

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 NOVEMBER 2013

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 NOVEMBER 2013 (Unaudited)

	Note	Individual Quarter ended		Cumulative Period 6 months ended	
		30.11.13 RM'000	30.11.12 RM'000	30.11.13 RM'000	30.11.12 RM'000
Revenue	9	88,754	86,133	194,469	179,997
Cost of sales		(73,371)	(67,729)	(156,262)	(141,841)
Gross profit		15,383	18,404	38,207	38,156
Other operating income		624	1,157	1,317	1,536
Interest income		212	34	224	46
Operating expenses		(16,258)	(16,656)	(34,768)	(32,225)
Results from operating activities		(39)	2,939	4,980	7,513
Finance costs		(1,134)	(1,068)	(2,236)	(2,171)
Operating (loss) / profit		(1,173)	1,871	2,744	5,342
Share of profit of equity accounted associates		-	-	-	-
(Loss) / Profit before tax		(1,173)	1,871	2,744	5,342
Tax expense	21	(7)	(9)	(4)	(13)
(Loss) / Profit for the period	29	(1,180)	1,862	2,740	5,329
Other comprehensive expense, net of tax					
Foreign currency translation differences		11	31	(55)	85
Total comprehensive (expenses) / income for the period		(1,169)	1,893	2,685	5,414
(Loss) / Profit attributable to:					
Shareholders of the Company		(1,166)	1,884	2,720	5,279
Non-controlling interests		(14)	(22)	20	50
		(1,180)	1,862	2,740	5,329
Total comprehensive (expenses) / income attributable to:					
Shareholders of the Company		(1,155)	1,915	2,665	5,364
Non-controlling interests		(14)	(22)	20	50
		(1,169)	1,893	2,685	5,414
Basic (loss)/ earnings per ordinary share (sen)		(0.90)	1.45	2.10	4.07

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2013 and the accompanying explanatory notes attached to the interim financial statements.

PENSONIC HOLDINGS BERHAD (300426-P)

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2013 (Unaudited)**

	Note	Unaudited 30-Nov-13 RM'000	Audited 31-May-13 RM'000
ASSETS			
Property, plant and equipment		67,244	65,475
Investment properties		502	506
Investments in associates		247	247
Intangible assets		1,031	1,024
Deferred tax assets		183	183
Total non-current assets		69,207	67,435
Trade and other receivables		61,468	71,114
Inventories		91,541	75,060
Current tax assets		1,956	1,812
Cash and cash equivalents		21,529	24,595
Non-current assets held for sale		-	-
Total current assets		176,494	172,581
TOTAL ASSETS		245,701	240,016
EQUITY			
Share capital	24	64,834	46,310
Reserves		25,764	41,623
Total equity attributable to owners of the Company		90,598	87,933
Non-controlling interests		(117)	(137)
TOTAL EQUITY		90,481	87,796
LIABILITIES			
Loans and borrowings	25	14,179	13,114
Deferred tax liabilities		124	6
Total non-current liabilities		14,303	13,120
Loans and borrowings	25	95,393	83,564
Trade and other payables		45,458	55,536
Current tax liabilities		66	-
Total current liabilities		140,917	139,100
Total liabilities		155,220	152,220
TOTAL EQUITY AND LIABILITIES		245,701	240,016
Net assets per share attributable to equity holders (RM)		0.70	0.95

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 May 2013 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 NOVEMBER 2013 (Unaudited)

	←————— 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	Retained earnings RM'000	Total RM'000		
At 1 June 2012	46,310	21,361	363	4,488	12,970	85,492	(192)	85,300
Foreign currency translation differences	-	-	30	-	-	30	-	30
Profit for the year	-	-	-	-	3,627	3,627	(65)	3,562
Total comprehensive income/ (expense) for the year	-	-	30	-	3,627	3,657	(65)	3,592
Share issued to non-controlling interest	-	-	-	-	-	-	120	120
Dividend to owners of the Company	-	-	-	-	(1,216)	(1,216)	-	(1,216)
At 31 May 2013	46,310	21,361	393	4,488	15,381	87,933	(137)	87,796
At 1 June 2013	46,310	21,361	393	4,488	15,381	87,933	(137)	87,796
Foreign currency translation differences	-	-	(55)	-	-	(55)	-	(55)
Profit for the period	-	-	-	-	2,720	2,720	20	2,740
Total comprehensive income/(expenses) for the period	-	-	(55)	-	2,720	2,665	20	2,685
Issuance of bonus shares	18,524	(18,524)	-	-	-	-	-	-
At 30 November 2013	64,834	2,837	338	4,488	18,101	90,598	(117)	90,481

