

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
	31.07.2024	31.07.2023
	Audited	Audited
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	46,743	67,850
Right-of-use assets	18,864	17,907
Investment property	-	1,254
Investment in an associate	-	803
Deferred tax assets	2,730	645
	<u>68,337</u>	<u>88,459</u>
Current Assets		
Inventories	17,746	24,165
Trade receivables	19,307	25,716
Other receivables	2,537	1,770
Tax recoverable	299	205
Short-term investments	33,656	11,940
Cash and bank balances	15,831	9,093
Assets held for sale	33,657	-
	<u>123,033</u>	<u>72,889</u>
TOTAL ASSETS	<u>191,370</u>	<u>161,348</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	64,088	64,088
Reserves	65,944	53,695
	<u>130,032</u>	<u>117,783</u>
Non-controlling Interests	350	-
Total Equity	<u>130,382</u>	<u>117,783</u>
Non-Current Liabilities		
Lease liabilities	1,671	888
Hire purchase payables	684	603
Borrowings	12,555	11,495
Deferred tax liabilities	777	816
	<u>15,687</u>	<u>13,802</u>
Current Liabilities		
Lease liabilities	845	419
Hire purchase payables	477	693
Borrowings	1,845	1,802
Trade payables	17,107	13,558
Other payables	20,906	11,452
Tax payables	2,046	985
Provision for warranties	2,075	854
	<u>45,301</u>	<u>29,763</u>
Total Liabilities	<u>60,988</u>	<u>43,565</u>
TOTAL EQUITY AND LIABILITIES	<u>191,370</u>	<u>161,348</u>
Net assets per stock unit attributable to ordinary equity holders of the company (RM)	<u>1.0524</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 JULY 2024**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	3 Months Ended		12 Months Ended	
	31-Jul-24	31-Jul-23	31-Jul-24	31-Jul-23
	RM'000	RM'000	RM'000	RM'000
	(Audited)	(Audited)	(Audited)	(Audited)
Revenue	36,947	37,891	155,664	154,889
Other income	673	229	1,379	468
Changes in inventories of finished goods	(2)	(1,159)	(2,647)	1,537
Raw material and consumables used	(18,829)	(20,555)	(83,529)	(86,331)
Purchase of trading inventories	-	-	(422)	(1,579)
Depreciation and amortisation	(1,165)	(1,237)	(4,720)	(4,744)
Employee benefits	(8,174)	(9,687)	(29,869)	(32,443)
Other operating expenses	(3,718)	(2,200)	(13,445)	(10,532)
Finance costs	(220)	(266)	(836)	(1,240)
Share of loss of associate	-	(12)	(10)	(284)
Profit before tax	5,512	3,004	21,565	19,741
Income tax expense	(1,414)	(64)	(5,667)	(4,348)
Profit for the period	<u>4,098</u>	<u>2,940</u>	<u>15,898</u>	<u>15,393</u>
Other comprehensive income :				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>4,098</u>	<u>2,940</u>	<u>15,898</u>	<u>15,393</u>
Profit attributable to:				
Equity holders of the company	4,138	2,940	15,955	15,393
Non-controlling interests	(40)	-	(57)	-
	<u>4,098</u>	<u>2,940</u>	<u>15,898</u>	<u>15,393</u>
Total comprehensive income attributable to:				
Equity holders of the company	4,098	2,940	15,898	15,393
Non-controlling interests	-	-	-	-
	<u>4,098</u>	<u>2,940</u>	<u>15,898</u>	<u>15,393</u>
Earnings per share attributable to equity holders of the company:				
Basic and diluted (sen)	<u>3.35</u>	<u>4.76</u>	<u>16.31</u>	<u>26.31</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		12 Months Ended	
	31-Jul-24	31-Jul-23	31-Jul-24	31-Jul-23
	RM'000	RM'000	RM'000	RM'000
	(Audited)	(Audited)	(Audited)	(Audited)
Interest income	(315)	(129)	(917)	(253)
Interest expenses	189	243	760	1,201
Interest expense on lease liabilities	31	23	76	39
Depreciation	1,164	1,236	4,718	4,742
Amortisation of golf club membership	1	1	2	2
Loss on re-measurement to fair value	-	-	231	-
Bargain purchase	-	-	(11)	-
Impairment of a fellow subsidiary	-	-	-	-
Provision for warranties	1,487	(262)	2,846	524
Inventories written down to net realisable value	(985)	32	983	93
Inventories written off	281	146	358	146
(Gain)/ loss on disposal of property, plant and equipment	(292)	-	(204)	46
(Gain)/ loss on foreign exchange				
- realised	(92)	92	262	335
- unrealised	(235)	(142)	(74)	(118)

