

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 31.10.2023 Unaudited RM'000	As at 31.07.2023 Audited RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	67,999	67,850
Right-of-use assets	17,901	17,907
Investment property	1,249	1,254
Investment in an associate	894	803
Deferred tax assets	733	645
	<u>88,776</u>	<u>88,459</u>
Current Assets		
Inventories	22,435	24,165
Trade receivables	26,641	25,716
Other receivables	1,620	1,770
Tax recoverable	5	205
Short-term investments	13,817	11,940
Cash and bank balances	16,240	9,093
	<u>80,758</u>	<u>72,889</u>
TOTAL ASSETS	169,534	161,348
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	64,088	64,088
Reserves	56,718	53,695
	<u>120,806</u>	<u>117,783</u>
Non-controlling Interests	-	-
Total Equity	120,806	117,783
Non-Current Liabilities		
Lease liabilities	903	888
Hire purchase payables	630	603
Borrowings	11,101	11,495
Deferred tax liabilities	801	816
	<u>13,435</u>	<u>13,802</u>
Current Liabilities		
Lease liabilities	451	419
Hire purchase payables	619	693
Borrowings	1,757	1,802
Bank overdraft	-	-
Trade payables	18,908	13,558
Other payables	12,024	11,452
Tax payables	788	985
Provision for warranties	746	854
	<u>35,293</u>	<u>29,763</u>
Total Liabilities	48,728	43,565
TOTAL EQUITY AND LIABILITIES	169,534	161,348
Net assets per stock unit attributable to ordinary equity holders of the company (RM)	<u>1.9555</u>	<u>1.9065</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2023.

MCE HOLDINGS BERHAD (Registration No: 201501033021 (1158341-K))*(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 OCTOBER 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	3 Months Ended		3 Months Ended	
	31-Oct-23	31-Oct-22	31-Oct-23	31-Oct-22
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	41,286	38,556	41,286	38,556
Other income	188	65	188	65
Changes in inventories of finished goods	(1,457)	1,398	(1,457)	1,398
Raw material and consumables used	(20,873)	(23,861)	(20,873)	(23,861)
Purchase of trading inventories	-	-	-	-
Depreciation and amortisation	(1,243)	(1,113)	(1,243)	(1,113)
Employee benefits	(8,279)	(6,719)	(8,279)	(6,719)
Other operating expenses	(2,953)	(3,366)	(2,953)	(3,366)
Finance costs	(209)	(306)	(209)	(306)
Share of loss of associate	(7)	(25)	(7)	(25)
Profit before tax	6,453	4,629	6,453	4,629
Income tax expense	(1,577)	(1,130)	(1,577)	(1,130)
Profit for the period	4,876	3,499	4,876	3,499
Other comprehensive income :				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	4,876	3,499	4,876	3,499
Profit attributable to:				
Equity holders of the company	4,876	3,499	4,876	3,499
Total comprehensive income attributable to:				
Equity holders of the company	4,876	3,499	4,876	3,499
Earnings per share attributable to equity holders of the company:				
Basic and diluted (sen)	7.89	6.23	7.89	6.23

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 July 2023.

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		3 Months Ended	
	31-Oct-23	31-Oct-22	31-Oct-23	31-Oct-22
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	(149)	(26)	(149)	(26)
Interest expenses	196	303	196	303
Interest expense on lease liabilities	13	3	13	3
Depreciation	1,243	1,113	1,243	1,113
Provision for warranties	103	698	103	698
Loss on disposal of plant and equipment	38	4	38	4
(Gain)/ loss on foreign exchange				
- realised	79	193	79	193
- unrealised	253	1	253	1

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 OCTOBER 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 2023	64,088	1,006	52,689	117,783
Issuance of new share	-	-	-	-
Other comprehensive income	-	-	-	-
Profit for the period	-	-	4,876	4,876
Total comprehensive income for the period	-	-	4,876	4,876
Dividends to shareholders	-	-	(1,853)	(1,853)
At 31 October 2023	64,088	1,006	55,712	120,806
At 1 Aug 2022	55,383	1,006	38,840	95,229
Issuance of new share	-	-	-	-
Other comprehensive profit	-	-	-	-
Profit for the period	-	-	3,499	3,499
Total comprehensive profit for the period	-	-	3,499	3,499
At 31 Oct 2022	55,383	1,006	42,339	98,728

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2023.

