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

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

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>3 Months Ended</b>		<b>9 Months Ended</b>	
	<b>30-Apr-22</b>	<b>30-Apr-21</b>	<b>30-Apr-22</b>	<b>30-Apr-21</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	(11)	(23)	(47)	(73)
Interest expenses	230	252	715	764
Depreciation	1,128	1,060	3,247	3,136
Impairment of golf club membership	-	1	1	1
Provision/ (reversal) for warranties	169,350	693	(346)	1,314
Loss/ (gain) on disposal of plant and equipment	-	-	56	-
Loss/ (gain) on foreign exchange				
- realised	119	184	177	221
- unrealised	20	(42)	65	6
Plant and equipment written off	-	-	-	45

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))**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 30 APRIL 2022**

(The figures have not been audited)

	←	Attributable to Equity Holders of the Company	← Distributable →	→
		Non- distributable		
	Share capital RM'000	Capital reserve RM'000	Retained profits RM'000	Total RM'000
<b>At 1 Aug 2021</b>	46,625	1,006	30,798	78,429
Issuance of new share	8,758	-	-	8,758
Other comprehensive income/ (loss)	-	-	-	-
Profit for the period	-	-	4,371	4,371
Total comprehensive income for the period	-	-	4,371	4,371
<b>At 31 January 2022</b>	<b>55,383</b>	<b>1,006</b>	<b>35,169</b>	<b>91,558</b>
<b>At 1 Aug 2020</b>	44,405	1,006	31,633	77,044
Issuance of new share	2,220	-	-	2,220
Other comprehensive income/ (loss)	-	-	-	-
(Loss) for the period	-	-	2,986	2,986
Total comprehensive (loss) for the period	-	-	2,986	2,986
<b>At 30 Apr 2021</b>	<b>46,625</b>	<b>1,006</b>	<b>34,619</b>	<b>82,250</b>

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))**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE QUARTER ENDED 30 APRIL 2022**  
(The figures have not been audited)

	<b>9 months ended 30-Apr-22 RM'000 (Unaudited)</b>	<b>9 months ended 30-Apr-21 RM'000 (Unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,664	3,142
Adjustments for :		
Depreciation	3,247	3,136
Impairment of golf club membership	1	1
Share of loss of associate	75	141
Interest income	(47)	(73)
Interest expense	715	764
Short term accumulated compensated absences	214	295
Provision/ (reversal) for warranties	(346)	1,314
Loss on disposal of plant and equipment	56	-
Right-of-use assets written off	-	45
Unrealised (gain)/ loss on foreign exchange	65	6
	8,644	8,771
Operating profit before working capital changes	8,644	8,771
Receivables	(13,766)	(2,401)
Inventories	(278)	(2,652)
Payables	2,750	(771)
	(2,650)	2,947
Cash generated from operations	(2,650)	2,947
Tax paid	(79)	(114)
Tax refund	-	250
Interest paid	(715)	(764)
	(3,444)	2,319
Net cash generated from operating activities	(3,444)	2,319
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	47	73
Purchase of property, plant and equipment	(4,259)	(649)
Proceeds from disposal of plant and equipment	155	-
Acquisition of an associate	-	(957)
	(4,057)	(1,533)
Net cash used in investing activities	(4,057)	(1,533)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceed from issuance of ordinary share	8,758	2,220
Repayment of bankers' acceptance	(20,197)	(50,653)
Drawdown of bankers' acceptance	17,507	47,008
Repayment of hire purchase obligations	(1,002)	(979)
Drawdown of term loan	1,584	4,000
Repayment of term loan	(1,357)	(914)
	5,293	682
Net cash generated from/ (used in) financing activities	5,293	682
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(2,208)	1,468
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	5,906	4,422
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	3,698	5,890
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	3,663	5,890
Short-term investments	35	-
	3,698	5,890

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 July 2021.

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**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>rd</sup> QUARTER ENDED 30 APRIL 2022**

**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 2021. 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 2021.

**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 2021.

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, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2 (effective from 1 January 2021)
- Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021 (effective from 1 April 2021)
- 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 30 April 2022:

<b>MFRS, Amendments to MFRS and IC Interpretation</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023

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**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>rd</sup> QUARTER ENDED 30 APRIL 2022**

**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 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
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

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 2021 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 2022.

**A6. Material Changes in Estimates**

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

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

**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 2022.

**A8. Dividends Paid**

No dividend has been paid during the financial period ended 30 April 2022.

**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 2022</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<b><u>Revenue</u></b>				
Revenue	28,104	-	-	28,104
<b><u>Results</u></b>				
Segment results	3,370	(38)	-	3,332
Interest expenses				(230)
Share of loss of an associate				(26)
Unallocated expenses				(91)
Profit before taxation				<u>2,985</u>

<u>Cumulative 9 months ended 30 April 2022</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<b><u>Revenue</u></b>				
Revenue	71,497	-	-	71,497
<b><u>Results</u></b>				
Segment results	5,980	(111)	-	5,869
Interest expenses				(715)
Share of loss of an associate				(75)
Unallocated expenses				(415)
Profit before taxation				<u>4,664</u>



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**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>rd</sup> QUARTER ENDED 30 APRIL 2022**

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

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

<u>Assets &amp; liabilities as at 30 April 2022</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000

**Assets & liabilities**

Segmental assets	134,859	33,730	(46,661)	121,928
Unallocated assets				9,735
Consolidated total assets				<u>131,663</u>

Segmental liabilities	48,970	6,185	(16,661)	38,494
Unallocated liabilities				1,611
Consolidated total liabilities				<u>40,105</u>

**Other information**

Capital expenditure	4,259	-	-	4,259
Depreciation and amortisation	3,248	-	-	3,248

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.

