



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 28 FEBRUARY 2018**

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

**INTERIM REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 28 FEBRUARY 2018**

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**The figures have not been audited**

	Note	Individual Quarter		Cumulative Period	
		3 months ended		9 months ended	
		28.02.2018	28.02.2017	28.02.2018	28.02.2017
		RM'000	RM'000	RM'000	RM'000
Revenue	9	76,127	82,160	241,897	251,762
Cost of sales		(60,915)	(64,353)	(193,012)	(198,414)
Gross profit		15,212	17,807	48,885	53,348
Other operating income		258	42	529	462
Interest income		26	11	66	51
Operating expenses		(14,153)	(15,515)	(43,469)	(46,919)
<b>Results from operating activities</b>		1,343	2,345	6,011	6,942
Finance costs		(992)	(1,232)	(3,181)	(3,840)
<b>Operating profit</b>		351	1,113	2,830	3,102
Share of profit of equity accounted associates		-	-	-	-
<b>Profit before tax</b>		351	1,113	2,830	3,102
Tax expense	19	(354)	(22)	(599)	(53)
<b>(Loss)/Profit for the period</b>		(3)	1,091	2,231	3,049
<b>Other comprehensive (expenses)/income, net of tax</b>					
Foreign currency translation differences		(841)	302	(978)	609
<b>Total comprehensive income for the period</b>		(844)	1,393	1,253	3,658
<b>Profit attributable to:</b>					
Shareholders of the Company		32	1,100	2,290	3,075
Non-controlling interests		(35)	(9)	(59)	(26)
		(3)	1,091	2,231	3,049
<b>Total comprehensive (expenses)/income attributable to:</b>					
Shareholders of the Company		(809)	1,402	1,312	3,684
Non-controlling interests		(35)	(9)	(59)	(26)
		(844)	1,393	1,253	3,658
Basic earnings per ordinary share (sen)	25	0.02	0.85	1.77	2.37
Diluted earnings per ordinary share (sen)	25	0.02	0.82	1.73	2.25

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2017 and the accompanying explanatory notes attached to the interim financial statements.

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

**INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2018**  
**Condensed Consolidated Statement of Financial Position**  
**The figures have not been audited**

	Note	Unaudited 28.02.2018 RM'000	Audited 31.05.2017 RM'000
<b>ASSETS</b>			
Property, plant and equipment		88,451	90,596
Investments in associates		338	338
Intangible assets		1,060	1,068
<b>Total non-current assets</b>		89,849	92,002
Inventories		77,028	72,370
Trade and other receivables		52,247	65,931
Current tax assets		552	594
Cash and cash equivalents		24,612	22,327
<b>Total current assets</b>		154,439	161,222
<b>TOTAL ASSETS</b>		244,288	253,224
<b>EQUITY</b>			
Share capital		67,671	67,671
Reserves		50,711	51,991
<b>Total equity attributable to owners of the Company</b>		118,382	119,662
Non-controlling interests		1,987	(90)
<b>TOTAL EQUITY</b>		120,369	119,572
<b>LIABILITIES</b>			
Loans and borrowings	22	8,904	11,980
Deferred tax liabilities		-	7
<b>Total non-current liabilities</b>		8,904	11,987
Loans and borrowings	22	77,058	76,880
Trade and other payables		37,957	44,785
<b>Total current liabilities</b>		115,015	121,665
<b>Total liabilities</b>		123,919	133,652
<b>TOTAL EQUITY AND LIABILITIES</b>		244,288	253,224
<b>Net assets per share attributable to equity holders (RM)</b>		0.93	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 2017 and the accompanying explanatory notes attached to the interim financial statements.

