



**PENSONIC HOLDINGS BERHAD**

**Registration No : 199401014746 (300426-P)**

**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 31 May 2024**

	Note	Individual Quarter 3 months ended		Cumulative Quarter 12 months ended	
		31-May-24 RM'000	31-May-23 RM'000	(Unaudited) 31-May-24 RM'000	(Audited) 31-May-23 RM'000
Revenue	9	85,141	78,588	309,566	273,204
Cost of sales		(76,776)	(64,850)	(259,388)	(221,470)
Gross profit		8,365	13,738	50,178	51,734
Other operating income		564	420	3,270	1,755
Interest income		25	11	44	18
Operating expenses		(16,489)	(13,851)	(57,104)	(51,840)
Results from operating activities		(7,535)	318	(3,612)	1,667
Finance costs		(948)	(1,071)	(3,886)	(4,287)
Operating loss		(9,483)	(753)	(7,498)	(2,620)
Share of results of associates		(8)	52	(122)	80
Loss before tax		(8,491)	(701)	(7,620)	(2,540)
Tax expenses	18	(6,020)	(587)	(6,986)	(1,457)
Loss after tax		(14,511)	(1,288)	(14,606)	(3,997)
Other comprehensive (expenses)/income, net of tax					
Foreign currency translation differences		(10)	775	671	1,093
<b>Total comprehensive loss for the period</b>		<b>(14,521)</b>	<b>(513)</b>	<b>(13,935)</b>	<b>(2,904)</b>
<b>Loss attributable to :</b>					
Shareholders of the Company		(14,276)	(712)	(14,276)	(3,036)
Non-controlling interests		(235)	(576)	(330)	(961)
		<b>(14,511)</b>	<b>(1,288)</b>	<b>(14,606)</b>	<b>(3,997)</b>
<b>Total comprehensive (loss)/profit attributable to :</b>					
Shareholders of the Company		(14,289)	13	(13,608)	(2,086)
Non-controlling interests		(232)	(526)	(327)	(818)
		<b>(14,521)</b>	<b>(513)</b>	<b>(13,935)</b>	<b>(2,904)</b>
Basic/Diluted loss per ordinary share (sen)	24	(10.35)	(0.57)	(10.35)	(2.41)

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 May 2024**

	<b>(Unaudited)</b> <b>31-May-24</b> <b>RM'000</b>	<b>(Audited)</b> <b>31-May-23</b> <b>RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	114,166	109,381
Intangible assets	870	870
Investment in associates	1,263	1,386
Deferred tax assets	-	127
Total non-current assets	<u>116,299</u>	<u>111,764</u>
Inventories	58,813	79,572
Trade and other receivables	58,192	57,369
Current tax assets	526	1,032
Fixed deposit	557	548
Cash and bank balances	32,074	23,733
Total current assets	<u>150,162</u>	<u>162,254</u>
<b>TOTAL ASSETS</b>	<u>266,461</u>	<u>274,018</u>
<b>EQUITY</b>		
Share capital	84,305	67,671
Reserves	58,164	70,687
Total equity attributable to owners of the Company	<u>142,469</u>	<u>138,358</u>
Non-controlling interests	3,356	324
<b>TOTAL EQUITY</b>	<u>145,825</u>	<u>138,682</u>
<b>LIABILITIES</b>		
Loans and borrowings	22,198	24,501
Deferred tax liabilities	585	301
Lease liabilities	297	163
Total non-current liabilities	<u>23,080</u>	<u>24,965</u>
Trade and other payables	53,157	50,904
Loans and borrowings	40,007	58,666
Current tax liabilities	4,006	309
Lease liability	386	492
Total current liabilities	<u>97,556</u>	<u>110,371</u>
<b>TOTAL LIABILITIES</b>	<u>120,636</u>	<u>135,336</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>266,461</u>	<u>274,018</u>
Net assets per share attributable to equity holders (RM)	1.06	1.10

The Condensed Consolidated Statement of Financial Position 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 Changes in Equity for the Financial Year Ended 31 May 2024**

