

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 31 AUGUST 2016**

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 AUGUST 2016 (Unaudited)**

	Note	Individual Quarter		Cumulative Period	
		3 months ended 31.08.16 RM'000	3 months ended 31.08.15 RM'000	3 months ended 31.08.16 RM'000	3 months ended 31.08.15 RM'000
Revenue	9	88,403	98,935	88,403	98,935
Cost of sales		(69,667)	(80,408)	(69,667)	(80,408)
Gross profit		18,736	18,527	18,736	18,527
Other operating income		209	247	209	247
Interest income		11	68	11	68
Operating expenses		(16,243)	(15,184)	(16,243)	(15,184)
<b>Results from operating activities</b>		2,713	3,658	2,713	3,658
Finance costs		(1,360)	(1,216)	(1,360)	(1,216)
<b>Operating profit</b>		1,353	2,442	1,353	2,442
Share of profit of equity accounted associates		-	-	-	-
<b>Profit before tax</b>		1,353	2,442	1,353	2,442
Tax expense	21	(8)	(191)	(8)	(191)
<b>Profit for the period</b>	29	1,345	2,251	1,345	2,251
<b>Other comprehensive income, net of tax</b>					
Foreign currency translation differences		136	247	136	247
<b>Total comprehensive income for the period</b>		1,481	2,498	1,481	2,498
<b>Profit attributable to:</b>					
Shareholders of the Company		1,356	2,256	1,356	2,256
Non-controlling interests		(11)	(5)	(11)	(5)
		1,345	2,251	1,345	2,251
<b>Total comprehensive income attributable to:</b>					
Shareholders of the Company		1,492	2,503	1,492	2,503
Non-controlling interests		(11)	(5)	(11)	(5)
		1,481	2,498	1,481	2,498
Basic earnings per ordinary share (sen)	28	1.05	1.74	1.05	1.74
Diluted earnings per ordinary share (sen)	28	1.00	n/a	1.00	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 2016 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 AUGUST 2016 (Unaudited)**

	Note	Unaudited 31.08.2016 RM'000	Audited 31.05.2016 RM'000
<b>ASSETS</b>			
Property, plant and equipment		94,415	95,194
Investment properties		479	481
Investments in associates		296	296
Intangible assets		1,063	1,061
Deferred tax assets		36	-
<b>Total non-current assets</b>		<u>96,289</u>	<u>97,032</u>
Inventories		83,682	70,706
Trade and other receivables		60,010	71,650
Current tax assets		756	565
Cash and cash equivalents		26,870	26,980
<b>Total current assets</b>		<u>171,318</u>	<u>169,901</u>
<b>TOTAL ASSETS</b>		<u>267,607</u>	<u>266,933</u>
<b>EQUITY</b>			
Share capital		64,834	64,834
Reserves		52,529	51,037
<b>Total equity attributable to owners of the Company</b>		<u>117,363</u>	<u>115,871</u>
Non-controlling interests		(38)	(27)
<b>TOTAL EQUITY</b>		<u>117,325</u>	<u>115,844</u>
<b>LIABILITIES</b>			
Loans and borrowings	25	16,983	18,798
Deferred tax liabilities		166	7
<b>Total non-current liabilities</b>		<u>17,149</u>	<u>18,805</u>
Loans and borrowings	25	87,081	78,001
Trade and other payables		46,052	54,283
<b>Total current liabilities</b>		<u>133,133</u>	<u>132,284</u>
<b>Total liabilities</b>		<u>150,282</u>	<u>151,089</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>267,607</u>	<u>266,933</u>
<b>Net assets per share attributable to equity holders (RM)</b>		0.90	0.89

