

## **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 2nd QUARTER ENDED 30 NOV 2007**

### **Condensed Consolidated Balance Sheet As At 30 Nov 2007**

	<b>Unaudited As At 30 Nov 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	29,675	29,507
Prepaid lease payments	10,058	10,146
Investment properties	1,340	1,345
Investment in an associate	58	58
Intangible assets	1,679	1,631
Deferred tax assets	257	257
	<hr/>	<hr/>
	43,067	42,944
<b>Current assets</b>		
Inventories	95,981	78,074
Trade receivables	62,877	73,405
Other receivables, deposits & prepayments	19,578	22,619
Tax recoverable	2,633	2,306
Cash and cash equivalents	5,375	12,779
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	186,444	189,183
<b>TOTAL ASSETS</b>	<hr/> <b>229,511</b>	<hr/> <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 30 Nov 2007**

(continued)

	<b>Unaudited As At 30 Nov 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	45,264	43,669
	91,574	89,979
<b>Minority interest</b>	1,359	1,320
<b>Total equity</b>	92,933	91,299
<b>Non-current liabilities</b>		
Borrowings	5,366	6,018
Deferred taxation	1,145	1,145
	6,511	7,163
<b>Current liabilities</b>		
Trade payables	28,216	42,701
Other payables	14,492	11,607
Short-term borrowings	84,064	75,508
Taxation	3,295	3,849
	130,067	133,665
<b>Total liabilities</b>	136,578	140,828
<b>TOTAL EQUITY AND LIABILITIES</b>	229,511	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 quarter ended 30 November 2007

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current Year Quarter 30 Nov 07 RM'000	Preceding Year Corresponding Quarter 30 Nov 06 RM'000	Current Period to Date 30 Nov 07 RM'000	Preceding Year Corresponding Period 30 Nov 06 RM'000
Revenue	69,823	66,820	171,085	133,792
Cost of sales	(58,950)	(51,984)	(141,748)	(103,898)
Gross profit	10,873	14,836	29,337	29,894
Other operating income	158	235	222	696
Negative goodwill	-	-	-	610
Distribution and administrative Expenses	(11,125)	(12,464)	(25,860)	(25,377)
Other expenses	(36)	(149)	(111)	(232)
Profit/(Loss) from operations	(130)	2,458	3,588	5,591
Finance costs	(1,449)	(819)	(2,716)	(1,541)
Profit/(Loss) before taxation	(1,579)	1,639	872	4,050
Tax expense	464	(218)	(283)	(400)
Profit/(Loss) for the period	(1,115)	1,421	589	3,650
<b>Attributable to:</b>				
Equity holders of the parent	(359)	1,461	1,492	3,148
Minority interest	(756)	(40)	(903)	502
Profit/(Loss) for the period	(1,115)	1,421	589	3,650
Basic earnings per ordinary share (sen)	(0.39)	1.58	1.61	3.40
Diluted earnings per ordinary share (sen)	(0.39)	1.58	1.61	3.40

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 quarter ended 30 Nov 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	-	103	-	103	-	103
New issue of shares	-	-	-	-	980	980
Acquisition of minority interest	-	-	-	-	(38)	(38)
Net profit/(loss) for the period	-	-	1,492	1,492	(903)	589
Dividends	-	-	-	-	-	-
At 30 Nov 2007	46,310	28,808	16,456	91,574	1,359	92,933
At 1 June 2006	46,310	28,601	16,058	90,969	2,523	93,492
Currency translation differences	-	241	-	241	(3)	238
Net profit for the period	-	-	3,148	3,148	502	3,650
Dividends	-	-	-	-	-	-
At 30 Nov 2006	46,310	28,842	19,206	94,358	3,022	97,380

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 quarter ended 30 November 2007**

	30 Nov 2007 RM'000	31 May 2007 RM'000
<b>CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>		
Profit before taxation	872	7,307
Adjustments	3,939	11,295
Operating Profit Before Working Capital Changes	4,811	18,602
Changes in working capital		
Net changes in current assets	(6,657)	(53,439)
Net changes in current liabilities	(9,787)	24,553
Net Cash Used In Operations	(11,633)	(10,284)
Tax paid	(1,164)	(2,394)
Interest received	24	37
Interest paid	(2,630)	(3,336)
Net Cash Used In Operating Activities	(15,403)	(15,977)
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		
Equity investments	683	(1,337)
Other investments	(1,124)	(2,572)
Net Cash Used In Investing Activities	(441)	(3,909)
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>		
Proceeds from share issue	980	-
Borrowings	11,917	19,954
Dividends paid	-	(1,667)
Net Cash Generated From Financing Activities	12,897	18,287
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(2,947)	(1,599)
<b>Effect of exchange rate changes</b>	84	(171)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	887	2,657
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	(1,976)	887
<b>Cash and cash equivalents comprised the following:</b>		
Cash and bank balances	5,375	12,779
Overdrafts	(6,731)	(11,309)
Fixed deposits pledged	(620)	(583)
	(1,976)	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 2nd financial quarter ended 30 November 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 RM'000	Effects of adopting FRS 117 RM'000	As restated RM'000
Property, plant & equipment	39,653	(10,146)	29,507
Prepaid lease payments	-	10,146	10,146

### **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 second quarter.

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

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

Subsequent to the end of current quarter, the proposed dividend of 2.5 sen per share less tax at 28%, in respect of the financial year ended 31 May 2007, which amounting to RM1,667,160 was paid on 29 December 2007.

