

PENSONIC HOLDINGS BERHAD (300426-P)

**The Board of Directors of the Group are pleased to announce the following:
UNAUDITED RESULTS OF THE GROUP FOR 2nd QUARTER ENDED 30 NOVEMBER 2005**

Condensed Consolidated Balance Sheet At 30 November 2005

	30 November 2005	31 May 2005
	RM'000	(Audited) RM'000
Property, plant and equipment	45,051	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
	49,883	48,334
Current assets		
Inventories	48,645	55,635
Properties under development	-	-
Trade receivables	35,358	41,726
Other receivables, deposits and prepayment	13,943	12,922
Other investments	-	-
Cash and cash equivalents	13,262	5,958
	111,208	116,241
Current liabilities		
Trade payables	9,439	9,012
Other payables and accruals	4,882	10,383
Borrowings	43,488	45,737
Taxation	309	272
Provision for warranties	-	-
	58,118	65,404
Net current assets	53,090	50,837
	102,973	99,171

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

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Balance Sheet At 30 November 2005

(continued)

	30 November 2005	31 May 2005 (Audited)
	RM'000	RM'000
Financed by:		
Capital and reserves		
Share Capital	46,310	46,310
Reserves	44,868	42,749
Treasury shares	-	-
	91,178	89,059
Minority shareholders' interests	2,356	2,277
Long term and deferred liabilities		
Borrowings	8,341	6,737
Deferred taxation	1,098	1,098
Retirement benefits	-	-
	102,973	99,171
Net assets per share (RM)	1.0099	0.9861

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

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Income Statement For the period ended 30 November 2005

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/11/05 RM'000	Preceding Year Corresponding Quarter 30/11/04 RM'000	Current Year to Date 30/11/05 RM'000	Preceding Year Corresponding Period 30/11/04 RM'000
Revenue	47,746	46,609	87,196	86,307
Operating profit	1,583	1,565	3,173	2,897
Interest expense	391	366	782	654
Interest income	-	-	-	-
Share of profit of associates and jointly controlled entities	-	-	-	-
Profit before taxation	1,192	1,199	2,391	2,243
Tax expense	69	122	229	272
Profit after taxation	1,123	1,077	2,162	1,971
Less: Minority interest	61	(166)	92	94
Net profit for the period	1,062	1,243	2,070	1,877
Basic earnings per ordinary share (sen)	1.15	1.34	2.23	2.03
Diluted earnings per ordinary share (sen)	1.15	1.34	2.23	2.03

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

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Statement of Changes in Equity For the period ended 30 November 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	-	2,070	2,070
At 30 November 2005	83,714	7,464	91,178
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	-	1,877	1,877
At 30 November 2004	83,681	5,099	88,780

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

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Cash Flow Statement For the period ended 30 November 2005

	30 November 2005 RM'000	30 November 2004 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before taxation	2,391	2,243
Adjustments	2,616	1,244
Operating Profit Before Working Capital Changes	5,007	3,487
Changes in working capital		
Net changes in current assets	12,926	(15,391)
Net changes in current liabilities	(5,431)	2,891
Net Cash Generated From/(Used In) Operations	12,502	(9,013)
Tax refunded	-	11
Tax expense	(516)	(197)
Interest expense	(783)	(654)
Net Cash Generated From/(Used In) Operating Activities	11,203	(9,853)
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Equity investments	-	(4,000)
Other investments	(3,374)	(8,593)
Net Cash Used In Investing Activities	(3,374)	(12,593)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Borrowings	1,086	21,534
Dividends paid	-	-
Net Cash Generated From Financing Activities	1,086	21,534
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	8,915	(912)
Effect of exchange rate differences on cash and cash equivalents	17	1
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,343	5,932
CASH AND CASH EQUIVALENTS AT END OF YEAR	10,275	5,021

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

PENSONIC HOLDINGS BERHAD (300426-P)

Quarterly Report on consolidated results for the 2nd financial quarter ended 30 November 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 second 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

Subsequent to the end of the current quarter, a first and final dividend of 2 sen per share less tax at 28% amounting to RM1,333,728 in respect of the financial year ended 31 May 2004 was paid on 30 December 2005.