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 May 2016 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 31 AUGUST 2016 (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	Other reserve RM'000	Retained earnings RM'000			
<b>At 1 June 2015</b>	64,834	2,837	583	4,488	6,483	(639)	29,738	<b>108,324</b>	(7)	<b>108,317</b>
Foreign currency translation differences	-	-	187	-	-	-	-	<b>187</b>	-	<b>187</b>
Profit for the period	-	-	-	-	-	-	11,250	<b>11,250</b>	(20)	<b>11,230</b>
<b>Total comprehensive income for the period</b>	-	-	187	-	-	-	11,250	<b>11,437</b>	(20)	<b>11,417</b>
Dividend to owners of the Company	-	-	-	-	-	-	(3,890)	<b>(3,890)</b>	-	<b>(3,890)</b>
<b>At 31 May 2016</b>	<b>64,834</b>	<b>2,837</b>	<b>770</b>	<b>4,488</b>	<b>6,483</b>	<b>(639)</b>	<b>37,098</b>	<b>115,871</b>	<b>(27)</b>	<b>115,844</b>
<b>At 1 June 2016</b>	<b>64,834</b>	<b>2,837</b>	<b>770</b>	<b>4,488</b>	<b>6,483</b>	<b>(639)</b>	<b>37,098</b>	<b>115,871</b>	<b>(27)</b>	<b>115,844</b>
Foreign currency translation differences	-	-	136	-	-	-	-	<b>136</b>	-	<b>136</b>
Profit for the period	-	-	-	-	-	-	1,356	<b>1,356</b>	(11)	<b>1,345</b>
<b>Total comprehensive income for the period</b>	-	-	136	-	-	-	1,356	<b>1,492</b>	(11)	<b>1,481</b>
<b>At 31 August 2016</b>	<b>64,834</b>	<b>2,837</b>	<b>906</b>	<b>4,488</b>	<b>6,483</b>	<b>(639)</b>	<b>38,454</b>	<b>117,363</b>	<b>(38)</b>	<b>117,325</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 2016 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 31 AUGUST 2016 (Unaudited)**

	Note	3 months ended	
		31.08.2016 RM'000	31.08.2015 RM'000
<b>Cash flows from operating activities</b>			
Profit before taxation		1,353	2,442
Adjustments for:			
Depreciation of property, plant and equipment		1,522	1,494
Depreciation of investment properties		2	2
Interest expense		1,360	1,216
Interest income		(11)	(68)
Plant and equipment written off		5	-
Loss/(Gain) on disposal of plant and equipment		38	(28)
Operating profit before changes in working capital		4,269	5,058
Changes in working capital:			
Inventories		(12,976)	(8,189)
Trade and other receivables		11,639	899
Trade and other payables		(8,232)	(519)
Cash used in operations		(5,300)	(2,751)
Income tax paid		(75)	(226)
<b>Net cash used in operating activities</b>		<b>(5,375)</b>	<b>(2,977)</b>
<b>Cash flows used in investing activities</b>			
Interest received		11	68
Purchase of property, plant and equipment		(953)	(544)
Proceeds from disposal of plant and equipment		168	28
<b>Net cash used in investing activities</b>		<b>(774)</b>	<b>(448)</b>
<b>Cash flows from financing activities</b>			
Repayment of term loans		(2,592)	(2,632)
Drawdown/(Repayment) of finance lease liabilities, net		616	162
Drawdown of borrowings, net		9,509	3,366
Interest paid		(1,360)	(1,216)
Placement of pledged fixed deposits		(1,038)	(706)
Dividend paid		-	(1,945)
<b>Net cash generated /(used) from financing activities</b>		<b>5,135</b>	<b>(2,971)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,014)</b>	<b>(6,396)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>15,941</b>	<b>26,940</b>
Effect of exchange differences on cash and cash equivalents		133	241
<b>Cash and cash equivalents at end of period</b>		<b>15,060</b>	<b>20,785</b>

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)  
FOR THE QUARTER ENDED 31 AUGUST 2016 (Unaudited)**

