

PENSONIC HOLDINGS BERHAD (300426-P)

Quarterly Report on consolidated results for the 2nd financial quarter ended 30 November 2009

**The Board of Directors of the Group are pleased to announce the following:
UNAUDITED RESULTS OF THE GROUP FOR THE 2nd QUARTER ENDED 30 NOVEMBER
2009**

Condensed Consolidated Balance Sheet As At 30 November 2009

	Unaudited As At 30 Nov 2009 RM'000	Audited As At 31 May 2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	34,111	29,142
Prepaid lease payments	9,708	9,796
Investment properties	1,319	1,324
Investment in associates	155	155
Intangible assets	1,648	1,648
Deferred tax assets	2,038	2,038
	48,979	44,103
Current assets		
Inventories	84,860	86,623
Trade receivables	56,298	59,884
Other receivables, deposits & prepayments	15,913	18,928
Tax recoverable	642	768
Cash and cash equivalents	16,367	15,334
	174,080	181,537
TOTAL ASSETS	223,059	225,640

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

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Condensed Consolidated Balance Sheet

As At 30 November 2009

(continued)

	Unaudited As At 30 Nov 2009 RM'000	Audited As At 31 May 2009 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	46,310	46,310
Reserves	48,867	46,145
	95,177	92,455
Minority interest	495	682
	95,672	93,137
Total equity		
Non-current liabilities		
Borrowings	3,185	3,692
Deferred taxation	1,200	1,200
	4,385	4,892
Current liabilities		
Trade payables	30,651	32,005
Other payables	7,025	6,973
Short-term borrowings	84,923	87,209
Taxation	403	1,424
	123,002	127,611
Total liabilities	127,387	132,503
TOTAL EQUITY AND LIABILITIES	223,059	225,640
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.03	1.00

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

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Condensed Consolidated Income Statement For the period ended 30 November 2009

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Nov 09 RM'000	Preceding Year Corresponding Quarter 30 Nov 08 RM'000	Current Period to Date 30 Nov 09 RM'000	Preceding Year Corresponding Period 30 Nov 08 RM'000
Revenue	72,551	69,514	137,805	146,831
Cost of sales	(56,021)	(53,598)	(106,739)	(114,928)
Gross profit	16,530	15,916	31,066	31,903
Other operating income	145	166	170	531
Distribution and administrative expenses	(13,451)	(13,172)	(26,957)	(27,478)
Profit from operations	3,224	2,910	4,279	4,956
Finance costs	(1,219)	(1,585)	(2,071)	(3,443)
Profit before taxation	2,005	1,325	2,208	1,513
Tax expense	(254)	(172)	(354)	(189)
Profit for the year	1,751	1,153	1,854	1,324
Attributable to:				
Equity holders of the parent	1,835	1,124	2,047	1,422
Minority interest	(84)	29	(193)	(98)
Profit for the period	1,751	1,153	1,854	1,324
Basic earnings per ordinary share (sen)	1.98	1.21	2.21	1.54
Diluted earnings per ordinary share (sen)	1.98	1.21	2.21	1.54

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

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Condensed Consolidated Statement of Changes in Equity For the period ended 30 November 2009

	< ----- 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 2009	46,310	28,850	17,295	92,455	682	93,137
Currency translation differences	-	52	-	52	6	58
Net profit/(loss) for the year	-	-	2,047	2,047	(193)	1,854
Prior year adjustment	-	-	623	623	-	623
Dividends	-	-	-	-	-	-
At 30 Nov 2009	46,310	28,902	19,965	95,177	495	95,672
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.

