



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL QUARTER ENDED 28 FEBRUARY 2023**

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Third Quarter Ended 28 February 2023**

	Note	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
		28-Feb-23 RM'000	28-Feb-22 RM'000	28-Feb-23 RM'000	28-Feb-22 RM'000
Revenue	9	62,731	83,216	194,592	243,155
Cost of sales		(50,018)	(68,083)	(156,640)	(198,405)
Gross profit		12,713	15,133	37,952	44,750
Other operating income		201	122	616	1,178
Interest income		3	4	7	14
Operating expenses		(12,406)	(12,677)	(37,210)	(36,229)
Results from operating activities		511	2,582	1,365	9,713
Finance costs		(994)	(846)	(3,230)	(2,504)
Operating (loss)/profit		(483)	1,736	(1,865)	7,209
Share of results of associates		8	1	28	114
(Loss)/Profit before tax		(475)	1,737	(1,837)	7,323
Tax expenses	18	(433)	(740)	(808)	(1,193)
(Loss)/Profit after tax		(908)	997	(2,645)	6,130
Other comprehensive expenses, net of tax					
Foreign currency translation differences		(907)	150	313	217
<b>Total comprehensive (loss)/profit for the period</b>		<b>(1,815)</b>	<b>1,147</b>	<b>(2,332)</b>	<b>6,347</b>
<b>(Loss)/Profit attributable to :</b>					
Shareholders of the Company		(809)	1,212	(2,260)	6,559
Non-controlling interests		(99)	(215)	(385)	(429)
		<b>(908)</b>	<b>997</b>	<b>(2,645)</b>	<b>6,130</b>
<b>Total comprehensive (loss)/profit attributable to :</b>					
Shareholders of the Company		(1,649)	1,363	(2,041)	6,745
Non-controlling interests		(166)	(216)	(291)	(398)
		<b>(1,816)</b>	<b>1,147</b>	<b>(2,332)</b>	<b>6,347</b>
Basic (loss)/earnings per ordinary share (sen)	24	(0.64)	0.96	(1.80)	5.20
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 2022 and the accompanying explanatory notes attached to the interim financial statements.

**Unaudited Condensed Consolidated Statement of Financial Position as at 28 February 2023**

	Note	(Unaudited) 28-Feb-23 RM'000	(Audited) 31-May-22 RM'000
<b>ASSETS</b>			
Property, plant and equipment		110,018	112,403
Intangible assets		870	870
Investment in associates		991	963
Deferred tax assets		149	151
Total non-current assets		112,028	114,387
Inventories		80,212	96,872
Trade and other receivables		45,026	79,984
Current tax assets		1,397	881
Fixed deposit		546	539
Cash and bank balances		21,495	22,590
Total current assets		148,676	200,866
<b>TOTAL ASSETS</b>		<b>260,704</b>	<b>315,253</b>
<b>EQUITY</b>			
Share capital		67,671	67,671
Reserves		70,743	74,428
Total equity attributable to owners of the Company		138,414	142,099
Non-controlling interests		850	53
<b>TOTAL EQUITY</b>		<b>139,264</b>	<b>142,152</b>
<b>LIABILITIES</b>			
Loans and borrowings		25,039	31,266
Deferred tax liabilities		287	255
Lease liabilities		282	286
Total non-current liabilities		25,608	31,807
Trade and other payables		28,034	59,249
Loans and borrowings		66,799	79,348
Current tax liabilities		483	2,016
Lease liability		516	681
Total current liabilities		95,832	141,294
<b>TOTAL LIABILITIES</b>		<b>121,440</b>	<b>173,101</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>260,704</b>	<b>315,253</b>
Net assets per share attributable to equity holders (RM)		1.11	1.13

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 May 2022 and the accompanying explanatory notes attached to the interim financial statements.

