

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 2005**

Condensed Consolidated Balance Sheet At 31 August 2005

| | 31 August 2005 | 31 May 2005 |
|--|-----------------------|-----------------------------|
| | RM'000 | (Audited) RM'000 |
| Property, plant and equipment | 45,465 | 43,502 |
| Investments in associates | - | - |
| Investments in jointly controlled entities | - | - |
| Other investments | - | - |
| Properties under development | - | - |
| Intangible assets | 42 | 42 |
| Goodwill on consolidation | 4,790 | 4,790 |
| | 50,297 | 48,334 |
| Current assets | | |
| Inventories | 54,952 | 55,635 |
| Properties under development | - | - |
| Trade receivables | 34,957 | 41,726 |
| Other receivables, deposits and prepayment | 12,248 | 12,922 |
| Other investments | - | - |
| Cash and cash equivalents | 9,823 | 5,958 |
| | 111,980 | 116,241 |
| Current liabilities | | |
| Trade payables | 10,155 | 9,012 |
| Other payables and accruals | 5,327 | 10,383 |
| Borrowings | 44,401 | 45,737 |
| Taxation | 249 | 272 |
| Provision for warranties | - | - |
| | 60,132 | 65,404 |
| Net current assets | 51,848 | 50,837 |
| | 102,145 | 99,171 |

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 May 2005.

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Balance Sheet At 31 August 2005

(continued)

| | 31 August 2005 | 31 May 2005 (Audited) |
|-------------------------------------|-----------------------|----------------------------------|
| | RM'000 | RM'000 |
| Financed by: | | |
| Capital and reserves | | |
| Share Capital | 46,310 | 46,310 |
| Reserves | 43,806 | 42,749 |
| Treasury shares | - | - |
| | <hr/> 90,116 | <hr/> 89,059 |
| Minority shareholders' interests | 2,296 | 2,277 |
| Long term and deferred liabilities | | |
| Borrowings | 8,635 | 6,737 |
| Deferred taxation | 1,098 | 1,098 |
| Retirement benefits | - | - |
| | <hr/> 102,145 | <hr/> 99,171 |
| Net tangible assets per share (sen) | 92.08 | 90.94 |

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 May 2005.

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Income Statement For the period ended 31 August 2005

| | Individual Quarter | | Cumulative Quarter | |
|--|--|--|--|---|
| | Current Year Quarter 31/08/05 RM'000 | Preceding Year Corresponding Quarter 31/08/04 RM'000 | Current Year to Date 31/08/05 RM'000 | Preceding Year Corresponding Period 31/08/04 RM'000 |
| Revenue | 39,450 | 39,698 | 39,450 | 39,698 |
| Operating profit | 1,590 | 1,332 | 1,590 | 1,332 |
| Interest expense | 391 | 288 | 391 | 288 |
| Interest income | - | - | - | - |
| Share of profit of associates and jointly controlled entities | - | - | - | - |
| Profit before taxation | 1,199 | 1,044 | 1,199 | 1,044 |
| Tax expense | 160 | 150 | 160 | 150 |
| Profit after taxation | 1,039 | 894 | 1,039 | 894 |
| Less: Minority interest | 31 | 260 | 31 | 260 |
| Net profit for the period | 1,008 | 634 | 1,008 | 634 |
| Basic earnings per ordinary share (sen) | 1.09 | 0.68 | 1.09 | 0.68 |
| Diluted earnings per ordinary share (sen) | 1.09 | 0.68 | 1.09 | 0.68 |

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2005.

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Statement of Changes in Equity For the period ended 31 August 2005

| | Non- distributable RM'000 | Distributable retained profits RM'000 | Total RM'000 |
|--|--|--|-------------------------|
| At 1 June 2005 | 83,665 | 5,394 | 89,059 |
| Net gains and losses not recognized in the income statement | - | - | - |
| Currency translation differences | 49 | - | 49 |
| Net profit for the period | - | 1,008 | 1,008 |
| At 31 August 2005 | 83,714 | 6,402 | 90,116 |
| 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 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2005.

