

**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 30.04.2023 Unaudited RM'000</b>	<b>As at 31.07.2022 Audited RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	32,689	66,369
Right-of-use assets	17,359	16,579
Investment property	1,258	1,272
Investment in an associate	815	1,087
Deferred tax assets	-	415
	52,121	85,722
<b>Current Assets</b>		
Inventories	28,742	25,383
Trade receivables	23,886	25,039
Other receivables	1,561	1,977
Tax recoverable	5	40
Short-term investments	16,234	2,046
Cash and bank balances	7,487	4,024
Assets held for sale	33,657	-
	111,572	58,509
<b>TOTAL ASSETS</b>	<b>163,693</b>	<b>144,231</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the company</b>		
Share capital	64,088	55,383
Reserves	52,299	39,846
	116,387	95,229
<b>Non-controlling Interests</b>	-	-
<b>Total Equity</b>	<b>116,387</b>	<b>95,229</b>
<b>Non-Current Liabilities</b>		
Lease liabilities	260	139
Hire purchase payables	565	424
Borrowings	11,898	13,218
Deferred tax liabilities	1,010	303
	13,733	14,084
<b>Current Liabilities</b>		
Lease liabilities	440	223
Hire purchase payables	785	429
Borrowings	4,438	7,227
Bank overdraft	-	194
Trade payables	15,573	16,768
Other payables	7,974	8,854
Tax payables	3,085	66
Provision for warranties	1,278	1,157
	33,573	34,918
<b>Total Liabilities</b>	<b>47,306</b>	<b>49,002</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>163,693</b>	<b>144,231</b>
Net assets per stock unit attributable to ordinary equity holders of the company (RM)	1.8839	1.6956

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2022.

**MCE HOLDINGS BERHAD (Registration No: 201501033021 (1158341-K))***(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 APRIL 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	3 Months Ended		9 Months Ended	
	30-Apr-23	30-Apr-22	30-Apr-23	30-Apr-22
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	39,316	28,104	116,998	71,497
Other income	114	50	239	699
Changes in inventories of finished goods	(128)	(1,751)	2,695	(1,577)
Raw material and consumables used	(20,409)	(14,860)	(65,776)	(40,579)
Purchase of trading inventories	(239)	(39)	(1,571)	(813)
Depreciation and amortisation	(1,225)	(1,128)	(3,507)	(3,247)
Employee benefits	(8,026)	(5,142)	(22,757)	(14,524)
Other operating expenses	(2,719)	(1,993)	(8,338)	(6,002)
Finance costs	(334)	(230)	(974)	(715)
Share of loss of associate	(224)	(26)	(272)	(75)
Profit before tax	6,126	2,985	16,737	4,664
Income tax expense	(1,425)	(183)	(4,284)	(293)
Profit for the period	4,701	2,802	12,453	4,371
Other comprehensive income :				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	4,701	2,802	12,453	4,371
Profit attributable to:				
Equity holders of the company	4,701	2,802	12,453	4,371
Total comprehensive income attributable to:				
Equity holders of the company	4,701	2,802	12,453	4,371
Earnings per share attributable to equity holders of the company:				
Basic and diluted (sen)	7.85	4.99	21.69	7.99

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 July 2022.

**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 profit before tax:

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>3 Months Ended</b>		<b>9 Months Ended</b>	
	<b>30-Apr-23</b>	<b>30-Apr-22</b>	<b>30-Apr-23</b>	<b>30-Apr-22</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	(69)	(11)	(124)	(47)
Interest expenses	327	226	958	703
Interest expense on lease liabilities	7	4	16	12
Depreciation	1,224	1,128	3,506	3,247
Amortisation of golf club membership	1	-	1	1
Provision for warranties	(42)	169	784	(346)
Inventories written down to net realisable value	-	-	19	-
Loss/ (gain) on disposal of plant and equipment	132	-	135	56
Loss/ (gain) on foreign exchange				
- realised	120	119	109	177
- unrealised	121	20	28	65

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 2023**

(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 2022</b>	55,383	1,006	38,840	95,229
Issuance of new share	8,705	-	-	8,705
Other comprehensive income	-	-	-	-
Profit for the period	-	-	12,453	12,453
Total comprehensive income for the period	-	-	12,453	12,453
<b>At 30 April 2023</b>	<b>64,088</b>	<b>1,006</b>	<b>51,293</b>	<b>116,387</b>
<b>At 1 Aug 2021</b>	46,625	1,006	30,798	78,429
Issuance of new share	8,758	-	-	8,758
Other comprehensive profit	-	-	-	-
Profit for the period	-	-	4,371	4,371
Total comprehensive profit for the period	-	-	4,371	4,371
<b>At 30 April 2022</b>	<b>55,383</b>	<b>1,006</b>	<b>35,169</b>	<b>91,558</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 2022.

