

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

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2009

**The Board of Directors of the Group are pleased to announce the following:  
UNAUDITED RESULTS OF THE GROUP FOR THE 1st QUARTER ENDED 31 AUGUST 2009**

## **Condensed Consolidated Balance Sheet As At 31 August 2009**

	<b>Unaudited As At 31 Aug 2009 RM'000</b>	<b>Audited As At 31 May 2009 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	33,874	29,142
Prepaid lease payments	9,752	9,796
Investment properties	1,322	1,324
Investment in associates	175	155
Intangible assets	1,636	1,648
Deferred tax assets	2,026	2,038
	48,785	44,103
<b>Current assets</b>		
Inventories	86,983	86,623
Trade receivables	59,660	59,884
Other receivables, deposits & prepayments	11,848	18,928
Tax recoverable	2,097	768
Cash and cash equivalents	13,180	15,334
	173,768	181,537
<b>TOTAL ASSETS</b>	<b>222,553</b>	<b>225,640</b>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 May 2009.

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

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2009

**Condensed Consolidated Balance Sheet****As At 31 August 2009**

(continued)

	<b>Unaudited As At 31 Aug 2009 RM'000</b>	<b>Audited As At 31 May 2009 RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	46,310	46,310
Reserves	46,419	46,145
	92,729	92,455
<b>Minority interest</b>	573	682
	93,302	93,137
<b>Non-current liabilities</b>		
Borrowings	3,465	3,692
Deferred taxation	1,200	1,200
	4,665	4,892
<b>Current liabilities</b>		
Trade payables	28,859	32,005
Other payables	9,479	6,973
Short-term borrowings	84,019	87,209
Taxation	2,229	1,424
	124,586	127,611
<b>Total liabilities</b>	129,251	132,503
<b>TOTAL EQUITY AND LIABILITIES</b>	222,553	225,640
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.00	1.00

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 May 2009.

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

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2009

**Condensed Consolidated Income Statement  
For the year ended 31 August 2009**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current Year Quarter 31 Aug 09 RM'000	Preceding Year Corresponding Quarter 31 Aug 08 RM'000	Current Period to Date 31 Aug 09 RM'000	Preceding Year Corresponding Period 31 Aug 08 RM'000
Revenue	65,254	77,317	65,254	77,317
Cost of sales	(50,718)	(61,330)	(50,718)	(61,330)
Gross profit	14,536	15,987	14,536	15,987
Other operating income	25	365	25	365
Distribution and administrative expenses	(13,506)	(14,306)	(13,506)	(14,306)
Profit from operations	1,055	2,046	1,055	2,046
Finance costs	(852)	(1,858)	(852)	(1,858)
Profit before taxation	203	188	203	188
Tax expense	(100)	(63)	(100)	(63)
Profit for the year	103	125	103	125
<b>Attributable to:</b>				
Equity holders of the parent	212	56	212	56
Minority interest	(109)	69	(109)	69
Profit for the period	103	125	103	125
Basic earnings per ordinary share (sen)	0.23	0.06	0.23	0.06
Diluted earnings per ordinary share (sen)	0.23	0.06	0.23	0.06

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2009

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

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2009

### **Condensed Consolidated Statement of Changes in Equity For the year ended 31 August 2009**

	<b>&lt; ----- Attributable to Equity Holders of the Parent ----- &gt;</b>					
	<b>Share Capital RM'000</b>	<b>Non- distributable Reserves RM'000</b>	<b>Distributable Retained Profits RM'000</b>	<b>Total RM'000</b>	<b>Minority Interest RM'000</b>	<b>Total Equity RM'000</b>
At 1 June 2009	46,310	28,850	17,295	92,455	682	93,137
Currency translation differences	-	62	-	62	-	62
Net profit/(loss) for the year	-	-	212	212	(109)	103
Dividends	-	-	-	-	-	-
At 31 Aug 2009	46,310	28,912	17,507	92,729	573	93,302
At 1 June 2008	46,310	28,806	15,735	90,851	937	91,788
Currency translation differences	-	44	-	44	-	44
Acquisition of subsidiaries	-	-	199	199	(203)	(4)
Net profit/(loss) for the year	-	-	2,229	2,229	(52)	2,177
Dividends	-	-	(868)	(868)	-	(868)
At 31 May 2009	46,310	28,850	17,295	92,455	682	93,137

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 May 2009.

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

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2009

**Condensed Consolidated Cash Flow Statement  
For the year ended 31 August 2009**

	31 Aug 2009 RM'000	31 May 2009 RM'000
<b>CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES</b>		
Profit before taxation	203	3,792
Adjustments	1,395	6,488
Operating Profit Before Working Capital Changes	1,598	10,280
Changes in working capital		
Net changes in current assets	(5,056)	17,491
Net changes in current liabilities	6,379	(10,467)
Net Cash From Operations	2,921	17,304
Tax paid	(615)	(2,448)
Interest received	2	37
Interest paid	(853)	(5,543)
Net Cash From Operating Activities	1,455	9,350
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		
Equity investments	-	(7)
Other investments	(229)	(1,753)
Net Cash (Used In) / From Investing Activities	(229)	(1,760)
<b>CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES</b>		
Dividend paid	-	(868)
Borrowings	(1,076)	(9,386)
Net Cash (Used In) / From Financing Activities	(1,076)	(10,254)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	150	(2,664)
<b>Effect of exchange rate changes</b>	(98)	136
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	980	3,508
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	1,032	980
<b>Cash and cash equivalents comprised the following:</b>		
Cash and bank balances	9,010	12,388
Overdrafts	(9,119)	(11,426)
Fixed deposits	4,068	2,945
	3,959	3,907
Fixed deposits pledged to bank	(2,927)	(2,927)
	1,032	980

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 May 2009.