MCE HOLDINGS BERHAD (Registration No: 201501033021 (1158341-K))
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 OCTOBER 2023
(The figures have not been audited)

	3 months ended 31-Oct-23 RM'000 (Unaudited)	3 months ended 31-Oct-22 RM'000 (Unaudited)
CASH FLOWS (FOR)/ FROM OPERATING ACTIVITIES		
Profit before tax	6,453	4,629
Adjustments for :		
Depreciation	1,243	1,113
Other interest expense	196	303
Interest expense on lease liabilities	13	3
Share of loss of associate	7	25
Interest income	(22)	(13)
Interest income received on short-term investments	(127)	(13)
Short term accumulated compensated absences	115	167
Provision for warranties	103	698
Loss on disposal of plant and equipment	38	4
Unrealised (gain)/ loss on foreign exchange	253	1
	8,272	6,917
Operating profit before working capital changes	8,272	6,917
Receivables	(775)	512
Inventories	1,730	(2,741)
Payables	5,343	(1,309)
	14,570	3,379
Cash generated from/ (for) operations	14,570	3,379
Tax paid	(1,689)	(72)
Tax refund	12	92
Interest paid	(209)	(306)
	12,684	3,093
Net cash generated from/ (for) operating activities	12,684	3,093
CASH FLOWS (FOR)/ FROM INVESTING ACTIVITIES		
Interest income	22	13
Interest income received on short-term investments	127	13
Purchase of property, plant and equipment	(1,130)	(1,008)
Placement of short-term investment	(1,877)	1,687
Proceeds from disposal of plant and equipment	48	14
Acquisition of an associate	(98)	-
	(2,908)	719
Net cash (for) investing activities	(2,908)	719
CASH FLOWS (FOR)/ FROM FINANCING ACTIVITIES		
Repayment of bankers' acceptance	-	(11,734)
Drawdown of bankers' acceptance	-	11,786
Repayment of hire purchase obligations	(224)	(200)
Repayment of lease liabilities	(113)	(55)
Dividend paid	(1,853)	-
Drawdown of term loan	-	-
Repayment of term loan	(439)	(441)
	(2,629)	(644)
Net cash (for)/ generated from financing activities	(2,629)	(644)
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	7,147	3,168
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	9,093	3,830
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	16,240	6,998
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	16,240	7,295
Bank overdraft	-	(297)
	16,240	6,998

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 July 2023.

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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 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 2023. 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 2023.

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 2023.

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.

- MFRS 17 Insurance Contracts (effective from 1 January 2023)
- Amendments to MFRS 17 Insurance Contracts (effective from 1 January 2023)
- Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information (effective from 1 January 2023)
- Amendments to MFRS 101: Disclosure of Accounting Policies (effective from 1 January 2023)
- Amendments to MFRS 108: Definition of Accounting Estimates (effective from 1 January 2023)
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective from 1 January 2023)
- Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules (effective from 1 January 2023)

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 October 2023:

MFRS, Amendments to MFRS and IC Interpretation	Effective for annual periods beginning on or after
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024

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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 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: 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 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 2023 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 October 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 – 1st QUARTER ENDED 31 OCTOBER 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 October 2023.

A8. Dividends Paid

- i) On 30 October 2023, a second interim single tier dividend of 3 sen per ordinary share amounting to RM1,853,361.06 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 October 2023</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Revenue	41,286	-	-	41,286
<u>Results</u>				
Segment results	6,776	(36)	-	6,740
Interest expenses				(209)
Share of loss of an associate				(7)
Unallocated income				(71)
Profit before taxation				<u>6,453</u>

<u>3 months ended 31 October 2022</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Revenue	38,556	-	-	38,556
<u>Results</u>				
Segment results	5,076	(35)	-	5,041
Interest expenses				(306)
Share of loss of an associate				(25)
Unallocated expenses				(81)
Profit before taxation				<u>4,629</u>

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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (Cont'd)

Cumulative 3 months
ended 31 October
2023

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

Revenue

Revenue	41,286	-	-	41,286
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Results

Segment results	6,776	(36)	-	6,740
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Interest expenses				(209)
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Share of loss of an associate				(7)
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Unallocated expenses				(71)
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Profit before taxation				6,453
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Cumulative 3 months
ended 31 October
2022

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

Revenue

Revenue	38,556	-	-	38,556
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Results

Segment results	5,076	(35)	-	5,041
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Interest expenses				(306)
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Share of loss of an associate				(25)
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Unallocated expenses				(81)
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Profit before taxation				4,629
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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (Cont'd)

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

Assets & liabilities

Segmental assets	171,538	33,722	(56,776)	148,484
Unallocated assets				21,050
Consolidated total assets				<u>169,534</u>

Segmental liabilities	65,508	6,854	(26,776)	45,586
Unallocated liabilities				3,142
Consolidated total liabilities				<u>48,728</u>

Other information

Capital expenditure	1,130	-	-	1,130
Depreciation and amortisation	1,243	-	-	1,243

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 October 2023.

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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 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 first quarter ended 31 October 2023, the Group achieved consolidated revenue of RM41.286 million which was approximately 7.08% higher than the preceding year corresponding quarter.

The Group recorded a profit after tax of RM4.876 million for the current quarter as compared to profit after tax of RM3.499 million in the preceding year corresponding quarter mainly due increase in demand for the Group's products from its customers.

