

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MAY 2013

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MAY 2013 (Unaudited)

	Note	Individual Quarter		Cumulative Quarter	
		31 May 2013 RM'000	2012 RM'000	31 May 2013 RM'000	2012 RM'000
Revenue	9	99,626	90,273	362,524	348,643
Cost of sales		(82,772)	(84,589)	(292,751)	(292,105)
Gross profit		16,854	5,684	69,773	56,538
Other operating income		998	813	3,414	2,601
Interest income		32	13	80	54
Operating expenses		(18,031)	(18,777)	(64,614)	(66,529)
Results from operating activities		(147)	(12,267)	8,653	(7,336)
Finance costs		(1,174)	(962)	(4,498)	(3,792)
Operating profit/(loss)		(1,321)	(13,229)	4,155	(11,128)
Share of profit of equity accounted associates		21	64	21	64
Profit/(loss) before tax		(1,300)	(13,165)	4,176	(11,064)
Tax (expense)/ income	21	(314)	117	(357)	77
Profit/(loss) for the period	29	(1,614)	(13,048)	3,819	(10,987)
Other comprehensive expense, net of tax					
Foreign currency translation differences		(33)	365	32	363
Total comprehensive income/(expense) for the period		(1,647)	(12,683)	3,851	(10,624)
Profit/(loss) attributable to:					
Shareholders of the Company		(1,496)	(12,856)	3,853	(10,615)
Non-controlling interests		(118)	(192)	(34)	(372)
		(1,614)	(13,048)	3,819	(10,987)
Total comprehensive income/(expense) attributable to:					
Shareholders of the Company		(1,529)	(12,491)	3,885	(10,252)
Non-controlling interests		(118)	(192)	(34)	(372)
		(1,647)	(12,683)	3,851	(10,624)
Basic earnings/(loss) per ordinary share (sen)		(1.62)	(13.88)	4.16	(11.46)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2012 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 31 MAY 2013 (Unaudited)**

	Note	Unaudited 31-May-13 RM'000	Audited 31-May-12 RM'000
ASSETS			
Property, plant and equipment		64,184	56,995
Investment properties		506	514
Investments in associates		248	227
Intangible assets		1,025	1,026
Deferred tax assets		221	1,245
Total non-current assets		66,184	60,007
Trade and other receivables		70,843	70,393
Inventories		74,549	88,861
Current tax assets		2,092	1,517
Cash and cash equivalents		24,082	20,092
Non-current assets held for sale		-	653
Total current assets		171,566	181,516
TOTAL ASSETS		237,750	241,523
EQUITY			
Share capital		46,310	46,310
Reserves		41,850	39,181
Total equity attributable to owners of the Company		88,160	85,491
Non-controlling interests		(106)	(192)
TOTAL EQUITY		88,054	85,299
LIABILITIES			
Loans and borrowings	25	13,507	10,482
Deferred tax liabilities		273	705
Total non-current liabilities		13,780	11,187
Loans and borrowings	25	83,499	95,655
Trade and other payables		52,417	49,369
Current tax liabilities		-	13
Total current liabilities		135,916	145,037
Total liabilities		149,696	156,224
TOTAL EQUITY AND LIABILITIES		237,750	241,523
Net assets per share attributable to equity holders (RM)		0.95	0.92

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 May 2012 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 MAY 2013 (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	Revaluation reserve RM'000	Exchange translation Reserve RM'000	Capital reserve RM'000	Retained earnings RM'000			
At 1 June 2011	46,310	21,361	387	(61)	4,488	24,474	96,959	180	97,139
Effect of transition to MFRS	-	-	(387)	61	-	326	-	-	-
	46,310	21,361	-	-	4,488	24,800	96,959	180	97,139
Foreign currency translation differences	-	-	-	363	-	-	363	-	363
Loss for the year	-	-	-	-	-	(10,615)	(10,615)	(372)	(10,987)
Total comprehensive income/ (expense) for the year	-	-	-	363	-	(10,615)	(10,252)	(372)	(10,624)
Dividend to owners of the Company	-	-	-	-	-	(1,216)	(1,216)	-	(1,216)
At 31 May 2012	46,310	21,361	-	363	4,488	12,969	85,491	(192)	85,299
At 1 June 2012	46,310	21,361	387	302	4,488	12,643	85,491	(192)	85,299
Effect of transition to MFRS	-	-	(387)	61	-	326	-	-	-
	46,310	21,361	-	363	4,488	12,969	85,491	(192)	85,299
Foreign currency translation differences	-	-	-	32	-	-	32	-	32
Profit for the year	-	-	-	-	-	3,853	3,853	(34)	3,819
Total comprehensive income for the period	-	-	-	32	-	3,853	3,885	(34)	3,851
Shares issued to non-controlling interests	-	-	-	-	-	-	-	120	120
Dividend to owners of the Company	-	-	-	-	-	(1,216)	(1,216)	-	(1,216)
At 31 May 2013	46,310	21,361	-	395	4,488	15,606	88,160	(106)	88,054

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 May 2012 and the accompanying explanatory notes attached to the interim financial statements.

