

# PENSONIC

Your Enjoyment

# ANNUAL REPORT 2022





**PENSONIC**  
*Your Enjoyment*



# FUEL YOUR PASSION

EXPLORE A VARIETY OF STYLES,  
SIMPLIFY TASKS AND  
SPARK CREATIVITY WITH PENSONIC.

AIR FRYER OVEN | PDF-1100DX



CORNELL®

BLUE  
**Bao**  
SERIES



A SIMPLER LIFE

MINIMUM EFFORT, INCREDIBLE EASE.



# ULTRA

Elegant, Exceptional Performance  
Lebensstil Kollektion, precisely crafted for brilliance.



Air Fryer Oven & Dehydrator 18L LKAF-2001X

Spacious enough for whole chicken or 12-inch pizza

Remotely manage this WiFi enabled kettle from anywhere!



WiFi Smart Jug Kettle 1.7L LKAB-1701WX



Multi Cooker LKMC-1001X

Fry, steam, cook, stew, hot pot, bake or grill with just one cooker

Substitute your fried favourites with healthy alternatives



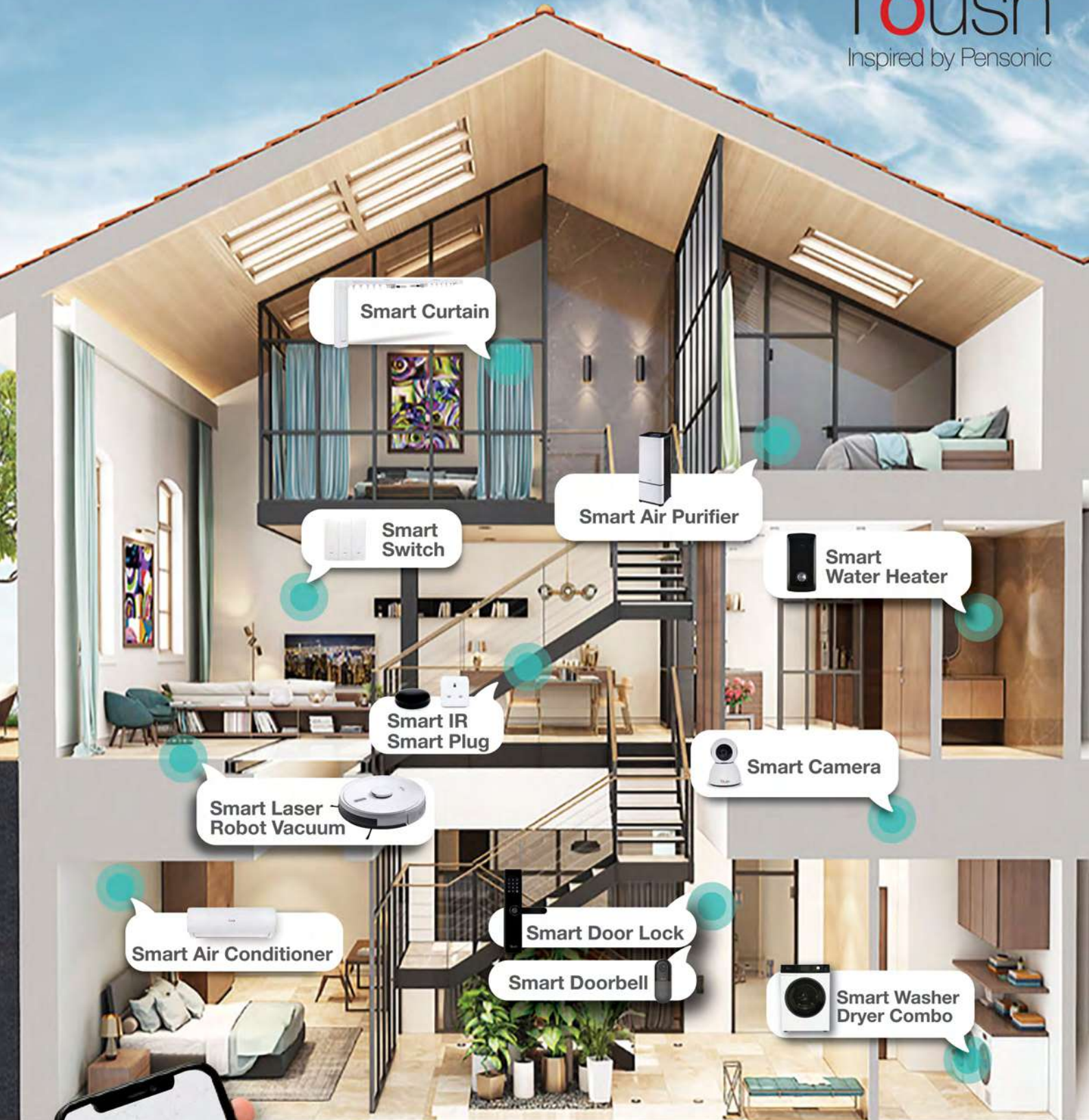
3 In 1 Electric Table Grill LKTG-1001X

Portable, extendable contact grill, panini press or full grill



Air Fryer LKAF-1001X





# AUTOMATION IS LIFE

FREE YOUR TIME. AUTOMATE WITH TOUSH SMART SOLUTIONS.



# MorphyRichards

## Happiness Engineered

Designed for life. Built to last.





# CONTENTS

**2**  
Corporate Information

**3**  
Corporate Structure

**4**  
Profile of Directors  
/Key Senior Management

**6**  
Chairman's Statement

**8**  
Management Discussion  
and Analysis

**11**  
Corporate Governance  
Overview Statement

**26**  
Audit Committee Report

**29**  
Statement on Risk Management  
and Internal Control

**33**  
Sustainability Statement

**40**  
Statement of Proposed Renewal  
of Authority for the Company to  
Purchase Its Own Ordinary Shares  
("Proposed Renewal of Share Buy-  
Back Authority")

**48**  
Additional Compliance Information

**50**  
Financial Statements

**133**  
List of Properties owned by  
the Group

**134**  
Analysis of Shareholdings

**137**  
Analysis of Warrantholdings

**139**  
Notice of Annual General Meeting

**144**  
Statement Accompanying Notice of  
Annual General Meeting

**145**  
Notice of Dividend Entitlement

**Enclosed**  
Form of Proxy



# Corporate Information

## BOARD OF DIRECTORS

**Y. BHG. DATO' SERI CHEW WENG KHAK  
@ CHEW WENG KIAK**  
*Group Executive Chairman*

**CHEW CHUON GHEE, VINCENT**  
*Group Managing Director*

**CHEW CHUON JIN, DIXON**  
*Group Chief Executive Officer*

**CHEW CHUON FANG, NELSON**  
*Group Executive Director*

**ONG HUEY MIN, LINDY**  
*Independent Non-Executive Director*

**Y. BHG. DATO' LELA PAHLAWAN  
DATO' PADUKA KU NAHAR BIN KU IBRAHIM**  
*Independent Non-Executive Director*

**Y. BHG. DATO' TAHIR JALALUDDIN BIN HUSSAIN**  
*Independent Non-Executive Director*

## AUDIT COMMITTEE

**Ong Huey Min, Lindy**  
*Chairman*

**Y. Bhg. Dato' Lela Pahlawan  
Dato' Paduka Ku Nahar Bin Ku Ibrahim**  
*Member*

**Y. Bhg. Dato' Tahir Jalaluddin Bin Hussain**  
*Member*

## NOMINATION COMMITTEE

**Y. Bhg. Dato' Lela Pahlawan  
Dato' Paduka Ku Nahar Bin Ku Ibrahim**  
*Chairman*

**Y. Bhg. Dato' Tahir Jalaluddin Bin Hussain**  
*Member*

**Ong Huey Min, Lindy**  
*Member*

## REMUNERATION COMMITTEE

**Y. Bhg. Dato' Tahir Jalaluddin Bin Hussain**  
*Chairman*

**Y. Bhg. Dato' Lela Pahlawan  
Dato' Paduka Ku Nahar Bin Ku Ibrahim**  
*Member*

**Ong Huey Min, Lindy**  
*Member*

## COMPANY SECRETARY

**Ong Tze-En**  
MAICSA 7026537 | SSM PC No. 202008003397

## REGISTERED OFFICE

170-09-01, Livingston Tower, Jalan Argyll,  
10050 George Town, Pulau Pinang  
T : +604 229 4390  
F : +604 226 5860

## PRINCIPAL OFFICE

1165 Lorong Perindustrian Bukit Minyak 16,  
Taman Perindustrian Bukit Minyak,  
14100 Simpang Ampat, Penang, Malaysia  
T : +604 507 0393 E : info@pensonic.com  
F : +604 507 3825 W : www.pensonic.com

## REGISTRARS

Plantation Agencies Sdn Berhad  
3<sup>rd</sup> Floor, 2 Lebuhr Pantai,  
10300 George Town, Penang, Malaysia  
T : +604 262 5333 E : sharereg@plantationagencies.com.my  
F : +604 262 2018

## AUDITORS

KPMG PLT (LLP0010081-LCA & AF 0758)  
Chartered Accountants  
Level 18, Hunza Tower  
163E, Jalan Kelawei  
10250 Penang, Malaysia  
T : +604 375 1800  
F : +604 238 2222

## PRINCIPAL BANKERS

Malayan Banking Berhad  
HSBC Bank Malaysia Berhad  
Hong Leong Bank Berhad  
AmBank (M) Berhad  
CIMB Bank Berhad

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad  
(Listed since 13 September 1995)  
Stock Name : PENSONI  
Stock Code : 9997

## LEGAL FORM & DOMICILE

Public Limited Liability Company Incorporated and Domiciled in  
Malaysia

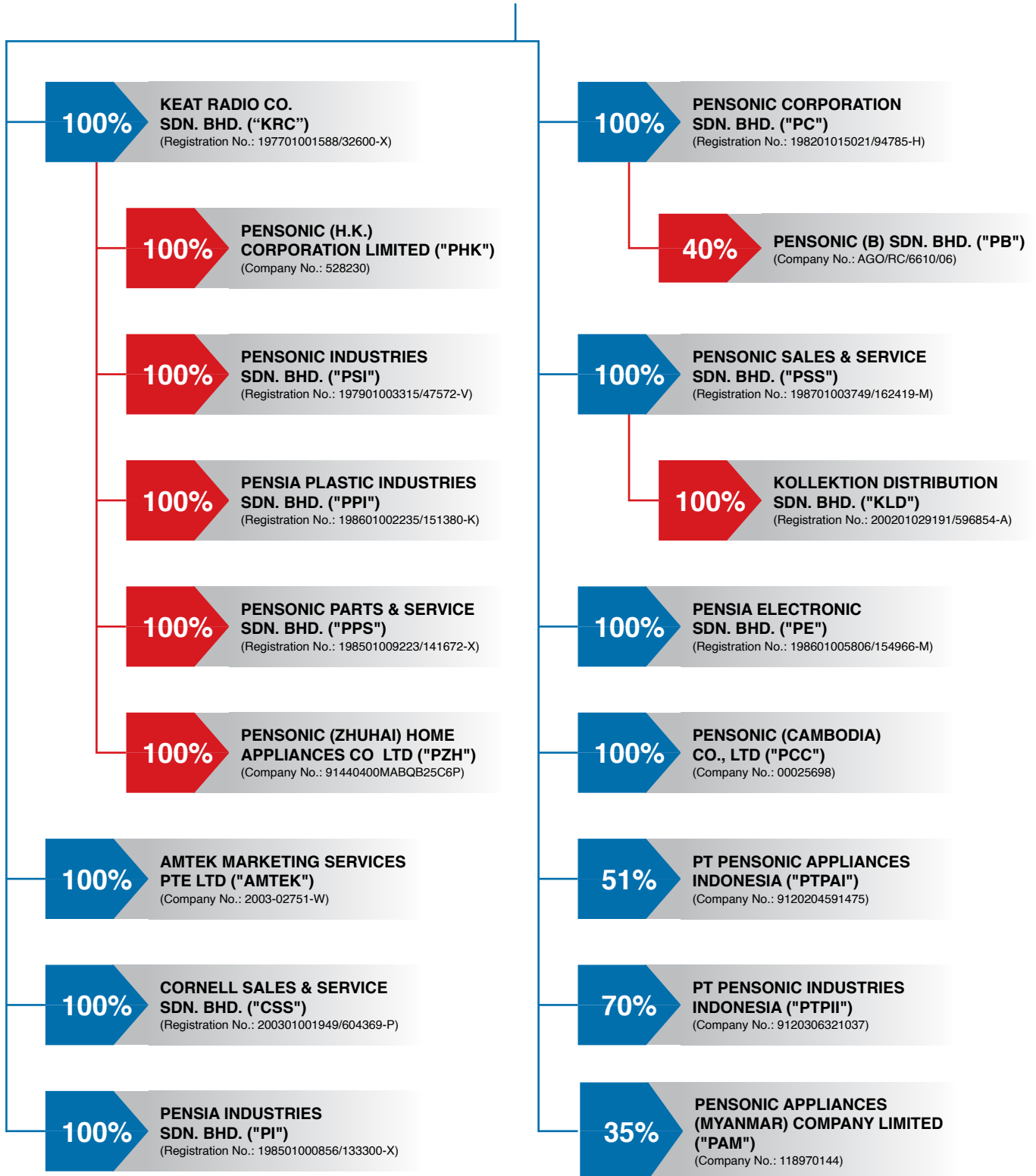


# Corporate Structure

## PENSONIC®

### PENSONIC HOLDINGS BERHAD ("PHB")

(Registration No.: 199401014746/300426-P)



## Profile of Directors / Key Senior Management

**Y. BHG. DATO' SERI  
CHEW WENG KHAK  
@ CHEW WENG KIAK**

*Aged 80, Male, Malaysian  
Group Executive Chairman /  
Key Senior Management*

Y. Bhg. Dato' Seri Chew is the founder and Group Executive Chairman of Pensonic Group. He was appointed to the Board on 13 September 1995.

