

PENSONIC HOLDINGS BERHAD (300426-P)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 29 FEBRUARY 2012

PENSONIC HOLDINGS BERHAD (300426-P)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 29 FEBRUARY 2012***Unaudited*

	Individual Quarter		Cumulative Quarter	
	29 Feb 2012 RM'000	28 Feb 2011 RM'000	29 Feb 2012 RM'000	28 Feb 2011 RM'000
Revenue	85,081	79,647	258,370	230,268
Cost of sales	(67,634)	(60,940)	(201,418)	(178,017)
Gross profit	17,447	18,707	56,952	52,251
Other operating income	1,150	216	1,829	927
Administrative, selling & distribution expenses	(18,715)	(16,292)	(53,850)	(44,251)
Results from operating activities	(118)	2,631	4,931	8,927
Finance costs	(1,018)	(1,388)	(2,830)	(3,401)
Share of equity accounted associates	-	-	-	-
Profit before tax	(1,136)	1,243	2,101	5,526
Tax expense	(5)	(411)	(40)	(855)
Profit/ (loss) for the period	(1,141)	832	2,061	4,671
Other comprehensive (expense)/ income, net of tax				
Foreign currency translation differences for foreign operations	(70)	(61)	(2)	89
Total comprehensive (expense)/ income for the period	(1,211)	771	2,059	4,760
Profit/ (loss) attributable to:				
Shareholders of the Company	(1,141)	896	2,241	4,857
Minority interests	-	(64)	(180)	(186)
Profit/ (loss) for the period	(1,141)	832	2,061	4,671
Total comprehensive income/(loss) attributable to:				
Shareholders of the Company	(1,211)	835	2,239	4,946
Minority interests	-	(64)	(180)	(186)
Profit/(loss) for the period	(1,211)	771	2,059	4,760
Basic earnings per ordinary share (sen)	(1.23)	0.97	2.42	5.24

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2011 and the accompanying explanatory notes attached to the interim financial statement.

PENSONIC HOLDINGS BERHAD (300426-P)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2012***Unaudited*

	Note	Unaudited 29-Feb-12 RM'000	Audited 31-May-11 RM'000
ASSETS			
Property, plant and equipment		51,473	43,497
Investment properties		1,170	1,178
Deferred tax assets		1,354	1,354
Intangible assets		1,022	1,024
Investments in associates		163	163
Other investments		54	-
		<hr/>	<hr/>
Total non-current assets		55,236	47,216
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Trade and other receivables		76,785	74,089
Inventories		85,766	86,154
Current tax assets		3,282	563
Cash and cash equivalents		14,531	15,399
		<hr/>	<hr/>
Total current assets		180,364	176,205
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
TOTAL ASSETS		235,600	223,421
		<hr/>	<hr/>
EQUITY			
Share capital		46,310	46,310
Reserves		51,325	50,649
		<hr/>	<hr/>
Total equity attributable to owners of the Company		97,635	96,959
Minority interests		-	180
		<hr/>	<hr/>
TOTAL EQUITY		97,635	97,139
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)
AS AT 29 FEBRUARY 2012***Unaudited*

	Note	Unaudited 29-Feb-12 RM'000	Audited 31-May-11 RM'000
LIABILITIES			
Loans and borrowings	B8	3,720	3,443
Deferred tax liabilities		1,291	1,043
Total non-current liabilities		<u>5,011</u>	<u>4,486</u>
Trade and other payables		38,858	40,263
Loans and borrowings	B8	92,175	80,880
Current tax liabilities		1,921	653
Total current liabilities		<u>132,954</u>	<u>121,796</u>
Total liabilities		<u>137,965</u>	<u>126,282</u>
TOTAL EQUITY AND LIABILITIES		<u>235,600</u>	<u>223,421</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 May 2011 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**AS AT 29 FEBRUARY 2012***Unaudited*

	-----Attributable to owners of the Company-----					Total Equity RM'000
	Share Capital RM'000	Non- Distributable Reserve RM'000	Retained Earnings RM'000	Total RM'000	Minority Interests RM'000	
At 1 June 2011	46,310	26,175	24,474	96,959	180	97,139
Total comprehensive income/ (expense)	-	(349)	2,241	1,892	(180)	1,712
Dividends			(1,216)	(1,216)	-	(1,216)
At 29 February 2012	46,310	25,826	25,499	97,635	-	97,635
At 1 June 2010	46,310	28,821	19,775	94,906	503	95,409
Total comprehensive income/ (expense)	-	(244)	3,338	3,094	(323)	2,771
Effect of warrant expired	-	(2,402)	2,402	-	-	-
Dividends	-	-	(1,041)	(1,041)	-	(1,041)
At 31 May 2011	46,310	26,175	24,474	96,959	180	97,139

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 May 2011 and the accompanying explanatory notes attached to the interim financial statements

PENSONIC HOLDINGS BERHAD (300426-P)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 29 FEBRUARY 2012***Unaudited*