PENSONIC HOLDINGS BERHAD (300426-P)
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MAY 2013 (Unaudited)**

	12 months ended	
	31 May	
	2013	2012
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before taxation	4,176	(11,064)
Adjustments for:		
Depreciation of property, plant and equipment	4,600	3,920
Depreciation of investment properties	9	11
Interest expense	4,498	3,792
Plant and equipment written off	94	84
Gain on disposal of non-current assets held for sale	(1,638)	-
Interest income	(80)	(53)
Gain on disposal of plant and equipment	(23)	(67)
Share of profit of associates, net of tax	(21)	(64)
Operating profit/(loss) before changes in working capital	<u>11,615</u>	<u>(3,441)</u>
Changes in working capital:		
Inventories	14,253	(2,602)
Trade and other receivables	(623)	4,423
Trade and other payables	3,387	8,461
Cash generated from operations	<u>28,632</u>	<u>6,841</u>
Income tax paid	(352)	(1,746)
Net cash from operating activities	<u>28,280</u>	<u>5,095</u>
Cash flows used in investing activities		
Proceeds from disposal of non-current assets held for sales	2,290	-
Proceeds from disposal of plant and equipment	134	67
Proceeds from issuance of shares to non-controlling interests	120	-
Interest received	75	53
Purchase of property, plant and equipment	(11,994)	(17,263)
Net cash used in investing activities	<u>(9,375)</u>	<u>(17,143)</u>
Cash flows from financing activities		
Drawdown of term loans	6,522	10,144
Drawdown of finance lease liabilities	178	-
(Repayment)/ drawdown of borrowings, net	(9,833)	11,015
Interest paid	(4,498)	(3,792)
Repayment of term loans	(3,342)	(2,380)
Dividend paid to owners of the Company	(1,216)	(1,216)
Placement of pledged fixed deposits	(292)	(87)
Repayment of finance lease liabilities	(208)	(149)
Net cash (used in)/ from financing activities	<u>(12,689)</u>	<u>13,535</u>
Net increase in cash and cash equivalents	<u>6,216</u>	<u>1,487</u>
Cash and cash equivalents at beginning of year	5,284	3,583
Effect of exchange differences on cash and cash equivalents	(28)	214
Cash and cash equivalents at end of year	<u><u>11,472</u></u>	<u><u>5,284</u></u>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
FOR THE QUARTER ENDED 31 MAY 2013 (Unaudited)**

	12 months ended 31 May	
	2013	2012
	RM'000	RM'000
Cash and cash equivalents comprised the following:		
Cash and bank balances	20,861	17,096
Bank overdrafts	(9,410)	(11,837)
Short term deposits with licensed banks	3,221	2,996
	<u>14,672</u>	<u>8,255</u>
Fixed deposits pledged to bank	<u>(3,200)</u>	<u>(2,917)</u>
	<u>11,472</u>	<u>5,284</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 May 2012 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH FINANCIAL QUARTER ENDED 31 MAY 2013

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. For the periods up to and including the year ended 31 May 2012, the Company prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

This Condensed Report is the Group's first MFRS compliant Condensed Report for the twelve months ended 31 May 2013 and hence *MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards* (MFRS1) has been applied.

The MFRS are effective for the Group from 1 June 2012 and the date of transition to the MFRS framework for the purpose of the first MFRS compliant Condensed Report is 1 June 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. The impact of the transition from FRS to MFRS is described in Note 2.1 below.

2. Significant Accounting Policies

2.1 Application of MFRS 1

The audited financial statements of the Group for the year ended 31 May 2012 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this Condensed Report is consistent with those of the audited financial statements for the year ended 31 May 2012 except as discussed below:

(a) Foreign currency translation reserve

Under FRS, the Group recognized translation differences on foreign operations as a separate component of equity. At the date of transition to MFRS, cumulative foreign currency translation differences for all foreign operations are deemed to be nil and reclassified to retained earnings.

