

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

**The Board of Directors of the Group are pleased to announce the following:  
UNAUDITED RESULTS OF THE GROUP FOR 3rd QUARTER ENDED 28 FEBRUARY 2007**

### **Condensed Consolidated Balance Sheet As At 28 February 2007**

	<b>Unaudited As At 28 Feb 2007 RM'000</b>	<b>Audited As At 31 May 2006 RM'000 (restated)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	43,493	44,469
Investment property	931	939
Investment in associates	-	-
Investments in jointly controlled entities	-	-
Other investments	124	-
Intangible assets	896	26
Goodwill on consolidation	4,935	4,790
	50,379	50,224
<b>Current assets</b>		
Inventories	76,071	56,022
Properties under development	-	-
Trade receivables	50,895	38,822
Other receivables	13,448	13,105
Tax recoverable	3,014	2,285
Cash and cash equivalents	15,075	9,186
	158,503	119,420
<b>TOTAL ASSETS</b>	<b>208,882</b>	<b>169,644</b>

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 28 February 2007**

(continued)

	<b>Unaudited As At 28 Feb 2007 RM'000</b>	<b>Audited As At 31 May 2006 RM'000 (restated)</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	46,310	46,310
Reserves	46,537	44,659
	92,847	90,969
<b>Minority interest</b>	2,991	2,524
<b>Total equity</b>	95,838	93,493
<b>Non-current liabilities</b>		
Borrowings	7,515	8,234
Deferred taxation	1,212	1,212
	8,727	9,446
<b>Current liabilities</b>		
Trade payables	25,224	13,076
Other payables	11,039	6,942
Short-term borrowings	67,419	46,687
Taxation	635	-
	104,317	66,705
	113,044	76,151
<b>Total liabilities</b>	208,882	169,644
<b>TOTAL EQUITY AND LIABILITIES</b>		
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.00	0.98

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 quarter ended 28 February 2007

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current Year Quarter 28 Feb 07 RM'000	Preceding Year Corresponding Quarter 28 Feb 06 RM'000	Current Year to Date 28 Feb 07 RM'000	Preceding Year Corresponding Period 28 Feb 06 RM'000
Revenue	64,828	51,531	198,620	138,727
Cost of sales	(51,124)	(40,334)	(155,022)	(109,008)
Gross profit	13,704	11,197	43,598	29,719
Other operating income	1,212	835	1,908	2,260
Negative goodwill	-	-	610	-
Distribution and administrative Expenses	(12,629)	(10,179)	(38,006)	(26,661)
Other expenses	(219)	(150)	(451)	(442)
Profit from operations	2,068	1,703	7,659	4,876
Finance costs	(794)	(527)	(2,335)	(1,309)
Profit before taxation	1,274	1,176	5,324	3,567
Tax expense	(1,150)	(220)	(1,550)	(449)
Profit for the period	124	956	3,774	3,118
<b>Attributable to:</b>				
Equity holders of the parent	118	1,102	3,304	3,172
Minority interest	6	(146)	470	(54)
Profit for the period	124	956	3,774	3,118
Basic earnings per ordinary share (sen)	0.13	1.19	3.57	3.42
Diluted earnings per ordinary share (sen)	0.13	1.19	3.57	3.42

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 quarter ended 28 February 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 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	-	-	3,304	3,304	470	3,774
Dividends	-	-	(1,667)	(1,667)	-	(1,667)
At 28 February 2007	46,310	28,843	17,694	92,847	2,991	95,838
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	2,277	91,336
Currency translation differences	-	49	-	49	(12)	37
Net profit for the period	-	-	3,172	3,172	(54)	3,118
Dividends	-	-	(1,334)	(1,334)	-	(1,334)
At 28 February 2007	46,310	28,688	15,948	90,946	2,211	93,157

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 quarter ended 28 February 2007**

