



**MARCO HOLDINGS BERHAD**  
(Incorporated in Malaysia - 8985-P)

**Condensed Consolidated Statement of Comprehensive Income**  
**For The Fourth Quarter Ended 31 December 2023**

	Note	4th Quarter Ended		12 Months Ended	
		31-Dec-23 (Unaudited)	31-Dec-22 (Audited)	31-Dec-23 (Unaudited)	31-Dec-22 (Audited)
		RM '000	RM '000	RM '000	RM '000
Revenue	8	37,345	43,508	156,604	178,268
Other income		663	97	1,014	809
Changes in inventories of finished goods		(2,002)	2,571	(5,227)	9,144
Finished goods purchased		(27,655)	(33,878)	(115,408)	(140,036)
Depreciation		(570)	(979)	(2,283)	(2,401)
Other expenses		(6,081)	(6,725)	(17,873)	(25,229)
Share of Associated Company's Profit		983	357	2,575	2,543
<b>Profit from operations</b>		<b>2,683</b>	<b>4,951</b>	<b>19,402</b>	<b>23,098</b>
Finance income		662	1,327	3,043	3,133
Finance costs		86	3	(225)	(149)
<b>Profit before tax</b>		<b>3,431</b>	<b>6,281</b>	<b>22,220</b>	<b>26,082</b>
Taxation	19	(1,236)	(1,002)	(5,784)	(6,388)
<b>Profit after tax</b>		<b>2,195</b>	<b>5,279</b>	<b>16,436</b>	<b>19,694</b>
Other Comprehensive Income		-	-	-	-
<b>Total Comprehensive Income</b>		<b>2,195</b>	<b>5,279</b>	<b>16,436</b>	<b>19,694</b>
<b>Profit Attributable to: Owners of the Parent</b>		<b>2,195</b>	<b>5,279</b>	<b>16,436</b>	<b>19,694</b>
<b>Total Comprehensive Income Attributable to: Owners of the Parent</b>		<b>2,195</b>	<b>5,279</b>	<b>16,436</b>	<b>19,694</b>
<b>Earnings per share attributable to: equity holders of the parent (sen):</b>					
(i) Basic	29	0.21	0.50	1.56	1.87
(ii) Diluted	29	-	-	-	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31st December 2022



# MARCO HOLDINGS BERHAD

(Incorporated in Malaysia - 8985P)

## Condensed Consolidated Statement of Financial Position

As At 31 Dec 2023

	Note	As At 31-Dec-23 (Unaudited)	As At Preceding Financial Year Ended 31-Dec-22 (Audited)
		RM '000	RM '000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		1,996	2,321
Deferred tax assets		1,716	1,244
Investment Property		40,491	38,242
Goodwill on consolidation		13,133	-
Investment in associates & subsidiaries		-	21,466
Intangible Assets		255	335
Operating lease right-of-use assets		5,332	2,795
		<u>62,923</u>	<u>66,403</u>
<b>Current Assets</b>			
Inventories		55,754	27,401
Trade and other receivables		20,712	23,959
Fixed deposits with licensed banks		58,905	103,420
Cash and bank balances		30,339	29,577
		<u>165,710</u>	<u>184,357</u>
<b>TOTAL ASSETS</b>		<b><u>228,633</u></b>	<b><u>250,760</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share Capital	6	130,987	130,987
Reserves		1,210	1,210
Retained Earnings		67,862	93,599
<b>Total equity</b>		<u>200,059</u>	<u>225,796</u>
<b>Non-current liabilities</b>			
Operating lease liabilities		414	1,714
<b>Current Liabilities</b>			
Trade and Other payables		22,164	20,877
Bills payables	25	-	-
Tax Payable		693	1,136
Operating lease liabilities		5,303	1,237
Dividend Payable		-	-
		<u>28,160</u>	<u>23,250</u>
<b>Total liabilities</b>		<u>28,574</u>	<u>24,964</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>228,633</u></b>	<b><u>250,760</u></b>
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.19	0.21

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31st December 2022



## MARCO HOLDINGS BERHAD

(Incorporated in Malaysia - 8985-P)

