

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 31.01.2025	As at 31.07.2024
	Unaudited	Audited
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	62,268	46,743
Right-of-use assets	18,975	18,864
Deferred tax assets	3,285	2,730
	<u>84,528</u>	<u>68,337</u>
Current Assets		
Inventories	18,111	17,746
Trade receivables	15,759	19,307
Other receivables	2,197	2,537
Current tax assets	1	299
Short-term investments	93,553	33,656
Cash and bank balances	17,745	15,831
Assets classified as held for sale	-	33,657
	<u>147,366</u>	<u>123,033</u>
TOTAL ASSETS	<u>231,894</u>	<u>191,370</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	82,399	64,088
Reserves	78,510	65,944
	<u>160,909</u>	<u>130,032</u>
Non-controlling Interests	<u>284</u>	<u>350</u>
Total Equity	<u>161,193</u>	<u>130,382</u>
Non-Current Liabilities		
Lease liabilities	1,865	1,671
Hire purchase payables	1,312	684
Term loans	18,560	11,972
Deferred tax liabilities	671	777
	<u>22,408</u>	<u>15,104</u>
Current Liabilities		
Lease liabilities	853	845
Hire purchase payables	1,202	477
Term loans	3,172	2,428
Trade payables	15,125	17,107
Other payables & accruals	23,112	20,906
Current tax liabilities	1,995	2,046
Provision for warranties	2,834	2,075
	<u>48,293</u>	<u>45,884</u>
Total Liabilities	<u>70,701</u>	<u>60,988</u>
TOTAL EQUITY AND LIABILITIES	<u>231,894</u>	<u>191,370</u>
Net assets per stock unit attributable to ordinary equity holders of the company (RM)	<u>1.1837</u>	<u>1.0524</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2024.

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 JANUARY 2025**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	3 Months Ended		6 Months Ended	
	31-Jan-25 RM'000 (Unaudited)	31-Jan-24 RM'000 (Unaudited)	31-Jan-25 RM'000 (Unaudited)	31-Jan-24 RM'000 (Unaudited)
Revenue	34,287	40,045	75,709	81,331
Other income	8,318	253	8,772	441
Changes in inventories of finished goods	905	(763)	909	(1,036)
Raw material and consumables used	(17,550)	(23,230)	(39,248)	(45,287)
Purchase of trading inventories	-	-	-	-
Depreciation and amortisation	(1,066)	(1,148)	(2,208)	(2,391)
Employee benefits	(8,371)	(5,296)	(16,659)	(13,575)
Other operating expenses	(4,057)	(3,444)	(8,111)	(6,397)
Finance costs	(205)	(204)	(380)	(413)
Share of loss of associate	-	(3)	-	(10)
Profit before tax	12,261	6,210	18,784	12,663
Income tax expense	(2,734)	(1,691)	(4,430)	(3,268)
Profit for the period	<u>9,527</u>	<u>4,519</u>	<u>14,354</u>	<u>9,395</u>
Other comprehensive income :				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>9,527</u>	<u>4,519</u>	<u>14,354</u>	<u>9,395</u>
Profit attributable to:				
Equity holders of the company	9,574	4,524	14,419	9,400
Non-controlling interests	(47)	(5)	(65)	(5)
	<u>9,527</u>	<u>4,519</u>	<u>14,354</u>	<u>9,395</u>
Total comprehensive income attributable to:				
Equity holders of the company	9,527	4,519	14,354	9,395
Non-controlling interests	-	-	-	-
	<u>9,527</u>	<u>4,519</u>	<u>14,354</u>	<u>9,395</u>
Earnings per share attributable to equity holders of the company:				
Basic (sen)	7.26	3.66	11.29	7.61
Diluted (sen)	5.91	3.66	9.12	7.61

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 July 2024.