For more than five decades, his vision and stewardship have steered the Group from a small family business into the leading home-grown electrical home appliances manufacturer and distributor. His invaluable experience and broad-based knowledge in management to sales and production as well as his extensive network of business connections in Malaysia and overseas have been instrumental in sustaining the progressive growth of the Group. His innovative management style and foresight have greatly influenced numerous advancements and milestones achieved by the Group over the years.

He has attended all the five (5) Board meetings held during the financial year. He also sits on the board of subsidiaries as well as several private limited companies.

Dato' Seri Chew is the father of Dixon Chew, Vincent Chew and Nelson Chew, all executive Board members. He is a major shareholder by virtue of his interest through Chew Weng Khak Realty Sdn. Bhd..

**CHEW CHUON GHEE,  
VINCENT**

*Aged 50, Male, Malaysian  
Group Managing Director /  
Key Senior Management*

Vincent Chew joined the Board on 22 February 2002. He graduated from Eastern Michigan University in the United States of America with a Bachelor of Business Administration in 1995. Upon graduation, he joined the Group as Marketing Manager. Subsequently, his role was broadened to encompass manufacturing, operations, sales, I.T., human resources, administration and finance.

He has proven to be an astute and capable leader and was promoted as Group Managing Director in 2014, in charge of the overall management of the Group with focus on both domestic and international market. He served as member of the Executive Committee to Branding Association Malaysia (BAM) from 2009 to 2012 and as the Vice President from 2012 to 2015. He has been serving as the Chairman of the Malaysian Electrical Appliances Distributors Association (MEADA) since 2015.

He has attended all the five (5) Board meetings held during the financial year. He also sits on the board of subsidiaries as well as several private limited companies.

He is a son of Dato' Seri Chew Weng Khak @ Chew Weng Kiak and the brother of Dixon Chew and Nelson Chew.

**CHEW CHUON JIN,  
DIXON**

*Aged 53, Male, Malaysian  
Group Chief Executive Officer  
/ Key Senior Management*

Dixon Chew was appointed to the Board on 13 September 1995. He graduated from the National Cheng Chi University in Taiwan Republic of China with a Bachelor of Business Administration. He joined Pensonic Group in 1993 after a short stint in Lapro Corporation in Taiwan where he gained experience and knowledge on cutting edge manufacturing processes and marketing.

With his extensive experience in the electrical home appliances industry and excellent entrepreneurial skills, Dixon Chew has led the successful expansion of the Pensonic brand and products in many countries in Asia. He currently manages the export and ODM markets.

Dixon Chew also serves as President of the Hong Kong-Malaysia Business Association (HKMBA), a position he has held from 2022 to 2024 in recognition of his leadership and contribution to strong trade relations between these countries. The HKMBA is fully supported by the Hong Kong Trade Development Council.

He has attended all the five (5) Board meetings held during the financial year. He also sits on the board of subsidiaries as well as several private limited companies.

He is a son of Dato' Seri Chew Weng Khak @ Chew Weng Kiak and the brother of Vincent Chew and Nelson Chew.

**CHEW CHUON FANG,  
NELSON**

*Aged 46, Male, Malaysian  
Group Executive Director /  
Key Senior Management*

Nelson Chew joined the Board on 5 September 2017. He graduated from Eastern Michigan University in the United States of America with a Bachelor of Business Administration in 1999. Upon his return to Malaysia, he joined Pensonic Group and worked in various departments from marketing, production to sales to gain practical experience with increasing scope of responsibilities before embarking on his appointed role as corporate branding, public relations and marketing strategist. He currently oversees the creative & design, e-commerce, DCRM, quality assurance and service.

He has attended five (5) Board meetings held during the financial year. He also sits on the board of subsidiaries as well as several private limited companies.

He is the son of Dato' Seri Chew Weng Khak @ Chew Weng Kiak and the brother of Dixon Chew and Vincent Chew.



# Profile of Directors / Key Senior Management

(Cont'd)

**ONG HUEY MIN,  
LINDY**

*Aged 64, Female, Malaysian  
Independent Non-Executive  
Director*

Lindy Ong was appointed to the Board on 3 January 2017. She is a member of the Malaysian Institute of Accountants (MIA), Malaysian Institute of Certified Public Accountants (MICPA) and Chartered Tax Institute of Malaysia (CTIM). Lindy Ong is the Chairman of Audit Committee and a member of Remuneration Committee and Nomination Committee.

She was with KPMG Malaysia for more than 35 years and was the Partner heading the Tax Division of KPMG Penang prior to her retirement on 31 December 2014. She has extensive experience in tax compliance and advisory throughout her career. She was the engagement partner for a wide range of companies which included public listed companies and multinationals in various industries, mainly in manufacturing, property development, construction and hotels. She has advised foreign investors on their initial setting up of operations in Malaysia including on the various tax incentives being promised by the Government.

She has attended all five (5) Board meetings held during the financial year.

Lindy Ong is currently a partner with YNWA Advisory PLT and also an Independent Non-Executive Director of Globetronics Technology Bhd. and DXN Holdings Bhd..

**Y. BHG. DATO' LELA  
PAHLAWAN DATO'  
PADUKA KU NAHAR  
BIN KU IBRAHIM**

*Age 75, Male, Malaysian,  
Independent Non-Executive  
Director*

Y. Bhg. Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim was appointed to the Board on 16 August 2013. He graduated from the University of Malaya in 1970 with a BA (Hons) in Geography. After graduation, he served in various appointments with the Kedah State Administrative Service and was the State District Officer until 2001. He was Director of the Kedah State Economic Planning Unit and was the State Secretary of Kedah until July 2003. Thereafter, he served as Board member in several government controlled corporations.

He is the Chairman of Nomination Committee and a member of the Audit Committee and Remuneration Committee.

He has attended all five (5) Board meetings held during the financial year. He sits on the board of several private limited companies.

**Y. BHG. DATO'  
TAHIR JALALUDDIN  
BIN HUSSAIN**

*Age 59, Male, Malaysian,  
Independent Non-Executive  
Director*

Y. Bhg. Dato' Tahir Jalaluddin Bin Hussain was appointed to the Board on 16 August 2013. He has over 23 years of extensive experience in business and corporate management as well as entrepreneurial activities. He was with Konsortium Perkapalan Berhad from 1985 to 1990. He was a Councillor of the Majlis Perbandaran Pulau Pinang from January 2011 to June 2013. He chairs the Remuneration Committee and is a member of both the Audit Committee and Nomination Committee.

He has attended all five (5) Board meetings held during the financial year. He is also a Director on the Board of several private limited companies.

## **Note:**

*Save as disclosed, none of the Directors have:*

- (a) any family relationship with any Directors and/or major shareholders of the Company;*
- (b) any conflict of interest with the Company other than as disclosed in the notes to the financial statements;*
- (c) held any other directorship in public companies;*
- (d) any conviction for offences within the past 5 years other than traffic offences (if any); and*
- (e) any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

# Chairman's Statement

## DEAR VALUED SHAREHOLDERS,

On behalf of our Board of Directors (“Board”), it is my pleasure to present to you the Annual Report of Pensonic Holdings Berhad (“PENSONIC”) for the financial year ended 31 May 2022 (“FY2022”).

### Overview

The Covid-19 pandemic continued to dominate the economic and financial landscape with numerous headlines in FY2022. The world experienced a resurgence of new Covid-19 cases with increased severity compared to previous pandemic outbreaks. The predicament extinguished the initial anticipation of a strong global economy recovery and led to negative implications on the global supply chain as well as higher inflation. This was made worse by the lingering geopolitical tensions with the prominent one being the Russian invasion on Ukraine.

The Malaysian business community managed to navigate these challenges amid this uncertain times with caution. The Malaysian Government implemented a Full Movement Control Order (“FMCO”) in June 2021, while the authorities initiated substantive measures to expedite Covid-19 vaccination efforts amongst the people.

These measures were fruitful and helped Malaysia to swiftly regain its footing and stayed on track towards the road to recovery. As a result, the monthly economic performance showed better growth from January to March 2022. GDP performance in January 2022 grew by 4.3 per cent, had risen to 5.2 per cent and 5.4 per cent in February and March 2022 respectively. From the current economic standing, the economic performance for the first quarter of 2022 has surpassed the level of first quarter 2019 by 5.2 per cent.

**40<sup>th</sup>**  
*Anniversary*  
**PENSONIC**

### 40th Anniversary Celebrations

PENSONIC is celebrating its 40th anniversary of “Pensonic” brand this year. We have dedicated 40 years of this brand towards innovation, business process improvements and efficiencies to provide our customers with high quality products and services. Our strategy of establishing and developing core business areas that address the changing needs of our customers has enabled us to foster a culture of innovation excellence.

In this highly competitive market and industry, it is imperative for PENSONIC to differentiate itself in the market. With this in mind, the Company has embarked on a series of intensive branding exercises, allowing us to sustain and compete even in tough market conditions. PENSONIC has adopted multiple branding strategies, earning prestigious awards such as the Brand Excellence Award, Putra Brand Award, Best Brand in Consumer Electrical Appliances and The Most Promising Brand of the Year.

In conjunction with our 40th Anniversary Celebrations, PENSONIC launched its Circlez Loyalty Programme and App that unites all the brands under one platform. This one stop platform provide effortless warranty registrations, seamless warranty information tracing, timely customer and service support, easy online shopping, access to ample shopping rewards, earn Circlez points, and also receive updates on latest deals.



# Chairman's Statement

(Cont'd)

## Serving Customers Online

The pandemic has catalysed the boom of digitalization, particularly e-commerce and online shopping. PENSONIC made online shopping seamless through Circlez, a platform where all Pensonic brands are readily available for customers' convenience.

The Touth range of Smart Home Appliances were expanded with the addition of more WiFi enabled home appliances, Cornell's new range of Blue Bae Series were introduced and many new appliances were added in other brands ranging from premium, mid-range or affordably priced items to provide more choices and availability to meet customers' requirements.

All products under Touth Smart Home Appliances can be managed with just one Touth App. Certain selected products from other family brands that are compatible and are WiFi enabled can also be managed using this same Touth App on smartphones, giving customers the freedom of managing appliances remotely from anywhere.

Among the initiatives to attract customers' attention and further strengthen the online presence of Pensonic brands were online advertisements, collaborations with other online companies, giving away freebies, exclusive offers, provide value added services and high quality products. Serving customers are our priority, therefore we strive to provide excellent service to our customers during and after sales service, and throughout an appliance's life span.

## Review of Financial Performance

For the financial year under review, the Group registered a revenue of RM325.0 million with a profit before tax recorded at RM14.8 million. The detailed analysis of the performance for the financial year ended 31 May 2022 is discussed under the Management Discussion and Analysis section contained in this Annual Report.

## Corporate Governance

PENSONIC upholds integrity and transparency in all our operations. Our corporate governance practices and ethical operations reflect our corporate values that are embedded across all entities. We consider a variety of factors and exercise due care when utilizing and allocating the capitals and other resources available to us. Concurrently, we are committed to carrying out our responsibility in creating and preserving value, while doing our best to ensure customers using our products have more enjoyable experiences and will continue to support us in the future.

Bursa Malaysia Securities Berhad's Main Market Listing Requirements' best practices in transparency and accountability frames our corporate governance. Detailed reading can be found on pages 11 to 26.

## Dividend

During FY2022, the Group paid a final dividend of 1 sen per ordinary share totaling approximately RM1.3 million in respect of the financial year ended 31 May 2021 on 31 December 2021. The Group also announced a final dividend of 1.25 sen per ordinary share, subject to the approval of shareholders of the Company at the forthcoming Annual General Meeting.

The Group does not have any formal dividend policy. However, the Board will strive to deliver favourable results and reward its shareholders for their continuing support.

## Acknowledgement

On behalf of the Board, I would like to express our gratitude to all stakeholders for their contributions and faithful support over the years in making PENSONIC the robust company it is today. I would like to thank the directors for their time and guidance, to the management and the team for their capability, tenacity and commitment, to the shareholders for their confidence and to our customers who continue to trust and support us through the years.

