

**PENSONIC HOLDINGS BERHAD (300426-P)**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 NOVEMBER 2014**

**PENSONIC HOLDINGS BERHAD (300426-P)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 NOVEMBER 2014 (Unaudited)**

	Note	Individual Quarter		Cumulative Period	
		3 months ended 30.11.14 RM'000	30.11.13 RM'000	6 months ended 30.11.14 RM'000	30.11.13 RM'000
Revenue	9	87,980	86,550	194,009	189,449
Cost of sales		(72,171)	(71,167)	(158,633)	(151,242)
Gross profit		15,809	15,383	35,376	38,207
Other operating income		419	624	617	1,317
Interest income		35	212	86	224
Operating expenses		(14,477)	(16,258)	(31,131)	(34,768)
<b>Results from operating activities</b>		1,786	(39)	4,948	4,980
Finance costs		(1,250)	(1,134)	(2,479)	(2,236)
<b>Operating profit/(loss)</b>		536	(1,173)	2,469	2,744
Share of profit of equity accounted associates		-	-	-	-
<b>Profit/(loss) before tax</b>		536	(1,173)	2,469	2,744
Tax income/(expense)	21	3	(7)	(24)	(4)
<b>Profit/(Loss) for the period</b>	29	539	(1,180)	2,445	2,740
<b>Other comprehensive income/(expenses), net of tax</b>					
Foreign currency translation differences		24	11	19	(55)
<b>Total comprehensive income/(loss) for the period</b>		563	(1,169)	2,464	2,685
<b>Profit/(Loss) attributable to:</b>					
Shareholders of the Company		598	(1,166)	2,796	2,720
Non-controlling interests		(59)	(14)	(351)	20
		539	(1,180)	2,445	2,740
<b>Total comprehensive income/(loss) attributable to:</b>					
Shareholders of the Company		622	(1,155)	2,815	2,665
Non-controlling interests		(59)	(14)	(351)	20
		563	(1,169)	2,464	2,685
Basic earnings per ordinary share (sen)	28	0.46	(0.90)	2.16	2.10
Diluted earnings per ordinary share (sen)	28	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2014 and the accompanying explanatory notes attached to the interim financial statements.

**PENSONIC HOLDINGS BERHAD (300426-P)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 NOVEMBER 2014 (Unaudited)**

	Note	Unaudited 30-Nov-14 RM'000	Audited 31-May-14 RM'000
<b>ASSETS</b>			
Property, plant and equipment		88,465	81,106
Investment properties		493	498
Investments in associates		248	248
Intangible assets		1,034	1,034
Deferred tax assets		44	59
<b>Total non-current assets</b>		<u>90,284</u>	<u>82,945</u>
Inventories		75,582	81,073
Trade and other receivables		51,527	68,309
Current tax assets		1,957	2,141
Cash and cash equivalents		25,520	20,263
<b>Total current assets</b>		<u>154,586</u>	<u>171,786</u>
<b>TOTAL ASSETS</b>		<u>244,870</u>	<u>254,731</u>
<b>EQUITY</b>			
Share capital		64,834	64,834
Reserves		33,553	30,738
<b>Total equity attributable to owners of the Company</b>		<u>98,387</u>	<u>95,572</u>
Non-controlling interests		(651)	(300)
<b>TOTAL EQUITY</b>		<u>97,736</u>	<u>95,272</u>
<b>LIABILITIES</b>			
Loans and borrowings	25	15,871	8,090
Deferred tax liabilities		166	44
<b>Total non-current liabilities</b>		<u>16,037</u>	<u>8,134</u>
Loans and borrowings	25	89,895	89,788
Trade and other payables		40,288	61,536
Current tax liabilities		914	1
<b>Total current liabilities</b>		<u>131,097</u>	<u>151,325</u>
<b>Total liabilities</b>		<u>147,134</u>	<u>159,459</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>244,870</u>	<u>254,731</u>
<b>Net assets per share attributable to equity holders (RM)</b>		0.75	0.74

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 May 2014 and the accompanying explanatory notes attached to the interim financial statements.

