

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 29 FEBRUARY 2016**

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 29 FEBRUARY 2016 (Unaudited)**

	Note	Individual Quarter		Cumulative Period	
		3 months ended 29.02.16 RM'000	28.02.15 RM'000	9 months ended 29.02.16 RM'000	28.02.15 RM'000
Revenue	9	92,241	101,458	282,629	295,467
Cost of sales		(72,970)	(82,928)	(227,183)	(241,561)
Gross profit		19,271	18,530	55,446	53,906
Other operating income		389	380	1,145	997
Interest income		55	75	163	161
Operating expenses		(16,475)	(15,489)	(45,877)	(46,620)
<b>Results from operating activities</b>		3,240	3,496	10,877	8,444
Finance costs		(1,355)	(1,203)	(3,820)	(3,682)
<b>Operating profit</b>		1,885	2,293	7,057	4,762
Share of profit of equity accounted associates		-	-	-	-
<b>Profit before tax</b>		1,885	2,293	7,057	4,762
Tax expense	21	(53)	(58)	(248)	(82)
<b>Profit for the period</b>	29	1,832	2,235	6,809	4,680
<b>Other comprehensive income, net of tax</b>					
Foreign currency translation differences		(162)	78	452	97
<b>Total comprehensive income for the period</b>		1,670	2,313	7,261	4,777
<b>Profit attributable to:</b>					
Shareholders of the Company		1,834	2,187	6,827	4,983
Non-controlling interests		(2)	48	(18)	(303)
		1,832	2,235	6,809	4,680
<b>Total comprehensive income attributable to:</b>					
Shareholders of the Company		1,672	2,265	7,279	5,080
Non-controlling interests		(2)	48	(18)	(303)
		1,670	2,313	7,261	4,777
Basic earnings per ordinary share (sen)	28	1.41	1.69	5.26	3.84
Diluted earnings per ordinary share (sen)	28	1.38	1.69	5.23	3.84

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2015 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 29 FEBRUARY 2016 (Unaudited)**

	Note	Unaudited 29.02.16 RM'000	Audited 31.05.15 RM'000
<b>ASSETS</b>			
Property, plant and equipment		95,707	98,302
Investment properties		483	489
Investments in associates		259	259
Intangible assets		1,060	1,043
Deferred tax assets		37	31
<b>Total non-current assets</b>		97,546	100,124
Inventories		68,908	61,172
Trade and other receivables		66,745	68,950
Current tax assets		1,899	749
Cash and cash equivalents		21,263	34,173
<b>Total current assets</b>		158,815	165,044
<b>TOTAL ASSETS</b>		256,361	265,168
<b>EQUITY</b>			
Share capital		64,834	64,834
Reserves		48,176	43,490
<b>Total equity attributable to owners of the Company</b>		113,010	108,324
Non-controlling interests		(25)	(7)
<b>TOTAL EQUITY</b>		112,985	108,317
<b>LIABILITIES</b>			
Loans and borrowings	25	21,430	28,608
Deferred tax liabilities		178	45
<b>Total non-current liabilities</b>		21,608	28,653
Loans and borrowings	25	78,657	67,041
Trade and other payables		42,183	61,110
Current tax liabilities		928	47
<b>Total current liabilities</b>		121,768	128,198
<b>Total liabilities</b>		143,376	156,851
<b>TOTAL EQUITY AND LIABILITIES</b>		256,361	265,168
<b>Net assets per share attributable to equity holders (RM)</b>		0.87	0.84

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 May 2015 and the accompanying explanatory notes attached to the interim financial statements.