Guided by our core values and with the unwavering support of our stakeholders, PENSONIC remains a competitive force in the industry. We have firmly established ourselves as a key player and at the same time, managed to create long-term value for all. We look forward to many years of progress together and ask for your understanding and support now and in the future.

**Y. Bhg. Dato' Seri Chew Weng Khak  
@ Chew Weng Kiak**

Group Executive Chairman  
22 September 2022

# Management Discussion and Analysis

## OVERVIEW OF THE GROUP'S BUSINESS AND OPERATION

Pensonic Group was founded in 1965 as Keat Radio and Electrical Co. in Balik Pulau, Penang. From this humble origin as a small retailer cum workshop for electrical home appliances, Keat Radio and Electrical Co. grew under the leadership of its founder, Dato' Seri Chew Weng Khak into the present-day conglomerate.

The unique and easily remembered name 'Pensonic' was the brainchild of its founder Dato' Seri Chew Weng Khak who coined the word based on special sentiment and personal meaning. 'Pensonic' has always been a topic of conjecture as it is an amalgam of two words, 'Penang' and 'Sonic', hence resulting in 'Pensonic'!

In 1994, Pensonic Holdings Berhad was incorporated as an investment holding company to consolidate the various companies under the Pensonic Group and as the vehicle for its public listing. On 18 December 1995, Pensonic Holdings Berhad was listed on the Main Market of Bursa Malaysia Securities Berhad.

Through its strong distribution network, the Pensonic Group has adopted a multi-brand platform to cater for different product categories and market segments. With **Pensonic** as its core brand, the Pensonic Group also owns the **Lebensstil Kollektion** from Germany and acquired **Cornell** from USA. The Pensonic Group holds the sole distributorship rights in Malaysia for internationally renowned home appliances brand **Morphy Richards** of United Kingdom.

Step into a new era of living, Pensonic introducing **Toush**, a new smart IoT appliances series. Toush signifies touching, sensing, exploring and experiencing life in delightful ways. Designed as intuitive appliances that sense and respond to the user, these appliances connect, automate, quantify, optimise energy and resources, giving consumers more savings while fitting seamlessly into modern lifestyles. In this series, all the appliances are Wi-Fi enabled, can be remotely controlled using the Toush App and voice control with Google Home.

**PENSONIC**  
Your Enjoyment

LEBENSSTIL  
KOLLEKTION

**morphy richards**  
smart ideas for your home

**CORNELL**  
a simpler life

**Töush**  
Inspired by Pensonic

## REVIEW OF FINANCIAL RESULTS AND FINANCIAL HIGHLIGHTS

	FY2021 (RM'000)	FY2022 (RM'000)	Changes (RM'000)	%
Revenue	339,159	<b>325,005</b>	(14,154)	(4.17)
Earnings before interest, tax and amortisation	27,319	<b>24,181</b>	(3,138)	(11.49)
Profit before tax	17,201	<b>14,814</b>	(2,387)	(13.88)
Profit for the year	15,482	<b>13,053</b>	(2,429)	(15.69)
Profit for the year attributable to owners of the Company	15,819	<b>14,356</b>	(1,463)	(9.25)

The financial year 1 June 2021 to 31 May 2022 ("FY2022") was a fruitful yet challenging year for us at PENSONIC as we survived one of the worst crisis of our generation – the Covid-19 pandemic. In view of the emergence of new variants such as Delta which resulted in a spike of Covid-19 infections beginning May 2021, the government decided to re-introduce strict nationwide containment measures – Movement Control Order (MCO 3.0). The continued restrictions perpetuated a difficult business environment sustained from the previous year.

The temporary forced closure of non-essential retail stores, including traditional domestic appliance retailers without an established online presence, have affected the demand for the Group's revenue from June 2021 to August 2021.



# Management Discussion and Analysis

(Cont'd)

## REVIEW OF FINANCIAL RESULTS AND FINANCIAL HIGHLIGHTS (CONT'D)

The Group recorded a lower revenue of RM325.0 million in FY2022 compared to the revenue of RM339.2 million in the previous financial year (FY2021). As the country is transitioning into the endemic stage, where the economic and social activities are resuming to normal, the market demand for electrical home appliances has experienced certain degree of moderation as the public gradually return to workplace.

The Group recorded a profit before tax of RM14.8 million compared to profit before tax of RM17.2 million in the preceding year corresponding period. Higher logistic cost and depreciation of Ringgit Malaysia has eroded the profit before tax for the year.

In year 2020 and 2021, we faced many difficulties in logistics like limited storage space, jaw-dropping freight rates, port congestion, and truck shortage. It is estimated that freight rates will be corrected and will drop in 2022. The fact that freight rates drop is good news, especially for importers like us, however, it is highly unlikely that they will drop back to the pre-pandemic level.

Another reason of lower profit margin was depreciation of Ringgit Malaysia. Ringgit depreciated 6.09 per cent to RM4.3781 on 31 May 2022 against the US dollar from RM4.1266 on 1 June 2021, and is expected to slide further following the decision by the US Federal Reserve to increase interest rates. During the year, we have adjusted the selling price amidst the rising shipping costs and material costs couple with the depreciation of Ringgit Malaysia.

Pensia Electronic Sdn. Bhd. had, on 9 May 2022, entered into a Sale and Purchase Agreement to dispose of all that piece of a property for total disposal price of Ringgit Malaysia Fifteen Million and Eight Hundred Thousand (RM15,800,000.00). The disposal is part of the Group's asset rationalisation exercise to unlock and realise the increase in the value of its landed assets, including the property, to improve the overall financial position of the entire Group.

	FY2021 (RM'000)	FY2022 (RM'000)	Changes (RM'000)	%
Total assets	281,373	<b>315,253</b>	33,880	12.04
Non-current assets	122,311	<b>114,388</b>	(7,923)	(6.48)
Current assets	159,062	<b>200,866</b>	41,804	26.28
Borrowings	81,596	<b>110,613</b>	29,017	35.56

The current assets of the Group totalled RM200.9 million (FY 2021 : RM159.1 million) with the increase in inventory. The drastic increase in inventories was attributable to meet the demand in the following quarters. Inventories turnover increase to 114 days as at end of the FY 2022 as compared to 76 days as at end of the FY 2021.

The Group's total liabilities increased to RM173.1 million (FY 2021 : RM151.5 million) mainly due to higher trade credit purchase. The increase in borrowings was mainly attributable to the higher inventory holding. The net gearing ratio increased from 0.46 to 0.62.

# Management Discussion and Analysis

(Cont'd)

## ANTICIPATED OR KNOWN RISKS

### Foreign currency exchange risk

The Group is exposed to fluctuation in foreign currency exchanges as cost of raw material and imported goods are denominated in foreign currencies. As such, fluctuations could have material effects to the costing of our products. As counter-measure, the Group deploys natural hedging for its sales and purchases denominated in USD to mitigate impact from foreign currency exchange. The Finance department closely monitors the movements in foreign currency rates.

### Credit risk

The normal trade credit terms granted by the Group for trade receivables range from 30 to 90 days. Any significant delay or default in payment by our major customers could result in impairment being put through for credit losses which in turn, would adversely affect our financial position and results. Credit terms and limits are evaluated every 6 months while ageing reports are reviewed monthly to identify slow paying customers for actions to be taken for recovery and provisions, if necessary.

### Downtime risk

From operational perspective, our Manufacturing Division is exposed to downtime risk. This risk could occur in the unlikely event of a fire, flood, power outage, workers on strike or machinery breakdown, and the Covid-19 positive cases if any, thus resulting in production and delivery delays as well as reputational damage to the Group. Our Manufacturing has been practicing strict Covid-19 Prevention SOP since the pandemic and operators are going through self-test monitoring according to government regulations.

## PROSPECT AND OUTLOOK

The Asian Development Bank (ADB) lowered its economic growth forecast for Malaysia to 5.8% for 2022 and 5.1% for 2023. In ADB's Asian Development Outlook (ADO) 2022 Supplement released on 21 July 2022, the bank said increased uncertainty and weaker global growth are dampening Malaysia's prospects.

It said the growth of 5% in the first quarter of 2022 (1Q22) was underpinned by strong private consumption and increased government assistance through the Bantuan Keluarga family assistance programme. But business confidence and the PMI (Purchasing Managers' Index) continue to soften in step with weaker global prospects and supply disruptions from cities in China that were locked down to tackle Covid-19 outbreaks.

For the future business growth and expansion, the Group intends to enhance the efficiency of the existing manufacturing activities and increase the manufacturing capacity to enable the Group to take on opportunities arising from future demand, which will in turn contribute to the growth of the financial performance. This planned increase in manufacturing capacity is to cater for the Group's future business growth, where the increased capacity will enable the Group to take on new customers and more large orders arising from the plans to grow the customer base in the direct selling segment, expanding the export sales and expanding the range of product offering.

The volatility of the raw material prices due to the Covid-19 pandemic and the Russia-Ukraine conflict caused disruptions to the supply of raw materials. Hence, the increase in the prices of raw materials impact manufacturing costs for businesses. The Group has adopted stringent costs control measurements and passed on the increased cost of key supplies to the customers by increasing the selling price progressively to improve our GP margin. Given the backdrop, the Group remains cautiously optimistic of delivery of a satisfactory performance in FY2023 and will continue its prudent business strategy to ensure sustainable growth.



# Corporate Governance Overview Statement

The Board of Directors (“Board”) of Pensonic Holdings Berhad (“Company” or “PHB”) fully appreciates the importance of adopting and continuously maintaining sound standards of corporate governance throughout PHB and its subsidiaries (“the Group”) so that the affairs of the Group are conducted with integrity, transparency and professionalism with the objective of enhancing business success, safeguarding shareholders’ investment, enhancing shareholders value as well as the interests of other stakeholders. The main focus is to adopt the substance behind good corporate governance practices with the ultimate aim to ensure Board effectiveness and efficacy in enhancing shareholders’ value.

This Corporate Governance Overview Statement (“CG Statement”) provides the summary of the Company’s corporate governance practices during the financial year ended 31 May 2022 (“FY2022”) with reference to the following three (3) principles set out in the Malaysian Code on Corporate Governance 2021 (“MCCG”):

Principle A: Board leadership and effectiveness;

Principle B: Effective audit and risk management; and

Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders

The application for each Practice as set out in the MCCG is disclosed in the Corporate Governance Report (“CG Report”) which is published on the Company’s website: [www.pensonic.com](http://www.pensonic.com) as well as through an announcement on the website of Bursa Malaysia Securities Berhad (“Bursa Securities”). This CG Statement is to be read together with CG Report, based on a prescribed format as outlined under paragraph 15.25(2) of Main Market Listing Requirements of Bursa Securities (“MMLR”).

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### 1 Board of Directors

The Board comprises of seven (7) members; four (4) Executive Directors and three (3) Independent Non-Executive Directors (“INEDs”), as at the date of this Annual Report as follows:

Position	Directors
Executive	Dato’ Seri Chew Weng Khak @ Chew Weng Kiak, Group Executive Chairman Chew Chuon Ghee, Group Managing Director Chew Chuon Jin, Group Chief Executive Officer Chew Chuon Fang, Group Executive Director
Independent Non-Executive	Dato’ Lela Pahlawan Dato’ Paduka Ku Nahar Bin Ku Ibrahim Dato’ Tahir Jalaluddin Bin Hussain Ong Huey Min, Lindy

The details of the Directors’ background, experiences and qualifications are set out under the Profile of Directors in this Annual Report.

All concerns regarding the Group can be conveyed to any one of the Directors and/or will be deliberated by all Directors during board meetings. As such, the Board is of the view that there is no immediate need to appoint a Senior Independent Non-Executive Director to whom concerns regarding the Group may be conveyed.

The Board meets at least four (4) times a year at quarterly intervals with additional meetings convened as necessary. During the FY2022, five (5) board meetings were held where the Board deliberated upon and considered a variety of matters including the Group’s quarterly operations and financial results, major investments and strategic decisions, business plan and any other strategic issues that may affect the Group’s businesses.

Board meetings are scheduled ahead to enable the Directors to plan and adjust their schedule to ensure good attendance and the expected degree of attention to the board meeting agenda. Management personnel and external consultants are also invited to attend the board meetings as and when required in order to present and advise the members with information and clarification on certain meeting agenda to facilitate informed decision-making.

In the intervals between board meetings, approvals are obtained via circular resolutions for exceptional matters requiring urgent Board decision-making which are then supported with information necessary for informed decision-making. As a mean to facilitate Directors’ planning and time, an annual meeting calendar is prepared and given to Directors before the beginning of each new financial year.

Meetings are also organised for the Board Committees which are the Audit Committee (“AC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”).

