

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 31.07.2023 Unaudited RM'000	As at 31.07.2022 Audited RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	67,850	66,369
Right-of-use assets	17,907	16,579
Investment property	1,254	1,272
Investment in an associate	803	1,087
Deferred tax assets	645	415
	<u>88,459</u>	<u>85,722</u>
Current Assets		
Inventories	24,165	25,383
Trade receivables	25,716	25,039
Other receivables	1,770	1,977
Tax recoverable	205	40
Short-term investments	11,940	2,046
Cash and bank balances	9,093	4,024
	<u>72,889</u>	<u>58,509</u>
TOTAL ASSETS	161,348	144,231
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	64,088	55,383
Reserves	53,695	39,846
	<u>117,783</u>	<u>95,229</u>
Non-controlling Interests	-	-
Total Equity	117,783	95,229
Non-Current Liabilities		
Lease liabilities	888	139
Hire purchase payables	603	424
Borrowings	11,495	13,218
Deferred tax liabilities	816	303
	<u>13,802</u>	<u>14,084</u>
Current Liabilities		
Lease liabilities	419	223
Hire purchase payables	693	429
Borrowings	1,802	7,227
Bank overdraft	-	194
Trade payables	13,558	16,768
Other payables	11,452	8,854
Tax payables	985	66
Provision for warranties	854	1,157
	<u>29,763</u>	<u>34,918</u>
Total Liabilities	43,565	49,002
TOTAL EQUITY AND LIABILITIES	161,348	144,231
Net assets per stock unit attributable to ordinary equity holders of the company (RM)	<u>1.9065</u>	<u>1.6956</u>

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 31 JULY 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	3 Months Ended		12 Months Ended	
	31-Jul-23	31-Jul-22	31-Jul-23	31-Jul-22
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	37,891	34,326	154,889	105,823
Other income	229	48	468	747
Changes in inventories of finished goods	(1,159)	2,666	1,537	1,089
Raw material and consumables used	(20,555)	(18,938)	(86,331)	(59,518)
Purchase of trading inventories	-	(2,378)	(1,579)	(3,191)
Depreciation and amortisation	(1,237)	(1,142)	(4,744)	(4,388)
Employee benefits	(9,687)	(7,343)	(32,443)	(21,867)
Other operating expenses	(2,200)	(2,799)	(10,532)	(8,801)
Finance costs	(266)	(264)	(1,240)	(979)
Share of loss of associate	(12)	(23)	(284)	(98)
Profit before tax	3,004	4,153	19,741	8,817
Income tax expense	(64)	(482)	(4,348)	(775)
Profit for the period	<u>2,940</u>	<u>3,671</u>	<u>15,393</u>	<u>8,042</u>
Other comprehensive income :				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>2,940</u>	<u>3,671</u>	<u>15,393</u>	<u>8,042</u>
Profit attributable to:				
Equity holders of the company	<u>2,940</u>	<u>3,671</u>	<u>15,393</u>	<u>8,042</u>
Total comprehensive income attributable to:				
Equity holders of the company	<u>2,940</u>	<u>3,671</u>	<u>15,393</u>	<u>8,042</u>
Earnings per share attributable to equity holders of the company:				
Basic and diluted (sen)	<u>4.76</u>	<u>6.54</u>	<u>26.31</u>	<u>14.60</u>

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:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	3 Months Ended		12 Months Ended	
	31-Jul-23	31-Jul-22	31-Jul-23	31-Jul-22
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	(129)	(11)	(253)	(47)
Interest expenses	243	226	1,201	703
Interest expense on lease liabilities	23	4	39	12
Depreciation	1,236	1,128	4,742	3,247
Amortisation of golf club membership	1	-	2	1
Provision for warranties	(262)	169	524	(346)
Inventories written down to net realisable value	8	-	8	-
Loss on disposal of plant and equipment	-	-	135	56
(Gain)/ loss on foreign exchange				
- realised	92	119	335	177
- unrealised	(142)	20	(118)	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 31 JULY 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
At 1 Aug 2022	55,383	1,006	38,840	95,229
Issuance of new share	8,705	-	-	8,705
Other comprehensive income	-	-	-	-
Profit for the period	-	-	15,393	15,393
Total comprehensive income for the period	-	-	15,393	15,393
Dividends to shareholders	-	-	(1,544)	(1,544)
At 31 July 2023	64,088	1,006	52,689	117,783
At 1 Aug 2021	46,625	1,006	30,798	78,429
Issuance of new share	8,758	-	-	8,758
Other comprehensive profit	-	-	-	-
Profit for the period	-	-	8,042	8,042
Total comprehensive profit for the period	-	-	8,042	8,042
At 31 Jul 2022	55,383	1,006	38,840	95,229

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 31 JULY 2023
(The figures have not been audited)