### Condensed Consolidated Cash Flow Statement For The Fourth Quarter Ended 31 December 2023

	Note	12 months ended 31-Dec-23 (Unaudited)	12 months ended 31-Dec-22 (Audited)
		RM '000	RM '000
<b>Operating activities</b>			
Net Profit before tax		22,220	26,082
<u>Adjustment for:</u>			
Depreciation		2,283	2,401
Interest expense		225	114
Dividend and Interest income		(3,043)	(2,966)
Other items		(2,829)	(2,750)
Total adjustments		<u>(3,364)</u>	<u>(3,201)</u>
<b>Operating cash flows before changes in working capital</b>		<b>18,856</b>	<b>22,881</b>
<u>Changes in working capital:</u>			
Net change in current assets		6,849	(6,562)
Net change in current liabilities		5,772	7,334
Total changes in working capital		<u>12,621</u>	<u>772</u>
<b>Cash flows from operations</b>		<b>31,477</b>	<b>23,653</b>
Tax paid		(5,412)	(6,430)
Interest paid		(225)	(114)
<b>Net cash flows from operating activities</b>		<b>25,840</b>	<b>17,109</b>
<b>Investing activities</b>			
Dividends & Interest received		3,043	2,965
Purchase of property, plant and equipment		(162)	(341)
Withdrawal of Short term funds		50,830	(8,441)
Acquisition of associated company		(35,316)	-
Other Items		-	-
<b>Net Cash Flows (used in)/ from investing activities</b>		<b>18,395</b>	<b>(5,817)</b>
<b>Financing activities</b>			
Borrowings		-	-
Operating lease liability		(1,300)	(1,223)
Dividends Paid		(42,173)	(26,358)
<b>Net cash flows (used in) / from financing activities</b>		<b>(43,473)</b>	<b>(27,581)</b>
<b>Net Changes in Cash &amp; Cash Equivalents</b>		<b>762</b>	<b>(16,289)</b>
<b>Cash &amp; Cash Equivalents at beginning of year</b>		<b>29,577</b>	<b>45,866</b>
<b>Cash &amp; Cash Equivalents at end of 31 Dec</b>		<b>30,339</b>	<b>29,577</b>
Cash and cash equivalents comprise :-			
Cash and bank balances		30,339	29,577
		<b>30,339</b>	<b>29,577</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statement for the year ended 31st December 2022



**MARCO HOLDINGS BERHAD**

(Incorporated in Malaysia - 8985-P)

**Condensed Consolidated Statement of Changes In Equity  
For The Fourth Quarter Ended 31 Dec 2023**

	Note	Attributable to Equity Holders of the Parent					Total Equity RM '000
		Share Capital RM '000	Non-Distributable			Retained Profits RM '000	
			Share Premium RM '000	Fair Value Changes Reserve RM '000	Revaluation Reserve RM '000		
<b>12 Months Period Ended 31 Dec 2023 (unaudited) At 1 January</b>		130,987	-	-	1,210	93,599	225,796
Total Comprehensive Income for the period		-	-	-	-	16,436	16,436
Dividends	28	-	-	-	-	(42,173)	(42,173)
<b>Balance As At 31 Dec 2023</b>		<u>130,987</u>	<u>-</u>	<u>-</u>	<u>1,210</u>	<u>67,862</u>	<u>200,059</u>
<b>12 Months Period Ended 31 Dec 2022 (audited) At 1 Jan</b>		130,987	-	-	1,210	100,262	232,459
Total Comprehensive Income for the period		-	-	-	-	19,695	19,695
Dividends	28	-	-	-	-	(26,358)	(26,358)
<b>Balance As At 31 Dec 2022</b>		<u>130,987</u>	<u>-</u>	<u>-</u>	<u>1,210</u>	<u>93,599</u>	<u>225,796</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31st December 2022



## Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”)

### 1 Basis of Preparation

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2022.

### 2 Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the audited annual financial statements for the financial year ended 31 December 2022 was not qualified.

### 3 Comments About Seasonal or Cyclical Factors

There were no material seasonal or cyclical factors affecting the performance of the Group for the financial quarter under review.

### 4 Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial quarter under review.

### 5 Changes In Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the current financial quarter under review.

### 6 Debt and Equity Securities

There were no issuances of shares, share buy-backs and repayment of debt and equity securities by the Group.

### 7 Dividends Paid

#### As At 31 Dec 2023

(a) Interim single-tier dividend of 2.0 sen per ordinary share amounting to RM21,086,137 in respect of the financial year ended 31 December 2023 was paid on 29 August 2023.

(b) Second interim single-tier dividend of 2.0 sen per ordinary share amounting to RM21,086,137 in respect of the financial year ended 31 December 2022 was paid on 24 March 2023.

#### As At 31 Dec 2022

(c) A first and final single tier dividend of 0.5 sen per share amounting to RM5,271,534.22 for the financial year ended 31 December 2021 was paid on 15 July 2022.

(d) First interim single tier dividend 2.0 sen per share amounting to RM21,086,137 in respect of the financial year ended 31 December 2022 was paid on 20 December 2022.



