

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	As at
	31.01.2024	31.07.2023
	Unaudited	Audited
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	71,303	67,850
Right-of-use assets	17,733	17,907
Investment property	-	1,254
Investment in an associate	-	803
Deferred tax assets	572	645
	<u>89,608</u>	<u>88,459</u>
Current Assets		
Inventories	21,047	24,165
Trade receivables	21,097	25,716
Other receivables	1,741	1,770
Tax recoverable	347	205
Short-term investments	21,154	11,940
Cash and bank balances	18,730	9,093
	<u>84,116</u>	<u>72,889</u>
TOTAL ASSETS	<u>173,724</u>	<u>161,348</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	64,088	64,088
Reserves	61,242	53,695
	<u>125,330</u>	<u>117,783</u>
Non-controlling Interests	2	-
Total Equity	<u>125,332</u>	<u>117,783</u>
Non-Current Liabilities		
Lease liabilities	792	888
Hire purchase payables	797	603
Borrowings	10,660	11,495
Deferred tax liabilities	939	816
	<u>13,188</u>	<u>13,802</u>
Current Liabilities		
Lease liabilities	448	419
Hire purchase payables	703	693
Borrowings	1,757	1,802
Trade payables	20,225	13,558
Other payables	9,605	11,452
Tax payables	1,591	985
Provision for warranties	875	854
	<u>35,204</u>	<u>29,763</u>
Total Liabilities	<u>48,392</u>	<u>43,565</u>
TOTAL EQUITY AND LIABILITIES	<u>173,724</u>	<u>161,348</u>
Net assets per stock unit attributable to ordinary equity holders of the company (RM)	<u>1.0143</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 JANUARY 2024**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	3 Months Ended		6 Months Ended	
	31-Jan-24	31-Jan-23	31-Jan-24	31-Jan-23
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	40,045	39,126	81,331	77,682
Other income	253	60	441	125
Changes in inventories of finished goods	(763)	1,425	(1,036)	2,823
Raw material and consumables used	(23,230)	(21,506)	(45,287)	(45,367)
Purchase of trading inventories	-	(1,332)	-	(1,332)
Depreciation and amortisation	(1,148)	(1,169)	(2,391)	(2,282)
Employee benefits	(5,296)	(8,011)	(13,575)	(14,730)
Other operating expenses	(3,444)	(2,254)	(6,397)	(5,620)
Finance costs	(204)	(334)	(413)	(640)
Share of loss of associate	(3)	(23)	(10)	(48)
Profit before tax	6,210	5,982	12,663	10,611
Income tax expense	(1,691)	(1,729)	(3,268)	(2,859)
Profit for the period	<u>4,519</u>	<u>4,253</u>	<u>9,395</u>	<u>7,752</u>
Other comprehensive income :				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>4,519</u>	<u>4,253</u>	<u>9,395</u>	<u>7,752</u>
Profit attributable to:				
Equity holders of the company	4,524	4,253	9,400	7,752
Non-controlling interests	(5)	-	(5)	-
	<u>4,519</u>	<u>4,253</u>	<u>9,395</u>	<u>7,752</u>
Total comprehensive income attributable to:				
Equity holders of the company	4,519	4,253	9,395	7,752
Non-controlling interests	-	-	-	-
	<u>4,519</u>	<u>4,253</u>	<u>9,395</u>	<u>7,752</u>
Earnings per share attributable to equity holders of the company:				
Basic and diluted (sen)	<u>5.49</u>	<u>7.57</u>	<u>13.04</u>	<u>13.80</u>

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		6 Months Ended	
	31-Jan-24	31-Jan-23	31-Jan-24	31-Jan-23
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	(208)	(29)	(357)	(55)
Interest expenses	191	328	386	631
Interest expense on lease liabilities	13	6	27	9
Depreciation	1,147	1,168	2,390	2,281
Amortisation of golf club membership	1	1	1	1
Loss on re-measurement to fair value	231	-	231	-
Bargain purchase	(11)	-	(11)	-
Impairment of trade receivable	-	36	-	36
Provision for warranties	428	128	530	826
Inventories written down to net realisable value	-	19	-	19
Loss on disposal of plant and equipment	21	-	59	4
(Gain)/ loss on foreign exchange				
- realised	96	(84)	79	109
- unrealised	49	(121)	306	(120)

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.