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

**INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2018**

**Condensed Consolidated Statement of Changes in Equity**

The figures have not been audited

	← Attributable to owners of the Company →							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	Total RM'000		
<b>At 1 June 2016</b>	64,834	2,837	770	4,488	6,483	(639)	37,098	<b>115,871</b>	(27)	<b>115,844</b>
Foreign currency translation differences	-	-	609	-	-	-	-	<b>609</b>	-	<b>609</b>
Profit for the year	-	-	-	-	-	-	3,075	<b>3,075</b>	(26)	<b>3,049</b>
<b>Total comprehensive income for the year</b>	-	-	609	-	-	-	3,075	<b>3,684</b>	(26)	<b>3,658</b>
Dividend to owner of the Company	-	-	-	-	-	-	(2,593)	<b>(2,593)</b>	-	<b>(2,593)</b>
<b>Reclassification due to compliance with Companies Act 2016</b>	2,837	(2,837)	-	-	-	-	-	-	-	-
<b>At 28 February 2017</b>	<b>67,671</b>	-	1,379	4,488	6,483	(639)	37,580	<b>116,962</b>	(53)	<b>116,909</b>
<b>At 1 June 2017</b>	67,671	-	705	4,488	6,483	(639)	40,955	<b>119,663</b>	(90)	<b>119,573</b>
Foreign currency translation differences	-	-	(978)	-	-	-	-	<b>(978)</b>	-	<b>(978)</b>
Profit for the year	-	-	-	-	-	-	2,290	<b>2,290</b>	(59)	<b>2,231</b>
<b>Total comprehensive income for the year</b>	-	-	(978)	-	-	-	2,290	<b>1,312</b>	(59)	<b>1,253</b>
Dividend to owner of the Company	-	-	-	-	-	-	(2,593)	<b>(2,593)</b>	-	<b>(2,593)</b>
<b>Shares issued to Non-controlling Interests</b>	-	-	-	-	-	-	-	-	2,136	<b>2,136</b>
<b>At 28 February 2018</b>	<b>67,671</b>	-	(273)	4,488	6,483	(639)	40,652	<b>118,382</b>	1,987	<b>120,369</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 2017 and the accompanying explanatory notes attached to the interim financial statements.

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

**INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2018**

**Condensed Consolidated Statement of Changes in Equity**

**The figures have not been audited**

	Note	9 months ended	
		28.02.2018 RM'000	28.02.2017 RM'000
<b>Cash flows from operating activities</b>			
Profit before taxation	27	2,830	3,102
Adjustments for:			
Depreciation of property, plant and equipment		4,731	4,582
Depreciation of investment properties		-	4
Interest expense		3,181	3,840
Interest income		(66)	(51)
Plant and equipment written off		3	10
Bad debts written off		889	(7)
Inventories written down		564	88
(Reversal)/Impairment loss on receivables		(827)	598
Unrealised foreign exchange loss		627	2,308
(Gain)/Loss on disposal of plant and equipment		(224)	(6)
Loss on disposal of investment properties		-	54
Operating profit before changes in working capital		11,708	14,522
Changes in working capital:			
Inventories		(5,222)	(6,294)
Trade and other receivables		12,999	9,847
Trade and other payables		(6,828)	(20,378)
Cash generated from/(used in) operations		12,657	(2,303)
Income tax paid		(564)	(214)
<b>Net cash generated from/(used in) operating activities</b>		12,093	(2,517)
<b>Cash flows from investing activities</b>			
Interest received		66	51
Purchase of property, plant and equipment		(2,899)	(1,486)
Proceeds from disposal of plant and equipment		527	212
Proceeds from disposal of investment properties		-	423
Proceeds from issuance of share to non-controlling interest		2,136	-
<b>Net cash used in investing activities</b>		(170)	(800)
<b>Cash flows from financing activities</b>			
Repayment of term loans		(6,159)	(7,730)
Drawdown/(Repayment) of finance lease liabilities, net		(401)	345
Drawdown of borrowings, net		5,116	9,455
Interest paid		(3,181)	(3,840)
Placement of pledged fixed deposits		33	1,493
Dividend paid		(2,593)	(2,593)
<b>Net cash used in financing activities</b>		(7,185)	(2,870)
<b>Net increase/(decrease) in cash and cash equivalents</b>		4,738	(6,187)
<b>Cash and cash equivalents at beginning of period</b>		14,860	15,941
Effect of exchange differences on cash and cash equivalents		(964)	595
<b>Cash and cash equivalents at end of period</b>		18,634	10,349

**INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2018**  
**Condensed Consolidated Statement of Changes in Equity**  
**The figures have not been audited**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD**  
**ENDED 28 FEBRUARY 2018 (Unaudited) (cont'd)**

	<b>9 months ended</b>	
	<b>28.02.2018</b>	<b>28.02.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash and cash equivalents comprised the following:</b>		
Cash and bank balances	23,541	19,107
Bank overdrafts	(4,907)	(8,758)
Short term deposits with licensed banks	1,071	933
	<u>19,705</u>	<u>11,282</u>
Less: Fixed deposits pledged with licensed bank	(1,059)	(921)
Less: Fixed deposit with maturity more than three months	<u>(12)</u>	<u>(12)</u>
	<u>18,634</u>	<u>10,349</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 May 2017 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM REPORT FOR THE FINANCIAL QUARTER AND PERIOD ENDED 28 FEBRUARY 2018 (Unaudited)**

**Notes to the condensed consolidated interim financial statements**

**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 2017. 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 2017.