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

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2009

## **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 2009.

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 2009.

### **A2. Change in accounting policy**

The significant accounting policies adopted are consistent with those adopted in the audited financial statements for the year ended 31 May 2009.

### **A3. Auditors' Report**

The auditors' report of the audited financial statements for the financial year ended 31 May 2009 was not subject to any qualification.

### **A4. Seasonal/Cyclical Factors**

The Group's business operations are generally affected by festive seasons, school holidays and carnival sales.

### **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 that have had a material effect in the current quarter results.

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

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2009

## **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.

## **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**

The business segment of the Group is managed principally in Malaysia, China (including Hong Kong), Indonesia, Sri Lanka, Brunei, Africa, Thailand, Myanmar, Singapore etc. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers whereas segment assets and liabilities are based on the geographical location of the assets and liabilities.

	Segment revenue	
	2010 RM'000	2009 RM'000
Malaysia	51,321	55,859
Outside Malaysia	13,933	21,458
	65,254	77,317

	Profit/(Loss) before taxation		Segment assets		Segment liabilities	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Malaysia	685	125	197,298	217,142	116,480	137,323
Outside Malaysia	(482)	63	25,255	22,875	12,771	11,035
	203	188	222,553	240,017	129,251	148,358

Year 2010 refers to financial period ended 31 August 2009 and year 2009 refers to financial period ended 31 August 2008.

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

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2009

## **A10. Valuation of Property, Plant and Equipment**

The valuations of property, plant and equipment have been brought forward without amendment from the previous audited 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**

There were no changes in the composition of the Group for the current financial period ended 31 August 2009.

## **A13. Contingent Liabilities**

Contingent liabilities of the Group are as follows:

	As at 31.08.2009 RM'000	As at 31.05.2009 RM'000
Guarantees to financial institutions for facilities granted to subsidiary companies	<u>199,956</u>	<u>199,956</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 31.08.2009 RM'000	Year ended 31.05.2009 RM'000
Purchase of raw material from Pensia Plastic Industries Sdn. Bhd.	1,457	5,256
Sales of goods to an associate Pensonic (B) Sdn Bhd	<u>255</u>	<u>1,405</u>



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

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2009

### **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 RM203,000 for the current year quarter compared to the profit before tax of RM188,000 in the preceding year corresponding quarter.

Turnover for the current year quarter is RM65,254,000 as compared to RM77,317,000 in the preceding year corresponding quarter. There was a decrease of 15.6% in turnover of the current year quarter as compared to the preceding year corresponding quarter. However, the GP margin has increased by 1.6% 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.

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 31 August 2009 to the date of issue of this quarterly report.

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

The Group achieved a profit before taxation of RM203,000 for this quarter as compared to a profit before taxation of RM188,000 for the corresponding quarter in the preceding year. Comparatively higher profit reported in the current quarter as compared to that of corresponding quarter of the preceding year despite lower turnover as compared to previous quarter was due to change in sales mix for the year as Company's strategy on sales concentration on high margin items and reduction in operational cost of the Group.

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

The Group is encouraged by the strong performance achieved for these current quarter. The Group will continue to focus on its core business and continue its positive performance for the remaining period of financial year despite the current global economic crisis.

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

Not applicable as no profit forecast was published.

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

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2009

### **B5. Tax Expense**

	Period ended 31.08.2009 RM'000	Period ended 31.05.2009 RM'000
<u>Income Tax</u>		
- Provision for current period	<u>100</u>	<u>963</u>

The Group's effective tax rate for the current quarter is higher than the statutory tax rate mainly due to under provision of taxation for prior years.

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

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

### **B7. Quoted Securities**

There were no purchase or disposal of quoted securities for the current financial period ended 31 August 2009.

### **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 period are as follows:

	As at 31.08.2009 RM'000	As at 31.05.2009 RM'000
<u>Short term borrowings</u>		
<u>Unsecured</u>		
Bank Overdraft	2,752	5,943
Bills Payable	49,346	49,302
Term Loans	-	400
	<u>52,098</u>	<u>55,645</u>
<u>Secured</u>		
Bank Overdraft	6,367	5,483
Bills Payable	23,444	24,893
Term Loans	1,748	803
	<u>31,559</u>	<u>31,179</u>

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

Quarterly Report on consolidated results for the 1st financial quarter ended 31 August 2009

### **B9. Borrowings and Debts Securities (con'd)**

	As at 31.08.2009 RM'000	As at 31.05.2009 RM'000
<u>Long term borrowings</u>		
<u>Secured</u>		
Term Loans	<u>3,272</u>	<u>3,410</u>

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

	As at 31.08.2009 RM'000	As at 31.05.2009 RM'000
Hire Purchase Creditors	585	706
Less: Interest In Suspense	<u>30</u>	<u>39</u>
	<u>555</u>	<u>667</u>
Repayable within one year	362	385
Repayable in two to five years	<u>193</u>	<u>282</u>
	<u>555</u>	<u>667</u>

The bank borrowings bear interest at rates ranging from 2.20% to 7.80% per annum and the term loans bear interest at rates of 4.0% and 6.8% per annum.

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 August 2009.

### **B12. Dividend Payable**

There was no dividend paid for the current financial quarter.

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

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

	Period ended 31.08.2009	Period ended 31.05.2009
Net profit attributable to equity holders of the parent (RM'000)	212	56
Ordinary shares in issue ('000)	92,620	92,620
Basic earnings per share (sen)	<u>0.23</u>	<u>0.06</u>

### **BY ORDER OF THE BOARD**

Dato Seri Tan King Tai @ Tan Khooon Hai  
Secretary  
Date: 26 October 2009