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

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-25	31-Jan-24	31-Jan-25	31-Jan-24
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	(739)	(208)	(1,130)	(357)
Interest expenses	172	191	319	386
Interest expense on lease liabilities	33	13	61	27
Depreciation	1,065	1,147	2,207	2,390
Amortisation of golf club membership	1	1	1	1
Loss on re-measurement to fair value	-	231	-	231
Bargain purchase	-	(11)	-	(11)
Provision for warranties	888	428	2,509	530
Inventories written down to net realisable value	(16)	2,145	1,674	2,362
Inventories written off	-	72	-	77
(Gain)/ loss on disposal of property, plant and equipment	36	21	36	59
(Gain)/ loss on disposal of asset held for sale	(7,523)	-	(7,523)	-
Gain on lease modification	(23)	-	(23)	-
(Gain)/ loss on foreign exchange				
- realised	208	96	(294)	79
- unrealised	(208)	49	193	306

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))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 JANUARY 2025
(The figures have not been audited)

	Attributable to Equity Holders of the Company				
	Share capital RM'000	Capital reserve RM'000	Non-distributable Retained profits RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 Aug 2024	64,088	1,006	64,938	130,032	350 130,382
Issuance of shares					
- Exercise of warrants	21	-	-	21	- 21
- Issuance of new shares	18,290	-	-	18,290	- 18,290
	18,311	-	-	18,311	- 18,311
Other comprehensive income					
Profit for the period	-	-	14,419	14,419	(65) 14,354
Total comprehensive income for the period	-	-	14,419	14,419	(65) 14,354
Dividends to shareholders	-	-	(1,854)	(1,854)	- (1,854)
At 31 January 2025	82,399	1,006	77,503	160,908	285 161,193
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

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2024.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 JANUARY 2025
(The figures have not been audited)

	6 months ended 31-Jan-25 RM'000	6 months ended 31-Jan-24 RM'000
	(Unaudited)	(Unaudited)
CASH FLOWS (FOR)/ FROM OPERATING ACTIVITIES		
Profit before tax	18,784	12,663
Adjustments for :		
Depreciation	2,207	2,390
Amortisation of golf club membership	1	1
Other interest expense	319	386
Interest expense on lease liabilities	61	27
Inventories written down to net realisable value	1,674	2,362
Inventories written off	-	77
Share of loss of associate	-	10
Interest income	(234)	(43)
Interest income received on short-term investments	(896)	(314)
Short term accumulated compensated absences	115	225
Fair value gain on short-term investments	-	-
Gain on disposal of assets held for sale	(7,523)	-
Gain on lease modification	(23)	
Provision for warranties	2,509	530
(Gain)/ loss on disposal of property, plant and equipment	36	59
Property, plant and equipment written off	4	-
Unrealised (gain)/ loss on foreign exchange	193	306
Loss on re-measurement to fair value	-	231
Bargain purchase	-	(11)
Operating profit before working capital changes	17,227	18,899
Receivables	1,381	4,734
Inventories	(2,039)	740
Payables	(1,834)	3,762
Cash generated from/ (for) operations	14,735	28,135
Tax paid	(4,872)	(2,621)
Tax refund	26	12
Interest paid	(380)	(413)
Net cash generated from/ (for) operating activities	9,509	25,113

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 JANUARY 2025
(The figures have not been audited)

	6 months ended 31-Jan-25 RM'000 (Unaudited)	6 months ended 31-Jan-24 RM'000 (Unaudited)
CASH FLOWS (FOR)/ FROM INVESTING ACTIVITIES		
Interest income	234	43
Interest income received on short-term investments	896	314
Purchase of property, plant and equipment	(15,552)	(3,779)
Placement of short-term investment	(59,897)	(9,214)
Proceeds from disposal of assets held for sale	43,686	-
Proceeds from disposal of plant and equipment	37	91
Acquisition of a subsidiary, net of cash and cash equivalents acquired	-	452
Net cash (for) investing activities	<hr/> <hr/> (30,596)	<hr/> <hr/> (12,093)
CASH FLOWS (FOR)/ FROM FINANCING ACTIVITIES		
Proceed from issuance of ordinary share	18,311	-
Repayment of hire purchase obligations	(373)	(421)
Repayment of lease liabilities	(416)	(229)
Dividend paid	(1,854)	(1,853)
Drawdown of term loan	8,252	-
Repayment of term loan	(919)	(880)
Net cash (for)/ generated from financing activities	<hr/> <hr/> 23,001	<hr/> <hr/> (3,383)
NET INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	1,914	9,637
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<hr/> <hr/> 15,831	<hr/> <hr/> 9,093
CASH AND CASH EQUIVALENTS COMPRIZE:	<hr/> <hr/> 17,745	<hr/> <hr/> 18,730
Cash and bank balances	17,745	18,730
Bank overdraft	-	-
	<hr/> <hr/> 17,745	<hr/> <hr/> 18,730

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 July 2024.