**8 Segmental Information**

	<b>4<sup>th</sup> Quarter Ended 31 Dec 2023 RM '000</b>	<b>4<sup>th</sup> Quarter Ended 31 Dec 2022 RM '000</b>	<b>12 Months Ended 31 Dec 2023 RM '000</b>	<b>12 Months Ended 31 Dec 2022 RM '000</b>
<b>Segment Revenue</b>				
Distribution	37,345	43,508	156,604	178,268
Others	-	-	-	-
Total revenue including Inter-segment sales	37,345	43,508	156,604	178,268
Eliminations	-	-	-	-
Total Revenue	37,345	43,508	156,604	178,268
<b>Segment Results (Profit before Tax)</b>				
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Distribution	5,837	5,918	22,598	23,777
Others	4,112	6,847	25,633	2,337
	9,949	12,765	48,231	26,114
Conso Adjustment	(6,518)	(6,484)	(26,011)	(32)
Total Results	3,431	6,281	22,220	26,082
<b>Segment Assets</b>				
			<b>12 Months Ended 31 Dec 2023 RM'000</b>	<b>12 Months Ended 31 Dec 2022 RM'000</b>
Distribution			204,194	166,310
Others			241,969	202,744
			446,163	369,054
Eliminations			(217,530)	(118,294)
Total Assets			228,633	250,760
<b>Segment Liabilities</b>				
			35,636	24,863
Distribution			35,636	24,863
Others			60,390	12,400
			96,026	37,263
Eliminations			(67,452)	(12,299)
Total Liabilities			28,574	24,964

**9 Carrying Amount of Revalued Assets**

The valuations of land and buildings have been brought forward unchanged.

**10 Material events subsequent to the balance sheet date**

There were no material events that have not been reflected in the financial quarter under review.



#### 11 Changes in the Composition of the Group

On December 29, 2023, the Group acquired the remaining 59.61% of the issued share capital in Time Galerie (M) Sdn Bhd (TGSB) for a purchase consideration of RM37.5 million, resulting in full ownership. Goodwill derived from the acquisition is RM13.1 million.

#### 12 Changes in Contingent Liabilities and Contingent Assets

There were no changes in the contingent liabilities and contingent assets of the Group for the financial quarter under review.

#### 13 Capital Commitments

There were no capital expenditure commitments outstanding not provided for in the interim financial statements.

#### 14 Related Party Transactions

There were no related party transactions during the current financial quarter under review.

### Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

#### 15 Review of the Group performance for the current financial period vs previous corresponding financial period

For the financial period ended 31 December 2023, the Group registered revenue of RM156.6 million, a decrease of RM21.7 million or 12% compared with RM178.3 million in the previous corresponding financial period. This decline in performance was largely caused by negative growth in the timepiece segment of the Group's business. In tandem with the decline in revenue, the Group registered a Profit before Tax (PBT) of RM22.2 million, a decrease of RM3.9 million or 15% from RM26.1 million registered in the previous year's corresponding financial period.

#### The performance of the respective operating segments for the financial period ended 31 December 2023 compared with the previous year corresponding financial period is analysed as follows:-

##### *Timepiece*

The results in this segment encompass all timepiece products offered by the Group. For the financial period ended on December 31, 2023, the Group recorded revenue of RM109.6 million, a decrease of RM25.7 million or 19% compared to the corresponding period last year. Persistent high inflation is eroding real incomes, leading to a rising cost of living and weakened spending power. The depreciation of the Ringgit has also added significant costs to our products. Consequently, the segmental profit declined by 13%.

##### *Calculator*

The revenue from this segment was RM42.0 million, an increase of RM6.0 million or 17% compared to the corresponding period in the previous year. This growth in revenue was primarily driven by ongoing sales promotions and targeted marketing campaigns, as well as the inelastic demand for school-related businesses. Aligned with the increased revenue, the segmental profit also improved by 18%.

##### *Digital Musical Instruments*

The revenue generated by this segment was RM5.0 million, a decrease of RM1.7 million or 25% compared to the corresponding period in the previous year. The decline in sales was attributed to elevated inflation, resulting in reduced spending power, with demand shifting towards lower-priced pianos rather than those in the mid-high price range. Nevertheless, the segment's profit have improved by 42% compared to the corresponding period in 2022.



## 16 Comparison of Current Quarter Results against the Immediate Preceding Quarter

In the fourth quarter ended on 31 December 2023, the Group recorded revenue of RM37.3 million, representing a 2% decrease compared to the RM36.4 million recorded in the immediate preceding quarter. The decline in revenue during the fourth quarter was primarily attributed to a decrease in sales of timepiece products. The Group recorded a profit before tax of RM3.4 million, reflecting a 42% decrease compared to the RM5.9 million registered in the third quarter of 2023 primarily due to higher expenses.