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Cash Flow Statement For the period ended 31 August 2005

| | 31 August 2005 RM'000 | 31 August 2004 RM'000 |
|---|--------------------------------------|--------------------------------------|
| CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES | | |
| Profit before taxation | 1,199 | 1,044 |
| Adjustments | 1,261 | 585 |
| Operating Profit Before Working Capital Changes | 2,460 | 1,629 |
| Changes in working capital | | |
| Net changes in current assets | 8,474 | (13,817) |
| Net changes in current liabilities | (4,264) | 6,156 |
| Net Cash Generated From/(Used In) Operations | 6,670 | (6,032) |
| Tax refunded | | |
| Tax expense | - | - |
| Interest expense | (276) | (86) |
| Net Cash Generated From/(Used In) Operating Activities | (393) | (287) |
| | 6,001 | (6,405) |
| CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES | | |
| Equity investments | - | - |
| Other investments | (2,831) | (6,577) |
| Net Cash Used In Investing Activities | (2,831) | (6,577) |
| CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES | | |
| Borrowings | 2,899 | 12,012 |
| Dividends paid | - | - |
| Net Cash Generated From Financing Activities | 2,899 | 12,012 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | | |
| | 6,069 | (970) |
| Effect of exchange rate differences on cash and cash equivalents | | |
| | 34 | 18 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | | |
| | 1,343 | 5,932 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | | |
| | 7,446 | 4,980 |

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2005.

PENSONIC HOLDINGS BERHAD (300426-P)

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2005

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 2005.

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 2005.

A2. Auditors' Report

The auditors' report of the audited financial statements for the financial year ended 31 May 2005 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 |
|---------------------------|------------------------------------|---------|-------------|---------------|
| 2006 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | |
| External revenue | 3,859 | 35,591 | - | 39,450 |
| Inter-segment Revenue | 19,283 | 317 | (19,600) | - |
| Total revenue | 23,142 | 35,908 | (19,600) | 39,450 |
| Result | | | | |
| Segment result | 793 | 797 | - | 1,590 |
| Finance costs | (318) | (73) | - | (391) |
| Profit before taxation | 475 | 724 | - | 1,199 |
| Tax expense | | | | (160) |
| Profit after taxation | | | | 1,039 |
| Minority interest | | | | (31) |
| Net profit for the period | | | | 1,008 |
| Other segment item | | | | |
| Depreciation | 578 | 227 | - | 805 |

| | Manufacturing and Assembling | Trading | Elimination | Consolidation |
|---------------------------|------------------------------------|---------|-------------|---------------|
| 2005 | 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 |

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Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2005

A8. Segmental Revenue and Results (Cont'd)

(ii) Geographical Segments

| | Revenue by location of customers | Profit/(Loss) before taxation | Segment assets | Segment liabilities |
|------------------|----------------------------------|-------------------------------|----------------|---------------------|
| 2006 | RM'000 | RM'000 | RM'000 | RM'000 |
| Malaysia | 33,882 | 1,624 | 153,849 | 67,783 |
| Outside Malaysia | 5,568 | (425) | 8,428 | 2,082 |
| | 39,450 | 1,199 | 162,277 | 69,865 |
| | | | | |

| | Revenue by location of customers | Profit before taxation | Segment assets | Segment liabilities |
|------------------|----------------------------------|------------------------|----------------|---------------------|
| 2005 | 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 |
| | | | | |

Year 2006 refers to 3 months period ended 31 August 2005 as compare to year 2005 which also refers to 3 months period ended 31 August 2004.

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 2005.