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

NOTES TO THE INTERIM FINANCIAL REPORT – 2nd QUARTER ENDED 31 JANUARY 2025

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 2024. 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 2024.

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 2024.

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 16: Lease Liability in a Sale and Leaseback (effective from 1 January 2024)
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current (effective from 1 January 2024)
- Amendments to MFRS 101: Non-current Liabilities with Covenants (effective from 1 January 2024)
- Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements (effective from 1 January 2024)

The Group has not undertaken early adoption of 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 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
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 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

The adoption of the above pronouncements will not have any financial impact to the Group.

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

NOTES TO THE INTERIM FINANCIAL REPORT – 2nd QUARTER ENDED 31 JANUARY 2025

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

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 2024 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 2025.

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 January 2025 except for the following:

- (a) Issuance of 25,700 new ordinary shares via conversion of Warrants A at an exercise price of RM 0.80 per ordinary shares for a total cash consideration of RM 20,560; and
- (b) Issuance of 12,358,310 new ordinary shares pursuant to the Private Placement Exercise on 10 December 2024 at an exercise price of RM 1.48 for total cash consideration of RM 18,290,298.80.

A8. Dividends Paid

- (a) On 30 October 2024, a second interim single-tier dividend of 1.5 sen per ordinary share amounting to RM 1,853,746.57 was paid in respect of the financial year ended 31 July 2024.

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

NOTES TO THE INTERIM FINANCIAL REPORT – 2nd QUARTER ENDED 31 JANUARY 2025

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

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 healthcare services.
(The healthcare services have yet to commence business)

The segmental information are as follows: -

<u>3 months ended 31 January 2025</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000

Revenue

Revenue	34,287	-	-	34,287
---------	--------	---	---	--------

Results

Segment results	4,824	7,782	-	12,606
Interest expenses			(205)	
Share of loss of an associate				-
Unallocated expenses			(140)	
Profit before taxation				<u>12,261</u>

3 months ended 31
January 2024

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

Revenue

Revenue	40,045	-	-	40,045
---------	--------	---	---	--------

Results

Segment results	6,694	(36)	-	6,658
Interest expenses			(204)	
Share of loss of an associate			(3)	
Unallocated expenses			(241)	
Profit before taxation				<u>6,210</u>

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

NOTES TO THE INTERIM FINANCIAL REPORT – 2nd QUARTER ENDED 31 JANUARY 2025

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (Cont'd)

<u>Cumulative 6 months ended 31 January 2025</u>	Automotive Parts	Healthcare Services	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000

Revenue

Revenue	75,709	-	-	75,709
---------	--------	---	---	--------

Results

Segment results	11,539	7,813	-	19,352
Interest expenses			(380)	
Share of loss of an associate			-	
Unallocated expenses			(188)	
Profit before taxation				18,784

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
---------	--------	---	---	--------

Results

Segment results	13,470	(72)	-	13,398
Interest expenses			(413)	
Share of loss of an associate			(10)	
Unallocated expenses			(312)	
Profit before taxation				12,663

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

NOTES TO THE INTERIM FINANCIAL REPORT – 2nd QUARTER ENDED 31 JANUARY 2025

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A9. Segmental Reporting (Cont'd)

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

Assets & liabilities

Segmental assets	212,061	32,865	(60,104)	184,821
Unallocated assets				47,073
Consolidated total assets				<u>231,894</u>
Segmental liabilities	93,112	2,833	(30,104)	65,841
Unallocated liabilities				4,860
Consolidated total liabilities				<u>70,701</u>

Other information

Capital expenditure	15,554	-	-	15,554
Depreciation and amortisation	2,208	-	-	2,208

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 January 2025.

