

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 2006**

Condensed Consolidated Balance Sheet As At 31 August 2006

	Unaudited As At 31 August 2006 RM'000	Audited As At 31 May 2006 RM'000 (restated)
ASSETS		
Non-current assets		
Property, plant and equipment	44,992	44,469
Investment property	937	939
Investment in associates	-	-
Investments in jointly controlled entities	-	-
Other investments	-	-
Intangible assets	896	26
Goodwill on consolidation	4,936	4,790
	51,761	50,224
Current assets		
Inventories	66,184	56,022
Properties under development	-	-
Trade receivables	55,884	38,822
Other receivables	14,600	13,105
Tax recoverable	3,579	2,285
Cash and cash equivalents	11,922	9,186
	152,169	119,420
TOTAL ASSETS	203,930	169,644

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Reports for the year ended 31 May 2006.

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Balance Sheet

As At 31 August 2006

(continued)

	Unaudited As At 31 August 2006 RM'000	Audited As At 31 May 2006 RM'000 (restated)
EQUITY AND LIABILITIES		
Equity		
Share Capital	46,310	46,310
Reserves	46,587	44,659
	92,897	90,969
Minority interest	3,063	2,524
Total equity	95,960	93,493
Non-current liabilities		
Borrowings	8,289	8,234
Deferred taxation	1,212	1,212
	9,501	9,446
Current liabilities		
Trade payables	28,151	13,076
Other payables	14,218	6,942
Short-term borrowings	55,804	46,687
Taxation	296	-
	98,469	66,705
	107,970	76,151
Total liabilities	203,930	169,644
TOTAL EQUITY AND LIABILITIES		
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.04	1.01

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Reports for the year ended 31 May 2006.

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Income Statement For the period ended 31 August 2006

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 August 06 RM'000	Preceding Year Corresponding Quarter 31 August 05 RM'000	Current Year to Date 31 August 06 RM'000	Preceding Year Corresponding Period 31 August 05 RM'000
Revenue	66,972	39,450	66,972	39,450
Cost of sales	(51,914)	(30,417)	(51,914)	(30,417)
Gross profit	15,058	9,033	15,058	9,033
Other operating income	461	443	461	443
Negative Goodwill	610	-	610	-
Distribution and administrative expenses	(12,913)	(7,742)	(12,913)	(7,742)
Other expenses	(83)	(144)	(83)	(144)
Profit from operations	3,133	1,590	3,133	1,590
Finance costs	(722)	(391)	(722)	(391)
Profit before taxation	2,411	1,199	2,411	1,199
Tax expense	(182)	(160)	(182)	(160)
Profit for the period	2,229	1,039	2,229	1,039
Attributable to:				
Equity holders of the parent	1,687	1,008	1,687	1,008
Minority interest	542	31	542	31
Profit for the period	2,229	1,039	2,229	1,039
Basic earnings per ordinary share (sen)	1.82	1.09	1.82	1.09
Diluted earnings per ordinary share (sen)	1.82	1.09	1.82	1.09

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Reports for the year ended 31 May 2006.

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Statement of Changes in Equity For the year ended 31 August 2006

	< ----- 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 2006	46,310	37,318	7,341	90,969	2,524	93,493
Effect of adopting FRS 3	-	(8,716)	8,716	-	-	-
Restated balance	46,310	28,602	16,057	90,969	2,524	93,493
Currency translation differences	-	241	-	241	(3)	238
Net profit for the period	-	-	1,687	1,687	542	2,229
Dividends	-	-	-	-	-	-
At 31 August 2006	46,310	28,843	17,744	92,897	3,063	95,960
At 1 June 2005	46,310	37,355	5,394	89,059	2,277	91,336
Effect of adopting FRS 3	-	(8,716)	8,716	-	-	-
Restated balance	46,310	28,639	14,110	89,059	2,524	91,336
Currency translation differences	-	49	-	49	(12)	37
Net profit for the period	-	-	1,008	1,008	31	1,039
Dividends	-	-	-	-	-	-
At 31 August 2005	46,310	28,688	15,118	90,116	2,296	92,412

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Reports for the year ended 31 May 2006.

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Cash Flow Statement For the year ended 31 August 2006

	31 August 2006 RM'000	31 August 2005 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before taxation	2,411	1,199
Adjustments	1,503	1,261
Operating Profit Before Working Capital Changes	3,914	2,460
Changes in working capital		
Net changes in current assets	(16,147)	8,474
Net changes in current liabilities	10,400	(4,264)
Net Cash (Used In) / Generated From Operations	(1,833)	6,670
Tax refunded	-	-
Tax expense	(355)	(276)
Interest expense	(722)	(393)
Net Cash (Used In) / Generated From Operating Activities	(2,910)	6,001
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Equity investments	(1,602)	-
Other investments	(2,127)	(2,831)
Net Cash Used In Investing Activities	(3,729)	(2,831)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Borrowings	8,904	2,899
Dividends paid	-	-
Net Cash Generated From Financing Activities	8,904	2,899
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,265	6,069
Effect of exchange rate changes	204	34
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,683	1,343
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5,152	7,446
Cash and cash equivalents comprised the following:		
Cash and bank balances	11,813	9,714
Overdraft	(6,661)	(2,268)
	5,152	7,446

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Reports for the year ended 31 May 2006.