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

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 29 FEBRUARY 2016 (Unaudited)**

	← Attributable to owners of the Company →							→		
	← 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	Other reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
<b>At 1 June 2014</b>	64,834	2,837	381	4,488	6,483	-	16,550	<b>95,573</b>	(300)	<b>95,273</b>
Foreign currency translation differences	-	-	202	-	-	-	-	<b>202</b>	-	<b>202</b>
Profit for the period	-	-	-	-	-	-	17,726	<b>17,726</b>	(296)	<b>17,430</b>
<b>Total comprehensive income for the period</b>	-	-	202	-	-	-	17,726	<b>17,928</b>	(296)	<b>17,632</b>
Dividend to owners of the Company	-	-	-	-	-	-	(4,538)	<b>(4,538)</b>	-	<b>(4,538)</b>
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	589	<b>589</b>
Premium paid on acquisition of non-controlling interests	-	-	-	-	-	(639)	-	<b>(639)</b>	-	<b>(639)</b>
<b>At 31 May 2015</b>	<b>64,834</b>	<b>2,837</b>	<b>583</b>	<b>4,488</b>	<b>6,483</b>	<b>(639)</b>	<b>29,738</b>	<b>108,324</b>	<b>(7)</b>	<b>108,317</b>
<b>At 1 June 2015</b>	<b>64,834</b>	<b>2,837</b>	<b>583</b>	<b>4,488</b>	<b>6,483</b>	<b>(639)</b>	<b>29,738</b>	<b>108,324</b>	<b>(7)</b>	<b>108,317</b>
Foreign currency translation differences	-	-	452	-	-	-	-	<b>452</b>	-	<b>452</b>
Profit for the period	-	-	-	-	-	-	6,827	<b>6,827</b>	(18)	<b>6,809</b>
<b>Total comprehensive income for the period</b>	-	-	452	-	-	-	6,827	<b>7,279</b>	(18)	<b>7,261</b>
Dividend to owners of the Company	-	-	-	-	-	-	(2,593)	<b>(2,593)</b>	-	<b>(2,593)</b>
<b>At 29 February 2016</b>	<b>64,834</b>	<b>2,837</b>	<b>1,035</b>	<b>4,488</b>	<b>6,483</b>	<b>(639)</b>	<b>33,972</b>	<b>113,010</b>	<b>(25)</b>	<b>112,985</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 2015 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 29 FEBRUARY 2016 (Unaudited)**

	Note	9 months ended	
		29.02.16 RM'000	28.02.2015 RM'000
<b>Cash flows from operating activities</b>			
Profit before taxation		7,057	4,762
Adjustments for:			
Depreciation of property, plant and equipment		4,600	3,600
Depreciation of investment properties		6	6
Interest expense		3,820	3,682
Interest income		(163)	(161)
Plant and equipment written off		424	-
Gain on disposal of plant and equipment		(34)	(45)
Operating profit before changes in working capital		15,710	11,844
Changes in working capital:			
Inventories		(7,736)	15,152
Trade and other receivables		2,205	12,047
Trade and other payables		(18,927)	(23,884)
Cash generated from operations		(8,748)	15,159
Income tax (paid) / refunded		(392)	1,159
<b>Net cash used in operating activities</b>		<b>(9,140)</b>	<b>16,318</b>
<b>Cash flows used in investing activities</b>			
Interest received		163	161
Purchase of property, plant and equipment		(2,426)	(15,487)
Proceeds from disposal of plant and equipment		34	45
Net outflow of acquisition of shares in subsidiary company		-	(50)
<b>Net cash used in investing activities</b>		<b>(2,229)</b>	<b>(15,331)</b>
<b>Cash flows from financing activities</b>			
Drawdown of term loans		-	19,677
Repayment of term loans		(7,929)	(7,706)
Drawdown of finance lease liabilities, net		725	(31)
Drawdown of borrowings, net		5,814	1,246
Interest paid		(3,820)	(3,682)
Placement of pledged fixed deposits		1,494	(28)
Dividend paid		(2,593)	(2,593)
<b>Net cash (used in)/generated from financing activities</b>		<b>(6,309)</b>	<b>6,883</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(17,678)</b>	<b>7,870</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>26,940</b>	<b>6,458</b>
Effect of exchange differences on cash and cash equivalents		433	97
<b>Cash and cash equivalents at end of period</b>		<b>9,695</b>	<b>14,425</b>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)  
FOR THE QUARTER ENDED 29 FEBRUARY 2016 (Unaudited)**