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**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>rd</sup> QUARTER ENDED 30 APRIL 2022**

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

**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 2022.

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**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>rd</sup> QUARTER ENDED 30 APRIL 2022**

**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 2022, the Group achieved consolidated revenue of RM28.104 million which was approximately 8.73% higher than the preceding year corresponding quarter. The increase in revenue was mainly due to higher demand for Original Equipment Manufacturer (“OEM”) products in the current quarter.

The Group recorded a profit after tax of RM2.802 million for the current quarter as compared to profit after tax of RM0.355 million in the preceding year corresponding quarter mainly due to the higher revenue generated and improved in operating efficiency.

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

	<b>Current Quarter 30 April 2022 RM'000</b>	<b>Preceding Quarter 31 January 2022 RM'000</b>
Revenue	28,104	26,585
Pre-tax profit	2,985	3,392
Pre-tax profit margin	10.62%	12.76%

For the current quarter, the Group achieved revenue of RM28.104 million, representing increase of 5.71% as compared to the preceding quarter ended 31 January 2022. The increase was attributable to higher demand from car makers to meet sales backlog accumulated during Full Movement Control Order imposed by Malaysian government since 1 June 2021 until end-August 2021. The Group recorded a pre-tax profit of RM2.985 million for the quarter under review as compared to pre-tax profit of RM3.392 million for the preceding quarter. Pre-tax profit margin has slight decreased from 12.76% to 10.62% as compared to the preceding quarter.

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

**B3 Prospects Commentary**

The automotive industry is anticipated to remain challenging due to the supply chain disruptions related to the chip shortage, resumption of the sales and service tax after June 2022 and increase of minimum wages from RM1,200 to RM1,500.

The Board remains vigilant but cautious in facing challenges that may arise from the war in Ukraine which is already being reflected in rising oil prices, disruptions to supply chain and other market uncertainties, combined with extended labour and electronic components shortages, escalating raw material prices, unfavorable fluctuation of foreign exchange rate and increase in labour cost. The Board will continue to strive to navigate through these difficult times by constantly monitoring the situation and taking appropriate measures and strategies to safeguard and insulate its operations and business.

These strategies implemented include strengthening and implementing key initiatives to optimize its costs and enhancing its existing business network, seeking out new collaborations and business opportunities to grow and broaden its product mix and earning base.

**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	
	30.04.22	30.04.21	30.04.22	30.04.21
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- current year	45	20	92	74
- (Over)/ under provision in prior years	(15)	5	(15)	5
	30	25	77	79
Deferred tax:				
- current year	153	(9)	216	77
- Under provision in prior years	-	-	-	-
<b>Tax expense</b>	183	16	293	156

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**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>rd</sup> QUARTER ENDED 30 APRIL 2022**

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

**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 30 April 2022:

	<u>RM'000</u>
(a) Secured borrowings	19,939
Unsecured borrowings	374
	20,313
(b) Short term	
- lease liability	835
- term loan	1,963
- banker acceptance	3,310
	6,108
Long term	
- lease liability	663
- term loan	13,542
	14,205
Total borrowings	20,313

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 2022.

**B9 Changes in Material Litigation**

There was no pending material litigation as at 21 June 2022 being a date not earlier than 7 days from the date of this quarterly report.

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**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>rd</sup> QUARTER ENDED 30 APRIL 2022**

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

**B10 Dividends**

No dividend is recommended for the current quarter (Q3-FY2022: Nil).

**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>30.04.2022</b>	<b>30.04.2021</b>	<b>30.04.2022</b>	<b>30.04.2021</b>
Profit for the period attributable to ordinary equity holders of the company (RM'000)	2,802	355	4,371	2,986
Number of ordinary shares in issue ('000)	56,153	48,845	54,700	48,352
Basic and diluted earnings per share (sen)	4.99	0.73	7.99	6.18

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

- i) The Group had entered into Memorandum of Understandings (“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) MALAYSIA AUTOMOTIVE ROBOTICS AND IoT INSTITUTE (“MARi”) 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 tat 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.

As at the date of this report, there were no further development to-date.

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**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>rd</sup> QUARTER ENDED 30 APRIL 2022**

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

- b) 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.

As at the date of this report, there were no further development to-date.

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**(Incorporated in Malaysia)**

**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>rd</sup> QUARTER ENDED 30 APRIL 2022**

**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:

	<b>30.04.2022</b>	<b>31.01.2022</b>
Trade debtors turnover days	68	54
Trade creditors turnover days	54	84
Working capital ratio	1.68	1.44
Debt-to-capital ratio	0.18	0.14

Trade debtor turnover days increased from preceding quarter due to the slower repayment from debtors in this quarter.

Trade creditor turnover days has decreased from 84 days to 54 days as a result of faster repayment towards quarter end. The Group’s closing inventories has decreased from RM22.14mil to RM19.38mil as compared to the preceding quarter due to increase in customers’ demand for OEM products.

The Group’s working capital ratio and debt-to-capital ratio are 1.68 and 0.18 as compared to the preceding quarter 1.44 and 0.14. 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 27 June 2022.

By Order of the Board,

Lee Wee Hee (MAICSA 0773340)  
SSM Practicing Certificate No. 201908004010  
Company Secretary  
Johor Bahru  
Date: 27 June 2022