	28 Feb 2007 RM'000	28 Feb 2006 RM'000
<b>CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>		
Profit before taxation	5,324	3,567
Adjustments	4,954	3,649
Operating Profit Before Working Capital Changes	10,278	7,216
Changes in working capital		
Net changes in current assets	(18,560)	9,440
Net changes in current liabilities	5,683	(3,824)
Net Cash (Used In)/Generated From Operations	(2,599)	12,832
Tax refunded		
	-	-
Tax expense	(1,762)	(1,318)
Interest expense	(2,336)	(1,311)
Net Cash (Used In) / Generated From Operating Activities	(6,697)	10,203
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		
Equity investments	(1,878)	-
Other investments	(2,460)	(3,831)
Net Cash Used In Investing Activities	(4,338)	(3,831)
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>		
Borrowings	18,336	1,221
Dividends paid	(1,667)	(1,334)
Net Cash Generated From/(Used In) Financing Activities	16,669	(113)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	5,634	6,259
Effect of exchange rate changes	(216)	22
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	3,127	1,343
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	8,545	7,624
<b>Cash and cash equivalents comprised the following:</b>		
Cash and bank balances	14,966	10,383
Overdrafts	(6,421)	(2,759)
	8,545	7,624

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 3rd financial quarter ended 28 February 2007

## **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 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 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 3rd financial quarter ended 28 February 2007

### **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 3rd financial quarter ended 28 February 2007

### **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 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 third 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**

A proposed first and final dividend of 2.5sen per share less tax at 28% amounting to RM 1,667,160 in respect of the financial year ended 31 May 2006 was paid on 29 December 2006.



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

Quarterly Report on consolidated results for the 3rd financial quarter ended 28 February 2007

### **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
<b>2007</b>					
<b>Revenue</b>					
External revenue	-	11,915	186,705	-	198,620
Inter-segment Revenue	511	114,453	1,503	(116,467)	-
Total revenue	511	126,368	188,208	(116,467)	198,620
<b>Result</b>					
Segment result	(347)	2,140	5,256	-	7,049
Finance costs	(2)	(1,349)	(984)		(2,335)
Negative goodwill			610		610
Profit before taxation	(349)	791	4,882		5,324
Tax expense					(1,550)
Profit after taxation					3,774
Minority interest					(470)
Net profit for the period					3,304
Other segment item					
Depreciation	12	1,944	874	-	2,830

	Investment Holding	Manufacturing and Assembling	Trading	Elimination	Consolidation
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2006</b>					
<b>Revenue</b>					
External revenue	-	12,023	126,704	-	138,727
Inter-segment Revenue		106,493	2,487	(108,980)	-
Total revenue	-	118,516	129,191	(108,980)	138,727
<b>Result</b>					
Segment result		3,102	1,775	-	4,877
Finance costs		(897)	(413)	-	(1,310)
Negative goodwill				-	-
Profit before taxation		2,205	1,362	-	3,567
Tax expense					(449)
Profit after taxation					3,118
Minority interest					54
Net profit for the period					3,172
Other segment item					
Depreciation	-	1,881	712	-	2,593

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

Quarterly Report on consolidated results for the 3rd financial quarter ended 28 February 2007

### **A9. Segmental Revenue and Results (Cont'd)**

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

	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	156,650	2,352	185,081	92,721
Outside Malaysia	41,970	1,422	23,801	20,323
	198,620	3,774	208,882	113,044

	Revenue by location of customers	Profit/(Loss) before taxation	Segment assets	Segment liabilities
<b>2006</b>	RM'000	RM'000	RM'000	RM'000
Malaysia	116,684	4,768	148,628	65,363
Outside Malaysia	22,043	(1,201)	13,720	3,828
	138,727	3,567	162,348	69,191

Year 2007 refers to 9 months period ended 28 February 2007 and year 2006 refers to 9 months period ended 28 February 2006.