**Unaudited Condensed Consolidated Statement of Changes in Equity for the Period Ended 28 February 2023**

	Attributable to owners of the Company						Distributable Retained Earnings	Total	Non- Controlling Interests	Total Equity
	Share Capital	Treasury Share	Non-Distributable		Warrant Reserve	Other Reserve				
	RM'000	RM'000	Exchange Translation Reserve RM'000	Capital Reserve RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 June 2021	67,671	(1,955)	197	4,488	6,483	(639)	52,314	128,559	1,319	129,878
Profit for the period	-	-	-	-	-	-	6,559	6,559	(429)	6,130
Foreign currency translation differences	-	-	186	-	-	-	-	186	32	218
Total comprehensive profit for the period	-	-	186	-	-	-	6,559	6,745	(397)	6,348
Dividend Paid	-	-	-	-	-	-	(1,263)	(1,263)	-	(1,263)
Own shares acquired	-	(258)	-	-	-	-	-	(258)	-	(258)
At 28 February 2022	67,671	(2,213)	383	4,488	6,483	(639)	57,610	133,783	922	134,705
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	-	-	-	-	-	-	(2,260)	(2,260)	(385)	(2,645)
Foreign currency translation differences	-	-	219	-	-	-	-	219	94	313
Total comprehensive profit for the period	-	-	219	-	-	-	(2,260)	(2,041)	(291)	(2,333)
Dividend Paid	-	-	-	-	-	-	(1,572)	(1,572)	-	(1,572)
Additional NCI	-	-	-	-	-	-	-	-	1,088	1,088
Own shares acquired	-	(71)	-	-	-	-	-	(71)	-	(71)
At 28 February 2023	67,671	(2,365)	1,200	4,488	6,483	(639)	61,576	138,414	850	139,264

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 May 2022 and the accompanying explanatory notes attached to the interim financial statements.

**Unaudited Condensed Consolidated Statement of Cash Flows for the Period Ended 28 February 2023**

	<b>Cumulative Quarters</b>	
	<b>9 months ended</b>	
	<b>28-Feb-23</b>	<b>28-Feb-22</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash Flows from operating activities		
(Loss)/Profit before tax	(1,837)	7,323
Adjustments for :		
Depreciation of property, plant and equipment	3,919	4,577
Interest expense	3,163	2,437
Accretion of interest on lease liabilities	55	53
Gain on disposal of plant, equipment and right-of-used assets	(153)	(8)
Property, plant and equipment written off	24	27
Interest income	(7)	(14)
Share of results of associates	(28)	(114)
Operating profits before working capital changes	5,136	14,281
Changes in working capital :		
Inventories	16,828	(14,928)
Trade and other receivables	34,403	11,273
Trade and other payables	(30,920)	(29,640)
	20,311	(33,295)
Cash generated from/(used in) operations	25,447	(19,014)
Income tax paid	(2,855)	(3,901)
Net cash from/(used in) operating activities	22,592	(22,915)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment and right-of-used assets	150	4
Purchase of property, plant and equipment	(1,238)	(920)
Interest Received	7	14
Proceeds from issuance share to NCI/Capital reduction	1,088	591
Net cash from investing activities	7	(311)
Cash flows from financing activities		
(Repayment)/Drawdown of loans and borrowings, net	(21,564)	25,736
Drawdown/(Repayment) of hire purchase creditors, net	(116)	(496)
Repayment of lease liability	(449)	(462)
Placement of fixed deposits	(7)	(9)
Repurchase of treasury share	(71)	(258)
Dividend paid to owners of the Company	(1,572)	(1,263)
Interest paid	(3,218)	(2,490)
Net cash used in financing activities	(26,997)	20,758
Net decrease in cash and cash equivalents	(4,398)	(2,468)
Cash and cash equivalents at beginning of the period	20,955	21,129
Effect of exchange differences on cash and cash equivalents	398	275
Cash and cash equivalents at end of the period	16,955	18,936
Cash and cash equivalents comprised the followings:		
Cash and bank balances	21,495	22,807
Bank overdraft	(4,540)	(3,871)
	16,955	18,936

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 May 2022 and the accompanying explanatory notes attached to the interim financial statements.

**Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the Period Ended 28 February 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 2022. 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 2022.

The following are accounting standards and amendments that have been issued by the Malaysia 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 2022***

- Amendments to MFRS 1, First-time adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)
- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018-2020)
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018-2020)

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

- MFRS 17, 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 – Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

***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 2022 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 2023.

**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 2022.

**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 28 February 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 except for the following :

During the financial period ended 28 February 2023, the Company repurchased 142,400 of its issued share capital from the open market for an average price of RM0.49 per share. The repurchased transactions were financed by internally generated funds. All the 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 costs and set off against equity.

**8. Dividend Paid**

A final single tier dividend of 1.25 sen per ordinary share in respect of year ended 31 May 2022 has been paid in December 2022.

**9. Segmental Information**

				<b>For the 9 months ended 28 February 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>	2,906	191,686	-	194,592	-	194,592
<b>Segment profit</b>	719	(2,366)	(639)	(2,286)	449	(1,837)
<b>Segment assets</b> <i>Included in the measure of segment assets is:</i>						
Capital expenditure	136	973	142	1,251	(13)	1,238
				<b>For the 9 months ended 28 February 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>	3,478	239,677	-	243,155	-	243,155
<b>Segment loss/profit</b>	763	6,698	(290)	7,171	152	7,323
<b>Segment assets</b> <i>Included in the measure of segment assets is:</i>						
Capital expenditure	190	683	47	920	-	920

**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 8 June 2022, Keat Radio Co. Sdn. Bhd., a wholly-owned subsidiary of the Company, had incorporated a wholly-owned subsidiary known as Pensonic (Zhuhai) Home Appliances Co. Ltd..

**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>9 months ended</b>	
	<b>28-Feb-23</b>	<b>28-Feb-22</b>	<b>28-Feb-23</b>	<b>28-Feb-22</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Transaction with associate				
- Sales		1,236	678	3,460
Transaction with related party				
- Purchases		283	720	844
- Services acquired		142	136	294
				335



**14. Review of Performance**

	<u>Individual Quarter</u>			<u>Cumulative Period</u>		
	<u>3 months ended</u>			<u>9 months ended</u>		
	<u>28-Feb-23</u>	<u>28-Feb-22</u>	<u>%</u>	<u>28-Feb-23</u>	<u>28-Feb-22</u>	<u>%</u>
	<u>RM'000</u>	<u>RM'000</u>		<u>RM'000</u>	<u>RM'000</u>	
Revenue	62,731	83,216	(25)	194,592	243,155	(20)
(Loss)/Profit before tax	(475)	1,737	(127)	(1,837)	7,323	(125)
(Loss)/Profit after tax	(908)	997	(191)	(2,645)	6,130	(143)
(Loss)/Profit attributable to owner of the Company	(809)	1,212	(167)	(2,260)	6,559	(134)

The Group registered revenue of RM62.7 million compared to RM83.2 million in the preceding year corresponding quarter. The Group recorded a loss before tax of RM475,000 compared to profit before tax of RM1.7 million in the preceding year corresponding quarter. Lower profit in the current quarter is due to lower sales and higher operating expenses in the current financial period.

The Group registered revenue of RM194.6 million compared to RM243.2 million in the preceding year corresponding period. The Group recorded a loss before tax of RM1.8 million compared to profit before tax of RM7.3 million in the preceding year corresponding period. Lower profit in the current period is due to lower sales and higher operating expenses.

**15. Review of Performance**

	<u>Current Quarter Ended 28-Feb-23</u>	<u>Immediate Preceding Quarter Ended 30-Nov-22</u>	<u>%</u>
	<u>RM'000</u>	<u>RM'000</u>	
Revenue	62,731	58,456	7
Loss before tax	(475)	(871)	45
Loss after tax	(908)	(972)	7
Loss attributable to owner of the Company	(809)	(834)	3

The Group registered revenue of RM62.7million for the current financial quarter compared to RM58.4 million reported in the immediate preceding financial quarter ended 30 Nov 2022. The Group recorded a loss before tax of RM476,000 compared with loss before tax of RM871,000 in the preceding financial quarter.

