

## **PENSONIC HOLDINGS BERHAD (300426-P)**

**The Board of Directors of the Group are pleased to announce the following:  
UNAUDITED RESULTS OF THE GROUP FOR THE 1st QUARTER ENDED 31 AUG 2007**

### **Condensed Consolidated Balance Sheet As At 31 Aug 2007**

	<b>Unaudited As At 31 Aug 2007 RM'000</b>	<b>Audited As At 31 May 2007 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	39,981	39,643
Investment properties	1,342	1,345
Investment in an associate	58	58
Intangible assets	1,679	1,631
Deferred tax assets	257	257
	43,317	42,934
<b>Current assets</b>		
Inventories	100,448	78,074
Trade receivables	67,168	73,405
Other receivables, deposits & prepayments	14,757	22,629
Tax recoverable	2,488	2,306
Cash and cash equivalents	10,025	12,779
	194,886	189,193
<b>TOTAL ASSETS</b>	<b>238,203</b>	<b>232,127</b>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 May 2007.

# **PENSONIC HOLDINGS BERHAD (300426-P)**

## **Condensed Consolidated Balance Sheet**

**As At 31 Aug 2007**

(continued)

	<b>Unaudited As At 31 Aug 2007 RM'000</b>	<b>Audited As At 31 May 2007 RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	46,310	46,310
Reserves	45,628	43,669
	91,938	89,979
<b>Minority interest</b>	1,136	1,320
<b>Total equity</b>	93,074	91,299
<b>Non-current liabilities</b>		
Borrowings	5,537	6,018
Deferred taxation	1,145	1,145
	6,682	7,163
<b>Current liabilities</b>		
Trade payables	34,894	42,701
Other payables	19,623	11,607
Short-term borrowings	79,753	75,508
Taxation	4,177	3,849
	138,447	133,665
<b>Total liabilities</b>	145,129	140,828
<b>TOTAL EQUITY AND LIABILITIES</b>	238,203	232,127
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.99	0.97

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 May 2007.

## **PENSONIC HOLDINGS BERHAD (300426-P)**

### **Condensed Consolidated Income Statement For the period ended 31 August 2007**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current Year Quarter 31 Aug 07 RM'000	Preceding Year Corresponding Quarter 31 Aug 06 RM'000	Current Period to Date 31 Aug 07 RM'000	Preceding Year Corresponding Period 31 Aug 06 RM'000
Revenue	101,262	66,972	101,262	66,972
Cost of sales	(82,798)	(51,914)	(82,798)	(51,914)
Gross profit	18,464	15,058	18,464	15,058
Other operating income	64	461	64	461
Negative goodwill	-	610	-	610
Distribution and administrative expenses	(14,735)	(12,913)	(14,735)	(12,913)
Other expenses	(75)	(83)	(75)	(83)
Profit from operations	3,718	3,133	3,718	3,133
Finance costs	(1,267)	(722)	(1,267)	(722)
Profit before taxation	2,451	2,411	2,451	2,411
Tax expense	(747)	(182)	(747)	(182)
Profit for the period	1,704	2,229	1,704	2,229
<b>Attributable to:</b>				
Equity holders of the parent	1,851	1,687	1,851	1,687
Minority interest	(147)	542	(147)	542
Profit for the period	1,704	2,229	1,704	2,229
Basic earnings per ordinary share (sen)	2.00	1.82	2.00	1.82
Diluted earnings per ordinary share (sen)	2.00	1.82	2.00	1.82

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2007.

