



**DANCOMECH HOLDINGS BERHAD**  
**Registration No. 201301020455 (1050285-U)**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

**30 May 2024**

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**DANCOMECH HOLDINGS BERHAD**  
**Registration No. 201301020455 (1050285-U)**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2024**  
(These figures have not been audited)

RM'000	Note	Current quarter		Cumulative quarter	
		31.03.2024	31.03.2023	31.03.2024	31.03.2023
Revenue	A7	49,083	50,012	49,083	50,012
Cost of sales		(38,964)	(39,397)	(38,964)	(39,397)
Gross profit		10,119	10,615	10,119	10,615
Other income		1,761	559	1,761	559
Selling and distribution expenses		(303)	(261)	(303)	(261)
Administration expenses		(4,893)	(4,430)	(4,893)	(4,430)
Other expenses		(85)	(346)	(85)	(346)
Finance costs		(196)	(183)	(196)	(183)
Share of loss in an associate		-	(23)	-	(23)
Profit before tax	B13	6,403	5,931	6,403	5,931
Tax expense	B5	(1,645)	(1,561)	(1,645)	(1,561)
<b>Profit for the period</b>		<b>4,758</b>	<b>4,370</b>	<b>4,758</b>	<b>4,370</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>4,758</b>	<b>4,370</b>	<b>4,758</b>	<b>4,370</b>
<b>Profit attributable to:</b>					
Owners of the Company		4,568	4,032	4,568	4,032
Non-controlling interests		190	338	190	338
<b>Profit for the period</b>		<b>4,758</b>	<b>4,370</b>	<b>4,758</b>	<b>4,370</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		4,568	4,032	4,568	4,032
Non-controlling interests		190	338	190	338
<b>Total comprehensive income for the period</b>		<b>4,758</b>	<b>4,370</b>	<b>4,758</b>	<b>4,370</b>
<b>Earnings per share attributable to owners of the Company:</b>					
Basic (sen)	B10	1.0	0.9	1.0	0.9
Diluted (sen)	B10	n/a	n/a	n/a	n/a

n/a = not applicable

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**DANCOMECH HOLDINGS BERHAD**  
**Registration No. 201301020455 (1050285-U)**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2024**

RM'000	Note	As at 31.03.2024 Unaudited	As at 31.12.2023 Audited
<b>Assets</b>			
Property, plant and equipment		76,680	77,146
Intangible assets		218	232
Goodwill on consolidation		1,978	1,978
Investment property		991	997
Investment in an associate		-	-
Deferred tax assets		103	103
Fixed deposits with licensed banks		416	416
<b>Non-current assets</b>		<b>80,386</b>	<b>80,872</b>
Inventories		55,950	59,714
Trade and other receivables		51,205	55,018
Amount due from an associate		1,035	1,353
Tax recoverable		813	724
Financial asset at fair value through profit or loss		3,939	3,906
Cash and cash equivalents		107,184	101,747
<b>Current assets</b>		<b>220,126</b>	<b>222,462</b>
<b>Total assets</b>		<b>300,512</b>	<b>303,334</b>
<b>Equity and liabilities</b>			
Share capital		110,397	110,397
Merger deficit		(41,477)	(41,477)
Retained earnings		142,313	144,383
Equity attributable to owners of the Company		211,233	213,303
Non-controlling interests		19,185	18,995
<b>Total equity</b>		<b>230,418</b>	<b>232,298</b>
Borrowings (secured)	B7	12,554	12,977
Deferred tax liabilities		2,321	2,321
<b>Non-current liabilities</b>		<b>14,875</b>	<b>15,298</b>
Trade and other payables		42,031	48,021
Dividends payable		6,863	225
Borrowings (secured)	B7	3,274	4,379
Tax liabilities		3,051	3,113
<b>Current liabilities</b>		<b>55,219</b>	<b>55,738</b>
<b>Total liabilities</b>		<b>70,094</b>	<b>71,036</b>
<b>Total equity and liabilities</b>		<b>300,512</b>	<b>303,334</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>		<b>0.48</b>	<b>0.48</b>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**DANCOMECH HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2024**  
(These figures have not been audited)

RM'000	Attributable to owners of the Company		Retained earnings	Total	Non-controlling interests	Total equity
	Share capital	Merger deficit				
<b>At 1 January 2024</b>	110,397	(41,477)	144,383	213,303	18,995	232,298
Total comprehensive income for the period	-	-	4,568	4,568	190	4,758
Dividends	-	-	(6,638)	(6,638)	-	(6,638)
<b>At 31 March 2024</b>	110,397	(41,477)	142,313	211,233	19,185	230,418
<b>At 1 January 2023</b>	110,397	(41,477)	132,226	201,146	17,913	219,059
Acquisition of a subsidiary	-	-	-	-	(46)	(46)
Total comprehensive income for the period	-	-	4,032	4,032	338	4,370
Dividends	-	-	(5,532)	(5,532)	-	(5,532)
<b>At 31 March 2023</b>	110,397	(41,477)	130,726	199,646	18,205	217,851