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 May 2013 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 30 NOVEMBER 2013 (Unaudited)

	Note	6 months ended	
		30 November 2013 RM'000	2012 RM'000
Cash flows from operating activities			
Profit before taxation		2,744	5,342
Adjustments for:			
Depreciation of property, plant and equipment		2,381	2,204
Depreciation of investment properties		4	4
Interest expense		2,236	2,171
Interest income		(224)	(46)
Excess of fair value of net assets acquired over purchase consideration	5	(36)	-
Plant and equipment written off		-	94
Gain on disposal of non-current assets held for sale		-	(1,638)
Gain on disposal of plant and equipment		-	(23)
Operating profit before changes in working capital		7,105	8,108
Changes in working capital:			
Inventories		(12,957)	1,377
Trade and other receivables		13,685	3,746
Trade and other payables		(16,357)	(5,788)
Cash (used in)/ generated from operations		(8,524)	7,443
Income tax paid / (refund)		36	(187)
Net cash (used in)/from operating activities		(8,488)	7,256
Cash flows used in investing activities			
Interest received		224	46
Net outflow of acquisition of shares in subsidiary company	5	(2,476)	-
Purchase of property, plant and equipment		(2,145)	(6,073)
Proceeds from disposal of non-current assets held for sales		-	2,290
Proceeds from disposal of plant and equipment		-	134
Net cash used in investing activities		(4,397)	(3,603)
Cash flows from financing activities			
Drawdown of term loans		1,991	3,563
Drawdown/ (repayment) of borrowings, net		7,324	(807)
Interest paid		(2,236)	(2,171)
Repayment of term loans		(1,074)	(1,703)
Repayment of finance lease liabilities		(101)	(109)
Placement of pledged fixed deposits		(2)	(2)
Drawdown of finance lease liabilities		-	178
Proceeds from issuance of shares to non-controlling interest		-	120
Net cash from/(used in) financing activities		5,902	(931)
Net (decrease) / increase in cash and cash equivalents		(6,983)	2,722
Cash and cash equivalents at beginning of period		12,047	5,284
Effect of exchange differences on cash and cash equivalents		42	(39)
Cash and cash equivalents at end of period		5,106	7,967

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
FOR THE QUARTER ENDED 30 NOVEMBER 2013 (Unaudited)**

	6 months ended 30 November	
	2013	2012
	RM'000	RM'000
Cash and cash equivalents comprised the following:		
Cash and bank balances	16,042	17,088
Bank overdrafts	(13,395)	(9,141)
Short term deposits with licensed banks	5,487	2,915
	<u>8,134</u>	<u>10,862</u>
Fixed deposits pledged to bank	<u>(3,028)</u>	<u>(2,895)</u>
	<u>5,106</u>	<u>7,967</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 May 2013 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2013 (*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 2013. 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 2013. The audited financial statements of the Group as at and for the year ended 31 May 2013 were prepared under Malaysian Financial Reporting Standards (MFRSs).

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 2013 except for the adoption of the following new and revised MFRSs, Amendments to MFRSs and IC Interpretations by the Group with effect from 1 January 2013.

- MFRS 10 Consolidated Financial Statements (effective from 1 January 2013)
- MFRS 11 Joint Arrangements (effective from 1 January 2013)
- MFRS 12 Disclosure of Interests in Other Entities (effective from 1 January 2013)
- MFRS 13 Fair Value Measurement (effective from 1 January 2013)
- MFRS 119 Employee Benefits (effective from 1 January 2013)
- MFRS 127 Separate Financial Statements (effective from 1 January 2013)
- MFRS 128 Investments in Associates and Joint Ventures (effective from 1 January 2013)
- Amendments to MFRS 7 Financial Instruments: Disclosures (effective from 1 January 2013)
- Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income (effective from 1 July 2012)
- Annual Improvements to MFRS 2009 – 2011 Cycle (effective from 1 January 2013)
- Amendments to MFRS 10, 11 and 12 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (effective from 1 January 2013)
- Amendments to MFRS 134 Interim Financial Reporting (effective from 1 January 2013)

The adoption of the abovementioned MFRSs, Amendments to MFRSs and IC Interpretations will have no material impact on the financial statements of the Group.