**MCE HOLDINGS BERHAD (Registration No: 201501033021 (1158341-K))**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE QUARTER ENDED 30 APRIL 2023**  
(The figures have not been audited)

	<b>9 months ended 30-Apr-23 RM'000 (Unaudited)</b>	<b>9 months ended 30-Apr-22 RM'000 (Unaudited)</b>
<b>CASH FLOWS (FOR)/ FROM OPERATING ACTIVITIES</b>		
Profit before tax	16,737	4,664
Adjustments for :		
Depreciation	3,506	3,247
Amortisation of golf club membership	1	1
Other interest expense	958	703
Interest expense on lease liabilities	16	12
Inventories written down to net realisable value	19	-
Gain on lease modification	(6)	-
Share of loss of associate	272	75
Interest income	(36)	(31)
Interest income received on short-term investments	(88)	(16)
Short term accumulated compensated absences	248	214
Provision/ (reversal) for warranties	784	(346)
Loss on disposal of plant and equipment	135	56
Unrealised loss on foreign exchange	28	65
	22,574	8,644
Operating profit before working capital changes	22,574	8,644
Receivables	1,568	(13,766)
Inventories	(3,378)	(278)
Payables	(3,015)	2,750
	17,749	(2,650)
Cash generated from operations	17,749	(2,650)
Tax paid	(199)	(79)
Tax refund	92	-
Interest paid	(974)	(715)
	16,668	(3,444)
Net cash generated from operating activities	16,668	(3,444)
<b>CASH FLOWS (FOR)/ FROM INVESTING ACTIVITIES</b>		
Interest income	36	31
Interest income received on short-term investments	88	16
Purchase of property, plant and equipment	(2,403)	(4,259)
Placement of short-term investment	B12 (14,188)	1,380
Proceeds from disposal of plant and equipment	14	155
	(16,453)	(2,677)
Net cash (for)/ generated from investing activities	B12 (16,453)	(2,677)
<b>CASH FLOWS (FOR)/ FROM FINANCING ACTIVITIES</b>		
Proceed from issuance of ordinary share	8,705	8,758
Repayment of bankers' acceptance	(35,110)	(20,197)
Drawdown of bankers' acceptance	32,322	17,507
Repayment of hire purchase obligations	(717)	(847)
Repayment of lease liabilities	(437)	(155)
Drawdown of term loan	-	1,584
Repayment of term loan	(1,321)	(1,357)
	3,442	5,293
Net cash (for)/ generated from financing activities	3,442	5,293
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	B12 3,830	4,491
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	B12 <u>7,487</u>	<u>3,663</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	7,487	3,663
Bank overdraft	-	-
	<u>7,487</u>	<u>3,663</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 July 2022.

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**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>rd</sup> QUARTER ENDED 30 APRIL 2023**

**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 2022. 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 2022.

**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 2022.

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: Reference to the Conceptual Framework (effective from 1 January 2022)
- Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use (effective from 1 January 2022)
- Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract (effective from 1 January 2022)
- Annual Improvements to MFRS Standards 2018-2020 (effective from 1 January 2022)

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 2023:

<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 16: Lease Liability in a Sale and Leaseback	1 January 2024
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 2023**

**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 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 2022 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 2023.

**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 – 3<sup>rd</sup> QUARTER ENDED 30 APRIL 2023**

**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 2023.

**A8. Dividends Paid**

On 23 June 2023, a first interim single tier dividend of 2.5 sen per ordinary share amounting to RM1,544,467.55 was paid in respect of financial year ended 31 July 2023.