	Nine months ended	
	29 Feb 2012 RM'000	28 Feb 2011 RM'000
Cash flows (used in)/ from operating activities		
Profit before taxation	2,101	5,526
Adjustments	4,649	6,368
Operating profit before changes in working capital	6,750	11,894
Changes in working capital:		
Net changes in current assets	(1,802)	(6,577)
Net changes in current liabilities	(1,507)	2,635
Cash used in operations	3,441	7,952
Interest received	41	10
Tax paid	(1,242)	(1,030)
Interest paid	(2,830)	(3,401)
Net cash used in operating activities	(590)	3,531
Cash flows used in investing activities		
Equity investments	-	-
Other investments	(10,622)	(3,112)
Net cash used in investing activities	(10,622)	(3,112)
Cash flows from financing activities		
Borrowings	13,546	6,909
Drawdown of finance lease liabilities	238	-
Repayment of term loans	(1,769)	-
Dividends paid	(1,216)	(1,041)
Placement of pledged fixed deposits	(165)	-
Repayment of finance lease liabilities	(113)	-
Net cash from financing activities	10,521	5,868
Net (decrease)/ increase in cash and cash equivalents	(691)	6,287
Cash and cash equivalents at beginning of period	3,583	5,411
Effect of exchange differences on cash and cash equivalents	(2)	(159)
Cash and cash equivalents at end of period	2,890	11,539

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
FOR THE QUARTER ENDED 29 FEBRUARY 2012**

Unaudited

	Nine months ended	
	29 Feb	28 Feb
	2012	2011
	RM'000	RM'000
Cash and cash equivalents comprised the following:		
Cash and bank balances	11,492	18,807
Bank overdrafts	(8,602)	(7,984)
Short term deposits with licensed banks	3,039	3,967
	<hr/>	<hr/>
	5,929	14,790
Fixed deposits pledged to bank	(3,039)	(3,251)
	<hr/>	<hr/>
	2,890	11,539
	<hr/>	<hr/>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 May 2011 and the accompanying explanatory notes attached to the interim financial statements.

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PART A - DISCLOSURE NOTES AS REQUIRED UNDER FRS 134

A1. Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed interim financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 May 2011. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2011.

A2. Change in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 May 2011, except for the adoption of the following new Financial Reporting Standards ("FRSs"), amendments and interpretations that have been issued by the Malaysian Accounting Standard Board ("MASB") but are not yet effective for the Group:

FRSs, Interpretations and amendments effective for the annual periods beginning on or after 1 July 2011

- FRS 1, First-time Adoption of Financial Reporting Standards (revised)
- FRS 3, Business Combinations (revised)
- FRS 127, Consolidated and Separate Financial Statements (revised)
- Amendments to FRS 2, Share-based Payment
- Amendments to FRS 5, Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 138, Intangible Assets
- IC Interpretation 12, Service Concession Agreements
- IC Interpretation 16, Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17, Distribution of Non-cash Assets to Owners
- Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives

Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards
 - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
 - Additional Exemption for First-time Adopters
- Amendments to FRS 2, Group Cash-settled Share Based Payment Transaction
- Amendments to FRS 7, Financial Instruments: Disclosures -Improving Disclosures about Financial Instruments
- IC Interpretation 18, Transfers of Assets from Customers
- Improvements to FRSs (2010)

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FRS and interpretation effective for annual periods beginning on or after 1 January 2012

- FRS 124, Related Party Disclosures (revised)
- IC Interpretation 15, Agreements for the Construction of Real Estate

The initial application of a standard, amendment and an interpretation, which will be applied prospectively or which requires extended disclosures, is not expected to have any financial impact to the current and prior period financial statements upon their first adoption.

The initial application of the other standards, amendments and interpretations are not expected to have any material impact on the financial statements of the Group.

Following the announcement by the MASB on 1 August 2008, the Group's financial statements will be prepared in accordance with the International Financial Reporting Standards (IFRS) framework for annual periods beginning on 1 June 2012. The change of the financial reporting framework is not expected to have any significant impact on the financial position and performance of the Group.

A3. Auditors' report

The auditors' report of the audited financial statements for the financial year ended 31 May 2011 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.

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 and financial year under review.

A8. Dividend

The first and final dividend of 1.75 sen per share less 25% tax amounting to approximately RM1,215,638 in respect of the financial year ended 31 May 2011 was paid on 30 December 2011.

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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.

	For the nine months ended			
	29 Feb 2012	28 Feb 2011	29 Feb 2012	28 Feb 2011
	Segment Revenue		Segment Assets	
	RM'000	RM'000	RM'000	RM'000
Malaysia	194,337	174,178	217,160	193,043
Outside Malaysia	64,033	56,090	18,440	39,490
	258,370	230,268	235,600	232,533

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 is no change in the composition of the Group during the current quarter ended 29 February 2012.

A13. Contingent Liabilities

The Group is currently appealing against the Inland Revenue Board's decision to disallow certain expenses incurred by certain subsidiaries for income tax purposes which may result in additional income tax payable by the Group. Pending the finalization of the appeal, the Group has made full provision and fully paid RM1.3 million under dispute.

