

**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 31.07.2022 Unaudited RM'000</b>	<b>As at 31.07.2021 Audited RM'000 (Restated)</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	66,369	67,606
Right-of-use assets	16,579	16,885
Investment property	1,272	1,290
Investment in an associate	1,087	1,185
Deferred tax assets	415	615
	<u>85,722</u>	<u>87,581</u>
<b>Current Assets</b>		
Inventories	25,383	19,101
Trade receivables	25,039	4,487
Other receivables	1,977	1,516
Tax recoverable	-	177
Short-term investments	2,046	1,415
Cash and bank balances	4,024	4,491
	<u>58,469</u>	<u>31,187</u>
<b>TOTAL ASSETS</b>	<u>144,191</u>	<u>118,768</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the company</b>		
Share capital	55,383	46,625
Reserves	39,846	31,804
	<u>95,229</u>	<u>78,429</u>
<b>Non-controlling Interests</b>	-	-
<b>Total Equity</b>	<u>95,229</u>	<u>78,429</u>
<b>Non-Current Liabilities</b>		
Lease liabilities	139	299
Hire purchase payables	424	719
Borrowings	13,218	13,381
Deferred tax liabilities	303	73
	<u>14,084</u>	<u>14,472</u>
<b>Current Liabilities</b>		
Lease liabilities	223	174
Hire purchase payables	429	975
Borrowings	7,227	7,897
Bank overdraft	194	-
Trade payables	16,768	10,472
Other payables	8,854	5,108
Tax payables	26	-
Provision for warranties	1,157	1,241
	<u>34,878</u>	<u>25,867</u>
<b>Total Liabilities</b>	<u>48,962</u>	<u>40,339</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>144,191</u>	<u>118,768</u>
Net assets per stock unit attributable to ordinary equity holders of the company (RM)	<u>1.6956</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 31 JULY 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	3 Months Ended		12 Months Ended	
	31-Jul-22	31-Jul-21	31-Jul-22	31-Jul-21
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	34,326	6,018	105,823	84,825
Cost of sales	<u>(27,405)</u>	<u>(8,066)</u>	<u>(87,408)</u>	<u>(76,345)</u>
Gross profit/ (loss)	6,921	(2,048)	18,415	8,480
Other income	48	69	747	272
Selling and administrative expenses	(2,529)	(1,693)	(9,268)	(8,377)
Finance costs	(264)	(207)	(979)	(971)
Share of loss of associate	<u>(23)</u>	<u>(24)</u>	<u>(98)</u>	<u>(165)</u>
Profit/ (Loss) before tax	4,153	(3,903)	8,817	(761)
Taxation	(482)	82	(775)	(74)
Profit/ (Loss) for the period	<u>3,671</u>	<u>(3,821)</u>	<u>8,042</u>	<u>(835)</u>
Other comprehensive income/ (loss) :				
Other comprehensive income/ (loss) for the period	-	-	-	-
Total comprehensive income/ (loss) for the period	<u>3,671</u>	<u>(3,821)</u>	<u>8,042</u>	<u>(835)</u>
Profit/ (Loss) attributable to:				
Equity holders of the company	<u>3,671</u>	<u>(3,821)</u>	<u>8,042</u>	<u>(835)</u>
Total comprehensive income/ (Loss) attributable to:				
Equity holders of the company	<u>3,671</u>	<u>(3,821)</u>	<u>8,042</u>	<u>(835)</u>
Earnings/ (Loss) per share attributable to equity holders of the company:				
Basic and diluted (sen)	<u>6.54</u>	<u>(7.82)</u>	<u>14.60</u>	<u>(1.72)</u>

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))**  
(Incorporated in Malaysia)

**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>12 Months Ended</b>	
	<b>31-Jul-22</b>	<b>31-Jul-21</b>	<b>31-Jul-22</b>	<b>31-Jul-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	(19)	(23)	(66)	(96)
Interest expenses	264	208	979	972
Depreciation	1,142	1,095	4,388	4,231
Amortisation of golf club membership	1	1	2	2
Provision for warranties	662	47	1,008	1,554
Loss on disposal of plant and equipment	5	-	60	-
Loss/ (gain) on foreign exchange				
- realised	105	96	283	318
- unrealised	(37)	136	27	142

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 31 JULY 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	-	-	-	-	
Profit for the period	-	-	8,042	8,042	
Total comprehensive income for the period	-	-	8,042	8,042	
<b>At 31 July 2022</b>	<b>55,383</b>	<b>1,006</b>	<b>38,840</b>	<b>95,229</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 (loss)	-	-	-	-	
(Loss) for the period	-	-	(835)	(835)	
Total comprehensive (loss) for the period	-	-	(835)	(835)	
<b>At 31 July 2021</b>	<b>46,625</b>	<b>1,006</b>	<b>30,798</b>	<b>78,429</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 2021.