Accordingly, at the date of transition to MFRS, the cumulative foreign currency translation differences of RM 60,600 as at 1 June 2011 were adjusted to retained earnings.

(b) Property, plant and equipment

The Group has previously adopted a cost model for its property, plant and machinery except for the short-term leasehold land stated was revalued by the directors in 1994 based on the valuation carried out by independent professional valuers on an open market value basis. The unamortised revalued amount has been retained as the surrogate carrying amount of the leasehold land.

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2. Significant Accounting Policies (continued)

2.1 Application of MFRS 1 (continued)

Upon transition to MFRS, the Group has elected to measure its property, plant and equipment using the cost model under MFRS 116, Property, Plant and Equipment. At the date of transition to MFRS, the Group uses the previous revaluation at or before the date of transition as deemed cost. The revaluation surplus was transferred to retained earnings on date of transition to MFRS.

The impact arising from the above on the statement of financial position are summarised as follows:-

Reconciliation of equity as at 1 June 2011:-

	FRSs as at 1-June-2011 RM'000	Effect of adopting MFRSs RM'000	MFRSs as at 1-June-2011 RM'000
<u>Equity</u>			
Exchange fluctuation reserve	(61)	61	-
Revaluation reserve	387	(387)	-
Retained earnings	24,474	326	24,800

Reconciliation of equity as at 31 May 2012:-

	FRSs as at 31-May-2012 RM'000	Effect of adopting MFRSs RM'000	MFRSs as at 31-May-2012 RM'000
<u>Equity</u>			
Exchange fluctuation reserve	302	61	363
Revaluation reserve	387	(387)	-
Retained earnings	12,643	326	12,969

2.2 MFRS, Amendments to MFRS and IC Interpretation issued but not yet effective

At the date of authorisation of these interim financial statements, the following Malaysian Financial Reporting Standards ("MFRS"), Amendments to MFRSs and IC Interpretations were issued but not yet effective and have not been adopted by the Group:

MFRS, Amendments to MFRS and IC Interpretation	beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures

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2. Significant Accounting Policies (continued)

2.2 MFRS, Amendments to MFRS and IC Interpretation issued but not yet effective (continued)

MFRS, Amendments to MFRS and IC Interpretation		beginning on or after
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1	Government Loans	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

3. Audit Qualification

There were no audit qualifications on the annual financial statements of the Group for the year ended 31 May 2012.

4. Seasonality of Operations

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

5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current year ended 31 May 2013.

6. Significant Estimates and Changes In Estimates

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

7. Debt and Equity Securities

There were no issuance and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares by the Company during the financial year under review.

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8. Dividend Paid

(i) In respect of the financial year ended 31 May 2013

The board is recommending a final dividend of 1.75sen per share less 25% tax amounting to approximately RM1,701,893 for the financial year ended 31 May 2013.

(ii) In respect of the financial year ended 31 May 2012

A first and final dividend of 1.75 sen per share less 25% tax amounting to approximately RM1,215,638 for the financial year ended 31 May 2012 was paid on 31 December 2012.

9. Segmental Information

(i) Operating Segments

The Group has one reportable segment, which is principally engaged in the manufacture, assembly, sales and distribution of electrical and electronic appliances. The management reviews internal management reports on the segment at least on a quarterly basis.

(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.

	For the 12 months ended			
	31 May		31 May	
	2013	2012	2013	2012
	Segment Revenue		Segment Assets	
	RM'000	RM'000	RM'000	RM'000
Malaysia	270,145	259,485	209,657	216,709
Other Asian countries	70,443	72,237	24,825	20,960
Others	21,936	16,921	552	866
	<u>362,524</u>	<u>348,643</u>	<u>235,034</u>	<u>238,535</u>

10. Property, Plant and Equipment

During the current financial year ended 31 May 2013, the Group has acquired assets at a cost of RM12 million (31 May 2012: RM17.3 million)

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11. Events after the Reporting Period

Saved as disclosed in Note 24 on the Status of the Corporate Proposals, 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

- (a) On 12 July 2012, the Company announced the disposal of the entire shares comprising of 2 ordinary shares of RM 1 each in its wholly-owned subsidiary, Pensia Air Conditioner to Mr. Lim Lieng Piau and Mr. Chew Yeng Paik for a total cash consideration of RM 2. Consequently, Pensia Air Conditioner will cease to be a subsidiary company of the Group.
- (b) On 21 September 2012, a subsidiary of the Company, Kollektion Distribution Sdn. Bhd. (“KDSB”) has entered into an agreement with Wong Pow Yee (“WPY”) whereby both parties agree that KDSB shall subscribe 60% shareholding in Kollektion Haus (Austin) Sdn Bhd (“KHA”) and WPY shall subscribe 40% shareholding in KHA to jointly develop, manage and operate an outlet to bear the brand name of KOLLEKTION HAUS in Johor in accordance to the terms and conditions as agreed in the said agreement.