**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 2017.

At the date of authorization of these interim financial statements, the Group have not applied the following new MFRSs, IC Interpretation and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group:

		<b>Effective dates for financial periods beginning on or after</b>
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to MFRSs 2014 – 2016 Cycle:		
• Amendments to MFRS 12		1 January 2017
• Amendments to MFRS 1		1 January 2018
• Amendments to MFRS 128		1 January 2018
MFRS 9	Financial Instruments (IFRS issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018

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

		<b>Effective dates for financial periods beginning on or after</b>
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018*
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2018
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group intend to adopt the above MFRSs when they become effective.

The initial application of the abovementioned MFRSs are not expected to have any significant impacts on the financial statements of the Group except as mentioned below:

MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking ‘expected loss’ impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 *Financial Instruments: Recognition and Measurement*.

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income without subsequent recycling to profit or loss. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ‘hedged ratio’ to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Interpretations. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.



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

MFRS 16 Leases

MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The impact of the new MFRSs, amendments and improvements to published standard on the financial statements of the Group are currently being assessed by management.

**3. Audit Qualification**

There were no audit qualification on the annual financial statements of the Company and the Group for the year ended 31 May 2017.

**4. Seasonality of Operations**

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current period ended 28 February 2018.

**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.

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

**8. Dividend Paid**

On 25 October 2017, the shareholders of the Company had approved a final single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 May 2017. The dividend which amounted to RM2,593,360 was paid on 29 December 2017.

**9. Segmental Information**

	<b>For the 9 months ending 28.02.2018</b>					
	Manufacturing	Trading	Others	Total	Elimination	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	419	241,478	-	241,897	-	241,897
<b>Segment profit</b>	<b>993</b>	<b>3,355</b>	<b>(574)</b>	<b>3,774</b>	<b>(944)</b>	<b>2,830</b>
<b>Segment assets</b> <i>Included in the measure of segment assets is:</i>	<b>70,320</b>	<b>184,085</b>	<b>94,481</b>	<b>348,886</b>	<b>(105,959)</b>	<b>242,927</b>
Capital expenditure	172	2,709	18	2,899	-	2,899

  

	<b>For the 9 months ending 28.02.2017</b>					
	Manufacturing	Trading	Others	Total	Elimination	Consolidated Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	488	251,274	-	251,762	-	251,762
<b>Segment profit</b>	<b>1,224</b>	<b>2,891</b>	<b>(1,075)</b>	<b>3,040</b>	<b>62</b>	<b>3,102</b>
<b>Segment assets</b> <i>Included in the measure of segment assets is:</i>	<b>73,977</b>	<b>184,916</b>	<b>97,309</b>	<b>356,202</b>	<b>(107,591)</b>	<b>248,611</b>
Capital expenditure	228	1,254	4	1,486	-	1,486

**10. Events after the Reporting Period**

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

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

**11. Changes in Composition of the Group**

There was no change in the composition of the Group for the current period under review, except for the following:-

- a) On 6 June 2017, the Group incorporated a wholly-owned subsidiary in Kingdom of Cambodia namely Pensonic (Cambodia) Co. Ltd (“PCC”). PCC is capitalised at USD1,000 represented by 1,000 shares at issue price of USD1 each for a total consideration of RM4,316.
- b) On 30 July 2017, the Group incorporated a subsidiary in Indonesia under the name of PT Pensonic Appliance Indonesia (“PTPAI”). PTPAI is capitalised at USD1,000,000 represented by 1,000,000 shares at issue price of USD1 each. The Group owned 51% equity interest in PTPAI for a total consideration of RM2,223,090.
- c) On 6 April 2018, the Company announced the winding-up of Kollektion Haus (Austin) Sdn Bhd (“KHA”), by way of members’ voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act, 2016. This voluntary winding-up will not have any financial and operational impact on the Group for the financial year ending 31 May 2018, and no material losses are expected arising from the winding-up proceedings.

**12. Changes in Contingent Liabilities or Contingent Assets**

There were no changes in contingent liabilities or contingent assets of a material nature as at the end of current financial period.