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← Attributable to Equity Holders of the Company →

Non-distributable ← Distributable →

	Share capital RM'000	Capital reserve RM'000	Retained profits RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 Aug 2023	64,088	1,006	52,689	117,783	-	117,783
Issuance of new share	-	-	-	-	-	-
Acquisition of a subsidiary	-	-	-	-	7	7
Total changes in ownership interests in subsidiaries	-	-	-	-	7	7
Other comprehensive income	-	-	-	-	-	-
Profit for the period	-	-	9,400	9,400	(5)	9,395
Total comprehensive income for the period	-	-	9,400	9,400	(5)	9,395
Dividends to shareholders	-	-	(1,853)	(1,853)	-	(1,853)
At 31 January 2024	64,088	1,006	60,236	125,330	2	125,332
At 1 Aug 2022	55,383	1,006	38,840	95,229	-	95,229
Issuance of new share	-	-	-	-	-	-
Other comprehensive profit	-	-	-	-	-	-
Profit for the period	-	-	7,752	7,752	-	7,752
Total comprehensive profit for the period	-	-	7,752	7,752	-	7,752
At 31 January 2023	55,383	1,006	46,592	102,981	-	102,981

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 JANUARY 2024
(The figures have not been audited)

	6 months ended 31-Jan-24 RM'000 (Unaudited)	6 months ended 31-Jan-23 RM'000 (Unaudited)
CASH FLOWS (FOR)/ FROM OPERATING ACTIVITIES		
Profit before tax	12,663	10,611
Adjustments for :		
Depreciation	2,390	2,281
Amortisation of golf club membership	1	1
Other interest expense	386	631
Interest expense on lease liabilities	27	9
Impairment of trade receivable	-	36
Inventories written down to net realisable value	-	19
Share of loss of associate	10	48
Interest income	(43)	(22)
Interest income received on short-term investments	(314)	(33)
Short term accumulated compensated absences	225	(38)
Provision for warranties	530	826
Loss on disposal of plant and equipment	59	4
Reversal of provision for warranties	-	-
Unrealised (gain)/ loss on foreign exchange	306	(120)
Loss on re-measurement to fair value	231	-
Bargain purchase	(11)	-
	<hr/>	<hr/>
Operating profit before working capital changes	16,460	14,253
Receivables	4,734	(1,373)
Inventories	3,179	(5,759)
Payables	3,762	(2,891)
	<hr/>	<hr/>
Cash generated from/ (for) operations	28,135	4,230
Tax paid	(2,621)	(112)
Tax refund	12	92
Interest paid	(413)	(640)
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Net cash generated from/ (for) operating activities	25,113	3,570
CASH FLOWS (FOR)/ FROM INVESTING ACTIVITIES		
Interest income	43	22
Interest income received on short-term investments	314	33
Purchase of property, plant and equipment	(3,779)	(703)
Placement of short-term investment	(9,214)	(233)
Proceeds from disposal of plant and equipment	91	14
Acquisition of a subsidiary, net of cash and cash equivalents acquired	452	-
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Net cash (for) investing activities	(12,093)	(867)
CASH FLOWS (FOR)/ FROM FINANCING ACTIVITIES		
Repayment of bankers' acceptance	-	(22,998)
Drawdown of bankers' acceptance	-	22,619
Repayment of hire purchase obligations	(421)	(443)
Repayment of lease liabilities	(229)	(140)
Dividend paid	(1,853)	-
Drawdown of term loan	-	-
Repayment of term loan	(880)	(878)
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Net cash (for)/ generated from financing activities	(3,383)	(1,840)
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	9,637	863
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		
	9,093	3,830
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
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	18,730	4,693
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	18,730	4,693
Bank overdraft	-	-
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	18,730	4,693

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 – 2nd QUARTER ENDED 31 JANUARY 2024

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 January 2024:

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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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 January 2024.

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 – 2nd QUARTER ENDED 31 JANUARY 2024

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 January 2024.