## 17 Commentary on Prospects

Weak external demand has been the primary factor behind the slowing growth for the Malaysian economy observed since 2023, stemming from subdued global demand, diminished commodity prices, and geopolitical uncertainties. The Malaysian economy is anticipated to exhibit moderate growth in 2024, driven mainly by the resurgence of the tourism sector and improvements in the labor market. In the realm of Malaysia's retail economy, consumer sentiment is expected to be influenced by the increase in service tax (from 6% to 8%) and targeted subsidy rationalization in the latter part of the year. Nevertheless, the acquisition of TGSB is anticipated to fortify our Group's retail presence within Malaysia and deliver a positive impact on our overall performance in the future. Our Board remains committed to addressing these persistent challenges and refining strategies to foster future business growth.

## 18 Profit Forecast and Profit Guarantee

There were no profit forecast or profit guarantee issued by the Group.

## 19 Taxation

	<b>For the Year Ended 31 Dec 2023 RM '000</b>	<b>For the Year Ended 31 Dec 2022 RM '000</b>
Income Tax	5,784	6,388
Tax expense	<u>5,784</u>	<u>6,388</u>
Profit/(loss) before taxation	<u>22,220</u>	<u>26,082</u>
Tax at statutory rate (24%) (2022:24%)	5,333	6,260
-Deferred Tax (Assets)/ Liabilities	36	8
-(Over)/Under provision of taxation	496	258
-Share of associated company's tax	(727)	(563)
-Effects of expenses not deductible for tax purposes	688	446
-Expenses deductible/double deductible for tax purposes	(42)	(21)
Tax expense	<u>5,784</u>	<u>6,388</u>

The effective tax rates for the current quarter was higher than the statutory tax rate principally due to expenses that were not deductible for tax purposes.





## 20 Notes to Condensed Consolidated Income Statement

	4 <sup>rd</sup> Quarter Ended 31 Dec 2023 RM '000	4 <sup>rd</sup> Quarter Ended 31 Dec 2022 RM '000
<b>Profit for the period is arrived at after charging:</b>		
Interest expense	225	149
Depreciation and amortisation	2,283	2,401
Allowance of impairment on trade receivables	-	258
Allowance of inventories written down	4	-
Unrealised loss/Loss on foreign exchange	-	-
<b>and after crediting:</b>		
Interest Income	3,043	2,966
Gain on foreign exchange	287	839
Reversal of allowance of impairment on trade receivables	243	-
Reversal of allowance of inventories written down	-	515

## 21 Unquoted Investments and/or Properties

There were no acquisitions or disposals of unquoted investments and properties during the financial quarter under review.

## 22 Quoted Securities

There were no acquisitions or disposals of quoted securities during the financial quarter under review.

## 23 Investment in an associate

	As at 31 Dec 2023 RM '000	As at 31 Dec 2022 RM '000
Unquoted investment, at cost	64,212	26,657
Dividend income	(18,579)	(14,540)
Share of post-acquisition profit	11,923	9,349
	<u>57,556</u>	<u>21,466</u>

In the fourth quarter ended on 31 December 2023, the Group acquired the remaining stake in TGSB, resulting in full ownership of the associate. The acquisition has been reflected in note 11, with the effects reflected in the consolidated financial statements of the Group.

## 24 Corporate Proposal

There were no corporate proposals announced but not completed.

## 25 Group Borrowings and Debt Securities

	As at 31 Dec 2023 RM'000	As at 31 Dec 2022 RM'000
Short-term borrowings – secured	-	-
Total	<u>-</u>	<u>-</u>

## 26 Financial Instruments with Off-Balance Sheet Risk

There was no financial instrument with Off-Balance Sheet risk which has been entered into by the Group during the financial quarter under review.



## 27 Changes in Material Litigation

The Group does not have any material litigation, which would materially and adversely affect the financial position of the Group.

## 28 Dividends

### (a) As At 31 December 2023

The Board of Directors have recommended a final single-tier dividend of 2 sen per ordinary share in respect of the year ending 31 December 2023. The proposed dividend is subject to shareholders approval at the forthcoming annual general meeting.

### (b) As At 31 December 2022

For the fourth quarter, the Board of Directors had declared a second interim single-tier dividend of 2 sen per ordinary share in respect of the year ending 31 December 2022, amounted to RM21,086,137 and paid on 24 March 2023.

## 29 Earnings Per Share

### Basic

Basic earnings per share amounts are calculated by dividing the net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	<b>4<sup>th</sup> Quarter Ended</b>	<b>4<sup>th</sup> Quarter Ended</b>	<b>12 Months Ended</b>	<b>12 Months Ended</b>
	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Net profit for the period (RM'000)	2,195	5,279	16,436	19,694
Weighted average number of ordinary shares in issue ('000)	1,054,307	1,054,307	1,054,307	1,054,307
Basic earnings per share (sen)	0.21	0.50	1.56	1.87

By order of The Board  
Siew Cheau Sheang  
Finance Director  
Kuala Lumpur, 28 February 2024