



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2018**

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

**INTERIM REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2018**  
**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
The figures have not been audited

	Note	Individual Quarter		Cumulative Quarter	
		30-Nov-18	30-Nov-17	30-Nov-18	30-Nov-17
		RM'000	RM'000	RM'000	RM'000
Revenue	9	76,975	74,998	170,042	162,657
Cost of sales		(62,246)	(59,467)	(137,832)	(132,097)
Gross profit		14,729	15,531	32,210	30,560
Other operating income		65	82	319	271
Interest income		28	29	43	40
Operating expenses		(14,925)	(14,290)	(29,132)	(26,203)
<b>Results from operating activities</b>		<b>(103)</b>	<b>1,352</b>	<b>3,440</b>	<b>4,668</b>
Finance costs		(1,095)	(1,015)	(2,112)	(2,189)
<b>Operating (loss)/profit</b>		<b>(1,198)</b>	<b>337</b>	<b>1,328</b>	<b>2,479</b>
Share of loss of equity accounted associates		(7)	-	(7)	-
<b>(Loss)/profit before tax</b>		<b>(1,205)</b>	<b>337</b>	<b>1,321</b>	<b>2,479</b>
Tax expense	18	(364)	(241)	(1,140)	(245)
<b>(Loss)/profit after tax</b>		<b>(1,569)</b>	<b>96</b>	<b>181</b>	<b>2,234</b>
<b>Other comprehensive expenses, net of tax</b>					
Foreign currency translation		128	(158)	331	(137)
<b>Total comprehensive loss for the period</b>		<b>(1,441)</b>	<b>(62)</b>	<b>512</b>	<b>2,097</b>
<b>(Loss)/Profit attributable to:</b>					
Shareholders of the Company		(1,545)	118	210	2,258
Non-controlling interests		(24)	(22)	(29)	(24)
		<b>(1,569)</b>	<b>96</b>	<b>181</b>	<b>2,234</b>
<b>Total comprehensive loss attributable to</b>					
Shareholders of the Company		(1,417)	(40)	541	2,121
Non-controlling interests		(24)	(22)	(29)	(24)
		<b>(1,441)</b>	<b>(62)</b>	<b>512</b>	<b>2,097</b>
Basic (loss)/earnings per ordinary share (se)	24	(1.19)	0.09	0.16	1.74
Diluted (loss)/earnings per ordinary share (s)	24	(1.32)	0.09	0.17	1.70

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2018 and the accompanying explanatory notes attached to the interim financial statements.

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

**INTERIM REPORT FOR THE FINANCIAL AS AT 30 NOVEMBER 2018**  
**Condensed Consolidated Statement of Financial Position**  
**The figures have not been audited**

	<b>Note</b>	<b>(Unaudited) 30-Nov-18 RM'000</b>	<b>(Audited) 31-May-18 RM'000</b>
<b>ASSETS</b>			
Property, plant and equipment		104,594	106,915
Investments in associates		376	383
Intangible assets		1,063	1,058
Deferred tax assets		600	600
<b>Total non-current assets</b>		<b>106,633</b>	<b>108,956</b>
Inventories		79,360	82,938
Trade and other receivables	20	54,247	59,573
Current tax assets		-	23
Fixed deposit		1,495	1,068
Cash and cash equivalents		21,729	23,577
<b>Total current assets</b>		<b>156,831</b>	<b>167,179</b>
<b>TOTAL ASSETS</b>		<b>263,464</b>	<b>276,135</b>
<b>EQUITY</b>			
Share capital		67,671	67,671
Reserves		45,483	44,942
<b>Total equity attributable to owners of the Company</b>		<b>113,154</b>	<b>112,613</b>
Non-controlling interests		2,139	2,168
<b>TOTAL EQUITY</b>		<b>115,293</b>	<b>114,781</b>
<b>LIABILITIES</b>			
Loans and borrowings	21	39,855	23,352
Deferred tax liabilities		331	331
<b>Total non-current liabilities</b>		<b>40,186</b>	<b>23,683</b>
Loans and borrowings	21	63,624	80,006
Trade and other payables		37,376	51,203
Current tax liabilities		6,985	6,462
<b>Total current liabilities</b>		<b>107,985</b>	<b>137,671</b>
<b>Total liabilities</b>		<b>148,171</b>	<b>161,354</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>263,464</b>	<b>276,135</b>
<b>Net assets per share attributable to equity holders (RM)</b>		<b>0.89</b>	<b>0.89</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 May 2018 and the accompanying explanatory notes attached to the interim financial statements.