At the date of authorization of these interim financial statements, The Group has not early adopted the following accounting standards that have been issued by the Malaysian Accounting Standards Board (“MASB”):

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2. Significant Accounting Policies (cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- MFRS 9, *Financial Instruments* (2009)
- MFRS 9, *Financial Instruments* (2010)
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Mandatory Date of MFRS 9 and Transition Disclosures*

3. Audit Qualification

There were no audit qualifications on the annual financial statements of the Group for the year ended 31 May 2013.

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

On 27 September 2013, Keat Radio Co Sdn Bhd ("KRC"), a subsidiary of the Company had completed the acquisition of 100% equity interest in Pensia Plastic Industries Sdn Bhd ("PPISB"). Upon the acquisition, PPISB became the subsidiary of the Group. PPISB is an unlisted company incorporated in Malaysia involved in the plastic injection and molding.

The fair values of the identifiable assets and liabilities of PPISB as at the date of acquisition were:

Identifiable assets and liabilities	Acquiree's	Fair value
	Carrying Value	
	RM'000	RM'000
Property and Equipment	2,004	2,004
Current Asset	7,200	7,071
Current Liabilities	(7,039)	(7,039)
Identifiable net assets acquired	2,165	2,036
Excess of fair value of net assets acquired over purchase consideration	(165)	(36)
Purchase consideration	2,000	2,000

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5. Unusual and Material Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow (cont'd)

Details of cash flow arising from the acquisition are as follows:

	As of acquisition date RM'000
Total purchase consideration	2,000
Less: Cash and cash equivalents of subsidiary company acquired	476
	<hr/>
Cash outflow to the Group on acquisition	<u>2,476</u>

Save as disclosed above, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current period ended 30 November 2013.

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 securities, share buy-backs, share cancellations, shares held as treasury shares by the Company during the financial period under review.

8. Dividend Paid

No dividend has been paid for the current financial quarter and financial year ended 31 May 2014.

On 26 November 2013, shareholders of the Company has approved the final dividend of 1.75 sen per share less 25% tax amounting to approximately RM1,701,893 in respect of the financial year ended 31 May 2013. Subsequent to the reporting date, the dividend was paid on 31 December 2013.

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9. Segmental Information

(i) Operating Segments

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

(ii) Geographical Segments

The business segment of the Group is managed principally in Malaysia, China (including Hong Kong), Indonesia, Sri Lanka, Brunei, Middle East, Thailand, Myanmar, Singapore etc. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers whereas segment assets are based on the geographical location of the assets. The amounts of segment assets do not include instruments (including investment in associates) and deferred tax assets.

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>ended</u>	<u>ended</u>	<u>6 months ended</u>	<u>6 months ended</u>
	<u>30.11.2013</u>	<u>30.11.2012</u>	<u>30.11.2013</u>	<u>30.11.2012</u>
	<u>Segment Revenue</u>			
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Malaysia	62,163	62,885	139,770	134,679
Other Asian countries	21,474	20,137	41,035	37,468
Others	5,117	3,111	13,664	7,850
	<u>88,754</u>	<u>86,133</u>	<u>194,469</u>	<u>179,997</u>
			<u>Cumulative Period</u>	
			<u>6 months ended</u>	<u>6 months ended</u>
			<u>30.11.2013</u>	<u>30.11.2012</u>
			<u>Segment Assets</u>	
			<u>RM'000</u>	<u>RM'000</u>
Malaysia			214,457	211,932
Other Asian countries			28,146	23,265
Others			551	863
			<u>243,154</u>	<u>236,060</u>

10. Property, Plant and Equipment

During the current financial period ended 30 November 2013, the Group has acquired assets at a cost of RM2.1 million (30 November 2012: RM6.1 million)

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11. Events after the Reporting Period

Saved as disclosed in Note 24 on the Status of the Corporate Proposals, there were no other material events subsequent to the end of the current quarter that have not been reflected in the financial statements for the current quarter under review.

12. Changes in Composition of the Group

Save as disclosed in Note 5 above, there were no significant changes in the composition of the Group as at the date of this report.

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

Capital expenditure contracted but not provided for property, plant and equipment at the reporting date amounted to RM13.2 million.