	← Attributable to owners of the company →						Distributable	Total	Non-Controlling Interests	Total Equity
	Non-Distributable			Distributable						
	Share Capital	Treasury Share	Exchange Translation Reserve	Capital Reserve	Warrant Reserve	Other Reserve				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
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	-	-	-	-	-	-	(3,036)	(3,036)	(961)	(3,997)
Foreign currency translation differences	-	-	950	-	-	-	-	950	143	1,093
Total comprehensive loss for the period	-	-	950	-	-	-	(3,036)	(2,086)	(818)	(2,904)
Dividend paid	-	-	-	-	-	-	(1,572)	(1,572)	-	(1,572)
Additional NCI	-	-	-	-	-	-	-	-	1,089	1,089
Repurchase of treasury shares	-	(82)	-	-	-	-	-	(82)	-	(82)
At 31 May 2023	67,671	(2,376)	1,931	4,488	6,483	(639)	60,800	138,358	324	138,682
At 1 June 2023	67,671	(2,376)	1,931	4,488	6,483	(639)	60,800	138,358	324	138,682
Loss for the period	-	-	-	-	-	-	(14,276)	(14,276)	(329)	(14,605)
Foreign currency translation differences	-	-	668	-	-	-	-	668	3	671
Total comprehensive profit/(loss) for the period	-	-	668	-	-	-	(14,276)	(13,608)	(326)	(13,934)
Repurchase of treasury shares	-	(743)	-	-	-	-	-	(743)	-	(743)
Warrant conversion	16,634	-	-	-	-	-	-	16,634	-	16,634
Transfer to retained earnings upon conversion/expiry of warrants	-	-	-	-	(6,483)	-	6,483	-	-	-
Dilution of interest in a subsidiary	-	-	-	-	-	-	1,828	1,828	3,389	5,217
Decrease in NCI	-	-	-	-	-	-	-	-	(31)	(31)
At 31 May 2024	84,305	(3,119)	2,599	4,488	-	(639)	54,835	142,469	3,356	145,825

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 Financial Year Ended 31 May 2024**

	<b>Cumulative Quarters</b>	
	<b>12 months ended</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31-May-24</b>	<b>31-May-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(7,620)	(2,540)
Adjustments for :		
Depreciation of property, plant and equipment	5,230	5,362
Interest expense	3,844	4,236
Accretion of interest on lease liabilities	42	51
Gain on disposal of plant, equipment and right-of-used assets	(1,679)	(295)
Gain on derecognition of right-of-use assets	-	(1)
Gain on modification of lease	-	(2)
Goodwill impairment	346	-
Property, plant and equipment written off	7	28
Inventory Written down	5,998	-
Interest income	(44)	(18)
Share of results of associates	122	(80)
Operating profits before working capital changes	6,246	6,741
Changes in working capital :		
Inventories	14,988	17,301
Trade and other receivables	(427)	22,615
Trade and other payables	1,936	(8,347)
	16,497	31,569
Cash generated from operations	22,743	38,310
Income tax paid	(2,374)	(3,275)
Net cash generated from operating activities	20,369	35,035
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment and right-of-used assets	1,862	295
Purchase of property, plant and equipment	(4,495)	(1,528)
Interest received	44	18
Capital investment in subsidiaries/an associate	(377)	(344)
Net cash used in investing activities	(2,966)	(1,559)
<b>Cash flows from financing activities</b>		
Repayment of loans and borrowings, net	(20,950)	(26,395)
Repayment of hire purchase creditors, net	(104)	(424)
Repayment of lease liability	(471)	(792)
Placement of fixed deposits	(9)	(9)
Proceeds from issuance of shares to NCI	-	1,089
Repurchase of treasury shares	(743)	(82)
Dividend paid to owners of the Company	-	(1,572)
Proceeds from warrant conversion	16,634	-
Interest paid	(3,886)	(4,287)
Net cash used in financing activities	(9,529)	(32,472)

Net increase in cash and cash equivalents	7,874	1,004
Cash and cash equivalents at beginning of the period	23,059	20,955
Effect of exchange differences on cash and cash equivalents	374	1,100
Cash and cash equivalents at end of the period	<u>31,307</u>	<u>23,059</u>
Cash and cash equivalents comprised the followings:		
Cash and bank balances	32,074	23,733
Bank overdraft	(767)	(674)
	<u>31,307</u>	<u>23,059</u>

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 Financial Year Ended 31 May 2024****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 standards and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

**MFRS Accounting Standards 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

**MFRS Accounting Standards 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

**MFRS Accounting Standards and amendments effective for annual periods beginning on or after 1 January 2026**

- Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments

**MFRS Accounting Standards and amendments effective for annual periods beginning on or after 1 January 2027**

- MFRS 18, Presentation and Disclosure in Financial Statements
- MFRS 19, Subsidiaries without Public Accountability: Disclosures

**MFRSs Accounting Standards 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 accounting standard and amendments, where applicable in the respective financial years when the abovementioned amendments become effective.

The initial application of the accounting standard and 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.

**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**

During the current financial year, the Group was informed by the Malaysian Investment Development Authority ("MIDA") that its application to extend the pioneer status tax holiday for the second 5 years covering financial years ended 2018 to 2022 ("covered years") was not approved.

Management had met with MIDA officers to appeal against the rejection of the extension. In the meantime, pending resolution of this appeal, the Group has, on grounds of prudence, provided the additional tax for the covered years while continuing to follow up with the authority.