**PENSONIC HOLDINGS BERHAD (300426-P)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 NOVEMBER 2014 (Unaudited)**

	← Attributable to owners of the Company →						Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
	← Non- Distributable Reserve →			Distributable					
	Share capital RM'000	Share premium RM'000	Exchange translation Reserve RM'000	Capital reserve RM'000	Warrant reserve RM'000	Retained earnings RM'000			
<b>At 1 June 2013</b>	46,310	21,361	393	4,488	-	15,381	<b>87,933</b>	(137)	<b>87,796</b>
Foreign currency translation differences	-	-	(13)	-	-	-	<b>(13)</b>	-	<b>(13)</b>
Profit for the period	-	-	-	-	-	2,871	<b>2,871</b>	(163)	<b>2,708</b>
<b>Total comprehensive income for the period</b>	-	-	(13)	-	-	2,871	<b>2,858</b>	(163)	<b>2,695</b>
Issuance of bonus shares	18,524	(18,524)	-	-	-	-	-	-	-
Issuance of warrants	-	-	-	-	6,483	-	<b>6,483</b>	-	<b>6,483</b>
Dividend to owners of the Company	-	-	-	-	-	(1,702)	<b>(1,702)</b>	-	<b>(1,702)</b>
<b>At 31 May 2014</b>	<b>64,834</b>	<b>2,837</b>	<b>380</b>	<b>4,488</b>	<b>6,483</b>	<b>16,550</b>	<b>95,572</b>	<b>(300)</b>	<b>95,272</b>
<b>At 1 June 2014</b>	<b>64,834</b>	<b>2,837</b>	<b>380</b>	<b>4,488</b>	<b>6,483</b>	<b>16,550</b>	<b>95,572</b>	<b>(300)</b>	<b>95,272</b>
Foreign currency translation differences	-	-	19	-	-	-	<b>19</b>	-	<b>19</b>
Profit for the period	-	-	-	-	-	2,796	<b>2,796</b>	(351)	<b>2,445</b>
<b>Total comprehensive income for the period</b>	-	-	19	-	-	2,796	<b>2,815</b>	(351)	<b>2,464</b>
<b>At 30 November 2014</b>	<b>64,834</b>	<b>2,837</b>	<b>399</b>	<b>4,488</b>	<b>6,483</b>	<b>19,346</b>	<b>98,387</b>	<b>(651)</b>	<b>97,736</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 May 2014 and the accompanying explanatory notes attached to the interim financial statements.

**PENSONIC HOLDINGS BERHAD (300426-P)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 30 NOVEMBER 2014 (Unaudited)**

	6 months ended 30 Nov	
	2014 RM'000	2013 RM'000
<b>Note</b>		
<b>Cash flows from operating activities</b>		
Profit before taxation	2,469	2,744
Adjustments for:		
Depreciation of property, plant and equipment	2,404	2,381
Depreciation of investment properties	4	4
Interest expense	2,479	2,236
Interest income	(86)	(224)
Gain on disposal of plant and equipment	(43)	-
Excess of fair value of net assets acquired over	-	(36)
Operating profit before changes in working capital	7,227	7,105
Changes in working capital:		
Inventories	5,491	(12,957)
Trade and other receivables	16,782	13,685
Trade and other payables	(21,248)	(16,357)
Cash generated/(used) from operations	8,252	(8,524)
Income tax refunded	1,209	36
<b>Net cash used in operating activities</b>	9,461	(8,488)
<b>Cash flows used in investing activities</b>		
Interest received	86	224
Purchase of property, plant and equipment	(9,763)	(2,145)
Proceeds from disposal of plant and equipment	43	-
Net outflow of acquisition of shares in subsidiary company	-	(2,476)
<b>Net cash used in investing activities</b>	(9,634)	(4,397)
<b>Cash flows from financing activities</b>		
Drawdown of term loans	13,579	1,991
Repayment of term loans	(3,450)	(1,074)
Repayment of finance lease liabilities	47	(101)
Drawdown of borrowings, net	(2,528)	7,324
Interest paid	(2,479)	(2,236)
Withdrawal of pledged fixed deposits	(28)	(2)
<b>Net cash generated from financing activities</b>	5,141	5,902
<b>Net increase/(decrease) in cash and cash equivalents</b>	4,968	(6,983)
<b>Cash and cash equivalents at beginning of period</b>	6,458	12,047
Effect of exchange differences on cash and cash equivalents	20	49
<b>Cash and cash equivalents at end of period</b>	11,446	5,106

**PENSONIC HOLDINGS BERHAD (300426-P)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)  
FOR THE QUARTER ENDED 30 NOVEMBER 2014 (Unaudited)**

	<b>6 months ended 30 Nov</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash and cash equivalents comprised the following:</b>		
Cash and bank balances	18,475	16,042
Bank overdrafts	(12,044)	(13,395)
Short term deposits with licensed banks	7,045	5,487
	<u>13,476</u>	<u>8,134</u>
Fixed deposits pledged to bank	<u>(2,030)</u>	<u>(3,028)</u>
	<u>11,446</u>	<u>5,106</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 May 2014 and the accompanying explanatory notes attached to the interim financial statements.

