

## **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 4th QUARTER ENDED 31 MAY 2008**

### **Condensed Consolidated Balance Sheet As At 31 May 2008**

	<b>Unaudited As At 31 May 2008 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	29,057	29,507
Prepaid lease payments	9,971	10,146
Investment properties	1,334	1,345
Investment in associates	76	58
Intangible assets	1,631	1,631
Deferred tax assets	2,016	257
	44,085	42,944
<b>Current assets</b>		
Inventories	94,993	78,074
Trade receivables	67,485	73,405
Other receivables, deposits & prepayments	12,138	22,619
Tax recoverable	1,618	2,306
Cash and cash equivalents	14,358	12,779
	190,592	189,183
<b>TOTAL ASSETS</b>	<b>234,677</b>	<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 31 May 2008

(continued)

	<b>Unaudited As At 31 May 2008 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	44,287	43,669
	90,597	89,979
<b>Minority interest</b>	936	1,320
<b>Total equity</b>	91,533	91,299
<b>Non-current liabilities</b>		
Borrowings	4,912	6,018
Deferred taxation	1,145	1,145
	6,057	7,163
<b>Current liabilities</b>		
Trade payables	34,299	42,701
Other payables	7,602	11,135
Short-term borrowings	91,956	75,980
Taxation	3,230	3,849
	137,087	133,665
<b>Total liabilities</b>	143,144	140,828
<b>TOTAL EQUITY AND LIABILITIES</b>	234,677	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 year ended 31 May 2008

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current Year Quarter 31 May 08 RM'000	Preceding Year Corresponding Quarter 31 May 07 RM'000	Current Year to Date 31 May 08 RM'000	Preceding Year Corresponding Period 31 May 07 RM'000
Revenue	83,133	103,484	322,131	302,104
Cost of sales	(63,272)	(80,857)	(259,740)	(235,879)
Gross profit	19,861	22,627	62,391	66,225
Other operating income	95	(43)	382	1,865
Negative goodwill	-	-	-	610
Distribution and administrative expenses	(17,888)	(19,428)	(54,485)	(57,434)
Other expenses	(112)	(160)	(292)	(623)
Profit from operations	1,956	2,996	7,996	10,643
Finance costs	(1,148)	(1,001)	(5,496)	(3,336)
Profit before taxation	808	1,995	2,500	7,307
Tax expense	(785)	(4,495)	(1,451)	(6,045)
Profit/(Loss) for the year	23	(2,500)	1,049	1,262
<b>Attributable to:</b>				
Equity holders of the parent	13	(2,719)	2,375	573
Minority interest	10	219	(1,326)	689
Profit for the period	23	(2,500)	1,049	1,262
Basic earnings per ordinary share (sen)	0.01	(2.94)	2.56	0.62
Diluted earnings per ordinary share (sen)	0.01	(2.94)	2.56	0.62

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 year ended 31 May 2008**

	< ----- 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	-	(67)	-	(67)	-	(67)
New issue of shares	-	-	-	-	980	980
Acquisition of minority interest	-	-	-	-	(38)	(38)
Net profit/(loss) for the year	-	-	2,375	2,375	(1,326)	1,049
Dividends	-	-	(1,690)	(1,690)	-	(1,690)
At 31 May 2008	46,310	28,638	15,649	90,597	936	91,533
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	-	103	-	103	-	103
Acquisition of minority interest	-	-	-	-	111	111
Disposal of subsidiaries	-	-	-	-	(2,004)	(2,004)
Net profit for the year	-	-	574	574	689	1,263
Dividends	-	-	(1,667)	(1,667)	-	(1,667)
At 31 May 2007	46,310	28,705	14,964	89,979	1,320	91,299

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 year ended 31 May 2008**

	31 May 2008 RM'000	31 May 2007 RM'000
<b>CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>		
Profit before taxation	2,500	7,307
Adjustments	8,097	11,295
Operating Profit Before Working Capital Changes	10,597	18,602
Changes in working capital		
Net changes in current assets	(744)	(53,439)
Net changes in current liabilities	(10,931)	24,553
Net Cash Used In Operations	(1,078)	(10,284)
Tax paid	(3,138)	(2,394)
Interest received	44	37
Interest paid	(5,523)	(3,336)
Net Cash Used In Operating Activities	(9,695)	(15,977)
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		
Equity investments	(357)	(1,337)
Other investments	(1,570)	(2,572)
Net Cash Used In Investing Activities	(1,927)	(3,909)
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>		
Borrowings	15,768	19,954
Dividends paid	(1,690)	(1,667)
Net Cash Generated From Financing Activities	14,078	18,287
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	2,456	(1,599)
<b>Effect of exchange rate changes</b>	77	(171)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	887	2,657
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	3,420	887
<b>Cash and cash equivalents comprised the following:</b>		
Cash and bank balances	14,358	12,779
Overdrafts	(10,318)	(11,309)
Fixed deposits pledged	(620)	(583)
	3,420	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 4th financial quarter ended 31 May 2008

## **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 fourth quarter.

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

Quarterly Report on consolidated results for the 4th financial quarter ended 31 May 2008

## **A5. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial year under review except as disclosed in Note A2.

## **A6. Changes in Estimates**

There were no significant changes in estimates that have had a material effect in the current quarter results.

## **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
<b>2008</b>	RM'000	RM'000	RM'000	RM'000
Malaysia	218,248	6,111	214,392	123,411
Outside Malaysia	103,883	(3,611)	17,520	18,588
	322,131	2,500	231,912	141,999

	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	214,717	4,676	218,440	130,943
Outside Malaysia	87,387	2,631	10,434	8,740
	302,104	7,307	228,874	139,683

Year 2008 refers to financial year ended 31 May 2008 and year 2007 refers to financial year ended 31 May 2007.