**13. Capital Commitments**

On 26 December 2017, Pensonic Sales & Service Sdn. Bhd., a wholly owned subsidiary, has acquired 2 pieces of contiguous freehold lands for total consideration of RM20,068,467.38.

**14. Significant Related Party Transactions**

The significant transactions with companies in which certain Directors and persons connected to Directors have substantial financial interests are as follows:

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>28.02.2018</b>	<b>28.02.2017</b>	<b>28.02.2018</b>	<b>28.02.2017</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
Transaction with associate				
-Sales	546	289	1,626	1,362
Transaction with related party				
- Purchases	649	699	2,034	2,154
- Services acquired	41	53	102	198
- Sales	8	2	27	4

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

**15. Review of Performance**

	Individual Quarter			Cumulative Period		
	3 months ended			9 months ended		
	28.02.2018	28.02.2017	%	28.02.2018	28.02.2017	%
	RM'000	RM'000		RM'000	RM'000	
Revenue	76,127	82,160	(7.3)	241,897	251,762	(3.9)
Profit before tax	351	1,113	(68.5)	2,830	3,102	(8.8)
(Loss) / profit after tax	(3)	1,091	(>100)	2,231	3,049	(26.8)
Profit attributable to owner of the Company	32	1,100	(97.1)	2,290	3,075	(25.5)

The Group registered revenue of RM76.1 million for the current quarter ended 28 February 2018 compared to RM82.2 million in the preceding year corresponding quarter. In tandem with the drop of revenue, the Group registered a profit before tax of RM0.3 million for the current quarter compared to the profit before tax of RM1.1 million in the preceding year corresponding financial quarter.

For the period under review, the Group registered revenue of RM241.9 million compared with RM251.8 million in the preceding year corresponding period. Furthermore, the Group also recorded a slightly lower profit before tax of RM2.8 million compared with RM3.1 million in corresponding period last year. Lower profit before tax is due to lower revenue for the current period.

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

	Current Quarter Ended 28.02.2018	Immediate Preceding Quarter Ended 30.11.2017	%
	RM'000	RM'000	
Revenue	76,127	74,840	1.7
Profit before tax	351	337	4.2
(Loss) / profit after tax	(3)	96	(>100)
Profit attributable to owner of the Company	32	118	(72.9)

The Group recorded revenue of RM76.1 million for the current financial quarter ended 28 February 2018 compared to the revenue of RM74.8 million in the preceding quarter ended 30 November 2017.

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

**17. Commentary on Prospects**

Given the Group's extensive experience in the industry, the Board believes that the Group will be able to manage the challenges ahead and remain competitive in the foreseeable future.

The Group has set up subsidiary companies in Indonesia and Cambodia recently. In both cases, we are of the view that such investment would be to the benefit of the Group in the long run and that time is needed for market penetration and brand name building to increase market share and revenue. As such, the Group do not expect immediate financial contribution to the Group.

The Group is developing our Digital Customer Relationship Management. The objective of the platform is to provide customers with direct after-sales service solutions with easier online service calls, marketing automation, e-commerce, royalty programme and smart appliance management.

The Group has also started our e-commerce and partnership with various reputable marketplaces, as well as TV shopping channels. Although we have seen significant growth in revenue from these channels, the contribution is still minimal compared to the total group revenue. With the e-commerce platform, we will be developing our Online-To-Offline commerce with our existing dealers to create a win-win business solution in this trending e-commerce market. We are expecting full force digital marketing by end of 2018.

On top of that, the Group has secured 2 new exclusive distributorships of electrical appliances brands from United Kingdom. These distributorships cover Malaysia and Singapore markets and is anticipated to contribute to Group revenue in the mid to long term.

**18. Profit Forecast**

Not applicable as no profit forecast was published.

**19. Taxation**

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>28.02.2018</b>	<b>28.02.2017</b>	<b>28.02.2018</b>	<b>28.02.2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian statutory tax				
- Current year	241	(1)	496	12
- Prior year	19	8	19	8
Foreign statutory tax				
- Current year	97	8	97	16
	357	15	612	36
Deferred tax expense				
- Current year	(3)	7	(13)	17
	354	22	599	53

Domestic income tax rate is calculated at the Malaysian statutory tax rate of 24% (2017: 24%) of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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

On a quarter-on-quarter comparison, the effective tax rate for the Group is higher than the statutory tax rate mainly due to under-provision for tax in the previous quarters for certain subsidiaries pending outcome of appeal relating to tax incentives granted to these subsidiaries.