A12. Contingent Liabilities

Contingent liabilities of the Group are as follows:

| | | |
|---|-------------------------------|-------------------------------|
| | As at 31.08.2005 RM'000 | As at 31.05.2005 RM'000 |
| Guarantees to financial institutions for facilities granted to subsidiary companies | <u>91,906</u> | <u>91,906</u> |

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Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2005

A13. Capital Commitments

| | As at 31.08.2005 RM'000 | As at 31.05.2005 RM'000 |
|--|-------------------------------|-------------------------------|
| Property, plant and equipment Contracted but not provided for | <u>88</u> | <u>99</u> |

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 31.08.2005 RM'000 | As at 31.05.2005 RM'000 |
|--|-------------------------------|-------------------------------|
| Purchase of raw material from Pensia Plastic Industries Sdn. Bhd. | 1,335 | 7,558 |
| Electricity charges paid by Pensia Plastic Industries Sdn. Bhd. | 55 | 279 |
| Factory rental paid by Pensia Plastic Industries Sdn. Bhd. | <u>45</u> | <u>180</u> |

PENSONIC HOLDINGS BERHAD (300426-P)

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2005

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded a profit before tax of RM1,199,000 for the current year quarter compared to the profit before tax of RM1,044,000 in the preceding year corresponding quarter.

Turnover for the current year quarter is RM39,450,000 compared to RM39,698,000 in the preceding year corresponding quarter. There was a marginal decrease of 0.62% 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 2005 to the date of issue of this quarterly report.

B2. Variation of Results against Preceding Quarter

The Group achieved a profit before taxation of RM1,199,000 for this quarter as compared with a profit before taxation of RM1,044,000 for the corresponding quarter in the preceding year. The 14.85% increase in profit before taxation is mainly attributable to lower operating expenses incurred in the current quarter resulting from the cost reduction measures taken by the management.

B3. Prospect for the Current Financial Year

The Board of Directors expects the domestic and global economy to moderate and 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 remain positive.

B4. Variance from Profit Forecast

Not applicable as no profit forecast was published.

B5. Tax Expense

| | 3 months ended 31.08.2005 RM'000 | 3 months ended 31.08.2004 RM'000 |
|--------------------------------|---|---|
| Income Tax | | |
| - Provision for current period | <u>160</u> | <u>150</u> |

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.

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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 2005.

B7. Quoted Securities

There was no purchase or disposal of quoted securities for the current financial period ended 31 August 2005.

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 31.08.2005 RM'000 | As at 31.05.2005 RM'000 |
|-----------------------------------|-------------------------------|-------------------------------|
| Secured-repayable within one year | | |
| Bank Overdraft | 2,268 | 4,506 |
| Bills Payable | 41,419 | 40,196 |
| Term Loan | 714 | 1,035 |
| | <u>44,401</u> | <u>45,737</u> |
| Secured-repayable after one year | | |
| Term Loan | <u>7,824</u> | <u>6,198</u> |

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

| | As at 31.08.2005 RM'000 | As at 31.5.2005 RM'000 |
|----------------------------|-------------------------------|------------------------------|
| Hire Purchase Creditors | 381 | 286 |
| Less: Interest In Suspense | <u>(136)</u> | <u>(84)</u> |
| | <u>245</u> | <u>202</u> |
| Repayable within one year | 245 | 202 |
| Repayable after one year | <u>811</u> | <u>539</u> |
| | <u>1,056</u> | <u>741</u> |

The bank borrowings bear interest at rates ranging from 1.25% to 2% per annum above the banks' base lending rates and the term loans bear interest at rates of 4.25% and 6% per annum and at rates ranging from 1.25% 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.

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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 2005.

B12. Dividend Payable

There is no dividend proposed in this financial quarter.

B13. Earnings Per Share

| | 3 months ended 31.08.2005 RM'000 | 3 months ended 31.08.2004 RM'000 |
|-------------------------------|---|---|
| Net profit for the period | 1,008 | 634 |
| Ordinary share in issue | 92,620 | 92,620 |
| Basic earning per share (sen) | <u>1.09</u> | <u>0.68</u> |

By order of the Board

Ker Siew Luan
Secretary

Dated : 26 October, 2005