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**DANCOMECH HOLDINGS BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

(These figures have not been audited)

<b>RM'000</b>	<b>3 months ended</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>
<b>Cash flows from operating activities</b>		
Profit before tax	6,403	5,931
Adjustments for:		
Non-cash items	637	1,020
Non-operating items	(16)	121
Interest income	(275)	(189)
Interest expense	196	183
Operating profit before working capital changes	6,945	7,066
Changes in working capital:		
Inventories	3,764	(1,558)
Receivables	4,236	8,724
Payables	(5,964)	(9,803)
Cash generated from operations	8,981	4,429
Tax paid	(1,796)	(1,211)
<b>Net cash from operating activities</b>	<b>7,185</b>	<b>3,218</b>
<b>Cash flows from investing activities</b>		
Interest received	275	189
Placement of fixed deposits	(1,973)	(6,645)
Net cash inflow from acquisition of a subsidiary	-	224
Placement of financial asset at fair value through profit or loss	(33)	(35)
Proceeds from disposal of property, plant and equipment	16	-
Purchase of property, plant and equipment	(312)	(483)
<b>Net cash used in investing activities</b>	<b>(2,027)</b>	<b>(6,750)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	-	(5,532)
Interest paid	(196)	(183)
Withdrawal of pledged fixed deposits	400	397
Net repayment of borrowings	(1,551)	(174)
<b>Net cash used in financing activities</b>	<b>(1,347)</b>	<b>(5,492)</b>
<b>Net changes in cash and cash equivalents</b>	<b>3,811</b>	<b>(9,024)</b>
Translation differences	30	(79)
Cash and cash equivalents at the beginning of financial period	35,727	43,457
<b>Cash and cash equivalents at the end of financial period</b>	<b>39,568</b>	<b>34,354</b>
<b>Analysis of cash and cash equivalents</b>		
Fixed deposits with licensed banks	67,343	62,410
Cash and bank balances	40,257	35,886
	107,600	98,296
Less: Bank overdraft	(81)	-
Less: Fixed deposits pledged to licensed banks	(6,497)	(6,346)
Less: Fixed deposits as investing purposes	(61,454)	(57,596)
	39,568	34,354

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1 Basis of Preparation**

These unaudited interim financial statements have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2023.

The accounting policies adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements of the Company for the financial year ended 31 December 2023 except for the adoption of the new Malaysian Financial Reporting Standards ("MFRSs") and Amendments to MFRSs that are mandatory for annual financial periods beginning on or after 1 January 2024.

The adoption of the new MFRSs and Amendments to MFRSs does not have any material impact on the financial statements of the Group.

**A2 Seasonal or Cyclicity of Operations**

The business operations of the Group were not materially affected by any seasonal or cyclical factors during the current quarter under review.

**A3 Unusual Items due to Their Nature, Size or Incidence**

Save as disclosed in this report, there were no unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the current quarter under review.

**A4 Significant Estimates and Changes in Estimates**

There were no changes in estimates that had any material effects on the Group during the current quarter under review.

**A5 Debt and Equity Securities**

There were no issuances, repurchases or repayments of debt and equity securities by the Company during the current quarter under review.

**A6 Dividends Paid**

	<b>31.03.2024</b>	<b>31.03.2023</b>
For the financial year ended	-	31 December 2022
Declared and approved on	-	27 February 2023
Date of payment	-	31 March 2023
Number of ordinary shares on which dividends were paid	-	442,550,214
Dividend per share (single-tier)	-	1.25 sen
Net dividend paid (RM)	-	5,531,878

## A7 Segmental Information

The Group is principally involved in (i) the trading and distribution of process control equipment, measurement instruments and industrial pumps ("Trading"); (ii) the manufacture of industrial pumps ("Pump Manufacturing"); (iii) the provision of material handling system solutions ("MHS Solutions"); (iv) the production of metal stamping parts and components, and design and manufacture of tools and dies ("Metal Stamping"); and (v) electrical, electronic and instrumentation engineering, contracting, commissioning and servicing, and trading of electric vehicle charging stations, software solution, equipment and other relevant accessories ("E&E Engineering").

