



Together We Excel

MCE HOLDINGS BERHAD

Registration No.: 201501033021 (1158341-K)

2025 ANNUAL REPORT

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NOTICE OF 10TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 10th Annual General Meeting (“AGM”) of MCE Holdings Berhad will be held via Physical mode at Diamond 5, Level 10, Holiday Villa Johor Bahru City Centre, No. 260, Jalan Dato’ Sulaiman, Taman Abad, 80250 Johor Bahru, Johor on Thursday, the 18th day of December, 2025 at 9.30 am for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|--|---------------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 July 2025 together with the Reports of the Directors and Auditors thereon. | (See Explanatory Note 1) |
| 2. | To re-elect Mr Tai Lam Shin, a Director retiring by rotation pursuant to Clause 133 of the Company’s Constitution. | Ordinary Resolution 1 |
| 3. | To re-elect Ms Fong Jed See, a Director retiring by rotation pursuant to Clause 133 of the Company’s Constitution. | Ordinary Resolution 2 |
| 4. | To approve the payment of Directors’ Fees of RM483,504 for the financial year ending 31 July 2026 payable quarterly in arrears after each month of completed service of the Directors during the financial year. | Ordinary Resolution 3 |
| 5. | To approve the payment of Directors’ Benefit amounting to RM40,000.00 for the period commencing after the date of this Annual General Meeting to the date of the next Annual General Meeting. | Ordinary Resolution 4 |
| 6. | To appoint Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 July 2026 and to authorise the Directors to fix their remuneration. | Ordinary Resolution 5 |

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions :-

7. **ORDINARY RESOLUTION
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF
THE COMPANIES ACT 2016**

“THAT subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Constitution of the Company and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10 percent of the total number of issued shares of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company (“the Mandate”).”

**Ordinary Resolution 6
(See Explanatory Note 2)**

NOTICE OF 10TH ANNUAL GENERAL MEETING
(CONT'D)

8. **ORDINARY RESOLUTION**
PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED NEW SHAREHOLDERS' MANDATE FOR RRPT")

"THAT approval be and is hereby given for the Proposed New Shareholders' Mandate for RRPT for Company and/or its subsidiaries ("the Group") to enter into the category of recurrent transactions of a revenue or trading nature falling within the nature of transactions set out in the table in Section 2.5 of the Circular to Shareholders dated 26 November 2025 with the related parties falling within the classes of persons set out in Section 2.4 in the Circular, such transactions which are necessary for the Group's day-to-day operations and carried out in the ordinary course of business on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders.

Ordinary Resolution 7
(See Explanatory Note 3)

AND THAT the authority conferred by such Mandate shall continue to be in force until:

- (a) the conclusion of the next annual general meeting of the Company, at which time the mandate will lapse, unless the mandate is renewed by a resolution passed at that meeting;
- (b) the expiration of the period within which the next annual general meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016); or
- (c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to this Ordinary Resolution."

9. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and/or the Companies Act, 2016.

BY ORDER OF THE BOARD

LEE WEE HEE (MAICSA 0773340) SSM Practicing Certificate No. 201908004010
HEW JING SIAN (MAICSA 7065968) SSM Practicing Certificate No. 202008001325
Secretaries

Date : 26 November 2025

NOTICE OF 10TH ANNUAL GENERAL MEETING (CONT'D)

NOTES:

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
4. Where a member is an Authorised Nominee as defined under The Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the Registered Office of the Company situated at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80888 Ibrahim International Business District, Johor not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
6. Subject to the Constitution, shareholders may deposit the instrument appointing the proxy by electronics means by way of submitting the instrument to the following e-mail address mcejb@multicode.com.my not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
7. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
8. In respect of deposited securities, only members whose names appear on the Record of Depositors on 10 December 2025, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

EXPLANATORY NOTE :-

Ordinary Business

1. **Item 1 of the Agenda - Audited Financial Statements for the year ended 31 July 2025**

This Agenda item is meant for discussion only and does not require a formal approval of the shareholders and hence, is not put forward for voting.

Special Business:-

2. **Ordinary Resolution 6 – Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016**

The Company had, during its 9th Annual General Meeting held on 18 December 2024, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 75 and 76 of the Companies Act 2016.

The Company has not issued any new share pursuant to the mandate which was granted at the last Annual General Meeting held on 18 December 2024.

The Proposed Ordinary Resolution 6 is to seek a renewal of the Mandate from the shareholders of the Company at the 10th Annual General Meeting to be held on 18 December 2025.

NOTICE OF 10TH ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTE (CONT'D):-

Special Business (Cont'd):-

2. **Ordinary Resolution 6 – Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 (Cont'd)**

The Mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares in the Company for any fund raising activities, including but not limited to the placing of shares, for working capital, funding future investments and/or funding of strategic development of the Group. The Mandate is sought to avoid any delay arising from and cost in convening a general meeting to obtain approval of the shareholders for such issuance of shares, up to an amount not exceeding in total ten percent (10 percent) of the issued and paid-up share capital of the Company, as the Directors consider appropriate in the best interest of the Company. The authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the Mandate is in the best interests of the Company and its shareholders.

3. **Ordinary Resolution 7 – Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature**

The Proposed Ordinary Resolution No. 7 proposed in Agenda 8 is to seek a new shareholders' Mandate to allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature and to enable the Company to comply with Paragraph 10.09, Part E of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The mandate will take effect from the date of passing the Ordinary Resolution until the next Annual General Meeting of the Company and is subject to renewal on an annual basis.

Further details relating to this proposed resolution are set out in the Company's Circular to Shareholders dated 26 November 2025.

The proposed resolution, if passed, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature with its related parties in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad without the necessity to convene separate general meetings to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company and is subject to renewal on an annual basis.

Voting by Poll

Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, all resolutions set out in this notice is to be voted by poll.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman
Tan Sri Abd Rahman Bin Mamat
(Independent Non-Executive Director)

Group Managing Director
Dr Goh Kar Chun
(Executive Director)

Group Executive Director
Goh Anne
(Executive Director)

Directors

Law Sang Thiam
(Independent Non-Executive Director)

Fong Jed See
(Senior Independent Non-Executive Director)

Dato' Dr Lee Chung Wah @ Lee Chung Fu
(Independent Non-Executive Director)

Tai Lam Shin
(Non-Independent Non-Executive Director)

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
Law Sang Thiam
(Independent Non-Executive Director)

Members
Fong Jed See
(Senior Independent Non-Executive Director)
Dato' Dr Lee Chung Wah @ Lee Chung Fu
(Independent Non-Executive Director)
Tai Lam Shin
(Non-Independent Non-Executive Director)

NOMINATION AND REMUNERATION COMMITTEE

Chairman
Fong Jed See
(Senior Independent Non-Executive Director)

Members
Law Sang Thiam
(Independent Non-Executive Director)
Dato' Dr Lee Chung Wah @ Lee Chung Fu
(Independent Non-Executive Director)
Tai Lam Shin
(Non-Independent Non-Executive Director)

SECRETARIES

Lee Wee Hee (MAICSA 0773340)
SSM Practicing Certificate No. 201908004010

Hew Jing Sian (MAICSA 7065968)
SSM Practicing Certificate No. 202008001325

REGISTERED OFFICE

Suite 5.11 & 5.12, 5th Floor, Menara TJB,
No. 9, Jalan Syed Mohd. Mufti,
80888 Ibrahim International Business District,
Johor, Malaysia.
Tel : 07-224 2823
Email : plc@cisgroup93.com

REGISTRAR

Shareworks Sdn Bhd
Registration No. 199101019611 (229948-U)
No. 2-1, Jalan Sri Hartamas 8,
Sri Hartamas,
50480 Kuala Lumpur.
Tel : 03-6201 1120
Fax: 03-6201 3121/6201 5959

CORPORATE INFORMATION (CONT'D)

AUDITORS

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA and AF 1018)
E-2-3 Pusat Komersial Bayu Tasek
Persiaran Southkey 1, Kota Southkey
80150 Johor Bahru, Johor, Malaysia.

PRINCIPAL PLACE OF BUSINESS

Main Office and Headquarters
No. 2 & 4, Jalan Waja 7,
Kawasan Perindustrian Pandan,
81100 Johor Bahru,
Johor, Malaysia.

Telok Gong Office
PT 119984 (Lot 68745) Canang Emas 7,
Off Jalan Telok Gong,
42000 Pelabuhan Klang,
Selangor, Malaysia.

Serendah Office
No. 5 Jalan Titanium 3,
Bandar Industri Bernilai Tinggi, Serendah
48200 Serendah,
Selangor, Malaysia

PRINCIPAL BANKERS

AmBank (M) Berhad
Affin Islamic Bank Berhad

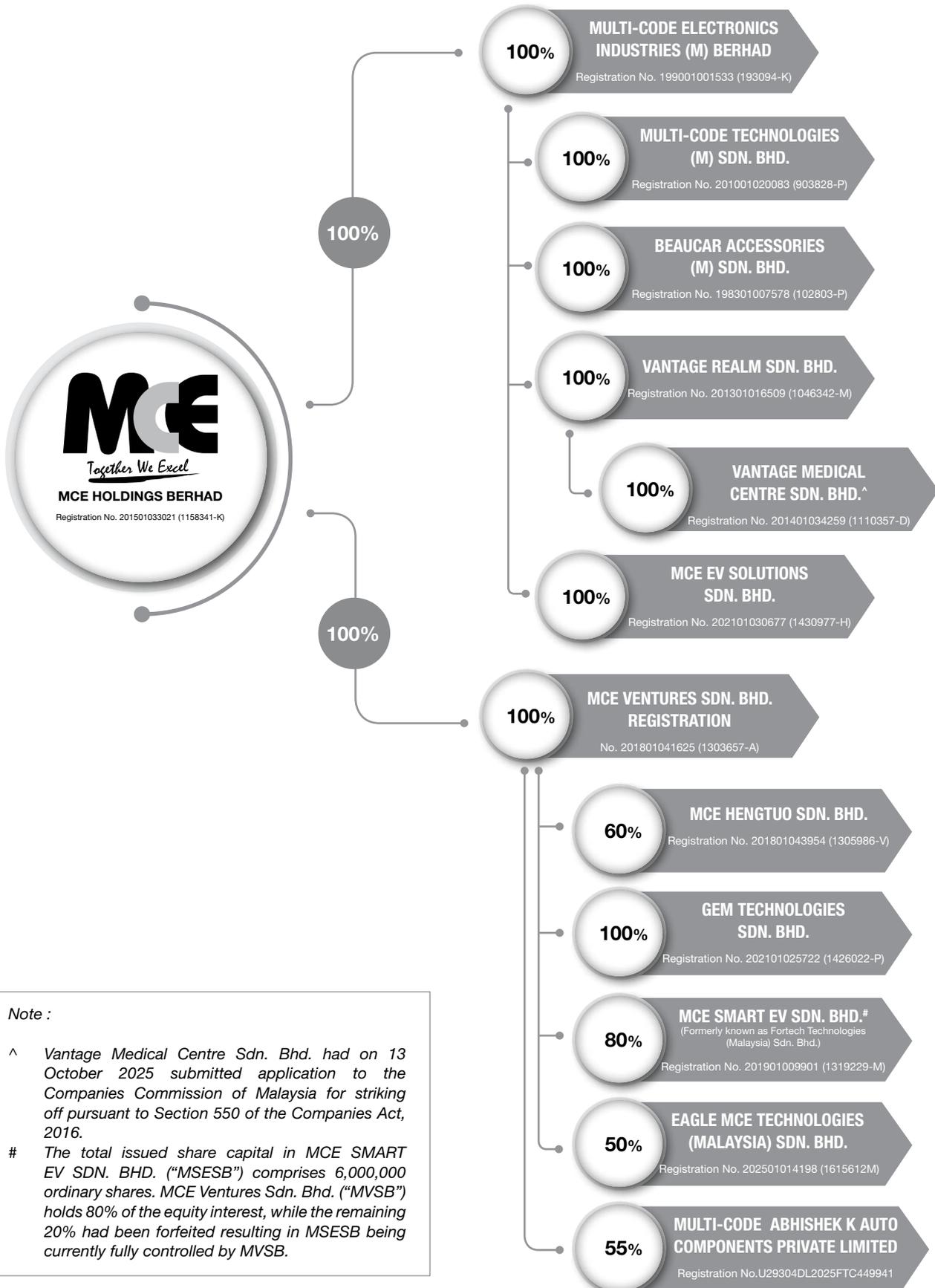
STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Code : 7004

WEBSITE

www.multicode.com.my

CORPORATE STRUCTURE



Note :

^ Vantage Medical Centre Sdn. Bhd. had on 13 October 2025 submitted application to the Companies Commission of Malaysia for striking off pursuant to Section 550 of the Companies Act, 2016.

The total issued share capital in MCE SMART EV SDN. BHD. ("MSESB") comprises 6,000,000 ordinary shares. MCE Ventures Sdn. Bhd. ("MVSB") holds 80% of the equity interest, while the remaining 20% had been forfeited resulting in MSESB being currently fully controlled by MVSB.

5 YEARS GROUP FINANCIAL HIGHLIGHTS

RESULTS	2021 (RM'000)	2022 (RM'000)	2023 (RM'000)	2024 (RM'000)	2025 (RM'000)
Revenue	84,825	105,823	154,889	155,664	152,597
(Loss) / Profit before tax	(760)	8,817	19,741	21,565	30,434
(Loss) / Profit after tax	(835)	8,042	15,394	15,897	23,715
Net (loss) / profit attributable to owners of the parent and non-controlling interests	(835)	8,042	15,394	15,897	23,913
KEY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DATA					
Total assets	118,767	144,232	161,349	191,371	244,232
Shareholders' equity	78,429	95,230	117,784	130,382	166,575
Share capital	46,625	55,383	64,089	64,089	85,554
Current assets	29,935	57,580	71,774	87,620	139,183
Total borrowings	23,445	21,853	15,899	18,078	29,386
KEY FINANCIAL STATISTICS / INDICATORS					
Basic (loss) / earnings per share (sen)	(0.86)	7.30	13.15	12.91	17.96
Net assets per stock unit attributable to ordinary equity holders of the Company (RM)	1.61	1.70	1.91	1.06	1.19
Return on shareholding equity (%)	(1.06)	8.45	13.07	12.19	14.36
Price earning ratio	NA	6.85	7.11	13.40	8.18
Gearing ratio	0.30	0.31	0.15	0.06	NA

Notes :

NA - Not Applicable

@ refer worksheet - 2024 assets loans & borrowings

C/B Shareholders' equity / share capital

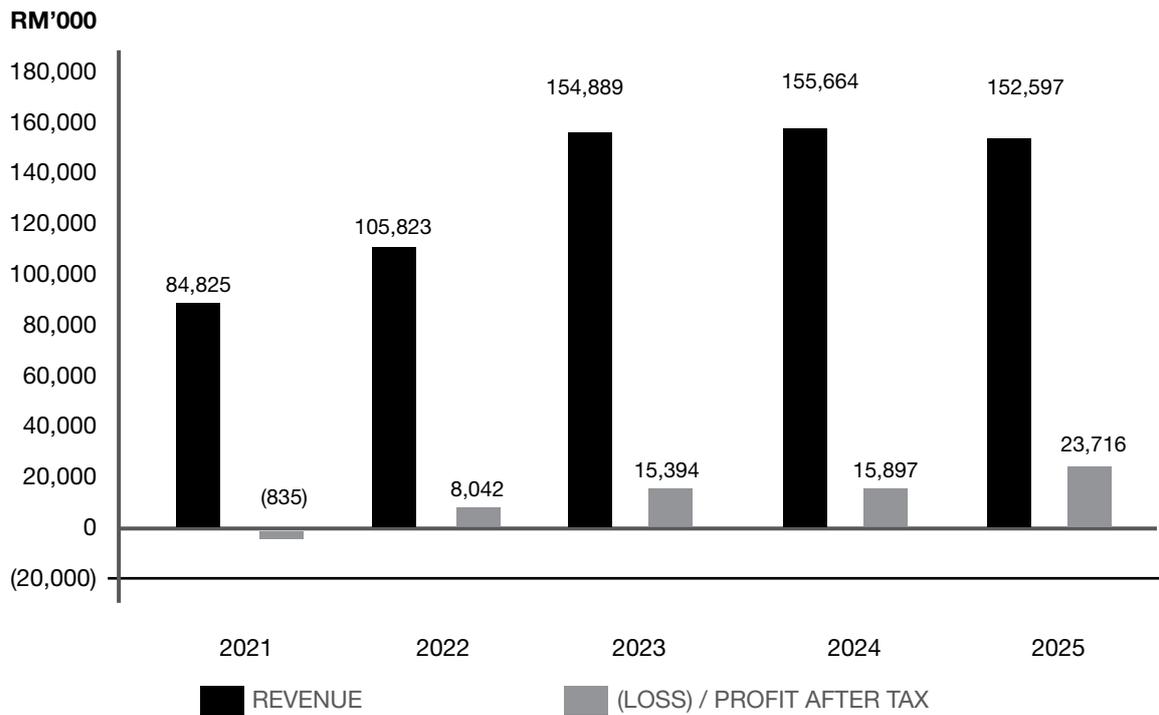
A/C Net profit attributable / Shareholders' equity

**/E Share market closing price as at 31.07.20xx (refer **) /
Basic earning per share

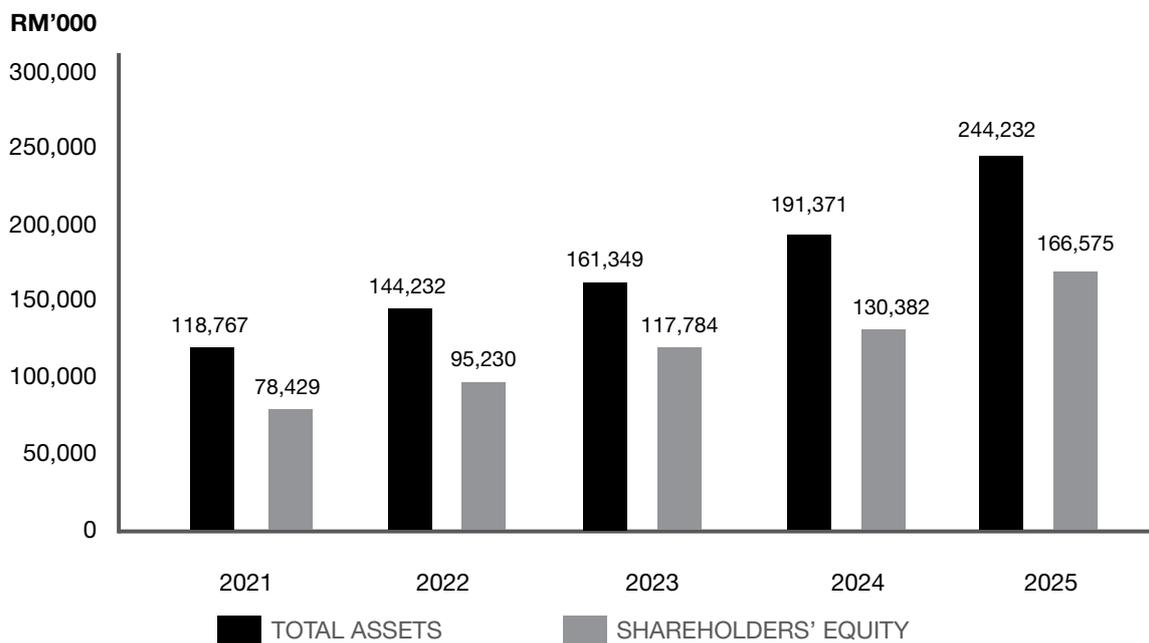
D/C Total borrowing / Shareholders' equity

5 YEARS GROUP FINANCIAL HIGHLIGHTS (CONT'D)

Revenue and (Loss) / Profit After Tax

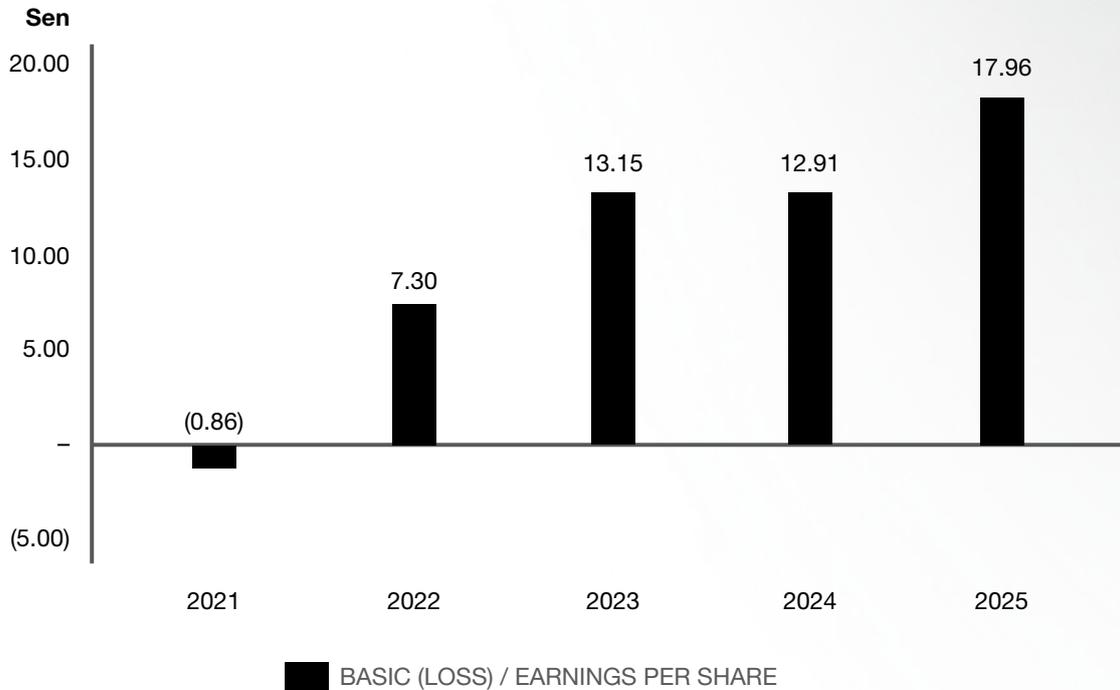


Total Assets and Shareholders' Equity

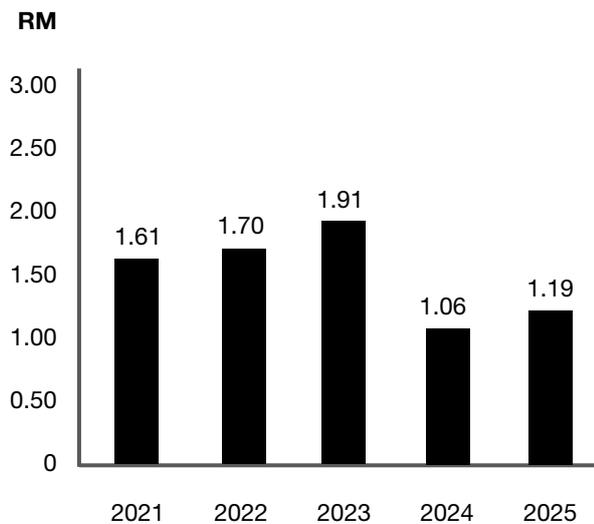


5 YEARS GROUP FINANCIAL HIGHLIGHTS (CONT'D)

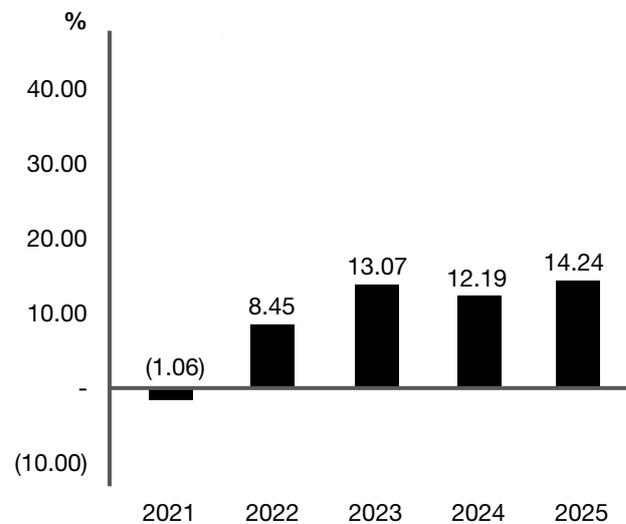
Basic (Loss) / Earnings per share



Net assets per stock unit attributable to ordinary equity holder of the Company



Return on Shareholding Equity



PROFILE OF DIRECTORS

TAN SRI ABD RAHMAN BIN MAMAT

- 73 years of age
- Malaysian
- Male

Tan Sri Abd Rahman Bin Mamat joined the Board as an Independent Non-Executive Director and appointed as the Chairman on 4 September 2019. He has a Bachelor of Economics (Honours) from the University of Malaya and completed an Advanced Management Programme at Harvard Business School in Boston, USA.

Tan Sri Dato' Abdul Rahman Mamat is a distinguished figure in Malaysia's corporate sector, with a notable career serving the Government of Malaysia. He is well-versed in international trade, economics, investments, corporate governance, and entrepreneurship.

He joined the Ministry of International Trade and Industry (MITI) in April 1975 as an Assistant Director and had a 35-year career, during which he held various senior positions before retiring in December 2010. His roles included:

- Deputy Trade Commissioner, Malaysian Trade Office, New York, USA
- Director of Trade, Malaysian Trade Centre, Taipei, Taiwan
- Economic Counsellor/Trade Commissioner and Deputy Permanent Representative to the United Nations Economic and Social Commission, Malaysian Trade Office, Bangkok, Thailand
- Special Assistant to the then Minister of MITI
- Member of the Board of Directors, Malaysian Industry-Government Group for High Technology (MIGHT)
- Director of Industries
- Senior Director of Policy and Industry, Services Division
- Deputy Secretary General (Industry) of MITI
- Secretary General of MITI

He represented MITI on the boards of several government-linked entities, including the Malaysian Investment Development Authority (MIDA), Johor Corporation, Regional Economic Development Authority (RECODA) Sarawak, SME Corporation Malaysia, Pahang State Economic Development Corporation, Malaysian Technology Development Corporation, and MATRADE.

Tan Sri Abdul Rahman represented Malaysia at numerous international meetings, negotiations, conferences, and symposiums, contributing to the formulation, implementation, and monitoring of policies and strategies related to international trade, industry, and entrepreneurship development.

Additionally, he is an honorary member of the ASEAN Federation of Engineering Organisations, was a Malaysian Leader for the High-Level Task Force on ASEAN Economic Integration, and a member of PEMUDAH (Special Taskforce To Facilitate Business). He also serves on the boards of several private companies in Malaysia, spanning sectors such as finance, technology, manufacturing, global logistics, healthcare, and oil, gas, and energy.

Currently he sits on the Boards of Lotte Chemical Titan Holding Berhad, ECA Integrated Solution Berhad and Theta Edge Berhad which are listed on Bursa Malaysia Securities Berhad and also sits on the Board of Malaysian Industrial Development Finance Berhad, a wholly-subsiary of Malaysia Building Society Bhd.

He directly holds 425,000 ordinary shares of the Company.

PROFILE OF DIRECTORS
(CONT'D)**DR GOH KAR CHUN**

- 49 years of age
- Malaysian
- Male

Dr Goh Kar Chun was appointed to the Board on 10 June 2016 and is the Group Managing Director of the Company. He holds a degree in Bachelor of Medicine, Bachelor of Surgery and Bachelor of Obstetrics from the Faculty of Medicine, University College Dublin, Ireland. Subsequently he obtained a Master of Business Administration from Victoria University, Australia.

In year 2000, he worked as a medical doctor at ST. Vincent University Hospital, Ireland. He joined Multi-Code Electronics Industries (M) Berhad as a management staff responsible for marketing function in 2002. With his experience garnered in the automotive industry, he was appointed as Executive Director of Multi-Code Electronics Industries (M) Berhad in year 2008 primarily responsible for the overall group business development, marketing and sales. As at November 2010, his scope of work had been expanded to include direct responsibility on production, engineering and quality assurance functions. He was then appointed as the Group Managing Director on 30 June 2016.

He directly holds 7,955,280 ordinary shares and 2,620,140 warrants of the Company. He has deemed interest in 237,200 ordinary shares in the Company held by his spouse, Chuah Sai Ling, pursuant to Section 59 (11) (c) of the Companies Act 2016.

GOH ANNE

- 44 years of age
- Malaysian
- Female

Goh Anne is the Group Executive Director of the Company. She holds a degree in Bachelor of Business from University of Technology Sydney, Australia. She is a member of Certified Practising Accountants (CPA Australia) and the Malaysian Institute of Accountants (MIA). She started her career as an Internal Auditor in a public accounting firm in 2005. She left the firm in 2013 and took up position of Finance Manager in a public listed company. In July 2015, she joined the Group as the Group Financial Controller overseeing the Accounting & Finance, Costing, Human Resources /Administrative and IT Departments. She was re-designated to Chief Financial Officer of the Group since 20 January 2016. She was appointed as the Group Executive Director on 1 October 2018.

She directly holds 112,700 ordinary shares of the Company.

PROFILE OF DIRECTORS (CONT'D)

TAI LAM SHIN

- 68 years of age
- Malaysian
- Male

Tai Lam Shin was appointed to the Board on 10 June 2016 as an Independent Non-Executive Director of the Company. He was re-designated as a Non-Independent Non-Executive Director on 10 August 2022. He is a Chartered Accountant of the Malaysian Institute of Accountants (MIA) and Fellow of The Association of Chartered Certified Accountants (FCCA), United Kingdom.

He is exposed and experienced in areas of audit assurance, financial and corporate advisory, due diligence review and reporting accountants to public listed corporations, multinationals and private companies.

He is currently a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee.

He sits as an Independent Non-Executive Director on the Board of Keck Seng (Malaysia) Berhad and White Horse Berhad, both public companies listed on Bursa Malaysia Securities Berhad.

He directly holds 60,000 ordinary shares of the Company.

LAW SANG THIAM

- 49 years of age
- Malaysian
- Male

Law Sang Thiam was appointed to the Board on 7 March 2022 and is an Independent Non-Executive Director of the Company. He graduated with Bachelor of Accounting from the University of Malaya in 2000. He is a member of Malaysian Institute of Accountants since 2003, and Malaysian Institute of Certified Public Accountants since 2004 and an associate member of Chartered Tax Institute of Malaysia since 2024.