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**Condensed Consolidated Cash Flow Statement
For the period ended 30 November 2009**

	30 Nov 2009 RM'000	31 May 2009 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before taxation	2,208	3,792
Adjustments	3,019	6,488
Operating Profit Before Working Capital Changes	5,227	10,280
Changes in working capital		
Net changes in current assets	(5,225)	17,491
Net changes in current liabilities	646	(10,467)
Net Cash From Operations	648	17,304
Tax paid	(1,328)	(2,448)
Interest received	31	37
Interest paid	(1,971)	(5,543)
Net Cash (Used In) / From Operating Activities	(2,620)	9,350
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Equity investments	-	(7)
Other investments	4,655	(1,753)
Net Cash (Used In) / From Investing Activities	4,655	(1,760)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Dividend paid	-	(868)
Borrowings	2,870	(9,386)
Net Cash (Used In) / From Financing Activities	2,870	(10,254)
NET CHANGE IN CASH AND CASH EQUIVALENTS	4,905	(2,664)
Effect of exchange rate changes	(85)	136
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	980	3,508
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5,800	980
Cash and cash equivalents comprised the following:		
Cash and bank balances	12,372	12,388
Overdrafts	(6,940)	(11,426)
Fixed deposits	3,995	2,945
	9,427	3,907
Fixed deposits pledged to bank	(3,627)	(2,927)
	5,800	980

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

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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 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.

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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	105,647	104,775
Outside Malaysia	32,158	42,056
	137,805	146,831

	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	2,391	1,572	195,641	206,322	110,978	124,854
Outside Malaysia	(183)	(59)	27,418	23,197	16,409	11,087
	2,208	1,513	223,059	229,519	127,387	135,941

Year 2010 refers to financial period ended 30 November 2009 and year 2009 refers to financial period ended 30 November 2008.

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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 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 30 November 2009.

A13. Contingent Liabilities

Contingent liabilities of the Group are as follows:

	As at 30.11.2009 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 30.11.2009 RM'000	Year ended 31.05.2009 RM'000
Purchase of raw material from Pensia Plastic Industries Sdn. Bhd.	2,643	5,256
Sales of goods to an associate Pensonic (B) Sdn Bhd	<u>582</u>	<u>1,405</u>

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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 RM2,208,000 for the current year quarter compared to the profit before tax of RM1,513,000 in the preceding year corresponding quarter.

Turnover for the current year quarter is RM137,805,000 as compared to RM146,831,000 in the preceding year corresponding quarter. There was a decrease of 6.1% in turnover of the current year quarter as compared to the preceding year corresponding quarter. However, the GP margin has improved 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 30 November 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 RM2,208,000 for this quarter as compared to a profit before taxation of RM1,513,000 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 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.

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B5. Tax Expense

	Period ended 30.11.2009 RM'000	Period ended 30.11.2008 RM'000
<u>Income Tax</u>		
- Provision for current period	<u>354</u>	<u>189</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 30 November 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 30.11.2009 RM'000	As at 31.05.2009 RM'000
<u>Short term borrowings</u>		
<u>Unsecured</u>		
Bank Overdraft	4,256	5,943
Bills Payable	52,730	49,302
Term Loans	-	400
	<u>56,986</u>	<u>55,645</u>
<u>Secured</u>		
Bank Overdraft	2,684	5,483
Bills Payable	22,464	24,893
Term Loans	2,463	803
	<u>27,611</u>	<u>31,179</u>

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B9. Borrowings and Debts Securities (con'd)

	As at 30.11.2009 RM'000	As at 31.05.2009 RM'000
<u>Long term borrowings</u>		
<u>Secured</u>		
Term Loans	<u>3,060</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 30.11.2009 RM'000	As at 31.05.2009 RM'000
Hire Purchase Creditors	474	706
Less: Interest In Suspense	<u>23</u>	<u>39</u>
	<u>451</u>	<u>667</u>
Repayable within one year	326	385
Repayable in two to five years	<u>125</u>	<u>282</u>
	<u>451</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 30 November 2009.

B12. Dividend Payable

There was no dividend paid for the current financial quarter.

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B13. Earnings Per Share

	Period ended 30.11.2009	Period ended 30.11.2008
Net profit attributable to equity holders of the parent (RM'000)	2,047	1,422
Ordinary shares in issue ('000)	92,620	92,620
Basic earnings per share (sen)	<u>2.21</u>	<u>1.54</u>

BY ORDER OF THE BOARD

Dato Seri Tan King Tai @ Tan Khoon Hai
Secretary
Date: 26 January 2010