**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, other than below:

- (a) 27,723,426 new ordinary shares ("OS") were allotted following conversion of warrants at the exercise price of RM0.60 per warrant. Accordingly, the issued and paid-up share capital of the Company increased to RM84,304,959, comprising of 157,391,426 of ordinary shares.
- (b) The company repurchased 1,050,000 of its issued share capital from the open market for an average price of RM0.70 per OS with the purchases financed by internally generated funds. All ordinary shares bought are retained as treasury shares in accordance with the requirements of Section 127 of the Companies Act 2016. The treasury shares held had been accounted for using cost method. The amount of consideration paid, including directly attributable costs, is recognised as cost and set off against equity. Total number of treasury shares held was 5,036,300 OS as at 31 May 2024.

**8. Dividend Paid**

There was no dividend paid during the period under review.



## 9. Segmental Information

	For the 12 months ended 31 May 2024					
	Manufacturing	Trading	Others	Total	Elimination	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external Customers	34,204	275,362	-	309,566	-	309,566
Segment profit/(loss)	4,664	(11,263)	(2,015)	(8,614)	994	(7,620)
Segment assets included in the measure of segment assets is:						
Capital expenditure	6,516	3,138	60	9,714	(3)	9,711

	For the 12 months ended 31 May 2023					
	Manufacturing	Trading	Others	Total	Elimination	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external Customers	7,888	265,316	-	273,204	-	273,204
Segment (loss)/profit	1,589	(2,601)	(2,667)	(3,679)	1,139	(2,540)
Segment assets included in the measure of segment assets is:						
Capital expenditure	321	1,678	134	2,133	(14)	2,119

## 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 3 November 2023, a wholly owned subsidiary, Pensia Industries Sdn. Bhd. ("PI"), allotted 1,654,057 new ordinary shares which was subscribed by a minority shareholder where the consideration for the shares allotted were paid in the form of equipment valued at RM5,217,888 injected into PI. Following that, the equity interest of the Company in PI is diluted from 100% to 75.14%.

## 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:

	Individual Quarter		Cumulative Period	
	3 months ended		12 months ended	
	31-May-24	31-May-23	31-May-24	31-May-23
	RM'000	RM'000	RM'000	RM'000
Transaction with associate				
-Sales	209	402	2,080	3,858
Transaction with related parties				
- Purchases	183	1,548	1,767	2,391
- Services acquired	203	101	802	395
- Sales	1	34	577	34

#### 14. Review of Performance

	Individual Quarter			Cumulative Period		
	3 months ended			12 months ended		
	31-May-24	31-May-23	%	31-May-24	31-May-23	%
	RM'000	RM'000		RM'000	RM'000	
Revenue	85,141	78,588	7	309,566	273,204	13
Loss before tax	(8,491)	(701)	(1,111)	(7,620)	(2,540)	(200)
Loss after tax	(14,511)	(1,288)	(1,027)	(14,606)	(3,997)	(265)
Loss attributable to owner of the Company	(14,276)	(712)	(1,905)	(14,276)	(3,036)	(370)

On a quarter-on-quarter comparison, consolidated revenue rose to RM85.1 million, a 7% upside compared to RM78.6 million reported in the preceding year corresponding quarter ("Q4 FY2023"). Despite this growth, the Group reported a loss before tax position ("LBT") of RM8.5 million compared to LBT RM0.7 million on the same comparative quarter as the Group has written down inventories amounting to RM6 million after considering their historical consumption and sales trend, ageing of the inventories and product life cycles.

For 12 months ended 31 May 2024, the Group registered revenue of RM309.5 million, representing an increase of 13% compared to RM273.2 million in the preceding year corresponding period. The Group recorded a loss before tax of RM7.6 million compared to loss before tax of RM2.5 million in the preceding year corresponding period.

#### 15. Review of Performance

	Current Quarter Ended	Immediate Preceding Quarter Ended	%
	31-May-24 RM'000	29-Feb-24 RM'000	
Revenue	85,141	79,704	6
(Loss)/Profit before tax	(8,491)	222	(3,925)
(Loss)/Profit after tax	(14,511)	259	(5,703)
(Loss)/Profit attributable to owner of the Company	(14,276)	104	(13,827)

The Group reported revenue of RM85.1 million for the current financial quarter compared to RM79.7 million reported in the immediate preceding financial quarter ended 29 Feb 2024. On the same comparative basis, the Group incurred substantial LBT of RM8.5 million compared with profit before tax of RM0.2 million as the Group has written down inventories amounting to RM6 million after considering their historical consumption and sales trend, ageing of the inventories and product life cycles.

## 16. Commentary on Prospects

The recent change in executive leadership in the Group signalled a transformation in the Group's business approach. The Management is on the cusp of launching a series of innovative household appliances that are expected to redefine benchmarks in convenience and efficiency.