### **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	98,210	2,481	203,895	125,615
Outside Malaysia	72,875	(1,609)	22,726	10,963
	171,085	872	226,621	136,578

	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	104,226	3,267	181,319	86,737
Outside Malaysia	29,566	783	29,353	26,554
	133,792	4,050	210,672	113,291

Year 2008 refers to 6 months period ended 30 November 2007 and year 2007 refers to 6 months ended 30 November 2006.

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

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

On 24 December 2007, Pensonic Holdings Berhad subscribed for 12,000,000 new ordinary shares of RM 1.00 each at par, in Pensonic Sales & Service Sdn Bhd, a wholly-owned subsidiary company of the Company, by way of capitalization of the amount owing to Pensonic Holdings Berhad. The enlarged issued and paid up capital of Pensonic Sales & Service Sdn Bhd is RM15,000,000.

### **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 1.00. Subsequently, on 14 November 2007, Pensonic Holdings Berhad has subscribed for additional 1,019,999 new ordinary shares of RM 1.00 each in MESB, for a cash consideration of RM1,019,999. Following this, the total shareholding now representing 51% of the enlarged issued and paid up capital of MESB.

MESB 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 of the company, 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 2nd financial quarter ended 30 November 2007

### **A13. Contingent Liabilities**

Contingent liabilities of the Group are as follows:

	As at 30.11.2007 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 Parties Transactions**

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

	Period ended 30.11.2007 RM'000	Year ended 31.05.2007 RM'000
Purchase of raw material from Pensia Plastic Industries Sdn. Bhd.	3,744	7,114
Electricity charges charged to Pensia Plastic Industries Sdn. Bhd.	158	280
Factory rental charged to Pensia Plastic Industries Sdn. Bhd.	60	140
Sales of goods to an associate Pensonic (B) Sdn Bhd	<u>586</u>	<u>1,363</u>

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

Quarterly Report on consolidated results for the 2nd financial quarter ended 30 November 2007

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

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

The Group recorded a loss before tax of RM1,579,000 for the current year quarter compared to the profit before tax of RM1,639,000 in the preceding year corresponding quarter.

Turnover for the current year quarter is RM69,823,000 as compared to RM66,820,000 in the preceding year corresponding quarter. There was an increase of 4% 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 operations of the Group for the period from 30 Nov 2007 to the date of issue of this quarterly report.

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

The Group achieved a loss before taxation of RM1,579,000 for this quarter as compared to a profit before taxation of RM1,639,000 for the corresponding quarter in the preceding year. Current quarter loss before taxation reported mainly due to the significant increase in logistic cost for export shipments and more promotional activities organized in conjunction with the Pensonic 25<sup>th</sup> anniversary celebration.

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

The Board of Directors expects a global economy slowdown led by a highly probable and impending recession in the US economy resulting from its sub-prime loans issues, although the domestic economy is forecast to hold its ground. With the business and operating environment expected to be increasingly challenging and competitive, the Board will place continuous efforts to contain costs and improve productivity and efficiency to remain competitive. Barring any unforeseen circumstances, the Group expects its 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**

	Period ended 30.11.2007 RM'000	Period ended 30.11.2006 RM'000
Income Tax		
- Provision for current period	283	400

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

Quarterly Report on consolidated results for the 2nd financial quarter ended 30 November 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 30 Nov 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 30.11.2007 RM'000	As at 31.05.2007 RM'000
<u>Short term borrowings</u>		
<u>Unsecured</u>		
Bank Overdraft	1,744	2,200
Bills Payable	16,332	15,695
	<u>18,076</u>	<u>17,895</u>
<u>Secured</u>		
Bank Overdraft	4,987	9,110
Bills Payable	56,812	47,838
Term Loan	3,523	665
	<u>65,322</u>	<u>57,613</u>
<u>Long term borrowings</u>		
<u>Secured</u>		
Term Loan	<u>4,652</u>	<u>4,965</u>

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

	As at 30.11.2007 RM'000	As at 31.5.2007 RM'000
Hire Purchase Creditors	1,475	1,656
Less: Interest In Suspense	95	132
	<u>1,380</u>	<u>1,524</u>
Repayable within one year	466	472
Repayable in one to five years	914	1,052
	<u>1,380</u>	<u>1,524</u>

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

Quarterly Report on consolidated results for the 2nd financial quarter ended 30 November 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 30 Nov 2007.

### **B12. Dividend Payable**

There was no dividend paid for the current financial quarter.

Subsequent to the end of current quarter, the proposed dividend of 2.5 sen per share less tax at 28%, in respect of the financial year ended 31 May 2007, which amounting to RM1,667,160 was paid on 29 December 2007.

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

	Period ended 30.11.2007	Period ended 30.11.2006
Net profit attributable to equity holders of the parent (RM'000)	1,492	3,148
Ordinary shares in issue ('000)	92,620	92,620
Basic earnings per share (sen)	<u>1.61</u>	<u>3.40</u>

By order of the Board  
Ker Siew Luan  
Secretary