## PENSONIC HOLDINGS BERHAD (300426-P)

### Condensed Consolidated Statement of Changes in Equity For the period ended 31 Aug 2007

	< ----- Attributable to Equity Holders of the Parent ----- >					
	Share Capital RM'000	Non- distributable Reserves RM'000	Distributable Retained Profits RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
At 1 June 2007	46,310	28,705	14,964	89,979	1,320	91,299
Currency translation differences	-	108	-	108	-	108
Acquisition of minority interest	-	-	-	-	(37)	(37)
Net profit/(loss) for the year	-	-	1,851	1,851	(147)	1,704
Dividends	-	-	-	-	-	-
<b>At 31 Aug 2007</b>	<b>46,310</b>	<b>28,813</b>	<b>16,815</b>	<b>91,938</b>	<b>1,136</b>	<b>93,074</b>
At 1 June 2006	46,310	28,601	16,058	90,969	2,523	93,492
Currency translation differences	-	104	-	104	-	104
Acquisition of minority interest	-	-	-	-	111	111
Disposal of subsidiaries	-	-	-	-	(2,003)	(2,003)
Net profit for the year	-	-	573	573	689	1,262
Dividends	-	-	(1,667)	(1,667)	-	(1,667)
<b>At 31 May 2007</b>	<b>46,310</b>	<b>28,705</b>	<b>14,964</b>	<b>89,979</b>	<b>1,320</b>	<b>91,299</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2007.

## PENSONIC HOLDINGS BERHAD (300426-P)

### Condensed Consolidated Cash Flow Statement For the period ended 31 Aug 2007

	31 Aug 2007 RM'000	31 May 2007 RM'000
<b>CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>		
Profit before taxation	2,451	7,307
Adjustments	1,931	11,295
Operating Profit Before Working Capital Changes	4,382	18,602
Changes in working capital		
Net changes in current assets	(7,613)	(53,439)
Net changes in current liabilities	(861)	24,553
Net Cash Used In Operations	(4,092)	(10,284)
Tax paid	(589)	(2,394)
Interest received	15	37
Interest paid	(1,263)	(3,336)
Net Cash Used In Operating Activities	(5,929)	(15,977)
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		
Equity investments	683	(1,337)
Other investments	(789)	(2,572)
Net Cash Used In Investing Activities	(106)	(3,909)
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>		
Borrowings	8,406	19,954
Dividends paid	-	(1,667)
Net Cash Generated From Financing Activities	8,406	18,287
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	2,371	(1,599)
<b>Effect of exchange rate changes</b>	45	(171)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	887	2,657
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	3,303	887
<b>Cash and cash equivalents comprised the following:</b>		
Cash and bank balances	10,025	12,779
Overdrafts	(6,102)	(11,309)
Fixed deposits pledged	(620)	(583)
	3,303	887

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2007.

# **PENSONIC HOLDINGS BERHAD (300426-P)**

Quarterly Report on consolidated results for the 1st financial quarter ended 31 Aug 2007

## **NOTES TO THE INTERIM FINANCIAL REPORT**

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### **A1. Basis of preparation**

The interim financial report is unaudited and has been prepared in compliance with Financial Reporting Standards 134<sub>2004</sub>, 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 2007.

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 2007 except as noted under Note A2.

### **A2. Change in accounting policy**

The Group has adopted the Financial Reporting Standards (“FRS”) 117 that is effective for the financial period beginning on or after 1 October 2006. The principal effect of the change of accounting policy is discussed below:

FRS 117 requires an entity to treat a lease of land as an operating lease with its upfront payments being classified as prepaid lease payments and amortised on a straight-line basis over the lease term.

In accordance with the transitional provisions of FRS 117, the reclassification of leasehold land from property, plant and equipment to prepaid lease payments has been accounted for retrospectively with the following restatements of comparative information:-

#### Consolidated Balance Sheet (Extract)

	As previously reported	Effects of adopting FRS 117	As restated
	RM	RM	RM
Property, plant & equipment	39,653	(10)	39,643
Prepaid lease payments	-	10	10

### **A3. Auditors’ Report**

The auditors’ report of the audited financial statements for the financial year ended 31 May 2007 was not subject to any qualification.

### **A4. Seasonal/Cyclical Factors**

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

## **PENSONIC HOLDINGS BERHAD (300426-P)**

Quarterly Report on consolidated results for the 1st financial quarter ended 31 Aug 2007

### **A5. Unusual Items**

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

### **A6. Changes in Estimates**

There were no significant changes in estimates of accounts reported in previous financial year.

