



# MARCO HOLDINGS BERHAD

(Incorporated in Malaysia - 8985-P)

## Condensed Consolidated Statement of Comprehensive Income For The First Quarter Ended 31 March 2024

	Note	1st Quarter Ended		3 Months Ended	
		31-Mar-24 (Unaudited)	31-Mar-23	31-Mar-24 (Unaudited)	31-Mar-23
		RM '000	RM '000	RM '000	RM '000
Revenue	8	47,691	44,346	47,691	44,346
Other income		1,588	143	1,588	143
Changes in inventories of finished goods		(711)	(2,185)	(711)	(2,185)
Finished goods purchased		(33,672)	(30,239)	(33,672)	(30,239)
Depreciation		(2,039)	(576)	(2,039)	(576)
Other expenses		(8,361)	(6,084)	(8,361)	(6,084)
Share of Associated Company's Profit		-	489	-	489
<b>Profit from operations</b>		<b>4,496</b>	<b>5,894</b>	<b>4,496</b>	<b>5,894</b>
Finance income		536	788	536	788
Finance costs		(24)	(82)	(24)	(82)
<b>Profit before tax</b>		<b>5,008</b>	<b>6,600</b>	<b>5,008</b>	<b>6,600</b>
Taxation	19	(1,362)	(1,608)	(1,362)	(1,608)
<b>Profit after tax</b>		<b>3,646</b>	<b>4,992</b>	<b>3,646</b>	<b>4,992</b>
Other Comprehensive Income		-	-	-	-
<b>Total Comprehensive Income</b>		<b>3,646</b>	<b>4,992</b>	<b>3,646</b>	<b>4,992</b>
<b>Profit Attributable to: Owners of the Parent</b>		<b>3,646</b>	<b>4,992</b>	<b>3,646</b>	<b>4,992</b>
<b>Total Comprehensive Income Attributable to: Owners of the Parent</b>		<b>3,646</b>	<b>4,992</b>	<b>3,646</b>	<b>4,992</b>
<b>Earnings per share attributable to: equity holders of the parent (sen):</b>					
(i) Basic	29	0.35	0.47	0.35	0.47
(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 2023



# MARCO HOLDINGS BERHAD

(Incorporated in Malaysia - 8985P)

## Condensed Consolidated Statement of Financial Position

As At 31 March 2024

	Note	As At 31-Mar-24 (Unaudited)	As At Preceding Financial Year Ended 31-Dec-23
		RM '000	RM '000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		3,082	3,345
Deferred tax assets		1,421	1,851
Investment Property		39,010	39,142
Intangible Assets		13,496	13,400
Operating lease right-of-use assets		5,385	5,689
		<u>62,394</u>	<u>63,427</u>
<b>Current Assets</b>			
Inventories		45,370	55,662
Trade and other receivables		40,911	15,707
Fixed deposits with licensed banks		50,857	53,481
Cash and bank balances		27,675	35,767
		<u>164,813</u>	<u>160,617</u>
<b>TOTAL ASSETS</b>		<b><u>227,207</u></b>	<b><u>224,044</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		70,917	67,271
<b>Total equity</b>		<u>203,114</u>	<u>199,468</u>
<b>Non-current liabilities</b>			
Operating lease liabilities		677	1,962
<b>Current Liabilities</b>			
Trade and Other payables		17,822	17,261
Bills payables	25	-	-
Tax Payable		1,633	1,392
Operating lease liabilities		3,961	3,961
Dividend Payable		-	-
		<u>23,416</u>	<u>22,614</u>
<b>Total liabilities</b>		<u>24,093</u>	<u>24,576</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>227,207</u></b>	<b><u>224,044</u></b>
Net assets per share attributable to ordinary equity holders of the Company (RM)		0.19	0.19

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31st December 2023



## MARCO HOLDINGS BERHAD

(Incorporated in Malaysia - 8985-P)