# Corporate Governance Overview Statement

(Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### 1 Board of Directors (Cont'd)

The listing of the Board members and their attendance at all meetings of the Board and Board Committees held during the financial year under review is as tabulated below:

Directors	Board	AC	NC	RC
Dato' Seri Chew Weng Khak @ Chew Weng Kiak	5/5	-	-	-
Chew Chuon Ghee, Vincent	5/5	-	-	-
Chew Chuon Jin, Dixon	5/5	-	-	-
Chew Chuon Fang, Nelson	5/5	-	-	-
Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim	5/5	5/5	1/1	1/1
Dato' Tahir Jalaluddin Bin Hussain	5/5	5/5	1/1	1/1
Ong Huey Min, Lindy	5/5	5/5	1/1	1/1

The Board is satisfied with the time commitment given by the Directors as demonstrated by their full attendance to the meetings of the Board and Board Committees.

In addition, all of the Directors do not hold more than 5 directorships in other public listed companies as required under paragraph 15.06 of the MMLR to enable the Directors to discharge their duties effectively by ensuring that their commitment, resources and time are more focused. The Board members must notify the Board or the Chairman before accepting any new Directorship in other public listed companies.

#### 1.1 Strategic Aims, Values and Standards

The Board leads and controls the Group. As a collective body, the Board assumes overall responsibility to manage the business affairs of the Group and approving all strategies, providing leadership and direction as well as management supervision. In addition to its legal responsibilities, the Board ensures that management has in place appropriate processes for management and internal controls, risk assessment and monitoring performance against agreed benchmark for the Group as well as ensuring businesses are carried out in compliance with good governance practices and in a transparent and objective manner. Its overall objective is to enhance the value of its shareholders by achieving the strategic objectives of the Group.

As part of the Board's effort to ensure that its duties and responsibilities are effectively discharged, the Board delegates certain functions to the Board Committees, the Group Managing Director ("GMD") and the management.

These Board Committees comprise solely of INEDs. Each of these Board Committees operates under clearly defined Terms of Reference ("TOR") as approved by the Board and which are periodically reviewed for relevance and improvement. The chairman of the Board Committees will report to the Board on the outcome of any discussions and recommendations thereon to the Board. The ultimate responsibility for the final decision on all matters, however, lies with the Board. The TOR of the Board Committees are published on the corporate website.

The Board manages principal risks affecting the Group including establishing and approving relevant internal policies to mitigate the risks, reviews adequacy and integrity of the Group's internal control systems, oversees performance of the Group's businesses, reviews succession planning and talent management, enforcing compliance with legal and statutory requirements within the Group, approval of major capital expenditure, consideration of significant financial matters and review of the financial and operating performance of the Group.



# Corporate Governance Overview Statement

(Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### 1 Board of Directors (Cont'd)

#### 1.2 Chairman of the Board

The Board is led by an Executive Chairman. He provides leadership and governance on the Board and creates a conducive situation geared towards building and growing Directors' effectiveness and ensure that appropriate issues are discussed by the Board in a timely manner. As part of that role, Chairman ensures that no member dominates any discussion and appropriate discussions take place with forthcoming relevant participation among Board members.

Other roles of the Chairman include leading the Board in the oversight of management, ensuring adequacy and integrity of the governance process and issues, maintaining regular dialogues with GMD over operational matters and seek opinion of fellow Board members over any matters that may give cause for major concerns.

#### 1.3 Separation of Position of Chairman and GMD

The Board has always made the distinction that the position of the Chairman and the GMD do not reside with the same person. There is a clear and separate division of responsibility in the roles and duties of the Chairman and GMD.

The GMD has overall responsibilities over the daily conduct of operating units, human resource management with respect to key positions in the Group's hierarchy, financial management and business affairs as well as organisational effectiveness and implementation of Board policies and decisions.

The GMD also ensures that the Group's corporate identity, products and services are of high standard and reflective of market expectations, business practices and are in compliance with governmental regulations. During each of its scheduled meetings, the GMD will brief the Board on the performance and activities of the Group and specific proposals for capital expenditure and acquisitions and disposals, if any.

#### 1.4 Chairman of the board shall not be a member of the AC, NC or RC

The Chairman of the Board is not a member of Board Committees and does not attend any of their meetings.

#### 1.5 Qualified and Competent Company Secretary

The Company Secretary is competent, qualified and capable of carrying out her duties and providing support to the Board in the discharge of their fiduciary duties.

The Board is satisfied with the performance and support rendered as the Directors are able to seek advice and service of the Company Secretary. The Company Secretary informs the Board on any updates relating to any new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors and the potential impact and implications arising there from.

The Company Secretary, or her representatives, attend and ensure that all Board and Board Committees meetings are properly convened. The decisions made and/or resolutions passed thereof are recorded in minutes of meetings and kept at the registered office of the Company together with its statutory registers.

The Company Secretary also facilitates the communication of key decisions and policies between the Board, Board Committees and management.

Other roles of the Company Secretary include coordinating with management on the preparation of Board papers, ensuring Board procedures and applicable rules are observed and maintaining records of the Board as well as provide timely dissemination of information relevant to the Directors' roles and functions and keeping them updated on evolving regulatory requirements.

# Corporate Governance Overview Statement

(Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### 1 Board of Directors (Cont'd)

#### 1.6 Access to Information and Advice

The Board recognises that the decision-making process is highly dependent on the quality of information available. All the Directors have access to all information within the Group and may seek the advice of Management on matters under discussion or request further information on the Group's business activities. The Chairman, with the assistance of the Company Secretary, ensures that all Directors have full and timely access to information with Board papers distributed in advance for meetings of the Board and Board Committees.

The Directors, whether as full Board or in their personal capacity, may upon approval from the Board, seek independent professional advice, where necessary and under appropriate circumstances, in furtherance of their duties and to enable them to discharge their duties, at the Group's expense.

All Board and Board Committees are provided with agenda and relevant board papers, reports including matters arising, financial, operational and regulatory compliance matter, at least 7 days prior to meetings to ensure that they have sufficient time to review and evaluate the matters to be deliberated and obtain further information, if needed, prior to meeting to expedite decision-making during meetings. Actions on all matters arising from any previous meeting are reported at the following meeting.

### 2 Demarcation of responsibilities

#### 2.1 Board Charter

The Board Charter provides guidance by clearly delineating the roles, duties and responsibilities of the Executive Chairman, GMD, Board, Board Committees and management. The Board Charter also includes the requirements of Directors in carrying out their leadership and supervisory role; and in discharging their duties towards the Group as well as boardroom activities.

The Board Charter is subject to periodical review by the Board to ensure that it remains relevant and consistent with the Board's roles and responsibilities, changing needs of the Company as well as any development in the prevailing legislation and practices.

The Board Charter is available on the Company's website.

### 3 Good business conduct and corporate culture

#### 3.1 Code of Conduct and Ethics and Anti-Bribery and Anti-Corruption Policy

The Board is committed towards inculcating a corporate culture which engenders ethical conduct throughout the Group. Our brand values of Caring, Leadership, Trustworthy and Innovation are entrenched in our corporate psyche and observed by all our people from Directors down to employees as integral elements guiding the Group towards achieving sustainability.

The Board has formalised Code of Ethics and Code of Conduct to guide the desired standard of behaviour from all Directors and employees so as to improve work quality, productivity and self-discipline in order to provide effective, good and quality services. The Policies & Procedures covers, among others, general employment terms and conditions, compensation and benefits, proprietary information and sexual harassment.

The Code of Conduct is based on principles in relation to trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism. Our Code of Ethics is based on the principles of sincerity, integrity, responsibility and corporate social responsibility.

The Group has also an Employee Handbook to guide the desired standard of behaviour from all staffs. The Employee Handbook covers, among others, general employment terms and conditions, compensation and benefits, proprietary information and sexual harassment.

# Corporate Governance Overview Statement

(Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### 3 Good business conduct and corporate culture (Cont'd)

#### 3.2 Whistleblowing Policy

The Company has in place a Whistleblowing Policy. The Company has always advocated for openness and transparency in its commitment to the highest standard of integrity and accountability. All malpractices or wrongdoings reported by the whistle-blower are made to the Chairman of the AC and shall be set forth in writing or verbally. The Whistleblowing Policy is available on the Company's website.

#### 3.3 Anti-Bribery & Anti-Corruption Policy ("ABC Policy")

The Company has also adopted the Anti-Bribery and Anti-Corruption Policy ("ABC Policy") to guide compliance with the Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The adoption of the ABC Policy signalled commitment by the Board and the Group to conduct all businesses in an honest and ethical manner requiring all Directors and employees to act professionally, fairly and with integrity in all our business dealings and relationships. The ABC Policy sets out adequate procedures designed to prevent situations in which bribery and corrupt practices may take root. The ABC Policy is available on the Company's website.

### 4 Sustainable Practice

#### 4.1 Material Sustainability Matters

The Board recognises that sustainable development is an important and integral part of the Group's pursuit of its long-term business success. The Board is responsible for the development of the Group's sustainability strategies. The risk management committee that comprises mainly of the senior management is entrusted to drive strategic management of material sustainability matters.

The GMD leads strategic management of material sustainability matters.

#### 4.2 Sustainability Strategies

Sustainability targets, implementation strategies and measurement goals are being developed. The Board is cognisant of the material sustainability matters and would schedule an agenda item to discuss key sustainability matters at least once a year going forward.

#### 4.3 Periodic Updates

The Board recognises that sustainability issues evolve in line with the ever-changing business environment. Hence, the Board will be appraised, and they shall be encouraged to attend various training programs to keep themselves abreast of the latest sustainability trend and understand the latest sustainability issues.

#### 4.4 Performance Evaluation

The Board recognises the importance of sustainability in all its business operation and in line with the best practice advocated by MCCG 2021, the Nomination Committee has recommended the Board to consider the inclusion of additional review in performance evaluations of the Board and Senior Management in addressing the Company's material sustainability risks and opportunities. The Board has agreed to include such review as part of annual performance evaluation moving forward.

#### 4.5 Sustainability strategically

The GMD was appointed as the designated person on sustainability.



# Corporate Governance Overview Statement

(Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### 5 Board Composition

#### Nomination Committee

The NC's primary roles are to assist the Board to ensure that the Board has the right composition and only individuals with sufficient calibre, knowledge and experience, integrity and reputation, competence and with the capacity to serve are appointed as Director and/or senior management of the Group. The NC also undertakes annual assessment on the performance of the Board, Board Committees and Senior Management of the Group. The duties and responsibilities of the NC are stipulated in its TOR published on the Company's website.

The NC comprises of three (3) members, all of whom are INEDs as tabulated below:

Name	Position
Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim	Chairman
Dato' Tahir Jalaluddin Bin Hussain	Member
Ong Huey Min, Lindy	Member

The NC met once (1) during the financial year under review with full attendance by all members to deliberate on the following matters:

- Reviewed the composition, mix of skills and experience and other qualities, including core competencies as well as contribution of each individual Director and the effectiveness of the Board as a whole and the Board Committees as well as contribution of each individual Director.
- Reviewed the level of independence of the INEDs.
- Discussed the character, experience, integrity and competence of the Directors and to ensure they have the time to discharge their respective roles.
- Discussed and recommended the re-election of Directors at the forthcoming annual general meeting ("AGM").
- Reviewed the term of office and performance of the AC and its members pursuant to paragraph 15.20 of the MMLR.
- Conducted annual assessment on Board, Board Committees and Individual Directors.

#### 5.1 Board Composition

The NC reviews the composition of the Board annually to ensure that the Board is of the right size, with the right mix of skills and diversity of experience.

The NC also evaluates the performance of each director on an annual basis. Recommendation for annual re-election of director is made upon satisfactory evaluation of the director's performance and contribution to the Board.

Upon conclusion of the annual assessment for FY2021, the Board concluded that the current Board is appropriately sized and balanced mix of skills, knowledge and experience in the relevant areas to enable the Board to carry out its responsibilities in an effective and efficient manner.

The Board is in compliance with paragraph 15.02 of MMLR, which requires that at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, are INEDs.

# Corporate Governance Overview Statement

(Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### 5 Board Composition (Cont'd)

#### 5.2 Independent Directors

The concept of independence as adopted by the Board is consistent with definition of INEDs outlined in paragraph 1.01 and Practice Note 13 of the MMLR. The key elements for fulfilling the criteria are the appointment of Directors who are not members of Management and who are free of any relationship which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company.

The Board does not meet the recommended composition for INEDs to comprise at least half (50%) of the board composition. The presence of three (3) INEDs with breadth of knowledge and professional background has enabled the Board to exercise objective judgement on various issues through their sharing of impartial, objective and unbiased opinion and viewpoints.

Further, the current composition of the Board Committees, made up of only INEDs affirmed the Board's commitment towards independence and provide strong check and balance in the Board's governance function.

Therefore, the lack of the necessary number of INEDs does not jeopardise the independence of Board deliberations and all decisions have been made in the best interest of the Company and the Group. Nonetheless, the Board will address board succession planning going forward to meet this recommendation.