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

Quarterly Report on consolidated results for the 4th financial quarter ended 31 May 2008

### **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**

There were no material events subsequent to the end of this financial year except for the following:

- (a) Keat Radio Co. Sdn Bhd (KRC), a wholly owned subsidiary of Pensonic Holdings Berhad has acquired the remaining 40,000 ordinary shares of RM 1.00 each per share in Pensonic Industries Sdn Bhd (PSI), which representing 40% equity interest in PSI for a consideration of RM 4,000. Following this acquisition, PSI will become a wholly-owned subsidiary of KRC.
- (b) On 20 June 2008, KRC has further subscribed for an additional 2,400,000 new ordinary shares of RM1.00 each in PSI for a consideration of RM 2,400,000, by way of capitalization of the amount owing by PSI to KRC. The enlarged share capital of PSI is now stands at RM 2,500,000 comprising of 2,500,000 shares of RM 1.00 each.

### **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.



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

Quarterly Report on consolidated results for the 4th financial quarter ended 31 May 2008

### **A12. Changes in Composition of the Group (cont'd)**

#### *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)	-	(38)
Cash & cash equivalents of subsidiary acquired	337	-	337

### **A13. Contingent Liabilities**

Contingent liabilities of the Group are as follows:

	As at 31.05.2008 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:

	Year ended 31.05.2008 RM'000	Year ended 31.05.2007 RM'000
Purchase of raw material from Pensia Plastic Industries Sdn. Bhd.	6,376	7,114
Electricity charges charged to Pensia Plastic Industries Sdn. Bhd.	288	280
Factory rental charged to Pensia Plastic Industries Sdn. Bhd.	120	140
Sales of goods to an associate Pensonic (B) Sdn Bhd	1,468	1,363

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

Quarterly Report on consolidated results for the 4th financial quarter ended 31 May 2008

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

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

The Group recorded a profit before tax of RM808,000 for the current year quarter compared to the profit before tax of RM1,995,000 in the preceding year corresponding quarter.

Turnover for the current year quarter is RM83,133,000 as compared to RM103,484,000 in the preceding year corresponding quarter. There was an decrease of 20% in turnover of the current year quarter as compared to the preceding year corresponding quarter.

Lower turnover reported for the quarter mainly due to decrease in export sales following the slowdown of the global economy which weaken the consumers demand.

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

The Group achieved a profit before taxation of RM808,000 for this quarter as compared to a profit before taxation of RM1,995,000 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:

- Lower turnover for the current quarter as mentioned in Note B1 above.
- Market penetration into the export markets using a lower product pricing strategy to gain market share
- Higher financials cost incurred in inventory built-up in anticipation of further cost increases in materials and products

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

With the current uncertainty prevailing in the local and global market, slower US economy, soaring food prices, rising oil price and local political instability, the business for the coming financial year will be extremely challenging. Raw materials prices have increased significantly and household income is deteriorating especially with the recent oil subsidy review in June. Anyway, the Group will continue to review its product pricing strategy to minimize the impact of raw material price increase and to continue its cost containment efforts. Barring any unforeseen circumstances, the Group expects its business prospects for the coming financial year to remain positive.

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

Not applicable as no profit forecast was published.

### **B5. Tax Expense**

	Year ended 31.05.2008 RM'000	Year ended 31.05.2007 RM'000
Income Tax		
- Provision for current year	702	2,433
- Under provision in respect of prior years	749	3,612
	<u>1,451</u>	<u>6,045</u>

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

Quarterly Report on consolidated results for the 4th financial quarter ended 31 May 2008

### **B5. Tax Expense (cont'd)**

The Group's effective tax rate for the year is higher than the statutory tax rate mainly due to certain expenses which are not allowable for tax purposes.

### **B6. Sales of Unquoted Investments and Properties**

There were no sales of unquoted investments and properties for the current quarter and current financial year.

### **B7. Quoted Securities**

There were no purchase or disposal of quoted securities for the current financial year ended 31 May 2008.

### **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 financial year are as follows:

	As at 31.05.2008 RM'000	As at 31.05.2007 RM'000
<u>Short term borrowings</u>		
<u>Unsecured</u>		
Bank Overdraft	4,762	2,200
Bills Payable	80,488	63,533
	<u>85,250</u>	<u>65,733</u>
<u>Secured</u>		
Bank Overdraft	5,556	9,110
Bills Payable	-	-
Term Loans	695	665
	<u>6,251</u>	<u>9,775</u>
<u>Long term borrowings</u>		
<u>Secured</u>		
Term Loans	<u>4,252</u>	<u>4,966</u>

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

	As at 31.05.2008 RM'000	As at 31.5.2007 RM'000
Hire Purchase Creditors	1,188	1,656
Less: Interest In Suspense	73	132
	<u>1,115</u>	<u>1,524</u>
Repayable within one year	455	472
Repayable in one to five years	660	1,052
	<u>1,115</u>	<u>1,524</u>

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

Quarterly Report on consolidated results for the 4th financial quarter ended 31 May 2008

### **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 year ended 31 May 2008.

### **B12. Dividend Payable**

The Directors recommended the payment of final dividend of 1.25 sen per share less tax in respect of the financial year ended 31 May 2008, subject to the approval of members at the forthcoming Annual General Meeting of the Company.

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

	Year ended 31.05.2008	Year ended 31.05.2007
Net profit attributable to equity holders of the parent (RM'000)	2,375	573
Ordinary shares in issue ('000)	92,620	92,620
Basic earnings per share (sen)	<u>2.56</u>	<u>0.62</u>

By order of the Board

Ker Siew Luan  
Secretary

Dated : 29-07-2008