



**PENSONIC HOLDINGS BERHAD**  
Registration No : 199401014746 (300426-P)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL QUARTER ENDED 31 AUG 2023**

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the First Quarter Ended 31 Aug 2023**

	Note	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
		31-Aug-23 RM'000	31-Aug-22 RM'000	31-Aug-23 RM'000	31-Aug-22 RM'000
Revenue	9	73,235	73,405	73,235	73,405
Cost of sales		(59,064)	(59,115)	(59,064)	(59,115)
Gross profit		14,171	14,290	14,171	14,290
Other operating income		746	(140)	746	(140)
Interest income		8	-	8	-
Operating expenses		(13,129)	(13,566)	(13,129)	(13,566)
Results from operating activities		1,796	584	1,796	584
Finance costs		(1,003)	(1,084)	(1,003)	(1,084)
Operating profit/(loss)		793	(500)	793	(500)
Share of results of associates		(14)	9	(14)	9
Profit/(Loss) before tax		779	(491)	779	(491)
Tax expenses	18	(600)	(274)	(600)	(274)
Profit/(Loss) after tax		179	(765)	179	(765)
Other comprehensive expenses, net of tax					
Foreign currency translation differences		205	579	205	579
<b>Total comprehensive profit/(loss) for the period</b>		<b>384</b>	<b>(186)</b>	<b>384</b>	<b>(186)</b>
<b>Profit/(Loss) attributable to :</b>					
Shareholders of the Company		336	(617)	336	(617)
Non-controlling interests		(157)	(148)	(157)	(148)
		179	(765)	179	(765)
<b>Total comprehensive profit/(loss) attributable to :</b>					
Shareholders of the Company		542	(187)	542	(187)
Non-controlling interests		(158)	1	(158)	1
		384	(186)	384	(186)
Basic earnings/(loss) per ordinary share (sen)	24	0.27	(0.49)	0.27	(0.49)
Diluted earnings per ordinary share (sen)	24	#	#	#	#

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2023 and the accompanying explanatory notes attached to the interim financial statements.

**Unaudited Condensed Consolidated Statement of Financial Position as at 31 Aug 2023**

	Note	<b>(Unaudited)</b> <b>31-Aug-23</b> <b>RM'000</b>	<b>(Audited)</b> <b>31-May-23</b> <b>RM'000</b>
<b>ASSETS</b>			
Property, plant and equipment		108,691	109,382
Intangible assets		870	870
Investment in associates		1,372	1,386
Deferred tax assets		146	126
Total non-current assets		111,079	111,764
Inventories		79,427	79,571
Trade and other receivables		46,205	57,369
Current tax assets		980	1,032
Fixed deposit		553	548
Cash and bank balances		26,331	23,733
Total current assets		153,496	162,253
<b>TOTAL ASSETS</b>		<b>264,575</b>	<b>274,017</b>
<b>EQUITY</b>			
Share capital		67,671	67,671
Reserves		71,230	70,687
Total equity attributable to owners of the Company		138,901	138,358
Non-controlling interests		165	325
<b>TOTAL EQUITY</b>		<b>139,066</b>	<b>138,683</b>
<b>LIABILITIES</b>			
Loans and borrowings		23,844	24,501
Deferred tax liabilities		301	301
Lease liabilities		112	163
Total non-current liabilities		24,257	24,965
Trade and other payables		43,336	50,903
Loans and borrowings		56,965	58,664
Current tax liabilities		548	310
Lease liability		403	492
Total current liabilities		101,252	110,369
<b>TOTAL LIABILITIES</b>		<b>125,509</b>	<b>135,334</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>264,575</b>	<b>274,017</b>
Net assets per share attributable to equity holders (RM)		1.11	1.10

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 May2023 and the accompanying explanatory notes attached to the interim financial statements.

**Unaudited Condensed Consolidated Statement of Changes in Equity for the Period Ended 31 Aug 2023**

	←————— Attributable to owners of the Company —————→						Distributable Retained Earnings	Total	Non- Controlling Interests	Total Equity
	←————— Non-Distributable —————→									
	Share Capital	Treasury Share	Exchange Translation Reserve	Capital Reserve	Warrant Reserve	Other Reserve				
At 1 June 2022	67,671	(2,294)	981	4,488	6,483	(639)	65,408	142,098	53	142,151
Loss for the period	-	-	-	-	-	-	(617)	(617)	(148)	(765)
Foreign currency translation differences	-	-	430	-	-	-	-	430	149	579
Total comprehensive loss for the period	-	-	430	-	-	-	(617)	(187)	1	(186)
Dividend Paid	-	-	-	-	-	-	-	-	1,089	1,089
Own shares acquired	-	(33)	-	-	-	-	-	(33)	-	(33)
At 31 Aug 2022	67,671	(2,327)	1,411	4,488	6,483	(639)	64,791	141,878	1,143	143,021
At 1 June 2023	67,671	(2,326)	1,931	4,488	6,483	(639)	60,800	138,358	323	138,681
Profit for the period	-	-	-	-	-	-	336	336	(157)	179
Foreign currency translation differences	-	-	207	-	-	-	-	207	(1)	206
Total comprehensive profit for the period	-	-	207	-	-	-	336	543	(158)	385
Dividend Paid	-	-	-	-	-	-	-	-	-	-
Additional NCI	-	-	-	-	-	-	-	-	-	-
Own shares acquired	-	-	-	-	-	-	-	-	-	-
At 31 Aug 2023	67,671	(2,376)	2,138	4,488	6,483	(639)	61,136	138,907	165	139,066