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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← 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	-	-	-	-	407	407
Total changes in ownership interests in subsidiaries	-	-	-	-	407	407
Other comprehensive income	-	-	-	-	-	-
Profit for the period	-	-	15,955	15,955	(57)	15,898
Total comprehensive income for the period	-	-	15,955	15,955	(57)	15,898
Dividends to shareholders	-	-	(3,706)	(3,706)	-	(3,706)
At 31 July 2024	64,088	1,006	64,938	130,032	350	130,382
At 1 Aug 2022	55,383	1,006	38,840	95,229	-	95,229
Issuance of new share	8,705	-	-	8,705	-	8,705
Other comprehensive profit	-	-	-	-	-	-
Profit for the period	-	-	15,393	15,393	-	15,393
Total comprehensive profit for the period	-	-	15,393	15,393	-	15,393
Dividends to shareholders	-	-	(1,544)	(1,544)	-	(1,544)
At 31 July 2023	64,088	1,006	52,689	117,783	-	117,783

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))*(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 JULY 2024***(The figures have not been audited)*

	12 months ended 31-Jul-24 RM'000 (Audited)	12 months ended 31-Jul-23 RM'000 (Audited)
CASH FLOWS (FOR)/ FROM OPERATING ACTIVITIES		
Profit before tax	21,565	19,741
Adjustments for :		
Depreciation	4,718	4,742
Amortisation of golf club membership	2	2
Other interest expense	760	1,201
Interest expense on lease liabilities	76	39
Inventories written down to net realisable value	983	93
Inventories written off	358	146
Gain on lease modification	-	(7)
Share of loss of associate	10	284
Interest income	(101)	(59)
Interest income received on short-term investments	(816)	(194)
Short term accumulated compensated absences	226	375
Provision for warranties	2,846	524
(Gain)/ loss on disposal of property, plant and equipment	(204)	46
Reversal of provision for warranties	-	-
Unrealised (gain)/ loss on foreign exchange	(74)	(118)
Loss on re-measurement to fair value	231	-
Bargain purchase	(11)	-
	<hr/>	<hr/>
Operating profit before working capital changes	30,569	26,815
Receivables	5,726	(471)
Inventories	5,139	979
Payables	11,207	(1,697)
	<hr/>	<hr/>
Cash generated from/ (for) operations	52,641	25,626
Tax paid	(6,841)	(3,402)
Tax refund	17	92
Interest paid	(836)	(1,240)
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Net cash generated from/ (for) operating activities	44,981	21,076
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MCE HOLDINGS BERHAD (Registration No: 201501033021 (1158341-K))*(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 JULY 2024***(The figures have not been audited)*

	12 months ended 31-Jul-24 RM'000 (Audited)	12 months ended 31-Jul-23 RM'000 (Audited)
CASH FLOWS (FOR)/ FROM INVESTING ACTIVITIES		
Interest income	101	59
Interest income received on short-term investments	816	194
Purchase of property, plant and equipment	(14,886)	(4,907)
Placement of short-term investment	(21,716)	(9,894)
Proceeds from disposal of plant and equipment	680	14
Disposal of a subsidiary, net cash disposed of	400	-
Acquisition of a subsidiary, net of cash and cash equivalents acquired	452	-
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Net cash (for) investing activities	(34,153)	(14,534)
CASH FLOWS (FOR)/ FROM FINANCING ACTIVITIES		
Proceed from issuance of ordinary share	-	8,705
Repayment of bankers' acceptance	-	(37,710)
Drawdown of bankers' acceptance	-	32,322
Repayment of hire purchase obligations	(1,018)	(904)
Repayment of lease liabilities	(470)	(388)
Dividend paid	(3,706)	(1,544)
Drawdown of term loan	2,846	-
Repayment of term loan	(1,742)	(1,760)
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Net cash (for)/ generated from financing activities	(4,090)	(1,279)
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	6,738	5,263
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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	15,831	9,093
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	15,831	9,093
Bank overdraft	-	-
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	15,831	9,093