#### 5.3 Tenure of Independent Directors

The Board recognises the MCCG's recommendation that service tenure of an INED should not exceed a cumulative or consecutive term of nine (9) years. Upon completion of the nine (9) years, an INED may continue to serve on the Board subject to the Director's re-designation as a Non-INED. MCCG also states that the Board should provide justification and seek annual shareholders' approval through a two-tier voting process if it intends to retain an independent director beyond nine (9) years.

As of to-date, Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim and Dato' Tahir Jalaluddin Bin Hussain have served as INEDs for more than 9 years since their appointment on 16 August 2013. Following the annual assessment, the Board intends to retain both Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim and Dato' Tahir Jalaluddin Bin Hussain as INEDs and will seek shareholders' approval at the coming AGM.

NC reviewed and assessed the independence of INEDs and their tenure of service. The NC is satisfied that the INEDs of the Company continue to demonstrate their independence through their engagement in meetings by bringing objective and independent judgement to decisions taken by the Board. The INEDs of the Company had also devoted sufficient time and attention to the Group's affairs.

Key justifications to recommend their continuation as INEDs are as follows:

- (a) They have actively participated in Board deliberation, providing objectivity in decision-making and possesses sufficient self-esteem and confidence to stand up with an independent voice to the Board.
- (b) They have exercised due care during their tenure and carried out their professional duties in the best interest of the Company and shareholders.
- (c) They have not developed, established or maintained any significant relationship which could impair their independence as INEDs, with the Executive Directors and major shareholders other than normal engagements and interactions on a professional level consistent and expected of them to carry out their duties as INEDs or member of the Board's Committees.
- (d) They have contributed sufficient time and efforts in attending the Board meetings.
- (e) Both understand the business and operations of the Group and therefore are able to participate effectively during meetings.

# Corporate Governance Overview Statement

(Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### 5 Board Composition (Cont'd)

#### 5.4 Policy on Tenure of Independent Directors

As the Company is not classified as a Large Company, the Board does not have a policy which limits the tenure of its INEDs to nine (9) years without further extension. At present, the Board will ensure compliance with MMLR which limits tenure of INEDs to not more than a cumulative period of twelve (12) years.

#### 5.5 Diversity in the Board and Senior Management

The Board is supportive of diversity on the Board and in Senior Management team. The appointment of Board and Senior Management team are based on objective criteria, merit and takes into consideration diversity in experience, skills set, age and cultural background.

The current composition of the Board reflects a good mix of diversity and expertise from various fields such as general management and operations, commercial, finance and accounting, corporate affairs, manufacturing, sales and marketing, business, tax, product development, shipping and logistics.

#### 5.6 Sources to identify candidate for Directorship

The terms of reference of the NC are being updated to allow NC to utilise independent sources to identify suitably qualified candidates, if such needs arise. There was no new appointment to the Board during the year under review. Going forward, the NC will perform independent background check on the candidate using information from independent sources prior to recommending any candidates for directorship.

#### 5.7 Directors' Information

The profiles of the Directors are included in the Annual Report. Information contained therein included age, gender, tenure of service, directorship in other companies, working experience and any conflict of interest as well as shareholding in PHB.

A statement from the Board (on whether it supports the appointment or reappointment) will be included in the Notice of AGM to ensure shareholders have the information they require to make an informed decision on the re-election of said Directors.

#### 5.8 Chairman of Nomination Committee

The Nomination Committee is currently chaired by Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim, an INED.

#### 5.9 Female Board Representation

The INED, Madam Ong Huey Min, Lindy is the sole female Director on board. Her presence also complies with MMLR which mandates presence of at least one (1) female Director on board.

#### 5.10 Gender Diversity

The Board is of the collective opinion that there was no necessity to adopt a formal gender diversity policy presently as the Group is committed to provide fair and equal opportunities and nurturing diversity within the Group.



# Corporate Governance Overview Statement

(Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### 6 Board Effectiveness

#### 6.1 Effectiveness of the Board and individual Directors

The Board has adopted a Directors' Assessment Policy which sets out the criteria and procedures for the Board performance assessment. The NC conducts annual review of the effectiveness of the Board and Board Committees as well as performance of each individual Director. The assessment is administered via customised questionnaires, on self-assessment basis, for continuous improvement.

The NC also reviews annually the required mix of skills, experience and other qualities, including core competencies of the members in discharging their duties. The skills and experience of each Director is analysed, inter-alia, in the areas of business operations technical and governmental affairs and legislation. Furthermore, the NC reviews size and composition of the Board with consideration on the impact on the effective functioning of the Board.

The INEDs are assessed annually by the NC on behalf of the Board. Following an assessment carried out for FY2022, the Board is satisfied with the level of independence demonstrated by the INEDs and their ability to provide unbiased impartial and objective opinion during meetings and act in the best interest of the Company and the Group.

Based on the outcome of evaluation for the financial year under review, the Nomination Committee and the Board were satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively and the contribution and performance of each individual Director is satisfactory. The NC believes that the current Board composition is well balanced with the right mix of high-calibre individuals with the necessary skills, qualification, experience, knowledge, credibility, independence and core competencies.

#### Training

The Directors have been attending training courses and professional programmes necessary so as to keep abreast with the changes to guidelines issued by the relevant authorities as well as developments in the business environment, which can complement their services to the Group. The Directors are regularly updated by the Company Secretary on any changes to new statutory, corporate and regulatory developments relating to Directors' duties and responsibilities or the discharge of their duties as Directors of the Company.

The Board had, through the NC, undertaken an assessment of the training needs of the Directors and concluded that the Directors are to determine their training needs as they are in the better position to assess their areas of concern.

Nonetheless, the NC had recommended for training to improve financial literacy and keep with changes to financial reporting environment as well as understanding the impact of the changes arising from implementation of Companies Act 2016 and other related laws. Internal briefings are provided from time to time to update on any amendment(s) or implementation of existing or new laws.

# Corporate Governance Overview Statement

(Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### 6 Board Effectiveness (Cont'd)

#### 6.1 Effectiveness of the Board and individual Directors (Cont'd)

The training, conferences or seminars attended by Directors during YA2022 encompassed various topics as outlined below:

Director(s)	Training / Conferences / Seminars
Dato' Seri Chew Weng Khak @ Chew Weng Kiak	<ul style="list-style-type: none"> <li>eSignatures and Digital Signatures in Malaysia: Legal &amp; Practical Aspects</li> <li>Purpose &amp; Performance Driven: Fireside Chat with IHH Healthcare Berhad</li> </ul>
Chew Chuon Ghee, Vincent	<ul style="list-style-type: none"> <li>Sirim QAS Webinar Hybrid Electrical Products Compliances &amp; Awareness</li> <li>FMM Webinar on Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP): Your COVID-19 Business Recovery Tool to Boost Trade</li> <li>SC Guidelines on The Conduct of Directors of Listed Co &amp; Their Subsidiaries</li> </ul>
Chew Chuon Jin, Dixon	<ul style="list-style-type: none"> <li>Belt &amp; Road Global Forum Annual Roundtable 2021</li> <li>The 2<sup>nd</sup> Hong Kong Forum</li> </ul>
Chew Chuon Fang, Nelson	<ul style="list-style-type: none"> <li>Webinar: How to pay your employees fairly?</li> </ul>
Ong Huey Min, Lindy	<ul style="list-style-type: none"> <li>Tax audit &amp; investigation – What's next after MCO 3.0?</li> <li>Corporate Fraud – Looking Beyond the Boardroom</li> <li>Compensation for Termination of Contract &amp; The Consequential Tax Treatment</li> <li>Tax Treatment of Financing Expenses: Interest, Guarantee Fee &amp; Other Related Expenses</li> <li>Virtual LHAG Corporate Counsel Conference – Legal Currents: Tech</li> <li>National Tax Conference 2021</li> <li>Transfer Price War Stories</li> <li>Property Development: Current Legal &amp; Tax Issues</li> <li>Tax Assessments – Rescuing Taxpayers from a Financial Conundrum</li> <li>MSWG Webinar – Covid Creates Unique Governance Issues</li> <li>KPMG Tax and Business Summit 2021</li> <li>AOB Conversation with Audit Committees</li> <li>KPMG Board Leadership Center Exclusive   Empowering and Rewarding the “Boardroom Brigade” – A Remuneration Masterclass</li> <li>2022 Board and Audit Committee Priorities</li> </ul>
Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim	<ul style="list-style-type: none"> <li>How much is your business worth?</li> </ul>
Dato' Tahir Jalaluddin Bin Hussain	<ul style="list-style-type: none"> <li>Top 11 landmines that make tax authorities target you</li> <li>Corporate Fraud - Looking Beyond the Boardroom</li> </ul>

### 7 Level and composition of Remuneration

#### 7.1 Remuneration policy

The objective of the Remuneration Policy is to attract and retain high performing Directors required to lead and control the Group effectively.

In the case of the Executive Director, the components of the remuneration package are linked to individual and corporate performance. As for Non-Executive Directors, the Directors' fees are reflective of their experience and level of responsibilities and the onerous challenges in discharging their fiduciary duties and broad-based roles and responsibilities as well as time commitment to the Group that go with Board membership. The executive Board members played no part in deciding their own remuneration and the respective Board members shall abstain from all discussion pertaining to their remuneration.

# Corporate Governance Overview Statement

(Cont'd)

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

### 7 Level and composition of Remuneration

#### 7.2 Remuneration Committee (“RC”)

The RC comprises of three (3) members, all of whom are independent. The members of the RC are as follows:

Name	Position
Dato' Tahir Jalaluddin Bin Hussain	Chairman
Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim	Member
Ong Huey Min, Lindy	Member

The RC is responsible for, inter-alia, recommending to the Board the policy framework and remuneration structure for Directors as well as the remuneration packages of Executive Directors.

The TOR of the Remuneration Committee is available on the Company's website.

The Remuneration Committee met once (1) during the financial year under review with all members in attendance to deliberate on the following matters:

- (a) Reviewed and recommended the remuneration packages for the EDs; and
- (b) Reviewed and recommended Director's Fees and other benefits payable to Directors.

### 8 Remuneration of Directors and Senior Management

#### 8.1 Details of Directors' Remuneration

The details of the Directors' remuneration paid/payable to the Directors of the Company and the Group for the financial year ended 31 May 2022 are tabulated in the Corporate Governance Report.

#### 8.2 Top 5 Senior Management's Remuneration

All members of Senior Management are members of the Board. As such there is no necessity for a separate disclosure.

#### 8.3 Detailed Remuneration of Top Five (5) Senior Management

As the Company is not classified as “Large Company”, there is no full disclosure of top 5 Senior Management's remuneration on named basis.

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

### Part I Audit Committee (“AC”)

#### 9 Effective and Independent AC

The TOR of the AC is published on corporate website. Details on the composition and other pertinent facts of the AC is outlined under the AC Report in this Annual Report.

##### 9.1 Chairman of the AC

Madam Ong Huey Min, Lindy, an INED, is the Chairman of AC.



# Corporate Governance Overview Statement

(Cont'd)

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

### Part I Audit Committee (“AC”) (Cont'd)

#### 9 Effective and Independent AC (Cont'd)

##### 9.2 Appointment of Former Key Audit Partner to AC

None of the members of the Board were former key audit partners. As such, there was no need to establish such policy presently. Such a policy would be established when the need arises in future.

The Board will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the AC was a key audit partner.

##### 9.3 External Auditors

The AC reviews the suitability, objectivity and independence of the external auditor of the Company on an annual basis. The review process covers the assessment of the independence of the external auditor, the evaluation of the external auditor's performance, competency, quality of work, audit fees and the adequacy of resources.

Following a review conducted for FY2022, the AC is satisfied with the technical competency and independence of the external auditors. The AC meets with the external auditors at least twice (2) a year to discuss their audit plan and audit findings. The AC discusses the nature and scope of audit and reporting obligations with the external auditors before commencement of audit engagement. It is also the practice of the AC to respond to auditors' enquiries and recommendations, if any, to ensure compliance with the various approved accounting standards in the preparation of the Group's financial statements.

The AC has considered the non-audit services provided by the external auditors during FY2022 and concluded that the provision of these services did not compromise the external auditors' independence and objectivity. The amount of fees paid for these services was not significant when compared to the total audit fees paid to the external auditors.

The external auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of relevant professional, ethics and regulatory requirements.

##### 9.4 Composition of the AC

The Board has long observed and valued the independence of the AC. As such, the AC comprised solely of INEDs.

##### 9.5 Diversity in skills of the AC

The AC currently comprises of members with professional experience in finance, taxation, business and economic environment. All members are financially literate and are able to read, interpret and understand the financial statements. The diversity in skills set coupled with their financial literacy gave the AC the ability to effectively discharge their roles and responsibilities.

### Part II Risk Management and Internal Control

#### 10 Risk Management and Internal Control

##### 10.1 Establishment of an effective Risk Management and Internal Control Framework

The Board recognises the importance of sound internal controls which encompass risk management practices as well as financial, operational and compliance controls on a quarterly basis. In this respect, the Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of those systems.

