

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 3rd QUARTER ENDED 29 FEB 2008**

Condensed Consolidated Balance Sheet As At 29 Feb 2008

	Unaudited As At 29 Feb 2008 RM'000	Audited As At 31 May 2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	29,211	29,507
Prepaid lease payments	10,015	10,146
Investment properties	1,337	1,345
Investment in an associate	58	58
Intangible assets	1,679	1,631
Deferred tax assets	257	257
	<hr/> 42,557	<hr/> 42,944
Current assets		
Inventories	88,732	78,074
Trade receivables	61,281	73,405
Other receivables, deposits & prepayments	24,128	22,619
Tax recoverable	2,778	2,306
Cash and cash equivalents	11,050	12,779
	<hr/> 187,969	<hr/> 189,183
TOTAL ASSETS	<hr/> 230,526	<hr/> 232,127

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 29 Feb 2008

(continued)

	Unaudited As At 29 Feb 2008 RM'000	Audited As At 31 May 2007 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	46,310	46,310
Reserves	44,390	43,669
	90,700	89,979
Minority interest	926	1,320
Total equity	91,626	91,299
Non-current liabilities		
Borrowings	5,271	6,018
Deferred taxation	1,145	1,145
	6,416	7,163
Current liabilities		
Trade payables	20,749	42,701
Other payables	15,626	11,607
Short-term borrowings	93,416	75,508
Taxation	2,693	3,849
	132,484	133,665
Total liabilities	138,900	140,828
TOTAL EQUITY AND LIABILITIES	230,526	232,127
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.98	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 29 February 2008

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 29 Feb 08 RM'000	Preceding Year Corresponding Quarter 28 Feb 07 RM'000	Current Period to Date 29 Feb 08 RM'000	Preceding Year Corresponding Period 28 Feb 07 RM'000
Revenue	67,913	64,828	238,998	198,620
Cost of sales	(54,719)	(51,124)	(196,467)	(155,022)
Gross profit	13,194	13,704	42,531	43,598
Other operating income	65	1,212	287	1,908
Negative goodwill	-	-	-	610
Distribution and administrative expenses	(10,737)	(12,629)	(36,597)	(38,006)
Other expenses	(69)	(219)	(180)	(451)
Profit from operations	2,453	2,068	6,041	7,659
Finance costs	(1,632)	(794)	(4,348)	(2,335)
Profit before taxation	821	1,274	1,693	5,324
Tax expense	(383)	(1,150)	(666)	(1,550)
Profit for the period	438	124	1,027	3,774
Attributable to:				
Equity holders of the parent	871	118	2,363	3,304
Minority interest	(433)	6	(1,336)	470
Profit for the period	438	124	1,027	3,774
Basic earnings per ordinary share (sen)	0.94	0.13	2.55	3.57
Diluted earnings per ordinary share (sen)	0.94	0.13	2.55	3.57

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 29 Feb 2008

	< ----- Attributable to Equity Holders of the Parent ----- >					
	Share Capital	Non- distributable Reserves	Distributable Retained Profits	Total	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 June 2007	46,310	28,705	14,964	89,979	1,320	91,299
Currency translation differences	-	48	-	48	-	48
New issue of shares	-	-	-	-	980	980
Acquisition of minority interest	-	-	-	-	(38)	(38)
Net profit/(loss) for the period	-	-	2,363	2,363	(1,336)	1,027
Dividends	-	-	(1,690)	(1,690)	-	(1,690)
At 29 Feb 2008	46,310	28,753	15,637	90,700	926	91,626
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	-	-	-
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 Feb 2007	46,310	28,843	17,694	92,847	2,991	95,838

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 29 February 2008

	29 Feb 2008 RM'000	31 May 2007 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before taxation	1,693	7,307
Adjustments	6,163	11,295
Operating Profit Before Working Capital Changes	7,856	18,602
Changes in working capital		
Net changes in current assets	1,377	(53,439)
Net changes in current liabilities	(20,175)	24,553
Net Cash Used In Operations	(10,942)	(10,284)
Tax paid	(2,247)	(2,394)
Interest received	35	37
Interest paid	(4,348)	(3,336)
Net Cash Used In Operating Activities	(17,502)	(15,977)
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Equity investments	683	(1,337)
Other investments	(1,272)	(2,572)
Net Cash Used In Investing Activities	(589)	(3,909)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds from share issue	980	-
Borrowings	19,891	19,954
Dividends paid	(1,690)	(1,667)
Net Cash Generated From Financing Activities	19,181	18,287
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,090	(1,599)
Effect of exchange rate changes	(19)	(171)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	887	2,657
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,958	887
Cash and cash equivalents comprised the following:		
Cash and bank balances	11,050	12,779
Overdrafts	(8,472)	(11,309)
Fixed deposits pledged	(620)	(583)
	1,958	887

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2007.