The Directors, having relied on the opinion from the solicitors, are of the opinion that no further provision is necessary.

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A.14. Commitments

Capital expenditure contracted for property, plant and equipment at the reporting date but not yet incurred amounted to RM4,564,189.50.

On September 2011, the Group entered into a sale and purchase agreement (“SPA”) to purchase a piece of land for a consideration of RM5,705,236.90. As at the date of this report, the Group has paid a deposit sum of RM1,141,047.40, representing 20% of the purchase consideration of the said land.

A15. 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 29-02-2012 RM'000	Year ended 31-05-2011 RM'000
Purchase of raw material from -Pensia Plastic Industries Sdn. Bhd.	5,423	7,588
Subcon and service charge income from -Pensia Plastic Industries Sdn. Bhd. -Pensonic Technology Sdn. Bhd.	466 6	831 -
Sales of goods to an associate -Pensonic (B) Sdn Bhd	775	529
Rental income charged for sub-letting of factory premises -Pensia Plastic Industries Sdn. Bhd. -Pensonic Technology Sdn. Bhd.	90 12	60 -
Rental expenses charge by - Directors of the Group	45	60

A16. Disclosure of Realized and Unrealized Profit/ Losses

	Period ended 29-02-2012 RM'000	Year ended 31-05-2011 RM'000
Realised	25,599	27,240
Unrealised	(740)	(355)
	24,859	26,885
Less: Consolidation adjustments	(640)	(2,411)
Total retained earnings	25,499	24,474

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PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. Review of Performance

Turnover for the current quarter is RM85,081,000, an increase of 6.8% as compared with RM79,647,000 reported in the preceding year corresponding quarter.

The Group has recorded a loss before tax of RM1,136,000 for the current quarter compared to a profit before tax of RM1,243,000 in the preceding year corresponding quarter. The decrease was mainly due to lower margin recorded as a result of active promotional activities carried out and also the increases in administration, selling and distribution expenses in current quarter for future expansion.

B2. Variation of results against preceding quarter

Turnover for the current quarter is RM85,081,000, a decrease of 2% as compared with RM87,102,000 reported in the immediate preceding quarter.

The Group also registered a loss before tax of RM1,136,000 in the current quarter from a profit before tax of RM851,000 in the immediate preceding quarter. The decrease was mainly due to lower margin recorded as a result of active promotional activities carried out and also the increases in administration, selling and distribution expenses in current quarter for future expansion.

B3. Prospects for the Current Financial Year

The Group will continue to focus on its core business and planned to strengthen the growth and profitability for the remaining period of financial year.

B4. Variance from Profit Forecast

Not applicable as no profit forecast was published.

B5. Sales of Unquoted Investments and Properties

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

B6. Quoted Securities

There were no purchase or disposal of quoted securities for the current quarter ended 29 February 2012.

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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 financial period are as follows:

	Unaudited 29-Feb-2012 RM'000	Audited 31-May-11 RM'000
<u>Current</u>		
Unsecured		
Bank overdraft	3,035	4,764
Bankers' acceptance	14,647	14,752
Term loans	279	1,103
	<hr/> 17,961	<hr/> 20,619
Secured		
Bank overdraft	5,567	4,168
Bankers' acceptance	68,259	53,914
Bills payable	-	157
Trust receipts	-	536
Term loans	343	1,353
Finance lease liabilities	45	133
	<hr/> 74,214	<hr/> 60,261
	<hr/> 92,175	<hr/> 80,880
<u>Non - current</u>		
Unsecured		
Term loans	810	786
Secured		
Term loans	2,277	2,237
Finance lease liabilities	633	420
	<hr/> 2,910	<hr/> 2,657
	<hr/> 3,720	<hr/> 3,443
 The currency exposure profile of bank borrowings is as follows:		
Ringgit Malaysia	89,610	83,631
Singapore Dollar	717	-
Hong Kong Dollar	283	693
	<hr/> 90,610	<hr/> 84,324

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; and
- iii) Corporate guarantee by the Company.

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B9. Off Balance Sheet Financial Instruments

There are no financial instruments with off balance sheet risk at date of issue of this quarterly report.

B10. Material Litigation

The Group is not engaged in any material litigation for the quarter ended 29 February 2012.

B11. Dividend Paid

The first and final dividend of 1.75 sen per share less 25% tax amounting to approximately RM1,215,638 in respect of the financial year ended 31 May 2011 was paid on 30 December 2011.

B12. Earnings Per Share

	Individual Quarter	
	30 November	
	2011	2010
Net profit for the year attributable to owners of the Company ('000)	(1,141)	896
Ordinary shares in issue ('000)	92,620	92,620
Basic earnings per share (sen)	<u>(1.23)</u>	<u>0.97</u>

B13. Authorization for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Board of Directors dated 26 April 2012.

BY ORDER OF THE BOARD

Lee Hong Lim
Secretary

Date: 26 April 2012