### Condensed Consolidated Cash Flow Statement For The First Quarter Ended 31 March 2024

	Note	3 months ended 31-Mar-24 (Unaudited)	3 months ended 31-Mar-23
		RM '000	RM '000
<b>Operating activities</b>			
Net Profit before tax		5,008	6,600
<u>Adjustment for:</u>			
Depreciation		2,039	576
Interest expense		24	82
Dividend and Interest income		(536)	(788)
Other items		23	(467)
Total adjustments		1,550	(597)
<b>Operating cash flows before changes in working capital</b>		<b>6,558</b>	<b>6,003</b>
<u>Changes in working capital:</u>			
Net change in current assets		(14,881)	(4,193)
Net change in current liabilities		561	(723)
Total changes in working capital		(14,320)	(4,916)
<b>Cash flows from operations</b>		<b>(7,762)</b>	<b>1,087</b>
Tax paid		(2,029)	(1,407)
Interest paid		(24)	(82)
<b>Net cash flows from operating activities</b>		<b>(9,815)</b>	<b>(402)</b>
<b>Investing activities</b>			
Dividends & Interest received		536	788
Purchase of property, plant and equipment		(183)	(3)
Short term funds		2,624	20,773
Investment in associate		-	-
Other Items		-	-
<b>Net Cash Flows (used in)/ from investing activities</b>		<b>2,977</b>	<b>21,558</b>
<b>Financing activities</b>			
Borrowings		-	7,955
Operating lease liability		(1,254)	(460)
Dividends Paid		-	(21,086)
<b>Net cash flows (used in) / from financing activities</b>		<b>(1,254)</b>	<b>(13,591)</b>
<b>Net Changes in Cash &amp; Cash Equivalents</b>		<b>(8,092)</b>	<b>7,565</b>
<b>Cash &amp; Cash Equivalents at beginning of year</b>		<b>35,767</b>	<b>29,577</b>
<b>Cash &amp; Cash Equivalents at end of 31 March</b>		<b>27,675</b>	<b>37,142</b>
Cash and cash equivalents comprise :-			
Cash and bank balances		27,675	37,142
		<b>27,675</b>	<b>37,142</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 2023



**MARCO HOLDINGS BERHAD**

(Incorporated in Malaysia - 8985-P)

**Condensed Consolidated Statement of Changes In Equity  
For The First Quarter Ended 31 March 2024**

	Note	Attributable to Equity Holders of the Parent					Retained Profits RM '000	Total Equity RM '000
		Share Capital RM '000	Non-Distributable			Revaluation Reserve RM '000		
			Share Premium RM '000	Fair Value Changes Reserve RM '000				
<b>3 Months Period Ended 31 March 2024 (unaudited) At 1 January</b>		130,987	-	-	1,210	67,271	199,468	
Total Comprehensive Income for the period		-	-	-	-	3,646	3,646	
Dividends	28	-	-	-	-	-	-	
<b>Balance As At 31 March</b>		<u>130,987</u>	<u>-</u>	<u>-</u>	<u>1,210</u>	<u>70,917</u>	<u>203,114</u>	
<b>3 Months Period Ended 31 March 2023 At 1 Jan</b>		130,987	-	-	1,210	93,599	225,796	
Total Comprehensive Income for the period		-	-	-	-	4,992	4,992	
Dividends	28	-	-	-	-	(21,086)	(21,086)	
<b>Balance As At 31 March</b>		<u>130,987</u>	<u>-</u>	<u>-</u>	<u>1,210</u>	<u>77,505</u>	<u>209,702</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 2023**



**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 2023.

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

The auditors’ report on the audited annual financial statements for the financial year ended 31 December 2023 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 Mar 2024**

(a) There was no dividend payment in the financial quarter under review.

**As At 31 Mar 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 2022.



**8 Segmental Information**

	<b>1<sup>st</sup> Quarter Ended 31 Mar 2024 RM '000</b>	<b>1<sup>st</sup> Quarter Ended 31 Mar 2023 RM '000</b>	<b>3 Months Ended 31 Mar 2024 RM '000</b>	<b>3 Months Ended 31 Mar 2023 RM '000</b>
<b>Segment Revenue</b>				
Distribution	47,691	44,346	47,691	44,346
Others	-	-	-	-
Total revenue including Inter-segment sales	47,691	44,346	47,691	44,346
Eliminations	-	-	-	-
Total Revenue	47,691	44,346	47,691	44,346
<b>Segment Results (Profit before Tax)</b>				
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Distribution	4,926	6,120	4,926	6,120
Others	90	(1)	90	(1)
	5,016	6,119	5,016	6,119
Conso Adjustment	(8)	481	(8)	481
Total Results	5,008	6,600	5,008	6,600
<b>Segment Assets</b>				
			<b>3 Months Ended 31 Mar 2024 RM'000</b>	<b>12 Months Ended 31 Dec 2023 RM'000</b>
Distribution			202,757	205,051
Others			242,030	241,229
			444,787	446,480
Eliminations			(217,580)	(222,436)
Total Assets			227,207	224,044
<b>Segment Liabilities</b>				
Distribution			31,006	24,477
Others			60,579	59,490
			91,585	63,967
Eliminations			(67,492)	(59,391)
Total Liabilities			24,093	24,576

**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**

There were no changes in the composition of the Group for the financial quarter under review.



## 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 Current Quarter-to-date vs Previous Quarter-to-date

For the financial period ended 31 Mar 2024, the Group registered revenue of RM47.7 million, an increase of RM3.4 million or 8% compared with RM44.3 million in the corresponding quarter of the previous year. This increase in sales was mainly attributed to the Timepiece segment following the complete acquisition of Time Galerie (M) Sdn Bhd (TGSB). Despite the uptick in sales, the Group witnessed a decline of RM1.6 million or 24% in Profit before Tax (PBT), to RM5.0 million from RM6.6 million registered in the same quarter of the previous year. The decline in PBT was primarily driven by higher purchase and operational expenses resulting from the depreciation of the Ringgit. In addition, profit margins also came under pressure due to soft and subdued market conditions stemming from weakened consumer demand.