A8. Dividends Paid

On 30 October 2023, a second interim single tier dividend of 3 sen per ordinary share amounting to RM 1,853,361.06 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 January 2024</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Revenue	40,045	-	-	40,045
<u>Results</u>				
Segment results	6,694	(36)	-	6,658
Interest expenses				(204)
Share of loss of an associate				(3)
Unallocated income				(241)
Profit before taxation				<u>6,210</u>

<u>3 months ended 31 January 2023</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Revenue	39,126	-	-	39,126
<u>Results</u>				
Segment results	6,522	(37)	-	6,485
Interest expenses				(334)
Share of loss of an associate				(23)
Unallocated expenses				(146)
Profit before taxation				<u>5,982</u>

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NOTES TO THE INTERIM FINANCIAL REPORT – 2nd QUARTER ENDED 31 JANUARY 2024

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (Cont'd)

Cumulative 6 months
ended 31 January
2024

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

Revenue

Revenue	81,331	-	-	81,331
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Results

Segment results	13,470	(72)	-	13,398
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Interest expenses				(413)
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Share of loss of an associate				(10)
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Unallocated expenses				(312)
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Profit before taxation				12,663
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Cumulative 6 months
ended 31 January
2023

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

Revenue

Revenue	77,682	-	-	77,682
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Results

Segment results	11,598	(72)	-	11,526
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Interest expenses				(640)
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Share of loss of an associate				(48)
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Unallocated expenses				(227)
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Profit before taxation				10,611
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NOTES TO THE INTERIM FINANCIAL REPORT – 2nd QUARTER ENDED 31 JANUARY 2024

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (Cont'd)

<u>Assets & liabilities as at 31 January 2024</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000

Assets & liabilities

Segmental assets	178,862	33,769	(61,272)	151,359
Unallocated assets				22,365
Consolidated total assets				<u>173,724</u>

Segmental liabilities	67,477	7,025	(31,272)	43,230
Unallocated liabilities				5,162
Consolidated total liabilities				<u>48,392</u>

Other information

Capital expenditure	3,779	-	-	3,779
Depreciation and amortisation	2,391	-	-	2,391

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 report for the said period other than the following:

On 1 March 2024 MCE Hengtuo Sdn. Bhd., currently a wholly owned subsidiary, had entered into a Global Supplier Agreement with RB Distribution, Inc, a member of Dorman Products, Inc, a company listed in Nasdaq stock exchange for the sale of aftermarket automotive products in United State of America for ordered and purchased by RB Distribution, Inc, pursuant to the Global Supplier Agreement.

MCE Hengtuo Sdn Bhd, was incorporated on 3 December 2018 and identified as the Joint Venture Company pursuant to a Joint Venture cum Shareholder Agreement (“JVSA”) entered into between MCE Ventures Sdn. Bhd., a wholly owned subsidiary and Changchun Hengtuo Mould Co. Ltd. on 25 August 2021.

Under the JVSA, the equity structure of MCE Hengtuo Sdn. Bhd. is intended to be as follow:

	% Equity Held
MCE Ventures Sdn Bhd	60%
Changchun Hengtuo Mould Co. Ltd.	40%

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NOTES TO THE INTERIM FINANCIAL REPORT – 2nd QUARTER ENDED 31 JANUARY 2024

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A10. Material Events Subsequent to the end of the Reporting Period (Cont'd)

The restructuring of MCE Hengtuo Sdn. Bhd. is currently in the process of being carried out awaiting execution and transfer of shares to Changchun Hengtuo Mould Co. Ltd.

A11. Changes in the Composition of the Group

On 14 November 2023, MCE Ventures Sdn Bhd, a wholly-owned subsidiary of the Company had acquired an additional 51% equity interest comprised of 3,060,000 ordinary shares in Fortech Technologies (Malaysia) Sdn Bhd for a total cash consideration of RM 979,200.

Following the acquisition, Fortech Technologies (Malaysia) Sdn Bhd has become an 80% owned subsidiary of MCE Venture Sdn Bhd.

A12. Contingent Liabilities and Contingent Assets

The Group has no material contingent liabilities and assets as at 31 January 2024.

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NOTES TO THE INTERIM FINANCIAL REPORT – 2nd QUARTER ENDED 31 JANUARY 2024

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

B1 Review of Performance

Comparison to preceding year corresponding quarter

For the second quarter ended 31 January 2024, the Group achieved consolidated revenue of RM40.045 million which was approximately 2.35% higher than the preceding year corresponding quarter.