**20. Status of Corporate Proposal**

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

**21. Trade Receivables**

The age analysis of trade receivables is as follow:

	<b>Unaudited 28.02.2018 RM'000</b>	<b>Audited 31.05.2017 RM'000</b>
Neither past due nor impaired	35,423	50,960
Past due but not impaired:		
Less than 60 days	7,008	8,723
60 to 120 days	1,102	195
More than 120 days	943	634
	<u>9,053</u>	<u>9,552</u>
	44,476	60,512
Impaired	383	1,330
	<u>44,859</u>	<u>61,842</u>

The Group is satisfied that recovery of the amount is possible, therefore there is no impairment for past due trade receivables.

**22. Borrowings and Debts Securities**

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

	<b>Unaudited 28.02.2018 RM'000</b>	<b>Audited 31.05.2017 RM'000</b>
<b><u>Current</u></b>		
<b>Unsecured</b>		
Bank overdraft	4,907	5,609
Revolving credit	2,500	2,500
Bankers' acceptance	64,633	58,092
	<u>72,040</u>	<u>66,201</u>
<b>Secured</b>		
Bank overdraft	-	753
Bankers' acceptance	838	2,263
Term loans	3,648	7,137
Finance lease liabilities	532	526
	<u>5,018</u>	<u>10,679</u>
	<u>77,058</u>	<u>76,880</u>

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

	<b>Unaudited 28.02.2018 RM'000</b>	<b>Audited 31.05.2017 RM'000</b>
<b><u>Non – current</u></b>		
<b>Secured</b>		
Term loans	7,843	10,512
Finance lease liabilities	1,061	1,468
	<u>8,904</u>	<u>11,980</u>
	<u>8,904</u>	<u>11,980</u>
<b><u>Currency Denominated In</u></b>		
Ringgit Malaysia (“MYR”)	85,962	88,860
	<u>85,962</u>	<u>88,860</u>

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

- (a) Legal charges over certain properties belonging to the Company and subsidiary companies;
- (b) Lien on fixed deposits belonging to the subsidiary companies; and
- (c) Corporate guarantee by the Company.

**23. Material Litigation**

The Group is not engaged in any material litigation for the current financial period ended 28 February 2018.

**24. Dividend**

The Board does not recommend any dividend for the current financial period ended 28 February 2018.

**25. Earnings per Share (“EPS”)**

**(a) Basic EPS**

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>28.02.2018</b>	<b>28.02.2017</b>	<b>28.02.2018</b>	<b>28.02.2017</b>
Net profit for the period attributable to owners of the Company (RM'000)	32	1,100	2,290	3,075
Number of ordinary shares in issue ('000)	129,668	129,668	129,668	129,668
Basic earnings per share (sen)	<u>0.02</u>	<u>0.85</u>	<u>1.77</u>	<u>2.37</u>

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

**(b) Diluted EPS**

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>3 months ended</u>		<u>9 months ended</u>	
	<u>28.02.2018</u>	<u>28.02.2017</u>	<u>28.02.2018</u>	<u>28.02.2017</u>
Net profit for the period attributable to owners of the Company (RM'000)	32	1,100	2,290	3,075
Weighted average number of ordinary shares ('000)	131,265	134,406	132,418	136,874
Diluted earnings per share (sen)	<u>0.02</u>	<u>0.82</u>	<u>1.73</u>	<u>2.25</u>

**26. 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>9 months ended</u>	
	<u>28.02.2018</u>	<u>28.02.2017</u>	<u>28.02.2018</u>	<u>28.02.2017</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>After charging / (crediting):-</b>				
Interest income	(26)	(11)	(66)	(51)
Government grants received	(24)	(81)	(225)	(283)
(Gain)/Loss on disposal of property, plant and equipment	(206)	(44)	(224)	(6)
Realised gain on foreign exchange	(374)	(158)	(884)	(1,805)
(Reversal)/Provision for doubtful debt	(805)	98	(827)	598
Interest expense	992	1,232	3,181	3,840
Depreciation & amortization	1,591	1,530	4,731	4,586
Inventories provision	215	110	564	88
Plant and equipment written off	3	5	3	10
Unrealised loss on foreign exchange	196	427	627	2,308
Bad debt written off	889	-	889	-

**27. 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.