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 – 4th QUARTER ENDED 31 JULY 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 30 April 2024:

MFRS, Amendments to MFRS and IC Interpretation	Effective for annual periods beginning on or after
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027

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NOTES TO THE INTERIM FINANCIAL REPORT – 4th QUARTER ENDED 31 JULY 2024

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
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
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

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 July 2024.

A6. Material Changes in Estimates

There were no changes in estimates that have a material effect in the current quarter.

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 2024.

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NOTES TO THE INTERIM FINANCIAL REPORT – 4th QUARTER ENDED 31 JULY 2024

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A8. Dividends Paid

- (a) 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.
- (b) On 30 April 2024, a first interim single tier dividend of 1.5 sen per ordinary share amounting to RM 1,853,361.06 was paid in respect of financial year ended 31 July 2024.

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 2024</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000

Revenue

Revenue	36,947	-	-	36,947
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Results

Segment results	5,775	(37)	-	5,738
Interest expenses				(220)
Share of loss of an associate				-
Unallocated expenses				(6)
Profit before taxation				5,512

<u>3 months ended 31 July 2023</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000

Revenue

Revenue	37,891	-	-	37,891
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Results

Segment results	3,274	(37)	-	3,237
Interest expenses				(266)
Share of loss of an associate				(12)
Unallocated expenses				45
Profit before taxation				3,004

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NOTES TO THE INTERIM FINANCIAL REPORT – 4th QUARTER ENDED 31 JULY 2024

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (Cont'd)

<u>Cumulative 12 months ended 31 July 2024</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000

Revenue

Revenue	155,664	-	-	155,664
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Results

Segment results	22,896	(144)	-	22,752
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Interest expenses				(836)
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Share of loss of an associate				(10)
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<u>Unallocated expenses</u>				(341)
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Profit before taxation				21,565
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<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
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Interest expenses				(1,240)
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Share of loss of an associate				(284)
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<u>Unallocated expenses</u>				(395)
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Profit before taxation				19,741
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NOTES TO THE INTERIM FINANCIAL REPORT – 4th QUARTER ENDED 31 JULY 2024

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (Cont'd)

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

Assets & liabilities

Segmental assets	196,823	34,286	(61,511)	169,598
Unallocated assets				21,772
Consolidated total assets				<u>191,370</u>

Segmental liabilities	80,211	7,804	(31,510)	56,505
Unallocated liabilities				4,483
Consolidated total liabilities				<u>60,988</u>

Other information

Capital expenditure	14,886	-	-	14,886
Depreciation and amortisation	4,720	-	-	4,720

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 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 2024.

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NOTES TO THE INTERIM FINANCIAL REPORT – 4th QUARTER ENDED 31 JULY 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 fourth quarter ended 31 July 2024, the Group achieved consolidated revenue of RM36.947 million which was approximately 2.49% lower than the preceding year corresponding quarter.

The Group recorded a profit after tax of RM4.098 million for the current quarter as compared to profit after tax of RM2.940 million in the preceding year corresponding quarter mainly attributed to lower direct costs resulting from enhanced operational efficiencies, along with an increase in other income.

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

	Current Quarter 31 July 2024 RM'000	Preceding Quarter 30 April 2024 RM'000
Revenue	36,947	37,386
Pre-tax profit	5,512	3,390
Pre-tax profit margin	14.92%	9.07%

For the current quarter, the Group achieved revenue of RM36.947 million, a marginal decrease of 1.17% as compared to the preceding quarter ended 30 April 2024. The lower sales this quarter was due to slight softer in demand. The Group recorded a pre-tax profit of RM5.512 million for the quarter under review as compared to pre-tax profit of RM3.39 million in the preceding quarter. Pre-tax profit margin has increased from 9.07% to 14.92% as compared to the preceding quarter.

