

PENSONIC HOLDINGS BERHAD (300426-P)

**The Board of Directors of the Group are pleased to announce the following:
UNAUDITED RESULTS OF THE GROUP FOR 1st QUARTER ENDED 31 AUGUST 2004**

Condensed Consolidated Balance Sheet At 31 AUGUST 2004

	31 August 2004	31 May 2004
	RM'000	(Audited) RM'000
Property, plant and equipment	38,126	31,865
Investments in associates	-	-
Investments in jointly controlled entities	-	-
Other investments	-	-
Properties under development	-	-
Intangible assets	53	35
Goodwill on consolidation	527	527
	38,706	32,427
Current assets		
Inventories	60,369	50,884
Properties under development	-	-
Trade receivables	33,388	32,098
Other receivables, deposits and prepayment	16,150	13,025
Other investments	-	-
Cash and cash equivalents	7,660	10,953
	117,567	106,960
Current liabilities		
Trade payables	17,348	12,310
Other payables and accruals	5,467	4,347
Borrowings	39,686	33,743
Taxation	329	179
Provision for warranties	-	-
	62,830	50,579
Net current assets	54,737	56,381
	93,443	88,808

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Reports for the year ended 31 May 2004.

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Balance Sheet At 31 August 2004

(continued)

	31 August 2004	31 May 2004 (Audited)
	RM'000	RM'000
Financed by:		
Capital and reserves		
Share Capital	46,310	46,310
Reserves	41,227	40,577
Treasury shares	-	-
	<hr/> 87,537	<hr/> 86,887
Minority shareholders' interests	942	683
Long term and deferred liabilities		
Borrowings	3,891	165
Deferred taxation	1,073	1,073
Retirement benefits	-	-
	<hr/> 93,443	<hr/> 88,808
Net tangible assets per share (sen)	188	186

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Reports for the year ended 31 May 2004.

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Income Statement For the year ended 31 August 2004

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/08/04 RM'000	Preceding Year Corresponding Quarter 31/08/03 RM'000	Current Year to Date 31/08/04 RM'000	Preceding Year Corresponding Period 31/08/03 RM'000
Revenue	39,698	32,477	39,698	32,477
Operating profit	1,332	673	1,332	673
Interest expense	288	27	288	27
Interest income	-	-	-	-
Share of profit of associates and jointly controlled entities	-	-	-	-
Profit before taxation	1,044	646	1,044	646
Tax expense	150	130	150	130
Profit after taxation	894	516	894	516
Less: Minority interest	260	100	260	100
Net profit for the period	634	416	634	416
Basic earnings per ordinary share (sen)	1.37	0.90	1.37	0.90
Diluted earnings per ordinary share (sen)	1.37	0.90	1.37	0.90

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Reports for the year ended 31 May 2004.

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Statement of Changes in Equity For the year ended 31 August 2004

	Non- distributable RM'000	Distributable retained profits RM'000	Total RM'000
At 1 June 2004	83,665	3,222	86,887
Net gains and losses not recognized in the income statement	-	-	-
Currency translation differences	16	-	16
Net profit for the period	-	634	634
At 31 August 2004	83,681	3,856	87,537
At 1 June 2003	83,685	1,174	84,859
MASB 25 adjustment	(20)	(723)	(743)
Restated balance	83,665	451	84,116
Net gains and losses not recognized in the income statement	-	-	-
Currency translation differences	-	-	-
Net profit for the period	-	416	416
At 31 August 2003	83,665	867	84,532

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Reports for the year ended 31 May 2004.

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Cash Flow Statement For the year ended 31 August 2004

	31 August 2004 RM'000	31 August 2003 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before taxation	1,044	646
Adjustments	585	273
Operating Profit Before Working Capital Changes	1,629	919
Changes in working capital		
Net changes in current assets	(13,817)	(5,695)
Net changes in current liabilities	6,156	7,527
Net Cash (Used In)/Generated From Operations	(6,032)	2,751
Tax refunded		
	-	-
Tax expense		
	(86)	-
Interest expense		
	(287)	(27)
Net Cash (Used In)/ Generated From Operating Activities	(6,405)	2,724
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Equity investments	-	-
Other investments	(6,577)	(202)
Net Cash Used In Investing Activities	(6,577)	(202)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Borrowings	12,012	(304)
Dividends paid	-	-
Net Cash Generated From/(Used In) Financing Activities	12,012	(304)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(970)	2,218
Effect of exchange rate differences on cash and cash equivalents	18	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,932	3,117
CASH AND CASH EQUIVALENTS AT END OF YEAR	4,980	5,335

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Reports for the year ended 31 May 2004.