## **PENSONIC HOLDINGS BERHAD (300426-P)**

(Incorporated in Malaysia)

### **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2014 (Unaudited)**

#### **PART A: EXPLANATORY NOTES AS PER FRS 134 - INTERIM FINANCIAL REPORTING**

##### **1. Basis of preparation**

These condensed consolidated interim financial statements have been prepared in accordance with MFRS134, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34: Interim financial Reporting issued by the International Accounting Standards Board.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 May 2014. These explanatory notes, attached to the condensed consolidated interim financial statements, provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2014.

##### **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 2014 except for the adoption of the following new and revised MFRSs, Amendments to MFRSs and IC Interpretations by the Group with effect from 1 June 2014.

- MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

The adoption of the abovementioned MFRSs, Amendments to MFRSs and IC Interpretations did not have any material impact on the financial statements of the Group.

## **PENSONIC HOLDINGS BERHAD (300426-P)**

(Incorporated in Malaysia)

### **2. Significant Accounting Policies (cont'd)**

At the date of authorization of these interim financial statements, The Group has not adopted the following accounting standards that have been issued by the Malaysian Accounting Standards Board (“MASB”):

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016***

- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operation (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to MFRS 116, *Property, Plant and Equipment – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Consolidated and Separate Financial Statement - Equity Method in Separate Financial Statements*
- Amendments to MFRS 128, *Investment in Associates - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017***

- MFRS 15, *Revenue from Contracts with Customers*

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018***

- MFRS 9, *Financial Instruments*

### **3. Audit Qualification**

There were no audit qualifications on the annual financial statements of the Company for the year ended 31 May 2014.

### **4. Seasonality of Operations**

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

## **PENSONIC HOLDINGS BERHAD (300426-P)**

(Incorporated in Malaysia)

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

On 30 September 2014, a wholly-owned subsidiary, Keat Radio Co Sdn. Bhd. (“KRC”) entered into a Sale and Purchase Agreement (“the SPA”) to disposal of property erected for a sale consideration of RM9.25 million and on such terms and conditions as stated in the SPA. The mentioned transaction had been announced in Bursa Securities on 2 October 2014.

Save as disclosed above, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current period ended 30 November 2014.

### **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.

### **8. Dividend Paid**

No dividend has been paid during the period under review.

On 26 November 2014, shareholders of the Company have approved the first and final single-tier dividend of 2.0 sen per ordinary share amount to RM2,593,360 in respect of the financial year ended 31 May 2014. Subsequent to reporting date, the dividend was paid on 31 December 2014.

### **9. Segmental Information**

#### **(i) Operating Segments**

The Group has two reportable segments, as described below, which are the Group’s strategic business units. The strategic business units offer different products and services, and are managed separately because they require different marketing strategic. For each of the strategic business units, the Group’s Executive Chairman (the chief operating decision maker) reviews internal management reports at least on a monthly basis.

The following summary describes the operations in each of the Group’s reportable segments:

Manufacturing - manufacture, assembly and sales of electrical and electronic appliances

Trading - sales and distribution of electrical and electronic appliances

Other non-reportable segments represents investment holding activities and provision of management services to the Group.