He began his career with Arthur Andersen & Co in 2000 as an Audit Assistant before leaving the firm in 2002 to join Ernst & Young (now known as Ernst & Young PLT) as Audit Associate. During his tenure with the said accounting firms, he was involved in audit assignments of companies in various industries, as well as other engagements involving corporate exercises.

In 2016, he left Messrs Ernst & Young as an Audit Director to establish an accounting firm, namely Messrs Ivan Law & Co. In 2017, he established Taxavenue Advisory PLT, a firm in Malaysia providing tax advisory services. He is currently the Managing Partner of both Ivan Law & Co and Taxavenue Advisory PLT.

He was appointed as the Chairman of the Audit and Risk Management Committee on 28 March 2022 and is a member of the Nomination and Remuneration Committee.

He sits on the Board of Spring Art Holdings Berhad and is the Senior Independent Non-Executive Director and Chairman of the Audit and Risk Management Committee. He is also an Independent Non-Executive Director and Chairman of the Audit and Risk Management Committee of Ecoscience International Berhad and Icents Group Holding Berhad, which are listed on the ACE Market of Bursa Malaysia Securities Berhad.

He directly holds 80,000 ordinary shares and 40,000 warrants of the Company.

PROFILE OF DIRECTORS
(CONT'D)**FONG JED SEE**

- 53 years of age
- Malaysian
- Female

Fong Jed See was appointed to the Board on 10 August 2022 and is an Independent Non-Executive Director of the Company. She was appointed as the Chairman of the Nomination and Remuneration Committee on 10 August 2022 and was a member of the Audit and Risk Management Committee. She was identified by the Board as the Senior Independent Non-Executive Director of the Company.

She has been in legal practice since 1997. She is one of the founding partners of the law firm of Messrs Fong Yap & Gan and is currently the Managing Partner of the firm. She has acted for both local and multinational corporations in their various corporate exercises.

The MCE Group has engaged and obtained legal services from Messrs Fong, Yap & Gan where Ms. Fong is the Managing Partner.

The engagement and provision of legal services is in the ordinary course of business for both the MCE Group and Messrs Fong, Yap & Gan respectively and is recurrent in nature.

Other than disclosed under paragraph e(iii) of the Audit and Risk Management Committee Report on page 32 of this Report, Ms. Fong does not have any situations of conflict of Interest or potential conflict of interest with the Company and Group that may arise.

She directly holds 20,000 ordinary shares of the Company.

PROFILE OF DIRECTORS (CONT'D)

DATO' DR LEE CHUNG WAH & LEE CHUNG FU

- 50 years of age
- Malaysian
- Male

Dato' Dr. Lee Chung Wah @ Lee Chung Fu ("Dato Dr. Lee") was appointed to the Board on 28 Jun 2024 and is an Independent Non-Executive Director of the Company. He is a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee.

Dato Dr. Lee has nearly two decades of experience across the financial technology, ICT, telecommunications, and manufacturing sectors. From 2006 to 2016, he held senior positions, including General Manager, CEO, and Executive Director, in various subsidiaries of Insas Berhad and Insas Technology Berhad, overseeing business units across the ASEAN region. As a serial technology entrepreneur and investor, he is also a partner at International Supply Chain Alliance Limited, Hong Kong—a prominent supply chain and logistics platform with core operations in Greater China. Additionally, he served as an Independent Non-Executive Director for Jadi Imaging Holdings Berhad, a Main Board-listed company on Bursa Malaysia, where he contributed as a member of both the Audit and Nomination Committees from 2018 to 2021.

A dynamic figure in fintech, Dato Dr. Lee is listed as an inventor on multiple patents recognized by the Patent Cooperation Treaty and the World Intellectual Property Organization. His patented work, including international publication WO2012/154031A1, spans Australia, Singapore, the United States, the EU, and other regions.

From 2020 to 2023, he was an Executive Director at Versalink Holdings Limited, an SGX-listed company, and now serves as an Executive Advisor to the group.

Currently, Dato Dr. Lee is a board member of The One Smart City Limited in Hong Kong, affiliated with China High Precision Automation Group Limited, a company listed on the HKEX. He also serves as a Director of Salcon WP Sdn Bhd, a subsidiary of Salcon Berhad, which is listed on the Main Board of Bursa Malaysia.

Dato' Dr. Lee Chung Wah holds a Bachelor of Business degree from the University of Southern Queensland, Australia, a Postgraduate Certificate in Business Administration from Staffordshire University, UK, and a Doctorate in Business Administration from the University of Atlanta, USA.

In addition, Dato Dr. Lee sits on the boards of several private limited companies in Malaysia, Singapore, and Hong Kong.

He directly holds 22,400 ordinary shares of the Company.

Save as disclosed, none of the Directors have:-

- any directorship in public companies and listed issuers;
- any family relationship with any directors and/or major shareholders of the Company;
- any conflict of interest with the Company;
- any conviction for offences within the past 5 years (other than traffic offences, if any), and
- any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

LIM CHERN TIN

- 58 years of age
- Malaysian
- Male

Lim Chern Tin is the Chief Operations Officer of Multi-Code Electronics Industries (M) Berhad. He holds an engineering diploma from Federal Institute of Technology. He joined Multi-Code Electronics Industries (M) Berhad in August 1999 as its Quality Assurance (QA) Manager and was promoted to the position of Group Engineering and QA Manager in May 2008, and subsequently re-designated as the Group Operations Manager in December 2015. He was promoted as the Chief Operations Officer in October 2019. He has more than 30 years of working experience in areas of quality assurance, engineering and production.

He directly holds 21,000 ordinary shares of the Company.

Save as disclosed, none of the Key Senior Management have:-

- any directorship in public companies and listed issuers;
- any family relationship with any directors and/or major shareholders of the Company;
- any conflict of interest with the Company;
- any conviction for offences within the past 5 years (other than traffic offences, if any), and
- any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE OVERVIEW

The Board of Directors ('the Board') of MCE Holdings Berhad ("MCE" or "Company") recognises the importance of maintaining good corporate governance and continues to be committed to ensure that high standards and appropriate practices are in place throughout MCE Holdings Berhad and its subsidiaries ("MCE Group" or "Group") to protect, enhance and support the sustainability of its business affairs and financial performance of the Group with the ultimate objective of safeguarding shareholders' investment and enhancing shareholders' value.

The Board views corporate governance as a crucial and integral part of the Group's long term sustainability initiatives.

This statement is to provide shareholders and other stakeholders with an overview of the Group's application of the following three (3) Principles set out in the revised Malaysian Code on Corporate Governance issued by the Securities Commission of Malaysia ("SC") on 28 April 2021 ("MCCG") under the leadership of the Board and should be read together with the Corporate Governance Report 2025 of MCE ("CG Report") which is accessible on MCE's website at <http://www.multicode.com.my> and via announcement on Bursa Malaysia Securities Berhad ("Bursa Malaysia")'s website.

- Principle A : Board Leadership and Effectiveness;
- Principle B : Effective Audit and Risk Management; and
- Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The CG Report provides the details on how MCE has applied each Practice as set out in the MCCG during the financial year 2025 ("FY2025"). Other than Practice 5.9, 8.2, 13.1 and 13.3, the Board is of the view that MCE has substantially complied with the recommendations of MCCG.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board recognises and is always mindful that its leadership and stewardship role in setting the tone from the top is vital in building a sustainable business, creating and delivering sustainable values in the pursuit of long-term success for the Company and Group.

The Board plays a key and active role through its policies and strategies and is committed to ensuring that it provides effective oversight and overall management of the Company and Group including promoting high ethical standards within the organisation.

The roles and responsibilities of the Board and Management, the Board Committees and the individual Directors are set out in the Board Charter which is accessible through MCE's website.

The Board had reviewed its Board Charter and the Terms of Reference for Audit and Risk Management Committee and Nomination and Remuneration Committee together with existing Board policies and practices. The Board Charter together with the Board policies is available on the Group's website at <http://www.multicode.com.my>.

It is the primary governance responsibilities of the Board to lead and control the Group. The Board plans the strategic direction, development and control of the Group and has taken initiatives to embrace the responsibilities listed in the MCCG, which facilitate the discharge of the Board's stewardship responsibilities. When implementing the strategic plan, the Group Executive Directors (comprised of Group Managing Director and Group Executive Director) are responsible for making and implementing operational and corporate decisions while the Non-Executive and Independent Directors ensure corporate accountability by providing unbiased and independent views, advice and judgement in safeguarding the interests of the shareholders.

The Board has defined the roles and responsibilities for the Board and its Executive Directors. In discharging its fiduciary responsibilities, the Board emphasises strongly during its Board meetings on the deliberation and review of the financial performance of the Group, the execution of strategic plan by the Executive Directors, the principal risks faced by the Group and effectiveness of management mitigation plan, the appraisal of executive management and senior management succession plans as well as the integrity of the management information and systems of internal control of the Group.

CORPORATE GOVERNANCE OVERVIEW (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

The Board maintains specific Board Committees namely Audit and Risk Management Committee (“ARMC”) and Nomination and Remuneration Committee (“NRC”). These Committees ensure greater attention, objectivity and independence are provided in the deliberations of specific board agenda. The Board has defined the terms of reference for each Committee and the Chairman of these respective committees would report to the Board during the Board meetings on significant matters and salient matters deliberated in the Committees.

The positions of Chairman and Group Managing Director are separately held ensuring balance of power, accountability and division of roles and responsibilities of the Board and the management of the Group's business and operations. The Board has developed descriptions for responsibilities of the Board Chairman, Group Managing Director, Group Executive Director, the individual board members, as well as the Chief Financial Officer. The details of these responsibilities are articulated in the Board Charter.

The Directors allocate sufficient time to discharge their responsibilities effectively and attend Board and Board Committee meetings with sufficient regularity to deliberate on matters under their purview. Board meetings are held at quarterly intervals with additional meetings convened for particular matters, when necessary. During the year, the Board has deliberated on strategic plans and objectives, annual budget, significant acquisitions and disposals, financial results, key performance indicators and other matters reserved for Board.

The attendance record of the Directors at Board and Committee meetings in respect of the FY2025 are set out below:

Name of Director	Position	Attendance		
		Board	ARMC	NRC
Tan Sri Abd Rahman Bin Mamat	Independent Non-Executive Director	5/5	N/A	N/A
Dr. Goh Kar Chun	Executive Director	5/5	N/A	N/A
Miss Goh Anne	Executive Director	5/5	N/A	N/A
Mr. Law Sang Thiam	Independent Non-Executive Director	5/5	5/5	1/1
Ms. Fong Jed See	Senior Independent Non-Executive Director	5/5	5/5	1/1
Dato' Dr Lee Chung Wah @ Lee Chung Fu	Independent Non-Executive Director	5/5	5/5	1/1
Mr. Tai Lam Shin	Non-Independent Non-Executive Director	5/5	5/5	1/1

CORPORATE GOVERNANCE OVERVIEW (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

Directors' Training

Each Director is expected to attend at least one (1) full day continuing education programme each year. The extent and subject matter which may vary, is left to each individual director's discretion.

In order to encourage continuing director education, the Company will reimburse directors for all costs of attending two (2) programmes each financial year. However, directors are allowed to attend more than two (2) programmes in a year at the Company's expense with the consent of the Chairman of the NRC.

Annually, the Chairman of the NRC, based on the annual assessment of each director, is authorised to make recommendations for each individual director's continuing education requirements to meet the intentions and purposes of this policy.

During the financial year, the directors had attended/participated in the following training programmes:

Trainings or Seminars Attended	Director	Dates of Attendance
(i) Reputation and Crisis Management for Board (ii) Board's Strategic Oversight and Stewardship in Sustainability	ARM	05-Aug-2024
Managerial leadership	GA	19 & 20-Aug- 2024
Managerial leadership	GKC	19 & 20-Aug- 2024
ESG Matters@ACCA - Green Gold: Dive into Climate Finance Certification	TLS	21-Aug-2024
Malaysian Industrial Development Finance Berhad ("MIDF") Roundtable Discussion : Road to NIMP 2030 – Digital Economy	ARM	03-Sep-2024
(i) Key Insights of Hajah and Darurah Principles and Applications (ii) Cybersecurity	ARM	11-Sep-2024
ISSB: Applying the IFRS Sustainability Disclosure Standards	TLS	13-Sep-2024
World Halal Business Conference 2024 Kuala Lumpur	ARM	17-Sep-2024
Malaysian Taxation: An Advanced Course - A practical guide on Tax Principles and Practice (Module 2: Capital Allowances & Losses)	LST	18-Sep-2024
Tax Consideration in Financing of Corporations	LST	24-Sep-2024
Tax Implications and Audit Issues on Cross Border Transactions: What's new in 2024?	LST	03-Oct-2024
Khazanah Megatrends Forum 2024	ARM	7 & 8-Oct-2024
Demystifying The Dynamic Forces That Shape Board Relationships and Cultivating Strategic Mindsets in Leadership	ARM	21 & 22-Oct-2024
Budget 2025 : Key Updates And Changes For Corporate Accountants	GA	28-Oct-2024
Market Trends For An Unscripted World	TLS	12-Nov-2024
2025 Budget Seminar	LST	13-Nov-2024
Managing Corruption Risks – Corruption Risk Assessment Awareness	ARM	18-Nov-2024

CORPORATE GOVERNANCE OVERVIEW (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

Directors' Training (Cont'd)

During the financial year, the directors had attended/participated in the following training programmes (Cont'd):

Trainings or Seminars Attended	Director	Dates of Attendance
Deloitte TaxMax - The 50th series	TLS	28-Nov-2024
Audit Quality Enhancement Programme for SMPs	LST	18 & 19-Dec-2024
E-Invoice Session with Messrs Ernst & Young	ARM	08-Jan-2025
Limited Liability Law Partnerships	FJS	23-Jan-2025
TH Group Summit 2025: Empowering Growth with AI: A Vision for the Future of My Company	ARM	17-Feb-2025
Resolving Boardroom and Shareholders Disputes	FJS	05-Mar-2025
ESG Matters@ACCA - Carbon Trading: Navigating Opportunities in Malaysia's Low-Carbon Future	TLS	11-Mar-2025
Capital Reduction By Solvency Statement	FJS	20-Mar-2025
The Future of Technology & Innovation: Why IP Matters in ICT & AI	ARM	09-Apr-2025
Governance of Generative AI	ARM	15-Apr-2025
Engagement Session with FIDE FORUM Members on Bank Negara Malaysia Annual Report 2024, Economic and Monetary Review 2024 and Financial Stability Review for Second Half 2024.	ARM	21-Apr-2025
Ensuring Real Impact in ESG: Sustainability and Social Impacts on the Ground	TLS	28-Apr-2025
Masterclass Navigating High-Tech Financial Crime: Key Risks and Board Responsibilities	ARM	6-May-2025
CPD Live - Foreign Direct Investments and Sovereignty	FJS	08-May-2025
Withholding Tax and the Tax Implications of Cross-Border Transactions	TLS	19-May-2025
CPR (Cardiopulmonary Resuscitation) / AED (Automated External Defibrillator) Training for Board	ARM	20-May-2025
E-invoice session with Messrs Ernst & Young (2nd session)	ARM	3-June-2025
The Influence of Board Culture on Corporate Performance	ARM	5-June-2025
The Journey into the AI Age: Game Changer for Your Digital Transformation Era Programme	LCW	17-Jun-2025
Corporate Directors Training Programme Fundamental 5.0 + Financial Statements 101	FJS	17 & 18-Jun-2025
Latest Tax Implications on Digital Transactions in Malaysia	LST	10-Jul-2025
International Energy Week Summit 2025: From Sarawak to the World: Journey to Clean Energy Leadership	ARM	15 & 16-July-2025
How to measure sustainability performance optimally: Target setting and choosing the right metrics?	TLS	17-Jul-2025
Exclusive Invitation: IMD Malaysia Masterclass on Competitiveness & Strategy	ARM	18-July-2025

CORPORATE GOVERNANCE OVERVIEW (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

Directors' Training (Cont'd)

All Directors have completed the Mandatory Accreditation Programme ("MAP") as prescribed by Bursa Malaysia Securities, comprising Part I (Director's Roles, Duties and Responsibilities) and Part II (Sustainability and Related Roles of a Director).

Note :

- ARM - Tan Sri Abd Rahman Bin Mamat, Independent Non-Executive Director
- GKC - Dr. Goh Kar Chun, Group Managing Director
- GA - Miss Goh Anne, Group Executive Director
- TLS - Mr. Tai Lam Shin, Non-Independent Non-Executive Director
- LST - Mr. Law Sang Thiam, Independent Non-Executive Director
- FJS - Ms. Fong Jed See, Senior Independent Non-Executive Director
- LCW - Dato' Dr. Lee Chung Wah @ Lee Chung Fu, Independent Non-Executive Director

II. BOARD COMPOSITION

The MCCG emphasises the importance of right board composition in enhancing the Board decision making process and the transparency of policies and procedures in selection and evaluation of board members.

The present Board composition comprises Executive and Non-Executive Directors with a mix of suitably qualified and experienced professionals enabling the Board to carry out its responsibilities effectively. In accordance with Clause 115 of the Company's Constitution, unless otherwise determined by General Meeting, the number of directors shall not be less than two (2) nor more than twelve (12).

The Board's composition for the FY 2025 comprises of seven (7) members, two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and four (4) Independent Non-Executive Directors.

Descriptions of the background of each director are presented on pages 12 to 16.

The Board had adopted a Board Diversity Policy which acknowledges the importance of Board diversity which includes, but is not limited to, business experience, geography, age, gender, ethnicity and aboriginal status. In particular, the Board has set a policy that at least one (1) member of the Board will be of the female gender.

Currently two members of the Board are of the female gender. This is in compliance with Paragraph 15.02(1)(b) of the Listing Requirements which requires at least 1 woman director on Board.

Subsequent to FY2025, the NRC had carried out an assessment of the Board, the Board Committees and the individual contribution of each Director based on the approved process together with an evaluation of the Performance of Chairman of the Board, the Chairman of the ARMC and NRC and the Senior Independent Director.

The NRC has also adopted the best practices for assessing the independence of Independent Directors annually and the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. When the Board retains an Independent Director, who has served in that capacity for more than nine (9) years, the Board would justify its decision and seek shareholders' approval.

Through this process, the NRC and the Board had concluded that the Board's dynamics were healthy and effective.

All Independent Non-Executive Directors are independent of management and have no family or business relationships with the Group Executive Directors and major shareholders which would interfere with the exercise of their independent judgement. The Chairman of the Board is an Independent Non-Executive Director while the number of independent directors maintained by the Board currently represents half of the Board members and is above the prescribed composition of one-third (1/3) requirement of independent directors recommended under the Bursa Malaysia Listing Requirements.

CORPORATE GOVERNANCE OVERVIEW (CONT'D)

II. BOARD COMPOSITION (CONT'D)

Director's Retirement

The re-election of Directors provides an opportunity for shareholders to renew their mandate conferred to the Directors.

The Constitution of the Company provides that all directors including a Managing Director or Deputy Managing Director shall retire by rotation once in every three (3) years or at least one-third (1/3) of the Board shall retire but shall be eligible to offer themselves for re-election at the Annual General Meeting ("AGM").

The above provisions are adhered to by the Board in every AGM. Information on Directors standing for re-election are outlined in the respective Profile of Directors covering their details of profession, directorships in other public companies and shareholdings in the Company and their attendance of the Board meetings are set forth on pages 14, 15 and 19 of this Annual Report.

At the forthcoming 10th AGM, Mr. Tai Lam Shin and Ms. Fong Jed See are due to retire by rotation under Clause 133 of the Constitution and being eligible had offered themselves for re-election. Following the NRC's review on the performance of the Directors and having noted their significant and valued contributions to the Board, the NRC had recommended their re-election to the Board and the Board had concurred with such recommendation and are recommending that shareholders re-elect the Directors at the forthcoming 10th AGM.

The Directors subject to retirement have completed their respective Declarations in accordance to the Fit and Proper Person Policy to affirm that they have fulfilled the fit and proper person criteria relating to their Probity, Personal Integrity and Reputation and Financial Integrity.

Nomination and Remuneration Committee

The Board had established a Nomination and Remuneration Committee ("NRC") comprised exclusively of Non-Executive Directors, majority of whom are Independent Directors.

During the FY2025, the members of the NRC were as follows:

Fong Jed See - Chairman, Senior Independent Non-Executive Director

Law Sang Thiam - Member, Independent Non-Executive Director

Dato' Dr. Lee Chung Wah @ Lee Chung Fu - Member, Independent Non-Executive Director

Tai Lam Shin - Member, Non-Independent Non-Executive Director

The Chairman of the NRC is the Senior Independent Non-Executive Director.

The primary responsibilities of the NRC are set out in detail in its Terms of Reference which can be viewed from the Company's website at <http://www.multicode.com.my>.

In compliance with the provision of Paragraph 15.08A(3) of the Listing Requirements the activities of the NRC for the FY2025 are set out below:

CORPORATE GOVERNANCE OVERVIEW (CONT'D)

II. BOARD COMPOSITION (CONT'D)

Activities of NRC

Subsequent to the FY 2025, the NRC carried out the following activities:

1. Carried out the assessment based on the approved process comprising of an evaluation of the Board, the Board Committees and the individual contribution of each members, in the form of annual evaluation questionnaires which were then reviewed and deliberated by the NRC before its findings and recommendations were tabled to the Board.

The evaluation of the Performance of Chairman of the Board, the Chairman of the ARMC and NRC and the Senior Independent Director was also conducted during the schedule meeting of NRC. Each Director had abstained from the deliberation of their own evaluation.

2. Reviewed the appropriateness of structure, size, composition and balance of the Board, and the required mix of skills and experience covering legal, medical and healthcare, as well as gender diversity.

The NRC had concluded that the Board's dynamics are healthy and effective. The present members of the Board possess appropriate skills, experience and qualities to steer the Company forward. The NRC was also satisfied that the existing structure, size, composition, current mix of skills, competence, knowledge, experience and qualities of the existing Board members are appropriate to enable the Board to carry out its responsibilities effectively;

The NRC also concluded that the Board Committees were functioning effectively, meeting the objective as set out in its term of reference and assisting the Board in fulfilling its statutory and fiduciary responsibilities adequately.

3. Reviewed the performance of the relevant directors retiring by rotation and proposed their re-election as Directors in accordance to Clauses 133 of the Company's Constitution.

Information of the directors standing for re-election is outlined in the Profile of Directors covering their details of profession, directorships in other public companies and shareholdings in the Company and their attendance of the Board meetings are set forth on pages 14, 15 and 19 of this 2025 Annual Report.

4. Reviewed the independence of Independent Directors and their length of tenure in office through Evaluation Questionnaires.

The Board had adopted the evaluation procedures for assessment of the independence of the Independent Directors and where applicable, any impairment arising from a long tenure in office (9 years as prescribed by MCCG).

The evaluation was carried out, reviewed and deliberated and duly recommended and tabled to the Board.

Each independent director had abstained in the deliberation of their own independence during the evaluation. It was concluded that the independence of all Independent Directors was not compromised or impaired after considering the following factors:

- The Independent Directors fulfilled the criteria and definition of an independent director as set out under Para 1.01 of Bursa Malaysia's Main Market Listing Requirement;
- The Independent Directors have not developed, established or maintained any significant personal or social relationship with the Executive Directors, major shareholders or management of the company;
- The Independent Directors have never transacted or entered into any transactions with, nor provided any service to the Company and its subsidiaries, the Executive Directors, major shareholders or management of the company;
- The Independent Directors have not been offered or granted any options by the Company. No other incentives or benefits of whatsoever nature had been paid to them by the Company; and
- The Independent Directors have attended training programs and keep abreast with development in corporate governance and corporate development, brought objective insight to all aspect of monitoring and oversight activities of the Board and devoted sufficient time commitment and desire to serve.

CORPORATE GOVERNANCE OVERVIEW (CONT'D)

II. BOARD COMPOSITION (CONT'D)

Activities of NRC (Cont'd)

Subsequent to the FY 2025, the NRC carried out the following activities (Cont'd):

5. Reviewed the performance of the Group Managing Director, the Group Executive Director and senior management based on Remuneration Policy and key performance indicator and following deliberation made recommendations for adjustments to their remuneration where appropriate.
6. Reviewed and made recommendation to the Board in respect of Director fees and benefits for the financial year ending 31 July 2026.

III. REMUNERATION

The NRC and Board are mindful of the need to remunerate and retain its Directors and senior executive management to ensure that their commitment remains and therefore their remuneration package is directly linked to their performance, service, seniority, experience and scope of responsibilities.

The NRC is responsible to establish, recommend and constantly review a formal and transparent remuneration policy framework and terms of employment for the Board to attract and retain directors and senior executive management which should be aligned with the business strategy and long term objectives of the Company taking into consideration that the remuneration of the Board and senior executive management should reflect the Board's responsibilities, expertise and complexity of the Company's activities.

The NRC had reviewed the Director's fees and benefits and the Executive Directors' remuneration for the financial year ending 31 July 2026 and recommended to the Board for approval.

The Remuneration Policy and Procedures for Directors and Senior Management is available on the Group's website at <http://www.multicode.com.my>.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK MANAGEMENT COMMITTEE

The ARMC is chaired by an Independent Director who is distinct from the Chairman of the Board. The Chairman of the ARMC is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA). The ARMC has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the ARMC.

The detailed Terms of Reference of the ARMC outlining the composition, duties and functions, authority and procedures of the ARMC are published and available on the Company's website at <http://www.multicode.com.my>.

Further information on the composition and summary of work of the ARMC are set out on pages 30 to 32 of this Annual Report.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

During FY 2025, the Board and ARMC were assisted by the Group Executive Directors and the Risk Management and Sustainability Working Committee to maintain its risk management system, which is reviewed and updated constantly to safeguard shareholders' investments and the Group's assets. The Group's internal audit function has been outsourced to a professional internal audit services company which reports directly to the ARMC.

CORPORATE GOVERNANCE OVERVIEW (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

The Board acknowledges that risk management and internal control are an integral part of good governance. Risk is inherent in all business activities. It is however, not the Group's objective to eliminate risk totally but to provide structural means to identify, prioritise and manage the risks involved in all the Group's activities and to balance between the costs and benefits of managing and treating risks, and the anticipated returns that will be derived from.

Further details of the Group's systems of risk management and internal control and the function of the Internal Auditors are reported in the Audit and Risk Management Committee Report on pages 29 to 33 and the Statement on Risk Management and Internal Control on pages 58 to 61.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

MCE is committed to upholding high standards of transparency and promotion of investor confidence through the provision of comprehensive, accurate and quality information on a timely and even basis.

The Board had in place a Stakeholders Communication Policy and Corporate Disclosure Policy which are available on the MCE's website at <http://www.multicode.com.my>.

II. CONDUCT OF GENERAL MEETINGS

The Board recognises the importance of communications with its shareholders and will take appropriate measures to encourage shareholders' participation at general meetings as recommended by the MCCG.

This includes the Chairman highlighting to shareholders and proxy holders, their right to speak up at general meetings, the conduct of poll voting for all resolutions tabled at general meetings and a review of the performance of the Group during AGMs.

To ensure effective participation of and engagement with shareholders at the AGM, all Directors, including members of ARMC and NRC, attended and participated at the AGM.

The Notice of the 10th AGM and Annual Report are sent out to shareholders at least 21 days prior to the date of the meeting in accordance with the provision of the Constitution and Companies Act 2016 which the Board is of the opinion already allows sufficient time for the shareholders to consider the proposed resolutions to be tabled at the AGM.

Compliance Statement

The Board recognises and views that Corporate Governance is an ongoing process and is of the view that the Company has substantially complied with the recommendations of the MCCG and will take appropriate steps towards embracing the Principles and Recommendations under the MCCG at a pace and time frame consistent with the size, priority and dynamics of the Group.

This Corporate Governance Overview Statement was approved by the Board of Directors of MCE on 31 October 2025.

ADDITIONAL COMPLIANCE INFORMATION

OTHER INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

In compliance with the Listing Requirements, the following additional information are provided:-

1. Audit and Non-Audit Fees

During the financial year, the audit fee and non-audit fees paid or payable by MCE Holdings Berhad and its subsidiaries ("Group") to the External Auditors for the financial year ended 31 July 2025 were as follows:

Audit Services	2024	
	Group RM	Company RM
Statutory audit fees	160,000	32,000
Non-audit fees	5,000	5,000
TOTAL	165,000	37,000

2. Utilisation of Proceeds from Corporate Proposals

a) Disposal of Land

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 RM43,686,345.00.

The status of the utilization of proceeds arising from the disposal of land is as follows:

Details of utilisation	Status of Utilisation	Proposed Utilisation (RM'000)	Reallocate from Working Capitals (RM'000)	Utilised Amount (RM'000)	Amount Unutilised (RM'000)
Working capital	Partial	40,686	(885)	-	39,801
Estimated expenses in relation to the Proposed Disposal	Fully	3,000	885	(3,885)	-
Total gross proceeds raised		43,686	-	(3,885)	39,801

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

2. Utilisation of Proceeds from Corporate Proposals (Cont'd)

b) Private Placement

On 10 December 2024, the Group completed the private placement of 12,358,310 new ordinary shares for a total cash consideration of RM18,290,298.80.

The status of the utilisation of proceeds arising from the disposal of land is as follows:

Details of utilisation	Status of Utilisation	Proposed Utilisation (RM'000)	Actual Proceeds Raised (RM'000)	Reallocate from Capital Expenditures (RM'000)	Utilised Amount (RM'000)	Amount Unutilised (RM'000)
Capital expenditures	Partial	15,000	15,525	(728)	(7,335)	7,462
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)	-
Total		17,672	18,291	-	(10,829)	7,462

3. Material Contracts

To the best of the Board's knowledge, there were no material contracts involving the Group with any of the directors, chief executive who is not a director and/or major shareholders during the financial year ended 31 July 2025.

4. Contract relating to Loan

There were no contracts relating to loan by the Company and its subsidiaries in respect of the preceding item.

4. Employee Share Options Scheme

The Group did not offer any share scheme for employees during the financial year under review.

5. Recurrent Related Party Transactions ("RRPT")

Saved for the RRPT disclosed in Note 34 to the Audited Financial Statements for the financial year ended 31 July 2025, there were no other transactions entered into with the related parties during the FYE2025.

The Company will be seeking its shareholders' approval for the proposed new shareholders' mandate for RRPT ("Proposed Mandate") at the forthcoming 10th Annual General Meeting. The details of the Proposed Mandate are enclosed in the Circular to Shareholders dated 26 November 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION OF AUDIT AND RISK MANAGEMENT COMMITTEE

In compliance with Paragraph 15.09 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) the Audit and Risk Management Committee (“ARMC”) during the financial year ended 31 July 2025 was comprised wholly of Non-Executive Directors with a majority Independent Directors.