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

	Current Quarter 31 October 2023 RM'000	Preceding Quarter 31 July 2023 RM'000
Revenue	41,286	37,891
Pre-tax profit	6,453	3,004
Pre-tax profit margin	15.63%	7.93%

For the current quarter, the Group achieved revenue of RM41.286 million, representing increase of 8.96% as compared to the preceding quarter ended 31 July 2023. The higher sales at current quarter was attributable to increase in demand for the Group's products from its customers. The Group recorded a pre-tax profit of RM6.453 million for the quarter under review as compared to pre-tax profit of RM3.004 million for the preceding quarter. Pre-tax profit margin has increased from 7.93% to 15.63% as compared to the preceding quarter.

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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 2023

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

B3 Prospects Commentary

According to a Press Release by the Malaysian Automotive Association, the Total Industry Volume (“TIV”) up to October 2023 had surpass preceding year corresponding period by 12% from 578,917 units to 646,840 units. The Group expects orders for the Group’s products to remain consistent due to new and affordable model launches by national car makers and increase in their market share, stable economic outlook with the local economy projected to grow between 4% and 5% driven by domestic demand and improvement in the automotive industry supply chain environment.

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 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		3 months ended	
	31.10.23	31.10.22	31.10.23	31.10.22
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- current year	1,680	771	1,680	771
- (Over) provision in prior years	-	(92)	-	(92)
	<u>1,680</u>	<u>679</u>	<u>1,680</u>	<u>679</u>
Deferred tax:				
- current year	(103)	451	(103)	451
Tax expense	<u>1,577</u>	<u>1,130</u>	<u>1,577</u>	<u>1,130</u>

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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 2023

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

B6 Status of Corporate Proposals

- (a) On 10 October 2023, the Company had proposed to undertake the following proposals:
- (i) Proposed bonus issue of 61,778,702 new ordinary shares in MCE (“MCE Share(s)” or “Share(s)”) (“Bonus Share(s)”) on the basis of 1 Bonus Share for every 1 existing MCE Share held on an entitlement date to be determined and announced later (“Bonus Shares Entitlement Date”) (“Proposed Bonus Issue of Shares”); and
 - (ii) Proposed bonus issue of 61,778,702 free warrants (“Warrant(s)”) on the basis of Warrant for every 2 MCE Shares held after the Proposed Bonus Issue of Shares on an entitlement date to be determined and announced later (“Warrants Entitlement Date”) (“Proposed Bonus Issue of Warrants”).

On 27 October 2023, the Company had submitted the additional listing application for the proposals to Bursa Malaysia Securities Berhad (“Bursa Securities”) and Bursa Securities had vide its letter dated 9 November 2023 approved the additional listing application.

An Extraordinary General Meeting had been scheduled to be convened on 21 December 2023 for the purpose of considering the above proposals.

- (b) MCE Ventures Sdn Bhd, a wholly owned subsidiary had on 6th October 2023 entered into a Share Sale Agreement (“SSA”) with Fortechgrp Co., Ltd to acquire an additional 51% equity interest comprised of 3,060,000 ordinary shares in Fortech Technologies (Malaysia) Sd. Bhd. for a total cash consideration of RM979,200 subject to the terms and condition set forth in the SSA. The acquisition has been completed on 14 November 2023.

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 October 2023:

	<u>RM’000</u>
(a) Secured borrowings	14,107
Unsecured borrowings	1,354
	15,461
(b) Short term	
- lease liabilities	451
- hire purchase payables	619
- term loan	1,757
	2,827
Long term	
- lease liabilities	903
- hire purchase payables	630
- term loan	11,101
	12,634
Total borrowings	15,461

All the above borrowings are denominated in Ringgit Malaysia.

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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 2023

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

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 October 2023.

B9 Changes in Material Litigation

There was no pending material litigation as at 15 December 2023 being a date not earlier than 7 days from the date of this quarterly report.

B10 Dividends

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 was paid on 30 October 2023 to shareholders. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 July 2024.

B11 Earnings per Share

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

	3 months ended		3 months ended	
	31.10.23	31.10.22	31.10.23	31.10.22
Profit for the period attributable to ordinary equity holders of the company (RM'000)	4,876	3,499	4,876	3,499
Number of ordinary shares in issue ('000)	61,779	56,163	61,779	56,163
Basic and diluted earnings per share (sen)	7.89	6.23	7.89	6.23

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NOTES TO THE INTERIM FINANCIAL REPORT – 1st QUARTER ENDED 31 OCTOBER 2023

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

B12 Memorandum of Understanding (“MOU”)

- i) The Group had entered into Memorandum of Understandings (“MOU”) with the following strategic partners 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.

- 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.

- c) ABHISHEK BUSINESS CONSOLIDATION PRIVATE LIMITED (“ABC”) on 5 December 2023 for the purpose of consultation, cooperation and collaboration to establish an equity Joint Venture (“JV”) to develop, manufacture and market Reverse Parking Assistance Systems, Around View Monitoring, Switch Assembly and Power Window Regulators in India using and leveraging on the technology, experience provided by the Group from Malaysia.

B13 Authorized for issue

The interim financial statements were authorized by the Board of Directors in accordance with the resolution of the Directors on 21 December 2023.