Continuous reviews are carried out by the Group's internal audit function and Management to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. The findings of the internal audit function are reported to the AC regularly.

# Corporate Governance Overview Statement

(Cont'd)

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

### Part II Risk Management and Internal Control (Cont'd)

#### 10 Risk Management and Internal Control (Cont'd)

##### 10.2 Features of Risk Management and Internal Control Framework

The Statement on Risk Management and Internal Control in this Annual Report provides an overview on the state of internal controls and risk management within the Group.

##### 10.3 Establishment of a Risk Management Committee Comprises a Majority of Independent Directors

There is a Risk Management Committee in place which undertakes regular risk reviews on the Group's businesses and operations. An analysis of the risks identified together with proposed mitigating actions are tabled to the AC. The AC will report to the Board on exception basis if there was any change in the risks identified.

#### 11 Internal Audit Function

##### 11.1 Effectiveness of the Internal Audit Function

The internal audit function of the Group is carried out by an outsourced consulting firm, JWC Consulting Sdn. Bhd. ("JWC") which reports directly to the AC. JWC is led by Ms. Wong Ai May who is a member of both MIA (Malaysian Institute of Accountants) and IIAM (Institute of Internal Auditors Malaysia) and is sufficiently resourced to provide service level and advisory that meet with the Group's expectations.

Information on the internal auditors and the internal audit activities during the financial year are set out in the ARMC Report in this Annual Report.

##### 11.2 Disclosure on the Internal Audit Function

The internal auditors have represented to the AC that they are free from any relationship or conflict of interest with the Group. The AC has also received assurance from the internal auditors that they have adopted internal audit standards and best practices based on the International Professional Practices Framework (IPPF), endorsed by the Institute of Internal Auditors Malaysia.

JWC assigned 2 experienced staff to undertake internal audits of the Group. The external service provider is JWC and RM30,000 has been incurred for internal audit services for FYE2022.

## PRINCIPLE C: INTERGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### Part I Engagement with Stakeholders

#### 12 Stakeholders

##### 12.1 Communication with its stakeholders

The Group has been maintaining regular, transparent, coherent, timely and equitable dissemination of relevant and material information on the development of the Group to shareholders and stakeholders through appropriate channels whilst balancing commercial confidentiality and regulatory considerations.

The GMD of the Group is designated spokesperson for all matters related to the Group.

The Company's general meetings remain the principal forum for dialogue and communication with shareholders and investors. Shareholders are encouraged to attend the general meetings and given sufficient time and opportunity to participate in the proceedings, ask questions about the resolutions being proposed and the operations of the Group, and communicate their expectations and possible concerns.

# Corporate Governance Overview Statement

(Cont'd)

## PRINCIPLE C: INTERGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

### Part I Engagement with Stakeholders

#### 12 Stakeholders

##### 12.1 Communication with its stakeholders

In addition, the Board and Management welcome visits by investors, fund managers and analysts and conduct briefings to them when required, as the Board believes that this will give investors and interested parties on one hand, a better appreciation and understanding of the Group's performance and on the other, awareness of the expectations and concerns of investors and such interested parties. The corporate website at [www.pensonic.com](http://www.pensonic.com) provides an easy and convenient avenue for stakeholders to gain access to more information of the Group.

However, in any circumstances, while the Group endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. The Directors are cautious not to provide undisclosed material information about the Group and frequently stress the importance of timely and equal dissemination of information to all shareholders and stakeholders.

All material announcements are reviewed and endorsed by the AC (as applicable) and the Board prior to release to the public through Bursa Securities. Shareholders and the public in general may also obtain announcements and financial results of the Company from Bursa Securities' website.

##### 12.2 Integrated Reporting

Integrated reporting is not applicable to the Group presently as the Group does not fall within the definition of "Large Companies".

### Part II Conduct of General Meetings

#### 13 Shareholders' Participation at General Meeting

##### 13.1 Notice for AGM

The notice of 27<sup>th</sup> AGM held on 28 October 2021 was sent to the shareholders, proxies and corporate representatives at least twenty-eight (28) days prior to the meeting date and published in a major local newspaper. Items of special business included in the notice of 27<sup>th</sup> AGM were accompanied by explanation of the proposed resolutions. All suggestions and comments put forth by shareholders, proxies and corporate representatives were noted by the Board for consideration.

##### 13.2 Directors' attendance

All Directors had attended the 27<sup>th</sup> AGM held on 28 October 2021.

##### 13.3 Leveraging on technology

The 27<sup>th</sup> AGM was held virtually using remote participation and voting ("RPV") facilities which allowed shareholders to participate and vote during the AGM without having to physically present at the meeting venue. The virtual AGM provides the same transparency and level of participation as an in-room only meeting.

The Company will consider to convene general meetings on a virtual basis in the future and allow shareholders to actively participate and vote in absentia.



# Corporate Governance Overview Statement

(Cont'd)

## PRINCIPLE C: INTERGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

### Part II Conduct of General Meetings (Cont'd)

#### 13 Shareholders' Participation at General Meeting (Cont'd)

##### 13.4 Shareholders Engagement

Shareholders are given the opportunity to raise questions and seek clarifications by submitting their questions to the Query Box in the RPV facilities during the conduct of the 27<sup>th</sup> AGM. An Administrative Guide detailing the procedures to register, participate and vote remotely using the RPV facilities was circulated with the notice of the 27<sup>th</sup> AGM.

All Directors, senior management, Company Secretary and external auditors were present during 27<sup>th</sup> AGM to engage with shareholders, proxies and corporate representatives. All questions posed were duly addressed by the Board.

##### 13.5 Infrastructure for Virtual AGM

In the conduct of the 27<sup>th</sup> AGM in a virtual environment, shareholders participated, spoke and voted remotely using the RPV facilities. Shareholders who are unable to attend are allowed to appoint their own proxies or appoint the Chairman as their proxies to attend and vote on their behalf.

The system used to handle virtual AGM was tested prior to the 27<sup>th</sup> AGM and it could support interactions between the Board and senior management team with the shareholders.

Questions posed were read out by the host of the 27<sup>th</sup> AGM before the Board is invited to respond to the questions. In the event an answer could not be readily given at the meeting, the Chairman has undertaken to include response in the minutes of said general meeting.

##### 13.6 Minutes of General Meeting

Minutes and/or recordings of the AGM proceedings are posted on the Company's website within 30 days from the AGM.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and cash flows for the year then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards under Malaysia Financial Reporting Standards, International Financial Reporting Standard and the provisions of the Companies Act, 2016 have been applied.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates. The Directors also have general responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

## STATEMENT ON COMPLIANCE

The Board will continue to strive for sound standards of corporate governance throughout the Group. Presently, the Board is of the view that the Company has, in all material aspects, satisfactorily complied with the principles and practices set out in the MCCG except for the departures as disclosed.

The Corporate Governance Overview Statement is issued in accordance with a resolution of the Board of Directors dated 22 September 2022.

# Audit Committee Report

## FORMATION

The primary objective of the Audit Committee (“AC” or “Committee”), as a Committee of the Board of Directors (“Board”) of Pensonic Holdings Berhad (“Pensonic” or “the Company”) is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control. The key responsibilities of the AC, include, among others, the following:

- (a) Oversee the Group’s financial reporting process and the integrity of the Group’s financial statements;
- (b) Assess the Group’s processes in relation to its risks, governance and control environment;
- (c) Review conflict of interest situations and related party transactions; and
- (d) Evaluate the internal and external audit processes and performance.

The terms of reference of the AC is published on the Company’s website at [www.pensonic.com](http://www.pensonic.com).

## COMPOSITION, MEETING AND ATTENDANCE

The present AC comprised solely of Independent Non-Executive Directors, in compliance with para 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)(“MMLR”) and Practice 8.4 of the Malaysian Code on Corporate Governance (“Code”).

The members of the AC and their attendance at the five (5) meetings held during the financial year under review are as tabulated:

Composition   Position in Committee	Attendance
Ong Huey Min, Lindy   Chairman	5/5
Dato’ Lela Pahlawan Dato’ Paduka Ku Nahar Bin Ku Ibrahim   Member	5/5
Dato’ Tahir Jalaluddin Bin Hussain   Member	5/5

All members of the AC are financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the AC. The Chairman of the AC is a member of the Malaysian Institute of Accountants.

The minutes of each AC meeting were recorded and tabled for confirmation at the following AC meeting. The AC Chairman reported to the Board on the activities undertaken and the key recommendations for the Board’s consideration and decision.

During the financial year ended 31 May 2022 (“FY2022”), the AC met five (5) times to discuss matters, among others, in relation to the accounting and reporting practices, related party transactions as well as internal and external audits of the Company and its subsidiaries.

The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification. The Company Secretary or her representative was present at all the meetings. The executive Board members, members of management as well as representatives of the external auditors and internal auditors were also invited to attend the meetings as and when the need arose.

The AC also made arrangements to meet and discuss with the external and internal auditors on any matters relating to the Group and its audit activities. The AC met twice (2) with the external auditors without the presence of the executive Board members and management during the financial year under review.

## SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The main activities undertaken by the AC during FY2022 were as follows:

### 1. Financial Performance and Reporting

- (a) Reviewed quarterly unaudited financial results of the Group before recommending to the Board for its consideration and approval and subsequent announcement to Bursa Securities.
- (b) Reviewed audited financial statements of the Group before recommending to the Board for its consideration and approval.

# Audit Committee Report

(Cont'd)

## SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (Cont'd)

### 1. Financial Performance and Reporting (Cont'd)

- (c) Reviewed the Company's compliance, in particular, the quarterly and year-end financial statements, with the Listing Requirements of Bursa Securities, applicable approved accounting standards of the Malaysian Accounting Standards Board and other relevant legal and statutory requirements.
- (d) Reviewed pertinent issues, which had significant impact on the results of the Group, including receivables, inventory management, bank borrowings, investments and divestments and strategic operations of subsidiaries.
- (e) Reviewed recurrent related party transactions of revenue and trading nature and other related party transactions entered into by the Group.

### 2. Internal Audit ("IA")

- (a) Reviewed and approved the annual IA plan for financial year ended 31 May 2022.
- (b) Reviewed the internal audit reports, audit recommendations made and management's response to these recommendations and actions taken to improve the system of internal control and procedures.
- (c) Monitored the feedback and reports from the Internal Auditors for matters of non-compliance, weakness in internal control systems or the lack of it as well as recommendations and management's response.
- (d) The AC has, where appropriate, directed management to rectify and improve control procedures and workflow processes based on the internal auditors' suggestions for improvement.
- (e) Reviewed the implementation of these recommendations through follow up audit reports.
- (f) Reviewed the performance of JWC Consulting Sdn Bhd ("JWC") as internal audit services provider upon confirmation that JWC has the appropriate qualification and experience as well as being a member of The Institute of Internal Auditors.

### 3. External auditors ("EA")

- (a) Discussed the audit plan, scope of work/audit and reporting obligations as well as proposed audit fee for the year under review with the external auditors before commencement of audit engagement.
- (b) Reviewed and discussed with the auditors, the findings and results arising from the audit of FY2022 and management letter (if any) together with management's response and comments.
- (c) Responded to external auditors' enquiries and recommendations, if any, to ensure compliance with the various approved accounting standards in the preparation of the Group's financial statements.
- (d) Reviewed the suitability and performance as well as factors relating to the independence of the external auditors with due consideration to the quality, robustness and timeliness of the audit and report furnished, audit governance, level of understanding demonstrated of the Group's business and communication about new and applicable accounting practices and auditing standards and its impact on the Group's financial statements as well as the quality of the people and service level.

The Committee also met once (1) with management, in the absence of auditors, to hear their views on the effectiveness of the external auditors.

- (e) Reviewed the non-audit services provided by the external auditors, if any.
- (f) Following a review of the performance and independence of the external auditors during FYE2022, the AC recommended the re-appointment of KPMG.



# Audit Committee Report

(Cont'd)

## SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (Cont'd)

### 4. Corporate Governance

- (a) Reviewed the relevant regulatory changes and ensure compliance by the Company and the Group.
- (b) Reviewed and approved / recommended, as applicable, the Audit Committee Report, Statement of Risk Management and Internal Control, Statement on Corporate Governance and Corporate Governance Report for Board's approval before inclusion in the Annual Report 2022.
- (c) Reviewed, discussed, approved and monitored recurrent related party transactions of a revenue or trading nature and other related party transactions entered into by the Group as reported by the Management.
- (d) Met twice (2) with the external auditors in the absence of the executive Board members and management staff to discuss issues of concern to the auditors arising from the annual statutory audit. None was reported.

### 5. Risk Management

- (a) Reviewed and accepted the Risk Assessment Report from Chief Risk Officer which detailed the risk status in the Group for FYE2022.
- (b) Reviewed and assessed the key risks of the Group as identified in the ERM Report and follow through on various action plans to manage, mitigate and or eliminate the risks so identified.
- (c) Reviewed and endorsed the key risks profile of the Group as identified in the ERM Report.
- (d) Reviewed the progress of ongoing risk management activities undertaken by RMC.