**PENSONIC HOLDINGS BERHAD (300426-P)**

(Incorporated in Malaysia)

**9. Segmental Information (continued)**

	Operating Segments (continued)			For the 6 months ending 30 Nov 2014		
	Manufacturing	Trading	Others	Total	Elimination	Profit before tax
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	766	193,243	-	194,009	-	194,009
Inter-segment revenue	41,449	5,386	2,499	49,334	(49,334)	-
	<u>42,215</u>	<u>198,629</u>	<u>2,499</u>	<u>243,343</u>	<u>(49,334)</u>	<u>194,009</u>
<b>Segment profit</b>	<u>(489)</u>	<u>4,025</u>	<u>(1,126)</u>	<u>2,410</u>	<u>59</u>	<u>2,469</u>
<i>Included in the measure of segment profit are:</i>						
Depreciation and amortisation	(1,572)	(744)	(92)	(2,408)	-	(2,408)
Interest income	-	74	12	86	-	86
Net gain / (loss) on foreign exchange	(173)	404	(2)	(229)	-	(229)
Inventories written down	-	(1,009)	-	(1,009)	-	(1,009)
Bad debts written off	-	(5)	-	(5)	-	(5)
<i>Not included in the measure of segment profit but provided to Group Managing Director:</i>						
Finance costs	(480)	(1,420)	(579)	(2,479)	-	(2,479)
<b>Segment assets</b>	<u>73,880</u>	<u>172,467</u>	<u>108,700</u>	<u>355,047</u>	<u>(112,589)</u>	<u>242,458</u>
<i>Included in the measure of segment assets are:</i>						
Additions to non-current assets others than financial instruments and deferred tax assets	157	1,241	8,365	9,763	-	9,763

**PENSONIC HOLDINGS BERHAD (300426-P)**

(Incorporated in Malaysia)

**9. Segmental Information (cont'd)**

## (i) Operating Segments (cont'd)

	<b>For the 6 months ending 30 Nov 2013</b>					
	Manufacturing	Trading	Others	Total	Elimination	Profit before tax
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	5,746	183,703	-	189,449	-	189,449
Inter-segment revenue	49,635	4,958	2,376	56,969	(56,969)	-
	<u>55,381</u>	<u>188,661</u>	<u>2,376</u>	<u>246,418</u>	<u>(56,969)</u>	<u>189,449</u>
<b>Segment profit</b>	<u>(2,554)</u>	<u>6,542</u>	<u>(1,118)</u>	<u>2,870</u>	<u>(126)</u>	<u>2,744</u>
<i>Included in the measure of segment profit are:</i>						
Depreciation and amortisation	(1,560)	(734)	(91)	(2,385)	-	(2,385)
Interest income	-	218	6	224	-	224
Net gain / (loss) on foreign exchange	(269)	7	(1)	(263)	-	(263)
Bad debts written off	-	(170)	-	(170)	-	(170)
<i>Not included in the measure of segment profit but provided to Group Managing Director:</i>						
Finance costs	(557)	(1,385)	(294)	(2,236)	-	(2,236)
<b>Segment assets</b>	<u>93,365</u>	<u>192,944</u>	<u>85,445</u>	<u>371,754</u>	<u>(128,600)</u>	<u>243,154</u>
<i>Included in the measure of segment assets are:</i>						
Additions to non-current assets others than financial instruments and deferred tax assets	589	401	1,155	2,145	-	2,145

## PENSONIC HOLDINGS BERHAD (300426-P)

(Incorporated in Malaysia)

### 9. Segmental Information (cont'd)

#### (ii) Geographical Segments

The business segment of the Group is managed principally in Malaysia, China (including Hong Kong), Indonesia, Sri Lanka, Brunei, Middle East, Thailand, Myanmar, Singapore etc. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers whereas segment assets are based on the geographical location of the assets. The amounts of segment assets do not include instruments (including investment in associates) and deferred tax assets.

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>3 months ended</u>		<u>6 months ended</u>	
	<u>30.11.2014</u>	<u>30.11.2013</u>	<u>30.11.2014</u>	<u>30.11.2013</u>
	Segment Revenue			
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	59,451	59,958	131,560	134,750
Other Asian countries	24,952	21,474	49,537	41,035
Others	3,577	5,118	12,912	13,664
	<u>87,980</u>	<u>86,550</u>	<u>194,009</u>	<u>189,449</u>

	<u>Cumulative Period</u>	
	<u>6 months ended</u>	
	<u>30.11.2014</u>	<u>30.11.2013</u>
	Segment Assets	
	<u>RM'000</u>	<u>RM'000</u>
Malaysia	222,402	214,457
Other Asian countries	18,470	28,146
Others	1,586	551
	<u>242,458</u>	<u>243,154</u>

### 10. Property, Plant and Equipment

During the current financial period ended 30 November 2014, the Group has acquired assets at a cost of RM9.8 million (30 November 2013: RM2.1 million)

### 11. Events after the Reporting Period

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

### 12. Changes in Composition of the Group

There were no changes in the composition of the Group as at the date of this report.