During the FY2025, the members of the ARMC were as follows:

Law Sang Thiam	Chairman, Independent Non-Executive Director
Fong Jed See	Member, Senior Independent Non-Executive Director
Tai Lam Shin	Member, Non-Independent Non-Executive Director
Dato’ Dr Lee Chung Wah @ Lee Chung Fu	Member, Independent Non-Executive Director

SECRETARY

The Secretaries to the ARMC are the Company Secretaries of the Company.

TERMS OF REFERENCE

The detailed Terms of Reference of the ARMC outlining the composition, duties and functions, authority and procedures of the ARMC are published and available on the Company’s website at <http://www.multicode.com.my>.

MEETINGS

The attendance record of all members of the ARMC during the financial year ended 31 July 2025 are as follows: -

	Name of Director	Attendance
Chairman	Law Sang Thiam (Independent Non-Executive Director)	5/5
Member	Fong Jed See (Senior Independent Non-Executive Director)	5/5
	Tai Lam Shin (Non-Independent Non-Executive Director)	5/5
	Dato’ Dr Lee Chung Wah @ Lee Chung Fu (Independent Non-Executive Director)	5/5

The agenda for meetings, the relevant reports and papers were furnished to ARMC members by the Secretary after consultation with the ARMC Chairman in advance to facilitate effective deliberation and decision making at the respective meetings.

During its scheduled quarterly meetings, the ARMC reviewed the risk management and internal control processes, the interim and year-end financial reports, the internal and external audit plans and reports, Related Party Transaction (“RPT”), conflict of interest situation and all other areas within the scope of responsibilities of the ARMC under its Terms of Reference.

All issues were adequately deliberated during ARMC meetings before arriving at any decisions, conclusions or recommendations and brought to the attention of the Board. The minutes of these deliberations and its resultant decisions, conclusions or recommendations at each ARMC meeting were properly recorded by the Company Secretary and subsequently escalated to the Board for review, notation and Board intervention where deemed necessary.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

MEETINGS (CONT'D)

The Chief Financial Officer (“CFO”) was invited to attend all ARMC meetings to facilitate direct communication and interaction as well as provide clarifications on audit, financial and operational issues. The Group Managing Director and relevant heads of department were also invited to the ARMC meetings during the presentation of Financial Reports, Management Reports, Budgets, Strategic Initiatives, Internal and External Audit Reports to provide first hand feedback to the ARMC members.

The External Auditors of the Company represented by the Partner and Audit Manager of the engagement team attended ARMC meetings to present their External Audit Planning Memorandum and External Auditors’ Report.

Similarly, the representatives of the outsourced Internal Audit Function attended the ARMC meetings to table their respective Internal Audit reports.

SUMMARY OF WORK

During the financial year ended 31 July 2025, the ARMC in discharging its duties and functions, had carried out the following activities which are broadly summarised as follows: -

a) Financial Reporting

Reviewed the financial positions, quarterly interim financial reports and announcements for the respective financial quarters prior to submission to the Board for consideration and approval. In reviewing these financial results, the ARMC ensured the quarterly reports and Audited Financial Statements (“AFS”) were prepared in compliance with the Malaysian Financial Reporting Standard (“MFRS”) while the quarterly reports were prepared in accordance with Paragraph 9.22 and Appendix 9B of the Listing Requirements;

b) Reports from External Auditors

- i. Reviewed the External Auditors’ Audit Planning Memorandum for the financial year;
- ii. Reviewed the AFS and the External Auditors’ findings and recommendations;
- iii. Reviewed other significant matters and unusual events or transaction highlighted by the External Auditors as well as how these significant matters are addressed;
- iv. Conducted two (2) private meeting session with the External Auditors without the presence of executive board members and management personnel;
- v. Assessed the co-operation extended by the Management to the External Auditors, their attitude and readiness to provide documentation and explanations, as well as the adequacy of resources in the Group’s financial department;
- vi. Evaluated the performance of External Auditor and recommended for appointment. The ARMC had considered and reviewed the External Auditors’ experience, resources availability, independence, non-audit services, timing for fieldwork and delivery of reports, working relationship with Management, appropriateness of audit fees and their willingness to continue in office for the next financial year including the External Auditor’s Transparency Report ; and
- vii. Obtained confirmation and declaration from External Auditors that they were independent and would be independent throughout their engagement.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK (CONT'D)

- c) Reports from Internal Auditors
- i. Reviewed the periodic progress and achievement of Internal Audit Plan;
 - ii. Reviewed and discussed the Internal Audit Reports with the recommendations made by the Internal Auditors on the areas of improvement; and
 - iii. Evaluated the performance of the Internal Auditor based on their skill & experience, resource availability, independence, timing for fieldwork and delivery of reports, working relationship with Management and appropriateness of internal audit fees and based on the performance evaluation and assessment recommend to the Board on the renewal of engagement of the Internal Auditors.
- d) Overall Governance Practices in the Group
- i. Reviewed the disclosures made in respect of the financial results and Annual Report of the Company in line with the Bursa Malaysia's Listing Requirements, Malaysian Code of Corporate Governance, other applicable laws, rules, directives and guidelines;
 - ii. Reviewed the Statement on Risk Management and Internal Control, Corporate Governance Report, Corporate Governance Overview Statement, Sustainability Statement and Audit and Risk Management Committee Report together with the Internal Auditors and External Auditors;
 - iii. Reviewed the Director's Responsibility Statement, Other Compliance Information and Other Governance Disclosure and Financial indicators;
 - iv. Considered any related party transaction in order to ensure that they were not detrimental to the interests of the minority shareholders;
 - v. Reviewed the Budget for the financial year ended 31 July 2025 prepared by management and ensured that the assumptions and estimates were reasonable and prudent; and
 - vi. Reviewed report from Risk Management and Sustainability Working Committee in relation to the Company and Group's significant risks and risk management as an integral part of the operation and processes of the Group as well as the Group's sustainability policies and practices.
 - vii. Reviewed the Declaration/Disclosure of Conflict of Interest/Potential Conflict of Interest of respective Director.
 - viii. Reviewed and ensured that the processes in respect of RPT's were present and adhered to during the financial year ended 31 July 2025.
 - ix. Reviewed on the terms of reference of ARMC and policies.
 - x. Reviewed and recommended the adoption of Policy of Related Party Transactions.
 - xi. Reviewed recurrent related party transactions ("RRPT") of the Group and monitored the thresholds for RPT and RRPT to ensure compliance with the MMLR of Bursa Securities.
- e) Conflict of Interest or Potential Conflict of Interest ("COI")

In overseeing and discharging its responsibilities in reviewing situations of conflict of interest and potential conflict of interest involving the Directors and Senior Management, the ARMC:

- i. Reviewed and kept itself abreast on all the status of existing conflict (if any) and potential conflict of interest involving the Directors and Senior Management by way of review of existing declarations/disclosures from all Directors and Senior Management in respect of their involvement in other companies/businesses carrying on similar business / trades as the MCE Group.
- ii. Where applicable, recommended to the Board the measures to be taken to resolve, eliminate or mitigate any such conflict or potential conflict of interest situations.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK (CONT'D)

e) Conflict of Interest or Potential Conflict of Interest (“COI”) (Cont’d)

In overseeing and discharging its responsibilities in reviewing situations of conflict of interest and potential conflict of interest involving the Directors and Senior Management, the ARMC (Cont’d):

iii. Other than as disclosed below, none of the Directors and Senior Management had any Conflict of Interest or Potential Conflict of Interest arising and reviewed by the ARMC:

Name of Director	Situation giving rise to conflict of interest	Rationale, measures taken to resolve, eliminate or mitigate COI
Fong Jed See	<p>Ms Fong is the Managing Partner of Messrs Fong Yap & Gan a legal firm which has engaged in provision of legal services in the ordinary course of business to the MCE Group of Companies within the last 3 years and the consideration in aggregate does not exceed 5% of the gross revenue on a consolidated basis of the legal firm or RM1.0 million whichever is higher.</p> <p>The provision of legal services is in the ordinary course of business for both Messrs Fong Yap & Gan and MCE Group of Companies and is recurrent in nature.</p> <p>The fees in respect of engagement of services is based on Messrs Fong Yap & Gan’s official quotation and are on terms and conditions not more favorable than those generally available to the Public.</p>	<p>The ARMC’s had reviewed the COI or potential COI with the Group and concluded that the legal services provided by Messrs Fong Yap & Gan to MCE Group of Companies was :</p> <ul style="list-style-type: none"> • In the ordinary course of business and on terms and conditions not more favorable than those generally available to the public. • The consideration in aggregate over the past 3 years does not exceed 5% of the gross revenue on a consolidated basis of the legal firm or RM1.0 million pursuant to Paragraph 4.1 of Practice Note 13 and does not compromise or disqualify the independence of Ms Fong. • The Management will ensure and observe at all times that Ms Fong will abstain and is not engaged in any discussion or decision relating to the amount charged or consideration levied for services rendered to MCE and its Group of Company’s and that such charges / consideration is fair and reasonable and on terms and conditions not more favorable that those generally available to the public.

f) Assurance from Group Managing Director (“GMD”) and Chief Financial Officer (“CFO”) on Group’s Risk Management and Internal Control

Received assurance from the GMD and CFO that the Group’s risk management and internal control systems are operating adequately and effectively in all material aspects before recommending the Statement on Risk Management and Internal Control to the Board of Directors. The GMD and CFO assured that: -

- Appropriate accounting policies had been adopted and applied consistently;
- The going concern basis applied in the Annual Consolidated Financial Statements was appropriate;
- Prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRSs;
- Adequate controls and processes were in place for effective and efficient financial reporting and relevant disclosures under MFRSs and Bursa Malaysia’s Listing Requirements; and to mitigate key risks faced by the Group; and
- The Annual Consolidated Financial Statements and the Quarterly Condensed Consolidated Financial Statements did not contain material misstatements and gave a true and fair view of the financial position.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

INTERNAL AUDIT FUNCTION

The MCE Group outsourced its internal audit function to a professional service firm, NeedsBridge Advisory Sdn. Bhd. The number of staff deployed for the internal audit reviews ranges from 4 to 5 staff per visit including the engagement Executive Director. The staff involved in the internal audit reviews possess the appropriate professional qualification and/or a university degree and relevant working experience. Most of the internal audit staff deployed are members of the Institute of Internal Auditors Malaysia. The internal audit staff on the engagement team are free from any relationships or conflicts of interest, which could impair their objectivity and independence.

The internal audit was conducted using a risk-based approach and was guided by the International Professional Practice Framework ("IPPF"). The primary responsibility of this internal audit function is to assist the Board and the ARMC in reviewing and assessing the effectiveness of the systems of internal control and to provide recommendations to strengthen the internal control procedures.

The annual internal audit plan was developed in consideration of the Group's risk profile as well as Board's and management's concerns. Upon review and approval of the internal audit plan by the ARMC, internal audit reviews were carried out in accordance with this approved plan. The review of the IA Reports is to ensure that the audit direction remains relevant and is in line with the ARMC's expectations.

Prior to the presentation of reports and findings to the ARMC, the findings of the reviews were discussed with Senior Management and comments from the management were obtained and incorporated into the internal audit findings and reports. Follow-up reviews were carried out to ascertain the status of management's implementation of recommendations in the internal audit reports. The results of the follow-up reviews were also reported to the ARMC.

The Internal Auditors had attended two (2) ARMC meetings during the financial year. The functional areas and operating processes reviewed by the Internal Auditors were as follows: -

- i. Production Management;
- ii. Inventory Management; and
- iii. Follow-up on the status of implementation for previously highlighted findings.

The total cost incurred during the current financial year for the internal audit function of the Group was RM59,653 (2024 : RM50,218).

This Report was approved by the Board on 31 October 2025.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

MCE Holdings Berhad (“MCE”) and its subsidiaries (“the MCE Group” or “the Group”) recognise that our operations are deeply connected to the wider world around us. The way we conduct our business influences not only our own growth but also the economy, the environment, and society. Guided by this awareness, we are committed to operating responsibly and pursuing sustainable growth that delivers long-term value for all stakeholders.

MCE Group’s 2025 Sustainability Statement (Statement) communicates our sustainability commitments, strategies, initiatives as well as our sustainability performance in financial year ended 2025 (FY2025). This marks our second Sustainability Statement. In demonstrating our commitment this year, the Statement highlights the Group’s impact across Environmental, Social, and Governance (ESG) dimensions. These disclosures reflect our ongoing efforts to operate responsibly and sustainably, while our economic performance is reported in the Marketplace section.

It is worth noting that our Board recognises the importance of addressing the ESG factors that influence the sustainability of the Group’s business as we continue to create long-term shareholder value while safeguarding the interest of all stakeholders. In this Statement, we share our ongoing efforts to address some of the ESG aspects that are material to our business operations and long-term growth.

For a better understanding of our sustainable initiatives we integrated into our business strategy and operations, stakeholders should read this report together with the Annual Report 2025.

Reporting period

This Statement covers our ESG performance and discloses our sustainability initiatives and updates from 1 August 2024 to 31 July 2025, unless specified otherwise.

Scope of Reporting

The scope of this Statement covers our business operations in Malaysia only and encompasses two (2) subsidiaries – Multi-Code Electronics Industries (M) Berhad (“MCEIB”) and Multi-Code Technologies (M) Sdn Bhd (“MCT”) – located in Malaysia. Unless specified, this Statement excludes outsourced activities or joint ventures. It is worth noting that we have endeavoured to report all issues deemed material to the Group. Unless otherwise specified, the report contains internally sourced qualitative and quantitative data. This Statement is available on our website: <https://www.multicode.com.my/>

Reporting Framework

This Statement has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards and adheres to the following standards, where applicable, to address significant ESG-related aspects. It is also aligned with global sustainability agendas, particularly the United Nations Sustainable Development Goals (UN SDGs). It is also guided by:

- Bursa Malaysia Main Market Listing Requirements
- Malaysian Code on Corporate Governance (MCCG) by the Securities Commission Malaysia
- Bursa Malaysia Sustainability Reporting Guide

Assurance

This Statement contains data and information sourced internally from all companies included within the scope of reporting. All data and information have been vetted and verified by the contributing subsidiaries, and subsequently reviewed by the Risk Management and Sustainability Working Committee (RMSWC) before they are presented to the Board of Directors for approval.

The RMSWC, as the Board-level committee overseeing sustainability, has oversight of the Group’s sustainability reporting and the overall business sustainability. This forms part of our continued commitment to upholding good corporate governance practices and ensuring the production of a credible, fair and balanced Sustainability Statement.

SUSTAINABILITY STATEMENT (CONT'D)

ABOUT THIS STATEMENT (CONT'D)

Feedback

Feedback, suggestions and comments on this Statement are welcomed and maybe directed to mcejb@multicode.com.my.

A. OUR PRESENCE

Our operations

The MCE Group is a leading Original Equipment Manufacturer (“OEM”) specialising in the full spectrum of design, manufacture and supply of automotive electronics and mechatronic parts for both Malaysian and regional markets.

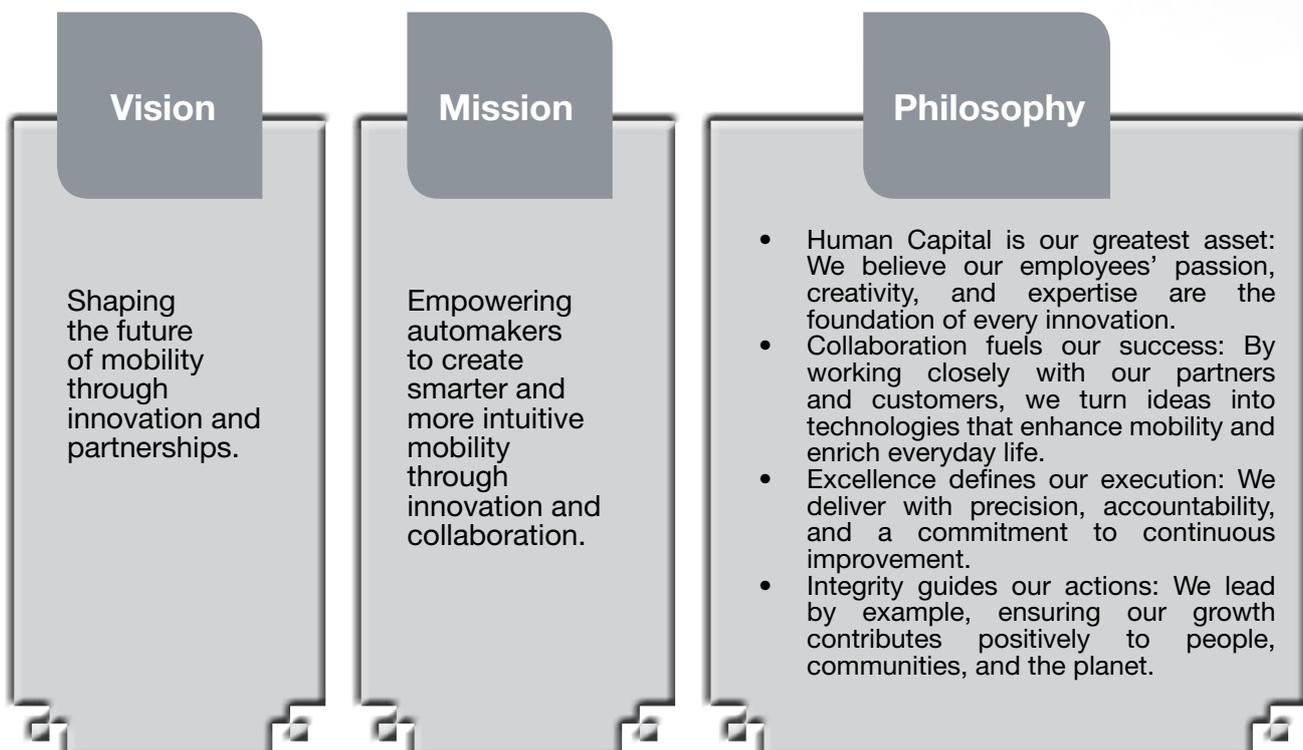
The Group currently operates two facilities, employing over 600 full-time employees, including more than 80 engineers, who make up over 13% of our workforce, reflecting our ongoing commitment to strengthening our research and development capabilities.

The Group’s primary facility in Johor Bahru, Johor, serves as our main manufacturing hub, integrating advanced design and testing capabilities and housing our corporate headquarters.

The second facility in Pelabuhan Klang, Selangor, supports expanded manufacturing and serves as a key centre for warehousing business development, marketing, and customer support. Strategically located near major ports, it enables efficient distribution and seamless service to our customers.

An additional facility in Serendah, Selangor, is expected to be commissioned by the end of calendar year 2025. Once operational, it will further expand our manufacturing and warehousing capacity, and be located near one of our major customers, helping to reduce carbon emissions through improved logistic efficiency.

The three facilities are strategically located to keep the Group closely connected with domestic customers while supporting our overseas business and export activities via Malaysia’s major air and seaports.



SUSTAINABILITY STATEMENT (CONT'D)

B. OUR SUSTAINABILITY APPROACH

Sustainability Materiality Matters

As part of our annual assessment of sustainability materiality matters, MCE Group formally conducted a formal materiality assessment to identify and prioritise sustainability issues relevant to our operations. While the assessment was limited to internal stakeholders and not exhaustive, it served as a foundational step in our journey toward formal ESG adoption.

Purpose and Outcomes

The process enabled us to:

- Identify current material topics across our business value chain
- Review our sustainability strategy
- Develop impact-based solutions to address key sustainability matters

Material Topics and ESG Matrix

Based on the assessment, we categorised our material topics according to their impact on our operations and stakeholder interests. These topics are mapped across the MCE Group's four ESG pillars:

MCE Group's 4 Pillars	Environmental Stewardship	Empowering Our People and Communities	Good Governance	Sustainable Business
High	<ul style="list-style-type: none"> • Environmental Management System (EMS) • Facility Management 	<ul style="list-style-type: none"> • Safety and Health • Talent management 	<ul style="list-style-type: none"> • Governance 	<ul style="list-style-type: none"> • Product Quality • Sustainable supply chain • Economic performance • Customer satisfaction
Medium				Product technology and innovation
Low	<ul style="list-style-type: none"> • Waste Management 	<ul style="list-style-type: none"> • Corporate Social Responsibility ("CSR") 		

Following the assessment, internal stakeholders agreed on the importance of periodically reviewing our sustainability material matters to reflect evolving business dynamics and stakeholder expectations. To ensure continued relevance, MCE Group has proposed a biennial review cycle for our materiality assessment.

Our Sustainability Strategy

As one of the leading automotive electronics and mechatronics parts manufacturers and suppliers, MCE Group is committed to addressing our identified sustainability materiality matters by aligning them with the sustainability pillars defined in our ESG frameworks (environmental, social and governance).

Our ESG Framework serves as the focal point for how we address the materiality topics identified by our stakeholders and shape our sustainability strategy, helping us promote, adopt and embed our sustainability aspirations into our operations for the long term.

Our ESG frameworks is built on four (4) key pillars – Environmental Stewardship (Environmental), Empowering Our People and Communities (Social), Good Governance (Governance) and Sustainable Business (Marketplace). This framework guides us in addressing sustainability materiality issues that impact our business.

By embedding these four main pillars into our operations, we believe it will not only improve our operational efficiency but also enable us to operate ethically and responsibly while safeguarding our long-term economic viability, thus, enhancing value for the Group and our stakeholders. This marks a strong start to our sustainability journey and has become our beacon in driving our business operations.

**SUSTAINABILITY STATEMENT
(CONT'D)**

B. OUR SUSTAINABILITY APPROACH (CONT'D)

Our Sustainability Strategy (Cont'd)

ESG Frameworks	MCE's 4 Pillars	Objectives	UN SDGs
Environmental	Environmental Stewardship	Institute measures to reduce our carbon footprint while promoting sustainable operational practices within our operations.	SDG 9: Industry, Innovation & Infrastructure SDG 13: Climate Change
Social	Empowering Our People and Communities	Facilitate strategic support, partnerships and training programmes to empower our people and communities while promoting health and safety awareness.	SDG 3: Good Health & Well Being SDG 4: Quality Education
Governance	Good Governance	Committed to upholding the highest standards of ethics, integrity and accountability in our business practices.	SDG 16L Peace, Justice & Strong Institutions
Marketplace	Sustainable Business	Formal adoption and integration of our ESG matters into our operations while managing our ESG risks and opportunities towards a sustainable future.	SDG 8: Decent Work & Economic Growth SDG 11: Sustainable Cities & Communities SDG 12: Responsible Consumption & Production

Stakeholders' Engagements

MCE Group recognises that close engagement with our stakeholders is key to creating progress and value in our sustainability journey and understanding our stakeholders' expectations and concerns.

Our strong commitment to our stakeholders drives us to engage with both our internal and external parties, especially our key stakeholders, namely shareholders, investors and analysts, employees, customers, suppliers, regulators and government bodies, through various communication platforms.

Through these engagements, MCE Group is able to better understand their expectations and concerns, and, in turn, effectively determine key sustainability matters that are material to both the organisation and our stakeholders.



MARII
BEST LOCAL
AUTOMOTIVE SUPPLIER
AWARD 2024



PDKM
OVERALL BEST PAINTER
VENDOR
AWARD 2024



TOYOTA
BEST IMPROVEMENT IN
SAFETY
AWARD 2024



TADME
SUSTAINABLE
PARTNERSHIP
AWARD 2024/25

SUSTAINABILITY STATEMENT (CONT'D)

B. OUR SUSTAINABILITY APPROACH (CONT'D)

Stakeholders' Engagements (Cont'd)

MCE Group's initiatives on our stakeholders' engagement are briefly illustrated in the table below:

Stakeholder Group	Area of Interest	Engagement Methods
Suppliers	<ul style="list-style-type: none"> Manufacturing capabilities & competencies; Fair procurement; Anti-corruption & anti-bribery; and Sustainability matters. 	<ul style="list-style-type: none"> Technical presentation; Field audit at supplier's premises; Yearly Performance Review; and Business meeting.
Local community	<ul style="list-style-type: none"> Social & environmental issue; Local employment; and Community development. 	<ul style="list-style-type: none"> Hiring advertisement; Internship programme with colleges & universities; Social media & Group's website; and CSR activities.
Customers	<ul style="list-style-type: none"> Product Technology Quality, Cost & Service Promote new product Promote our company capability and capacity 	<ul style="list-style-type: none"> Monthly vendor briefing by customers Annual customer satisfaction survey Business meetings Customers' field audit Information shared through Group's website Road show and technology fair Overseas & local exhibitions
Employees	<ul style="list-style-type: none"> Remuneration Career Planning & development Staff welfare & benefits Safety & Health Shop floor management 	<ul style="list-style-type: none"> Daily morning market meetings Morning briefing / Department meeting by HODs Monthly HODs Meeting Coffee break/lunch session between employees and GMD Social activities organised by CSR Committee Training programmes Communication/feedback via Group's social media account Annual dinner Long service awards Birthday celebration Sports activities & competition Team building activities
Shareholders	<ul style="list-style-type: none"> Financial performance 	<ul style="list-style-type: none"> Annual General Meeting; Annual Report; Quarterly Report; Media releases; Feedback through the Group's website and emails
Government regulators	<ul style="list-style-type: none"> Compliance to laws, regulations and guidelines 	<ul style="list-style-type: none"> Meetings and events; Forums

SUSTAINABILITY STATEMENT (CONT'D)

B. OUR SUSTAINABILITY APPROACH (CONT'D)

Stakeholders' Engagements (Cont'd)

MCE Group's initiatives on our stakeholders' engagement are briefly illustrated in the table below (Cont'd):

Stakeholder Group	Area of Interest	Engagement Methods
Suppliers	<ul style="list-style-type: none"> Supply chain Fair procurement practices Quality of goods & services Mutually beneficial collaboration 	<ul style="list-style-type: none"> Business meetings; and Field audit at suppliers' premises
Local community	<ul style="list-style-type: none"> Risk Management Impacts of the Group's operations on the surrounding communities Local community development and investment 	<ul style="list-style-type: none"> Social activities organized by the Group's CSR Committee; Media releases.

C. ENVIRONMENT

Materiality Aspect	Key Impact Areas	Focus in 2025
Environmental stewardship	<ul style="list-style-type: none"> Environmental Management System (EMS) <ul style="list-style-type: none"> Facility management Waste management Water management 	<p>Operational Facilities (electric)</p> <ul style="list-style-type: none"> Reduce power wastage by 1% with thermal Cost saving (ensure no power leakage scanning) 80% of the workplace is using LED 64% of all Exit Sign is using LED <p>Waste Management</p> <ul style="list-style-type: none"> Operational Facilities All scheduled waste and recycled items to be segregated and collected <p>Water Management</p> <ul style="list-style-type: none"> Operational facilities To arrange and conduct regular leak inspection by contractor registered under Air Selangor & Ranhill SAJ

Managing Our Environmental Footprint

As part of the automotive industry supply chain, MCE Group recognises the significant sustainability challenges facing the industry, notably rapid change in regulatory standards (e.g. zero-emission vehicles), greenhouse gas emissions, water use and waste generation, material sourcing challenges, as well as extended producer responsibility requirements. In this regard, MCE GROUP recognises that our actions impact the environment and thus supports pollutions prevention and environmental protection in all our business operations.

To demonstrate our commitment, the Group has obtained ISO 14001 Environmental Management Systems standard for our main manufacturing locations. This certification represents our first step in ensuring that the Group prioritises the environmental impact of our operations and we have set appropriate targets for improved environmental performance.

In addition, we have introduced upgrades and improvements across our operations, particularly at our manufacturing plants in Johor Bahru and Telok Gong, by progressively switching lighting and air conditioning fixtures to energy-efficient system. In 2025, 80% of all lighting fixtures in our two manufacturing plants use LED technology, while 41% of air-conditioning units are inverter type.

SUSTAINABILITY STATEMENT (CONT'D)

C. ENVIRONMENT (CONT'D)

Managing Our Environmental Footprint (Cont'd)

The Group has also initiated sustainability programmes throughout our entire value chain and these include the following areas:

- Energy use across all our sites.
- Materials and components used in our products.
- Product innovation to increase recycling rates, substitute materials, energy use in production, and end-of-life-cycle disposal.
- CO2 emissions related to transportation, packaging, and logistics.

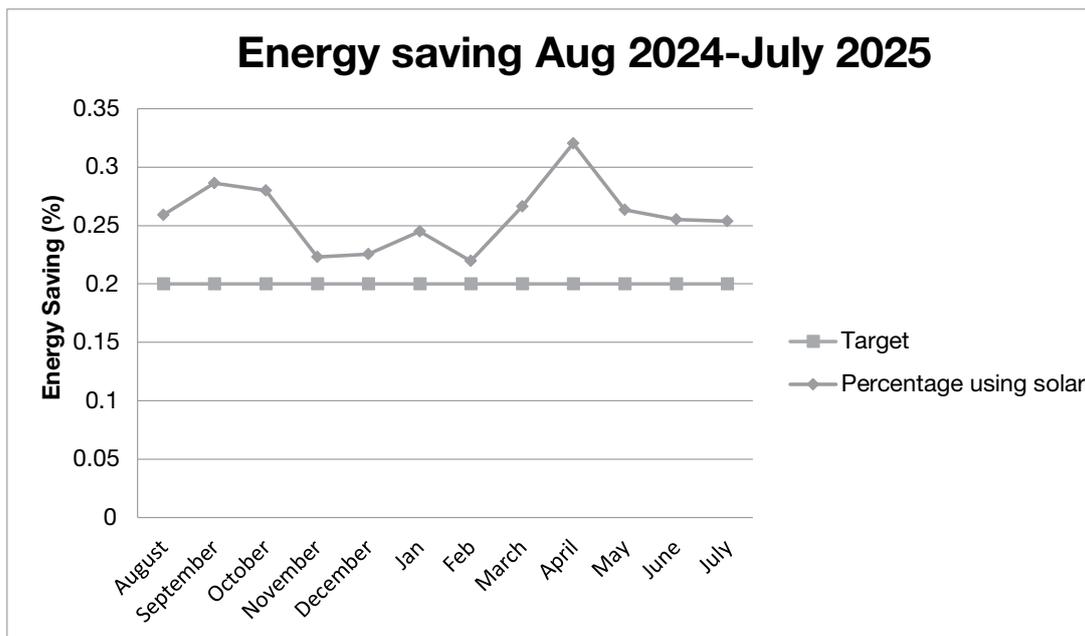
Energy Use and Management

Electricity consumption form a major portion of the operational cost, hence, lowering our energy consumption is a priority for reducing both our environmental impacts and our business costs. In this respect, the Group took proactive measures to reduce electricity cost by adopting clean energy at the end of 2021.