	12 months ended	12 months ended
	31-Jul-23	31-Jul-22
	RM'000	RM'000
	(Unaudited)	(Unaudited)
CASH FLOWS (FOR)/ FROM OPERATING ACTIVITIES		
Profit before tax	19,741	8,817
Adjustments for :		
Depreciation	4,742	4,388
Amortisation of golf club membership	2	2
Other interest expense	1,201	963
Interest expense on lease liabilities	39	16
Inventories written down to net realisable value	8	-
Gain on lease modification	(7)	-
Share of loss of associate	284	98
Interest income	B12 (59)	(39)
Interest income received on short-term investments	B12 (194)	(27)
Short term accumulated compensated absences	375	299
Provision for warranties	524	1,008
Loss on disposal of plant and equipment	135	60
Unrealised (gain)/ loss on foreign exchange	(118)	27
	<hr/>	<hr/>
Operating profit before working capital changes	26,673	15,612
Receivables	(471)	(21,015)
Inventories	1,210	(6,281)
Payables	(1,697)	8,625
	<hr/>	<hr/>
Cash generated from/ (for) operations	25,715	(3,059)
Tax paid	(3,402)	(143)
Tax refund	92	-
Interest paid	(1,240)	(979)
	<hr/>	<hr/>
Net cash generated from/ (for) operating activities	21,165	(4,181)
CASH FLOWS (FOR)/ FROM INVESTING ACTIVITIES		
Interest income	B12 59	39
Interest income received on short-term investments	B12 194	27
Purchase of property, plant and equipment	(4,996)	(2,665)
Placement of short-term investment	(9,894)	(631)
Proceeds from disposal of plant and equipment	14	152
	<hr/>	<hr/>
Net cash (for) investing activities	(14,623)	(3,078)
CASH FLOWS (FOR)/ FROM FINANCING ACTIVITIES		
Proceed from issuance of ordinary share	8,705	8,758
Repayment of bankers' acceptance	(37,710)	(29,933)
Drawdown of bankers' acceptance	32,322	29,321
Repayment of hire purchase obligations	(904)	(1,115)
Repayment of lease liabilities	(388)	(212)
Dividend paid	(1,544)	-
Drawdown of term loan	-	1,584
Repayment of term loan	(1,760)	(1,805)
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Net cash (for)/ generated from financing activities	(1,279)	6,598
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	5,263	(661)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		
	3,830	4,491
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
	<hr/> <hr/>	<hr/> <hr/>
	9,093	3,830
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	9,093	4,024
Bank overdraft	-	(194)
	<hr/> <hr/>	<hr/> <hr/>
	9,093	3,830

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 – 4th QUARTER ENDED 31 JULY 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 31 July 2023:

MFRS, Amendments to MFRS and IC Interpretation	Effective for annual periods beginning on or after
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 – 4th QUARTER ENDED 31 JULY 2023

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 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
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 112: International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
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 31 July 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 – 4th QUARTER ENDED 31 JULY 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 31 July 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 31 July 2023</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Revenue	37,891	-	-	37,891
<u>Results</u>				
Segment results	3,274	(37)	-	3,237
Interest expenses				(266)
Share of loss of an associate				(12)
Unallocated income				45
Profit before taxation				3,004

<u>3 months ended 31 July 2022</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Revenue	34,326	-	-	34,326
<u>Results</u>				
Segment results	4,551	(67)	-	4,484
Interest expenses				(264)
Share of loss of an associate				(23)
Unallocated expenses				(44)
Profit before taxation				4,153

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NOTES TO THE INTERIM FINANCIAL REPORT – 4th QUARTER ENDED 31 JULY 2023

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (Cont'd)

<u>Cumulative 12 months ended 31 July 2023</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000

Revenue

Revenue	154,889	-	-	154,889
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Results

Segment results	21,804	(144)	-	21,660
Interest expenses				(1,240)
Share of loss of an associate				(284)
Unallocated expenses				(395)
Profit before taxation				19,741

<u>Cumulative 12 months ended 31 July 2022</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000

Revenue

Revenue	105,823	-	-	105,823
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Results

Segment results	10,531	(178)	-	10,353
Interest expenses				(979)
Share of loss of an associate				(98)
Unallocated expenses				(459)
Profit before taxation				8,817

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NOTES TO THE INTERIM FINANCIAL REPORT – 4th QUARTER ENDED 31 JULY 2023

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (Cont'd)

<u>Assets & liabilities as at 31 July 2023</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000

Assets & liabilities

Segmental assets	163,364	33,754	(56,343)	140,775
Unallocated assets				20,573
Consolidated total assets				<u>161,348</u>

Segmental liabilities	60,241	6,766	(26,343)	40,664
Unallocated liabilities				2,901
Consolidated total liabilities				<u>43,565</u>

Other information

Capital expenditure	4,995	-	-	4,995
Depreciation and amortisation	4,744	-	-	4,744

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 31 July 2023.