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Quarterly Report on consolidated results for the 2nd financial quarter ended 30 November 2005

A8. Segmental Revenue and Results

(i) Business Segments

	Manufacturing and Assembling	Trading	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000
2006				
Revenue				
External revenue	8,338	78,858	-	87,196
Inter-segment Revenue	71,141	1,387	(72,528)	-
Total revenue	79,479	80,245	(72,528)	87,196
Result				
Segment result	2,035	1,138	-	3,173
Finance costs	(611)	(171)	-	(782)
Profit before taxation	1,424	967	-	2,391
Tax expense				(229)
Profit after taxation				2,162
Minority interest				(92)
Net profit for the period				2,070
Other segment item				
Depreciation	1,226	465	-	1,691

	Manufacturing and Assembling	Trading	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000
2005				
Revenue				
External revenue	7,100	79,207	-	86,307
Inter-segment Revenue	68,388	1,063	(69,451)	-
Total revenue	75,488	80,270	(69,451)	86,307
Result				
Segment result	(804)	3,701	-	2,897
Finance costs	(414)	(240)	-	(654)
Profit/(Loss) before taxation	(1,218)	3,461	-	2,243
Tax expense				(272)
Profit after taxation				1,971
Minority interest				(94)
Net profit for the period				1,877
Other segment item				
Depreciation	411	312	-	723

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Quarterly Report on consolidated results for the 2nd financial quarter ended 30 November 2004

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	73,548	3,196	144,970	63,282
Outside Malaysia	13,648	(805)	16,121	4,275
	87,196	2,391	161,091	67,557

	Revenue by location of customers	Profit/(Loss) before taxation	Segment assets	Segment liabilities
2005	RM'000	RM'000	RM'000	RM'000
Malaysia	73,783	3,124	151,145	67,118
Outside Malaysia	12,524	(881)	9,424	3,895
	86,307	2,243	160,569	71,013

Year 2006 refers to 6 months period ended 30 November 2005 as compare to year 2005 which also refers to 6 months period ended 30 November 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 30 November 2005.

A12. Contingent Liabilities

Contingent liabilities of the Group are as follows:

	As at 30.11.2005 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 2nd financial quarter ended 30 November 2004

A13. Capital Commitments

	As at 30.11.2005 RM'000	As at 31.05.2005 RM'000
Property, plant and equipment Contracted but not provided for	-	99

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 30.11.2005 RM'000	As at 31.05.2005 RM'000
Purchase of raw material from Pensia Plastic Industries Sdn. Bhd.	2,578	7,558
Electricity charges paid by Pensia Plastic Industries Sdn. Bhd.	126	279
Factory rental paid by Pensia Plastic Industries Sdn. Bhd.	90	180

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ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded a profit before tax of RM1,192,000 for the current year quarter compared to the profit before tax of RM1,199,000 in the preceding year corresponding quarter.

Turnover for the current year quarter is RM47,746,000 compared to RM46,609,000 in the preceding year corresponding quarter. There was an increase of 2.44% 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 30 November 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 RM1,192,000 for this quarter as compared with a profit before taxation of RM1,199,000 for the corresponding quarter in the preceding year. This marginal decrease in profit before taxation is mainly due to an increase in branding expenses during the current quarter.

B3. Prospect for the Current Financial Year

The Board of Directors expects a slowdown in the domestic and global economy. The Group will continue to focus on cost containment to remain competitive in an increasingly challenging business environment. New product categories with higher profit margins will be introduced by the Group into the PENSONIC product-line to broaden its revenue-base. 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

	6 months ended 30.11.2005 RM'000	6 months ended 30.11.2004 RM'000
Income Tax		
- Provision for current period	229	150
- Under provision for prior years	-	122
	<u>229</u>	<u>272</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 30 November 2005.

B7. Quoted Securities

There were no purchase or disposal of quoted securities for the current financial period ended 30 November 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 30.11.2005 RM'000	As at 31.05.2005 RM'000
Secured-repayable within one year		
Bank Overdraft	2,878	4,506
Bills Payable	39,902	40,196
Term Loan	708	1,035
	<u>43,488</u>	<u>45,737</u>
Secured-repayable one to five years		
Term Loan	<u>7,595</u>	<u>6,198</u>

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

	As at 30.11.2005 RM'000	As at 31.5.2005 RM'000
Hire Purchase Creditors	1,152	286
Less: Interest In Suspense	<u>(108)</u>	<u>(84)</u>
	<u>1,044</u>	<u>202</u>
Repayable within one year	298	202
Repayable one to five years	746	539
	<u>1,044</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 30 November 2005.

B12. Dividend Payable

There is no dividend proposed in this financial quarter.

A first and final dividend of 2 sen per share less tax at 28% amounting to RM1,333,728 in respect of the financial year ended 31 May 2005 was paid on 30 December 2005.

B13. Earnings Per Share

	6 months ended 30.11.2005	6 months ended 30.11.2004
Net profit for the period (RM'000)	2,070	1,877
Ordinary shares in issue ('000)	92,620	92,620
Basic earning per share (sen)	<u>2.23</u>	<u>2.03</u>

By order of the Board

Ker Siew Luan

Secretary

Dated : 16th January, 2006