

PENSONIC HOLDINGS BERHAD (300426-P)

The Board of Directors of the Group are pleased to announce the following:
UNAUDITED RESULTS OF THE GROUP FOR 2nd QUARTER ENDED 30 NOVEMBER 2004

Condensed Consolidated Balance Sheet At 30 November 2004

	30 November 2004	31 May 2004
	RM'000	(Audited) RM'000
Property, plant and equipment	39,841	31,865
Investments in associates	-	-
Investments in jointly controlled entities	-	-
Other investments	-	-
Properties under development	-	-
Intangible assets	60	35
Goodwill on consolidation	527	527
	40,428	32,427
Current assets		
Inventories	59,282	50,884
Properties under development	-	-
Trade receivables	35,704	32,098
Other receivables, deposits and prepayment	16,483	13,025
Other investments	-	-
Cash and cash equivalents	8,672	10,953
	120,141	106,960
Current liabilities		
Trade payables	13,504	12,310
Other payables and accruals	6,146	4,347
Borrowings	43,634	33,743
Taxation	329	179
Provision for warranties	-	-
	63,613	50,579
Net current assets	56,528	56,381
	96,956	88,808

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Reports for the year ended 31 May 2004.

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Condensed Consolidated Balance Sheet At 30 November 2004

(continued)

	30 November 2004	31 May 2004
	RM'000	(Audited) RM'000
Financed by:		
Capital and reserves		
Share Capital	46,310	46,310
Reserves	42,470	40,577
Treasury shares	-	-
	<hr/> 88,780	<hr/> 86,887
Minority shareholders' interests	776	683
Long term and deferred liabilities		
Borrowings	6,327	165
Deferred taxation	1,073	1,073
Retirement benefits	-	-
	<hr/> 96,956	<hr/> 88,808
Net tangible assets per share (sen)	190	186

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Reports for the year ended 31 May 2004.

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Income Statement For the period ended 30 November 2004

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/11/04 RM'000	Preceding Year Corresponding Quarter 30/11/03 RM'000	Current Year to Date 30/11/04 RM'000	Preceding Year Corresponding Period 30/11/03 RM'000
Revenue	46,609	38,898	86,307	71,375
Operating profit	1,565	1,294	2,897	1,967
Interest expense	366	372	654	399
Interest income	-	-	-	-
Share of profit of associates and jointly controlled entities	-	-	-	-
Profit before taxation	1,199	922	2,243	1,568
Tax expense	122	-	272	130
Profit after taxation	1,077	922	1,971	1,438
Less: Minority interest	(166)	10	94	110
Net profit for the period	1,243	912	1,877	1,328
Basic earnings per ordinary share (sen)	2.68	1.97	4.05	2.87
Diluted earnings per ordinary share (sen)	2.68	1.97	4.05	2.87

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Reports for the year ended 31 May 2004.

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Statement of Changes in Equity For the period ended 30 November 2004

	Non- distributable RM'000	Distributable retained profits RM'000	Total RM'000
At 1 June 2004	83,665	3,222	86,887
Net gains and losses not recognized in the income statement	-	-	-
Currency translation differences	16	-	16
Net profit for the period	-	1,877	1,877
At 30 November 2004	83,681	5,099	88,780
At 1 June 2003	83,685	1,174	84,859
MASB 25 adjustment	(20)	(723)	(743)
Restated balance	83,665	451	84,116
Net gains and losses not recognized in the income statement	-	-	-
Currency translation differences	-	-	-
Net profit for the period	-	1,328	1,328
At 30 November 2003	83,665	1,779	85,444

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Reports for the year ended 31 May 2004.

PENSONIC HOLDINGS BERHAD (300426-P)

Condensed Consolidated Cash Flow Statement For the period ended 30 November 2004

	30 November 2004 RM'000	30 November 2003 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before taxation	2,243	1,568
Adjustments	1,244	1,028
Operating Profit Before Working Capital Changes	3,487	2,596
Changes in working capital		
Net changes in current assets	(15,391)	(5,768)
Net changes in current liabilities	2,891	6,075
Net Cash (Used In)/Generated From Operations	(9,013)	2,903
Tax refunded	11	-
Tax expense	(197)	-
Interest expense	(654)	(399)
Net Cash (Used In)/ Generated From Operating Activities	(9,853)	2,504
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Equity investments	(4,000)	-
Other investments	(8,593)	(680)
Net Cash Used In Investing Activities	(12,593)	(680)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Borrowings	21,534	(514)
Dividends paid	-	-
Net Cash Generated From/(Used In) Financing Activities	21,534	(514)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(912)	1,310
Effect of exchange rate differences on cash and cash equivalents	1	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,932	3,117
CASH AND CASH EQUIVALENTS AT END OF YEAR	5,021	4,427

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Reports for the year ended 31 May 2004.