## INTERNAL AUDIT FUNCTION

The Board acknowledges the need for an effective system of internal control covering all aspects of the Group's activities including the mapping and management of risks which the Group may be exposed to.

The Group has engaged an independent professional consulting firm to provide outsourced internal audit function to carry out internal audit of the Group. This is to assist the Committee in discharging its duties and responsibilities. The cost incurred for the internal audit function of the Group in respect of the financial year under review is RM30,000.

The principal role of the internal audit function is to undertake independent and periodic reviews of the system of internal controls and risk management so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively.

It is the responsibility of the internal audit function to provide the Committee with independent and objective reports on the risk management profile as well as the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.

JWC took the risk-based approach in planning the Internal Audit Plan for the approval of the AC.

During FYE2022, the internal audit function carried out internal audits to test the adequacy and effectiveness of the internal control system on review of the recurrent related party transactions of the Group, credit control and sales and marketing, cash management and procurement of Amtek Marketing Services Pte. Ltd..

Further information on the internal audit function and its activities are set out in the Statement on Risk Management and Internal Control in this Annual Report.

This report was approved by the AC on 22 September 2022.

# Statement on Risk Management and Internal Control

In line with paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“MMLR”), the Board of Directors (“Board”) of Pensonic Holdings Berhad (“PHB” or “the Company”) is pleased to provide the following Statement on Risk Management and Internal Control (“Statement”).

The Statement, which outlines the nature and scope of risk management and internal control of the Group (collectively, PHB and its subsidiaries) during the financial year ended 31 May 2022 (“FYE 2022”), is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers as required by Bursa Securities.

## BOARD RESPONSIBILITY

The Board acknowledges the importance of a sound risk management and internal controls being embedded into the culture, processes and structures of the Group. The system of internal controls covers financial, organisational, operational, project and compliance controls. The Board affirms its overall responsibility for the Group’s systems of risk management and internal control and for reviewing the effectiveness and efficiency of these systems to ensure its viability and robustness. It should be noted, however, that such systems are designed to manage, rather than eliminate risks of failure to achieve corporate objectives. Inherently, it can only provide reasonable and not absolute assurance against material misstatements or losses.

## CONTROL STRUCTURE AND ENVIRONMENT

In furtherance to the Board’s commitment to maintain a sound systems of risk management and internal control, the Board has implemented and maintained the following structure and environment for the proper conduct of the Group’s business operations and activities:

- The Board meets at least once quarterly and has set a schedule of matters which is required to be brought to its attention for discussion, thus ensuring that it maintains supervision over appropriate controls. The Group Financial Controller leads the presentation of board papers and provides explanation of pertinent issues. In addition, the Board is kept updated on the Group’s activities and its operations on a quarterly basis.
- An organisation structure with well-defined scopes of responsibility, clear lines of accountability and levels of delegated authority. This documented delegation of authority with clear lines of accountability and responsibility serves as a tool of reference in identifying the approving authority for various transactions including matters that require Board’s approval.
- Process of hierarchical reporting which provides for a documented and auditable trail of accountability.
- A set of documented internal policies and procedures for operational and human resource management, which is subject to review and improvement from time to time to meet changing needs.
- Performance management framework with regular reporting of relevant information by management, covering financial and operational performance and key business indicators, for effective monitoring and decision making. The executive board members and senior management team meet regularly to review through the Group’s performance.
- The Group’s Whistleblowing Policy provides clarity and oversight of the whistleblowing process, protection and confidentiality to the whistle blowers. A protocol is in place for employees and other stakeholders to report actual or suspected malpractices, misconducts or violations of the Group’s policies and regulations in a safe and confidential manner.
- The Anti-Bribery and Anti-Corruption Policy (“ABC Policy”) sets out the policies and procedures that reflects the Group’s commitment to conduct its business dealings and relationships with high standards of professionalism, ethics and integrity. The Group adopts a “zero-tolerance” approach towards bribery and corruption by its Directors, employees and associated persons including but not limited to agents, distributors, suppliers and others who have dealings with the Group. Where applicable, the requirements of the ABC Policy are extended to the Group’s agents, counterparties, business partners and other associated persons to ensure that anti-bribery and anti-corruption initiatives are applied throughout the Group’s supply chain. The Group will continue to nurture anti-corruption culture in adherence to the anti-corruption laws and regulations in countries in which it operates.
- An internal audit function, which reports directly to the Audit Committee, reviews the system of internal control as well as the effectiveness of the processes of the Group that are in place to identify, evaluate, manage and report risks.

# Statement on Risk Management and Internal Control

(Cont'd)

## RISK MANAGEMENT FRAMEWORK

The Enterprise Risk Management (“ERM”) Framework (“Framework”) is established by the Board to set clear guidelines in relation to risks acceptable to the Board and ensure proper management of the risks that may impede the achievement of the Group’s goals and objectives. The Group has in place an ongoing process for identifying, evaluating and managing principal risks during the year under review and up to the date of this Statement.

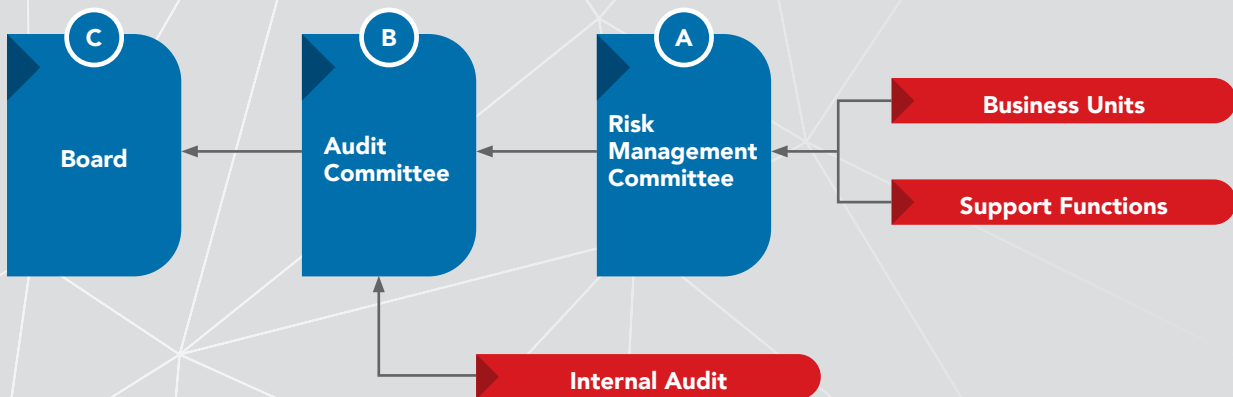
The Board and the Audit Committee (“AC”) is supported by the Risk Management Committee (“RMC”) led by the Group Managing Director (“GMD”) to oversee risks management efforts within the Group.

The risk management process includes identifying principal business risks in critical areas, assessing the likelihood and impact of material exposure and determining risk mitigation and treatment measures.

During the year, the Group has identified new risks, reviewed and updated the risk register. The likelihood and impact of the risks have been assessed and appropriate mitigation actions have been identified for the risks.

Discussions over risk areas have been incorporated in the monthly management meetings attended by the Group’s senior and middle management and key employees. This is part of the ongoing initiative to inculcate timely risk awareness and improve risk management capabilities.

The Group’s risk management structure to assign responsibility for risk management and to facilitate the process for assessing and communicating risk issues from transactional levels to the Board is summarised in the diagram below:



Their respective scope of responsibilities are as follows:

Board	AC	RMC
<ul style="list-style-type: none"> <li>Overall risk oversight responsibility;</li> <li>Determines that the principal risks are identified and appropriate steps implemented to manage these risks; and</li> <li>Reviews the adequacy and the integrity of the Group’s risk management and internal control systems and information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.</li> </ul>	<ul style="list-style-type: none"> <li>Reviews and endorses policies and frameworks and other key components of risk management for implementation within the Group; and</li> <li>Reviews and endorses the corporate risk profile for the Group, and the progress of ongoing risk management activities to identify, evaluate, monitor and manage critical risks.</li> </ul>	<ul style="list-style-type: none"> <li>Oversees the implementation of risk policies and guidelines, ERM and cultivation of risk management culture within the organisation; and</li> <li>Reviews and monitors annually the status of the Group’s principal risks and their mitigation actions and updates the Board and Audit Committee accordingly.</li> </ul>



# Statement on Risk Management and Internal Control

(Cont'd)

## RISK MANAGEMENT FRAMEWORK (Cont'd)

The Board, through the AC reviews this process as and when deem necessary. The main objective of the review is to formalise and embed a risk management process across the Group in order to sensitise all employees within the Group to risk identification, evaluation, monitoring and reporting.

In essence, risk management is conducted through an integrated process between the Board, the Management and employees in the Group. The Group believes that the Framework and guidelines adopted and implemented have strengthened the risk ownership and risk management culture amongst the employees.

## INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function and has, through the Audit Committee, engaged the services of an independent professional accounting and consulting firm, JWC Consulting Sdn Bhd, to provide the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control.

The internal auditors adopt a risk-based approach in developing its audit plan which addresses the core business processes of the Group based on their risk profiles. Scheduled internal audits are carried out by the internal auditors based on the audit plan presented to and approved by the Audit Committee.

The Audit Committee has full and direct access to the internal auditors and the Audit Committee receives reports on all internal audits performed. The Internal Auditors continue to independently and objectively monitor compliance with regard to policies and procedures, and the effectiveness of the internal controls and risk management system. Significant findings and recommendations for improvement are highlighted to Management and the Audit Committee, with periodic follow-up of the implementation of action plans. The Management is responsible for ensuring that corrective actions are implemented accordingly.

Based on the internal auditors' reports for FY2022, the Board has reasonable assurance that the Group's systems of internal control are generally adequate and appear to be working satisfactorily. A number of minor internal control weaknesses were identified during the financial year, all of which have been, or are being addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. The Board continues to review and implement measures to strengthen the internal control environment of the Group.

## REVIEW OF STATEMENT BY THE BOARD

The Board has reviewed the adequacy and effectiveness of the Group's risk management and internal control system for the year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

The Board has received assurance from the Group Managing Director and Group Financial Controller that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group. As such, the Board is of the view that the system of risk management and internal control instituted by the Group is sound and effective. The monitoring, review and reporting arrangements in place also give reasonable assurance that the operation of controls is appropriate for the Group's operations.

Reviews of control procedures will be continuously carried out to ensure the ongoing effectiveness and adequacy of the system of risk management and internal control, so as to safeguard shareholders' investments and the Group's assets.

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in the Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 31 May 2022, and reported to the Board that nothing has come to their attention that caused them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects:

- (a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issues, or
- (b) is factually inaccurate.

# Statement on Risk Management and Internal Control

(Cont'd)

## REVIEW OF STATEMENT BY THE BOARD (Cont'd)

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

This Statement on Risk Management and Internal Control does not cover the associates as disclosed in Note 7 to the financial statements.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 22 September 2022.

# Sustainability Statement

## ABOUT THIS REPORT

We are pleased to present the Sustainability Statement of Pensonic Group (“PENSONIC”). This statement has been a pillar of the Group’s culture to achieve continuous growth and create long-term value for the stakeholders.






We acknowledge that our long-term growth and values that benefit all stakeholders are associated with our responsibility to the three aspects of sustainable development and they are Economic, Environmental and Social (“EES”) responsibilities.

Despite the challenges brought on by the Covid-19 pandemic, PENSONIC remains committed to our embedded sustainability EES principles in all aspects of our business operations as it is deemed practicable.

The disclosures are based on the Group performance for the reporting period from 1 June 2021 to 31 May 2022, unless stated otherwise. The boundary of the statement is beyond financial reporting and include non-financial performance, risks, opportunities and outcomes attributable to or associated with our key stakeholders.