Save as disclosed above, there were no significant changes in the composition of the Group as at the date of this report.

13. Contingent Liabilities

A subsidiary of the Company had been issued with prior years’ notices of additional tax arising from the Inland Revenue Board (“IRB”) disallowing certain expenses claimed as a deduction for income tax purposes covering assessment years 2000 to 2004 (including penalties) amounting to approximately RM 2.5 million of which, the subsidiary had paid and recognised approximately RM 2.1 million as tax expense in the financial statements previously.

The subsidiary had submitted its appeal to the High Court on the above matter. Pending the hearing by the High Court, the management after consulting their tax lawyers, is of the opinion that there are grounds for the subsidiary’s appeal and as such, no provision has been made in the financial statements at 31 May 2013 for the remaining unpaid balance of RM 0.4 million.

14. Commitments

Capital expenditure contracted but not provided for property, plant and equipment at the reporting date amounted to RM15,947,534.

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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:

	Unaudited 31-May-2013 RM'000	Audited 31-May-2012 RM'000
Purchase of raw materials from		
-Pensia Plastic Industries Sdn. Bhd.	8,562	7,872
-Pensonic Technology Sdn. Bhd.	-	175
Subcon and service charge income from		
-Pensia Plastic Industries Sdn. Bhd.	611	603
-Pensonic Technology Sdn. Bhd.	-	8
Sale of goods to an associate		
-Pensonic (B) Sdn Bhd	1,314	1,767
Rental income charged for sub-letting of factory premises		
-Pensia Plastic Industries Sdn. Bhd.	216	120
-Pensonic Technology Sdn. Bhd.	-	12
Rental expenses charged by		
- Directors of the Group	156	60

16. Disclosure of Realised and Unrealised Profit

	Unaudited 31-May-2013 RM'000	Audited 31-May-2012 RM'000
- realised	19,655	15,585
- unrealised	525	321
	<u>20,180</u>	<u>15,906</u>
Total retained earnings of associates		
- realised	43	22
Less: Consolidation adjustments	(4,617)	(2,959)
Total retained earnings	<u>15,606</u>	<u>12,969</u>

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2013

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

17. Review of Performance

Group revenue for the current quarter ended 31 May 2013 recorded an increase of 10.4% to RM99.6 million against RM90.3 million achieved in the corresponding period in the preceding year. Loss after tax has reduced to RM1.6 million compare with RM13 million in the preceding corresponding period. Gross profit margin has increased to 17% as compared to gross profit margin of 6.3% in the preceding corresponding period.

Cumulative group revenue for the year ended 31 May 2013 jumped 4% to RM362.5 million from RM348.6 million the year before. Local market experienced higher growth rate of 4.1% in financial year 2013, overseas developing markets also had a high percentage growth rate of 29.6% especially Middle East countries, with their increasing demand for new appliances as a result of rapid economy growth. The Group has recorded cumulative net profit of RM3.8 million, significant improved from the loss after tax of RM11 million the year before as there were no significant one-off expenses i.e. inventories written down and impairment of receivables recorded in the current financial year ended 31 May 2013.

Overall, the improvement in both revenue and profit during the current quarter mainly resulted from the increase in average selling prices, contribution from the new high-margin products, increase in local market demand and contribution from the new overseas market.

18. Variation of results Against Preceding Quarter

Group revenue for the current quarter ended 31 May 2013 jumped 20% to RM99.6 million from RM82.9 million achieved in the immediate preceding quarter. The increase in turnover in the fourth half of financial year 2013 was mainly due to the increase in local market demand during the Raya Festival.

Despite the increase in group revenue, the Group has recorded loss after tax of RM1.6 million during the current quarter. This was mainly due to year-end adjustments on provisional expenses, i.e. dealers' rebates/incentives of RM0.6 million, stocks written down of RM1.1 million.

19. Commentary on Prospect

Facing the complex and volatile market environment, the Group will maintain its focus on cost containment, productivity and operation efficiency to strengthen the Group's competitiveness in the market.

The Board of directors is confident that the financial result of the Group would remain positive for the coming year.

20. Profit Forecast

Not applicable as no profit forecast was published.