PENSONIC HOLDINGS BERHAD (300426-P)

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2004

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Accounting Policies

The interim financial report is unaudited and has been prepared in compliance with MASB 26, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 May 2004.

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 2004 except for the following:

- (a) MASB 25, Income Taxes which has been adopted retrospectively. Comparative figures have been adjusted to reflect the changes in this accounting policy; and
- (b) MASB 29, Employee Benefits which has been adopted retrospectively. The adoption of this Standard has no material impact on the financial statements.

A2. Auditors' Report

The auditors' report of the audited financial statements for the financial year ended 31 May 2004 was not subjected to any qualification.

A3. Seasonal/Cyclical Factors

There were no significant seasonal or cyclical factors which have materially affected the results of the Group for the first quarter.

A4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial period under review.

A5. Changes in Estimates

There were no changes in estimates of accounts reported in prior interim period of the current or previous financial year.

A6. Issuance of Equity or Debts 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 current quarter.

A7. Dividend Paid

There was no dividend paid during the current financial quarter.

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A8. Segmental Revenue and Results

(i) Business Segments

	Manufacturing and Assembling	Trading	Elimination	Consolidation
2004	RM'000	RM'000	RM'000	RM'000
Revenue				
External revenue	3,229	36,469	-	39,698
Inter-segment Revenue	34,423	534	(34,957)	-
Total revenue	37,652	37,003	(34,957)	39,698
Result				
Segment result	216	1,116	-	1,332
Finance costs	(175)	(113)	-	(288)
Profit before taxation	41	1,003	-	1,044
Tax expense				(150)
Profit after taxation				894
Minority interest				(260)
Net profit for the period				634
Other segment item				
Depreciation	204	157	-	361

	Manufacturing and Assembling	Trading	Elimination	Consolidation
2003	RM'000	RM'000	RM'000	RM'000
Revenue				
External revenue	2,451	30,026	-	32,477
Inter-segment Revenue	31,784	1,084	(32,868)	-
Total revenue	34,235	31,110	(32,868)	32,477
Result				
Segment result	1,795	(1,122)	-	673
Finance costs	(3)	(24)	-	(27)
Profit/(Loss) before taxation	1,792	(1,146)	-	646
Tax expense				(130)
Profit after taxation				516
Minority interest				(100)
Net profit for the period				416
Other segment item				
Depreciation	181	126	-	307

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A8. Segmental Revenue and Results (Cont'd)

(ii) Geographical Segments

	Revenue by location of customers	Profit before taxation	Segment assets	Segment liabilities
2004	RM'000	RM'000	RM'000	RM'000
Malaysia	33,951	1,041	147,709	65,570
Outside Malaysia	5,747	3	8,564	2,224
	39,698	1,044	156,273	67,794

	Revenue by location of customers	Profit/(Loss) before taxation	Segment assets	Segment liabilities
2003	RM'000	RM'000	RM'000	RM'000
Malaysia	28,115	675	122,123	37,145
Outside Malaysia	4,362	(29)	5,642	5,112
	32,477	646	127,765	42,257

Year 2004 refers to 3 months period ended 31 August 2004 as compare to year 2003 which also refers to 3 months period ended 31 August 2003.

A9. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

A10. Material Subsequent Events

As at the date of issue of this quarterly report, there were no material events subsequent to the end of this period reported on that have not been reflected in the financial statements for the said period.

A11. Changes in Composition of the Group

There were no changes in the composition of the Group for the current financial period ended 31 August 2004.

A12. Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual financial statements.