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 May 2023 and the accompanying explanatory notes attached to the interim financial statements.

**Unaudited Condensed Consolidated Statement of Cash Flows for the Period Ended 31 Aug 2023**

	<b>Cumulative Quarters</b>	
	<b>3 months ended</b>	
	<b>31-Aug-23</b>	<b>31-Aug-22</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash Flows from operating activities		
Profit/(Loss) before tax	779	(491)
Adjustments for :		
Depreciation of property, plant and equipment	1,275	1,372
Interest expense	989	1,044
Accretion of interest on lease liabilities	6	36
(Gain)/(Loss) on disposal of plant, equipment and right-of-used assets	(10)	(152)
Property, plant and equipment written off	-	-
Interest income	(8)	-
Share of results of associates	14	(9)
Operating profits before working capital changes	3,045	1,800
Changes in working capital :		
Inventories	246	6,654
Trade and other receivables	11,347	15,959
Trade and other payables	(7,731)	(17,619)
	3,862	4,994
Cash generated from operations	6,907	6,794
Income tax paid	(330)	(1,037)
Net cash from operating activities	6,577	5,757
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment and right-of-used assets	21	164
Purchase of property, plant and equipment	(594)	(998)
Interest Received	8	-
Acquisition/ Proceeds from issuance of shares to NCI	-	1,089
Net cash (used in)/from investing activities	(565)	255
Cash flows from financing activities		
(Repayment)/Drawdown of loans and borrowings, net	(2,341)	(7,794)
(Repayment)/Drawdown/of hire purchase creditors, net	(164)	159
Repayment of lease liability	(144)	(200)
Withdrawal/(Placement) of fixed deposits	(5)	(5)
Repurchase of treasury share	-	(33)
Interest paid	(995)	(1,080)
Net cash used in financing activities	(3,649)	(8,953)
Net increase/(decrease) in cash and cash equivalents	2,363	(2,941)
Cash and cash equivalents at beginning of the period	23,059	20,955
Effect of exchange differences on cash and cash equivalents	87	243
Cash and cash equivalents at end of the period	25,509	18,257
Cash and cash equivalents comprised the followings:		
Cash and bank balances	26,331	21,883
Bank overdraft	(822)	(3,626)
	25,509	18,257

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 May 2023 and the accompanying explanatory notes attached to the interim financial statements.

**Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the Period Ended 31 Aug 2023****1. Basis of preparation**

These condensed consolidated interim financial statements ("Condensed Report") has 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. This Condensed Reports also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

The Condensed Report should be read in conjunction with the audited financial statements for the year ended 31 May 2023. The explanatory notes attached to these Condensed Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 May 2023.

The following are accounting standard and amendments that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

*MFRSs and amendments effective for annual periods beginning on or after 1 January 2023*

- MFRS17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts, Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 12, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform – Pillar Two Model Rules*

*MFRSs and amendments effective for annual periods beginning on or after 1 January 2024*

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows and MFRS 7, Financial Instruments : Disclosures – Supplier Finance Arrangements*

*MFRSs and amendments effective for annual periods beginning on or after 1 January 2025*

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rules – Lack of Exchangeability*

*MFRSs and amendments effective for annual periods beginning on or after a date yet to be confirmed*

- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned amendments, where applicable in the respective financial years when the abovementioned amendments become effective.

The Group and the Company do not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual periods beginning on or after 1 January 2023 as it is not applicable to the Group and the Company.

The initial application of the amendments is not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company.

**2. Significant Accounting Policies**

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the year ended 31 May 2023 except for those as disclosed in Note 1 above.

The changes in the accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 May 2024.

**3. Audit Qualification**

There was no audit qualification on the annual financial statements of the Company and the Group for the year ended 31 May 2023.

**4. Seasonality of Operations**

The Group's business operations are generally affected by festive seasons, school holidays and carnival sales in Malaysia.