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21. Taxation

Taxation comprises the following:

	Individual Quarter		Cumulative Quarter	
	31 May		31 May	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Current tax expense	1	112	44	152
Deferred tax	313	(229)	313	(229)
	314	117	357	77

Domestic income tax rate is calculated at the Malaysian statutory tax rate of 25% (2012: 25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

22. Sales of Unquoted Investments and Properties

The gain on disposal of plant, equipment and non-current assets held for sales for the financial year ended 31 May 2013 is RM1.7 million. (31 May 2012: RM 0.07 million)

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

(i) Bonus Issue

Proposed bonus issue of 37,048,000 new ordinary shares of RM0.50 each in PHB to be credited as fully paid-up on the basis of two (2) Bonus Shares for every five (5) existing ordinary shares of RM0.50 each held in PHB ("PHB Shares") ("Proposed Bonus Issue"). The Proposed Bonus Issue shall be wholly capitalised from the share premium account of the Company.

(ii) Rights issue of Warrants

Proposed renounceable rights issue of 64,834,000 warrants in PHB ("Warrant(s)") at an indicative issue price of RM0.10 per Warrant on the basis of one (1) Warrant for every two (2) PHB Shares held by the shareholders of PHB after the Proposed Bonus Issue ("Proposed Rights Issue of Warrants"). The Warrants shall be exercisable at anytime within the period commencing on, and inclusive of, the date of issue of the Warrants and ending on the date preceding the tenth (10th) anniversary of the date of issue of the Warrants. Warrants not exercised during the Exercise Period will thereafter lapse and cases to be valid for any purpose.

Based on the indicative issue price of the Warrants of RM0.10 each and assuming all Entitled Shareholders subscribe in full for their respective entitlements, the Proposed Rights Issue of Warrants will raise gross proceeds of up to approximately RM6.48 million. The gross proceeds arising from the issuance of the Warrants are proposed to be used for working capital including but not limited to purchase of raw material, expenses for advertising and promotion activities etc.

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24. Status of Corporate Proposal (cont'd)

Barring any unforeseen circumstances, the Board expects the Proposals to be completed by fourth (4th) quarter of 2013.

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

25. Borrowings and Debts Securities

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

	Unaudited 31-May-13 RM'000	Audited 31-May-12 RM'000
<u>Current</u>		
Unsecured		
Bank overdraft	6,199	6,191
Bankers' acceptance	63,052	61,894
Term loans	72	701
	<hr/>	<hr/>
	69,323	68,786
Secured		
Bank overdraft	3,211	5,646
Bankers' acceptance	7,508	17,840
Trust receipts	-	681
Term loans	3,254	2,531
Finance lease liabilities	203	171
	<hr/>	<hr/>
	14,176	26,869
	<hr/>	<hr/>
	83,499	95,655
<u>Non - current</u>		
Unsecured		
Term loans	48	121
Secured		
Term loans	13,050	9,890
Finance lease liabilities	409	471
	<hr/>	<hr/>
	13,459	10,361
	<hr/>	<hr/>
	13,507	10,482

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

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

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26. Material Litigation

The Group is not engaged in any material litigation for the current financial year ended 31 May 2013.

27. Proposed Dividend

The Board recommends a first and final dividend of RM1.75 sen per share less 25% tax amounting to RM1,701,893 in respect of the financial year ended 31 May 2013, which subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting.

The payment date for the recommend final dividend shall be determined by the Directors and to be announced at a later date.

28. Earnings/ (loss) per Share

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>31 May</u>		<u>31 May</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Net profit for the year attributable to owners of the Company (RM'000)	(1,496)	(12,856)	3,853	(10,615)
Ordinary shares in issue ('000)	92,620	92,620	92,620	92,620
Basic earnings/(loss) per share (sen)	(1.62)	(13.88)	4.16	(11.46)

29. Profit/ (loss) for the year

Profit/(loss) for the year has been arrived at:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>31 May</u>		<u>31 May</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
After charging:-				
Depreciation & amortization	1,267	1,113	4,609	3,931
Inventories written down	1,066	369	1,066	369
Bad debts written off	(41)	479	390	479
Inventories written off	109	5,316	109	5,316
Plant and equipment written off	-	84	94	84
Impairment loss for receivables	-	2,856	-	2,856
After crediting:				
Gain on disposal of non-current assets held for sale	-	-	1,638	-
Gain on disposal of plant and equipment	-	-	23	67
Net (loss)/ gain on foreign exchange	(185)	(350)	(15)	190

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

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 29 July 2013.

BY ORDER OF THE BOARD

Lee Hong Lim
Secretary

Date: 29 July 2013