The Group installed a solar energy system at our Telok Gong manufacturing facility in 2021 with a 20% saving target. This implementation not only achieved our target, but also resulted in improved energy efficiency.

Based on our data in 2025, the solar system continued to outperform expectations, with average savings rising from 24.94% to 25.88%, against the 20% savings target. The initiative delivered cost savings of RM353,022.55 in 2025.

Year	TNB (kWh)	Solar (kWh)	Total (kWh)	Average % using solar	Target	Profit/savings (RM)	CO2 usage	Saving Co2
2025	1,998,477	693,561	2,692,038	25.88%	20.00%	353,022.55	1,384,944.56	480,637.77
2024	1,932,309	667,897	2,600,206	24.94%	20.00%	339,959.57	1,464,690.22	586,265.93
2023	1,837,824	720,201	2,558,025	28.25%	20.00%	366,582.31	1,393,070.59	545,912.36



SUSTAINABILITY STATEMENT (CONT'D)

C. ENVIRONMENT (CONT'D)

Energy Use and Management (Cont'd)

Our energy consumptions are as follow:

Year	Energy Usage							
	2025		2024		2023		2022	
Type of Energy	Electricity – kWh per year	Petrol and Diesel – Litres per year	Electricity – kWh per year	Petrol and Diesel – Litres per year	Electricity – kWh per year	Petrol and Diesel – Litres per year	Electricity – kWh per year	Petrol and Diesel – Litres per year
Unit per Year	4,054,540	59,185.69	3,487,241	49,265.54	3,861,078	57,384.65	3,359,119	53,135.48
CO2 (MT)	3,073.34	136.72	2,643.33	118.37	2,926.70	132.56	2,546.21	122.74

MCE Group's environmental management data is currently limited to two businesses (MCEIB & MCT). We intend to gradually expand our data collection to include all subsidiaries in Malaysia. MCE Group reports all emission under Scope 1, which covers direct emissions from company-owned and controlled resources, such as our company vehicle usage and all firm-level activities that used fuels which produce GHG emissions. Our Scope 2 emissions data is derived from electricity purchased from Tenaga Nasional Berhad (TNB).

We began gathering Scope 3 data in FY2024, focusing on employees' commuting patterns to and from work (Scope 3 - Category 7). The data includes their mode of transport and commuting distance. In FY2025, private vehicle users accounted for 40% of the workforce, forming the largest commuting group. The second-largest group (23%) used public or company transport, while 17% walked to work.

Mode of Transport - Employee Travel from House to/from Factory in FY2025						
	Public (bus) / Company Transport	Car	Motorcycle	Lorry	Walking	Total No. of employees
Number of employees	137	240	116	1	99	593
	23%	40%	20%	0%	18%	100%

Employee Distance from House to/from Factory (km) in FY2025						
Type of transport	Public (bus) / Company Transport	Car	Motorcycle	Lorry	Walking	Total
Distance (km)	85,596	1,737,377	813,488	2,132	96,200	2,738,793
Carbon Footprint of travel (kgCO ₂ e)	8,691	295,354	92,738	365	0	397,147

Note:

Using the carbon footprint of travel per kilometer 2022 data from the UK Department for Energy Security and Net Zero, we estimated the carbon footprint of travel in grams of carbon dioxide equivalents per passenger kilometer travelled :

- The carbon footprint by diesel car is 171 gCO₂e
- The carbon footprint by petrol car is 170 gCO₂e
- The carbon footprint by motorbike is 114 gCO₂e
- The carbon footprint by bus (average) is 97 gCO₂e

SUSTAINABILITY STATEMENT (CONT'D)

C. ENVIRONMENT (CONT'D)

Energy Use and Management (Cont'd)

In managing these material matters more objectively, MCE intends to establish a GHG emission baseline before setting a target for our GHG emission improvement in 2026.

Year	2025	2024	2023	2022
Scope 1 - Petrol and Diesel (tonnes of CO ₂ e)	136.72	118.37	132.56	122.74
Scope 2 - Electricity (tonnes of CO ₂ e)	3,073.34	2416.66	2675.73	2327.87
Scope 3 - Employee Commuting to and from work	397.15	335.19	-	-

Notes on CO₂ Emission Factor:

Electricity – 0.758 GgCO₂e/GWh (Source: Grid emission factor 2021)

Waste Management

MCE Group is committed to upholding good waste management practices, as we believe effective waste management is key to developing a sustainable and value-added operation. Although the Group has yet to set a specific recycling or waste-deduction target, we have begun collecting data in an effort to establish a baseline dataset starting from FY2022 to FY2024.

As a responsible Group, we are committed to reducing the waste we generate and improving our waste management practices. Currently, we categorised our waste as either production or non-production waste. Non-production waste includes carton boxes and plastic reels.

In FY2025, we reduced overall waste generated, conserve natural resources, and lowered our environmental footprint. We recycled 19.12% of the 228 metric tonnes of waste generated, marking a 0.5-percentage-point improvement over FY2023, when 18.55% of 230.51 metric tonnes was recycled.

Scheduled Waste (Metric tonnes)	JB Production waste	JB (Non-production)	JB Sub Total	TG Production waste	TG (Non-production)	TG Sub Total	Recycled Sub Total	% Recycled	Total
2022	6.03	57.75	63.78	8.18	57.00	65.18	58.08	31.05%	187.04
2023	10.46	77.70	88.16	25.79	73.80	99.59	42.76	18.55%	230.51
2024	6.58	88.20	94.78	21.98	67.80	89.78	43.65	19.12%	228.21
2025	27.00	77.70	104.70	37.71	73.20	110.91	36.06	14.33%	251.67
Total	50.07	223.65	246.72	93.66	271.80	365.46	180.54	-	897.42

Water Consumption

As our operations are not water-intensive, water conservation was not ranked highly in our materiality assessment. Nevertheless, a culture of water conservation remains a key part of our internal practices, and we have set a zero leak target across all facilities. In FY2025, water consumption increased by 21% as compared to 2024.

Water Consumption	2025	2024	2023	2022
Total volume of water used (megalitre)	29.01	23.99	23.03	20.02

**SUSTAINABILITY STATEMENT
(CONT'D)**

D. SOCIAL

Our Employee

Materiality Aspect	Key Impact Areas	Focus in 2025
Empowering Our People and Communities	<ul style="list-style-type: none"> Talent Management Safety & Health 	<p>Talent Development</p> <ul style="list-style-type: none"> - At least 2 hours of training per employee per year <p>Safety & Health</p> <ul style="list-style-type: none"> - Zero accident - Zero breach in health & safety regulations - To increase of awareness of safety and health level

As a Group, MCE holds fast to the belief that its operational success is owed to its employees. They are the driving force behind the Group’s success, their know-how, creativity, and ability to implement and innovate ultimately convince and inspire customers. Hence, our key management philosophy is “Human capital is our greatest asset”.

Employees’ performance, commitment and loyalty are critical not only in achieving the Group’s vision and mission, but also for its long-term survival and sustainability.

In line with our journey to create long-term value and built a sustainable organisation, MCE Group focuses on strengthening sustainability programmes in the following areas:

In line with our journey to create long-term value and build a sustainable organisation, MCE Group focuses on strengthening programmes in the following areas:

- Employee training and development.
- Diversity and inclusiveness.
- Well-being of employees.
- Implementing fair labour practices to attract and retain a skilled workforce.

All employees are required to undergo proper orientation on the Group’s culture and policies, and are formally appraised at least once a year. We also maintain and promote a healthy work environment by fostering a collaborative culture where people are motivated to develop their competencies and deliver the best results for the Group and the customers.



SUSTAINABILITY STATEMENT (CONT'D)

D. SOCIAL (CONT'D)

Human Capital Development

To sustain business growth, the Group provides comprehensive training and development opportunities for all employees. In FY2025, most employee categories experienced an increase in training hours. Management employees recorded a 27% jump in training hours, from 721 hours in FY2024 to 917 hours in FY2025.

Total hours of training by employee category	2022	2023	2024	2025
Director	419.5	318	363	266.5
Management	144	281	721	917
Executive	1,041	1,831	3,003	2,730
Non-executive	337	798.5	3,115	1,265

Promoting Diversity and Inclusiveness

In FY2025, we had a total of 600 employees including seven company directors. As a Malaysian listed Group, we strive to build and nurture a culture that actively promotes and values diversity and inclusiveness in our workforce.

This commitment is reflected in our Board Diversity Policy, introduced on 1 November 2018 and revised on 27 June 2022, which aims to maintain a Board comprising talented and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds.

Although we do not have a dedicated diversity and inclusiveness policy at the employee level, our recruitment policies and practices have always been practical and merit-based. Drawing from our Board Diversity Policy, we recruit individuals from various backgrounds, experiences and cultures, with an emphasis on skills and specialisations that support our business priorities.

MCE Group has zero tolerance for discrimination, whether based on gender, age, disability, political views, or any other factors. By preventing discrimination, we create an inclusive and welcoming workplace that enhances the well-being of our employees.

The Group believes that incidents of discrimination should be reported, and all reports will be handled with discretion and without reprisals for the person reporting. In FY2025, there were no reported incidents of discrimination.

Group	Gender	Below 30 years old		Between 30-40 years old		Between 40-50 years old		Above 50 years old		Grand Total	
		Nos	%	Nos	%	Nos	%	Nos	%	Nos	%
Director	Female (F)	–	–	–	–	1	14.29	1	14.29	2	28.58
	Male (M)	–	–	–	–	3	42.86	2	28.56	5	71.42
Sub total		–	–	–	–	4	57.15	3	42.85	7	100.00
Management	F	–	–	4	13.33	3	10	–	–	7	23.33
	M	–	–	8	26.67	15	50	–	–	23	76.67
Sub total		–	–	12	40.00	18	60.00	–	–	30	100.00
Executive	F	7	6.73	26	25.00	9	8.65	–	–	42	40.38
	M	13	12.51	39	37.50	10	9.62	–	–	62	59.63
Sub total		20	19.24	65	62.50	19	18.27	–	–	104	100.01

SUSTAINABILITY STATEMENT (CONT'D)

D. SOCIAL (CONT'D)

Promoting Diversity and Inclusiveness (Cont'd)

Group	Gender	Below 30 years old		Between 30-40 years old		Between 40-50 years old		Above 50 years old		Total	
		Nos	%	Nos	%	Nos	%	Nos	%	Nos	%
Non-executive	F	56	12.20	61	13.29	41	8.93	4	0.87	162	35.29
	M	141	30.72	147	32.03	7	1.54	2	0.44	297	64.73
Sub total		197	42.92	207	45.32	48	10.47	6	1.31	459	100.02
Total		217	36.17	285	47.50	89	14.83	9	1.50	600	100.00

Age

In terms of diversity, the majority of employees fall within the 30-40 age group, representing 47.50% (285 employees), followed by those below 30 years old, comprising 36.17% (217 employees). The third-largest group consists of employees aged 40-50, accounting for 14.83% (89 employees), while those above 50 formed the smallest group at 1.50% (9 employees). As for the Board of Directors, members are represented across two age categories: above 50 years old (3 members) and between 40-50 years old (4 members).

Gender

When it comes to gender diversity, the group's total female representation stands at 35.50%.

At Board level, two out of seven (7) directors are female.

Gender Group by Employee Category	Measurement Unit	2022	2023	2024	2025
Management Male	Percentage	64.71	68.42	73.08	76.67
Management Female	Percentage	35.29	31.58	26.92	23.33
Executive Male	Percentage	46.30	51.77	57.00	59.63
Executive Female	Percentage	53.70	48.23	43.00	40.38
Non-executive Male	Percentage	62.82	67.56	66.74	64.73
Non-executive Female	Percentage	37.18	32.44	33.26	35.29

Percentage of directors by gender and age group	Measurement Unit	2022	2023	2024	2025
Male	Percentage	66.66	66.66	71.42	71.42
Female	Percentage	33.34	33.34	28.58	28.58
Below 30 years old	Percentage	-	-	-	-
Between 30 to 40 years old	Percentage	16.67	16.67	14.29	-
Between 40 to 50 years old	Percentage	50.00	50.00	57.15	57.15
Above 50 years old	Percentage	33.33	33.33	28.56	28.56

SUSTAINABILITY STATEMENT (CONT'D)

D. SOCIAL (CONT'D)

Gender (Cont'd)

Category of employees	Measurement Unit	Total Number of Employee Turnover			
		2022	2023	2024	2025
Director	Number	-	-	-	-
Management	Number	2.00	1.00	4.00	6.00
Executive	Number	30.00	29.00	18.00	34.00
Non-executive	Number	102.00	136.00	111.00	88.00
Bursa C6(d) Number of substantiated complaints concerning human right violations	Number	-	-	-	-

Well-being of Employees - Fair Pay and Workers Benefits

In recognising the dedication, commitment and loyalty of our employees, the Group strictly complies with local labour regulations. The minimum wage policy is implemented across the Group by paying the required base wage of RM1,700 per month as stipulated under the Minimum Wages Order, which first came into effect in 2020 and was last updated on 1 February 2025.

Beyond this base wage, all employees are entitled to other benefits such as annual leave, medical benefits, allowances and incentives. In line with the Employment (Amendment) Act 2021, all female employees are entitled to 98 days of paid maternity leave, while their male counterparts are entitled to seven days of paid paternity leave. The benefits and incentives we offer are summarised below:

Level of workers	Type of benefits and Incentives	Comments
Leaves		
All workers	Annual leave	No of days depends on length of service and workers grade
	Sick leave	
	Hospitalisation leave	
All female workers	Maternity leave	
All male workers	Paternity leave	
All confirmed workers only	Special leaves – marriage, examination and compassion leave	
Medical & Other Benefit		
All workers	Normal illness	Amount depends on workers grade
	Hospitalisation Benefit	
Insurance Coverage		
All workers	Group Personal Accident Insurance	Amount depends on workers grade
Depends on workers grade	Group Hospitalization and Surgical Insurance	

SUSTAINABILITY STATEMENT (CONT'D)

D. SOCIAL (CONT'D)

Well-being of Employees - Fair Pay and Workers Benefits (Cont'd)

Level of workers	Type of benefits and Incentives	Comments
Allowance & Incentives		
	Attendance allowance	
	Shift allowance	
	Responsible allowance	
Production workers only	Perfect attendance award	
Awards & Recognition		
All workers who fulfilled work requirement	Long service award	Incentive depends on workers length of service

Labour Standards and Practices

As an equal opportunity employer, MCE Group is committed to ensuring that the rights of all employees, irrespective of their nationality, are safeguarded. All employees are respected and accorded the same rights, privileges and opportunities in accordance with local laws. As such, we do not differentiate or discriminate based on nationality; instead, we uphold our commitment to provide equal benefits, including wages and medical provisions to all employees.

We have also put in place a grievance procedure that allows employees to raise issues and seek redress. In FY2025, there were no complaints or incidents of human rights violations.

Creating a Safe Working Environment - Towards a Zero-accident Workplace

Health and safety features prominently in MCE Group's materiality list, as we firmly believe that the safety of our employees contributes directly to the integrity of our operations. We also believe that a strong commitment to operational safety and adherence to well-defined procedures not only protects our employees but also enhance efficiency and quality in our work.

In this regard, our internal Safety, Health and Environment Management Committee ("SHEC") oversees and ensures that safety and health are properly implemented and observed by all employees.

The SHSEC team is responsible for ensuring compliance with these procedures, conducting risk assessments to identify new health and safety risks, and taking appropriate steps to eliminate or manage them effectively.

The SHEC team is responsible for ensuring compliance with these procedures, performing risk assessments to identify new health and safety risks, and taking appropriate steps to eliminate or manage them effectively.

During the financial year under review, staff participated in fire safety trainings sessions conducted by Jabatan Bomba Malaysia at our Johor Bahru and Telok Gong premises.

We remain committed to creating and maintaining a safe working environment for all employees, contractors and visitors. In FY2025, there were no work-related accidents, no lost time incident nor any non-compliance with safety regulations.

Health and safety	Measurement Unit	2022	2023	2024	2025
Bursa C5(a) Number of work-related fatalities	Number	NIL	NIL	NIL	NIL
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	NIL	NIL	NIL	NIL
Bursa C5(c) Number of employees trained on health and safety standards	Number	365	500	579	599

SUSTAINABILITY STATEMENT (CONT'D)

D. SOCIAL (CONT'D)

Creating a Safe Working Environment - Towards a Zero-accident Workplace (Cont'd)

Though we did not have any incidents of work-related fatalities, lost time incident due to accidents or non-compliance with safety regulations, we continued to proactively implement safety and health awareness programmes aimed at promoting a strong safety culture. These initiatives includes regular reminders for employees to wear personal protective equipment, ensuring compliance with occupational health and safety regulations, and conducting routine inspection on machinery and building structures, among others.

In FY2025, a total of 599 employees underwent health and safety training, up from the 500 employees in 2023.



Communities

An important part of our community investment (CI) strategy is focused on delivering meaningful value to the communities and the national economy in which we operate in. In FY2025, we welcomed interns from 11 universities and technical colleges across the Group's operations.

Our total community development expenditure amounted to an estimated RM41,571.42, reaching 19 beneficiaries in FY2025. The objective of these initiatives was to build goodwill and foster stronger ties with the local communities.

Community / Society)	Measurement Unit	2022	2023	2024	2025
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	23,910.20	38,204.33	86,852.65	41,571.42
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	7	12	28	19

SUSTAINABILITY STATEMENT (CONT'D)

E. MARKETPLACE

Materiality Aspect	Key Impact Areas	Focus in 2025/4
Supply Chain	<ul style="list-style-type: none"> Suppliers 	<ul style="list-style-type: none"> Establish Supplier Evaluation Form and Certificate of Analysis (COA) mechanism as COA conveys information from a material supplier to a material user about the identity, quality, and purity of that specific material.
<ul style="list-style-type: none"> Product Quality Sustainable supply chain Economic performance Customer satisfaction 	<ul style="list-style-type: none"> Customers Supply chain 	<ul style="list-style-type: none"> More engagement with customers especially with an establishment of a Customer Satisfaction Survey, customer complaint form as well as customer audit.

DATA PRIVACY & SECURITY

Customers' Privacy and Data Protection

Our business primarily operates on a B2B model, and we believe it is important to ensure that our customers' data and privacy are protected in accordance with the Personal Data Protection Act ("PDPA") 2010. In MCE Group, access to customer data is strictly limited to authorised personnel. As a result of our data protection practices, no reports or complaints of data mismanagement were recorded during the reporting period.

Supply Chain Management

MCE Group understands that it is a component within a larger automotive industry supply chain, and that achieving sustainability requires promoting responsible practices throughout all levels of the supply chain. To support this, we focus on prioritising local vendors before seeking international alternatives.

In this respect, we have established mutually beneficial and long-term relationships with a variety of local suppliers across our operations. However, due to the nature of our business, we are unable to rely entirely on local suppliers as certain materials and components are not available locally.

In FY2025, the Group is pleased to report that 65% of our procurement budget was sourced from local suppliers, consistent with FY2024.

Suppliers	2025		2024		2023		2022	
	Local	Overseas	Local	Overseas	Local	Overseas	Local	Overseas
Bursa C7(a) Proportion of spending on local suppliers	65%	35%	65%	35%	63%	37%	50%	50%

On this matter, we have put in place a responsible sourcing practice across the Group where each tender process requires a minimum of three quotations.

SUSTAINABILITY STATEMENT (CONT'D)

E. MARKETPLACE (CONT'D)

Our Approach to Sustainability Governance

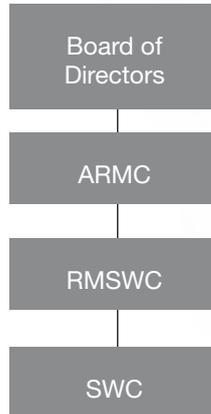
In our effort to achieve our sustainability goals, we have established a clearly defined sustainability governance structure with specific roles and responsibilities at each operational level to ensure accountability and effectiveness in executing sustainability initiatives across the Group.

Paramount decision-making authority	Board of Directors	<ul style="list-style-type: none"> Oversee the Group's sustainability agenda Provide leadership and stewardship in setting the tone and direction for creating and delivering sustainable values.
Highest level of authority at working level	Audit and Risk Management Committee (ARMC)	<ul style="list-style-type: none"> Oversee the implementation of sustainability policies and disclosures as required by laws and/or rules, and recommend them for the Board's approval. Advise the Board and recommend strategies and policies related to sustainability and sustainability for adoption.
Working level 1	Risk Management and Sustainability Working Committee (RMSWC)	<ul style="list-style-type: none"> Monitor the implementation of sustainability strategies as approved by the Board; Oversee the overall management of stakeholder engagement, ensuring grievance mechanisms are in place; Oversee the management of sustainability matters, with particular focus on matters material to the Group organisation; and
Working level 2	Sustainability Working Committee	<ul style="list-style-type: none"> Collect and compile sustainability data Implement sustainability programmes and policies

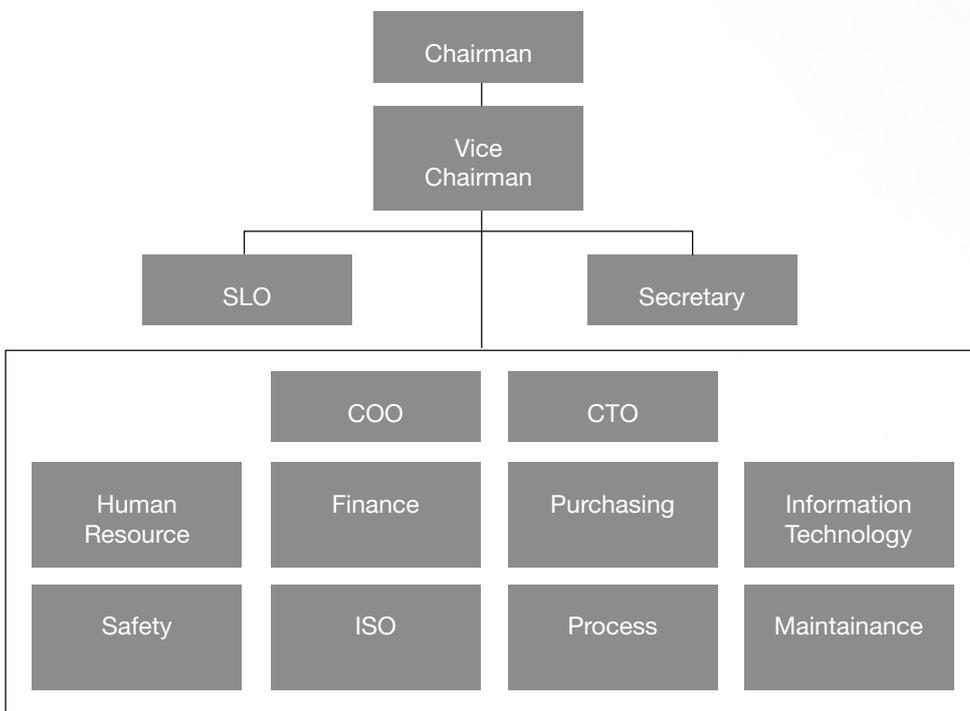
**SUSTAINABILITY STATEMENT
 (CONT'D)**

E. MARKETPLACE (CONT'D)

Governance Structure



**MCE Group - Sustainability Working Committee (SWC)
 Organisation Chart**



- ARMC - Audit and Risk Management Committee
- RMSWC - Risk Management and Sustainability Working Committee
- SWC - Sustainability Working Committee
- SLO - Sustainability Liason Office
- COO - Chief Operations Officer
- CTO - Chief Technology Officer

SUSTAINABILITY STATEMENT (CONT'D)

E. MARKETPLACE (CONT'D)

Corporate Governance and Sustainability Policies

As a listed company, MCE Group recognises the importance of maintaining good corporate governance and is fully committed to adhering to the Malaysian Code on Corporate Governance (“MCCG”) issued by the Securities Commission Malaysia (SC). From MCE Group’s perspective, good governance means setting the right tone and environment for all stakeholders to play their roles effectively. This involves:

- An Effective Leadership: Diversity and inclusiveness at the top of the organisation foster good governance by offering a range of perspectives, backgrounds and experiences at the leadership level, ensuring decisions reflect the needs of all stakeholders.
- A Governance framework: Putting in place a robust governance framework serves as a guide to ensure that all operations and interactions are conducted in accordance with clear guidelines transparency, accountability and fairness.
- A Commitment to Good Practices: Upholding strong board practices begins at the helm the Board of Directors, plays a central role to ensuring the organisation embraces all elements of good governance. Regular evaluation of board performance, prioritising independence in board composition and maintaining a clear separation of powers between the Board and management are essential.

In view of our commitment to the Group’s long-term sustainability, MCE Group is committed to following the three (3) Principles set out in the revised Malaysian Code on Corporate Governance issued by the SC on 28 April 2021 (“MCCG”):

- a) Principle A : Board Leadership and Effectiveness;
- b) Principle B : Effective Audit and Risk Management; and
- c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This commitment should be read together with the Corporate Governance Report 2025 of MCET (“CG Report”) which is accessible on MCE Group’s website at <http://www.multicode.com.my> and via announcement on Bursa Malaysia Securities Berhad (“Bursa Malaysia”)’s website. In addition, as a company operating in Malaysia, MCE Group is subject to all applicable laws and regulations governing the industry it operates in. As a responsible organisation, we remain fully committed to continuously improving and elevating the Group’s level of sustainability. To this end, several policies aimed at delivering MCE Group’s sustainability commitment have been introduced over the years, and we continue to encourage our clients, suppliers and partners to adopt similar practices.

SUSTAINABILITY STATEMENT (CONT'D)

E. MARKETPLACE (CONT'D)

Corporate Governance and Sustainability Policies (Cont'd)

ESG Indicator	Policy	Objective of Policy
Governance	Whistle-blowing Policy	<ul style="list-style-type: none"> Support the company's values and ethics set out in the Board's Policy on Code of Business Conduct & Ethics; Ensure employees have an avenue to raise concerns without fear of reprisals and safeguard such person's confidentiality Protect a whistle-blower from reprisal arising from making a disclosure; Provide a transparent and confidential process for dealing with concerns.
	Anti-Bribery and Corruption Policy	<ul style="list-style-type: none"> conduct business in an ethical and honest manner. uphold all laws relating to anti-bribery and corruption in all the jurisdictions in which we operate. recognize that bribery and corruption are both illegal and unethical, either of these activities could cause MCE Group serious damage to our reputation.
	Board Corporate Disclosure Policy	<ul style="list-style-type: none"> To promote and elevate a high standard of integrity and transparency through timely comprehensive, accurate, quality and full disclosure. To promote and maintain market integrity and investor confidence. To exercise due diligence to ensure the veracity of the information being disseminated is factual, accurate, clear, timely and comprehensive. To build good relationship with all stakeholders based on transparency, openness, trust and confidence. To have in place efficient procedures for management of information, which promotes accountability for the disclosure of material information.
	Fit and Proper Person Policy	<ul style="list-style-type: none"> ensure that MCE Group is led by persons of integrity, credibility and competency.
	Conflict of Interest Policy	<ul style="list-style-type: none"> ensure that actual, potential and perceived conflicts of interest are identified and managed effectively
Social	Board Diversity Policy	<ul style="list-style-type: none"> Seeks to maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds.
	Occupational Safety and Health Policy	<p>Safety compliance: Comply with applicable Occupational safety and health act 1994.</p> <p>Awareness: Actively promote safety and health awareness through regular training and working sessions.</p> <p>Hazard prevention: Continuously identify and eliminate hazards to maintain a safe working environment.</p> <p>Accident reduction: reduce workplace accidents through proactive measures ad continuous improvement.</p> <p>Cleanliness: Keep our workplace clean and organised to minimise risks and hazards.</p>
	Stakeholders' Communications Policy	<ul style="list-style-type: none"> sets out the aims and practices of the Company in respect of communicating with all its stakeholders including its shareholders (both current and prospective).
	Board Policy on Continuing Education	<ul style="list-style-type: none"> ensure continuing education for Board members in addition to the initial induction process to ensure that Board members maintain and update their skills and knowledge necessary to meet their obligations as Directors.

SUSTAINABILITY STATEMENT (CONT'D)

E. MARKETPLACE (CONT'D)

Corporate Governance and Sustainability Policies (Cont'd)

ESG Indicator	Policy	Objective of Policy
Environment	Environment	ISO Integration: to seamlessly integrate environmental consideration into our products, services and operations. Resource efficiency: Work to reduce energy consumption, minimise waste generation and preserve natural resources to mitigate environmental footprint.
	E Waste Policy	Establish a guideline for the responsible disposal, reuse and recycling of electronic waste (e-waste) within MCE Group.

Regulatory Compliance

In FY2025, MCE Group fully complied with all relevant government regulations that govern the industry it operates in.

Type of Regulations	Regulations	Status of Compliance
Governance	<ul style="list-style-type: none"> Companies Act 2016 Capital Markets and Service Act 2007 Factories and Machinery Act 1967 	Complied
Environmental	<ul style="list-style-type: none"> Environmental Quality Act 1974 Environmental Quality (Scheduled Waste) Regulations 2007 	Complied
Social	<ul style="list-style-type: none"> Occupational Safety and Health Act 1994 (OSHA 1994) Children and Young Persons (Employment) Act 1966 Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 Malaysian Anti-Corruption Commission (Amendment) Act 20 Employment Act 1955 (Amendment) 2022 Personal Data Protection Act 2010 (PDPA 2010) 	Complied

Anti-Bribery and anti-corruption (ABAC)

In FY2025, there were no reported breaches related to bribery or corruption. This is a testament to MCE Group's zero-tolerance policy towards all forms of corruption, including bribery. The Group remains committed to upholding the highest standards of ethical business conduct and practices in accordance with applicable laws and regulations.

A group wide Anti-Bribery and Anti-Corruption (ABAC) Policy was implemented on 27 June 2020, in line with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, and was reviewed on 26 September 2025. To further reinforce our commitment and equip our employees with knowledge of anti-bribery policies, 100% of our employees, including senior management, have attended ABAC training to date.