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

NOTES TO THE INTERIM FINANCIAL REPORT – 2nd QUARTER ENDED 31 JANUARY 2025

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 2025, the Group achieved consolidated revenue of RM34.287 million, a significant decrease of 14.38% as compared to the preceding year's corresponding quarter. Revenue was impacted by lower customer demand and festive holidays which occurred during the quarter, resulting in fewer working days.

The Group recorded a profit after tax of RM9.527 million for the current quarter as compared to profit after tax of RM4.519 million in the preceding year corresponding quarter mainly attributed to gain on disposal of land and interest income.

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

	Current Quarter 31 January 2025 RM'000	Preceding Quarter 31 October 2024 RM'000
Revenue	34,287	41,422
Pre-tax profit	<u>12,261</u>	<u>6,523</u>
Pre-tax profit margin	<u>35.76%</u>	<u>15.75%</u>

For the current quarter, the Group achieved revenue of RM34.287 million which was approximately 17.23% lower than the preceding quarter ended 31 October 2024. The lower sales this quarter were due to lower demand. The Group recorded a pre-tax profit of RM12.261 million for the quarter under review as compared to pre-tax profit of RM6.523 million in the preceding quarter. Pre-tax profit margin has increased from 15.75% to 35.76% as compared to the preceding quarter.

B3 Prospects Commentary

We remain focused on future growth by continuously expanding our market reach and strengthening our global footprint. The Group recently secured a major contract to supply mechatronics components to JVIS USA LLC, a Michigan-based automotive supplier for the original equipment manufacturing market. This represents a significant breakthrough into the sizable market. This win reaffirms our ability to deliver high-quality, cost-effective technological solutions to leading automotive players worldwide.

Looking ahead, MCE is well-positioned to benefit from the global re-positioning of manufacturing facilities to ASEAN, with more planning to establish assembly operations in Malaysia. At the same time, non-automotive players are increasingly sourcing from the region, creating additional opportunities. We are also diversifying beyond the automotive sector through a joint venture focus on non-automotive contract manufacturing, covering a range of products, including die-cut machines, precision tools, and packaging solutions for the cosmetics industry.

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

NOTES TO THE INTERIM FINANCIAL REPORT – 2nd QUARTER ENDED 31 JANUARY 2025

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

B3 Prospects Commentary (Cont'd)

As new markets open up and we prepare to commission our expanded capacity at the Serendah facility in the coming months, we are well-positioned to capitalise on emerging opportunities and drive sustainable growth. FYE 2025 is a foundation-building year where we lay the groundwork for next phase of transformation for long-term success.

Along with this set of results, the Company declared a first interim dividend amounting 6.0 sen per share, payable on 15 May 2025, which represents an 85% dividend payout ratio for 2Q FY2025. The board has considered the Group's future cash flow, working capital requirements and capital investment plans to strike a balance between reinvestment for growth and rewarding shareholders. Moving forward, MCE remains committed to maintaining a healthy dividend payout, aligning shareholder rewards with the Group's financial performance and capital management priorities.

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	
	31.01.25	31.01.24	31.01.25	31.01.24
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- current year	1,200	1,391	3,686	3,071
- (Over) provision in prior years	-	-	-	-
	1,200	1,391	3,686	3,071
Deferred tax:				
- current year	129	300	(661)	197
Real property gain tax	1,397	-	1,397	-
Capital gain tax	8	-	8	-
Tax expense	2,734	1,691	4,430	3,268

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

NOTES TO THE INTERIM FINANCIAL REPORT – 2nd QUARTER ENDED 31 JANUARY 2025

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 15 November 2024, the Group completed the disposal of a piece of freehold land held under HS(D) 306627, PT37252, Mukim Bukit Raja, Daerah Petaling, Negeri Selangor, measuring approximately 13,263.38 square metres in area for a cash consideration of RM 43,686,345.00. As at 31 January 2025, the status of the utilization of proceeds arising from the disposal of land is as follows:

Descriptions	Status of Utilization	Proposed Amount (RM'000)	Reallocate from Working Capitals (RM'000)	Utilized Amount (RM'000)	Amount Unutilized (RM'000)
Working capital	Partial	40,686	(885)	-	39,801
Estimated expenses in relation to the Disposal of Land	Fully	3,000	885	(3,885)	-
Total		43,686	-	(3,885)	39,801

- (b) On 10 December 2024, the Group completed the private placement of 12,358,310 new ordinary shares for a total cash consideration of RM 18,290,298.80.