#### **The performance of the respective operating segments for the financial period ended 31 March 2024 compared with previous year corresponding quarter is analysed as follows:-**

##### *Timepiece*

The results in this segment include all timepiece products offered by the Group. In the first quarter, the Group recorded a revenue of RM32.7 million, an increase of RM3.6 million or 12% compared to the same period last year. This revenue growth was largely due to contributions from TGSB following the recent acquisition. However, the segment's profit declined by 11%, primarily due to increased purchase and operational expenses.

##### *Calculators*

The revenue from this segment amounted to RM14 million and was at par with the revenue of corresponding quarter of the previous year. This stable revenue was largely attributed to the inelastic demand for school related businesses. However, the segmental profit recorded a decline of 11%, with the same reason as faced by Timepiece segment above.

##### *Digital Musical Instruments*

The revenue generated by this segment amounted to RM1.0 million, a decrease of RM0.2 million or 17% compared to the same period last year. This decline was due to slow demand for digital musical instruments, a consequence of poor consumer sentiment towards non-essential items amid rising living expenses. However, the segment's profit saw a slight increase of 3% compared to the same period in 2023.



## 16 Comparison of Results against the Immediate Preceding Quarter

In the first quarter ended on 31 March 2024, the Group registered revenue of RM47.7 million, an increase of RM6.2 million or 15% compared to RM41.5 million recorded in the immediate preceding quarter. This revenue growth was partly driven by sales of calculators during the back-to-school season and partly from TGSB. Correspondingly, the Group recorded a profit before tax of RM5.0 million, reflecting a 52% increase compared to the RM3.3 million registered in the fourth quarter of 2023..

## 17 Commentary on Prospects

Global growth is expected to slow in 2024 due to tight monetary policies and geopolitical tensions. The Malaysian economy is anticipated to grow moderately, facing challenges from domestic policies on subsidies and taxes, as well as uncertainties from geopolitical instability. Weak consumer sentiment amidst rising cost of living, and higher cost of doing business due to the increased service tax and weakening Ringgit, will remain challenge to our Group. We will continue to offer the right portfolio of products to boost demand and optimize costs to drive business growth.

## 18 Profit Forecast and Profit Guarantee

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

## 19 Taxation

	Quarter Ended 31 Mar 2024 RM '000	Quarter Ended 31 Mar 2023 RM '000
Income Tax	1,362	1,608
Tax expense	1,362	1,608
Profit/(loss) before taxation	5,008	6,600
Tax at statutory rate (24%) (2023:24%)	1,202	1,584
-Deferred Tax (Assets)/ Liabilities	(13)	(43)
-(Over)/Under provision of taxation	59	113
-Share of associated company's tax	-	(155)
-Effects of expenses not deductible for tax purpose	125	118
-Expenses deductible/double deductible for tax purpose	(11)	(9)
Tax expense	1,362	1,608

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

	1 <sup>st</sup> Quarter Ended 31 Mar 2024 RM '000	1 <sup>st</sup> Quarter Ended 31 Mar 2023 RM '000
<b>Profit for the period is arrived at after charging:</b>		
Interest expense	24	82
Depreciation and amortisation	2,039	576
Allowance of impairment on trade receivables	2	-
Allowance of inventories written down	-	252
Unrealised loss/Loss on foreign exchange	-	-
<b>and after crediting:</b>		
Interest Income	536	788
Gain on foreign exchange	35	77
Reversal of allowance of impairment on trade receivables	43	229
Reversal of allowance of inventories written down	-	-

## 21 Unquoted Investments and/or Properties

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

## 22 Investment in an associate

As at 31 March 2024 RM '000	As at 31 Dec 2023 RM '000
-	-
-	-
=====	

## 23 Quoted Securities

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

## 24 Corporate Proposal

There were no corporate proposals announced but not completed.

## 25 Group Borrowings and Debt Securities

	As at 31 March 2024 RM'000	As at 31 Dec 2023 RM'000
Short term borrowings – secured	-	-
Total	-	-

## 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

### As At 31 March 2024

(a) No dividend was proposed in the first quarter of 2024.

### As At 31 March 2023

(b) During the first quarter, the Board of Directors declared a second interim single-tier dividend of 2 sen per ordinary share for the financial year ended on December 31, 2022. The total dividend of RM21,086,137 was paid on March 24,

## 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>1<sup>st</sup> Quarter Ended</b>	<b>1<sup>st</sup> Quarter Ended</b>	<b>3 Months Ended</b>	<b>3 Months Ended</b>
	<b>31 Mar 2023</b>	<b>31 Mar 2022</b>	<b>31 Mar 2023</b>	<b>31 Mar 2022</b>
Net profit for the period (RM'000)	3,646	4,992	3,646	4,992
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)	0.35	0.47	0.35	0.47

By order of The Board  
Siew Cheau Sheang  
Finance Director  
Kuala Lumpur, 29 May 2024