**MCE HOLDINGS BERHAD (Registration No: 201501033021 (1158341-K))**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE QUARTER ENDED 31 JULY 2022**  
(The figures have not been audited)

	<b>12 months ended</b>	<b>12 months ended</b>
	<b>31-Jul-22</b>	<b>31-Jul-21</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Restated)</b>
<b>CASH FLOWS (FOR)/ FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before tax	8,817	(761)
Adjustments for :		
Depreciation	4,388	4,231
Interest expense on lease liabilities	16	9
Inventories written down to net realisable value	-	45
Gain on lease modification	-	(1)
Amortisation of golf club membership	2	2
Share of loss of associate	98	165
Interest income	(66)	(40)
Other interest expense	963	963
Short term accumulated compensated absences	299	24
Fair value gain on short-term investments	-	(55)
Provision/ (reversal) for warranties	1,008	1,554
Loss on disposal of plant and equipment	60	-
Unrealised loss on foreign exchange	27	142
	<hr/>	<hr/>
Operating profit before working capital changes	15,612	6,278
Receivables	(21,015)	7,015
Inventories	(6,281)	(4,395)
Payables	8,625	(3,008)
Warranty paid	-	(614)
	<hr/>	<hr/>
Cash (used in)/ generated from operations	(3,059)	5,276
Tax paid	(143)	(129)
Tax refund	-	250
Interest paid	(979)	(979)
	<hr/>	<hr/>
Net cash (used in)/ generated from operating activities	(4,181)	4,418
	<hr/>	<hr/>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	66	95
Additions to right-of-use assets	-	(4)
Purchase of property, plant and equipment	(2,665)	(1,840)
Placement of short-term investment	B12 (631)	(1,395)
Proceeds from disposal of plant and equipment	152	-
Acquisition of an associate	-	(957)
	<hr/>	<hr/>
Net cash (used in) investing activities	B12 (3,078)	(4,101)
	<hr/>	<hr/>
<b>CASH FLOWS FROM/ (FOR) FINANCING ACTIVITIES</b>		
Proceed from issuance of ordinary share	8,758	2,220
Repayment of bankers' acceptance	(29,933)	(54,211)
Drawdown of bankers' acceptance	29,321	49,175
Repayment of hire purchase obligations	(1,115)	(1,208)
Repayment of lease liabilities	(212)	(82)
Drawdown of term loan	1,584	11,385
Repayment of term loan	(1,805)	(7,508)
	<hr/>	<hr/>
Net cash generated from/ (used in) financing activities	6,598	(229)
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<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>	B12 (661)	88
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	B12 4,491	4,403
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	B12 <u>3,830</u>	<u>4,491</u>
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	4,024	4,491
Bank overdraft	(194)	-
	<hr/>	<hr/>
	<u>3,830</u>	<u>4,491</u>
	<hr/>	<hr/>

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 – 4<sup>th</sup> QUARTER ENDED 31 JULY 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.

- Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021 (effective from 1 April 2021)
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2 (effective from 1 January 2021)

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 July 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 – 4<sup>th</sup> QUARTER ENDED 31 JULY 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 31 July 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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**NOTES TO THE INTERIM FINANCIAL REPORT – 4<sup>th</sup> QUARTER ENDED 31 JULY 2022**

**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 31 July 2022.

**A8. Dividends Paid**

No dividend has been paid during the financial period ended 31 July 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 31 July 2022</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<b><u>Revenue</u></b>				
Revenue	34,326	-	-	34,326
<b><u>Results</u></b>				
Segment results	4,551	(67)	-	4,484
Interest expenses				(264)
Share of loss of an associate				(23)
Unallocated expenses				(44)
Profit before taxation				<u>4,153</u>

<u>Cumulative 12 months ended 31 July 2022</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<b><u>Revenue</u></b>				
Revenue	105,823	-	-	105,823
<b><u>Results</u></b>				
Segment results	10,531	(178)	-	10,353
Interest expenses				(979)
Share of loss of an associate				(98)
Unallocated expenses				(459)
Profit before taxation				<u>8,817</u>



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**NOTES TO THE INTERIM FINANCIAL REPORT – 4<sup>th</sup> QUARTER ENDED 31 JULY 2022**

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

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

<u>Assets &amp; liabilities as at 31 July 2022</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000

**Assets & liabilities**

Segmental assets	148,167	33,748	(47,408)	134,507
Unallocated assets				9,684
Consolidated total assets				<u>144,191</u>

Segmental liabilities	57,787	6,332	(17,408)	46,711
Unallocated liabilities				2,251
Consolidated total liabilities				<u>48,962</u>

**Other information**

Capital expenditure	2,665	-	-	2,665
Depreciation and amortisation	4,390	-	-	4,390

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 – 4<sup>th</sup> QUARTER ENDED 31 JULY 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 31 July 2022.

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**NOTES TO THE INTERIM FINANCIAL REPORT – 4<sup>th</sup> QUARTER ENDED 31 JULY 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 fourth quarter ended 31 July 2022, the Group achieved consolidated revenue of RM34.326 million which was approximately 470.39% higher than the preceding year corresponding quarter.

