

## **Pensonic Holdings Berhad (300426-P)**

The Board of Directors of the Group are pleased to announce the following:  
UNAUDITED RESULTS OF THE GROUP FOR 4<sup>TH</sup> QUARTER ENDED 31 MAY 2003

### Condensed consolidated balance sheet At 31 MAY 2003

	31 May 2003 RM'000	31 May 2002 RM'000
Property, plant and equipment	27,657	27,642
Investments in associates	-	-
Investments in jointly controlled entities	-	-
Other investments	-	-
Properties under development	-	-
Intangible assets	615	48
	28,272	27,690
Current assets		
Inventories	46,159	56,085
Properties under development	-	-
Trade and other receivables	41,375	37,466
Other investments	-	-
Cash and cash equivalents	5,571	4,629
	93,105	98,180
Current liabilities		
Trade and other payables	11,861	32,091
Borrowings	22,462	2,383
Taxation	15	348
Provision for warranties	-	-
	34,338	34,822
Net current assets	58,767	63,358
	87,039	91,048

**Pensonic Holdings Berhad (300426-P)**

Condensed consolidated balance sheet

At 31 May 2003

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(continued)

	31 May 2003	31 May 2002
	RM'000	RM'000
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Financed by:		
Capital and reserves		
Share Capital	46,310	46,310
Reserves	38,497	42,512
Treasury shares	-	-
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	84,807	88,822
Minority shareholders' interests	763	719
Long term and deferred liabilities		
Borrowings	1,162	1,200
Deferred taxation	307	307
Retirement benefits	-	-
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	87,039	91,048
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Net tangible assets per share (sen)	183	192

## **Pensonic Holdings Berhad (300426-P)**

### Condensed consolidated income statement For the period ended 31 May 2003

	3 months ended 31 May		12 months ended 31 May	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Revenue	30,192	25,641	121,142	100,348
Operating profit/(loss)	(5,088)	551	(3,353)	1,743
Interest expense	177	79	732	360
Interest income	-	-	-	-
Share of profit of associates and jointly controlled entities	-	-	-	-
Profit/(loss) before taxation	(5,265)	472	(4,085)	1,383
Tax expense	(330)	150	5	769
Profit/(loss) after taxation	(4,935)	322	(4,090)	614
Pre-acquisition loss	125	-	125	-
Less: Minority interest	(54)	14	50	74
Net profit/(loss) for the period	(4,756)	308	(4,015)	540
Basic earnings per ordinary share (sen)	(10.27)	0.67	(8.67)	1.18
Diluted earnings per ordinary share (sen)	(10.27)	0.67	(8.67)	1.18

## **Pensonic Holdings Berhad (300426-P)**

### Condensed consolidated statement of changes in equity For the year ended 31 May 2003

	Non- distributable RM'000	Distributable retained profits RM'000	Total RM'000
At 1 June 2002	83,685	5,137	88,822
Net gains and losses not recognized in the income statement:	-	-	-
Currency translation differences	-	-	-
Net profit for the year	-	(4,015)	(4,015)
Dividends	-	-	-
At 31 May 2003	83,685	1,122	84,807
At 1 June 2001	82,446	5,597	88,043
Net gains and losses not recognized in the income statement	-	-	-
Issue of shares - ESOS	1,239	-	1,239
Net profit for the year	-	540	540
Dividends	-	(1,000)	(1,000)
At 31 May 2002	83,685	5,137	88,822

## **Pensonic Holdings Berhad (300426-P)**

### Condensed consolidated cash flow statement For the year ended 31 May 2003

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	31 May 2003 RM'000	31 May 2002 RM'000
Net cash inflow from operating activities	3,111	n.a.
Net cash outflow from investing activities	(1,388)	n.a.
Net cash inflow from financing activities	(1,803)	n.a.
Net increase in cash and cash equivalents	(80)	n.a.
Cash and cash equivalents at 1 June	3,249	n.a.
Foreign exchange differences on opening balances	-	n.a.
Cash and cash equivalents at 31 May	3,169	n.a.

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\* There was no requirement for cash flow statement reporting for the year ended 31 May 2002.

## **1. Accounting Policies**

The interim financial report is unaudited and has been prepared in compliance with MASB 26, Interim Financial Reporting.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 May 2002.

The accounting policies and methods of computation adopted by the Group in the interim financial report are consistent with those adopted in the financial statements for the year ended 31 May 2002.