PENSONIC HOLDINGS BERHAD (300426-P)

Quarterly Report on consolidated results for the 2nd financial quarter ended 30 November 2004

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Accounting Policies

The interim financial report is unaudited and has been prepared in compliance with MASB 26, 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 2004.

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 2004 except for the following:

- (a) MASB 25, Income Taxes which has been adopted retrospectively. Comparative figures have been adjusted to reflect the changes in this accounting policy; and
- (b) MASB 29, Employee Benefits which has been adopted retrospectively. The adoption of this Standard has no material impact on the financial statements.

A2. Auditors' Report

The auditors' report of the audited financial statements for the financial year ended 31 May 2004 was not subjected to any qualification.

A3. Seasonal/Cyclical Factors

There were no significant seasonal or cyclical factors which have materially affected the results of the Group for the second quarter.

A4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial period under review.

A5. Changes in Estimates

There were no changes in estimates of accounts reported in prior interim period of the current or previous financial year.

A6. Issuance of Equity or Debts 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.

A7. Dividend Paid

Subsequent to the end of the current quarter, a first and final dividend of 3 sen per share less tax at 28% amounting to RM1,000,296 in respect of the financial year ended 31 May 2004 was paid on 30 December 2004.

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A8. Segmental Revenue and Results

(i) Business Segments

	Manufacturing and Assembling	Trading	Elimination	Consolidation
2004	RM'000	RM'000	RM'000	RM'000
Revenue				
External revenue	7,100	79,207	-	86,307
Inter-segment Revenue	68,388	1,063	(69,451)	-
Total revenue	75,488	80,270	(69,451)	86,307
Result				
Segment result	(804)	3,701	-	2,897
Finance costs	(414)	(240)	-	(654)
Profit/(Loss) before taxation	(1,218)	3,461	-	2,243
Tax expense				(272)
Profit after taxation				1,971
Minority interest				(94)
Net profit for the period				1,877
Other segment item				
Depreciation	411	312	-	723

	Manufacturing and Assembling	Trading	Elimination	Consolidation
2003	RM'000	RM'000	RM'000	RM'000
Revenue				
External revenue	5,019	66,356	-	71,375
Inter-segment Revenue	63,563	1,216	(64,779)	-
Total revenue	68,582	67,572	(64,779)	71,375
Result				
Segment result	2,959	(992)	-	1,967
Finance costs	(248)	(151)	-	(399)
Profit/(Loss) before taxation	2,711	(1,143)	-	1,568
Tax expense				(130)
Profit after taxation				1,438
Minority interest				(110)
Net profit for the period				1,328
Other segment item				
Depreciation	394	246	-	640

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A8. Segmental Revenue and Results (Cont'd)

(ii) Geographical Segments

	Revenue by location of customers	Profit/(Loss) before taxation	Segment assets	Segment liabilities
2004	RM'000	RM'000	RM'000	RM'000
Malaysia	73,783	3,124	151,145	67,118
Outside Malaysia	12,524	(881)	9,424	3,895
	86,307	2,243	160,569	71,013

	Revenue by location of customers	Profit/(Loss) before taxation	Segment assets	Segment liabilities
2003	RM'000	RM'000	RM'000	RM'000
Malaysia	62,899	1,983	119,645	31,887
Outside Malaysia	8,476	(415)	7,970	9,278
	71,375	1,568	127,615	41,165

Year 2004 refers to 6 months period ended 30 November 2004 as compare to year 2003 which also refers to 6 months period ended 30 November 2003.

A9. 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.

A10. Material Subsequent Events

As at the date of issue of this quarterly report, there were no material events subsequent to the end of this period reported on that have not been reflected in the financial statements for the said period.

A11. Changes in Composition of the Group

There were no changes in the composition of the Group for the current financial period ended 30 November 2004.

A12. Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual financial statements.

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A13. Capital Commitments

	As at 30.11.2004 RM'000	As at 31.05.2004 RM'000
Property, plant and equipment Contracted but not provided for	<u>1,037</u>	<u>6,387</u>

A14. Significant Related Party Transactions

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

	6 months ended 30.11.2004 RM'000	6 months ended 30.11.2003 RM'000
Purchase of raw material from Pensia Plastic Industries Sdn. Bhd.	3,944	3,247
Electricity charges paid by Pensia Plastic Industries Sdn. Bhd.	160	179
Factory rental paid by Pensia Plastic Industries Sdn. Bhd.	<u>90</u>	<u>80</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 RM1,199,000 for the current year quarter compared to the profit before tax of RM922,000 in the preceding year corresponding quarter.