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Quarterly Report on consolidated results for the 3rd financial quarter ended 29 February 2008

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 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 third quarter.

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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

The proposed final dividend of 2.5 sen per share less tax at 27%, in respect of the financial year ended 31 May 2007, which amounting to RM1,690,315 was paid on 28 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
2008	RM'000	RM'000	RM'000	RM'000
Malaysia	156,026	4,717	214,241	133,210
Outside Malaysia	82,972	(3,024)	13,250	5,690
	238,998	1,693	227,491	138,900

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

Year 2008 refers to 9 months period ended 29 February 2008 and year 2007 refers to 9 months ended 28 February 2007.

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

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, its total shareholding in MESB now represents 51% of the enlarged issued and paid up capital of MESB.

MESB is principally involved in the 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 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 the marketing and sale of electrical and electronic appliances.

Effect of acquisitions

The acquisitions had the following effect on the Group:

	MESB RM'000	KDSB RM'000	Total 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

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A13. Contingent Liabilities

Contingent liabilities of the Group are as follows:

	As at 29.02.2008 RM'000	As at 31.05.2007 RM'000
Guarantees to financial institutions for facilities granted to subsidiary companies	<u>185,700</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 29.02.2008 RM'000	Year ended 31.05.2007 RM'000
Purchase of raw material from Pensia Plastic Industries Sdn. Bhd.	5,232	7,114
Electricity charges charged to Pensia Plastic Industries Sdn. Bhd.	222	280
Factory rental charged to Pensia Plastic Industries Sdn. Bhd.	90	140
Sales of goods to an associate Pensonic (B) Sdn Bhd	833	1,363

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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 RM821,000 for the current year quarter compared to the profit before tax of RM1,274,000 in the preceding year corresponding quarter.

Turnover for the current year quarter is RM67,913,000 as compared to RM64,828,000 in the preceding year corresponding quarter. There was an increase of 5% 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 29 Feb 2008 to the date of issue of this quarterly report.

B2. Variation of Results against Preceding Quarter

The Group achieved a profit before taxation of RM821,000 for this quarter as compared to a profit before taxation of RM1,274,000 for the corresponding quarter in the preceding year. Comparatively lower profit reported in the current quarter as compared to that of corresponding quarter of the preceding year is mainly due to the following reasons:

- Substantial increase in material and product costs affecting gross margins
- Market penetration into the export markets using a lower product pricing strategy to gain market share
- Higher financials cost incurred on inventory built-up in anticipation of further cost increases in materials and products

B3. Prospect for the Current Financial Year

The Board of Directors expects the global economy to slowdown led by a highly probable recession in the US economy. In tandem, the domestic economy is also expected to grow at a slower pace, although domestic fiscal policy continues to be accommodative. Continually rising costs in materials and services is a major concern. With the business and operating environment expected to be increasingly challenging and competitive, the Board will review its product pricing to factor in the increase in costs and continue its efforts to contain operational costs 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 29.02.2008 RM'000	Period ended 28.02.2007 RM'000
Income Tax		
- Provision for current period	574	555
- Under provision in respect of previous years	92	995
	<u>666</u>	<u>1,550</u>

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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 29 Feb 2008.

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 29.02.2008 RM'000	As at 31.05.2007 RM'000
<u>Short term borrowings</u>		
<u>Unsecured</u>		
Bank Overdraft	4,280	2,200
Bills Payable	84,262	15,695
	<u>88,542</u>	<u>17,895</u>
<u>Secured</u>		
Bank Overdraft	4,193	9,110
Bills Payable	-	47,838
Term Loan	681	665
	<u>4,874</u>	<u>57,613</u>
<u>Long term borrowings</u>		
<u>Secured</u>		
Term Loan	<u>4,469</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 29.02.2008 RM'000	As at 31.5.2007 RM'000
Hire Purchase Creditors	1,339	1,656
Less: Interest In Suspense	80	132
	<u>1,259</u>	<u>1,524</u>
Repayable within one year	457	472
Repayable in one to five years	802	1,052
	<u>1,259</u>	<u>1,524</u>

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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 29 Feb 2008.

B12. Dividend Payable

The proposed final dividend of 2.5 sen per share less tax at 27%, in respect of the financial year ended 31 May 2007, which amounting to RM1,690,315 was paid on 28 December 2007.

B13. Earnings Per Share

	Period ended 29.02.2008	Period ended 28.02.2007
Net profit attributable to equity holders of the parent (RM'000)	2,363	3,304
Ordinary shares in issue ('000)	92,620	92,620
Basic earnings per share (sen)	<u>2.55</u>	<u>3.57</u>

By order of the Board

Ker Siew Luan
Secretary

Dated : 29-04-2008