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

**INTERIM REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2018**  
**Condensed Consolidated Statement of Changes in Equity**  
The figures have not been audited

	←————— Attributable to owners of the Company —————→						—————→	Non- controlling interests	Total Equity
	←————— Non- Distributable —————→			Distributable					
	Share Capital	Exchange translation Reserve	Capital reserve	Warrant reserve	Other Reserve	Retained Earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 June 2017</b>	67,671	705	4,488	6,483	(639)	40,955	119,663	(90)	119,573
Foreign currency translation differences	-	(137)	-	-	-	-	(137)	-	(137)
Profit for the period	-	-	-	-	-	2,258	2,258	(24)	2,234
<b>Total comprehensive income for the period</b>	-	(137)	-	-	-	2,258	2,121	(24)	2,097
Shares issued to Non-controlling Interests	-	-	-	-	-	-	-	2,136	2,136
<b>At 30 November 2017</b>	<u>67,671</u>	<u>568</u>	<u>4,488</u>	<u>6,483</u>	<u>(639)</u>	<u>43,213</u>	<u>121,784</u>	<u>2,022</u>	<u>123,806</u>
<b>At 1 June 2018</b>	67,671	(284)	4,488	6,483	(639)	34,894	112,613	2,168	114,781
Foreign currency translation differences	-	331	-	-	-	-	331	-	331
Profit for the period	-	-	-	-	-	210	210	(29)	181
<b>Total comprehensive income for the period</b>	-	331	-	-	-	210	541	(29)	512
<b>At 30 November 2018</b>	<u>67,671</u>	<u>47</u>	<u>4,488</u>	<u>6,483</u>	<u>(639)</u>	<u>35,104</u>	<u>113,154</u>	<u>2,139</u>	<u>115,293</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 May 2018 and the accompanying explanatory notes attached to the interim financial statements.

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

**INTERIM REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**Condensed Consolidated Statement of Cash Flows**

The figures have not been audited

	Cumulative Quarters 6 months ended	
	30-Nov-18 RM'000	30-Nov-17 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	1,321	2,479
Adjustments for :		
Depreciation of property, plant and equipment	3,202	3,140
Loss/(Gain) on disposal of plant and equipment	34	(18)
Unrealised foreign exchange loss	-	-
Impairment loss on receivables	205	-
Interest expense	2,112	2,189
Interest income	(43)	(40)
Share of profit of equity- accounted associates, net of tax	7	-
Plant and equipment written off	115	-
Operating profit before working capital changes	6,953	7,750
Changes in working capital:		
Inventories	3,578	(3,586)
Trade and other receivables	5,121	10,648
Trade and other payables	(13,827)	(8,227)
Cash generated from operations	1,825	6,585
Income tax paid	(594)	(146)
Net cash from operating activities	1,231	6,439
<b>Cash flows from investing activities</b>		
Proceeds from disposal of plant and equipment	2	18
Purchase of property, plant and equipment	(1,026)	(2,782)
Interest received	43	40
Proceeds from issuance of share to non-controlling interest	-	2,136
Net cash used in investing activities	(981)	(588)
<b>Cash flows from financing activities</b>		
Drawdown of term loans	20,000	-
Repayment of term loans	(2,572)	(5,176)
Drawdown of finance lease liabilities	400	-
Repayment of finance lease liabilities, net	(298)	(271)
Net changes in bankers' acceptances	(16,141)	3,553
Placement of pledged fixed deposits	(427)	(1,593)
Interest paid	(2,112)	(2,189)
Net cash used in financing activities	(1,150)	(5,676)
Net increase/(decrease) in cash and cash equivalents	(900)	175
Cash and cash equivalents at beginning of period	19,586	14,860
Effect of exchange differences on cash and cash equivalents	320	(137)
Cash and cash equivalents at end of period	19,006	14,898

**PENSONIC HOLDINGS BERHAD (300426-P)**  
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**INTERIM REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2018**

**Condensed Consolidated Statement of Cash Flows (cont'd)**

**The figures have not been audited**

	<b>6 months ended</b>	
	<b>30-Nov-18</b>	<b>30-Nov-17</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash and cash equivalents comprised the following:</b>		
Cash and bank balances	21,279	20,723
Bank overdrafts	(2,723)	(5,825)
	<u>19,006</u>	<u>14,898</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 May 2018 and the accompanying explanatory notes attached to the interim financial statements.