Anti-corruption Training

Category of Employee	Percentage (%) of employees who have received training on anti-corruption by employee category			
	2022	2023	2024	2025
Director	100%	100%	100%	100%
Management	100%	100%	100%	100%
Executive	100%	100%	100%	100%
Non-executive	100%	100%	100%	100%
Bursa C1(c) Confirmed incidents of corruption and action taken	NIL	NIL	NIL	NIL

SUSTAINABILITY STATEMENT (CONT'D)

E. MARKETPLACE (CONT'D)

Whistle-blowing Policy

In an effort to further reinforce the Group integrity in business dealings, MCE Group developed and implemented a Whistle Blowing Policy on 1 November 2018, which was further revised and updated on 26 September 2025. The establishment of the policy showcases MCE Group's commitment to upholding the values of transparency, integrity, impartiality and accountability in the conduct of its business operations, and within its workplace. In FY2025, there were no cases reported under this policy.

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM

Indicator	Measurement Unit	2022	2023	2024	2025	
Bursa (Anti-corruption)						
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category						
Director	Percentage	100.00	100.00	100.00	100.00	
Management	Percentage	100.00	100.00	100.00	100.00	
Executive	Percentage	100.00	100.00	100.00	100.00	
Non-executive	Percentage	100.00	100.00	100.00	100.00	
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	0.00	100.00 *	
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	0	
Bursa (Community/Society)						
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	23,910.20	38,204.33	86,852.65	41,571.42	
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	7	12	28	19	
Bursa (Diversity)						
Bursa C3(a) Percentage of employees by gender and age group, for each employee category						
Age Group by Employee Category						
30	Management Below	Percentage	0.00	0.00	0.00	0.00
	Management Between 30-40	Percentage	23.52	26.32	38.46	40.00
	Management Between 40-50	Percentage	76.48	73.68	61.54	60.00
50	Management Above	Percentage	0.00	0.00	0.00	0.00
	Executive Below 30	Percentage	3.70	12.94	16.83	19.24
	Executive Between 30-40	Percentage	64.82	64.70	65.42	62.50
	Executive Between 40-50	Percentage	31.48	22.36	17.75	18.27
	Executive Above 50	Percentage	0.00	0.00	0.00	0.00
30	Non-Executive Below	Percentage	25.22	33.78	41.41	42.92
	Non-Executive Between 30-40	Percentage	56.41	52.39	47.14	45.32
	Non-Executive Between 40-50	Percentage	16.24	12.23	10.13	10.47
	Non-Executive Above 50	Percentage	2.13	1.60	1.32	1.31
Gender Group by Employee Category						
	Management Male	Percentage	64.71	68.42	73.08	76.67
	Management Female	Percentage	35.29	31.58	26.92	23.33
	Executive Male	Percentage	46.30	51.77	57.00	59.63
	Executive Female	Percentage	53.70	48.23	43.00	40.38
	Non-Executive Male	Percentage	62.82	67.56	66.74	64.73
	Non-Executive Female	Percentage	37.18	32.44	33.26	35.29
Bursa C3(b) Percentage of directors by gender and age group						
	Male	Percentage	66.66	66.66	71.42	71.42
	Female	Percentage	33.34	33.34	28.58	28.58
	Under 30	Percentage	0.00	0.00	0.00	0.00
	Between 30-40	Percentage	0.00	0.00	0.00	0.00
	Between 40-50	Percentage	66.66	50.00	57.15	57.15
	Above 50	Percentage	33.34	50.00	42.85	42.85

SUSTAINABILITY STATEMENT (CONT'D)

PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM (CONT'D)

Indicator	Measurement Unit	2022	2023	2024	2025
Bursa (Energy management)					
Bursa C4(a) Total energy consumption	Megawatt	3,359.12	3,861.08	3,487.24	4,054.54
Bursa (Health and safety)					
Bursa C5(a) Number of work-related fatalities	Number	0	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	365	500	579	599
Bursa (Labour practices and standards)					
Bursa C6(a) Total hours of training by employee category					
Director	Hours	420	318	363	267
Management	Hours	144	281	721	917
Executive	Hours	1,041	1,831	3,003	2,730
Non-executive	Hours	337	799	3,115	1,265
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category					
Director	Number	0	0	0	0
Management	Number	2	1	4	6
Executive	Number	30	29	18	34
Non-executive	Number	102	136	111	88
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	0
Bursa (Supply chain management)					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	50.39	63.05	65.01	64.90
Bursa (Data privacy and security)					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	0
Bursa (Water)					
Bursa C9(a) Total volume of water used	Megalitres	20.018000	23.030000	23.993000	29.010000
Bursa (Waste management)					
Bursa C10(a) Total waste generated	Metric tonnes	187.04	230.51	228.21	251.67
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	58.08	42.76	43.64	36.06
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	-	0.00
Bursa (Emissions management)					
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	122.74	132.56	118.37	136.72
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	2,546.21	4,319.77	4,108.02	4,458.28
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00	0.00	335.19	397.15

Internal assurance External assurance No assurance

(*)Restated

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ('the Board') is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 July 2025 ("FY2025"). This Statement is prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ('Bursa Malaysia') and guided by the latest "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" ("the Guidelines") endorsed by Bursa Malaysia.

Board Responsibility

The Board acknowledges that it is imperative for the Group to have on-going process for identifying, evaluating and managing its principal risks and to maintain adequate and effective risk management and systems of internal control to manage its risks. The Board reviews the processes, responsibilities and assesses for reasonable assurance that risk have been managed within the Group's risk appetite and tolerable ranges and to ensure that the system is viable and robust. Notwithstanding, the Group's system are designed to manage rather than eliminate risk of failure to achieve corporate objectives. Accordingly, such systems can only provide a reasonable but not absolute assurance against material misstatement.

Risk Management Reviews

During FY2025, the Group's existing Enterprise Risk Management ("ERM") framework was overseen by a Risk Management Sustainability Working Committee ("RMSWC"), which is chaired and led by the Group Managing Director ("GMD"). The members of this RMSWC comprise of selected heads of department and other management personnel as deemed appropriate by the GMD. With such composition of members in RMSWC, it helps to ensure that the responsibilities on risk management are cascaded down and shared across management personnel at operational level. The key mandates of the RMSWC are:

- To formulate and carry out strategies and actions needed to manage risks and sustainability;
- To promote organisational risk and sustainability awareness associated in the delivery of products and services to customers;
- To ensure adequate knowledge, infrastructure, resources, and systems are in place for risk and sustainability management;
- To report to the Board periodically on the emerging risks and their impacts on operations, profitability and business plan and the status of management actions to manage these risks; and
- To minimise high dependency areas and ensure business continuity.

The identification, evaluation and management of risks were carried out continuously by the RMSWC. New and existing risks as well as internal and external factors are updated while risk exposures are measured and mitigation action plan are formulated according to the magnitude of each risk on quarterly basis. The process is important in order to prioritise management focus and resources and to balance the cost and benefits for managing each risk. Each risk mitigation action and measure will be followed up every quarter by RMSWC and reported by the respective Heads of Department. This is to ensure that these actions and measures are effective and relevant to contain or reduce the risks to satisfactory level. During the financial year, the following are the key risk areas:

- **Managing the Exposure of Foreign Currency**

The Group engages in business activities in foreign currencies. Any adverse fluctuation of Ringgit Malaysia will impact on the Group's financial performance. The Group will continue the monitoring of the trend and make the necessary arrangements to minimise the exposure in foreign currencies exchange rate.

- **Enhancing the Information Technology System Recovery Process**

The Group's operation and management software, confidential data and intellectual property information are stored and protected in the Group's servers located in Malaysia. Disaster such as fire, flood, etc. is one of the risks that is faced by the Group. The Group has taken precautionary measures to reduce disruption to business operations by having the data backup at another location and using hardware which can be easily replaced in order to shorten the restoration time.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Risk Management Reviews (Cont'd)

- **Innovating New Technology and Products**

The automotive industry has always been one of the most receptive industries to emerging technologies. Hence, the Group is facing the challenge that its existing products and/ or technology are outdated and replaced by competitor's product. In order to maintain its competitiveness, the Group took various measures to keep abreast on the latest development on the product technology, benchmarking its existing products against competitor's product and expanding its existing product range.

- **Managing the Manpower and Competency**

Similar to other companies, the Group faces common challenges of inadequate competent workforce. As such, various training and welfare schemes are implemented to attract, retain and retrain employees to meet existing and future needs. These include:

- Benchmark remuneration packages and staff benefit against market and make necessary adjustment;
- Provide training and development programme to employee;
- Expand the recruitment channel and manpower source; and
- Enhance the interview process by providing assessment guideline to interviewer and brief the candidate on the working environment and benefits.

- **Enhancing Stock Control**

The sales and production volume of the Group are mainly driven by the car maker's demand. Therefore, the Group risks exposure of over or under stock of inventories in the event of volatile forecast provided by customers. To mitigate the risk, the Group has taken various measures including shortening the raw material purchase lead time and making necessary arrangements to improve production planning efficiency.

The outcome of the RMSWC meetings are then reported to the Board during the board's quarterly meeting.

At the board level, the Board deliberated strategic business issues and action plans in its periodic board meetings and noted various management review meetings covering status of action plans held at the management level. By doing so, the Board ensures that their decisions are communicated, understood and managed effectively by management. In addition, this also serves as a reinforcement of Board's monitoring and supervision on line management. All issues deliberated in these meetings are recorded in minutes for reference in the future.

The abovementioned risk management practice is the on-going process used to identify, assess and mitigate risks during the financial year under review and up to the date of approval of this Statement.

Other Key Internal Controls

The Group continues to maintain and retain its generic control framework in its operations. These generic internal controls which have been embedded in the business processes and activities are the management reporting structure, authority and approval limits and procedures, segregation of duties, budgeting, management review procedures as well as the periodic reporting and review of performance.

In addition, the manufacturing arm of the Group is certified under ISO 14001: 2015 Environmental Management System Certification ("ISO") and International Automotive Task Force ("IATF") 16949:2016, the harmonised standard for automotive supply chain. These management systems formed the basis of operational procedures in the production processes. Quality Management System audit is carried out annually, Manufacturing Process Audit and Product Audit are conducted accordingly to annual audit schedule, while annual surveillance audits are conducted by external certification body to provide assurance of compliance with the ISO and IATF requirements.

Details of the Internal Audit Function are set out in the Audit and Risk Management Committee Report on page 33 of the Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Management Responsibilities and Assurance

In accordance to the Guidelines, Management is responsible to the Board for: -

- identifying risks relevant to the business of the Group's objectives and strategies implementation;
- designing, implementing, and monitoring the risk management framework in accordance with the Group's strategic vision and overall risk appetite; and
- identifying changes to risks or emerging risks, taking action as appropriate and promptly bringing these to the attention of the Board.

As reported under the Risk Management section above, Management has addressed the above responsibilities outlined in the Guidelines. Additionally, the Board has received assurance from the GMD and Group Executive Director that, to the best of their knowledge the risk management and internal control systems of the Group are operating adequately and effectively, in all material aspects before producing this Statement.

Board Review and Oversight Mechanism

The Board recognises that the Group is operating in a dynamic business environment. Accordingly, the Board views that risk management and systems of internal control are integral parts of the Group and believes that the way it oversees risk at the Board is critical and will influence the tone and culture for effective risk management at management level.

Presently, the primary risk oversight role of the Group resides in the Board. When reviewing and deliberating risk issues in the Group, the Board is assisted by the ARMC and RMSWC in assessing whether the present systems of risk management and internal control provide reasonable assurance that risk is managed appropriately. Quarterly, the RMSWC will reassess, summarise, and report the existing and emerging risks and the management progress in managing risks to the Board.

The annual internal audit plan was developed in consideration of the Group's risk profile as well as Board's and management's concerns. Upon review and approval of the internal audit plan by the ARMC, internal audit reviews were carried out in accordance with this approved plan.

The ARMC supports the Board during its review of risk management by reporting to the Board, the audit issues highlighted by the Internal and External Auditors. Based on evaluation of the information provided by the ARMC and RMSWC, the Board will then deliberate the actions and options needed and delegate the decided actions to GMD for execution.

Management also supplements the Board consideration on effectiveness of the Group risk management systems when reporting their quarterly financial performance and results to the Board and ARMC. With management inputs on the interim financial performance results, the Board and ARMC are able to cross examine the effectiveness of risk management and internal control systems as well as deliberate the integrity of the financial results.

Through the above review processes, the Board has formed its opinion on the state of internal controls and risk management in the Group and make appropriate decision for policies needed in consultation with the executive directors and management in order to better manage the risk faced by the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

The Board's Conclusion

Based on the review process undertaken, the Board is satisfied that there is an ongoing process for identifying, evaluating, and managing significant risks faced by the Group and the existing level of systems of risk management and internal control are effective to enable the Group to achieve its business objectives. The Board also took cognisance that there were no reported material losses resulting from significant control weaknesses.

The Board and Management will continue to ensure that risk management and internal control systems of the Group are continuously improved consistent with the evolving business development. Nonetheless, all stakeholders shall note that all systems of risk management and internal control are designed to manage rather than eliminate the risk threatening the achievement of business objectives. Hence, these systems can only provide reasonable but not absolute assurance against material misstatement and records, or against financial losses or fraud.

Review of Statement on Risk Management and Internal Control by External Auditors

Pursuant to Paragraph 15.23 of the Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report for the financial year ended 31 July 2025. Their review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants.

Though AAPG 3 does not require the external auditors to consider whether this statement covers all risks and controls or to form an opinion on the effectiveness of the Group's risk management and internal control systems, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes the Board has adopted in reviewing the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement is made in accordance with the resolution of the Board dated 31 October 2025.

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF AUDITED FINANCIAL STATEMENTS

This statement is prepared as required by the Listing Requirements of Bursa Malaysia Securities Berhad.

The directors are required by the Companies Act 2016 ("the Act") to prepare financial statements for each financial year so as to give a true and fair view of the financial position of the Group and of the Company and the results and cash flows of the Group and of the Company as at end of the financial year.

During the preparation of the financial statements for the financial year ended 31 July 2025, the directors have ensured that:

- the Group and the Company have adopted appropriate accounting policies and are consistently applied;
- judgements and estimates that are prudent and reasonable have been used;
- all applicable Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia have been complied with;
- the accounting and other records required by the Act are properly kept and disclosed with reasonable accuracy at any time, the financial position of the Group and of the Company which enable them to ensure the financial statements comply with the Act; and
- the financial statements have been prepared on the going concern basis.

The directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities and material misstatements, as described more fully in the corporate governance section of this report. Such system, by their nature, can only provide reasonable and not absolute assurance against material misstatement, loss and fraud.

CHAIRMAN'S STATEMENT

Dear Esteemed Shareholders,

It gives me great pleasure, on behalf of the Board of Directors (“Board”), to present the Annual Report and Audited Financial Statements of MCE Holdings Berhad (“MCE” or “Group”) for the financial year ended 31 July 2025 (“FY2025”).

FY2025 was a year of progress and momentum for MCE as we continued to strengthen our fundamentals and advance our transformation toward next-generation, electronics-driven mobility. Supported by steady total industry volume (TIV) and positive policy direction, Malaysia’s automotive sector remained resilient, providing a conducive environment for growth despite ongoing global challenges.

In line with the Board’s continued commitment to strengthening MCE’s resilience and competitiveness, I am pleased to report that the Group delivered a noticeable improvement financial performance in FY2025 amid a more challenging operating environment. Our Profit After Tax and Minority Interests (PATAMI) rose to RM23.91 million from RM15.96 million in FY2024, supported by a one-off gain from the disposal of land. Excluding this item, the Group achieved a PATAMI of RM17.59 million, representing a 10.2 percent increase year-on-year, underpinned by stable contributions from our core automotive business, improved operational efficiency, and higher interest income from healthy cash flow. The Group recorded revenue of RM152.60 million in FY2025 compared with RM155.66 million in FY2024, reflecting stable demand from existing programmes and transitional costs incurred in preparation for the commissioning of the MCE Auto Hub in Serendah.

A more detailed discussion and elaboration on the Group’s financial performance is set out under the Management Discussion and Analysis on page 65 to 71.

On behalf of the Board, I wish to extend our appreciation and congratulations to the Management team, led by the Group Managing Director and the Group Executive Director, for their exemplary leadership and execution throughout FY2025. Despite navigating a more competitive landscape and ongoing global uncertainties, the Management has demonstrated strong discipline, foresight, and agility in steering the Group’s operations. Their commitment to continuous improvement and value creation has enabled MCE to sustain profitability, strengthen operational efficiency, and position the Group for long-term growth as we transition toward next-generation, electronics-driven mobility.

The Board remains committed to rewarding shareholders while maintaining a prudent approach to capital management and is pleased to report that it has declared and paid the following dividends for FY2025.

- (i) On 25 March 2025, the Board of Directors declared a first interim single-tier dividend of 6.0 sen per ordinary share, amounting to RM8,384,802.84 in respect of the financial year ending 31 July 2025. The dividend was paid on 15 May 2025 to shareholders.
- (ii) On 26 September 2025, the Board of Directors declared a second interim single-tier dividend of 4.0 sen per ordinary share, amounting RM6,011,684.56 in respect of the financial year ending 31 July 2025. The dividend was paid on 14 November 2025 to shareholders.

Looking ahead, the Group is well positioned to embark on its next phase of growth as it prepares for the commissioning of the MCE Auto Hub in Serendah by the first half of calendar year 2026. This new integrated facility will bring together research and development, testing, and manufacturing under one roof, enhancing efficiency and enabling the production of higher-value advanced automotive electronic components including infotainment systems, digital displays, and Advanced Driver Assistance Systems (ADAS) modules. These capabilities will also support the Group’s new supply contract for electric vehicles (EVs), which will commence in FY2026, further strengthening MCE’s role as a trusted partner in the local and regional automotive supply chain.

The Group’s continued investment in innovation, automation, and talent development reflects our commitment to long-term competitiveness. With more than 80 engineers, over half dedicated to R&D, MCE continues to deepen its engineering expertise and develop solutions that meet the increasing electronic content requirements of next-generation vehicles. These efforts align closely with Malaysia’s aspiration to become a regional hub for automotive and semiconductor-related manufacturing.

CHAIRMAN'S STATEMENT (CONT'D)

Beyond the domestic market, MCE is broadening its international footprint through collaborations with Tier-1 suppliers in the United States and a joint venture in India. These initiatives expand our access to new customers and markets, creating new revenue streams and enhancing the Group's resilience amid an increasingly dynamic global automotive landscape.

At the same time, the Group entered into a joint venture with a Hong Kong-based company to undertake contract manufacturing for non-automotive products, a strategic move that diversifies its portfolio and leverages MCE's engineering strengths to drive sustainable growth.

Entering FY2026, the Group is supported by a healthy pipeline of multi-year supply contracts across ICE and EV models. These contracts underpin earnings visibility for the coming years and position MCE to further deepen its partnerships with leading automakers at home and abroad.

The Board remains cautiously optimistic about the operating outlook. While factors such as foreign exchange volatility, inflationary pressures and rising labour costs may continue to affect the industry, the Group's fundamentals

remain sound. With the commissioning of the MCE Auto Hub, strengthened collaborations with major automakers and business partners, and ongoing enhancements in operational excellence, the Group is well positioned to capture emerging opportunities and drive sustainable growth.

On behalf of the Board, I would like to extend our heartfelt appreciation to all stakeholders, including our shareholders, business partners, customers, management team, and employees, for their continued confidence and support. Your trust has been instrumental in driving our progress and performance.

Finally, I wish to record my sincere gratitude to my fellow Board members for their guidance, commitment, and invaluable contributions throughout the year. Together, we remain focused on strengthening the Group's foundation for long-term growth and value creation.

TAN SRI ABD RAHMAN BIN MAMAT
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF GROUP'S BUSINESS

MCE Holdings Berhad ("MCE") and its subsidiaries ("Group") is a leading Original Equipment Manufacturer ("OEM") specialising in the full spectrum of design, manufacture and supply of automotive electronics and mechatronic components for both Malaysian and overseas markets.

The Group currently has two operational facilities, with over 600 full-time employees, including more than 80 engineers – over 10 percent of our workforce – reflecting our commitment to continuous R&D investment and technical capability building.

The primary facility in Johor Bahru, Johor, serves as our main manufacturing hub, fully outfitted with advanced design and testing capabilities, while also housing our corporate headquarters.

The second facility in Pelabuhan Klang, Selangor, supports expanded manufacturing and warehousing operations, along with business development, marketing, and customer support. Its location provides comprehensive warehousing and logistics services, ensuring efficient, direct support to customers through streamlined logistic operations.

Both facilities are strategically located to enable the Group to stay connected with domestic customers as well as to support overseas business and export activities via Malaysia's major air and seaports.

In January 2024, the Group commenced construction of its third manufacturing plant, the MCE Auto Hub, on a leasehold parcel at UMW High Value Manufacturing (HVM) Park in Serendah, Selangor. This strategic investment marks a major milestone in MCE's transformation toward manufacturing components for next-generation vehicle (NxGv) and smart mobility solutions.

Designed as an advanced facility for efficient and large-scale production of advanced automotive components, the MCE Auto Hub will strengthen our integration of R&D and manufacturing functions and enable us to meet the stringent requirements of global automakers. The plant is scheduled to be fully operational by the second half of FY2026. Once commissioned, it will expand manufacturing and storage capacity, support higher-value product categories such as advanced driver-assistance system (ADAS), infotainment system, digital meter cluster, touch panel screen controller, automotive electronics that form the building blocks of future mobility. Its proximity to key customers also helps reduce transportation-related emissions, supporting the Group's commitment to sustainability.

Following the Group's decision in FY2024 not to proceed with the healthcare diversification project on the Bukit Raja land, MCE completed the disposal of the freehold parcel on 15 November 2024 for RM43,686,345.00 in cash to Grant Ascent Sdn. Bhd. This optimisation of non-core assets strengthened the Group's balance sheet and freed up capital for strategic investments in its core automotive business.

During FY2025, the Group entered into a Shareholders Agreement with Sounding Industries Ltd (Hong Kong) to establish Eagle MCE Technologies (Malaysia) Sdn. Bhd., a joint-venture company focused on the production of non-automotive products. This collaboration marks the Group's first step toward diversification beyond the automotive sector while leveraging its core expertise in precision electronics manufacturing. Although still in the early stages, the venture is expected to begin contributing to the Group's top line from FY2026, further reinforcing MCE's resilience.

In the same year, the Group formed Multi-Code Abhishek K Auto Components Private Limited ("MCA") with Abhishek Electronics Manufacturing Private Limited ("AEM") in India, expanding its global presence and diversification efforts.

Another key growth driver is the highly anticipated launch of Perodua's first EV by end-2025, for which MCE has been appointed as a key component supplier. Under this project, the Group will supply a wide range of parts, including Multimedia Head Unit, Multimedia Display Unit, Instrument Panel Cluster, ADAS system and components, functional switches and interior lighting. This development represents an important landmark for MCE's expansion into the EV supply chain and underscores its position as a trusted Tier-1 partner to national carmakers.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF GROUP'S BUSINESS (CONT'D)

To achieve its Vision and Mission, the Group is guided by a management philosophy built on three core principles:

- **Human capital is our greatest asset:** We believe our employees' passion, creativity, and expertise are the foundation of every innovation.
- **Collaboration fuels our success:** By working closely with our partners and customers, we turn ideas into technologies that enhance mobility and enrich everyday life.
- **Excellence defines our execution:** We deliver with precision, accountability, and a commitment to continuous improvement.
- **Integrity guides our actions:** We lead by example, ensuring our growth contributes positively to people, communities, and the planet.

For the financial year ended 31 July 2025, the Group's principal activities remained in 2 main reportable segments as follows: -

Automotive parts	-	involved in manufacturing and trading of automotive parts.
Healthcare services	-	involved in plans to provide healthcare services.

As disclosed above, the Group has decided not to proceed with the healthcare diversification project and had completed the disposal of its freehold commercial land held on 15 November 2024. The Group will focus on expanding its core automotive business, leveraging its established expertise and technical capabilities.

The Group operates predominantly in Malaysia and as such information by geographical segments is not presented.

Operating Environment

Extracts from Bank Negara Malaysia Quarterly Bulletin, Second Quarter 2025

"Malaysia's economy is expected to be supported by resilient domestic demand going forward.

- Growth is expected to be driven by resilient domestic demand. Continued household spending will be supported by employment and wage growth as well as income-related policy measures.
- Investment activity will be sustained by the progress of infrastructure projects, continued high realisation of approved private investments and implementation of national master plans.
- Export growth is expected to moderate, as tariffs take effect and global uncertainty lingers. However, the impact to Malaysia's export prospects would be partially cushioned by continued demand for electrical and electronic goods and inbound tourism.
- As a result, growth is projected to range between 4%–4.8% in 2025, lower than the earlier projected range of 4.5%–5.5%.

Growth remains subject to both downside and upside risks

- **Downside risks to growth** stem from further slowdown in trade from higher tariffs and weaker sentiment following the uncertainties affecting spending and investments. Other downside risks include lower-than-expected commodity production due to disruptions in the oil and gas subsector.
- **Upside risks to growth** include pro-growth policies in major economies, favorable outcome from remaining trade negotiations and more robust tourism activities "

(Source: Bank Negara Malaysia Quarterly Bulletin, Vol. 40 No.2, Second Quarter 2025)

Extracts from Malaysia Automotive Association's Press Release

"TIV down 4.6% in first half of 2025; MAA maintains full-year forecast of 780k vehicles sold

The Total Industry Volume (TIV) registered in the first six months of 2025 was 373,636 units against 391,451 units registered in the corresponding period of 2024, a decrease of 17,815 units or 4.6%.

MAA cites cautious optimism in domestic economic outlook.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF GROUP'S BUSINESS (CONT'D)

Operating Environment (Cont'd)

Extracts from Malaysia Automotive Association's Press Release (Cont'd)

Factors contributing to a lower TIV in 1H2025 were:

- i) High base effect from the previous year's record TIV of 816,747 units, making the comparison to 2025 naturally lower.
- ii) Advance purchases made in December 2024 affected sales in January 2025. The highest monthly TIV of 81,735 units was recorded in December 2024 compared to January 2025 TIV that saw 50,397 units – the January 2024 TIV was 66,919 units for reference.
- iii) The government's diesel subsidy rationalisation that started in June 2024, demand for commercial vehicles decline by a substantial 21% compared to 1H 2024
- iv) In terms of production, total industry output declined by 10% to 352,626 units in 1H 2025, with passenger vehicle production down 10% and commercial vehicle production dropping by 12%.
- vi) Electric vehicle (EV) demand is expected to increase this year, spurred by new model launches, particularly in the fourth quarter, and aggressive promotional campaigns by MAA members.
- vii) The sport utility vehicle (SUV) segment contributed the most to volume growth in 1H 2025, with nearly 100,000 units registered compared to 95,000 units in the same period last year.
- viii) The recent 25 basis point Overnight Policy Rate (OPR) cut by Bank Negara Malaysia expected to support consumer spending and vehicle purchases.

The outlook for the domestic economy remains resilient, with gross domestic product growth projected between 3.5% and 4.5%, despite external pressures such as higher global tariffs.

(Source: Malaysia Automotive Association's Press Release on 16 July 2025)

FINANCIAL REVIEW

	FY2025 (RM'000)	FY2024 (RM'000)
Revenue	152,597	155,664
Profit before tax	30,434	21,565
Finance costs	(764)	(836)
Profit after tax and minority interests ("PATAMI")	23,716	15,897
Shareholders' equity	166,575	130,382
Total assets	244,232	191,371
Gearing ratio	-	0.06
Basic profit per share (sen)	17.96	12.91
Net assets per stock unit attributable to ordinary equity holders of the Company (RM)	1.19	1.06

For the financial year ended 31 July 2025, the Group recorded total revenue of RM152.60 million, representing a decrease of approximately 1.97% compared to the preceding year. The Group's PATAMI for FY2025 was RM23.7 million, an increase of 49% from the previous year, boosted by a one-off gain from the disposal of land. Excluding this item, PATAMI was RM17.59 million, representing a 10.2% year-on-year increase driven by stable contributions from the Group's core automotive business, improved operating efficiency and higher interest income from healthy cash flow.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL REVIEW (CONT'D)

Capital Structure and Significant Changes to Assets

	FY2025		FY2024	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Share Capital		85,554		64,088
Equity attributable to equity holders of the company and non-controlling interests		166,575		130,382
• Trade Receivable	19,906		19,307	
• Inventories	17,951		17,746	
• Short-term investments	74,125		33,656	
• Cash and bank balances	23,978		15,831	
• Others	3,223		2,837	
		139,183		89,377
Assets classified as held for sale		-		33,657
Current Assets		139,183		123,034
Non-Current Liabilities		25,734		15,103
• Trade and other payables	44,335		38,013	
• Borrowings	4,656		3,751	
• Others	2,932		4,121	
Current Liabilities		51,923		45,885
Total Liabilities		77,657		60,988
Total Equity and Liabilities		244,232		191,370
Net assets per stock unit attributable to ordinary equity holders of the company (RM)		1.1908		1.0552

During the current financial year, the Group's short-term investments, cash and bank balances increased significantly by 98.24% compared to the previous financial year, driven by proceeds from the disposal of land and enhanced operational efficiency.

The Group also actively participated in both national and international exhibitions to showcase its latest products and capabilities, facilitating meaningful engagement with potential clients, industry experts and strategic partners. Participation in these exhibitions is a vital element in the Group's overall business strategy to enhance its industry presence and competitiveness. The Group participated in the following key exhibitions:

- 19-21 November 2024 - Electrified Vehicles, Mobility, Manufacturing & Auto Parts Exhibition (EVM ASIA 2024) at the Malaysia International Trade Exhibition Centre (MITEC), Kuala Lumpur
- 23-26 April 2025 - TAIPEI AMPA&E-Mobility 2025 at Nangang Exhibition Hall, Taipei, as part of the new "360 MOBILITY Mega Shows" platform. Asia's largest smart mobility showcase.
- 19-22 May 2025 - World Expo, Osaka, as part of the Malaysia Automotive, Robotics and IoT Institute's (MARii) "NxGV: Game Changer in Energy Transition and Mobility" programme.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL REVIEW (CONT'D)

Capital Structure and Significant Changes to Assets (Cont'd)

On 19 May 2025, MCE Ventures Sdn. Bhd. (“MVSB”), a wholly owned subsidiary of MCE Holdings Berhad, entered into a Joint Venture cum Shareholders’ Agreement (“JVA”) with Nanjing Chuhan Technology Co., Ltd. (“NCT”) to develop, manufacture and market automotive millimetre-wave radar sensors leveraging NCT’s technology and technical expertise from the People’s Republic of China (PRC).

During the financial year ended 31 July 2025, the Group also successfully secured multiple contracts to supply various electronic and mechatronic components and parts, with a combined value of approximately RM120.67 million.