The Group CEO, whose role has been expanded to include those responsibilities previously designated under the Group MD, is bringing fresh initiatives by driving product and service innovations based on a transformation-led path, to meet the evolving needs of our customers. The Group CEO took the bull by the horns and reviewed the business operations of the Group as a whole by streamlining processes, reducing costs and enhancing productivity.

Despite the financial losses as reported in this quarterly result due to these drastic steps, the CEO's strategic vision with his dynamic leadership and the support of the new Management Team are turning these challenges into opportunities for robust growth that will lead to higher long-term gain. These initiatives are poised to deliver substantial benefits and favourable outcomes for the Group.

## 17. Profit Forecast

Not applicable as no profit forecast was published.

## 18. Taxation

	Individual Quarter		Cumulative Period	
	3 months ended		12 months ended	
	31-May-24 RM'000	31-May-23 RM'000	31-May-24 RM'000	31-May-23 RM'000
Current tax expenses				
- Current year	(64)	619	1,282	1,199
- Prior year	5,652	-	5,290	218
Deferred tax expenses				
- Current year	773	27	755	314
- Prior year	(341)	(59)	(341)	(274)
	<u>6,020</u>	<u>587</u>	<u>6,986</u>	<u>1,457</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.

During the current financial year, the Group was informed by the Malaysian Investment Development Authority ("MIDA") that its application to extend the pioneer status tax holiday for the second 5 years covering financial years ended 2018 to 2022 ("covered years") was not approved.

Management had met with MIDA officers to appeal against the rejection of the extension. In the meantime, pending resolution of this appeal, the Group has, on grounds of prudence, provided the additional tax for the covered years while continuing to follow up with the authority.

## 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 31-May-24 RM'000</b>	<b>Audited 31-May-23 RM'000</b>
Neither past due nor impaired	41,877	41,214
Past due but not impaired:		
Less than 60 days	10,638	11,243
60 to 120 days	2,162	944
More than 120 days	3,281	2,611
	<u>16,081</u>	<u>14,798</u>
	57,958	56,012
Impaired	(1,461)	(1,413)
	<u>56,497</u>	<u>54,599</u>

Except for the impairment provided, the Group is satisfied that recovery of the remaining amount is possible.

## 21. Borrowings and Debts Securities

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

	<b>Unaudited 31-May-24 RM'000</b>	<b>Audited 31-May-23 RM'000</b>
<b>Current</b>		
<b>Unsecured</b>		
Bank overdraft	767	624
Revolving credit	6,211	6,713
Bankers' acceptance	19,463	35,127
	<u>26,441</u>	<u>42,464</u>
<b>Secured</b>		
Bank overdraft	-	50
Term loans	2,269	2,297
Bankers' acceptance	10,778	13,289
Hire Purchase Creditors	519	566
	<u>13,566</u>	<u>16,202</u>
	<u>40,007</u>	<u>58,666</u>
<b>Non – current</b>		
<b>Secured</b>		
Term loans	21,574	23,818
Hire Purchase Creditors	624	683
	<u>22,198</u>	<u>24,501</u>
	<u>62,205</u>	<u>83,167</u>
<b>Currency Denominated In</b>		
Ringgit Malaysia ("MYR")	<u>62,205</u>	<u>83,167</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 May 2024.

## 23. Dividend

The Board does not recommend any dividend for the current financial period ended 31 May 2024.

## 24. Earnings per Share (“EPS”)

### Basic and diluted loss per ordinary share

	Individual Quarter		Cumulative Period	
	3 months ended		12 months ended	
	31-May-24	31-May-23	31-May-24	31-May-23
Loss attributable to owners of the Company (RM'000)	(14,276)	(712)	(14,276)	(3,036)
Weighted average number of ordinary shares in issue (units'000)	137,873	125,750	137,873	125,750
Basic loss per share (sen)	(10.35)	(0.57)	(10.35)	(2.41)

The diluted earnings per ordinary share for 2024 and 2023 was the same as basic earnings per ordinary share as there were no outstanding instruments with potential dilutive effect.

## 25. Loss for the Period

Loss for the period has been arrived at:

	Individual Quarter		Cumulative Period	
	3 months ended		12 months ended	
	31-May-24	31-May-23	31-May-24	31-May-23
After charging / (crediting):-				
Property, plant & equipment written off	3	4	7	28
Gain on disposal of property, plant and equipment	-	(145)	(1,679)	(295)
Inventories Written down	(5,998)	(700)	(5,998)	(700)
Government Grant received	(113)	(161)	(104)	(210)
Interest Income	(25)	(11)	(44)	(18)
Royalty Income	(4)	(41)	(113)	(109)
Realised gain on foreign exchange	(248)	(154)	(625)	(669)
Unrealised loss/(gain) on foreign exchange	84	(333)	(229)	214
Interest expense	1,813	1,124	3,886	4,287

## 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.