	<b>9 months ended</b>	
	<b>29.02.16</b>	<b>28.02.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash and cash equivalents comprised the following:</b>		
Cash and bank balances	18,781	23,897
Bank overdrafts	(10,515)	(11,784)
Short term deposits with licensed banks	2,482	4,342
	<u>10,748</u>	<u>16,455</u>
Fixed deposits pledged to bank	<u>(1,053)</u>	<u>(2,030)</u>
	<u>9,695</u>	<u>14,425</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 May 2015 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 29 FEBRUARY 2016 (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 2015. 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 2015.

##### **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 2015.

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 12, *Disclosure of Interests in Other Entities – Investment Entities :Applying the Consolidation Exception*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure initiative*
- 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*

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

*MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016 (cont'd)*

- 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 2015.

### **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 29 February 2016.

### **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 quarter under review.

On 17 November 2015, shareholders of the Company have approved the final single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 May 2015. Subsequent to reporting date, the dividend amount to RM2,593,360 was paid on 31 December 2015.



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### **9. Segmental Information**

#### (i) Operating Segments

The Group has three 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 Chief Executive Chairman and Managing Director review internal management reports at least on a quarterly 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 - investment holding activities, provision of management services and leases offices

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

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

	<b>For the 9 months ending 29.02.2016</b>					
	Manufacturing	Trading	Others	Total	Elimination	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	651	281,978	-	282,629	-	282,629
Inter-segment revenue	76,186	6,007	4,391	86,584	(86,584)	-
	<u>76,837</u>	<u>287,985</u>	<u>4,391</u>	<u>369,213</u>	<u>(86,584)</u>	<u>282,629</u>
<b>Segment profit</b>	<u>1,414</u>	<u>7,731</u>	<u>(2,053)</u>	<u>7,092</u>	<u>(35)</u>	<u>7,057</u>
<i>Included in the measure of segment profit are:</i>						
Depreciation and amortisation	(2,329)	(1,279)	(998)	(4,606)	-	(4,606)
Interest income	(6)	152	17	163	-	163
Net gain / (loss) on foreign exchange	(582)	(3,821)	-	(4,403)	-	(4,403)
Inventories provision	(114)	(60)	-	(174)	-	(174)
Provision for doubtful debt	993	-	-	993	-	993
Gain on disposal of property, plant and equipment	21	13	-	34	-	34
<i>Not included in the measure of segment profit but provided to Group Managing Director:</i>						
Finance costs	(1,011)	(1,724)	(1,085)	(3,820)	-	(3,820)
<b>Segment assets</b>	<u>89,236</u>	<u>178,514</u>	<u>101,349</u>	<u>369,099</u>	<u>(115,123)</u>	<u>253,976</u>
<i>Included in the measure of segment assets are:</i>						
Additions to non-current assets others than financial instruments and deferred tax assets	940	1,210	276	2,426	-	2,426