The segmental information of the Group by business activity is as follows:

### Current financial quarter/year-to-date ended 31 March 2024

<b>RM'000</b>	<b>Trading</b>	<b>Pump Manufacturing</b>	<b>MHS Solutions</b>	<b>Metal Stamping</b>	<b>E&amp;E Engineering</b>	<b>Elimination</b>	<b>Total</b>
Revenue	22,513	1,014	531	23,039	2,877	(891)	49,083
Cost of sales	(15,946)	(892)	(441)	(20,322)	(2,254)	891	(38,964)
Gross profit	6,567	122	90	2,717	623	-	10,119
Add/(Less):							
Other income							1,761
Selling and distribution expenses							(303)
Administration expenses							(4,893)
Other expenses							(85)
Finance costs							(196)
Share of loss in an associate							-
Profit before tax							<u>6,403</u>

### Preceding financial year's corresponding quarter/year-to-date ended 31 March 2023

<b>RM'000</b>	<b>Trading</b>	<b>Pump Manufacturing</b>	<b>MHS Solutions</b>	<b>Metal Stamping</b>	<b>E&amp;E Engineering</b>	<b>Elimination</b>	<b>Total</b>
Revenue	20,378	1,040	-	26,550	2,915	(871)	50,012
Cost of sales	(13,626)	(869)	-	(23,502)	(2,271)	871	(39,397)
Gross profit	6,752	171	-	3,048	644	-	10,615
Add/(Less):							
Other income							559
Selling and distribution expenses							(261)
Administration expenses							(4,430)
Other expenses							(346)
Finance costs							(183)
Share of loss in an associate							(23)
Profit before tax							<u>5,931</u>

A breakdown of the Group's revenue by geographical location of the sales derived from, is as follows:

<b>RM'000</b>	<b>3 months ended</b>		
	<b>31.03.2024</b>	<b>31.03.2023</b>	<b>Changes</b>
Malaysia	43,737	42,161	1,576
Indonesia	3,785	4,314	(529)
Others	1,561	3,537	(1,976)
<b>Total</b>	<b>49,083</b>	<b>50,012</b>	<b>(929)</b>

## A8 Related Party Disclosures

Related party transactions of the Group are as follows:

RM'000	3 months ended	
	31.03.2024	31.03.2023
Companies in which certain Directors of the Company have interests:		
Sales of goods	82	99
Companies in which certain Directors of the subsidiaries of the Company have interests:		
Sales of goods	45	103
Purchase of goods	291	2
Rental paid to certain Directors of a subsidiary of the Company	107	104

All the related party transactions had been entered into in the ordinary course of business and were carried out on normal commercial terms.

## A9 Valuation of Property, Plant and Equipment

There were no valuations on property, plant and equipment of the Group during the current quarter under review.

## A10 Capital Commitments

Save as disclosed below, there were no material capital commitments incurred by the Group in respect of property, plant and equipment as at the end of the current quarter under review:

RM'000	As at 31.03.2024
Approved but not contracted for	-
Contracted but not provided for	1,878

## A11 Contingent Assets and Liabilities

There were no contingent liabilities and contingent assets during the current quarter under review.

## A12 Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

## A13 Material Events Subsequent to the End of the Current Quarter

There were no material events subsequent to the end of the current quarter under review.



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**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET  
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1 Performance Review - Comparison with Preceding Year's Corresponding Quarter**

<b>RM'000</b>	<b>3 months ended</b>		<b>Changes</b>
	<b>31.03.2024</b>	<b>31.03.2023</b>	
Revenue	49,083	50,012	(929)
Profit before tax	6,403	5,931	472

The Group recorded a marginal decline in revenue from RM50.01 million in the corresponding quarter of the preceding year ("Q1 FYE 2023") to RM49.08 million in the current quarter under review ("Q1 FYE 2024"), mainly due to lower revenue recorded by our Metal Stamping business (Q1 FYE 2024 - RM23.04 million; Q1 FYE 2023 - RM26.55 million) as a result of lower demand from its customers in the air-conditioning industry. However, this was mainly offset by the increase in revenue recorded by our Trading business (Q1 FYE 2024 - RM22.51 million; Q1 FYE 2023 - RM20.38 million) due to higher demand from its customers.

Notwithstanding the marginal decline in revenue, the Group recorded a higher profit before tax in Q1 FYE 2024 vis-à-vis Q1 FYE 2023 mainly due to the increase in other income such as calibration and fabrication charges, reversal of provision for expected credit losses, and interest income.