	<b>3 months ended</b>	
	<b>31.08.2016</b>	<b>31.08.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash and cash equivalents comprised the following:</b>		
Cash and bank balances	23,405	26,670
Bank overdrafts	(8,345)	(7,187)
Short term deposits with licensed banks	3,465	4,555
	<u>18,525</u>	<u>24,038</u>
Less: Fixed deposits pledged with licensed bank	(3,441)	(3,230)
Fixed deposit with maturity more than three months	<u>(24)</u>	<u>(23)</u>
	<u>15,060</u>	<u>20,785</u>

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

##### **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 2016.

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 (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 2018***

- MFRS 15, *Revenue from Contracts with Customers*
- MFRS 9, *Financial Instruments*
- Amendments to MFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

##### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019***

- MFRS 16, *Lease*

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

(Incorporated in Malaysia)

### **3. Audit Qualification**

The External Auditors of the Company, had expressed a qualified opinion in their Auditors' Report on the Financial Statements of the Company for the financial year ended 31 May 2016 and their basis for qualified opinion was:-

"Included in the Group's other receivables is an amount of RM3,460,279 due from a company in which certain Directors of the Company has substantial financial interest as disclosed in Note 12 to the financial statements that has been long outstanding and was not impaired. Minimal payment was received from this receivables as at the date of this report. In the absence of any documentary evidence and alternative audit procedure, we are unable to obtain sufficient appropriate audit evidence to ascertain the recoverability of the abovementioned long outstanding balance."

As at 31 August 2016, the amount due from the company was RM3,232,708 after some repayment received during the quarter.

### **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 31 August 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.

A first interim single-tier dividend of 1.0 sen per ordinary share amount to RM1,296,680 in respect of the finance year ended 31 May 2016 have been declared on by the board and paid on 15 September 2016.



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

(Incorporated in Malaysia)

### **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

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

(Incorporated in Malaysia)

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

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

	<b>For the 3 months ending 31.08.2016</b>					
	Manufacturing	Trading	Others	Total	Elimination	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	73	88,330	-	88,403	-	88,403
Inter-segment revenue	32,012	1,996	1,449	35,457	(35,457)	-
	<u>32,085</u>	<u>90,326</u>	<u>1,449</u>	<u>123,860</u>	<u>(35,457)</u>	<u>88,403</u>
<b>Segment profit</b>	<u>1,064</u>	<u>822</u>	<u>(533)</u>	<u>1,353</u>	<u>-</u>	<u>1,353</u>
<i>Included in the measure of segment profit are:</i>						
Depreciation and amortisation	(723)	(460)	(341)	(1,524)	-	(1,524)
Interest income	(2)	45	7	50	(39)	11
Net gain / (loss) on foreign exchange	141	(396)	-	(255)	-	(255)
Inventories provision	-	(272)	-	(272)	-	(272)
Property, plant and equipment written off	(5)	-	-	(5)	-	(5)
Loss on disposal of property, plant and equipment	-	(38)	-	(38)	-	(38)
Finance costs	(333)	(814)	(252)	(1,399)	39	(1,360)
<b>Segment assets</b>						
<i>Included in the measure of segment assets are:</i>						
Additions to non-current assets others than financial instruments and deferred tax assets	31	912	10	953	-	953

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

(Incorporated in Malaysia)

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

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

	<b>For the 3 months ending 31.08.2015</b>					
	Manufacturing	Trading	Others	Total	Elimination	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	87	98,848	-	98,835	-	98,835
Inter-segment revenue	21,795	1,887	1,464	25,146	(25,146)	-
	<u>21,882</u>	<u>100,735</u>	<u>1,464</u>	<u>120,081</u>	<u>(25,146)</u>	<u>98,835</u>
<b>Segment profit</b>	<u>(252)</u>	<u>3,460</u>	<u>(724)</u>	<u>2,484</u>	<u>(42)</u>	<u>2,442</u>
<i>Included in the measure of segment profit are:</i>						
Depreciation and amortisation	(774)	(390)	(332)	(1,496)	-	(1,496)
Interest income	-	61	7	68	-	68
Net loss on foreign exchange	(226)	(1,916)	-	(2,142)	-	(2,142)
Inventories provision	(300)	-	-	(300)	-	(300)
Gain on disposal of property, plant and equipment	21	7	-	28	-	28
Finance costs	(295)	(527)	(394)	(1,216)	-	(1,216)
<b>Segment assets</b>						
<i>Included in the measure of segment assets are:</i>						
Additions to non-current assets others than financial instruments and deferred tax assets	356	170	18	544	-	544