**5. Unusual and Material Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current period ended 31 August 2023.

**6. Significant Estimates and Changes in Estimates**

There were no changes in estimates of amounts reported in the prior quarter and/ or financial period that have a material effect on the Group in the current period under review.

**7. Debt and Equity Securities**

There were no issuance and repayment of debts and equity security, share buy-backs, share cancellation, share held as treasury shares by the Company during the financial period under review. Total number of treasury shares held was 3,986,300 ordinary shares as at 31 August 2023.

**8. Dividend Paid**

There was no Dividend paid during the period under review.

**9. Segmental Information**

	<b>For the 3 months ended 31 Aug 2023</b>					
	Manufacturing	Trading	Others	Total	Elimination	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue from external Customers</b>	7,696	65,539	-	73,235	-	73,235
<b>Segment profit/(loss)</b>	1,999	(797)	(138)	1,064	(285)	779
<b>Segment assets</b>						
<i>Included in the measure of segment assets is:</i>						
Capital expenditure	89	502	5	596	(2)	594
	<b>For the 3 months ended 31 Aug 2022</b>					
	Manufacturing	Trading	Others	Total	Elimination	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue from external Customers</b>	1,410	71,995	-	73,405	-	73,405
<b>Segment (loss)/profit</b>	933	(1,418)	(238)	(723)	232	(491)
<b>Segment assets</b>						
<i>Included in the measure of segment assets is:</i>						
Capital expenditure	12	883	103	998	-	998

**10. Event after the Reporting Period**

There were no material events subsequent to the end of the current period that have not been reflected in the financial statements for the current period under review.

**11. Changes in Composition of the Group**

On 14 September 2023, the Company acquired an additional 5.3% interest in PT Pensonic Appliances Indonesia ("PTPAI"), a 51% owned subsidiary from non-controlling interests for a total purchase consideration of USD80,000 (equivalent to RM377,280) in cash. Subsequent to the acquisition, the Company's interest in PTPAI increased from 51% to 56.3%.

**12. Changes in Contingent Liabilities or Contingent Assets**

There were no changes in contingent liabilities or contingent assets of a material nature as at the end of current financial period.

**13. Significant Related Party Transactions**

The significant transactions with companies in which certain Directors and persons connected to Directors have substantial financial interests are as follows:

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31-Aug-23</b>	<b>31-Aug-22</b>	<b>31-Aug-23</b>	<b>31-Aug-22</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Transaction with associate				
-Sales	458	1,148	458	1,148
Transaction with related party				
- Purchases	964	287	964	287
- Services acquired	127	152	127	152
- Sales	4	-	4	-



**14. Review of Performance**

	<u>Individual Quarter</u>			<u>Cumulative Period</u>		
	<u>3 months ended</u>			<u>3 months ended</u>		
	<u>31-Aug-23</u>	<u>31-Aug-22</u>	<u>%</u>	<u>31-Aug-23</u>	<u>31-Aug-22</u>	<u>%</u>
	<u>RM'000</u>	<u>RM'000</u>		<u>RM'000</u>	<u>RM'000</u>	
Revenue	73,235	73,405	(0)	73,235	73,405	(0)
Profit/(Loss) before tax	779	(491)	(259)	779	(491)	(259)
Profit/(Loss) after tax	179	(765)	(123)	179	(765)	(123)
Profit/(Loss) attributable to owner of the Company	336	(617)	(154)	336	(617)	(154)

The Group registered revenue of RM73.2 million compared to RM73.4 million in the preceding year corresponding quarter. The Group recorded a profit before tax of RM779,000 compared to loss before tax of RM491,000 in the preceding year corresponding quarter. Higher profit in this quarter due to lower expenses.

**15. Review of Performance**

	<u>Current Quarter Ended</u>	<u>Immediate Preceding Quarter Ended</u>	<u>%</u>
	<u>31-Aug-23</u>	<u>31-May-23</u>	
	<u>RM'000</u>	<u>RM'000</u>	
Revenue	73,235	78,588	(7)
Profit/(Loss) before tax	779	(701)	(211)
Profit/(Loss) after tax	179	(1,288)	(114)
Loss attributable to owner of the Company	336	(712)	(147)

The Group registered revenue of RM73.2 million for the current financial quarter compared to RM78.6 million reported in the immediate preceding financial quarter ended 31 May 2023. The Group recorded a profit before tax of RM779,000 compared with loss before tax of RM701,000 in the preceding financial quarter.

**16. Commentary on Prospects**

Persistent inflationary pressures and successive interest rate hikes have led to a decrease in disposable income, thereby eroding consumer confidence and diminishing their willingness to spend. These factors have significantly impacted our consumer-centric Group. It appears that these challenges will persist in the short to medium term. While it is important to note that inflation and interest rates are primarily global concerns affecting the Malaysian economy, we also face domestic issues, such as high household debt and a weakened Ringgit Malaysia currency.