**16. Commentary on Prospects**

Global macroeconomic issues from rising inflation to increasing interest rates and growing risk of a recession continue to beset our local economy resulting in weaker consumer confidence and purchasing power. Amidst these challenges, the Group will continue to develop and refine strategies to reinforce its distribution and products mix and implement efficiency enhancement aimed at driving recovery and improving the bottom line.

**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>9 months ended</b>	
	<b>28-Feb-23</b>	<b>28-Feb-22</b>	<b>28-Feb-23</b>	<b>28-Feb-22</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax expenses				
- Current year	320	734	701	1,187
- Prior year	105	5	105	5
Deferred tax expenses				
- Current year	8	1	2	1
- Prior year	-	-	-	-
	<u>433</u>	<u>740</u>	<u>808</u>	<u>1,193</u>

Domestic income tax rate is calculated at the Malaysian statutory tax rate of 24% (2022: 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>28-Feb-23</b>	<b>31-May-22</b>
	<b>RM'000</b>	<b>RM'000</b>
Neither past due nor impaired	33,391	39,639
Past due but not impaired:		
Less than 60 days	7,246	16,577
60 to 120 days	1,006	1,138
More than 120 days	1,643	2,385
	<u>9,895</u>	<u>20,100</u>
	43,286	59,739
Impaired	(911)	(874)
	<u>42,375</u>	<u>58,865</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>28-Feb-23</b> <b>RM'000</b>	<b>Audited</b> <b>31-May-22</b> <b>RM'000</b>
<b><u>Current</u></b>		
<b>Unsecured</b>		
Bank overdraft	445	470
Revolving credit	6,713	6,713
Bankers' acceptance	46,860	46,706
	<u>54,018</u>	<u>53,889</u>
<b>Secured</b>		
Bank overdraft	4,095	1,165
Term loans	2,269	4,265
Bankers' acceptance	5,832	19,466
Hire Purchase Creditors	585	563
	<u>12,781</u>	<u>25,459</u>
	<u>66,799</u>	<u>79,348</u>
<b><u>Non – current</u></b>		
<b>Secured</b>		
Term loans	24,400	30,490
Hire Purchase Creditors	639	776
	<u>25,039</u>	<u>31,266</u>
	<u>91,838</u>	<u>110,614</u>
<b><u>Currency Denominated In</u></b>		
Ringgit Malaysia ("MYR")	<u>91,838</u>	<u>110,614</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 28 February 2023.

## 23. Dividend

The Board does not recommend any dividend for the current financial quarter ended 28 February 2023.

## 24. Earnings per Share ("EPS")

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

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>28-Feb-23</b>	<b>28-Feb-22</b>	<b>28-Feb-23</b>	<b>28-Feb-22</b>
Profit attributable to owners of the Company (RM'000)	(809)	1,212	(2,260)	6,559
Weighted average number of ordinary shares in issue (units'000)	124,327	126,208	124,327	126,208
Basic (loss)/earnings per share (sen)	(0.64)	0.96	(1.80)	5.20

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. (Loss)/Profit for the Period**

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

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>3 months ended</u>		<u>9 months ended</u>	
	<u>28-Feb-23</u>	<u>28-Feb-22</u>	<u>28-Feb-23</u>	<u>28-Feb-22</u>
<b>After charging / (crediting):-</b>				
Property, plant & equipment written off	-	27	24	27
(Gain) on disposal of property, plant and equipment	(1)	-	(153)	(8)
Government Grant received	-	(15)	(49)	(341)
Interest Income	(3)	(4)	(7)	(14)
Royalty Income	1	-	(68)	(231)
Realised (gain)/loss on foreign exchange	(498)	(72)	(515)	(467)
Unrealised loss/(gain) on foreign exchange	333	-	119	(61)
Interest expense	982	842	3,163	2,490

**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.