The Group recorded a profit after tax of RM4.519 million for the current quarter as compared to profit after tax of RM4.253 million in the preceding year corresponding quarter mainly due to an 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 January 2024 RM'000	Preceding Quarter 31 October 2023 RM'000
Revenue	40,045	41,286
Pre-tax profit	6,210	6,453
Pre-tax profit margin	15.51%	15.63%

For the current quarter, the Group achieved revenue of RM40.045 million, representing decrease of 3.01% as compared to the preceding quarter ended 31 October 2023. The lower sales at current quarter was attributable to decrease in demand for the Group's products from its customers. The Group recorded a pre-tax profit of RM6.210 million for the quarter under review as compared to pre-tax profit of RM6.453 million for the preceding quarter. Pre-tax profit margin has slight decreased from 15.63% to 15.51% as compared to the preceding quarter.

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NOTES TO THE INTERIM FINANCIAL REPORT – 2nd QUARTER ENDED 31 JANUARY 2024

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 (“MAA”), the Total Industry Volume (“TIV”) for year 2023 surpassed preceding year by 11% from 721,177 units to 799,731 units. The high volume increase was largely contributed by the strong sales performances of the two national car makers. The combined market share of both national car makers for passenger cars rose to 66.9% which equivalent to 481,300 units in year 2023 compared with 65.1% (418,045 units) in year 2022.

MAA is setting a conservative forecast for year 2024 due to various economic and environmental factors, TIV is expected to reduce to 740,000 units. However, the Group expects orders for the Group’s products to remain consistent as the contribution from the two national car makers for their car models in the budget-friendly segment are expected to remain robust amid improvements in the automotive industry supply chain environment.

The Group remains vigilant and cautious in facing prevailing uncertainties surrounding its operating environment which include geopolitical tensions across the world, 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.

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		6 months ended	
	31.01.24	31.01.23	31.01.24	31.01.23
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- current year	1,391	1,250	3,071	2,021
- (Over) provision in prior years	-	-	-	(92)
	1,391	1,250	3,071	1,929
Deferred tax:				
- current year	300	479	197	930
Tax expense	1,691	1,729	3,268	2,859

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NOTES TO THE INTERIM FINANCIAL REPORT – 2nd QUARTER ENDED 31 JANUARY 2024

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”).
 - (iii) The Proposed Bonus Issue of Shares and the Proposed Bonus Issue of Warrants were carried out and completed with the listing and quotation of the Bonus Shares and Warrants on the Main Market of Bursa Malaysia Securities Berhad on 10th January 2024 and 19th January 2024 respectively.
- (b) Vantage Realm Sdn Bhd, an indirect wholly-owned subsidiary of the Company, had on 26 February 2024, entered in to a conditional sale and purchase agreement with Grant Ascent Sdn. Bhd., for the disposal of a piece of freehold land held under HS(D) 306627, PT 37252, Mukim Bukit Raja, Daerah Petaling, Negeri Selangor, measuring approximately 13,263.38 square metres in area, for a cash consideration of RM43,686,345.

There were no other corporate proposals announced by the Company as at the date of issue of this quarterly report.

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B7 Group Borrowings and Debt Securities

Group borrowings as at 31 January 2024:

		RM'000
(a)	Secured borrowings	13,917
	Unsecured borrowings	1,240
		15,157
(b)	Short term	
	- lease liabilities	448
	- hire purchase payables	703
	- term loan	1,757
		2,908
	Long term	
	- lease liabilities	792
	- hire purchase payables	797
	- term loan	10,660
		12,249
	Total borrowings	15,157

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 January 2024.

B9 Changes in Material Litigation

There was no pending material litigation as at 20 March 2024 being a date not earlier than 7 days from the date of this quarterly report.

B10 Dividends

- i) 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 (Q1-FY2023: Nil).
- ii) On 26 March 2024, the Board of Directors declared a first interim single-tier dividend of 1.5 sen per ordinary share, amounting to RM 1,853,361.06 in respect of 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 April 2024 and date of payment for the first interim single-tier dividend will be at 30 April 2024 (Q2-FY2023: Nil).

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LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B11 Earnings per Share

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

	3 months ended		6 months ended	
	31.01.24	31.01.23	31.01.24	31.01.23
Profit for the period attributable to ordinary equity holders of the company (RM'000)	4,524	4,253	9,400	7,752
Number of ordinary shares in issue ('000)	82,372	56,163	72,075	56,163
Basic and diluted earnings per share (sen)	5.49	7.57	13.04	13.80

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.

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B12 Memorandum of Understanding (“MOU”) (Cont’d)

- 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.

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

B13 Authorized for issue

The interim financial statements were authorized by the Board of Directors in accordance with the resolution of the Directors on 26 March 2024.