**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>3 months ended</u>	
	<u>31.08.2016</u>	<u>31.08.2015</u>	<u>31.08.2016</u>	<u>31.08.2015</u>
	Segment Revenue			
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	64,114	65,189	64,114	65,189
Other Asia countries	23,945	33,437	23,945	33,437
Others	344	309	344	309
	<u>88,403</u>	<u>98,935</u>	<u>88,403</u>	<u>98,935</u>

	<u>As at</u>	
	<u>31.08.2016</u>	<u>31.08.2015</u>
	<u>Non-current assets</u>	
	<u>RM'000</u>	<u>RM'000</u>
Malaysia	96,250	99,156
Other Asian countries	39	21
	<u>96,289</u>	<u>99,177</u>

**10. Property, Plant and Equipment**

During the current financial period ended 31 August 2016, the Group has acquired assets at a cost of RM0.9 million (31 August 2015: RM0.5 million) including RM0.8 million of finance liabilities. (31 August 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.

## **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**

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>3 months ended</u>	
	<u>31.08.2016</u>	<u>31.08.2015</u>	<u>31.08.2016</u>	<u>31.08.2015</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Transaction with associate				
-Sales	164	300	164	300
Transaction with related party				
- Purchases	735	514	735	514

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

	<u>Unaudited</u>	<u>Audited</u>
	<u>31.08.2016</u>	<u>31.05.2016</u>
	<u>RM'000</u>	<u>RM'000</u>
- realised	41,174	38,096
- unrealised	(762)	877
	<u>40,412</u>	<u>38,973</u>
Total retained earnings of associates		
- realised	92	92
Less: Consolidation adjustments	(2,050)	(1,967)
Total retained earnings	<u>38,454</u>	<u>37,098</u>

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

(Incorporated in Malaysia)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 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 RM88.4 million for the current quarter as compared to RM98.9 million reported in the corresponding quarter last year, it represents a decrease in sales of RM10.5 million or 10.6% mainly due to slow down in oversea market where the global economic climate was full of challenges and uncertainties.

The Group posted lower profit before tax of RM1.4 million compared to RM2.4 million in the corresponding period last year. In this adverse economic, higher sales and promotion expenses was incurred to remain competitive in the market.

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

	<b>Current Quarter 31.08.2016 RM'000</b>	<b>Immediate Preceding Quarter 31.05.2016 RM'000</b>	<b>Variance Increased/ (decreased)</b>	
			<b>RM'000</b>	<b>%</b>
- Revenue	88,403	103,629	(15,226)	(14.7%)
- Profit Before Tax	1,353	4,697	(3,344)	(71.2%)

Revenue for the first quarter is lower by 14.7% or RM15.2 million from RM103.6 million in the preceding quarter. Both local and oversea demand is lower due to current challenging macro environment where uncertainty of global economy and increase in the cost pressure resulting from weakening of Malaysia Ringgit.

The group recorded lower pre-tax profit of RM1.4 million in the first quarter as compared to pre-tax profit RM4.7 million in immediate preceding quarter mainly due to forex gain of RM3.6 million from 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 shall continue to seize new profit and growth opportunity by way of creating new demand and unlocking the conventional business opportunity. In line with the Group's effort in expanding emerging market, the Group carries on to promote and distribute its products to overseas customers through engaging more oversea distributors and business partners.