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

**INTERIM REPORT FOR THE PERIOD ENDED 30 NOVEMBER 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 2018. 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 2018.

The Group has adopted the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 June 2018. The adoption of MFRS 9 does not have any significant impact to the financial report to the Group. MFRS 15 gives impact to the financial statements of the Group in the following manner :

- Reclassification of certain expenses previously presented as selling and distribution expenses to revenue, and
- Recognising revenue in instances where the Group is acting as a contract manufacturer over time instead of point in time. The Group has assessed and noted the impact to be immaterial.

**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 2018 except for those as disclosed in Note 1 above.

The changes in the accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 May 2019.

**3. Audit Qualification**

There was no audit qualification on the annual financial statements of the Company and the Group for the year ended 31 May 2018.

**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 30 November 2018.





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**10. Event 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 quarter under review.

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

There was no change in the composition of the Group for the current quarter under review.

**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 quarter.

**13. 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>6 months ended</u>	
	<u>30-Nov-18</u>	<u>30-Nov-17</u>	<u>30-Nov-18</u>	<u>30-Nov-17</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Transaction with associate				
-Sales	698	463	1,099	1,080
Transaction with related party				
- Purchases	674	510	1,546	1,385
- Services acquired	41	30	96	61
- Sales	16	16	22	19

**14. Review of Performance**

	<u>Individual Quarter</u>			<u>Cumulative Period</u>		<u>%</u>
	<u>3 months ended</u>			<u>6 months ended</u>		
	<u>30-Nov-18</u>	<u>30-Nov-17</u>		<u>30-Nov-18</u>	<u>30-Nov-17</u>	
	<u>RM'000</u>	<u>RM'000</u>		<u>RM'000</u>	<u>RM'000</u>	
Revenue	76,975	74,998	2.6	170,042	162,657	4.5
Profit before tax	(1,205)	337	<(100)	1,321	2,479	(46.7)
Profit after tax	(1,569)	96	<(100)	181	2,234	(91.9)
Profit attributable to owner of the Company	(1,545)	118	<(100)	210	2,258	(90.7)

The Group registered revenue of RM77.0 million compared to RM75.0 million in the preceding year corresponding quarter. The Group registered a loss before tax of RM1.2 million compared to profit before tax of RM337,000 in the preceding year corresponding financial quarter due to lower margin and higher operating expenses in this current quarter.

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**14. Review of performance (con't)**

The Group registered revenue of RM170 million compared to RM162.7 million in the preceding year corresponding period. However, the profit before tax for the Group in this current financial period was lower at RM1.3 million compared to RM2.5 million in the preceding year corresponding period due to higher operating expenses.

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

	<b>Current Quarter Ended 30 Nov 18 RM'000</b>	<b>Immediate Preceding Quarter Ended 31 Aug 18 RM'000</b>	<b>%</b>
Revenue	76,975	93,067	(17.3)
(Loss)/Profit before tax	(1,205)	2,526	<(100)
(Loss)/Profit after tax	(1,569)	1,750	<(100)
(Loss)/Profit attributable to owner of the Company	(1,545)	1,755	<(100)

The Group recorded revenue of RM77.0 million for the current financial quarter compared to RM93.1 million reported in the immediate preceding financial quarter ended 31 August 2018. The Group recorded a loss before tax of RM1.2 million, compared with profit before tax of RM2.5 million in the preceding financial quarter due to sales which surged in the preceding quarter resulting from suspension of GST from 1 June through 31 August 2018.

**16. 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.

Our Digital Customer Relationship Management (CRM) with eWarranty, eService, eLoyalty, eCommerce is ready to be downloaded from Google Play and App Store. The Group is going to introduce a series of appliances with IOT digital smart controls and devices by the end of 2019. With the completion of warehousing and office operations in Klang in 2020, we can expect savings in warehouse rental cost and consolidation of various logistic operations in one location.

On top of that, in e-commerce business, we will aggressively partner with various reputable platforms and retailers while continuing to strengthen the offline channels e.g. mass-traffic-outlets, chain stores and retailers to create a win-win business solution in this trending e-commerce market.

**17. Profit Forecast**

Not applicable as no profit forecast was published.