PENSONIC HOLDINGS BERHAD (300426-P)

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2006

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with Financial Reporting Standards 134₂₀₀₄, 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 2006.

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 2006 except as noted under Note A2.

A2. Changes in accounting policies

The Group has adopted the following new and revised Financial Reporting Standards (“FRS”) that are effective for the financial period beginning on or after 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

PENSONIC HOLDINGS BERHAD (300426-P)

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2006

A2. Changes in accounting policies (Cont'd)

The principal effects of the changes of accounting policies resulting from the adoption of the new or revised FRSs are discussed below:

a. FRS 2: Share-Based Payment

FRS 2 requires an entity to recognize share-based payment transactions in the financial statements, including transactions with employees or other parties to be settled in cash, or equity instruments of the entity. Prior to the adoption of FRS 2, the Group did not recognize the financial effect of share-based payments until such payments were settled. All the options under the Employees' Share Option Scheme of the Company were granted before 31 May 2003. In accordance with the transitional provisions of FRS 2, the FRS has not been applied to the options granted to employees on or before 31 May 2003, thus, the change in accounting policy has no impact on the results for the current financial period.

b. FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets

Goodwill

There is no change of accounting policy for goodwill in current financial period. In the financial statements for the financial year ended 31 May 2006, the Group has adopted the accounting policy that the goodwill arises on acquisition be recognized as an intangible asset and disclosed separately on the consolidated balance sheet at cost less any impairment losses, if any. The goodwill is not subject to annual amortization but is reviewed for impairment annually. Impairment will be recognized in the income statement when the results of such impairment review indicate the carrying value of goodwill is impaired.

Under FRS 3, after reassessment, any excess of the Group's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over the cost of the acquisitions (previously referred to as "negative goodwill"), is now recognized immediately in income statement. Prior to 1 January 2006, negative goodwill is stated in the balance sheet as reserve on consolidation. In accordance with the transitional provision of FRS 3, the negative goodwill as at 1 June 2006 of RM8,716,000 was derecognized with a corresponding increase in retained earnings.

Intangible assets other than goodwill

Under the new FRS 138, trademark is an intangible asset. From 1 June 2006, trademark is stated at cost less accumulated amortization and impairment losses. FRS 138 require that the useful lives of intangible assets other than goodwill be assessed at the individual asset level as having either a finite or indefinite life. Intangible assets with indefinite useful lives are not amortized but instead, are tested for impairment annually. In accordance with the transitional provisions of FRS 138, the change in the useful life assessment of trademark from finite to indefinite is made on a prospective basis.

PENSONIC HOLDINGS BERHAD (300426-P)

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2006

A2. Changes in accounting policies (Cont'd)

c. FRS 101: Presentation of Financial Statements and FRS 127: Consolidated and Separate Financial Statements

The adoption of the revised FRS 101 and FRS 127 has affected the presentation of minority interest and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognized income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest. The current period's presentation of the group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

d. FRS 140: Investment Property

Investment properties, being properties held to earn rentals and/or for capital appreciation, previously included under property, plant and equipment at valuation less accumulated depreciation, are now disclosed as a separate line item in non-current assets and stated at fair value.

A3. Auditors' Report

The auditors' report of the audited financial statements for the financial year ended 31 May 2006 was not subjected 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.

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 changes in estimates of accounts reported in prior interim period of the current or 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 during the current financial quarter.

PENSONIC HOLDINGS BERHAD (300426-P)

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2006

A9. Segmental Revenue and Results

(i) Business Segments

	Investment Holding	Manufacturing and Assembling	Trading	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000	RM'000
2007					
Revenue					
External revenue	-	5,035	61,937	-	66,972
Inter-segment Revenue	-	36,005	892	(36,897)	-
Total revenue	-	41,040	62,829	(36,897)	66,972
Result					
Segment result	(100)	1,446	1,177	-	2,523
Finance costs					(722)
Negative goodwill					610
Profit before taxation					2,411
Tax expense					(182)
Profit after taxation					2,229
Minority interest					(542)
Net profit for the period					1,687
Other segment item					
Depreciation	4	685	225	-	914

	Investment Holding	Manufacturing and Assembling	Trading	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000	RM'000
2006					
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)
Negative goodwill				-	-
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

PENSONIC HOLDINGS BERHAD (300426-P)

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2006

A9. Segmental Revenue and Results (Cont'd)

(ii) Geographical Segments

	Revenue by location of customers	Profit/(Loss) before taxation	Segment assets	Segment liabilities
2007	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

	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

Year 2007 refers to 3 months period ended 31 August 2006 and year 2006 refers to 3 months period ended 31 August 2005.