To ensure the sustainability of our business, the Group is committed to adapting to ever-changing market demands wherever possible, all while maintaining a vigilant stance against rising inflationary pressures. We are focused on enforcing prudent resource management and the continuous enhancement of our operational efficiency.

**17. Profit Forecast**

Not applicable as no profit forecast was published.

**18. Taxation**

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31-Aug-23</b>	<b>31-Aug-22</b>	<b>31-Aug-23</b>	<b>31-Aug-22</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax expenses				
- Current year	620	284	620	284
- Prior year	-	-	-	-
Deferred tax expenses				
- Current year	(20)	(10)	(20)	(10)
- Prior year	-	-	-	-
	<u>600</u>	<u>274</u>	<u>600</u>	<u>274</u>

Domestic income tax rate is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

**19. Status of Corporate Proposal**

As at the date of this report, there are no corporate proposals that are pending for completion.

**20. Trade Receivables**

The age analysis of trade receivables is as follow:

	<b>Unaudited</b>	<b>Audited</b>
	<b>31-Aug-23</b>	<b>31-May-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Neither past due nor impaired	22,399	41,214
Past due but not impaired:		
Less than 60 days	12,091	11,243
60 to 120 days	8,219	944
More than 120 days	3,619	2,611
	<u>23,929</u>	<u>14,798</u>
	46,328	56,012
Impaired	<u>(1,609)</u>	<u>(1,413)</u>
	<u>44,719</u>	<u>54,599</u>

Except for the impairment provided, the Group is satisfied that recovery of the remaining amount is possible, therefore there is no impairment for past due trade receivables.

## 21. Borrowings and Debts Securities

Details of the Group's borrowings as at the end of this financial year are as follows:

	<b>Unaudited</b> <b>31-Aug-23</b> <b>RM'000</b>	<b>Audited</b> <b>31-May-23</b> <b>RM'000</b>
<b><u>Current</u></b>		
<b>Unsecured</b>		
Bank overdraft	517	624
Revolving credit	6,211	6,713
Bankers' acceptance	32,634	35,126
	<u>39,362</u>	<u>42,463</u>
<b>Secured</b>		
Bank overdraft	305	50
Term loans	2,269	2,297
Bankers' acceptance	14,511	13,289
Hire Purchase Creditors	518	565
	<u>17,603</u>	<u>16,201</u>
	<u>56,965</u>	<u>58,664</u>
<b><u>Non – current</u></b>		
<b>Secured</b>		
Term loans	23,279	23,819
Hire Purchase Creditors	565	682
	<u>23,844</u>	<u>24,501</u>
	<u>80,809</u>	<u>83,165</u>
<b><u>Currency Denominated In</u></b>		
Ringgit Malaysia (“MYR”)	<u>80,809</u>	<u>83,165</u>

The bank borrowings and term loans are secured by the following:

- Legal charges over certain properties belonging to the Company and subsidiary companies;
- Lien on fixed deposits belonging to the subsidiary companies; and
- Corporate guarantee by the Company.

## 22. Material Litigation

The Group is not engaged in any material litigation for the current financial period ended 31 Aug 2023.

## 23. Dividend

The Board does not recommend any dividend for the current financial quarter ended 31 Aug 2023.

## 24. Earnings per Share (“EPS”)

### Basic earning/(loss) per ordinary share

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31-Aug-23</b>	<b>31-Aug-22</b>	<b>31-Aug-23</b>	<b>31-Aug-22</b>
Profit attributable to owners of the Company (RM'000)	336	(617)	336	(617)
Weighted average number of ordinary shares in issue (units'000)	102,839	117,515	102,839	117,515
Basic earnings/(loss) per share (sen)	0.27	(0.49)	0.27	(0.49)

Diluted earnings per share is not applicable as the exercise price of the warrants is higher than the average market price of the Company's ordinary shares during the period.

**25. Profit/(Loss) for the Period**

Profit/(Loss) for the period has been arrived at:

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>3 months ended</u>		<u>3 months ended</u>	
	<u>31-Aug-23</u>	<u>31-Aug-22</u>	<u>31-Aug-23</u>	<u>31-Aug-22</u>
<b>After charging / (crediting):-</b>				
Property, plant & equipment written off	-	-	-	-
(Gain) on disposal of property, plant and equipment	(10)	(152)	(10)	(152)
Government Grant received	-	(32)	-	(32)
Interest Income	(8)	-	(8)	-
Royalty Income	(109)	-	(109)	-
Realised (gain)/loss on foreign exchange	(365)	193	(365)	193
Unrealised loss/(gain) on foreign exchange	(33)	106	(33)	106
Interest expense	989	1,044	989	1,044

**26. Authorization for Issue**

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Board of Directors.