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(Incorporated in Malaysia)

**18. Taxation**

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30-Nov-18</b>	<b>30-Nov-17</b>	<b>30-Nov-18</b>	<b>30-Nov-17</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current tax expenses				
- Current year	379	255	1,161	255
Deferred tax expense				
- Current year	(15)	(14)	(21)	(10)
	<u>364</u>	<u>241</u>	<u>1,140</u>	<u>245</u>

Domestic income tax rate is calculated at the Malaysian statutory tax rate of 24% (2018: 24%) 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 Group is higher than the statutory tax rate in the current quarter mainly due to business losses incurred by certain subsidiaries which cannot be utilised for set-off against profits earned by other subsidiaries.

**19. Status of Corporate Proposal**

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

**20. Trade Receivables**

The age analysis of trade receivables is as follow:

	<b>Unaudited</b>	<b>Audited</b>
	<b>30-Nov-2018</b>	<b>31-May-2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Neither past due nor impaired	38,117	43,764
Past due but not impaired:		
Less than 60 days	11,760	8,849
60 to 120 days	490	540
More than 120 days	1,187	1,304
	<u>13,437</u>	<u>10,693</u>
	51,554	54,457
Impaired	(638)	(474)
	<u>50,916</u>	<u>53,983</u>

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

**PENSONIC HOLDINGS BERHAD (300426-P)**  
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**21. Borrowings and Debts Securities**

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

	<b>Unaudited 30-Nov-2018 RM'000</b>	<b>Audited 31-May-2018 RM'000</b>
<b><u>Current</u></b>		
<b>Unsecured</b>		
Bank overdraft	1,628	3,294
Revolving credit	4,300	2,500
Bankers' acceptance	50,822	68,763
	<u>56,750</u>	<u>74,557</u>
<b>Secured</b>		
Bank overdraft	1,095	697
Term loans	5,210	4,204
Finance lease liabilities	569	548
	<u>6,874</u>	<u>5,449</u>
	<u>63,624</u>	<u>80,006</u>
<b><u>Non – current</u></b>		
<b>Secured</b>		
Term loans	38,784	22,362
Finance lease liabilities	1,071	990
	<u>39,855</u>	<u>23,352</u>
	<u>103,479</u>	<u>103,358</u>
<b><u>Currency Denominated In</u></b>		
Ringgit Malaysia ("MYR")	<u>103,479</u>	<u>103,358</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.

**22. Material Litigation**

The Group is not engaged in any material litigation for the current financial period ended 30 November 2018.

**23. Dividend**

The Board does not recommend any dividend for the current financial period ended 30 November 2018

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

**24. Earnings per Share (“EPS”)**

**(a) Basic EPS**

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30-Nov-18</b>	<b>30-Nov-17</b>	<b>30-Nov-18</b>	<b>30-Nov-17</b>
Net profit for the period attributable to owners of the Company (RM‘000)	(1,545)	118	210	2,258
Number of ordinary shares in issue (‘000)	129,668	129,668	129,668	129,668
Basic earnings per share (sen)	<u>(1.19)</u>	<u>0.09</u>	<u>0.16</u>	<u>1.74</u>

**(b) Diluted EPS**

	<b>Individual Quarter</b>		<b>Cumulative Period</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30-Nov-18</b>	<b>30-Nov-17</b>	<b>30-Nov-18</b>	<b>30-Nov-17</b>
Net profit for the period attributable to owners of the Company (RM‘000)	(1,545)	118	210	2,258
Weighted average number of ordinary shares (‘000)	116,998	131,274	122,448	132,995
Diluted earnings per share (sen)	<u>(1.32)</u>	<u>0.09</u>	<u>0.19</u>	<u>1.70</u>

**25. 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>6 months ended</b>	
	<b>30-Nov-18</b>	<b>30-Nov-17</b>	<b>30-Nov-18</b>	<b>30-Nov-17</b>
<b>After charging / (crediting):-</b>				
Interest income	(28)	(29)	(43)	(40)
Government grants received	(17)	(57)	(36)	(201)
(Gain)/Loss on disposal of property, plant and equipment	(1)	-	34	(18)
Realised loss/(gain) on foreign exchange	182	(240)	250	(510)
Provision/(Reversal) for doubtful debt	121	(18)	205	(22)
Interest expense	1,095	1,015	2,112	2,189
Depreciation & amortization	1,613	1,590	3,202	3,140
Inventories provision	144	147	455	349
Plant and equipment written off	111	-	115	-
Unrealised loss/(gain) on foreign exchange	34	202	(359)	431
Rental income	<u>(28)</u>	<u>(26)</u>	<u>(55)</u>	<u>(51)</u>

**26. 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.