## **PENSONIC HOLDINGS BERHAD (300426-P)**

(Incorporated in Malaysia)

### **13. Changes in Contingent Liabilities**

There were no changes in contingent liabilities or contingent assets of a material nature since the last annual reporting period.

### **14. Commitments**

Capital expenditure contracted but not provided for property, plant and equipment at the reporting date amounted to RM3.8 million.

### **15. 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>Unaudited 30-Nov-2014 RM'000</b>	<b>Audited 31-May-2014 RM'000</b>
Purchase of raw materials from -Pensia Plastic Industries Sdn. Bhd.*	-	2,850
Subcon and service charge income from -Pensia Plastic Industries Sdn. Bhd.*	-	212
Sale of goods to an associate -Pensonic (B) Sdn Bhd	629	1,286
Rental income charged for sub-letting of factory premises -Pensia Plastic Industries Sdn. Bhd.*	-	72
Rental expenses charged by - Directors of the Group	42	119

\* As of 27 September 2013, Pensia Plastic Industries Sdn. Bhd. became a wholly-owned subsidiary of the Group through its wholly-owned subsidiary, Keat Radio Co Sdn. Bhd.

**PENSONIC HOLDINGS BERHAD (300426-P)**  
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**16. Disclosure of Realised and Unrealised Retained Earnings**

	<b>Unaudited 30-Nov-2014 RM'000</b>	<b>Audited 31-May-2014 RM'000</b>
- realised	22,056	18,175
- unrealised	(384)	955
	<hr/>	<hr/>
	21,672	19,130
Total retained earnings of associates		
- realised	44	44
Less: Consolidation adjustments	(2,370)	(2,624)
	<hr/>	<hr/>
Total retained earnings	<u>19,346</u>	<u>16,550</u>

## PENSONIC HOLDINGS BERHAD (300426-P)

(Incorporated in Malaysia)

### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2014 (Unaudited)

#### PART B : ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

##### 17. Review of Performance

###### For the Quarter

The Group registered revenue of RM88.0 million for the current quarter as compared to RM86.6 million reported in the corresponding quarter last year, representing a slight increase in sales of RM1.4 million or 1.7%. However, the Group has posted a profit before tax of RM0.5 million compared to a loss before tax of RM1.2 million in the corresponding period last year. The improvement of profit is resulted from overhead cost spending rationalisation implemented by management.

###### For the 6 months ended

As for the 6 months ended 30 November 2014, the Group's revenue and pre-tax profit were RM194.0 million and RM2.5 million as compared to RM189.4 million and RM2.7 million corresponding last year. There is a slightly increase in revenue by RM4.6 million or 2.4%, however profit before tax for current year had reduced by RM0.2 million.

##### 18. Variation of results Against Preceding Quarter

	<b>Current Quarter 30-Nov-2014 RM'000</b>	<b>Immediate Preceding Quarter 31-Aug-2014 RM'000</b>	<b>Variance (decreased) %</b>
- Revenue	87,980	106,029	(17.02)
- Profit Before Tax	536	1,933	(72.27)

Traditionally, revenue for the second quarter is lower as compared to the other quarter of the Group's finance year due to decrease in local market demand for non-festive season and also due to the impact of GST implementation or preparation.

Thus, the Group recorded a pre-tax profit of RM0.5 million in this quarter as compared to pre-tax profit of RM1.9 million in immediate preceding quarter.

## **PENSONIC HOLDINGS BERHAD (300426-P)**

(Incorporated in Malaysia)

### **19. Commentary on Prospect**

Looking ahead, the Group anticipates that competition will remain intense. The Group will continue explore new market, product innovation, maintaining excellent customer relationship, placing emphasis in cost control, inventory management and overhead cost rationalisation.

In line with the Group's effort in expanding emerging markets, the Group carries on to promote and sell its products to overseas customers through engaging more overseas distributors and business partners, expanding overseas market footprint through acquisitions where necessary. Besides, the Group continues to devote efforts in research and development of new products in order to keep up with the ever-changing needs of the electrical appliances markets.

Given our extensive experience in the industry, the Board believes that the Group can overcome the temporary challenges in the market and remain competitive for the coming period.