**B2 Comparison with Immediate Preceding Quarter**

<b>RM'000</b>	<b>3 months ended</b>		<b>Changes</b>
	<b>31.03.2024</b>	<b>31.12.2023</b>	
Revenue	49,083	51,672	(2,589)
Profit before tax	6,403	8,361	(1,958)

The Group's revenue showed a decrease of RM2.59 million (equivalent to 5.0%) in Q1 FYE 2024 as compared to that of the immediate preceding quarter ("Q4 FYE 2023"), mainly due to the lower revenue contribution from our Trading business (Q1 FYE 2024 - RM22.51 million; Q4 FYE 2023 - RM25.29 million) as a result of lower demand from its customers.

Given the decrease in revenue, the Group recorded a decrease in profit before tax in Q1 FYE 2024 vis-à-vis Q4 FYE 2023.

**B3 Commentary on Prospects**

Based on the Quarterly Bulletin for the First Quarter 2024 issued by Bank Negara Malaysia on 17 May 2024, the Malaysian economy grew at a higher rate of 4.2% in the first quarter of 2024 (4Q 2023: 2.9%), driven by stronger private expenditure and positive turnaround in exports. In addition, growth in 2024 will be driven by resilient domestic expenditure with additional support from the recovery in external demand.

As such, the Group will continue putting in strong efforts to pursue sales while taking steps to address any downside risks stemming from weaker-than-expected external demand, further escalation in geopolitical conflicts and larger declines in commodity production domestically. In addition, the Group will also continue with its strategy to seek and explore potential opportunities for acquisitions and collaborations in order to enhance our profitability.

Premised on the above and barring any unforeseen circumstances, the Group is cautiously optimistic of our prospects and performance for the current financial year ending 31 December 2024.

**B4 Profit Forecast**

Not applicable.

**B5 Tax Expense**

<b>RM'000</b>	<b>3 months ended</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>
Income tax	1,645	1,561
<b>Total tax expense</b>	<b>1,645</b>	<b>1,561</b>

The effective tax rate of the Group for the current quarter under review is higher than the statutory rate of 24% mainly due to the tax losses of certain subsidiaries for which no deferred tax asset is provided.

**B6 Corporate Proposals**

As at the date of this report:

- (i) there are no corporate proposals announced but not completed by the Company; and
- (ii) all proceeds from corporate proposals implemented by the Company in the past have been fully utilised.

**B7 Borrowings (secured)**

<b>RM'000</b>	<b>As at</b>	<b>As at</b>
	<b>31.03.2024</b>	<b>31.12.2023</b>
Lease liabilities	2,559	2,067
Term loans	9,995	10,910
<b>Non-current borrowings</b>	<b>12,554</b>	<b>12,977</b>
Bank overdraft	81	58
Bankers' acceptance	830	1,189
Lease liabilities	560	1,182
Term loans	1,803	1,950
<b>Current borrowings</b>	<b>3,274</b>	<b>4,379</b>
<b>Total borrowings</b>	<b>15,828</b>	<b>17,356</b>

All borrowings are denominated in Ringgit Malaysia. Overall, the decrease in borrowings of RM1.53 million was mainly due to the repayment instalments of the borrowings.

**B8 Changes in Material Litigation**

As at the date of this report, the Group is not involved in any material litigation.

**B9 Proposed Dividend**

On 26 February 2024, the Board of Directors of the Company declared and approved the payment of a second single-tier dividend of 1.50 sen per ordinary share in respect of the financial year ended 31 December 2023. The dividend was paid on 4 April 2024.

**B10 Earnings per Share ("EPS")**

	3 months ended	
	31.03.2024	31.03.2023
Profit attributable to owners of the Company (RM'000)	4,568	4,032
Weighted average number of ordinary shares in issue ('000)	442,550	442,550
<b>Basic EPS (sen)</b>	<b>1.0</b>	<b>0.9</b>

Diluted EPS was not computed for the current quarter under review as the Company did not have any potential dilutive ordinary shares in issue as at 31 March 2024.

**B11 Financial Instruments**

As at the date of this report, the Group has not entered into any derivatives.

**B12 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements of the Group for the financial year ended 31 December 2023 was unqualified.

**B13 Profit Before Tax**

RM'000	3 months ended	
	31.03.2024	31.03.2023
<b>Profit before tax is arrived at after crediting/(charging):</b>		
Interest income	275	189
Interest expense	(196)	(183)
Depreciation and amortisation	(798)	(836)
Gain on disposal of property, plant and equipment	16	-
Reversal of provision for expected credit losses	124	-
Realised gain/(loss) on foreign exchange	172	(12)
Unrealised gain/(loss) on foreign exchange	37	(161)
Goodwill written off	-	(121)

Save as disclosed above, there were no material provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investment or real properties, impairment of assets, gain or loss on derivatives and exceptional items for the current quarter under review.