### **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 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 3rd financial quarter ended 28 February 2007

### **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 principal activities of Amtek Marketing Services Sdn. Bhd. and Amtek Marketing Services Pte. Ltd. are 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:

	<b>AMSSB</b> RM'000	<b>AMSPL</b> RM'000	<b>Total</b> 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 28.02.2007 RM'000	As at 31.05.2006 RM'000
Guarantees to financial institutions for facilities granted to subsidiary companies	<u>116,150</u>	<u>125,656</u>

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

Quarterly Report on consolidated results for the 3rd financial quarter ended 28 February 2007

### **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:

	9 months ended 28.02.2007 RM'000	Year ended 31.05.2006 RM'000
Purchase of raw material from Pensia Plastic Industries Sdn. Bhd.	5,216	5,774
Electricity charges paid by Pensia Plastic Industries Sdn. Bhd.	215	248
Factory rental paid by Pensia Plastic Industries Sdn. Bhd.	110	180
	<hr/>	<hr/>

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

Quarterly Report on consolidated results for the 3rd financial quarter ended 28 February 2007

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

---

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

The Group recorded a profit before tax of RM1,274,000 for the current year quarter compared to the profit before tax of RM1,176,000 in the preceding year corresponding quarter.

Turnover for the current year quarter is RM64,828,000 compared to RM51,531,000 in the preceding year corresponding quarter. There was an increase of 26% in turnover of the current year quarter as compared to the preceding year corresponding quarter. The increase is mainly due to increase in export sales and sales contributions made by two subsidiary companies acquired on 30 June 2006, as mentioned in paragraph A12 above.

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 28 February 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 RM1,274,000 for this quarter as compared with a profit before taxation of RM1,176,000 for the corresponding quarter in the preceding year. The increase in profit before taxation is due to increase in turnover during the current quarter.

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

The Board of Directors expects the global economy to be stable and the domestic economy growth to be sustainable. The Group will continue to focus on the execution of its established key business strategies plan and cost containment initiatives to remain competitive in the market. Barring any unforeseen circumstances, the Board of Directors expects the Group's performance to be satisfactory for the current financial year.

### **B4. Variance from Profit Forecast**

Not applicable as no profit forecast was published.

### **B5. Tax Expense**

	9 months ended 28.02.2007 RM'000	9 months ended 28.02.2006 RM'000
Income Tax		
- Provision for current period	555	320
-Underprovision in respect of prior years	995	129
	<u>1,550</u>	<u>449</u>

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

Quarterly Report on consolidated results for the 3rd financial quarter ended 28 February 2007

### **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 mainly due 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 28 February 2007.

### **B7. Quoted Securities**

There were no purchase or disposal of quoted securities for the current financial period ended 28 February 2007.

### **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 28.02.2007 RM'000	As at 31.05.2006 RM'000
Secured-repayable within one year		
Bank Overdrafts	6,421	6,394
Bills Payable	60,998	39,443
Term Loan	783	850
	<u>68,202</u>	<u>46,687</u>
Secured-repayable one to five years		
Term Loan	<u>6,732</u>	<u>6,865</u>

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

	As at 28.02.2007 RM'000	As at 31.5.2006 RM'000
Hire Purchase Creditors	1,893	1,983
Less: Interest In Suspense	165	196
	<u>1,728</u>	<u>1,787</u>
Repayable within one year	504	417
Repayable one to five years	1,224	1,370
	<u>1,728</u>	<u>1,787</u>

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

Quarterly Report on consolidated results for the 3rd financial quarter ended 28 February 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 rates 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 28 February 2007.

### **B12. Dividend Payable**

There is no dividend proposed in this financial quarter.

The proposed first and final dividend of 2.5sen per share less tax at 28% amounting to RM 1,667,160 in respect of the financial year ended 31 May 2006 was paid on 29 December 2006.

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

	9 months ended 28.02.2007	9 months ended 28.02.2006
Net profit attributable to equity holders of the parent for the period (RM'000)	3,304	3,172
Ordinary shares in issue ('000)	92,620	92,620
Basic earning per share (sen)	<u>3.57</u>	<u>3.42</u>

By order of the Board

Ker Siew Luan

Secretary

Dated : 27th April, 2007