At the preceding year corresponding quarter ended, the business operations of the Group were severely disrupted by the Full Movement Controlled Order (“FMCO”) i.e. 1 June 2021 to 31 July 2021) enforced by Malaysia Government to address the Covid-19 pandemic.

The Group recorded a profit after tax of RM3.671 million for the current quarter as compared to loss after tax of RM3.821 million in the preceding year corresponding quarter mainly due to no revenue generated while the fixed overhead and other general and administrative expenses recurred on monthly basis in the preceding year corresponding quarter.

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

	<b>Current Quarter 31 July 2022 RM'000</b>	<b>Preceding Quarter 30 April 2022 RM'000</b>
Revenue	34,326	28,104
Pre-tax profit	4,153	2,985
Pre-tax profit margin	12.10%	10.62%

For the current quarter, the Group achieved revenue of RM34.326 million, representing increase of 22.14% as compared to the preceding quarter ended 30 April 2022. The increase was attributable to higher demand from car maker to clear the sales backlog before the end of SST exemption by 31 March 2023. The Group recorded a pre-tax profit of RM4.153 million for the quarter under review as compared to pre-tax profit of RM2.985 million for the preceding quarter. Pre-tax profit margin has slight increased from 10.62% to 12.11% as compared to the preceding quarter.

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**NOTES TO THE INTERIM FINANCIAL REPORT – 4<sup>th</sup> QUARTER ENDED 31 JULY 2022**

**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 Group 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.

The Group takes encouragement from the improvements in the Total Industry Volume as announced by Malaysian Automotive Association, the successful launches of new models by its customers as well as improving operating environment moving forward.

**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		12 months ended	
	31.07.22	31.07.21	31.07.22	31.07.21
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- current year	269	22	361	96
- (Over) provision in prior years	-	(15)	(15)	(11)
	269	7	346	85
Deferred tax:				
- current year	213	(93)	429	(15)
- Under provision in prior years	-	4	-	4
Tax expense	482	(82)	775	74

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**NOTES TO THE INTERIM FINANCIAL REPORT – 4<sup>th</sup> QUARTER ENDED 31 JULY 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 31 July 2022:

		<u>RM'000</u>
(a)	Secured borrowings	21,492
	Unsecured borrowings	<u>362</u>
		<u>21,854</u>
(b)	Short term	
	- lease liabilities	223
	- hire purchase payables	429
	- term loan	1,839
	- banker acceptance	5,388
	- bank overdraft	<u>194</u>
		<u>8,073</u>
	Long term	
	- lease liabilities	139
	- hire purchase payables	424
	- term loan	<u>13,218</u>
		<u>13,781</u>
	Total borrowings	<u>21,854</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 31 July 2022.

**B9 Changes in Material Litigation**

There was no pending material litigation as at 21 September 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 – 4<sup>th</sup> QUARTER ENDED 31 JULY 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 (Q4-FY2022: Nil).

**B11 Earnings per Share**

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

	3 months ended		12 months ended	
	31.07.2022	31.07.2021	31.07.2022	31.07.2021
Profit/ (loss) for the period attributable to ordinary equity holders of the company (RM'000)	3,671	(3,821)	8,042	(835)
Number of ordinary shares in issue ('000)	56,163	48,845	55,066	48,475
Basic and diluted earnings per share (sen)	6.54	(7.82)	14.60	(1.72)

**B12 Restatement of comparative figure**

The following figures have been reclassified to conform with the presentation of the current financial year: -

	31.07.2021 RM'000	31.07.2021 RM'000 (Restated)
Consolidated Statement of Financial Position (Extract):-		
<u>Non-current assets</u>		
Property, plant and equipment	63,816	67,606
Right-of-use assets	20,675	16,885
<u>Non-current liabilities</u>		
Lease liabilities	1,018	299
Hire purchase payables	-	719
<u>Current liabilities</u>		
Lease liabilities	1,149	174
Hire purchase payables	-	975

Condensed Consolidated Statements of Cash Flows (Extract):-

Interest expense on lease liabilities	101	9
Other interest expenses	871	963
Placement of short-term investment	-	(1,395)
Net cash (used in) investing activities	(2,705)	(4,101)
Repayment of lease liabilities	(1,290)	(82)
Repayment of hire purchase obligations	-	(1,208)
Net increase in cash and cash equivalents	1,483	88
Cash and cash equivalents at beginning of the year	4,422	4,403
Cash and cash equivalents at end of the year	5,906	4,491

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

**NOTES TO THE INTERIM FINANCIAL REPORT – 4<sup>th</sup> QUARTER ENDED 31 JULY 2022**

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

**B13 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 (“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 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.

- 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.

**B14 Authorized for issue**

The interim financial statements were authorized by the Board of Directors in accordance with the resolution of the Directors on 27 September 2022.

By Order of the Board,

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