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 period reported on that have not been reflected in the financial statements for the said period.

PENSONIC HOLDINGS BERHAD (300426-P)

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2006

A12. Changes in Composition of the Group

On 30 June 2006, the Company has acquired 2,000,000 ordinary shares of RM1.00 and 500,000 ordinary shares of S\$1.00 each representing the entire equity interest in Amtek Marketing Services Sdn. Bhd. (AMSSB) and Amtek Marketing Services Pte. Ltd. (AMSPL) for a total consideration of RM1,000,000 and RM1,009,551 respectively, satisfied by cash. The principle activity of Amtek Marketing Services Sdn. Bhd. and Amtek Marketing Services Pte. Ltd. is the marketing and distribution of electrical goods in Malaysia and Singapore respectively. The Foreign Investment Committee (FIC) has no objection relating to the said acquisition.

Effect of acquisition

The acquisition had the following effect on the Group as at 31 August 2006:

	AMSSB RM'000	AMSPL RM'000	Total RM'000
Property, plant and equipment	86	22	108
Current assets	9,284	5,421	14,705
Current liabilities	(7,760)	(4,578)	(12,338)
Net assets acquired	1,610	865	2,475
Goodwill on acquisition	-	145	145
Negative goodwill	(610)	-	(610)
Minority shareholders' interest	-	-	-
Purchased price paid	1,000	1,010	2,010
Less: Cash & cash equivalents of subsidiaries acquired	(50)	458	408
Cash outflow on acquisition net of cash acquired	1,050	552	1,602

A13. Contingent Liabilities

Contingent liabilities of the Group are as follows:

	As at 31.08.2006 RM'000	As at 31.05.2006 RM'000
Guarantees to financial institutions for facilities granted to subsidiary companies	<u>131,056</u>	<u>125,656</u>

PENSONIC HOLDINGS BERHAD (300426-P)

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2006

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:

	3 months ended 31.08.2006 RM'000	Year ended 31.05.2006 RM'000
Purchase of raw material from Pensia Plastic Industries Sdn. Bhd.	1,840	5,774
Electricity charges paid by Pensia Plastic Industries Sdn. Bhd.	77	248
Factory rental paid by Pensia Plastic Industries Sdn. Bhd.	45	180
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PENSONIC HOLDINGS BERHAD (300426-P)

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2006

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded a profit before tax of RM2,411,000 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 RM66,972,000 compared to RM39,450,000 in the preceding year corresponding quarter. There was an increase of 69.8% 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 2006 to the date of issue of this quarterly report.

B2. Variation of Results against Preceding Quarter

The Group achieved a profit before taxation of RM2,411,000 for this quarter as compared with a profit before taxation of RM1,199,000 for the corresponding quarter in the preceding year. The increase in profit before taxation is mainly due to a substantially higher turnover achieved during the current quarter and the recognition of negative goodwill of RM610,000 as revenue.

B3. Prospect for the Current Financial Year

The Board of Directors expects the overall global economy to remain positive and the Malaysian economy to sustain its growth momentum, despite the high oil pricing and high interest rate. Business and operating environment is forecast to be increasingly challenging and competitive. The Group will focus on the execution of its established key business strategies plan, cost containment, productivity and operation efficiency to strengthen its competitiveness in the market. 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 31.08.2006 RM'000	3 months ended 31.08.2005 RM'000
Income Tax		
- Provision for current period	181	160

PENSONIC HOLDINGS BERHAD (300426-P)

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2006

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 2006.

B7. Quoted Securities

There were no purchase or disposal of quoted securities for the current financial period ended 31 August 2006.

B8. Status of Corporate Proposal

There are no corporate proposals announced but 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 31.08.2006 RM'000	As at 31.05.2006 RM'000
Secured-repayable within one year		
Bank Overdraft	6,661	6,394
Bills Payable	48,296	39,443
Term Loan	847	850
	<u>55,804</u>	<u>46,687</u>
Secured-repayable one to five years		
Term Loan	<u>6,798</u>	<u>6,865</u>

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

	As at 31.08.2006 RM'000	As at 31.5.2006 RM'000
Hire Purchase Creditors	2,192	1,983
Less: Interest In Suspense	235	196
	<u>1,957</u>	<u>1,787</u>
Repayable within one year	466	417
Repayable one to five years	1,491	1,370
	<u>1,957</u>	<u>1,787</u>

PENSONIC HOLDINGS BERHAD (300426-P)

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2006

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 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.

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 2006.

B12. Dividend Payable

There is no dividend proposed in this financial quarter.

B13. Earnings Per Share

	3 months ended 31.08.2006	3 months ended 31.08.2005
Net profit attributable to equity holders of the parent for the period (RM'000)	1,687	1,008
Ordinary shares in issue ('000)	92,620	92,620
Basic earning per share (sen)	<u>1.82</u>	<u>1.09</u>

By order of the Board

Ker Siew Luan
Secretary

Dated : 26 October, 2006