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

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

	<b>For the 9 months ending 28.02.2015</b>					
	Manufacturing	Trading	Others	Total	Elimination	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	1,023	294,444	-	295,467	-	295,467
Inter-segment revenue	56,163	7,537	3,749	67,449	(67,449)	-
	<u>57,186</u>	<u>301,981</u>	<u>3,749</u>	<u>362,916</u>	<u>(67,449)</u>	<u>295,467</u>
<b>Segment profit</b>	<u>(1,415)</u>	<u>7,841</u>	<u>(1,750)</u>	<u>4,676</u>	<u>86</u>	<u>4,762</u>
<i>Included in the measure of segment profit are:</i>						
Depreciation and amortisation	(2,359)	(1,112)	(135)	(3,606)	-	(3,606)
Interest income	29	115	17	161	-	161
Net gain / (loss) on foreign exchange	(240)	(810)	2	(1,048)	-	(1,048)
Bad debts written off	-	(5)	-	(5)	-	(5)
Gain on disposal of property, plant and equipment	3	42	-	45	-	45
<i>Not included in the measure of segment profit but provided to Group Managing Director:</i>						
Finance costs	(706)	(2,157)	(819)	(3,682)	-	(3,682)
<b>Segment assets</b>	<u>70,792</u>	<u>163,267</u>	<u>104,490</u>	<u>338,549</u>	<u>(93,770)</u>	<u>244,779</u>
<i>Included in the measure of segment assets are:</i>						
Additions to non-current assets others than financial instruments and deferred tax assets	439	1,562	13,486	15,487	-	15,487

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### 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>9 months ended</u>	
	<u>29.02.2016</u>	<u>28.02.2015</u>	<u>29.02.2016</u>	<u>28.02.2015</u>
	Segment Revenue			
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	66,235	63,581	185,823	195,141
Other Asian countries	20,996	28,955	74,597	78,492
Others	5,010	8,922	22,209	21,834
	<u>92,241</u>	<u>101,458</u>	<u>282,629</u>	<u>295,467</u>

	<u>As at</u>	
	<u>29.02.2016</u> <u>31.05.2015</u>	
	<u>Segment Assets</u>	
	<u>RM'000</u>	<u>RM'000</u>
Malaysia	230,542	243,702
Other Asian countries	22,416	19,790
Others	1,018	464
	<u>253,976</u>	<u>263,956</u>

### 10. Property, Plant and Equipment

During the current financial period ended 29 February 2016, the Group has acquired assets at a cost of RM2.4 million (28 February 2015: RM15.5 million) including RM1.2 million of finance liabilities. (28 February 2015: RM0.2 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 since the last annual reporting period.

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**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**

There was no capital expenditure contracted but not provided for property, plant and equipment at the reporting date.

**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:

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>3 months ended</u>		<u>9 months ended</u>	
	<u>29.02.2016</u>	<u>28.02.2015</u>	<u>29.02.2016</u>	<u>28.02.2015</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Sale of goods to an associate				
-Pensonic (B) Sdn Bhd	350	-	1,032	629

**16. Disclosure of Realised and Unrealised Retained Earnings**

	<u>Unaudited</u>	<u>Audited</u>
	<u>29.02.2016</u>	<u>31.05.2015</u>
	<u>RM'000</u>	<u>RM'000</u>
- realised	37,827	30,518
- unrealised	(1,886)	1,168
	<u>35,941</u>	<u>31,686</u>
Total retained earnings of associates		
- realised	44	55
Less: Consolidation adjustments	(2,013)	(2,003)
Total retained earnings	<u>33,972</u>	<u>29,738</u>

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### NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 FEBRUARY 2016 (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 revenues of RM92.2 million for the current quarter as compared to RM101.5 million reported in the corresponding quarter last year, representing decrease in sales of RM9.3 million. The decrease in revenue mainly due to the export market is facing challenges where the export sales drop by 31.3% due to slowdown in the rate of economic growth in global.

Despite the decrease in revenue, the group still posted profit before tax of RM1.9million or net profit margin of 2.5%.

###### For the 9 months ended

As for the 9 months ended 29 February 2016, the Group's revenue registered at RM282.6 million compared to RM295.5 million corresponding last year.

However, the Group has posted a profit before tax of RM7.1 million compare to RM4.8 million corresponding to last year's 9 months result. The upswing in profit was largely attributable to effort in streamlining in expenditure and cost saving management.