The contracts were awarded to the Group’s subsidiaries, with Multi-Code Electronics Industries (M) Berhad securing projects from JVIS USA LLC (JVIS) and PERODUA, while MCE Hengtuo Sdn Bhd obtained the contract from PROTON.

These wins reflect MCE’s growing technical expertise and ability to meet the evolving needs of leading automakers at home and abroad.

Strengthening US Market Presence with Follow-On Contract from JVIS

MCE continues to strengthen its international presence, building on earlier success in the export market through a follow-on supply contract with JVIS, a Michigan-based automotive component supplier serving top-tier global carmakers.

The RM69.59 million, 60-month contract reflects JVIS’s continued confidence in MCE as a long-term partner and underscores the Group’s growing recognition as a reliable supplier in the global automotive value chain. Under this agreement, MCE will supply mechatronic components for a vehicle model in the US market, with production scheduled to commence in the first quarter of the financial year ending 31 July 2027.

The contract further reinforces the Group’s export capabilities and marks another step in expanding its footprint beyond the domestic market, paving the way for future collaborations with other international Tier-1 suppliers and automakers.

Continued Momentum with Leading National Carmakers

Domestically, the Group achieved continued momentum with Malaysia’s leading national carmakers, securing multiple new contracts that strengthen its long-standing partnerships and reaffirm its role in supporting the localisation of automotive components.

The newly awarded projects include multiple contracts with Perodua valued at approximately RM41.33 million for its two upcoming models, an EV and an internal combustion engine (ICE) vehicle. MCE will supply a range of electronic and mechatronic components, with production for the EV model running for 36 months starting in Q2 FY2026, and the ICE model for 72 months beginning in Q1 FY2027.

In addition, MCE has secured a 60-month supply contract with PROTON for mechanical and mechatronic parts for a new model valued at approximately RM9.75 million, with production commencing in the first quarter of FY2026.

These domestic wins highlight MCE’s ability to meet the diverse needs of automakers across both EV and ICE platforms, supporting Malaysia’s transition toward a more advanced and self-reliant automotive manufacturing ecosystem.

With strong engineering and R&D capabilities, the Group continues to develop higher-value and technologically sophisticated components that enhance vehicle performance, functionality and safety. This innovation-driven approach positions MCE to capture new opportunities as national carmakers accelerate the adoption of advanced automotive technologies.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL REVIEW (CONT'D)

Continued Momentum with Leading National Carmakers (Cont'd)

Looking ahead, with the ongoing relocation of manufacturing activities to ASEAN, the Group is primed to capture emerging growth opportunities across the region's automotive supply chains and export markets. Construction of the MCE Auto Hub in Serendah is progressing well and operations are targeted to commence in the first half of FY2026.

The facility will more than double the Group's production capacity and significantly enhance its ability to design and develop advanced electronic components and systems, supporting the increasing demand from next-generation vehicles both locally and internationally.

KNOWN RISKS EXPOSURE

The Group's risks and its mitigation plans are disclosed in detail in the Statement on Risk Management and Internal Control on pages 58 to 61 of this Annual Report.

BUSINESS OUTLOOK AND PROSPECTS

Extracts from Malaysia Automotive Association's Press Release on 19 Sep 2025

"TIV for August 2025 was 4.2% higher than July 2025 – MAA

Total Industry Volume (TIV) for August 2025 was 4.2% higher than July 2025 (70,101 Units).

The higher TIV is attributed to:

- Higher stock availability supported by July's high production volume of 71,439 units
- Aggressive promotion in conjunction with the Merdeka celebration month
- Sales impact from new model launches

The sales momentum in September 2025 is expected to consolidate due to:

- Less working days due to a number of public holidays in September 2025 (total: 4 days)
- "Wait-and-see" attitude towards 2026 National Budget announcement including details on the petrol subsidy rationalisation

(Source: Malaysia Automotive Association's Press release on 19 September 2025)

Taking into consideration the overall outlook of Malaysia's automotive industry, as outlined by the Malaysia Automotive Association in its Press Release dated 19 September 2025, the management of the Group expects its financial performance moving forward to remain confident of delivering steady growth.

Nevertheless, the Group remains vigilant amid prevailing uncertainties in its operating environment which include possible softening of consumer spending due to rising living costs, shrinking disposable income, adjustment to the minimum wage, fluctuations in the ringgit exchange rate against major currencies, and broader domestic and global economic challenges. The Group will continue to monitor these developments closely and adopt appropriate measures and strategies to safeguard operations and sustain business resilience.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

BUSINESS OUTLOOK AND PROSPECTS (CONT'D)

Extracts from Malaysia Automotive Association's Press Release on 19 Sep 2025 (Cont'd)

MCE enters FY2026 with a healthy pipeline of long-term contracts from national carmakers, spanning 36 to 72 months, providing clear earnings visibility and reaffirming the Group's position as a trusted Tier-1 supplier to both domestic and global automotive players.

Beyond the domestic market, the Group continues to broaden its international presence through collaborations with US-based Tier 1 suppliers and participation in the replacement equipment market.

Complementing its entry into the US market, the incorporation of Multi-Code Abhishek K Auto Components Private Limited ("MCA"), a joint venture ("JV") with Abhishek Electronics Manufacturing Private Limited ("AEM") on 10 June 2025, further strengthens MCE's foothold in India and advances its diversification into one of the world's fastest-growing automotive markets.

At the same time, MCE is actively engaging with new carmakers entering Malaysia, including Chery, Jetour, BYD, Stellantis and Hyundai, to participate in their localisation strategies. To support its growth trajectory, construction of the state-of-the-art MCE Auto Hub in Serendah, is on track and targeted to commence operations by the first half of calendar year 2026.

The facility will not only increase production capacity but also enable the Group to deliver more advanced and higher value automotive electronics products to both domestic and international customers. Beyond the automotive sector, the Group is also diversifying into non-automotive export businesses, widening its revenue base and enhancing resilience against cyclical industry trends.

The Group also continues to strengthen its technical capabilities through collaborations and MOUs with strategic partners such as Cheling Smart Mobility Technology (Wuhu) Co., Ltd, Wuhu Atech Automotive Electronics Co. Ltd. and Huizhou Foryou General Electronics Co. Ltd. These partnerships enhance engineering know-how, expand product offerings and accelerate the localisation of advanced technologies, supporting the Group's strategy of moving up the value chain and building sustainable long-term competitiveness.

Considering ongoing global uncertainties, including geopolitical tensions, supply chain disruptions and inflationary pressures, the Group remains vigilant and continues to implement measures to monitor and mitigate potential operational and cost-related risks.

MCE Holdings Berhad's prospects are underpinned by its expansion into advanced automotive technologies, entry into new global markets, partnerships with leading OEMs, exposure to new opportunities through its joint venture in India, and diversification into non-automotive manufacturing. With its new capacity in Serendah and strengthened technical partnerships, the Group is well-positioned to capitalise on emerging opportunities from FY2026 onwards.

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 July 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	23,715,358	14,909,796
Attributable to:-		
Owners of the Company	23,912,874	14,909,796
Non-controlling interests	(197,516)	-
	23,715,358	14,909,796

DIVIDENDS

Dividends paid or declared by the Company since 31 July 2024 are as follows:-

	RM
<u>In respect of the financial year 31 July 2024</u>	
Second interim dividend of 1.5 sen per ordinary share, paid on 30 October 2024	1,853,746
<u>In respect of the financial year 31 July 2025</u>	
First interim dividend of 6 sen per ordinary share, paid on 15 May 2025	8,384,802
	10,238,548

On 26 September 2025, the Company declared second interim dividend of 4 sen per ordinary share amounting to RM6,011,685 in respect of the current financial year, payable on 14 November 2025, to shareholders whose names appeared in the record of depositors on 31 October 2025. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 July 2026.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

DIRECTORS' REPORT (CONT'D)

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its issued and paid-up capital from RM64,088,565 to RM85,554,223 by way of:-
- (i) issuance of 3,969,200 new ordinary shares from the exercise of warrants 2024/2029 at the exercise price of RM0.80 per warrant.
 - (ii) issuance of 12,358,310 new ordinary shares for a cash consideration of RM1.48 each for working capital purpose via private placement.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

- (b) there were no issues of debentures by the Company.

WARRANTS

As at the end of the financial year, the Company has the following outstanding warrants:

Warrants	Exercise price per ordinary share	Expiry date	Number of warrants outstanding as at 31.7.2025
Warrants 2024/2029	RM0.80	15 January 2029	57,809,502

Warrants 2024/2029 were issued on 16 January 2024 pursuant to the bonus issue of 61,778,702 free warrants in the Company on the basis of one free warrant for every two existing ordinary shares in the Company. The warrants entitle the holders to subscribe for new ordinary shares in the Company on the basis of one new ordinary share for every warrant held at an exercise price of RM0.80 per ordinary share within 5 years from the date of the issue of the warrants. The exercise price of the warrants is subject to adjustment from time to time accordance with the conditions stipulates in the Deed Poll created on 22 December 2023.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

DIRECTORS' REPORT (CONT'D)

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Dr Goh Kar Chun
Tan Sri Abd Rahman Bin Mamat
Goh Anne
Tai Lam Shin
Fong Jed See
Law Sang Thiam
Dato' Dr. Lee Chung Wah @ Lee Chung Fu

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Chuah Sai Ling
Lim Chern Tin
Shan, Weidong
Lee Tsz Yan
Tang Suet Fan
Fan, Chi-Chiang

(Appointed on 13 November 2024)
(Appointed on 4 April 2025)
(Appointed on 4 April 2025)
(Resigned on 6 May 2025)

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	← Number of Ordinary Shares →				
	At 1.8.2024	Bought	Exercise of Warrant	Sold	At 31.7.2025
The Company					
<i>Direct Interests</i>					
Dr Goh Kar Chun	5,240,280	2,515,000	–	–	7,755,280
Tai Lam Shin	40,000	–	20,000	–	60,000
Tan Sri Abd Rahman Bin Mamat	300,000	–	–	–	300,000
Law Sang Thiam	80,000	–	–	–	80,000
Dato' Dr. Lee Chung Wah @ Lee Chung Fu	22,400	–	–	–	22,400
Goh Anne	–	12,700	–	–	12,700
Fong Jed See	–	20,000	–	–	20,000

	← Number of Warrants →			
	At 1.8.2024	Bonus Issue	Exercise	At 31.7.2025
The Company				
<i>Direct Interests</i>				
Dr Goh Kar Chun	2,620,140	–	–	2,620,140
Tai Lam Shin	20,000	–	(20,000)	–
Tan Sri Abd Rahman Bin Mamat	125,000	–	–	125,000
Law Sang Thiam	40,000	–	–	40,000

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 34(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follow:-

	From the Company RM	From the Subsidiaries RM	Total RM
Fees	483,504	–	483,504
Salaries, bonuses and other benefits	26,500	2,375,338	2,401,838
Defined contribution benefits	–	448,813	448,813
Estimated money value of benefits-in-kind	–	63,703	63,703
	510,004	2,887,854	3,397,858

INDEMNITY AND INSURANCE COST

During the financial year, Directors and Officers of the Group were covered under the Corporate Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and Officers of the Group subject to the terms of the policy. The aggregate limit of Corporate Liability Insurance effected for the Directors and Officers of the Group was RM3 million. The total amount of premium paid for the Corporate Liability Insurance by the Group was RM17,452.

There was no indemnity given to or professional indemnity insurance effected for the auditors of the Group.

SUBSIDIARIES

The details of the subsidiaries name, place of incorporation principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 5 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

DIRECTORS' REPORT (CONT'D)

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follow:-

	The Group RM	The Company RM
Audit fees	160,000	32,000
Non-audit fee	5,000	5,000
	<hr/>	<hr/>
	165,000	37,000

Signed in accordance with a resolution of the directors dated 31 October 2025.

Dr Goh Kar Chun

Tan Sri Abd Rahman Bin Mamat

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dr Goh Kar Chun and Tan Sri Abd Rahman Bin Mamat, being two of the directors of MCE Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 84 to 141 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 July 2025 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 31 October 2025.

Dr Goh Kar Chun

Tan Sri Abd Rahman Bin Mamat

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Goh Anne, MIA Membership Number: 36898, being the director primarily responsible for the financial management of MCE Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 84 to 141 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Goh Anne
at Ibrahim International Business District (IIBD)
in the State of Johor
on this 31 October 2025

Goh Anne

Before me

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MCE HOLDINGS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of MCE Holdings Berhad, which comprise the statements of financial position as at 31 July 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 84 to 141.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 July 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCE HOLDINGS BERHAD (CONT'D)

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Review of Slow-Moving and Obsolete Inventories	
Refer to Note 11 to the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The balance of inventories as at 31 July 2025 was RM17,950,991. The carrying value of inventories is stated at the lower of cost and net realisable value.</p> <p>The write-off of slow-moving and obsolete inventories are based on estimates by the management, which have been derived based on specific assessment by the management that involved judgment about the ageing, design and future demand of the inventories.</p> <p>We focused on the sufficiency of the inventories write-off as the estimation of write-off partly depends on the future demand of the respective products which required judgement.</p>	<p>Our procedures include, amongst others:</p> <ul style="list-style-type: none"> ▪ Assessing the reasonableness of management's methodology employed for assessment of slow-moving and obsolete inventories; ▪ Performing walkthrough test to understand the Group's procedure and policy for the assessment of slow-moving and obsolete inventories; ▪ Performing ageing test on inventories ageing report by selecting samples and checking to the date of stock-in (purchase date) to the appropriate age band; ▪ Performing audit analytics on inventories holding and movement data to identify inventory with indicators of low inventory turnover or significant levels of aged inventories, on samples basis; and ▪ Reviewing the sufficiency of inventories write off in accordance with the Group's procedure and policy for the assessment of slow-moving and obsolete inventories, on samples basis.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCE HOLDINGS BERHAD (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCE HOLDINGS BERHAD (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Johor Bahru

31 October 2025

Tan Guan Seng
03387/08/2026 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	–	–	96,910,855	90,910,856
Property, plant and equipment	7	84,427,902	46,742,834	–	–
Right-of-use assets	9	18,709,086	18,864,811	–	–
Deferred tax assets	10	1,911,636	2,729,731	–	–
		105,048,624	68,337,376	96,910,855	90,910,856
CURRENT ASSETS					
Inventories	11	17,950,991	17,746,328	–	–
Trade receivables	12	19,906,575	19,307,460	–	–
Other receivables, deposits and prepayments	13	2,155,617	2,536,706	62,464	36,607
Amount owing by subsidiaries	14	–	–	22,638,719	19,657,825
Short-term investments	15	74,125,096	33,656,442	15,449,328	–
Current tax assets		1,066,767	298,631	–	–
Cash and bank balances		23,978,151	15,831,138	3,954,787	2,263,847
		139,183,197	89,376,705	42,105,298	21,958,279
Asset classified as held for sale	16	–	33,656,865	–	–
		139,183,197	123,033,570	42,105,298	21,958,279
TOTAL ASSETS		244,231,821	191,370,946	139,016,153	112,869,135

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2025
(CONT'D)

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	85,554,223	64,088,565	85,554,223	64,088,565
Reserves	18	79,617,832	65,943,506	53,220,057	48,548,809
Equity attributable to owners of the Company		165,172,055	130,032,071	138,774,280	112,637,374
Non-controlling interests	5	1,402,903	350,419	–	–
TOTAL EQUITY		166,574,958	130,382,490	138,774,280	112,637,374
NON-CURRENT LIABILITIES					
Lease liabilities	19	1,696,375	1,670,657	–	–
Hire purchase payables	20	898,661	684,337	–	–
Term loans	21	22,134,374	11,971,522	–	–
Deferred tax liabilities	10	1,004,107	776,993	–	–
		25,733,517	15,103,509	–	–
CURRENT LIABILITIES					
Trade payables	22	18,122,846	17,107,390	–	–
Other payables and accruals	23	26,212,643	20,905,766	202,984	168,697
Lease liabilities	19	869,408	845,122	–	–
Hire purchase payables	20	1,082,409	477,464	–	–
Term loans	21	2,704,647	2,428,745	–	–
Current tax liabilities		49,556	2,045,836	38,889	63,064
Provision for warranties	24	2,881,837	2,074,624	–	–
		51,923,346	45,884,947	241,873	231,761
TOTAL LIABILITIES		77,656,863	60,988,456	241,873	231,761
TOTAL EQUITY AND LIABILITIES		244,231,821	191,370,946	139,016,153	112,869,135

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
REVENUE	25	152,597,116	155,663,852	15,097,598	3,996,423
OTHER INCOME		10,894,419	1,378,273	1,307,210	904,334
CHANGES IN INVENTORIES OF FINISHED GOODS		769,659	(2,647,055)	–	–
RAW MATERIAL AND CONSUMABLES USED		(78,403,823)	(83,177,135)	–	–
PURCHASE OF TRADING INVENTORIES		(806,616)	(773,168)	–	–
DEPRECIATION AND AMORTISATION		(4,488,109)	(4,720,934)	–	–
EMPLOYEE BENEFITS	26	(34,004,136)	(29,953,245)	(105,600)	(105,600)
OTHER OPERATING EXPENSES		(15,361,822)	(13,360,183)	(1,191,054)	(904,029)
FINANCE COSTS		(763,127)	(836,106)	–	–
SHARE OF LOSSES OF AN EQUITY ACCOUNTED ASSOCIATE		–	(9,709)	–	–
PROFIT BEFORE TAXATION	27	30,433,561	21,564,590	15,108,154	3,891,128
TAX EXPENSES	28	(6,718,203)	(5,667,547)	(198,358)	(192,903)
PROFIT AFTER TAXATION/ TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		23,715,358	15,897,043	14,909,796	3,698,225
PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		23,912,874	15,954,391	14,909,796	3,698,225
Non-controlling interests		(197,516)	(57,348)	–	–
		23,715,358	15,897,043	14,909,796	3,698,225
EARNINGS PER SHARE (SEN)					
Basic	29	17.96	12.91		
Diluted	29	14.77	11.29		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

	Note	Non-Distributable			Distributable		Attributable to Owners of the Company RM	Non-controlling Interest RM	Total Equity RM
		Share Capital RM	Capital Reserve RM	Retained Profits RM	Non-Distributable	Distributable			
The Group									
Balance as at 1.8.2023		64,088,565	1,006,456	52,689,381	117,784,402	–	–	117,784,402	
Acquisition of a subsidiary	30	–	–	–	–	7,767	–	7,767	
Dilution of interests in a subsidiary	5(e)	–	–	–	–	400,000	–	400,000	
Total changes in ownership interests in subsidiaries		–	–	–	–	407,767	–	407,767	
Profit after taxation/Total comprehensive income for the financial year		–	–	15,954,391	15,954,391	(57,348)	–	15,897,043	
Dividends	31	–	–	(3,706,722)	(3,706,722)	–	–	(3,706,722)	
Balance as at 31.7.2024		64,088,565	1,006,456	64,937,050	130,032,071	350,419	–	130,382,490	

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
 FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
 (CONT'D)

	Note	Non-Distributable			Distributable		Total Equity RM
		Share Capital RM	Capital Reserve RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-controlling Interest RM	
The Group							
Balance as at 1.8.2024		64,088,565	1,006,456	64,937,050	130,032,071	350,419	130,382,490
Issuance of shares	17	18,290,298	-	-	18,290,298	-	18,290,298
Exercise of warrants	17	3,175,360	-	-	3,175,360	-	3,175,360
Dividends	31	-	-	(10,238,548)	(10,238,548)	-	(10,238,548)
Total contributions by and distributions to owners		21,465,658	-	(10,238,548)	11,227,110	-	11,227,110
Acquisition of a subsidiary	5(b)	-	-	-	-	1,250,000	1,250,000
Profit after taxation/Total comprehensive income for the financial year		-	-	23,912,874	23,912,874	(197,516)	23,715,358
Balance as at 31.7.2025		85,554,223	1,006,456	78,611,376	165,172,055	1,402,903	166,574,958

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
(CONT'D)

	Note	Share Capital RM	Non- Distributable Capital Reserve RM	Distributable Retained Profits RM	Total Equity RM
The Company					
Balance as at 1.8.2023		64,088,565	46,506,155	2,051,151	112,645,871
Profit after taxation/Total comprehensive income for the financial year		–	–	3,698,225	3,698,225
Dividends	31	–	–	(3,706,722)	(3,706,722)
Balance as at 31.7.2024/1.8.2024		64,088,565	46,506,155	2,042,654	112,637,374
Issuance of shares	17	18,290,298	–	–	18,290,298
Exercise of warrants	17	3,175,360	–	–	3,175,360
Dividends	31	–	–	(10,238,548)	(10,238,548)
Total contributions by and distributions to owners		21,465,658	–	(10,238,548)	11,227,110
Profit after taxation/Total comprehensive income for the financial year		–	–	14,909,796	14,909,796
Balance as at 31.7.2025		85,554,223	46,506,155	6,713,902	138,774,280

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	30,433,561	21,564,590	15,108,154	3,891,128
Adjustments for:-				
Amortisation of golf club membership	1,941	1,941	-	-
Depreciation of property, plant and equipment	3,418,163	3,887,989	-	-
Depreciation of right-of-use assets	1,068,005	830,996	-	-
Interest expense on lease liabilities	130,994	76,444	-	-
Inventories written down	436,616	926,289	-	-
Inventories written off	6,833	358,314	-	-
Loss/(Gain) on disposal of property, plant and equipment	35,994	(204,124)	-	-
Loss/(Gain) on foreign exchange - unrealised	180,388	(73,660)	-	-
Fair value loss on remeasurement of existing interests in associate	-	230,666	-	-
Other interest expenses	632,133	759,662	-	-
Property, plant and equipment written off	36,614	5,440	-	-
Provision for warranties	3,684,816	2,846,567	-	-
Share of losses of an equity accounted associate	-	9,709	-	-
Short-term accumulated compensated absences	316,746	226,590	-	-
Bargain purchase gain	-	(11,131)	-	-
Gain on disposal of asset held for sales	(7,523,218)	-	-	-
Gain on lease modification	(27,430)	-	-	-
Interest income	(297,171)	(101,162)	(857,882)	(904,334)
Interest income received on short-term investments	(2,338,654)	(815,979)	(449,328)	-
Reversal of inventories previously written down	(89,203)	(66,232)	-	-
Reversal of provision for warranties	-	(21)	-	-
Operating profit before working capital changes/Balance carried forward	30,107,128	30,452,888	13,800,944	2,986,794

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
(CONT'D)

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)					
Balance brought forward		30,107,128	30,452,888	13,800,944	2,986,794
(Increase)/Decrease in inventories		(558,909)	5,261,140	–	–
(Increase)/Decrease in trade and other receivables		(2,726,229)	5,731,746	(25,857)	440,651
Increase in trade and other payables		6,547,446	9,504,743	34,287	44,388
Warranty paid		(2,877,603)	(1,625,500)	–	–
CASH FROM OPERATIONS		30,491,833	49,325,017	13,809,374	3,471,833
Interest paid	32(b)	(1,313,926)	(860,200)	–	–
Income tax paid		(7,302,051)	(6,807,888)	(222,533)	(254,601)
Real property gains tax paid		(1,397,311)	(32,578)	–	–
Capital gain tax paid		(8,000)	–	–	–
Real property gains tax refund		202,695	–	–	–
Income tax refunded		67,257	16,882	–	–
NET CASH FROM OPERATING ACTIVITIES		20,740,497	41,641,233	13,586,841	3,217,232
CASH FLOWS FOR INVESTING ACTIVITIES					
Acquisition of a subsidiary, net of cash and cash equivalents acquired	30	–	451,906	–	–
Addition investment in a subsidiary		–	–	(5,999,999)	–
Shares subscription in a subsidiary by non-controlling interest		1,250,000	–	–	–
Income received from short-term investment		2,338,654	815,979	449,328	–
Interest income received		297,171	101,162	857,882	31,320
Placement of short-term investment		(40,468,654)	(21,715,979)	(15,449,328)	–
Proceeds from disposal of property, plant and equipment		36,460	682,500	–	–
Proceeds from disposal of asset held for sale		43,686,345	–	–	–
Purchase of property, plant and equipment	32(a)	(39,551,933)	(11,438,698)	–	–
Advances to subsidiaries		–	–	(2,980,894)	(70,574)
NET CASH FOR INVESTING ACTIVITIES		(32,411,957)	(31,103,130)	(23,123,011)	(39,254)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Proceeds on disposal of a partial interest in a subsidiary that does not involve loss of control		–	400,000	–	–
Dividend paid	31	(10,238,548)	(3,706,722)	(10,238,548)	(3,706,722)
Drawdown of term loans	32(b)	16,950,814	2,845,594	–	–
Proceeds from issuance of ordinary shares	17	21,465,658	–	21,465,658	–
Repayment of hire purchase payables	32(b)	(1,012,545)	(1,017,545)	–	–
Repayment of lease liabilities	32(b)	(834,846)	(579,556)	–	–
Repayment of term loans	32(b)	(6,512,060)	(1,742,178)	–	–
NET CASH FROM/(FOR) FINANCING ACTIVITIES		19,818,473	(3,800,407)	11,227,110	(3,706,722)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		8,147,013	6,737,696	1,690,940	(528,744)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		15,831,138	9,093,442	2,263,847	2,792,591
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		23,978,151	15,831,138	3,954,787	2,263,847

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2025

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Suite 5.11 & 5.12 5 th Floor, Menara TJB No. 9, Jalan Syed Mohd. Mufti 80888 Ibrahim International Business District Johor
Principal place of business	:	No. 2 & 4, Jalan Waja 7 Kawasan Perindustrian Pandan 81100 Johor Bahru Johor

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as “the Group”.

The financial statements of the Company and of the Group are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 31 October 2025.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards (including the consequential amendments, if any):-

MFRSs (Including the Consequential Amendments)

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

The adoption of the above accounting standards (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group and the Company have not applied in advance the following accounting standards (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs (Including The Consequential Amendments)	Effective Date
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 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	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 accounting standards (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application except as follows:-

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment and Investment Property

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment and investment property are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment and investment property as at the reporting date is disclosed in Notes 7 and 8 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

(c) Impairment of Non-financial Assets

The Group determines whether an item of its property, plant and equipment, investment property and right-of-use assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property, plant and equipment, investment property and right-of-use assets as at the reporting date are disclosed in Notes 7, 8 and 9 to the financial statements respectively.

(d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 11 to the financial statements.

(e) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amounts of trade receivables as at the reporting date are disclosed in Note 12 to the financial statements.

(f) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made. The carrying amounts of current tax assets and liabilities of the Group as at the reporting date are RM1,066,767 and RM49,556 (2024: RM298,631 and RM2,045,836) respectively. The carrying amount of current tax liabilities of the Company as at the reporting date is RM38,889 (2024: RM63,064).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(g) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 10 to the financial statements.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment properties.

(b) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(c) Provision for Warranties

Judgement is involved in estimating the extent of the Group's liability on products under warranty. Factors considered include historical levels of warranty claims, stability of production process and product defect rate. The warranty provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Such adjustments will impact the profit or loss in the period in which the estimates are revised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

(d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

4.3 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

4.4 INVESTMENT IN AN ASSOCIATE

Investments in associates are accounted for using the equity method in the financial statements of the Group.

4.5 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.5 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Buildings	2%
Moulds, plant and machinery	6% - 20%
Motor vehicles	20%
Equipment, air-conditioner, signboard and furniture and fittings	2% - 20%
Renovation	2% - 10%
Electrical installation	2% - 10%
Computer and loose tools	5% - 20%

Capital work-in-progress represent factory building under construction, mould and production machinery under installation. They are not depreciated until such time when the asset is available for use.

4.6 INVESTMENT PROPERTIES

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation rate for building is 2%.

4.7 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.8 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

4.9 REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Revenue from Contracts with Customers

Sale of Goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

The Group's obligation to repair or replace faulty products under the standard terms is recognised as a provision.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Revenue from Other Sources

Dividend Income

Dividend income is recognised when the right to receive dividend payment is established.

4.10 OTHER OPERATING INCOME

(a) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(b) Rental Income

Rental income is recognised on a straight-line basis over the lease term.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2025 RM	2024 RM
Unquoted shares, at cost	96,910,855	90,910,856

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025 %	2024 %	
<i>Subsidiaries of the Company</i>				
Multi-Code Electronics Industries (M) Berhad ("MCEI")	Malaysia	100	100	Investment holding, manufacture and supply of automotive parts
MCE Ventures Sdn. Bhd. ("MVSB")	Malaysia	100	100	Investment holding
<i>Subsidiaries of MCEI</i>				
Beucar Accessories (M) Sdn. Bhd.	Malaysia	100	100	Dormant
Multi-Code Technologies (M) Sdn. Bhd.	Malaysia	100	100	Manufacture and assembly of automotive lightings and plastic products
Vantage Realm Sdn. Bhd. ("VRSB")	Malaysia	100	100	Investment holding and provision of healthcare services
MCE EV Solutions Sdn. Bhd. ("MESSB")	Malaysia	100	100	Dormant
<i>Subsidiary of VRSB</i>				
Vantage Medical Centre Sdn. Bhd.#	Malaysia	100	100	Dormant
<i>Subsidiaries of MVSB</i>				
MCE Hengtuo Sdn. Bhd. ("Hengtuo")	Malaysia	60	60	Manufacture, assembly and supply of washer system and its related plastic components
GEM Technologies Sdn. Bhd. ("GTSB")	Malaysia	100	100	Dormant
MCE Smart EV Sdn. Bhd. ("MCE Smart EV") (Formerly known as Fortech Technologies (Malaysia) Sdn. Bhd. ("Fortech"))	Malaysia	80	80	Develop, manufacture and supply of camera and audio visual related products for motor vehicles
Eagle MCE Technologies (Malaysia) Sdn. Bhd. ("Eagle MCE")	Malaysia	50	–	Dormant
Multi-Code Abhishek K Auto Components Private Limited ("MCA")	India	55	–	Dormant

The subsidiary is under striking off process during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) During the financial year, the Company has subscribed an additional of 5,999,999 new ordinary shares in MVSB for a cash consideration of RM5,999,999.
- (b) During the financial year, the Group entered into a Shareholders Agreement (“SA”) with Sounding Industries Ltd (“SIL”), a company incorporate in Hong Kong to incorporate a company, Eagle MCE with an issued and paid-up capital of RM2,500,000 comprising 2,500,000 ordinary shares at RM1.00 each.