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NOTES TO THE INTERIM FINANCIAL REPORT – 4th QUARTER ENDED 31 JULY 2024

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

B3 Prospects Commentary

We achieved satisfactory performance for the fourth quarter where greater efficiencies resulted in enhanced margins. Additionally, we have secured several key long-term contracts in recent months, further validating our consistent ability to meet the stringent standards set by leading automakers. These contracts strengthen our position and underscore our positive outlook for the years ahead.

One of the exciting developments is our successful entry into the electric vehicle (“EV”) sector, marked by our first contract win. EVs require more complex, higher-value electronic and mechatronic components, areas where our in-house R&D and integrated manufacturing capabilities perform as expected. As we continue to expand our role in this growing segment, our expertise uniquely positions us to deliver innovative solutions that meet the advanced requirements of the EV market, enabling us to capture significant opportunities in this dynamic segment.

Looking ahead, we will benefit from the global re-positioning of manufacturing facilities to ASEAN, which is creating new export opportunities. Our capacity expansion is progressing as planned, with the construction of our MCE Auto Hub in Serendah now more than 50 percent completed and set to be operational by the second half of next year. This new facility will allow us to more than double our production capacity, enabling us to capture a larger share of both the automotive and replacement equipment markets. It will also significantly enhance our ability to design and develop more sophisticated electronic components and systems, addressing the increasing demand for next-generation vehicles both locally and internationally.

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	
	31.07.24	31.07.23	31.07.24	31.07.23
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- current year	3,816	903	7,811	4,303
- (Over) provision in prior years	-	-	(54)	(239)
	<u>3,816</u>	<u>903</u>	<u>7,757</u>	<u>4,064</u>
Deferred tax:				
- current year	(2,435)	(839)	(2,123)	284
Real property gain tax	33	-	33	-
Tax expense	<u>1,414</u>	<u>64</u>	<u>5,667</u>	<u>4,348</u>

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NOTES TO THE INTERIM FINANCIAL REPORT – 4th QUARTER ENDED 31 JULY 2024

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

B6 Status of Corporate Proposals

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. (“GASB”), 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.

The proposal was duly approved by shareholders at the Extraordinary General Meeting held on 28 June 2024.

The Company and GASB had on 21 August 2024, mutually agreed to extend the Cut-Off Date for a period of 1 month to 26 September 2024 for the fulfilment of the Conditions Precedent pursuant to the SPA.

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 2024:

	<u>RM'000</u>
(a) Secured borrowings	15,561
Unsecured borrowings	2,516
	18,077
(b) Short term	
- lease liabilities	845
- hire purchase payables	477
- term loan	1,845
	3,167
Long term	
- lease liabilities	1,671
- hire purchase payables	684
- term loan	12,555
	14,910
Total borrowings	18,077

All the above borrowings are denominated in Ringgit Malaysia.

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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 July 2024.

B9 Changes in Material Litigation

There was no pending material litigation as at 19 September 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 (Q4-FY2022: 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 dividend was paid on 30 April 2024 to shareholders (Q2-FY2023: 2.5 sen).
- iii) On 25 September 2024, the Board of Directors declared a second interim single-tier dividend of 1.5 sen per ordinary share, amounting to RM 1,853,361.06 in respect of the financial year ended 31 July 2024. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 July 2025. The entitlement to dividends will be determined on the basis of the record of depositors as at 16 October 2024 and date of payment for the second interim single-tier dividend will be at 30 October 2024 (Q4-FY 2023: 3 sen).

B11 Earnings per Share

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

	3 months ended		12 months ended	
	31.07.24	31.07.23	31.07.24	31.07.23
Profit for the period attributable to ordinary equity holders of the company (RM'000)	4,138	2,940	15,955	15,393
Number of ordinary shares in issue ('000)	123,557	61,779	97,816	58,503
Basic and diluted earnings per share (sen)	3.35	4.76	16.31	26.31

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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 2025.

- 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 25 September 2024.