## **2. Inventories**

During the twelve months period, certain inventories were revalued from cost to net realizable value due to the current market conditions which were affected by the reduction of selling price of inventories arising from the entry of imports from China and shorter life-cycles of the products.

## **3. Exceptional item**

There was no exceptional item in the quarterly financial statement under review.

## **4. Extraordinary item**

There was no extraordinary item in the quarterly financial statement under review.

## **5. Taxation**

There was no tax being provided for the year under review. The total amount of tax paid up to 31 May 2003 were RM895,251.

## **6. Pre-acquisition loss**

The pre-acquisition loss for the current financial period ended 31 May 2003 were RM125,351 which was in respect of the acquisition of a foreign subsidiary company, Pensonic (H.K.) Corporation Limited.

## **7. Profit on sale of investments and/or properties**

There were no profits on sale of investments and/or properties for the current financial period ended 31 May 2003.

## **8. Quoted securities**

There was no purchase or disposal of quoted securities for the current financial period ended 28 February 2003.

## **9. Changes in the composition of the Group**

On 8 July 2002, Keat Radio Co Sdn Bhd, a wholly owned subsidiary company within the Group subscribed 490,000 shares of HK\$1.00 each representing 98% equity interest in Pensonic (H.K.) Corporation Limited for a total consideration of RM237,650.00 (HK\$490,000.00), satisfied by cash. The principle activity of Pensonic (H.K.) Corporation Limited is wholesaling and trading of electrical appliances.

### *Effect of acquisition*

The acquisition had the following effect on the Group:

	31 May 2003 RM'000
Property, plant and equipment	86
Intangible assets	10
Current assets	1,286
Current liabilities	(1,680)
Net assets acquired	(298)
Goodwill on acquisition	530
Minority shareholders' interest	6
Purchased price paid	238
Less: Cash & cash equivalents of subsidiary acquired	31
Cash outflow on acquisition net of cash acquired	207

### **10. Seasonal or cyclical factors**

The business operations of the Group for the fourth quarter were not materially affected by any seasonal or cyclical factors.

### **11. Changes in share capital**

There were no changes in issued and paid-up capital for the financial period ended 31 May 2003.

### **12. Group borrowings and debt securities**

The bank borrowings and term loan bear interest ranging from 1% to 2% above the banks' base lending rates and are secured by the following:

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

### **13. Contingent liabilities**

There were no contingent liabilities at the date of this report.

### **14. Off balance sheet financial instruments**

There were no off balance sheet instruments at the date of this report.

### **15. Material litigation**

There is no material litigation against the Company and its subsidiary companies.

### **16. Segmental reporting**

There is no segmental reporting as the Group's primary activities are in the manufacturing and marketing of electrical products in Malaysia.

**17. Material Changes in Quarterly Results**

The Group incurred a loss before taxation of RM5,265,000 for this quarter as compared with the corresponding quarter ended 31 May 2002's profit before tax of RM472,000.

**18. Review of Performance**

The Group incurred an unaudited loss before taxation of RM5,265,000 for the fourth quarter ended 31 May 2003 with a turnover of RM30,192,000. For the twelve months period, the Group incurred an unaudited loss before taxation of RM4,085,000 with a turnover of RM121,142,000.

The weaker performance of the Group for the financial year was mainly due certain inventories being revalued from cost to net realizable value as a measure of prudence. The inventories revaluation was done after a careful review of current market conditions which were affected by the reduction of the selling prices of electrical home appliances arising from the entry of imports from China and shorter life-cycles of the products.

**19. Prospect for the Current Financial Year**

The Board is of the opinion that the remaining part of the financial year will continue to be challenging in view of the downward pressure on the selling price of electrical home appliances resulting from the continuous influx of imports from China. However, with continuous efforts to improve cost efficiency, the Board expects the Group's performance for the current financial year to be profitable barring any unforeseen circumstances.

**20. Variance from profit forecast**

Not applicable.

**21. Dividend**

The Directors recommend the payment of a final dividend of 1 sen per share less tax at 28% in respect of the financial year ended 31 May 2003 totalling RM333,432 based on the issued & fully paid up share capital of RM46,310,000, subject to shareholders' approval at the forthcoming Annual General Meeting.

The quarterly report do not reflect the final dividend which, when approved by members, will be accounted for as an appropriation of retained profits from shareholders' equity in the financial year ending 31 May 2004.

By order of the Board

Ker Siew Luan  
Secretary

Georgetown, Penang  
Dated : 25<sup>th</sup> July, 2003