### **A7. Debts 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 current quarter.

### **A8. Dividend Paid**

There was no dividend paid for the current financial quarter.

### **A9. Segmental Information**

#### **(i) Business Segments**

The Group is principally engaged in the manufacture, assembly, sales and distribution of electrical and electronic appliances. Business segment information has not been prepared as the Group's revenue, operating results, assets, liabilities, capital expenditure, depreciation and other non-cash expenses are mainly confined to one business segment.

#### **(ii) Geographical Segments**

	Revenue by location of customers	Profit/(Loss) before taxation	Segment assets	Segment liabilities
<b>2008</b>	RM'000	RM'000	RM'000	RM'000
Malaysia	44,626	2,649	213,284	110,424
Outside Malaysia	56,636	(198)	22,173	33,969
	101,262	2,451	235,457	144,393

	Revenue by location of customers	Profit/(Loss) before taxation	Segment assets	Segment liabilities
<b>2007</b>	RM'000	RM'000	RM'000	RM'000
Malaysia	47,629	1,189	177,285	93,711
Outside Malaysia	19,343	1,222	25,038	13,299
	66,972	2,411	202,323	107,010

Year 2008 refers to 3 months period ended 31 August 2007 and year 2007 refers to 3 months ended 31 August 2006.

## **PENSONIC HOLDINGS BERHAD (300426-P)**

Quarterly Report on consolidated results for the 1st financial quarter ended 31 Aug 2007

### **A10. 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.

### **A11. Material Subsequent Events**

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

### **A12. Changes in Composition of the Group**

- (a) On 1 June 2007, Pensonic Holdings Berhad has acquired one subscriber share in Microtag Engineering Sdn Bhd (MESB), a company with issued and paid up share capital of RM 2.00, for a cash consideration of RM 1. The company is principally involved in provision of auto identification business solutions and applications deploying Radio Frequency Identification (RFID) technology, and other information and telecommunication technologies to private and public sectors.
- (b) Pensonic Sales & Service Sdn Bhd, a wholly owned subsidiary company of Pensonic Holdings Berhad had on 1 June 2007 acquired 2 ordinary shares of RM 1.00 each in Kollektion Distribution Sdn Bhd (KDSB), which represents the entire issued and paid up share capital, for a cash consideration of RM 2.00. The company is involved in marketing and sale of electrical and electronic appliances.

#### *Effect of acquisitions*

The acquisitions had the following effect on the Group:

	<b>MESB</b> RM'000	<b>KDSB</b> RM'000	<b>Total</b> RM'000
Property, plant and equipment	21	0	21
Current assets	687	0	687
Current liabilities	(784)	(10)	(794)
Net assets/(liabilities) acquired	(76)	(10)	(86)
Goodwill on acquisition	38	10	48
Minority shareholder's interest	(38)	-	-
Cash & cash equivalents of subsidiary acquired	683	-	683



## **PENSONIC HOLDINGS BERHAD (300426-P)**

Quarterly Report on consolidated results for the 1st financial quarter ended 31 Aug 2007

### **A13. Contingent Liabilities**

Contingent liabilities of the Group are as follows:

	As at 31.08.2007 RM'000	As at 31.05.2007 RM'000
Guarantees to financial institutions for facilities granted to subsidiary companies	<u>146,606</u>	<u>146,606</u>

### **A14. Significant Related Party Transactions**

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

	Period ended 31.08.2007 RM'000	Year ended 31.05.2007 RM'000
Purchase of raw material from Pensia Plastic Industries Sdn. Bhd.	1,980	7,114
Electricity charges charged to Pensia Plastic Industries Sdn. Bhd.	77	280
Factory rental charged to Pensia Plastic Industries Sdn. Bhd.	30	140
Sales of goods to an associate Pensonic (B) Sdn Bhd	<u>307</u>	<u>1,363</u>

# **PENSONIC HOLDINGS BERHAD (300426-P)**

Quarterly Report on consolidated results for the 1st financial quarter ended 31 Aug 2007

## **ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

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### **B1. Review of Performance**

The Group recorded a profit before tax of RM2,451,000 for the current year quarter compared to the profit before tax of RM2,411,000 in the preceding year corresponding quarter.