**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</u> <u>April 2023</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<b><u>Revenue</u></b>				
Revenue	39,316	-	-	39,316
<b><u>Results</u></b>				
Segment results	6,932	(35)	-	6,897
Interest expenses				(334)
Share of loss of an associate				(224)
Unallocated expenses				(213)
Profit before taxation				6,126

<u>3 months ended 30</u> <u>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				2,985



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**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>rd</sup> QUARTER ENDED 30 APRIL 2023**

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

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

Cumulative 9 months  
ended 30 April 2023

Automotive Parts	Healthcare Services	Elimination	Consolidated
RM'000	RM'000	RM'000	RM'000

**Revenue**

Revenue	116,998	-	-	116,998
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**Results**

Segment results	18,530	(107)	-	18,423
Interest expenses				(974)
Share of loss of an associate				(272)
Unallocated expenses				(440)
Profit before taxation				16,737

Cumulative 9 months  
ended 30 April 2022

Automotive Parts	Healthcare Services	Elimination	Consolidated
RM'000	RM'000	RM'000	RM'000

**Revenue**

Revenue	71,497	-	-	71,497
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**Results**

Segment results	5,980	(111)	-	5,869
Interest expenses				(715)
Share of loss of an associate				(75)
Unallocated expenses				(415)
Profit before taxation				4,664

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**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>rd</sup> QUARTER ENDED 30 APRIL 2023**

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

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

<u>Assets &amp; liabilities as at 30 April 2023</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000

**Assets & liabilities**

Segmental assets	167,809	33,730	(55,995)	145,544
Unallocated assets				18,149
Consolidated total assets				<u>163,693</u>

Segmental liabilities	63,868	6,627	(25,994)	44,501
Unallocated liabilities				2,805
Consolidated total liabilities				<u>47,306</u>

**Other information**

Capital expenditure	2,403	-	-	2,403
Depreciation and amortisation	3,507	-	-	3,507

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 2023.

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**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>rd</sup> QUARTER ENDED 30 APRIL 2023**

**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 2023, the Group achieved consolidated revenue of RM39.316 million which was approximately 39.89% higher than the preceding year corresponding quarter.

The Group recorded a profit after tax of RM4.701 million for the current quarter as compared to profit after tax of RM2.802 million in the preceding year corresponding quarter mainly due to higher demand from car maker to clear the sales backlog before the end of SST exemption by 31 March 2023 and improvement in operational efficiency.

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

	<b>Current Quarter 30 April 2023 RM'000</b>	<b>Preceding Quarter 31 January 2023 RM'000</b>
Revenue	39,316	39,126
Pre-tax profit	6,126	5,982
Pre-tax profit margin	15.58%	15.29%

For the current quarter, the Group achieved revenue of RM39.316 million, representing increase of 0.49% as compared to the preceding quarter ended 31 January 2023. 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 RM6.126 million for the quarter under review as compared to pre-tax profit of RM5.982 million for the preceding quarter. Pre-tax profit margin has slight increased from 15.29% to 15.58% as compared to the preceding quarter.

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**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>rd</sup> QUARTER ENDED 30 APRIL 2023**

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

**B3 Prospects Commentary**

With the end of the sales tax exemption, the vehicle sales in Malaysia is expected to normalise from the all time high of 78,849 units recorded in March 2023 with shorter waiting period. Malaysian Automotive Association (“MAA”) had announced that the Total Industry Volume (“TIV”) for May 2023 increased by 8.7% from 46,583 units to 50,663 units. It is notable that the car makers took the opportunity to shut down their plants for at least a week during Hari Raya for annual routine maintenance which resulted in lower TIV in April 2023. The Group expects the orders to remain strong due to backlogged orders and introduction of new models by car makers to entice and sustain consumer’s buying interest.

The Group remains vigilant and cautious in facing higher operating cost which arose from escalating raw material prices, fluctuation of foreign exchange rate and increase in labour cost. The Group will continue to monitor the situation and take appropriate measures and strategies to safeguard and insulate its operations and business.

These strategies implemented include strengthening and implementing key initiatives to enhance its operational efficiency and existing business network, seeking out new collaborations and business opportunities to grow and broaden its product mix to high value added modular components with higher earnings base.

The Group is cautiously optimistic that its performance will be consistent and sustainable for the remaining quarter of the financial year.