Despite the equal shareholding, the Group has control over the operations of Eagle MCE as provided under the SA. Accordingly, Eagle MCE is treated as a subsidiary of the Group and has been consolidated in the Group’s financial statements.

- (c) During the financial year, the Company entered into a Shareholders Agreement with Abhishek Electronics Manufacturing Private Limited (“AEMPL”) to incorporate a company, Multi-Code Abhishek K Auto Components Private Limited (“MCA”) with an issued share capital of INR1,000,000 comprising 100,000 equity shares of INR10 each.
- (d) In the previous financial year, the Group has acquired an additional 51% equity interest in MCE Smart EV (formally known as Fortech) for a cash consideration of RM979,200. Following the completion of the acquisition, MCE Smart EV becomes a 80% owned subsidiary of the Group. The details of the acquisition are disclosed in Note 30 to the financial statements.
- (e) In the previous financial year, the Group has subscribed an additional of 999,999 new ordinary shares in Hengtuo for a cash consideration of RM999,999. Subsequently, the Group disposed 40% of its equity interest for a cash consideration of RM400,000. Following the dilution of ownership, Hengtuo becomes a 60% owned subsidiary of the Group.
- (f) The non-controlling interests at the end of the reporting period comprise the following:

	Effective Equity Interest		The Group	
	2025 %	2024 %	2025 RM	2024 RM
MCE Smart EV	20	20	(29,426)	(3,351)
Hengtuo	40	40	189,709	353,770
Eagle MCE	50	–	1,242,620	–
			1,402,903	350,419

- (g) Summarised financial information of non-controlling interests has not been presented as the non-controlling interests of the subsidiary are not individually material to the Group.

6. INVESTMENT IN AN ASSOCIATE

In the previous financial year, the Group acquired the remaining equity interest in the associate resulting the associate becomes a 80% owned subsidiary of the Group. The details of the acquisition are disclosed in Note 30 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
(CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT

The Group	At	At	At	At	At	At	At	At	At	At
	1.8.2024	1.8.2024	1.8.2024	1.8.2024	1.8.2024	1.8.2024	1.8.2024	1.8.2024	1.8.2024	31.7.2025
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<i>Carrying Amount</i>										
Freehold land	6,630,000	-	-	-	-	-	-	-	-	6,630,000
Buildings	9,677,228	-	-	-	-	-	-	-	(351,155)	9,326,073
Moulds, plant and machinery	8,349,232	1,670,137	-	1,083,775	-	-	(35,699)	-	(1,751,163)	9,316,288
Motor vehicles	1,735,576	1,033,939	-	-	-	-	-	(72,454)	(353,634)	2,343,427
Other assets*	3,876,126	1,282,207	-	24,404	-	-	(921)	-	(962,211)	4,219,605
Capital work-in-progress	16,474,672	37,842,328	(616,312)	(1,108,179)	-	-	-	-	-	52,592,509
	46,742,834	41,828,611	(616,312)	-	(72,454)	(36,614)	(3,418,163)			84,427,902
The Group	At	At	At	At	At	At	At	At	At	At
	1.8.2023	1.8.2023	1.8.2023	1.8.2023	1.8.2023	1.8.2023	1.8.2023	1.8.2023	1.8.2023	31.7.2024
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<i>Carrying Amount</i>										
Freehold land	35,355,435	-	-	(5,300)	842,850	(29,462,985)	(100,000)	-	-	6,630,000
Buildings	9,635,330	-	-	-	410,799	-	(15,127)	-	(353,774)	9,677,228
Moulds, plant and machinery	9,556,012	456,131	-	566,143	-	-	-	-	(2,229,054)	8,349,232
Motor vehicles	1,302,901	980,994	-	1,748	-	-	(356,726)	-	(193,341)	1,735,576
Other assets*	4,250,392	699,850	-	43,144	-	-	-	(5,440)	(1,111,820)	3,876,126
Capital work-in-progress	7,749,724	13,962,264	(425,878)	(611,035)	-	(4,193,880)	(6,523)	-	-	16,474,672
	67,849,794	16,099,239	(425,878)	(5,300)	1,253,649	(33,656,865)	(478,376)	(5,440)	(3,887,989)	46,742,834

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
(CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At Cost RM	Accumulated Depreciation and Impairment Losses RM	Carrying Amount RM
The Group			
2025			
Freehold land	7,050,000	(420,000)	6,630,000
Buildings	14,039,572	(4,713,499)	9,326,073
Moulds, plant and machinery	47,156,019	(37,839,731)	9,316,288
Motor vehicles	3,357,424	(1,013,997)	2,343,427
Other assets*	23,608,043	(19,388,438)	4,219,605
Capital work-in-progress	52,592,509	-	52,592,509
	147,803,567	(63,375,665)	84,427,902
2024			
Freehold land	7,050,000	(420,000)	6,630,000
Buildings	14,039,572	(4,362,344)	9,677,228
Moulds, plant and machinery	44,459,614	(36,110,382)	8,349,232
Motor vehicles	2,487,222	(751,646)	1,735,576
Other assets*	22,566,891	(18,690,765)	3,876,126
Capital work-in-progress	16,474,672	-	16,474,672
	107,077,971	(60,335,137)	46,742,834

* Other assets comprise equipment, air-conditioner, furniture and fittings, renovation, electrical installation, signboard, computers and loose tools.

(a) The following freehold land and buildings of the Group have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 21 to the financial statements:-

	The Group	
	2025 RM	2024 RM
Freehold land	4,950,000	4,950,000
Buildings	8,792,756	9,122,726
Capital work-in-progress	33,192,812	8,105,879
	46,935,568	22,178,605

(b) Included in the property, plant and equipment of the Group were motor vehicles, plant and machinery and testing equipment held under hire purchase arrangements with a total carrying amount of RM2,988,576 (2024: RM1,820,454). These assets have had been pledged as security for the hire purchase payables of the Group as disclosed in Note 20 to the financial statements.

(c) The Group has sold tooling and moulds to a customer and the cost of tooling and moulds have been adjusted to "Purchase of Trading Inventories" line item of the statements of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
(CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (d) Included in capital work-in-progress are the interest on borrowing capitalised during the financial year amounting to RM550,799 (2024 – RM24,094).

8. INVESTMENT PROPERTY

	The Group 2024 RM
Cost:-	
At 1 August 2023	1,398,274
Transfer to property, plant and equipment (Note 7)	(1,398,274)
At 31 July 2024	–
Accumulated depreciation and impairment losses:-	
At 1 August 2023	(144,625)
Transfer to property, plant and equipment (Note 7)	144,625
At 31 July 2024	–
	–

9. RIGHT-OF-USE ASSETS

	At 1.8.2024 RM	Additions (Note 32(a)) RM	Derecognition of Lease Liabilities RM	Depreciation Charges (Note 27) RM	At 31.7.2025 RM
The Group					
2025					
<i>Carrying Amount</i>					
Leasehold land	16,419,576	–	–	(196,219)	16,223,357
Hostels	1,085,329	1,614,935	(702,655)	(492,274)	1,505,335
Warehouse	1,359,906	–	–	(379,512)	980,394
	18,864,811	1,614,935	(702,655)	(1,068,005)	18,709,086

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

9. RIGHT-OF-USE ASSETS (CONT'D)

	At 1.8.2023 RM	Additions (Note 32(a)) RM	Modification of Lease Liabilities RM	Depreciation Charges (Note 27) RM	At 31.7.2024 RM
The Group					
2024					
<i>Carrying Amount</i>					
Leasehold land	16,615,770	–	–	(196,194)	16,419,576
Hostels	1,291,358	161,193	109,450	(476,672)	1,085,329
Warehouse	–	1,518,036	–	(158,130)	1,359,906
	17,907,128	1,679,229	109,450	(830,996)	18,864,811

(a) The leasehold land has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 21 to the financial statements.

(b) The Group leases certain piece of leasehold land, hostels and warehouse of which the leasing activities are summarised below:-

- | | |
|--------------------|--|
| (i) Leasehold land | The Group has entered into 2 (2024: 2) non-cancellable operating lease agreements for the use of land. The leases are for a period of 89 to 95 (2024: 89 to 95) years. |
| (ii) Hostels | The Group has leased certain hostels that run between 2 to 4 (2024: 2 to 4) years, with an option to renew the lease after that date. |
| (iii) Warehouse | The Group has leased a warehouse that run 2 (2024: 2) years, with an option to renew the lease after that date. |

10. DEFERRED TAX ASSETS/(LIABILITIES)

	At 1.8.2024 RM	Recognised in Profit or Loss (Note 28) RM	At 31.7.2025 RM
The Group			
2025			
<i>Deferred Tax Assets</i>			
Deferred income	2,594,393	(1,093,123)	1,501,270
Provisions	1,585,518	41,255	1,626,773
Right-of-use assets	7,238	(1,092)	6,146
Unrealised foreign exchange	–	47,252	47,252
	4,187,149	(1,005,708)	3,181,441
<i>Deferred Tax Liabilities</i>			
Investment property	(94,257)	4,334	(89,923)
Property, plant and equipment	(2,116,723)	(67,266)	(2,183,989)
Unrealised foreign exchange	(23,431)	23,431	–
	(2,234,411)	(39,501)	(2,273,912)
	1,952,738	(1,045,209)	907,529

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
(CONT'D)

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

	Recognised in		At 31.7.2024 RM
	At 1.8.2023 RM	Profit or Loss (Note 28) RM	
The Group			
2024			
<i>Deferred Tax Assets</i>			
Deferred income	602,396	1,991,997	2,594,393
Provisions	1,771,155	(185,637)	1,585,518
Right-of-use assets	3,673	3,565	7,238
	2,377,224	1,809,925	4,187,149
<i>Deferred Tax Liabilities</i>			
Investment property	(225,533)	131,276	(94,257)
Property, plant and equipment	(2,296,737)	180,014	(2,116,723)
Unrealised foreign exchange	(25,420)	1,989	(23,431)
	(2,547,690)	313,279	(2,234,411)
	(170,466)	2,123,204	1,952,738

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group	
	2025 RM	2024 RM
Unused tax losses		
- expires year of assessment 2030	1,900	1,900
- expires year of assessment 2031	89,000	89,000
- expires year of assessment 2032	93,433	93,433
- expires year of assessment 2033	79,652	71,372
- expires year of assessment 2034	223,735	223,735
- expires year of assessment 2035	453,115	-
Unabsorbed capital allowances	1,709,938	1,606,810
Other deductible temporary differences	38,468	64,346
	2,689,241	2,150,596

Certain comparative figures have been restated to reflect the revised tax losses carry-forward and other temporary differences available to the Group.

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
(CONT'D)

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Certain deferred tax assets and deferred tax liabilities have been offset in accordance with the Group's accounting policy. The following is an analysis of the deferred tax balances for statements of financial position purposes:-

	The Group	
	2025 RM	2024 RM
Deferred tax assets	1,911,636	2,729,731
Deferred tax liabilities	(1,004,107)	(776,993)
	907,529	1,952,738

11. INVENTORIES

	The Group	
	2025 RM	2024 RM
Raw materials	10,339,501	11,895,781
Work-in-progress	1,896,649	1,860,820
Finished goods	3,920,790	3,186,960
Goods-in-transit	1,794,051	802,767
	17,950,991	17,746,328
Recognised in profit or loss:-		
Inventories recognised as cost of sales	118,256,670	121,157,179
Inventories written off (Note 27)	6,833	358,314
Inventories written down (Note 27)	436,616	926,289
Reversal of inventories previously written down (Note 27)	(89,203)	(66,232)

12. TRADE RECEIVABLES

The Group's normal trade credit terms range from 30 to 90 (2024: 30 to 90) days.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other receivables:-				
Third parties	103,436	7,363	-	-
Advance payments to suppliers	598,748	475,711	-	-
Advance to staff	634	-	-	-
	702,818	483,074	-	-
Deposits	884,823	595,327	-	-
Prepayments	567,976	1,458,305	62,464	36,607
	2,155,617	2,536,706	62,464	36,607

- (a) The advance payments to suppliers will be offset against future purchases from the suppliers.
- (b) Included in prepayments is an amount of RM8,250 (2024: RM326,015) which represents downpayment paid for property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
(CONT'D)

14. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2025 RM	2024 RM
Amount Owing by Subsidiaries		
<u>Current</u>		
Non-trade balance	16,422,061	17,881,637
Dividend receivable	6,216,658	1,776,188
	22,638,719	19,657,825

The amount owing by subsidiaries (non-trade) represents advances and payments made on behalf. The amounts owing are unsecured and repayable on demand. Interest is charged at 5.06% (2024: 5.11%) per annum on the outstanding balance.

15. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Money market funds, at fair value	74,125,096	33,656,442	15,449,328	-

- (a) The funds invest mainly into money market deposits and thus have minimum exposure to changes in market value.
- (b) The weighted average effective interest rate at the end of the reporting period is 3.56% (2024: 3.52%) per annum. There is no maturity period for the short-term investments as these monies are callable on demand.

16. ASSET CLASSIFIED AS HELD FOR SALE

In the previous financial year, the Group passed a resolution to dispose a property to a third party and the property has been classified as asset held for sale. The disposal has been completed on 15 November 2024.

The asset held for sale is as follows:-

	The Group 2024 RM
Asset	
Freehold land and building in progress (Note 7)	33,656,865

The gain on disposal of asset held for sale has been net with the incidental cost which amounting to RM2,506,262.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

17. SHARE CAPITAL

	The Group/The Company			
	2025 Number of Shares	2024	2025 RM	2024 RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 August 2024/2023	123,557,404	61,778,702	64,088,565	64,088,565
Exercise of warrants	3,969,200	–	3,175,360	–
Issuance of new shares for cash	12,358,310	–	18,290,298	–
Bonus issue of shares	–	61,778,702	–	–
At 31 July 2025/2024	139,884,914	123,557,404	85,554,223	64,088,565

- (a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (b) During the financial year, the Company increased its issued and paid-up capital from RM64,088,565 to RM85,554,223 by way of:-
- (i) issuance of 3,969,200 new ordinary shares from the exercise of warrants 2024/2029 at the exercise price of RM0.80 per warrant.
 - (ii) issuance of 12,358,310 new ordinary shares for a cash consideration of RM1.48 each for working capital purpose via private placement.
- (c) In the previous year, the Company issued 61,778,702 new ordinary shares pursuant to the bonus issue exercise undertaken by the Company on the basis of one bonus shares for every one existing ordinary shares held by the shareholders of the Company.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

18. RESERVES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-distributable reserve				
- Capital reserve	1,006,456	1,006,456	46,506,155	46,506,155
Distributable reserve				
- Retained profits	78,611,376	64,937,050	6,713,902	2,042,654
	79,617,832	65,943,506	53,220,057	48,548,809

The capital reserve arose from the internal reorganisation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
(CONT'D)

19. LEASE LIABILITIES

	The Group	
	2025 RM	2024 RM
At 1 August 2024/2023	2,515,779	1,306,656
Additions (Note 32(b))	1,614,935	1,679,229
Interest expense recognised in profit or loss (Note 27)	130,994	76,444
Derecognition of lease liabilities (Note 32(b))	(730,085)	–
Changes due to lease modification (Note 32(b))	–	109,450
Repayment of principal (Note 32(b)&(c))	(834,846)	(579,556)
Repayment of interest expense (Note 32(b)&(c))	(130,994)	(76,444)
At 31 July 2025/2024	2,565,783	2,515,779
Analysed by:-		
Current liabilities	869,408	845,122
Non-current liabilities	1,696,375	1,670,657
	2,565,783	2,515,779

20. HIRE PURCHASE PAYABLES (SECURED)

	The Group	
	2025 RM	2024 RM
Minimum hire purchase payments:		
- not later than 1 year	1,207,161	522,520
- later than 1 year and not later than 5 years	885,087	712,624
	2,092,248	1,235,144
Less: Future finance charges	(111,178)	(73,343)
Present value of hire purchase payables	1,981,070	1,161,801
Analysed by:-		
Current liabilities	1,082,409	477,464
Non-current liabilities	898,661	684,337
	1,981,070	1,161,801

- (a) The hire purchase payables are secured by the Group's property, plant and equipment as disclosed in Note 7(b) to the financial statements.
- (b) The hire purchase payables of the Group at the end of the reporting period bore effective interest rates ranging from 4.16% to 6.33% (2024: 4.24% to 5.95%).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

21. TERM LOANS (SECURED)

	The Group	
	2025 RM	2024 RM
Current liabilities	2,704,647	2,428,745
Non-current liabilities	22,134,374	11,971,522
	24,839,021	14,400,267

- (a) The term loans at the end of the reporting period are secured by:-
- (i) legal charge over the land and buildings of the Group as disclosed in Notes 7(a) and 9(a) to the financial statements; and
 - (ii) corporate guarantee provided by the Company.

- (b) The interest rate profile of the term loans is summarised below:-

	Effective Interest Rate %	The Group	
		2025 RM	2024 RM
Floating rate term loans	5.01 - 5.03	24,839,021	14,400,267

- (c) Term loans totalling RM24,839,021 (2024: RM14,400,267) are secured by a negative pledge that imposes certain covenants on the subsidiaries that have received those loans. The major covenants of the term loans are as follows:-
- (i) The Group's gearing ratio shall not exceed 1.5 times;
 - (ii) Dividend payment made by a subsidiary and the Group shall not exceed 50% of its immediate preceding/ respective year's profit after taxation respectively.

The Group has complied with the loan covenants.

There are no indicators that the Group would have difficulties complying with the upcoming covenant assessments.

22. TRADE PAYABLES

The normal trade credit term granted to the Group ranging from 30 to 90 (2024: 30 to 90) days.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

23. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other payables:-				
Third parties	2,938,444	1,131,667	21,343	-
Sales tax payable	117,615	109,562	-	-
Unpaid balance for acquisition of property, plant and equipment (Note 32(a))	2,974,557	3,696,804	-	-
	6,030,616	4,938,033	21,343	-
Deposits received	12,673,666	10,877,956	-	-
Accruals	7,508,361	5,089,777	181,641	168,697
	26,212,643	20,905,766	202,984	168,697

24. PROVISION FOR WARRANTIES

	The Group	
	2025 RM	2024 RM
At 1 August 2024/2023	2,074,624	853,578
Provision made during the financial year (Note 27)	3,684,816	2,846,567
Warranties claimed during the financial year	(2,877,603)	(1,625,500)
Provision reversed during the financial year (Note 27)	-	(21)
At 31 July 2025/2024	2,881,837	2,074,624

The provision for warranties relates to automotive parts sold. The provision is based on estimates made from historical warranty data of the automotive parts sold.

25. REVENUE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from Contracts with Customers				
<u>Recognised at a point in time</u>				
Sales of goods	152,597,116	155,663,852	-	-
Revenue from Other Sources				
<u>Recognised at a point in time</u>				
Dividend income from subsidiaries	-	-	15,097,598	3,996,423
	152,597,116	155,663,852	15,097,598	3,996,423

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

26. EMPLOYEE BENEFITS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, bonuses and allowances	27,008,202	23,761,753	-	-
Contribution to a defined contribution plan	2,117,104	1,614,928	-	-
Social security contributions	371,717	303,329	-	-
EIS contributions	27,237	23,527	-	-
Short-term compensated absences	327,385	209,359	-	-
Directors' fee - executive directors	105,600	105,600	105,600	105,600
Directors' non-fee emoluments:				
- salaries, bonuses and allowances	2,793,991	2,494,241	-	-
- short-term compensated absences	(10,639)	17,231	-	-
- defined contribution benefits	497,614	441,732	-	-
Others	765,925	981,545	-	-
	34,004,136	29,953,245	105,600	105,600

Included in employee benefits is key management personnel compensation as disclosed in Note 33(b) to the financial statements.

27. PROFIT BEFORE TAXATION

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before taxation for the financial year is arrived at after charging:-				
Amortisation of golf club membership	1,941	1,941	-	-
Auditors' remuneration:				
- audit fees	160,000	144,145	32,000	30,000
- non-audit fees	5,000	5,000	5,000	5,000
Depreciation of property, plant and equipment (Note 7)	3,418,163	3,887,989	-	-
Depreciation of right-of-use assets (Note 9)	1,068,005	830,996	-	-
Interest expenses on financial liabilities measured at amortised cost:				
- bank overdraft	1,754	1,382	-	-
- hire purchases	93,414	67,397	-	-
- term loans	536,965	690,883	-	-
Interest expense on lease liabilities (Note 19)	130,994	76,444	-	-
Inventories written down (Note 11)	436,616	926,289	-	-
Inventories written off (Note 11)	6,833	358,314	-	-
Lease expenses	19,200	26,100	-	-
Loss on disposal of property, plant and equipment	35,994	-	-	-
Loss on foreign exchange:				
- realised	-	261,476	-	-
- unrealised	180,388	-	-	-
Fair value loss on remeasurement of existing interests in associate (Note 30)	-	230,666	-	-
Property, plant and equipment written off (Note 7)	36,614	5,440	-	-
Provision for warranties (Note 24)	3,684,816	2,846,567	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

27. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before taxation for the financial year is arrived at after crediting:-				
Bargain purchase gain	-	(11,131)	-	-
Gain on disposal of asset held for sale	(7,523,218)	-	-	-
Gain on disposal of property, plant and equipment	-	(204,124)	-	-
Gain on foreign exchange:				
- realised	(493,414)	-	-	-
- unrealised	-	(73,660)	-	-
Gain on lease modification	(27,430)	-	-	-
Interest income received on short-term investment	(2,338,654)	(815,979)	(449,328)	-
Interest income on financial assets measured at amortised cost and not impaired	(297,171)	(101,162)	(857,882)	(904,334)
Reversal of inventories previously written down (Note 11)	(89,203)	(66,232)	-	-
Rental income from property, plant and equipment	(81,600)	(34,600)	-	-
Reversal of provision for warranties (Note 24)	-	(21)	-	-

28. TAX EXPENSES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Income tax:				
- current financial year	5,521,646	7,812,673	198,294	194,164
- (over)/underprovision in the previous financial year	(1,051,268)	(54,500)	64	(1,261)
	4,470,378	7,758,173	198,358	192,903
Real property gains tax	1,194,616	32,578	-	-
Capital gain tax	8,000	-	-	-
	5,672,994	7,790,751	198,358	192,903
Deferred tax (Note 10):				
- origination and reversal of temporary differences	405,747	(2,073,740)	-	-
- under/(over) provision in the previous financial year	639,462	(49,464)	-	-
	1,045,209	(2,123,204)	-	-
	6,718,203	5,667,547	198,358	192,903

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

28. TAX EXPENSES (CONT'D)

A reconciliation of tax expenses applicable to the profit before taxation at the statutory tax rate to income tax expenses at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before taxation	30,433,561	21,564,590	15,108,154	3,891,128
Tax at the statutory tax rate of 24% (2024: 24%)	7,304,055	5,175,502	3,625,957	933,871
Tax effects of:-				
Non-deductible expenses	863,675	816,943	303,599	219,435
Non-taxable income	(2,367,637)	(238,314)	(3,731,262)	(959,142)
Utilisation of tax incentives	-	(87,798)	-	-
Deferred tax assets not recognised during the financial year	127,300	72,600	-	-
(Over)/Underprovision of income tax in the previous financial year	(1,051,268)	(54,500)	64	(1,261)
Under/(Over)provision of deferred tax in the previous financial year	639,462	(49,464)	-	-
Real property gains tax arising from disposal of property	1,194,616	32,578	-	-
Capital gain tax	8,000	-	-	-
	6,718,203	5,667,547	198,358	192,903

Income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the financial year.

29. EARNINGS PER SHARE

(a) Basic Earnings Per Share

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year:

	The Group	
	2025	2024
Profit after taxation attributable to owners of the Company (RM)	23,912,874	15,954,391
Weighted average number of ordinary shares in issue	133,129,708	123,557,404
Basic earnings per share (sen)	17.96	12.91

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

29. EARNINGS PER SHARE (CONT'D)

(b) Diluted Earnings Per Share

The diluted earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year and adjusted for the effects of dilutive potential ordinary shares.

	The Group	
	2025	2024
Profit after taxation attributable to owners of the Company (RM)	23,912,874	15,954,391
Weighted average number of ordinary shares in issue (Basic)	133,129,708	123,557,404
Effect of dilution due to conversion of warrants	28,803,672	17,738,129
Weighted average number of ordinary shares in issue (Diluted)	161,933,380	141,295,533
Diluted earnings per share (sen)	14.77	11.29

30. ACQUISITION OF A SUBSIDIARY

On 14 November 2023, a wholly-owned subsidiary of the Company, MCE Venture Sdn. Bhd. acquired an additional 51% equity interest in MCE Smart EV (formally known as Fortech Technologies (Malaysia) Sdn. Bhd.) resulting MCE Smart EV becomes a 80% owned subsidiary of the Group. The acquisition of this subsidiary is to pursue opportunities in the business of manufacturing and supply of automotive camera and audio-visual related products.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	The Group 2024 RM
Inventories	61,234
Trade and other receivables	87,029
Cash and bank balances	1,431,106
Trade and other payables	(18,141)
Net identifiable assets acquired	1,561,228
Less: Non-controlling interests, measured at the proportionate share of the fair value of the net identifiable assets	(7,767)
Fair value of existing equity interests in the former associate (item (a) below)	(563,130)
Bargain purchase gain	(11,131)
Total purchase consideration, to be settled by cash	979,200
Less: Cash and bank balances of subsidiary acquired	(1,431,106)
Net cash inflow from the acquisition of a subsidiary	451,906

- (a) The remeasurement of fair value of the Group's existing 29% interests in MCE Smart EV resulted in loss of RM230,666 was recognised in profit or loss under the "Other Operating Expenses" line item as disclosed in Note 27 to the financial statements.
- (b) The subsidiary has contributed revenue of RM30,526 and loss after taxation of RM55,592 to the Group since the date of acquisition.

If the acquisition was effective at the beginning of the previous financial year, the Group's revenue and profit after taxation for the previous financial year would have been RM155,685,031 and RM15,863,564 respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
(CONT'D)

31. DIVIDENDS

	The Group/The Company	
	2025	2024
	RM	RM
First Interim dividend of 6 sen (2024 - 1.5 sen) per ordinary share in respect of the current financial year	8,384,802	1,853,361
Second interim dividend of 1.5 sen (2024 - 3 sen) per ordinary share in respect of the previous financial year	1,853,746	1,853,361
	10,238,548	3,706,722

Subsequent to the end of the financial year, the Company has declared a second interim dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 July 2025 to be paid on 14 November 2025.

32. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	The Group	
	2025	2024
	RM	RM
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 7)	41,828,611	16,099,239
Less: Adjustment (Note 7(c))	(616,312)	(425,878)
Less: Other payables - balances remained unpaid at financial year end (Note 23)	(2,974,557)	(3,696,804)
Less: Acquired through hire purchase arrangements (Note 32(b))	(1,831,814)	(883,000)
Less: Interest expense capitalised (Note 32(b))	(550,799)	(24,094)
Add: Payment in respect of previous financial year's purchase	3,696,804	369,235
	39,551,933	11,438,698
Right-of-use assets		
Cost of right-of-use assets acquired (Note 9)	1,614,935	1,679,229
Less: Additions of new lease liabilities (Note 32(b))	(1,614,935)	(1,679,229)
	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

32. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Hire Purchase Payables RM	Lease Liabilities RM	Term Loans RM	Others # RM	Total RM
The Group					
2025					
At 1 August 2024	1,161,801	2,515,779	14,400,267	–	18,077,847
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	–	–	16,950,814	–	16,950,814
Repayment of principal	(1,012,545)	(834,846)	(6,512,060)	–	(8,359,451)
Repayment of interests	(93,414)	(130,994)	(1,087,764)	(1,754)	(1,313,926)
	(1,105,959)	(965,840)	9,350,990	(1,754)	7,277,437
<u>Other Changes</u>					
Acquisition of new leases (Notes 19 & 32(a))	–	1,614,935	–	–	1,614,935
New hire purchase (Note 32(a))	1,831,814	–	–	–	1,831,814
Derecognition of leases (Note 19)	–	(730,085)	–	–	(730,085)
Interest expense capitalised under capital work-in- progress (Note 32(a))	–	–	550,799	–	550,799
Interest expenses recognised in profit or loss (Note 27)	93,414	130,994	536,965	1,754	763,127
	1,925,228	1,015,844	1,087,764	1,754	4,030,590
At 31 July 2025	1,981,070	2,565,783	24,839,021	–	29,385,874

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
(CONT'D)**

32. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Hire Purchase Payables RM	Lease Liabilities RM	Term Loans RM	Others # RM	Total RM
The Group					
2024					
At 1 August 2023	1,296,346	1,306,656	13,296,851	-	15,899,853
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	-	-	2,845,594	-	2,845,594
Repayment of principal	(1,017,545)	(579,556)	(1,742,178)	-	(3,339,279)
Repayment of interests	(67,397)	(76,444)	(714,977)	(1,382)	(860,200)
	(1,084,942)	(656,000)	388,439	(1,382)	(1,353,885)
<u>Other Changes</u>					
Acquisition of new leases (Notes 19 & 32(a))	-	1,679,229	-	-	1,679,229
New hire purchase (Note 32(a))	883,000	-	-	-	883,000
Modification of leases (Note 19)	-	109,450	-	-	109,450
Interest expense capitalised under capital work-in-progress (Note 32(a))	-	-	24,094	-	24,094
Interest expenses recognised in profit or loss (Note 27)	67,397	76,444	690,883	1,382	836,106
	950,397	1,865,123	714,977	1,382	3,531,879
At 31 July 2024	1,161,801	2,515,779	14,400,267	-	18,077,847

Others comprises trade financing interests and bank overdraft interests.

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2025 RM	2024 RM
Payment of short-term leases	19,200	26,100
Interest paid on lease liabilities (Note 19)	130,994	76,444
Payment of lease liabilities (Note 19)	834,846	579,556
	985,040	682,100

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

33. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(a) Directors				
<u>Directors of the Company</u>				
<i>Executive Directors</i>				
Short-term employee benefits:				
- fees	105,600	105,600	105,600	105,600
- salaries, bonuses and other benefits	2,375,338	2,060,001	-	-
	2,480,938	2,165,601	105,600	105,600
Defined contribution benefits	448,813	387,688	-	-
	2,929,751	2,553,289	105,600	105,600
<i>Non-executive Directors</i>				
- fees	377,904	317,148	377,904	317,148
- other benefits	26,500	27,000	26,500	27,000
	404,404	344,148	404,404	344,148
	3,334,155	2,897,437	510,004	449,748
<u>Directors of the Subsidiaries</u>				
<i>Executive Directors</i>				
Short-term employee benefits	408,014	451,471	-	-
Defined contribution benefits	48,801	54,044	-	-
	456,815	505,515	-	-
Total directors' remuneration	3,790,970	3,402,952	510,004	449,748

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company was RM63,703 (2024: RM48,311).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

33. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows (Cont'd):-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(b) Other Key Management Personnel				
Short-term employee benefits	401,253	402,580	-	-
Defined contribution benefits	47,987	48,172	-	-
Total compensation for other key management personnel	449,240	450,752	-	-

34. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries are disclosed in Note 5 to the financial statements.