Turnover for the current year quarter is RM101,262,000 as compared to RM66,972,000 in the preceding year corresponding quarter. There was an increase of 51% in turnover of the current year quarter as compared to the preceding year corresponding quarter. This is mainly due to expansion of export sales channels and the resulting increase in export sales. The overseas market reach include Asia, Middle East, Argentina, Turkey & Sri Lanka.

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 operations of the Group for the period from 31 Aug 2007 to the date of issue of this quarterly report.

### **B2. Variation of Results against Preceding Quarter**

The Group achieved a profit before taxation of RM2,451,000 for this quarter as compared to a profit before taxation of RM2,411,000 for the corresponding quarter in the preceding year. No significant fluctuation was recorded in profit before taxation.

### **B3. Prospect for the Current Financial Year**

The Board of Directors expects the growth of the domestic economy to be sustained and the growth momentum to continue for the current financial year. Business and operating environment is expected to continue to be challenging and competitive. Execution of its established key business strategies including cost containment, productivity and operation efficiency initiatives to strengthen the Group's competitiveness in the market will be the key focus of the Board. Barring any unforeseen circumstances, the Group expects its 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**

	Period ended 31.08.2007 RM'000	Period ended 31.08.2006 RM'000
Income Tax		
- Provision for current period	<u>747</u>	<u>182</u>

## **PENSONIC HOLDINGS BERHAD (300426-P)**

Quarterly Report on consolidated results for the 1st financial quarter ended 31 Aug 2007

### **B5. Tax Expense (cont'd)**

The Group's effective tax rate for the current quarter and cumulative period to date is higher than the statutory tax rate mainly due to certain expenses are not allowable for tax purposes.

### **B6. Quoted Securities**

There were no purchase or disposal of quoted securities for the current financial period ended 31 Aug 2007.

### **B7. Status of Corporate Proposal**

There are no corporate proposals announced but not completed as at the date of this quarterly report.

### **B8. Borrowings and Debts Securities**

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

	As at 31.08.2007 RM'000	As at 31.05.2007 RM'000
<u>Short term borrowings</u>		
<u>Unsecured</u>		
Bank Overdraft	1,042	2,200
Bills Payable	16,180	15,695
	<u>17,222</u>	<u>17,895</u>
<u>Secured</u>		
Bank Overdraft	5,060	9,110
Bills Payable	56,020	47,838
Term Loan	653	665
	<u>61,733</u>	<u>57,613</u>
<u>Long term borrowings</u>		
<u>Secured</u>		
Term Loan	4,834	4,965

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

	As at 31.08.2007 RM'000	As at 31.5.2007 RM'000
Hire Purchase Creditors	1,613	1,656
Less: Interest In Suspense	113	132
	<u>1,500</u>	<u>1,524</u>
Repayable within one year	470	472
Repayable in one to five years	1,030	1,052
	<u>1,500</u>	<u>1,524</u>

## **PENSONIC HOLDINGS BERHAD (300426-P)**

Quarterly Report on consolidated results for the 1st financial quarter ended 31 Aug 2007

### **B9. Borrowings and Debts Securities (Cont'd)**

The bank borrowings bear interest at rates ranging from 1.25% to 2% per annum above the banks' base lending rate and the term loans bear interest at rates of 6% and 7.75% per annum and at rates ranging from 1% to 1.75% per annum above the banks' base lending rates.

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;
- iii) Trade Financing General Agreement; and
- iv) Corporate guarantee by the Company.

### **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 Aug 2007.

### **B12. Dividend Payable**

There is no dividend proposed in this financial quarter.

### **B13. Earnings Per Share**

	Period ended 31.08.2007	Period ended 31.08.2006
Net profit attributable to equity holders of the parent (RM'000)	1,851	1,687
Ordinary shares in issue ('000)	92,620	92,620
Basic earning per share (sen)	<u>2.00</u>	<u>1.82</u>

By order of the Board  
Ker Siew Luan  
Secretary