**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**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30.04.23</b>	<b>30.04.22</b>	<b>30.04.23</b>	<b>30.04.22</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax:				
- current year	1,380	45	3,401	92
- (Over) provision in prior years	(147)	(15)	(239)	(15)
	<u>1,233</u>	<u>30</u>	<u>3,162</u>	<u>77</u>
Deferred tax:				
- current year	192	153	1,122	216
<b>Tax expense</b>	<u>1,425</u>	<u>183</u>	<u>4,284</u>	<u>293</u>

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**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>rd</sup> QUARTER ENDED 30 APRIL 2023**

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

**B6 Status of Corporate Proposals**

On 6 January 2023, Bursa securities approved the listing and quotation of up to 5,616,200 new ordinary shares (“Placement Shares”), representing approximately 10% of the total number of issued shares of the Company.

On 27 March 2023, the Private Placement has been completed following the listing and quotation of 5,616,200 Placement Shares on the Main Market of Bursa Securities.

There were no other 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 2023:

	<u>RM'000</u>
(a) Secured borrowings	17,686
Unsecured borrowings	700
	<u>18,386</u>
(b) Short term	
- lease liabilities	440
- hire purchase payables	785
- term loan	1,838
- banker acceptance	2,600
	<u>5,663</u>
Long term	
- lease liabilities	260
- hire purchase payables	565
- term loan	11,898
	<u>12,723</u>
Total borrowings	<u>18,386</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 2023.

**B9 Changes in Material Litigation**

There was no pending material litigation as at 20 June 2023 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 2023**

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

**B10 Dividends**

On 29 May 2023, the Board of Directors declared a first interim single-tier dividend of 2.5 sen per ordinary share, amounting to RM 1,544,467.55 in respect of the financial year ended 31 July 2023. The dividend was paid on 23 June 2023 to shareholders. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 July 2023. (Q3-FY2023: RM 1,544,467.55).

**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>30.04.2023</b>	<b>30.04.2022</b>	<b>30.04.2023</b>	<b>30.04.2022</b>
Profit for the period attributable to ordinary equity holders of the company (RM'000)	4,701	2,802	12,453	4,371
Number of ordinary shares in issue ('000)	59,907	56,153	57,411	54,700
Basic and diluted earnings per share (sen)	7.85	4.99	21.69	7.99

**B12 Changes in Presentation of Condensed Consolidated Statement of Comprehensive Income**

The Cost of Sales and Selling & Administrative Expenses presented in the preceding year corresponding quarter are restated according to their nature to align with audited financial statement of MCE Holdings Berhad for the financial year ended 31 July 2022.

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

	<b>30.04.2022</b>	<b>30.04.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>
Consolidated Statement of Comprehensive Income (Extract):-		
Cost of sales	(22,611)	-
Gross profit	5,493	-
Selling and administrative expenses	(2,302)	-
Changes in inventories of finished goods	-	(1,751)
Raw material and consumables used	-	(14,860)
Purchase of trading inventories	-	(39)
Depreciation and amortisation	-	(1,128)
Employee benefits	-	(5,142)
Other operating expenses	-	(1,993)

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

**NOTES TO THE INTERIM FINANCIAL REPORT – 3<sup>rd</sup> QUARTER ENDED 30 APRIL 2023**

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

**B12 Changes in Presentation of Condensed Consolidated Statement of Comprehensive Income (Cont'd)**

The following figures have been reclassified to conform with the presentation of the current quarter (Cont'd): -

	<b>30.04.2022</b>	<b>30.04.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>(Restated)</b>
Condensed Consolidated Statements of Cash Flows (Extract):-		
Interest income	(47)	(31)
Interest income received on short-term investments	-	(16)
Other interest expense	715	703
Interest expense on lease liabilities	-	12
Placement of short-term investment	-	1,380
Net cash (for)/ generated from investing activities	(4,057)	(2,677)
Repayment of hire purchase obligations	(1,002)	(847)
Repayment of lease liabilities	-	(155)
Net decrease in cash and cash equivalents	(2,208)	(828)
Cash and cash equivalents at beginning of the period	5,906	4,491
Cash and cash equivalents at end of the period	3,698	3,663

**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 (“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 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.

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 2023**

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

**B13 Memorandum of Understanding (“MOU”) (Cont’d)**

- 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.

The MOU had been automatically renewed for another 1 year to 16 June 2024.

**B14 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 2023.

By Order of the Board,

Lee Wee Hee (MAICSA 0773340)  
SSM Practicing Certificate No. 201908004010  
Company Secretary  
Johor Bahru  
Date: 26 June 2023