The Group recognise the timing and business opportunity that are available in this industry and will continue to devote efforts in research and development of new product in order to keep up with the ever-changing needs of the electrical appliances markets. Besides that, the Group shall continue to focus in increasing the operation efficiency, management of overhead through cost rationalization and maintaining excellent customer relationship.

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>3 months ended</u>	
	<u>31.08.2016</u>	<u>31.08.2015</u>	<u>31.08.2016</u>	<u>31.08.2015</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax expense	8	191	8	191
	<u>8</u>	<u>191</u>	<u>8</u>	<u>191</u>

Domestic income tax rate is calculated at the Malaysian statutory tax rate of 24% (2015: 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.

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

(Incorporated in Malaysia)

**24. Status of Corporate Proposal**

As at the date of this report, 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 period are as follows:

	<b>Unaudited 31.08.2016 RM'000</b>	<b>Audited 31.05.2016 RM'000</b>
<b><u>Current</u></b>		
<b>Unsecured</b>		
Bank overdraft	8,345	5,640
Revolving credit	1,500	-
Bankers' acceptance	66,553	56,520
	<u>76,398</u>	<u>62,160</u>
<b>Secured</b>		
Bank overdraft	-	2,973
Bankers' acceptance	-	2,090
Term loans	10,167	10,383
Finance lease liabilities	516	395
	<u>10,683</u>	<u>15,841</u>
	<u>87,081</u>	<u>78,001</u>
<b><u>Non – current</u></b>		
<b>Secured</b>		
Term loans	15,286	17,596
Finance lease liabilities	1,697	1,202
	<u>16,983</u>	<u>18,798</u>
	<u>16,983</u>	<u>18,798</u>
<b><u>Currency Denominated In</u></b>		
Ringgit Malaysia ("MYR")	104,064	96,799
	<u>104,064</u>	<u>96,799</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 31 August 2016.



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

(Incorporated in Malaysia)

**27. Dividend**

The Board recommends final dividend of 2.0 sen per ordinary share for the financial year ended 31 May 2016, which was approved by the shareholders of the Company at the Annual General Meeting on 18 October 2016. The final dividend, will be paid on 30 December 2016 to shareholders whose names appear in the Record of Depositors at the close of business on 15 December 2016.

**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>31.08.2016</u>	<u>31.08.2015</u>	<u>31.08.2016</u>	<u>31.08.2015</u>
Net profit for the period attributable to owners of the Company (RM'000)	1,356	2,256	1,356	1,356
Number of ordinary shares in issue ('000)	129,668	129,668	129,668	129,668
Basic earnings per share (sen)	<u>1.05</u>	<u>1.74</u>	<u>1.05</u>	<u>1.74</u>

**(ii) Diluted EPS**

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>3 months ended</u>		<u>3 months ended</u>	
	<u>31.08.2016</u>	<u>31.08.2015</u>	<u>31.08.2016</u>	<u>31.08.2015</u>
Net profit for the period attributable to owners of the Company (RM'000)	1,356	n/a	1,356	n/a
Weighted average number of ordinary shares ('000)	135,705	n/a	135,705	n/a
Diluted earnings per share (sen)	<u>1.00</u>	<u>n/a</u>	<u>1.00</u>	<u>n/a</u>

**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>31.08.2016</u>	<u>31.08.2015</u>	<u>31.08.2016</u>	<u>31.08.2015</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>After charging / (crediting):-</b>				
Depreciation & amortization	1,524	1,496	1,524	1,496
Inventories provision	272	300	272	300
Plant and equipment written off	5	-	5	-
Loss / (Gain) on disposal of property, plant and equipment	38	(28)	38	(28)
Net loss on foreign exchange	255	2,142	255	2,142
Government grants	(73)	(106)	(73)	(106)

**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 27 October 2016.

**BY ORDER OF THE BOARD**

Yeong Ah Lek

Secretary

Date: 27 October 2016