(b) Significant Related Party Transactions and Balances

In addition to the related party transactions information disclosed in the statements of cash flows and Note 27 to the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Subsidiaries				
Payment on behalf of	-	-	-	(194,114)
Payment on behalf by	-	-	131,418	123,539
Dividend received/receivable	-	-	(15,097,598)	(3,996,423)
Interest income	-	-	(846,949)	(873,014)
Company in which a director of the Company has a substantial financial interest				
Legal fee paid	6,376	259,418	-	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
(CONT'D)

35. OPERATING SEGMENTS (CONT'D)

35.1 BUSINESS SEGMENTS (CONT'D)

	Automotive Parts RM	Healthcare Services RM	The Group RM
2025			
Segment profit before interest and taxation includes the followings:-			
Gain on disposal of asset held for sale	–	7,523,218	7,523,218
Gain on foreign exchange - realised	493,414	–	493,414
Gain on lease modification	27,430	–	27,430
Interest income on financial assets measured at amortised cost and not impaired	297,171	–	297,171
Interest income received on short-term investment	2,338,654	–	2,338,654
Reversal of inventories previously written down	89,203	–	89,203
Amortisation of golf club membership	(1,941)	–	(1,941)
Depreciation of property, plant and equipment	(3,418,163)	–	(3,418,163)
Depreciation of right-of-use assets	(1,068,005)	–	(1,068,005)
Interest expense on lease liabilities	(130,994)	–	(130,994)
Inventories written down	(436,616)	–	(436,616)
Inventories written off	(6,833)	–	(6,833)
Lease expenses on short-term leases	(19,200)	–	(19,200)
Loss on disposal of property, plant and equipment	(35,994)	–	(35,994)
Loss on foreign exchange - unrealised	(180,388)	–	(180,388)
Other interest expenses	(632,133)	–	(632,133)
Property, plant and equipment written off	(36,614)	–	(36,614)
Provision for warranties	(3,684,816)	–	(3,684,816)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
 (CONT'D)

35. OPERATING SEGMENTS (CONT'D)

35.1 BUSINESS SEGMENTS (CONT'D)

	Automotive Parts RM	Healthcare Services RM	The Group RM
2025			
Assets			
Segment assets	221,339,445	30,848,706	252,188,151
Unallocated assets:			
- assets for head office/investment purposes			44,682,390
Consolidation adjustments			(52,638,720)
Consolidated total assets			244,231,821
Additions to non-current assets other than financial instruments are:-			
Property, plant and equipment	41,828,611	-	41,828,611
Right-of-use assets	1,614,935	-	1,614,935
Liabilities			
Segment liabilities	100,030,514	16,781	100,047,295
Unallocated liabilities:			
- liabilities for head office/investment purposes			265,622
Consolidation adjustments			(22,656,054)
Consolidated total liabilities			77,656,863

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
(CONT'D)

35. OPERATING SEGMENTS (CONT'D)

35.1 BUSINESS SEGMENTS (CONT'D)

	Automotive Parts RM	Healthcare Services RM	The Group RM
2024			
Revenue			
External and consolidated revenue	155,663,852	–	155,663,852
Results			
Segment profit/(loss) before interest and taxation	22,896,367	(144,000)	22,752,367
Finance costs			(836,106)
Share of loss of an equity accounted associate			(9,709)
Unallocated expenses			(341,962)
Consolidated profit before taxation			21,564,590
Segment profit/(loss) before interest and taxation includes the followings:-			
Interest income on financial assets measured at amortised cost and not impaired	101,162	–	101,162
Interest income received on short-term investment	815,979	–	815,979
Gain on disposal of property, plant and equipment	204,124	–	204,124
Gain on foreign exchange - unrealised	73,660	–	73,660
Reversal of inventories previously written down	66,232	–	66,232
Reversal of provision for warranties	21	–	21
Amortisation of golf club membership	(1,941)	–	(1,941)
Depreciation of property, plant and equipment	(3,887,989)	–	(3,887,989)
Depreciation of right-of-use assets	(830,996)	–	(830,996)
Interest expense on lease liabilities	(76,444)	–	(76,444)
Inventories written down	(926,289)	–	(926,289)
Inventories written off	(358,314)	–	(358,314)
Lease expenses on short-term leases	(26,100)	–	(26,100)
Loss on foreign exchange - realised	(261,476)	–	(261,476)
Other interest expenses	(759,662)	–	(759,662)
Property, plant and equipment written off	(5,440)	–	(5,440)
Provision for warranties	(2,846,567)	–	(2,846,567)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

35. OPERATING SEGMENTS (CONT'D)

35.1 BUSINESS SEGMENTS (CONT'D)

	Automotive Parts RM	Healthcare Services RM	The Group RM
2024			
Assets			
Segment assets	196,825,013	34,286,114	231,111,127
Unallocated assets:			
- assets for head office/investment purposes			21,964,745
Consolidation adjustments			(61,704,926)
Consolidated total assets			191,370,946
Additions to non-current assets other than financial instruments are:-			
Property, plant and equipment	15,673,361	-	15,673,361
Right-of-use assets	1,679,229	-	1,679,229
Liabilities			
Segment liabilities	80,213,708	7,804,265	88,017,973
Unallocated liabilities:			
- liabilities for head office/investment purposes			4,675,917
Consolidation adjustments			(31,705,434)
Consolidated total liabilities			60,988,456

35.2 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:-

	Revenue		Segment
	2025 RM	2024 RM	
Customer A	57,489,070	58,071,638	Automotive parts
Customer B	67,421,519	66,864,244	Automotive parts

36. CAPITAL COMMITMENT

	The Group	
	2025 RM	2024 RM
Purchase of property, plant and equipment	6,146,459	21,131,893

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

37.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currency of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Euro ("EUR"), Chinese Yuan ("CNY") and Japanese Yen ("JPY"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

	USD RM	SGD RM	EUR RM	CNY RM	JPY RM	Total RM
The Group						
2025						
<u>Financial Assets</u>						
Trade receivables	92,892	-	-	-	-	92,892
Other receivables	450,053	-	9,501	112,650	-	572,204
Cash and bank balances	1,188,274	27	-	1,176	46	1,189,523
	1,731,219	27	9,501	113,826	46	1,854,619
<u>Financial Liabilities</u>						
Trade payables	(1,878,008)	(78,991)	-	(4,750,044)	-	(6,707,043)
Other payables	(90,688)	(13,711)	-	(186,031)	(2,028,369)	(2,318,799)
	(1,968,696)	(92,702)	-	(4,936,075)	(2,028,369)	(9,025,842)
Currency Exposure	(237,477)	(92,675)	9,501	(4,822,249)	(2,028,323)	(7,171,223)

NOTES TO THE FINANCIAL STATEMENTS
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37. FINANCIAL INSTRUMENTS (CONT'D)
37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	USD RM	SGD RM	EUR RM	CNY RM	Total RM
2024					
<u>Financial Assets</u>					
Trade receivables	(56,871)	-	-	-	(56,871)
Other receivables	244,367	-	47,828	142,463	434,658
Cash and bank balances	159,313	211	-	2,693	162,217
	346,809	211	47,828	145,156	540,004
<u>Financial Liabilities</u>					
Trade payables	(1,713,979)	(84,501)	-	(5,387,121)	(7,185,601)
Other payables	(103,410)	(35,315)	-	(107,705)	(246,430)
	(1,817,389)	(119,816)	-	(5,494,826)	(7,432,031)
Currency Exposure	(1,470,580)	(119,605)	47,828	(5,349,670)	(6,892,027)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

		The Group	
		2025 RM	2024 RM
Effects on Profit After Taxation			
USD/RM	- strengthened by 10% (2024: 6%)	(18,162)	(68,467)
	- weakened by 10% (2024: 6%)	18,162	68,467
SGD/RM	- strengthened by 6% (2024: 5%)	(4,186)	(4,884)
	- weakened by 6% (2024: 5%)	4,186	4,884
EUR/RM	- strengthened by 9% (2024: 5%)	716	1,737
	- weakened by 9% (2024: 5%)	(716)	(1,737)
CNY/RM	- strengthened by 8% (2024: 6%)	(299,258)	(238,756)
	- weakened by 8% (2024: 6%)	299,258	238,756
JPY/RM	- strengthened by 10% (2024: Nil%)	(149,494)	-
	- weakened by 10% (2024: Nil%)	149,494	-

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group adopts a policy of obtaining the most favourable interest rates available by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group is not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 21 to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

		The Group	
		2025 RM	2024 RM
Effects on Profit After Taxation			
	Increase of 25 (2024: 25) basis points	(11,472)	(24,257)
	Decrease of 25 (2024: 25) basis points	11,472	24,257

There is no impact on the Group's equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes amount owing by subsidiaries and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 2 (2024: 2) group of customers which constituted approximately 95% (2024: 95%) of its trade receivables at the end of the reporting period.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group closely monitors the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluates whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate.

Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

The expected loss rates are based on the payment profiles of sales over 36 months (2024 - 36 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts as the Company has not identified any forward-looking assumptions which correlate to the historical loss rates.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

The information about the credit exposure and loss allowances recognised for trade receivables are as follows:-

	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
The Group				
2025				
Current (not past due)	18,611,003	–	–	18,611,003
1 to 30 days past due	1,233,946	–	–	1,233,946
31 to 60 days past due	14,740	–	–	14,740
More than 90 days past due	46,886	–	–	46,886
	19,906,575	–	–	19,906,575

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

Allowance for Impairment Losses (Cont'd)

The information about the credit exposure and loss allowances recognised for trade receivables are as follows (Cont'd):-

	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
The Group				
2024				
Current (not past due)	17,158,903	–	–	17,158,903
1 to 30 days past due	1,263,306	–	–	1,263,306
31 to 60 days past due	489,587	–	–	489,587
61 to 90 days past due	114,995	–	–	114,995
More than 90 days past due	280,669	–	–	280,669
	19,307,460	–	–	19,307,460

Trade receivables that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Trade receivables that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

The Group believes that no impairment allowance is necessary in respect of its trade receivables because the probability of default by these receivables were negligible. They are good customers with good payment records.

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9. The identified impairment loss was immaterial and hence, it is not provided for.

Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing by Subsidiaries (Non-trade Balances)

The Company also applies the 3-stage general approach (see information in other receivables above) to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company uses 3 categories to reflect its credit risk and how the loss allowance is determined for each category:-

<u>Category</u>	<u>Definition of Category</u>	<u>Loss Allowance</u>
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Non-performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
(CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
The Group						
2025						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	3.93 - 5.11	2,565,783	2,764,300	980,160	1,784,140	-
Hire purchase payables	4.16 - 6.33	1,981,070	2,092,248	1,207,161	885,087	-
Term loans	5.01 - 5.03	24,839,021	32,003,326	3,802,659	13,241,263	14,959,404
Trade payables	-	18,122,846	18,122,846	18,122,846	-	-
Other payables and accruals	-	13,421,362	13,421,362	13,421,362	-	-
		60,930,082	68,404,082	37,534,188	15,910,490	14,959,404

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
(CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
The Group						
2024						
<u>Non-derivative Financial Liabilities</u>						
Lease liabilities	3.93 - 5.10	2,515,779	2,709,900	945,600	1,764,300	-
Hire purchase payables	4.24 - 5.95	1,161,801	1,235,144	522,520	712,624	-
Term loans	5.09 - 5.81	14,400,267	16,299,186	3,136,002	11,244,279	1,918,905
Trade payables	-	17,107,390	17,107,390	17,107,390	-	-
Other payables and accruals	-	9,918,248	9,918,248	9,918,248	-	-
		45,103,485	47,269,868	31,629,760	13,721,203	1,918,905

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
The Company			
2025			
<u>Non-derivative Financial Liabilities</u>			
Other payables and accruals	202,984	202,984	202,984
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries*	–	7,488,403	7,488,403
	202,984	7,691,387	7,691,387
2024			
<u>Non-derivative Financial Liabilities</u>			
Other payables and accruals	168,697	168,697	168,697
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries*	–	14,442,167	14,442,167
	168,697	14,610,864	14,610,864

* The potential exposure of the financial guarantee contracts is equivalent to the outstanding amount of the credit facilities of the said subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements because their fair values on initial recognition were not material.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure it will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder's value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-capital ratio that complies with debt covenants and regulatory, if any. The debt-to-capital ratio is calculated as net debt divided by total equity plus net debt. The Group includes within net debt, loans and borrowings from financial institutions, trade and other payables less cash and bank balances. Capital includes equity attributable to the owner of the parent and non-controlling interest. The debt-to-capital ratio of the Group at the end of the reporting period are as follows:-

	The Group	
	2025	2024
	RM	RM
Hire purchase payables (Note 20)	1,981,070	1,161,801
Lease liabilities (Note 19)	2,565,783	2,515,779
Term loans (Note 21)	24,839,021	14,400,267
Trade payables (Note 22)	18,122,846	17,107,390
Other payables and accruals (Note 23)	26,212,643	20,905,766
Provision for warranties (Note 24)	2,881,837	2,074,624
	76,603,200	58,165,627
Less: Cash and bank balances	(23,978,151)	(15,831,138)
Less: Short-term investments	(74,125,096)	(33,656,442)
(Net cash)/Net debts	(21,500,047)	8,678,047
Total equity	166,574,958	130,382,490
Total capital	145,074,911	139,060,537
Debt-to-capital ratio	*	0.06

* Not applicable as the Group's cash and cash equivalents exceed its borrowings.

There was no change in the approach to capital management during the financial year.

The Group is also required to comply with certain loan covenants as disclosed in Note 21(c) to the financial statements, failing which, the banks may call an event of default. The Group has complied with this requirement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
(CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial Assets				
<u>Amortised Cost</u>				
Trade receivables (Note 12)	19,906,575	19,307,460	–	–
Other receivables (Note 13)	104,070	7,363	–	–
Amount owing by subsidiaries (Note 14)	–	–	22,638,719	19,657,825
Cash and bank balances	23,978,151	15,831,138	3,954,787	2,263,847
	43,988,796	35,145,961	26,593,506	21,921,672
<u>Mandatorily at Fair Value through Profit or Loss</u>				
Short-term investments (Note 15)	74,125,096	33,656,442	15,449,328	–
Financial Liabilities				
<u>Amortised Cost</u>				
Lease liabilities (Note 19)	2,565,783	2,515,779	–	–
Hire purchase payables (Note 20)	1,981,070	1,161,801	–	–
Term loans (Note 21)	24,839,021	14,400,267	–	–
Trade payables (Note 22)	18,122,846	17,107,390	–	–
Other payables and accruals (Note 23)	13,421,362	9,918,248	202,984	168,697
	60,930,082	45,103,485	202,984	168,697

37.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial Assets				
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	300,547	101,162	857,882	904,334
<u>Mandatorily at Fair Value through Profit or Loss</u>				
Net gains recognised in profit or loss	2,338,654	815,979	449,328	–
Financial Liabilities				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(453,477)	(1,023,922)	–	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2025
(CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
2025								
<u>Financial Asset</u>								
Short-term investments	-	74,125,096	-	-	-	-	74,125,096	74,125,096
<u>Financial Liability</u>								
Term loans	-	-	-	-	24,839,021	-	24,839,021	24,839,021
2024								
<u>Financial Asset</u>								
Short-term investments	-	33,656,442	-	-	-	-	33,656,442	33,656,442
<u>Financial Liability</u>								
Term loans	-	-	-	-	14,400,267	-	14,400,267	14,400,267

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

The Company	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
2025								
Financial Asset								
Short-term investments	-	15,449,328	-	-	-	-	15,449,328	15,449,328

(a) Fair Value of Financial Instruments Carried at Fair Value

- (i) The fair value of short-term investments is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.
- (ii) There was no transfer between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments not Carried at Fair Value

The fair value of the term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

LIST OF PROPERTIES

Location	Tenure (approximate age of building)	Description	Area in Square Metres (approximate)	Existing Use	Registered Owner	Net Book Value as at 31.07.2025 (RM)	Date of last valuation/purchase *
No. 2, Jalan Waja 7, Kawasan Perindustrian Pandan, 81100 Johor Bahru, Johor Darul Takzim.	Freehold (31 years)	2-storey semi-detached factory	1,435 (Floor area)	Factory	Multi-Code Electronics Industries (M) Berhad	1,620,987	14 June 2012
No. 4, Jalan Waja 7, Kawasan Perindustrian Pandan, 81100 Johor Bahru, Johor Darul Takzim.	Freehold (31 years)	2-storey semi-detached factory	1,642 (Floor area)	Factory	Multi-Code Electronics Industries (M) Berhad	1,566,938	14 June 2012
No. 6, Jalan Waja 7, Kawasan Perindustrian Pandan, 81100 Johor Bahru, Johor Darul Takzim.	Freehold (33 years)	1½ -storey semi-detached factory	1,441 (Floor area)	Factory	Multi-Code Electronics Industries (M) Berhad	1,117,728	14 June 2012
No. 8, Jalan Waja 7, Kawasan Perindustrian Pandan, 81100 Johor Bahru, Johor Darul Takzim.	Freehold (33 years)	1½ -storey semi-detached factory	1,442 (Floor area)	Factory	Multi-Code Electronics Industries (M) Berhad	1,791,235	18 March 2022
No. 7, Jalan Waja 8, Kawasan Perindustrian Pandan, 81100 Johor Bahru, Johor Darul Takzim.	Freehold (33 years)	2-storey semi-detached factory	1,651 (Floor area)	Factory	Multi-Code Electronics Industries (M) Berhad	1,772,702	14 June 2012
No. 9, Jalan Waja 8, Kawasan Perindustrian Pandan, 81100 Johor Bahru, Johor Darul Takzim.	Freehold (33 years)	2-storey semi-detached factory	1,722 (Floor area)	Factory	Multi-Code Electronics Industries (M) Berhad	1,583,317	14 June 2012
HS(D) 158583 / PTD 4397 Mukim of Tebrau, District of Johor Bahru, State of Johor.	Freehold	Vacant industrial land	1,431 (Land area)	Car park for employees	Multi-Code Electronics Industries (M) Berhad	630,000	14 June 2012
H.S.(D) 64651, PT 18133 Seksyen 20, Bandar Serendah, Daerah Ulu Selangor, Selangor.	Leasehold (15 years)	Vacant commercial land	33,387 (Land area)	Vacant Building construction in progress	Multi-Code Electronics Industries (M) Berhad	14,035,660 33,192,812	31 May 2019 31 July 2025
Lot 68745, Canang Emas 7, Off Jalan Telok Gong, 42000 Klang, Selangor Darul Ehsan.	Leasehold (14 years)	1-storey factory cum 3-storey office building	5,604 (Floor area)	Factory	Multi-Code Technologies (M) Sdn Bhd	8,060,863	18 August 2020

ANALYSIS OF SHAREHOLDINGS

SHARE CAPITAL AS AT 31 OCTOBER 2025

Issued Share Capital	:	RM93,879,983.40 comprised of 150,292,114 ordinary shares fully paid
Class of shares	:	Ordinary shares
Voting rights	:	One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDERS ACCORDING TO STATISTICAL SUMMARY OF THE RECORD OF DEPOSITORS AS AT 31 OCTOBER 2025

No. of shareholders	Size of shareholdings	No. of shares held	%
13	Less than 100 shares	121	0.00
280	100 to 1,000 shares	145,910	0.10
1,285	1,001 to 10,000 shares	5,390,814	3.59
412	10,001 to 100,000 shares	14,104,555	9.38
135	100,001 to less than 5% of issued shares	88,695,234	59.01
3	5% and above of issued shares	41,955,480	27.92
2,128	TOTAL	150,292,114	100.00

LIST OF 30 LARGEST SHAREHOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 31 OCTOBER 2025

No.	Name of shareholders	No. of shares held	%
1	DULCET ONE HOLDINGS SDN. BHD.	23,600,200	15.70
2	WOO CHIEW LOONG	10,400,000	6.92
3	GOH KAR CHUN	7,955,280	5.29
4	CARTABAN NOMINEES (TEMPATAN) SDN BHD CN CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH FUND SERIES 2	5,525,100	3.68
5	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATUK LOW CHIN KOON (7003384)	4,640,000	3.09
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW CHIA CHUN	4,566,200	3.04
7	CHOW SOK FUI	3,315,000	2.21
8	CHUAH SAI WEI	3,151,500	2.10
9	CKELINK TRADING SDN BHD	3,084,800	2.05
10	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (SINGAPOREJPMCPB)	2,839,200	1.89
11	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD KENANGA MALAYSIAN INC FUND	2,767,700	1.84
12	LIM KIAN HUAT	2,615,800	1.74
13	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA BOON HONG	2,431,400	1.62
14	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW KOK YEW (MY3041)	2,415,000	1.61

ANALYSIS OF SHAREHOLDINGS (CONT'D)

LIST OF 30 LARGEST SHAREHOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 31 OCTOBER 2025 (CONT'D)

No.	Name of shareholders	No. of shares held	%
15	CHAN WAH KIANG	2,000,000	1.33
16	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW CHIN KOON (DATUK) (MY4469)	1,880,000	1.25
17	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NG PAIK PHENG (PB)	1,826,615	1.22
18	TEO YAU LENG	1,810,000	1.20
19	LAM FUNG ENG	1,564,395	1.04
20	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BRAHMAL A/L VASUDEVAN	1,450,000	0.96
21	GOH TONG HUAT	1,393,346	0.93
22	GOH CHAI SIONG	1,287,078	0.86
23	CHAN WAH KIANG	1,170,000	0.78
24	WONG HUAT BENG	1,160,000	0.77
25	PHANG SUN WAH	1,090,000	0.73
26	NINA JAN A/P NAGARAJAN	1,078,000	0.72
27	CIMSEC NOMINEES (ASING) SDN BHD CIMB FOR CREADOR CONSCIENTA LTD (PB)	1,069,800	0.71
28	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN MENG SENG (MY1542)	1,000,000	0.67
29	GOH CHAI SIONG	926,000	0.62
30	LEE SIEW HONG	877,800	0.58

ANALYSIS OF SHAREHOLDINGS (CONT'D)

SUBSTANTIAL SHAREHOLDERS AS AT 31 OCTOBER 2025

(As per Register of Substantial Shareholders)

No.	Name of shareholder	Direct Interest	No. of shares held		
			%	Deemed Interest	%
1	WOO CHIEW LOONG	10,400,000	6.919	-	-
2	DULCET ONE HOLDINGS SDN BHD	23,600,200	15.702	-	-
3	GOH KAR CHUN	7,955,280	5.293	-	-

DIRECTORS' SHAREHOLDINGS AS AT 31 OCTOBER 2025

(As per Register of Directors' Shareholdings)

No.	Name of Director	Direct Interest	No. of shares held in MCE Holdings Berhad		
			%	Deemed Interest	%
1	TAN SRI ABD RAHMAN BIN MAMAT	425,000	0.283	-	-
2	TAI LAM SHIN	60,000	0.040	-	-
3	GOH KAR CHUN	7,955,280	5.293	237,200*	0.158
4	GOH ANNE	112,700	0.075	-	-
5	LAW SANG THIAM	80,000	0.053	-	-
6	FONG JED SEE	20,000	0.013	-	-
7	DATO' DR LEE CHUNG WAH @ LEE CHUNG FU	22,400	0.015	-	-

Note :

* Deemed interest by virtue of his spouse, Chuah Sai Ling's interests in the Company.

ANALYSIS OF WARRANT HOLDINGS

WARRANTS AS AT 31 OCTOBER 2025

Number of Warrants A (2024/2029)	:	61,778,702
Exercise Price	:	RM0.80 per ordinary share
Exercise Rights	:	Each Warrant entitles the holder to subscribe for one (1) new MCE Share
Exercise Period	:	5 years
Number of Warrants exercised	:	14,376,400
Number of Warrants unexercised	:	47,402,302
Maturity Date	:	15 January 2029

DISTRIBUTION OF WARRANT HOLDINGS ACCORDING TO STATISTICAL SUMMARY OF THE RECORD OF DEPOSITORS AS AT 31 OCTOBER 2025

No. of shareholders	Size of shareholdings	No. of Warrants	%
30	Less than 100 shares	1,067	0.00
202	100 to 1,000 shares	99,530	0.21
764	1,001 to 10,000 shares	2,200,441	4.64
173	10,001 to 100,000 shares	5,926,250	12.50
42	100,001 to less than 5% of issued shares	16,433,374	34.67
4	5% and above of issued shares	22,741,640	47.98
1,215	TOTAL	47,402,302	100.00

LIST OF 30 LARGEST WARRANT HOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 31 OCTOBER 2025

No.	Name of Warrant Holders	No. of Warrants held	%
1	DULCET ONE HOLDINGS SDN BHD	11,800,100	24.89
2	WOO CHIEW LOONG	4,473,000	9.44
3	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW KOK YEW (MY3041)	3,848,400	8.12
4	GOH KAR CHUN	2,620,140	5.53
5	CHUAH SAI WEI	1,826,100	3.85
6	CHOW SOK FUI	1,657,500	3.50
7	CKELINK TRADING SDN BHD	1,542,000	3.25
8	LIM KIAN HUAT	1,307,900	2.76
9	WONG HUAT BENG	780,000	1.65
10	GOH TONG HUAT	696,673	1.47
11	GOH CHAI SIONG	643,539	1.36
12	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN YAT KIANG (MY1469)	600,000	1.27
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW KOK YONG	540,000	1.14

ANALYSIS OF WARRANT HOLDINGS (CONT'D)

LIST OF 30 LARGEST WARRANT HOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 31 OCTOBER 2025 (CONT'D)

No.	Name of Warrant Holders	No. of Warrants held	%
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW CHIA CHUN	490,800	1.04
15	GOH CHAI SIONG	463,000	0.98
16	LEE SIEW HONG	438,900	0.93
17	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR YONG YAO W PROPERTIES SDN.BHD. (SMART)	350,000	0.74
18	NINA JAN A/P NAGARAJAN	312,000	0.66
19	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN PUI LEORN (7000640)	300,000	0.63
20	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG HAN LIN	300,000	0.63
21	CHENG, PAO-YUAN	281,600	0.59
22	KEH SIEW HOON	262,700	0.55
23	OOI SHIN YI	262,000	0.55
24	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NG PAIK PHENG (PB)	219,700	0.46
25	LIM BEE SAN	215,000	0.45
26	CHOW JIECHAN	200,000	0.42
27	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA NYOK CHONG	190,000	0.40
28	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	180,700	0.38
29	NG GEK HOON	165,200	0.35
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BEH AH CHOO (E-SPG)	165,000	0.35

DIRECTORS' WARRANT HOLDINGS AS AT 31 OCTOBER 2025

(As per Register of Directors' Warrant Holdings)

No.	Name of Director	Direct Interest	No. of warrants held		
			%	Deemed Interest	%
1.	TAN SRI ABD RAHMAN BIN MAMAT	-	-	-	-
2.	TAI LAM SHIN	-	-	-	-
3.	GOH KAR CHUN	2,620,140	5.527	-	-
4.	GOH ANNE	-	-	-	-
5.	LAW SANG THIAM	40,000	0.084	-	-
6.	FONG JED SEE	-	-	-	-
7.	DATO' DR LEE CHUNG WAH @ LEE CHUNG FU	-	-	-	-

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MCE HOLDINGS BERHAD

Registration No. 201501033021 (1158341-K)
(Incorporated in Malaysia)

FORM OF PROXY

No. of Shares held:	
CDS Account No.	

I/We _____ (NRIC No. _____) of (full address) _____ (email address) _____ and (contact no.) _____ a member / members of MCE HOLDINGS BERHAD hereby appoint

Name of Proxy (Full Name)	NRIC No. / Passport No.	% of Shareholding to be Represented (Refer to Note 2)
Address	Email address	Contact No.

*and/or failing him/her

Name of Proxy (Full Name)	NRIC No. / Passport No.	% of Shareholding to be Represented (Refer to Note 2)
Address	Email address	Contact No.

*or failing him /her, the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the 10th Annual General Meeting of the Company to be held on Thursday, the 18th day of December, 2025 at 9.30 a.m. held at Diamond 5, Level 10, Holiday Villa Johor Bahru City Centre, No. 260, Jalan Dato' Sulaiman, Taman Abad, 80250 Johor Bahru, Johor and at every adjournment thereof to vote as indicated below in respect of the following Resolutions:-

* delete where applicable.

ORDINARY BUSINESS		FOR	AGAINST
Ordinary Resolution 1	Re-election of Mr Tai Lam Shin		
Ordinary Resolution 2	Re-election of Ms Fong Jed See		
Ordinary Resolution 3	Approval of Directors' Fees		
Ordinary Resolution 4	Approval of Directors' Benefit (for the period from 10 th Annual General Meeting to 11 th Annual General Meeting)		
Ordinary Resolution 5	Appointment of Auditors		
SPECIAL BUSINESS			
Ordinary Resolution 6	Authority to issue shares Mandate		
Ordinary Resolution 7	Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading in Nature		

(Please indicate with a "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Signature/Common Seal of Member(s)

Dated this _____ day of _____ 2025

NOTES :

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
4. Where a member is an Authorised Nominee as defined under The Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the Registered Office of the Company situated at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80888 Ibrahim International Business District, Johor not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
6. Subject to the Constitution, shareholders may deposit the instrument appointing the proxy by electronics means by way of submitting the instrument to the following e-mail address mcejb@multicode.com.my not less than fortyeight (48) hours before the time for holding the meeting or adjourned meeting or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
7. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
8. In respect of deposited securities, only members whose names appear on the Record of Depositors on 10 December 2025, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.



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AFFIX
STAMP

The Company Secretary
MCE HOLDINGS BERHAD
Registration No: 201501033021 (1158341-K)
Suite 5.11 & 5.12, 5th floor, Menara TJB
No. 9, Jalan Syed Mohd. Mufti
80888 Ibrahim International Business District
Johor, Malaysia

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MCE HOLDINGS BERHAD Registration No.: 201501033021 (1158341-K)

No. 2 & 4, Jalan Waja 7, Kawasan Perindustrian Pandan
81100 Johor Bahru, Johor, Malaysia

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