15. Significant Related Party Transactions

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

	Unaudited 30-Nov-2013 RM'000	Audited 31-May-2013 RM'000
Purchase of raw materials from -Pensia Plastic Industries Sdn. Bhd.*	2,866	8,562
Subcon and service charge income from -Pensia Plastic Industries Sdn. Bhd.*	212	611
Sale of goods to an associate -Pensonic (B) Sdn Bhd	558	1,314
Rental income charged for sub-letting of factory premises -Pensia Plastic Industries Sdn. Bhd.*	72	216
Rental expenses charged by - Directors of the Group	72	144

* As of 27 September 2013, Pensia Plastic Industries Sdn. Bhd. became a wholly-owned subsidiary of the Group through its wholly-owned subsidiary, Keat Radio Co Sdn. Bhd.

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16. Disclosure of Realised and Unrealised Profit

	Unaudited 30-Nov-2013 RM'000	Audited 31-May-2013 RM'000
- realised	20,325	17,118
- unrealised	766	363
	<hr/>	<hr/>
Total retained earnings of associates	21,091	17,481
- realised	43	43
Less: Consolidation adjustments	(3,033)	(2,143)
	<hr/>	<hr/>
Total retained earnings	<u>18,101</u>	<u>15,381</u>

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2013 (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 revenue of RM88.8 million for the current quarter as compared to RM86.1 million reported in the corresponding quarter last year, representing an increase in sales of RM2.6 million or 3 %. The slight improvement in revenue is mainly contributed by overseas sales especially in Vietnam and Middle-East countries, showing growth of 14% or RM 3.3 million to RM27 million which accounted for 30% of the Group's revenue for the current quarter. As a result of lower demand during non-festive season, local sales dropped by 1% or RM0.7 million to RM62 million.

Despite the increased in revenue, the Group posted a pre-tax loss of RM1.2 million as compared to a pre-tax profit of RM1.9 million in the previous corresponding period last year. This is mainly contributed by higher material input price and lower productivity, which leads to higher production cost and lower product margin of the Group's products in the quarter under review. The loss is also due to general impairment of RM0.6 million made for slow moving inventories and realized exchange loss of RM0.6 million resulted from weakened Malaysia Ringgit against US dollar during the current quarter under review. Besides, pre-tax profit was higher in the previous year corresponding quarter as there was a gain on disposal of investment properties of RM1.2 million.

For the 6 months ended

As for the 6-month period ended 30 November 2013, the Group's revenue and pre-tax profit were RM194 million and RM2.7 million as compared to a revenue and pre-tax profit of RM180 million and RM5.3 million respectively in the previous year corresponding period.

Group's revenue increased by 8% or RM14 million mainly contributed by overseas sales especially in Vietnam and Middle-East countries, showing growth of 21% or RM 9.4 million to RM55 million which accounted for 28% of the Group's revenue for the current quarter. Despite the increased in revenue, pre-tax profit has dropped by RM2.6 million mainly resulted from lower product margin of the Group's products, general impairment of RM0.6 million made for slow moving inventories and realized exchange loss of RM0.6 million resulted from weakened Malaysia Ringgit against US dollar during the current period 6 months ended 30 November 2013. Besides, pre-tax profit was higher in the previous year corresponding period ended 30 November 2012 as there was a gain on disposal of investment properties of RM1.7 million.

18. Variation of results Against Preceding Quarter

	Current Quarter 30-Nov-2013 RM'000	Immediate Preceding Quarter 31-Aug-2013 RM'000	Variance (decreased) %
- Revenue	88,754	105,715	(16)
- (Loss)/ Profit Before Tax	(1,179)	3,920	(>100)

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18. Variation of results Against Preceding Quarter (cont'd)

Traditionally, revenue for the second quarter is lower as compared to the other quarters of the Group's financial year due to decrease in local market demand during the non-festive season and no aggressive marketing and promotion activities carried out during this period.

Accordingly, the Group posted pre-tax loss of RM1.2 million as compared with RM3.9 million which mainly affected by the reduced revenue, general impairment of RM0.6 million made for slow moving inventories and realized exchange loss of RM0.6 million as Malaysia Ringgit has weakened against US dollar in the second quarter.

19. Commentary on Prospect

Looking ahead, the Group anticipates that competition will remain intense. The Group will continue growing existing markets, placing emphasis in cost control and restructuring initiatives i.e. phasing out of low margin products, reduction in corporate costs.