A13. Capital Commitments

	As at 31.08.2004 RM'000	As at 31.05.2004 RM'000
Property, plant and equipment		
Contracted but not provided for	<u>1,471</u>	<u>6,387</u>

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A14. Significant Related Party Transactions

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

	As at 31.08.2004 RM'000	As at 31.05.2004 RM'000
Purchase of raw material from Pensia Plastic Industries Sdn. Bhd.	2,083	6,590
Electricity charges paid by Pensia Plastic Industries Sdn. Bhd.	93	338
Factory rental paid by Pensia Plastic Industries Sdn. Bhd.	45	180
	<hr/>	<hr/>

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Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2004

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded a profit before tax of RM1,044,000 for the current year quarter compared to the profit before tax of RM646,000 in the preceding year corresponding quarter.

Turnover for the current year quarter is RM39,698,000 compared to RM32,477,000 in the preceding year corresponding quarter. There was an increase of 22.23% in turnover of the current year quarter as compared to the preceding year corresponding quarter.

In the opinion of the Board of Directors, no items, transaction or event of a material and unusual nature has arisen which would affect substantially the results of the operation of the Group for the period from 31 August 2004 to the date of issue of this quarterly report.

B2. Variation of Results against Preceding Quarter

The Group achieved a profit before taxation of RM1,044,000 for this quarter as compared with a profit before taxation of RM646,000 for the corresponding quarter in the preceding year. This is mainly due to the higher sales recorded in this quarter compared to the preceding quarter.

B3. Prospect for the Current Financial Year

The Board of Directors expects the domestic and global economy to continue improving but remains cautious in view of the general increase in costs of raw materials and components, due to higher power costs resulting from the escalating price of crude oil. The Group will focus on branding, market development and cost-control strategies and measures to counter these challenges. Barring any unforeseen circumstances, the Group expects that business prospects for the current financial year to be positive.

B4. Variance from Profit Forecast

Not applicable as no profit forecast was published.

B5. Tax Expense

	3 months ended 31.08.2004 RM'000	3 months ended 31.08.2003 RM'000
Income Tax		
- Provision for current period	<u>150</u>	<u>130</u>

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B5. Tax Expense (Cont'd)

The Group's effective tax rate for the current quarter and cumulative year to date is lower than the statutory tax rate due mainly to the utilization of available capital allowances and unabsorbed losses brought forward.

B6. 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 August 2004.

B7. Quoted Securities

There was no purchase or disposal of quoted securities for the current financial period ended 31 August 2004.

B8. Status of Corporate Proposal

There were no corporate proposals announced nor were there any corporate proposal not completed as at the date of this quarterly report.

B9. Borrowings and Debts Securities

Details of the Group's borrowings as at the end of this reporting period:

	As at 31.08.2004 RM'000	As at 31.05.2004 RM'000
Secured-repayable within one year		
Bank Overdraft	2,681	5,021
Bills Payable	36,502	28,692
Term Loan	503	30
	<u>39,686</u>	<u>33,743</u>
Secured-repayable one to five years		
Term Loan	<u>3,629</u>	<u>-</u>

Details of the Group's hire purchase creditors as at the end of this reporting period:

	As at 31.08.2004 RM'000	As at 31.5.2004 RM'000
Hire Purchase Creditors	381	266
Less: Interest In Suspense	<u>(54)</u>	<u>(37)</u>
	<u>327</u>	<u>229</u>
Repayable within one year	65	64
Repayable one to five years	<u>262</u>	<u>165</u>
	<u>327</u>	<u>229</u>

The bank borrowings and term loan bear interest at rates ranging from 1.25% to 2% above the banks' base lending rates and are secured by the following:

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

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B10. Off Balance Sheet Financial Instruments

There are no financial instruments with off balance sheet risk at date of issue of this quarterly report.

B11. Material Litigation

The Group is not engaged in any material litigation for the financial period ended 31 August 2004.

B12. Dividend Payable

There is no dividend proposed in this financial quarter.

B13. Earnings Per Share

	3 months ended 31.08.2004 RM'000	3 months ended 31.08.2003 RM'000
Net profit for the period	634	416
Ordinary share in issue	46,310	46,310
Basic earning per share (sen)	<u>1.37</u>	<u>0.90</u>

By order of the Board

Ker Siew Luan
Secretary

Dated : 26 October, 2004