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NOTES TO THE INTERIM FINANCIAL REPORT – 4th QUARTER ENDED 31 JULY 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 fourth quarter ended 31 July 2023, the Group achieved consolidated revenue of RM37.891 million which was approximately 10.39% higher than the preceding year corresponding quarter.

The Group recorded a profit after tax of RM2.940 million for the current quarter as compared to profit after tax of RM3.671 million in the preceding year corresponding quarter mainly due to customers requested for revision of selling price and increase in operating cost including materials and labor cost.

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

	Current Quarter 31 July 2023 RM'000	Preceding Quarter 30 April 2023 RM'000
Revenue	37,891	39,316
Pre-tax profit	3,004	6,126
Pre-tax profit margin	7.93%	15.58%

For the current quarter, the Group achieved revenue of RM37.891 million, representing decrease of 3.62% as compared to the preceding quarter ended 30 April 2023. The higher sales at preceding quarter 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 RM3.004 million for the quarter under review as compared to pre-tax profit of RM6.126 million for the preceding quarter. Pre-tax profit margin has decreased from 15.58% to 7.93% as compared to the preceding quarter.

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NOTES TO THE INTERIM FINANCIAL REPORT – 4th QUARTER ENDED 31 JULY 2023

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

B3 Prospects Commentary

In view of the strong performance for first half of year 2023, Malaysian Automotive Association (“MAA”) had revised the full year 2023 Total Industry Volume (“TIV”) forecast upward from 650,000 to 725,000 units. The Group expects the orders to remain strong due to new and affordable model launches by national car makers, stable economic outlook with the local economy projected to expand between 3% and 5%, driven by domestic demand and improvement in the automotive industry supply chain environment (*Source: http://www.maa.org.my/pdf/2023/Market_Review_1st_Half_2023.pdf*).

The Group remains vigilant and cautious in facing prevailing uncertainties surrounding its operating environment which include possible softening of consumer spending, weighed down by concerns of rising living costs, shrinking disposable income, weakening ringgit against major foreign currencies, and uncertainties about the domestic and global economic environment. 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 coming 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

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31.07.23	31.07.22	31.07.23	31.07.22
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- current year	903	269	4,303	361
- (Over) provision in prior years	-	-	(239)	(15)
	<u>903</u>	<u>269</u>	<u>4,064</u>	<u>346</u>
Deferred tax:				
- current year	(839)	213	284	429
Tax expense	<u>64</u>	<u>482</u>	<u>4,348</u>	<u>775</u>

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NOTES TO THE INTERIM FINANCIAL REPORT – 4th QUARTER ENDED 31 JULY 2023

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 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 31 July 2023:

		<u>RM'000</u>
(a)	Secured borrowings	14,593
	Unsecured borrowings	<u>1,307</u>
		<u>15,900</u>
(b)	Short term	
	- lease liabilities	419
	- hire purchase payables	693
	- term loan	<u>1,802</u>
		<u>2,914</u>
	Long term	
	- lease liabilities	888
	- hire purchase payables	603
	- term loan	<u>11,495</u>
		<u>12,986</u>
	Total borrowings	<u>15,900</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 2023.

B9 Changes in Material Litigation

There was no pending material litigation as at 21 September 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 – 4th QUARTER ENDED 31 JULY 2023

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

B10 Dividends

- i) 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 ended 31 July 2023.
- ii) On 27 September 2023, the Board of Directors declared a second interim single-tier dividend of 3 sen per ordinary share, amounting to RM 1,853,361.06 in respect of the financial year ended 31 July 2023. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 July 2024. The entitlement to dividends will be determined on the basis of the record of depositors as at 16 October 2023 and date of payment for the second interim single-tier dividend will be at 30 October 2023.

B11 Earnings per Share

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

	3 months ended		12 months ended	
	31.07.23	31.07.22	31.07.23	31.07.22
Profit for the period attributable to ordinary equity holders of the company (RM'000)	2,940	3,671	15,393	8,042
Number of ordinary shares in issue ('000)	61,779	56,163	58,503	55,066
Basic and diluted earnings per share (sen)	4.76	6.54	26.31	14.60

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: -

	31.07.2022	31.07.2022
	RM'000	RM'000
		(Restated)
Consolidated Statement of Comprehensive Income (Extract):-		
Cost of sales	(27,405)	-
Gross profit	6,921	-
Selling and administrative expenses	(2,529)	-
Changes in inventories of finished goods	-	2,666
Raw material and consumables used	-	(18,938)
Purchase of trading inventories	-	(2,378)
Depreciation and amortisation	-	(1,142)
Employee benefits	-	(7,343)
Other operating expenses	-	(2,799)

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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): -

	31.07.2022	31.07.2022
	RM'000	RM'000
		(Restated)
Condensed Consolidated Statements of Cash Flows (Extract):-		
Interest income	(66)	(39)
Interest income received on short-term investments	-	(27)

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 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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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 27 September 2023.