In line with the Group's effort in expanding emerging markets, the Group carries on to promote and sell its products to overseas customers through engaging more overseas distributors and business partners, expanding overseas market footprint through acquisitions where necessary. 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:

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>ended</u>		<u>6 months ended</u>	
	<u>30.11.2013</u>	<u>30.11.2012</u>	<u>30.11.2013</u>	<u>30.11.2012</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Current tax expense	<u>7</u>	<u>9</u>	<u>4</u>	<u>13</u>
	<u>7</u>	<u>9</u>	<u>4</u>	<u>13</u>

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

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22. Sales of Unquoted Investments and Properties

There was no disposal of unquoted investments and properties during the current quarter. (30 November 2012: Gain on disposal of investment properties of RM1.7 million). Accordingly, pre-tax profit was higher in the previous corresponding period ended 30 November 2012 as there was a gain on disposal of investment properties of RM1.7 million.

23. Investment in Quoted Securities

There was no purchase or disposal of quoted securities as of date of this report.

24. Status of Corporate Proposal

On 10 July 2013, the Company proposed the following:

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

The bonus issue has been completed with the listing of and quotation for the 37,048,000 Bonus Shares on the Main Market of Bursa Securities on 20 November 2013.

- (b) Renounceable rights issue of 64,834,000 warrants in the Company at an indicative issue price of RM0.10 per warrant on the basis of one (1) warrant for every two (2) ordinary shares held by the shareholders after the Proposed Bonus Issue (“Proposed Rights Issue of Warrants”).

The Right Issue of Warrants has been completed with the listing of and quotation for the 64,834,000 Rights Warrants on the Main Market of Bursa Securities on 23 January 2014.

As at the date of this report, saved as disclosed above, 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:

	Unaudited 30-Nov-13 RM'000	Audited 31-May-13 RM'000
<u>Current</u>		
Unsecured		
Bank overdraft	10,094	3,909
Bankers' acceptance	71,556	61,028
Term loans	36	761
	81,686	65,698
Secured		
Bank overdraft	3,301	5,727
Bankers' acceptance	7,220	8,979
Trust receipts	837	-
Term loans	2,247	2,957
Finance lease liabilities	102	203
	13,707	17,866
	95,393	83,564
<u>Non – current</u>		
Unsecured		
Term loans	48	2,045
Secured		
Term loans	13,722	10,659
Finance lease liabilities	409	410
	14,131	11,069
	14,179	13,114

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

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

26. Material Litigation

The Group is not engaged in any material litigation for the current financial period ended 30 November 2013.

27. Proposed Dividend

The Board does not recommend any dividend for the current quarter ended 30 November 2013.

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(Incorporated in Malaysia)

28. (Loss)/ Earnings per Share

	<u>Individual Quarter ended</u>		<u>Cumulative Period 6 months ended</u>	
	<u>30.11.13</u>	<u>30.11.12</u>	<u>30.11.13</u>	<u>30.11.12</u>
Net profit for the period attributable to owners of the Company (RM'000)	(1,166)	1,884	2,720	5,279
Number of ordinary shares in issue ('000)	129,668	129,668	129,668	129,668
Basic (loss)/ earnings per share (sen)	<u>(0.90)</u>	<u>1.45</u>	<u>2.10</u>	<u>4.07</u>

The number of ordinary shares used in the computation of earnings per share for period ended 30 November 2013 has been adjusted for the bonus issue of 37,048,000 ordinary shares during the period. Comparative earnings per share have been adjusted due to bonus issue made this year.

29. Profit for the period

Profit for the period has been arrived at:

	<u>Individual Quarter ended</u>		<u>Cumulative Period 6 months ended</u>	
	<u>30.11.13</u>	<u>30.11.12</u>	<u>30.11.13</u>	<u>30.11.12</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
After charging:-				
Depreciation & amortization	1,227	1,121	2,385	2,208
Inventories written down	567	-	-	-
Bad debts written off	82	-	170	-
Inventories written off	-	119	-	119
Plant & equipment written off	-	-	-	94
After crediting:				
Gain on disposal of non-current assets held for sale	-	1,228	-	1,638
Gain on disposal of plant & equipment	-	23	-	23
Net (loss) / gain on foreign exchange	(657)	332	263	332
Government Grants	111	-	195	-

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 23 January 2014.

BY ORDER OF THE BOARD

Lee Hong Lim
Secretary
Date: 23 January 2014