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

	<b>Current Quarter 29.02.2016 RM'000</b>	<b>Immediate Preceding Quarter 30.11.2015 RM'000</b>	<b>Variance Increased/ (decreased)</b>	
			<b>RM'000</b>	<b>%</b>
- Revenue	92,241	91,453	788	0.9%
- Profit Before Tax	1,885	2,730	(843)	(30.9%)

The revenue for the third quarter is higher by 0.9% or RM0.8 million than preceding quarter due to minor increase in local market especially the small domestic appliances where incentive packages were given to boost the local business.

The group reported lower profit before tax of RM1.9 million compared to RM2.7 million in the preceding quarter. The profit before tax for preceding quarter is higher mainly due to gain on reversal of impairment for doubtful debts RM0.9 million in preceding quarter.

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

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### **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 distribute its products to overseas customers through engaging more overseas distributors and business partners. 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:

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>29.02.2016</b>	<b>28.02.2015</b>	<b>29.02.2016</b>	<b>28.02.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax expense	53	58	248	82
	53	58	248	82

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**

There was no other disposal of unquoted investments and properties during the current period.

### **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.

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**25. Borrowings and Debts Securities**

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

	<b>Unaudited 29.02.2015 RM'000</b>	<b>Audited 31.05.15 RM'000</b>
<b><u>Current</u></b>		
<b>Unsecured</b>		
Bank overdraft	10,515	4,446
Bankers' acceptance	57,177	49,829
	<u>67,692</u>	<u>54,275</u>
<b>Secured</b>		
Bank overdraft	-	241
Bankers' acceptance	136	1,670
Term loans	10,428	10,579
Finance lease liabilities	401	276
	<u>10,965</u>	<u>12,766</u>
	<u>78,657</u>	<u>67,041</u>
<b><u>Non – current</u></b>		
<b>Secured</b>		
Term loans	20,201	27,979
Finance lease liabilities	1,229	629
	<u>21,430</u>	<u>28,608</u>
	<u>21,430</u>	<u>28,608</u>
<b><u>Currency Denominated In</u></b>		
Ringgit Malaysia ("MYR")	99,945	95,649
Singapore Dollar ("SGD")	142	-
	<u>100,087</u>	<u>95,649</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 29 February 2016.

**27. Proposed Dividend**

The Board does not recommend any dividend for the current quarter ended 29 February 2016.



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**28. Earnings per Share (“EPS”)****(i) Basic EPS**

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>29.02.2016</b>	<b>28.02.2015</b>	<b>29.02.2016</b>	<b>28.02.2015</b>
Net profit for the period attributable to owners of the Company (RM'000)	1,834	2,187	6,827	4,983
Number of ordinary shares in issue ('000)	129,668	129,668	129,668	129,668
Basic earnings per share (sen)	1.41	1.69	5.26	3.84

**(ii) Diluted EPS**

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>29.02.2016</b>	<b>28.02.2015</b>	<b>29.02.2016</b>	<b>28.02.2015</b>
Net profit for the period attributable to owners of the Company (RM'000)	1,834	2,187	6,827	4,983
Weighted average number of ordinary shares ('000)	132,951	129,668	130,762	129,668
Diluted earnings per share (sen)	1.38	1.69	5.23	3.84

**29. Profit for the period**

Profit for the period has been arrived at:

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>29.02.2016</b>	<b>28.02.2015</b>	<b>29.02.2016</b>	<b>28.02.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>After charging / (crediting):-</b>				
Depreciation & amortization	1,579	1,198	4,606	3,606
Inventories provision	(126)	-	174	1,009
Bad debts written off	-	-	-	5
Plant and equipment written off	424	-	424	-
Provision for doubtful debt	-	-	(993)	-
Gain on disposal of property, plant and equipment	(7)	(2)	(34)	(45)
Net loss on foreign exchange	406	819	4,403	1,048
Government grants	(239)	(280)	(586)	(516)

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**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 21 April 2016.

**BY ORDER OF THE BOARD**

Yeong Ah Lek  
Secretary  
Date: 21 April 2016