### **20. Profit Forecast**

Not applicable as no profit forecast was published.

### **21. Taxation**

Taxation comprises the following:

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>3 months ended</u>		<u>6 months ended</u>	
	<u>30.11.14</u>	<u>30.11.13</u>	<u>30.11.14</u>	<u>30.11.13</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax (income)/expense	(3)	7	24	4
	<u>(3)</u>	<u>7</u>	<u>24</u>	<u>4</u>

Domestic income tax rate is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The effective tax rate for the quarter and period were lower than the statutory rate due to the tax exemption status was granted to certain subsidiaries of the Company.

### **22. Sales of Unquoted Investments and Properties**

Save as disclosed in Note 5 above, there was no other disposal of unquoted investments and properties during the current quarter.

### **23. Investment in Quoted Securities**

There was no purchase or disposal of quoted securities as of date of this report.

### **24. Status of Corporate Proposal**

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

**PENSONIC HOLDINGS BERHAD (300426-P)**  
(Incorporated in Malaysia)

**25. Borrowings and Debts Securities**

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

	<b>Unaudited 30-Nov-14 RM'000</b>	<b>Audited 31-May-14 RM'000</b>
<b><u>Current</u></b>		
<b>Unsecured</b>		
Bank overdraft	9,929	7,149
Bankers' acceptance	60,173	61,753
Term loans	12	2,050
	<u>70,114</u>	<u>70,952</u>
<b>Secured</b>		
Bank overdraft	2,115	4,654
Bankers' acceptance	4,655	5,997
Trust receipts	1,520	1,126
Term loans	11,226	6,789
Finance lease liabilities	265	270
	<u>19,781</u>	<u>18,836</u>
	<u><u>89,895</u></u>	<u><u>89,788</u></u>
<b><u>Non – current</u></b>		
<b>Secured</b>		
Term loans	15,320	7,590
Finance lease liabilities	551	500
	<u>15,871</u>	<u>8,090</u>
	<u><u>15,871</u></u>	<u><u>8,090</u></u>
<b><u>Currency Denominated In</u></b>		
Ringgit Malaysia (“MYR”)	104,246	96,062
Singapore Dollar (“SGD”)	-	690
Hong Kong Dollar (“HKD”)	1,520	1,126
	<u>105,766</u>	<u>97,878</u>

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

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

**26. Material Litigation**

The Group is not engaged in any material litigation for the current financial period ended 30 November 2014.

**27. Proposed Dividend**

The Board does not recommend any dividend for the current quarter ended 30 November 2014.

**PENSONIC HOLDINGS BERHAD (300426-P)**  
(Incorporated in Malaysia)

**28. Earnings per Share (“EPS”)**

**(i) Basic EPS**

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>3 months ended</u>	<u>3 months ended</u>	<u>6 months ended</u>	<u>6 months ended</u>
	<u>30.11.14</u>	<u>30.11.13</u>	<u>30.11.14</u>	<u>30.11.13</u>
Net profit/(loss) for the period attributable to owners of the Company (RM'000)	598	(1,166)	2,796	2,720
Number of ordinary shares in issue ('000)	129,668	129,668	129,668	129,668
Basic earnings per share (sen)	<u>0.46</u>	<u>(0.90)</u>	<u>2.16</u>	<u>2.10</u>

**(ii) Diluted EPS**

The diluted earnings per ordinary share is not presented as the market value of the ordinary shares of the Company is lower than the exercise price for the outstanding warrants and any exercise of warrants would result in anti-dilution.

**29. Profit for the period**

Profit 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>6 months ended</u>	<u>6 months ended</u>
	<u>30.11.14</u>	<u>30.11.13</u>	<u>30.11.14</u>	<u>30.11.13</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>After charging:-</b>				
Depreciation & amortization	1,204	1,227	2,408	2,385
Inventories written down	(981)	(12)	1,009	567
Bad debts written off	5	82	5	170
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>After crediting:</b>				
Gain on disposal of plant & equipment	28	-	43	-
Net (loss) / gain on foreign exchange	(95)	(657)	(229)	(263)
Government grants	142	111	236	195
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**30. 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 dated 23 January 2015.

BY ORDER OF THE BOARD

Yeong Ah Lek  
Secretary  
Date: 23 January 2015