Turnover for the current year quarter is RM46,609,000 compared to RM38,898,000 in the preceding year corresponding quarter. There was an increase of 19.82% 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 operation of the Group for the period from 30 November 2004 to the date of issue of this quarterly report.

B2. Variation of Results against Preceding Quarter

The Group achieved a profit before taxation of RM1,199,000 for this quarter as compared with a profit before taxation of RM922,000 for the corresponding quarter in the preceding year. This is mainly due to the higher sales recorded in this quarter compared to the preceding quarter.

B3. Prospect for the Current Financial Year

The Board of Directors expects the domestic and global economy to continue to be stable in the absence of any external shocks. Barring any unforeseen circumstances, the Group expects that 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

	6 months ended 30.11.2004 RM'000	6 months ended 30.11.2003 RM'000
Income Tax		
- Provision for current period	150	130
- Under provision for prior years	122	-
	<u>272</u>	<u>130</u>

The Group's effective tax rate for the current quarter and cumulative year to date is lower than the statutory tax rate due mainly to the utilization of available capital allowances and unabsorbed losses brought forward.

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B6. Profit on Sale of Investments and/or Properties

There were no profits on sale of investments and/or properties for the current financial period ended 30 November 2004.

B7. Quoted Securities

There was no purchase or disposal of quoted securities for the current financial period ended 30 November 2004.

B8. Status of Corporate Proposal

(a) the Company has subdivided its issued and fully paid-up capital of RM46,310,000 Ordinary Shares of RM1.00 each into RM92,620,000 Ordinary Shares of RM0.50 each. All approvals from the relevant authorities and shareholders for the share split have been obtained. After the share split, the entire issued and paid-up share capital were requoted on 5 January 2005;

(b) the Company has established a new Employees' Share Option Scheme ("ESOS") of up to fifteen percent (15%) of the issued and paid-up share capital of the Company. All approvals from the relevant authorities and shareholders have been obtained for the ESOS, which is now pending implementation; and

(c) the Company has entered into a Sales & Purchase Agreement on 6 December 2004 for the proposed acquisition of 1,785,000 Ordinary Shares of RM1.00 each in Arcadia Global Sdn Bhd representing 51% of the issued and paid-up capital therein together with the assignment of a Profit Guarantee from Cangkat Kordinasi Sdn Bhd for a total cash consideration of RM6,069,000. An announcement on the proposed acquisition has been made to Bursa Malaysia on 6 December 2004. The proposed acquisition is still pending completion.

B9. Borrowings and Debts Securities

Details of the Group's borrowings as at the end of this reporting period:

	As at 30.11.2004 RM'000	As at 31.05.2004 RM'000
Secured-repayable within one year		
Bank Overdraft	3,651	5,021
Bills Payable	39,172	28,692
Term Loan	811	30
	<u>43,634</u>	<u>33,743</u>
Secured-repayable one to five years		
Term Loan	<u>5,738</u>	<u>-</u>

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B9. Borrowings and Debts Securities (Cont'd)

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

	As at 30.11.2004 RM'000	As at 31.5.2004 RM'000
Hire Purchase Creditors	866	266
Less: Interest In Suspense	(109)	(37)
	<u>757</u>	<u>229</u>
Repayable within one year	168	64
Repayable one to five years	589	165
	<u>757</u>	<u>229</u>

The bank borrowings and term loans bear interest at rates ranging from 1.25% to 2% above the banks' base lending rates and are secured by the following:

- i) Legal charges over certain properties belonging to the subsidiary companies;
- ii) Fixed deposits belonging to the subsidiary companies; and
- iii) 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 November 2004.

B12. Dividend Payable

There is no dividend proposed in this financial quarter.

A first and final dividend of 3 sen per share less tax at 28% amounting to RM1,000,296 in respect of the financial year ended 31 May 2004 was paid on 30 December 2004.

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B13. Earnings Per Share

	6 months ended 30.11.2004 RM'000	6 months ended 30.11.2003 RM'000
Net profit for the period	1,877	1,328
Ordinary share in issue	46,310	46,310
Basic earning per share (sen)	<u>4.05</u>	<u>2.87</u>

By order of the Board

Ker Siew Luan

Secretary

Dated : 13th January, 2005