As at 31 January 2025, the status of the utilization of proceeds raised from the private placement is as follows:

Descriptions	Status of Utilization	Proposed Amount (RM'000)	Actual Proceeds Raised (RM'	Reallocate from Capital Expenditures (RM'000)	Utilized Amount (RM'000)	Amount Unutilized (RM'000)
Capital expenditures	Partial	15,000	15,525	(728)	(5,802)	8,995
Partial finance to construct a new manufacturing factory on Serendah Land	Fully	2,502	2,590	728	(3,318)	--
Defray estimated expenses in relation to the private placement	Fully	170	176	-	(176)	-
-		17,672	18,291	-	(9,296)	8,995

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

NOTES TO THE INTERIM FINANCIAL REPORT – 2nd QUARTER ENDED 31 JANUARY 2025

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

B7 Group Borrowings and Debt Securities

Group borrowings as at 31 January 2025:

	<u>RM'000</u>
(a) Secured borrowings	24,246
Unsecured borrowings	2,718
	<u>26,964</u>
(b) Short term	
- lease liabilities	853
- hire purchase payables	1,202
- term loan	3,172
	<u>5,227</u>
Long term	
- lease liabilities	1,865
- hire purchase payables	1,312
- term loan	18,560
	<u>21,737</u>
Total borrowings	<u>26,964</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 January 2025.

B9 Changes in Material Litigation

There was no pending material litigation as at 19 March 2025 being a date not earlier than 7 days from the date of this quarterly report.

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

NOTES TO THE INTERIM FINANCIAL REPORT – 2nd QUARTER ENDED 31 JANUARY 2025

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

B10 Dividends

- i) 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 1,853,746.57 in respect of the financial year ended 31 July 2024. The dividend was paid on 30 October 2024 to shareholders (Q4-FY2023: 3 sen).
- ii) On 25 March 2025, the Board of Directors declared a first interim single-tier dividend of 6 sen per ordinary share, amounting to RM 8,156,484.84 in respect of the financial year ending 31 July 2025. The entitlement to dividends will be determined on the basis of the record of depositors as at 30 April 2025 and date of payment for the first interim single tier dividend will be on 15 May 2025 (Q2-FY2024: 1.5 sen).

B11 Earnings per Share

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

(a) Basic Earnings Per Share

	3 months ended		6 months ended	
	31.01.25	31.01.24 (Restated)	31.01.25	31.01.24 (Restated)
Profit for the period attributable to ordinary equity holders of the company (RM'000)	9,574	4,524	14,419	9,400
Weighted average number of ordinary shares in issue ('000)	131,912	123,557	127,739	123,557
Basic earnings per share (sen)	7.26	3.66	11.29	7.61

(b) Diluted Earnings Per Share

	3 months ended		6 months ended	
	31.01.25	31.01.24 (Restated)	31.01.25	31.01.24 (Restated)
Profit for the period attributable to ordinary equity holders of the company (RM'000)	9,574	4,524	14,419	9,400
Weighted average number of ordinary shares in issue ('000) (Basic)	131,912	123,557	127,739	123,557
Effect of dilution due to conversion of warrants	30,112	-	30,284	-
Weighted average number of ordinary shares in issue ('000) (Diluted)	162,024	123,557	158,023	123,557
Diluted earnings per share (sen)	5.91	3.66	9.12	7.61

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

NOTES TO THE INTERIM FINANCIAL REPORT – 2nd QUARTER ENDED 31 JANUARY 2025

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 2025.

- c) NANJING CHUHANG TECHNOLOGY CO. LTD (“NCT”) on 4 November 2024 for the purpose of establishing an equity Joint Venture (“JV”) to develop, manufacture and market Automotive Millimeter-wave Radar Sensors using and leveraging on the technology, experience and technical assistance provided by NCT from P.R.C.

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 March 2025.