

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 26th Annual General Meeting ("AGM") of PENSONIC HOLDINGS BERHAD ("PENSONIC" or the "Company") will be held at 1165, Lorong Perindustrian Bukit Minyak 16, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang, on Wednesday, 28 October 2020 at 2.30 pm to transact the following business:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 May 2020 together with the Reports of Directors and Auditors thereon.
2. To re-elect the following Directors who retire in accordance with Clause 103 of the Company's Constitution and who, being eligible, have offered themselves for re-election:
 - (a) Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim Ordinary Resolution 1
 - (b) Ong Huey Min Ordinary Resolution 2
 - (c) Chew Chuon Fang Ordinary Resolution 3
3. To approve the payment of Directors' Fees of up to RM300,000 for the period commencing this AGM through to the next AGM of the Company in 2021. Ordinary Resolution 4
4. To re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. Ordinary Resolution 5

As Special Business

To consider and if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:

5. **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** Ordinary Resolution 6

"THAT, subject always to the Companies Act, 2016 ("the Act"), the Constitution of the Company and the approvals of the relevant government/regulatory authorities, the Directors be and are hereby authorised, pursuant to Sections 75 and 76 of the Act, to allot and issue shares in the Company at any time until the conclusion of the next AGM and to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deemed fit, provided that the aggregate number of shares to be issued does not exceed 10% of total number of issued shares/ total number of voting shares of the Company for the time being and that the Directors are also empowered to obtain the approval from the Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares to be issued."

6. **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")** Ordinary Resolution 7

"THAT subject always to the Act, the Constitution, the Listing Requirements and the approvals of the relevant government/regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries to enter into related party transactions with the Mandated Related Parties, particulars of which are set out in the Circular dated 29 September 2020, provided that such transactions are:

- (a) recurrent transaction of a revenue or trading nature;
- (b) necessary for the day-to-day operations of the Company and/or its subsidiaries;
- (c) carried out in the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms with those generally available to the public; and
- (d) not detrimental to the interests of the minority shareholders of the Company;

AND THAT such authority shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following this AGM where the authority is approved, at which time the authority will lapse unless renewed by a resolution passed at the meeting; or
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier;

AND THAT the Directors of the Company be authorized to do, carry out and complete all such acts, things and arrangements (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions as contemplated/authorized by the Proposed Shareholders' Mandate in accordance with the Act, provisions of the Constitution, the Listing Requirements and any other regulatory authorities, and other relevant approvals."

7. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO BUY-BACK ITS OWN SHARES** Ordinary Resolution 8

"THAT, subject always to the Act, provisions of the Constitution and the Main Market Listing Requirements of the Bursa Securities ("Listing Requirements") and any other relevant authorities, the Directors of the Company be hereby unconditionally and generally authorised to purchase ordinary shares in the Company's total number of issued shares ("PHB Shares") through the Bursa Securities at any time and upon such terms and conditions and for such purposes as the Directors may, in their discretion deem fit, subject to the following:

- (a) the maximum aggregate number of ordinary shares which may be purchased and/or held by the Company shall not exceed ten per centum (10%) of the PHB Shares for the time being;
- (b) the maximum amount of fund to be allocated by the Company for the purpose of purchasing the PHB Shares shall not exceed the audited retained profits of RM16,985,825 of the Company as at 31 May 2020;
- (c) the authority conferred by this resolution will be effective immediately upon the passing of this resolution and shall continue in force until:

- (i) the conclusion of the next AGM of the Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM is required by law to be held (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting) but not so as to prejudice the completion of purchase(s) by the Company made before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements or any other relevant authorities;

(d) upon completion of the purchase(s) of the PHB Shares by the Company, the Directors of the Company be hereby authorised to deal with the PHB Shares in the following manner:

- (i) to cancel the PHB Shares so purchased; or
- (ii) to retain the PHB Shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resale on the market of Bursa Securities and/or for cancellation subsequently; or
- (iii) to retain part of the PHB Shares so purchased as treasury shares and cancel the remainder; or
- (iv) in such other manner as the Bursa Securities and such other relevant authorities may allow from time to time.

AND THAT the Directors of the Company be and are hereby authorised to take all such actions and steps as are necessary or expedient to implement or to effect the purchase of PHB Shares."

8. To transact any other business of which due notice shall have been given.

By Order of the Board

Ong Tze-En
Company Secretary | MAICSA 7026537 | SSM PC No. 202008003397
Penang
29 September 2020

Notes:

1. A proxy must be of full age. A proxy may but need not be a member. To be valid, this form, duly completed must be deposited at the Registered Office of the Company, 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia not less than forty-eight (48) hours before the time for holding the meeting PROVIDED that in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/his/her proxy, Provided Always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s).
2. A member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. Where a member of the Company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an Exempt Authorized Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorized Nominee may appoint in respect of each omnibus account it holds. An Exempt Authorized Nominee refers to an authorized nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
5. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
6. If the appointor is a corporation the Form of Proxy must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorized.
7. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors ("ROD") as at 21 October 2020 and only a Depositor whose name appears on such ROD shall be eligible to attend this meeting or appoint proxy to attend and/or vote on his/her behalf.

Explanatory Notes on Ordinary and Special Business:

1. Item 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require a formal approval of shareholders of the Company and hence, Item 1 is not put forward for voting.
2. Under the proposed **Ordinary Resolution 4**, the Directors' fees to the Directors have been reviewed by the Remuneration Committee and the Board of Directors of the Company. The Directors' fees are in the best interest of the Company and in accordance with the remuneration framework of the Group. The Directors' fees, if passed, will facilitate the payment of Directors' fees to the Directors for the period commencing this AGM through to the next AGM. Details of Directors' fees for the financial year ended 31 May 2020 are enumerated under the Corporate Governance Overview Statement in the Annual Report 2020.
3. The proposed **Ordinary Resolution 6**, is for the purpose of granting a renewed general mandate ("General Mandate") and if passed, will give authority to the Board of Directors to issue and allot ordinary shares at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier. As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 30 October 2019 and which will lapse at the conclusion of the 26th AGM. The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.
4. The proposed **Ordinary Resolution 7**, if passed, will approve the Proposed Shareholders' Mandate and allow the Company and its subsidiaries to enter into the existing recurrent related party transactions as set out in the Circular dated 29 September 2020. This approval shall continue to be in force until the conclusion of the next AGM of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the meeting; or the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or revoked or varied by resolutions passed by the shareholders of the Company in a general meeting; whichever is the earliest.
5. The proposed **Ordinary Resolution 8**, if passed, will allow the Company to purchase its own shares. The total number of shares purchased shall not exceed 10% of the total number of issued share capital of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the next AGM of the Company.