## STAKEHOLDER ENGAGEMENT

PENSONIC categorises its stakeholder engagement and sustainability practices into the following categories and activities. This matrix assists PENSONIC in targeting its sustainability activities, engagement and communication in a systematic and focused manner:

Stakeholder Group	Type of Engagement	Sustainability Concerns
 <p>Customers</p>	<ul style="list-style-type: none"> <li>• Customer visit</li> <li>• Sales, marketing and promotional events</li> <li>• Collaboration activities</li> <li>• Social media</li> </ul>	<ul style="list-style-type: none"> <li>• Product safety and quality</li> <li>• Design and features</li> <li>• Timely delivery</li> <li>• Customer service and experience</li> </ul>
 <p>Employees</p>	<ul style="list-style-type: none"> <li>• Day-to-day operations</li> <li>• Code of ethics</li> <li>• Whistleblowing policy</li> <li>• Training</li> <li>• Annual appraisal</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational safety and health</li> <li>• Employee appreciation, welfare and benefits</li> <li>• Employee development</li> <li>• Fair and equitable treatment</li> </ul>
 <p>Investors</p>	<ul style="list-style-type: none"> <li>• Annual general meeting</li> <li>• Quarterly announcement of financial results</li> <li>• Website updates</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable financial returns</li> </ul>
 <p>Procurement / Suppliers</p>	<ul style="list-style-type: none"> <li>• Supplier selection</li> <li>• Supplier evaluation and periodic audits</li> <li>• Strategic partnership / alliance</li> </ul>	<ul style="list-style-type: none"> <li>• Supply chain efficiency</li> <li>• Ethical business practices</li> <li>• Timely delivery</li> <li>• Product quality and safety</li> </ul>
 <p>Regulators</p>	<ul style="list-style-type: none"> <li>• Regulatory disclosures / reporting</li> <li>• Scheduled waste disposals</li> <li>• Survey, statistics requests by regulators</li> </ul>	<ul style="list-style-type: none"> <li>• Adherence to law and regulations</li> <li>• Corporate governance and compliances</li> <li>• Covid-19 testing, SOPs and workers’ living conditions compliance</li> </ul>

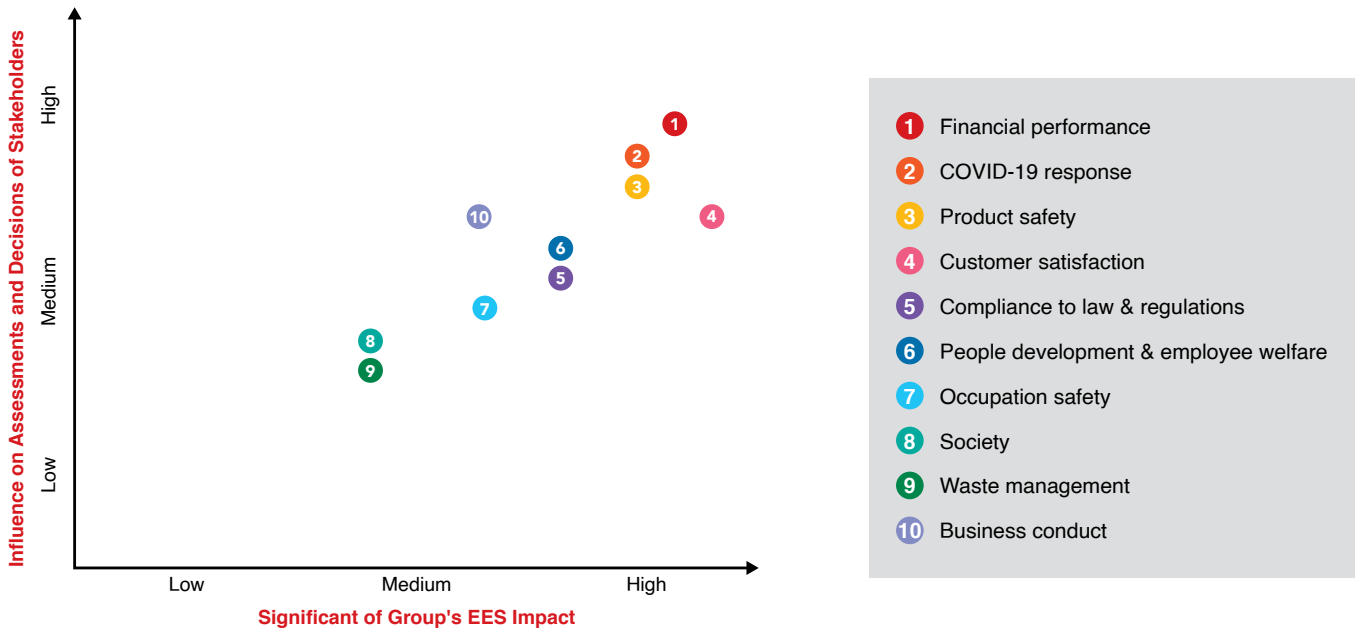
# Sustainability Statement

(Cont'd)

## MATERIALITY

We constantly monitor and discuss industry trends, operating challenges and stakeholder expectations, to produce long-term value to shareholders and stakeholders of the Group and the community around us.

The material issues that shape our strategies and business decision making are not limited to Company's financial performance alone but also to EES impact. We have shortlisted 10 material areas of disclosures into a matrix.



## THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (“UNSDG”)

In 2015, the United Nations General Assembly has set up the Sustainable Development Goals which comprise a set of 17 goals as per below with respective targets to be achieved by the year 2030. These UNSDGs are formed with the aim of creating a better world for mankind. In our sustainability drive, we are aware of the role we can play in helping to achieve the UNSDGs and will illustrate our contributions in the respective activities.

# SUSTAINABLE DEVELOPMENT GOALS





# Sustainability Statement

(Cont'd)

## ECONOMIC



PENSONIC recognises that the sustainability of our business rests on our ability to achieve the highest standard of quality in our products while meeting the high standards of our customers at the most competitive prices, all while meeting the identified sustainable development goals of the United Nations.

PENSONIC is ISO 9001:2015 certified and our products are regulated by Suruhanjaya Tenaga. We have obtained the relevant certifications from SIRIM before our products enter the market. Our Group's products that are sold in Singapore are attached with the Certificate of Conformity for controlled goods. Product warranty is provided for all our products sold and products with manufacturing defects can be returned for repairs under the warranty claim or under certain circumstances, the product may be exchanged for a new one.

To ensure that customers have an avenue to seek help on any product information and repairs, the Group has a total of seven service centers in Malaysia, located at Bukit Minyak and Perak Road in Penang, Petaling Jaya, Johor Bahru, Kota Bahru, Kota Kinabalu and Labuan. Sales and service centers are also located worldwide in Zhuhai, Hong Kong, Singapore, Indonesia, Brunei, Myanmar and Cambodia.

We have upgraded 'Circlez App' to replace the earlier version of 'Pensonic App' to consolidate product online warranty registrations for all Pensonic brands. Online warranty registration via Circlez App is quick and easy using QR code scanning or manual keying in and has automatic warranty period tracking.

We monitor the warranty claims of our products as a measure of our product quality. At the same time, the Group has various communication channels in place through which customers and consumers are able to submit their enquiries, concerns or complaints. These channels include our website and our customer service centres. Customer concerns are documented and reviewed for the Group to identify the commonly reported issues for its consideration in continuous quality improvement.

PENSONIC maintains a healthy supply chain management through building mutually supportive, long-term relationships with suppliers. We are committed to securing stable and strong procurement practices to ensure we gain competitive advantage through economies of scale. We engage in lean manufacturing, conform to environmental requirements, meet required compliance and quality standards, deliver on time and at competitive prices. Prior to engaging a new supplier, a systematic supplier assessment is conducted based on aspects of quality, delivery and environment. We carry out supplier assessment to ensure all suppliers comply with our requirements.

We are committed to the principles and best practices of corporate governance as laid out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and MCGG. We ensure the standards of corporate governance are being observed throughout the Group with the ultimate objective of enhancing long term shareholders' value and returns to our stakeholders. Details of our corporate governance framework and practices are presented in the Corporate Governance Overview Statement of this Annual Report as well as Corporate Governance Report which is available on the Company's website [www.pensonic.com](http://www.pensonic.com).

The Group has established policies on anti-corruption for ethical business practices, embedded in the Group's Code of Ethics, Code of Conduct and the Employees Handbook. The Group pledges against bribery and prohibit accepting of bribes from anyone for any reason, and customary business courtesies shall be guided by reasonable ethical or cultural practices and shall not be inappropriately lavish or excessive, and shall not be material enough to influence, or appeal to be able to influence, business decisions.

For the financial year, the Group has recorded zero cases of whistleblowing concerning anti-corruption, anti-money laundering or ethical business practices. The Group will continuously review its policies and processes in place to enable the observance of high ethical and integrity standards in the conduct of the Group's business.

# Sustainability Statement

(Cont'd)

## ENVIRONMENT



In PENSONIC, we ensure strict compliance with the environmental laws governing plant operations and maintenance in areas relating to environmental standards, emission standards, noise level management and treatment of plant effluents and waste water.

We are supportive of the Government's regulations and initiatives on the Minimum Energy Performance Standards ("MEPS") provided in the Electricity Regulations 1994 and its subsequent amendments. We ensure all our products have obtained the necessary energy efficiency rating and affixed with the required MEPS Star Rating Label. The Group's products with MEPS Star Rating labels include cooling appliances, washing machines and small cooking appliances.

The Group's manufacturing operation is a major source of the Group's scheduled wastes, including wastes such as spent hydraulic oil, contaminated containers and paint sludge. All hazardous wastes generated from our manufacturing processes are kept at designated areas and reported to the Department of Environment on a monthly basis through the Electronic Scheduled Waste Information System. The waste collected will be disposed by licensed hazardous waste recycling facilities, where the waste is recycled or converted into environmentally friendly products. For the financial year under review, we did not receive any fines or sanctions due to non-compliance with environmental legislation across the reporting regulations and requirements.

All forklifts used in our warehouses are reconditioned battery forklifts that utilise rechargeable batteries to operate, hence, enabling operators to do more with less power, delivering sustainability with no emissions of CO<sub>2</sub>.

As part of adopting environmentally friendly practices in our head office, we have implemented a rain water harvesting system as part of green building efforts to collect rain water that can be used for non-operations general purposes. The office boasts green modern design where larger and more abundant window openings are being used to allow natural sunlight to illuminate certain interiors of the building, hence rendering it unnecessary to turn on interior lighting during the day.

We have been actively encouraging our employees to reduce the use of paper throughout the organization to reduce the number of trees that are chopped down and thus reduce the impact to the environment. This is done by the monthly tracking of paper usage by department to ensure no unnecessary wastage and also programs like digitization of documents wherever possible.

Other than this, the Group have also contributed to indirect emissions reduction that could not be measured tangibly but that has resulted in Greenhouse Gas ("GHG") emission reduction as follows:

- The setting up of work from home ("WFH") facilities, infrastructure and capabilities for certain levels of employees, thus reducing the number of work commute and resulting carbon emissions. WFH is implemented to stagger workforce proximity during the presence of workplace clusters and when the number of Covid-19 cases are high.
- Reduction of local and international travel due to meetings being conducted virtually for the past 2 years.
- Virtual AGM was conducted in year 2021 and this reduced shareholders, directors and employees' commute to a physical AGM venue, thus decreasing carbon footprint.

# Sustainability Statement

(Cont'd)

## SOCIAL



At PENSONIC, we uphold human rights and respect the rights of each individual. We do not practice forced labour, prohibit discrimination of any form and are promoting a safe and healthy workplace, prohibit child labour, practice adherence to the minimum wage requirements and promote freedom of speech within the organisation.

Local hiring is done via multiple channels, i.e.; Jobstreet, our website, placement of hiring banners and employees' referral programmes.

PENSONIC offers internship programs at its Corporate Head Office with attractive monthly allowances and an option for the interns to be converted and become a permanent employee of the company upon the completion of their internship program. During the financial year, PENSONIC recruited a few college/university students as part of their internship program and they have worked in various departments.

Talent development is one of the core aspects of PENSONIC's continued growth and success. Various training and safety awareness events and seminars were provided during the year to enhance and promote the importance of safety as well as to sharpen the skillset of the employees.

Ensuring the safety of our employees has always been high on our priority list. In the financial year 2022, there were zero (0) reported cases of any injuries. To further mitigate accident cases within our operations, we will continue to prioritise safety at the work place by increasing safety awareness initiatives and training including conducting daily spot checks for all potential hazards that can lead to accidents, and increase safety enforcement to all staff and workers in order to keep the workplace safe from hazards. Our safety system and processes are modelled on the internationally recognized OHSAS 18001 standard.

All foreign labours are hired with proper documentation and complete legal permits, with contract of employment and enjoying similar benefits as local employees. As a demonstration of our commitment to upholding the human rights of our employees, PENSONIC group has also invested resources to improve the accommodation of our employees with more space per individual together with upgraded facilities in our accommodation locations.

We have also been audited and certified by local authorities for most of our accommodation locations in fulfilling the requirements of the Employee's Minimum Standards of Housing and Amenities Act in year 2022.

Overall, there had been no reported cases of discrimination, child labour, or workplace harassment for the Group during year 2022.

With the ongoing Covid-19 pandemic, the Group put in all the necessary resources to ensure our employee's safety and well-being is taken care of with work from home arrangements for certain levels of employees, daily sanitization, providing face masks and implementing social distancing measures at our workplace. Many activities were carried out to ensure the utmost care for the safety of employees, especially for those whom we provide accommodation and transportation.

To ensure the safety of our employees, we had committed to a vaccination drive to fully vaccinate all our employees. We are pleased to report that all willing employees have been fully vaccinated as of this writing, with their co-operation helping to create a safer workplace for all.

All employees are required to perform self-test for Covid-19 every 2 weeks with test kits provided by the Company. Employees need to upload their self-test results in MySejahtera and report to their Department Heads. This practice also extends to all suppliers and visitors who are also required to show a negative test result prior to entering the company's premises.

We promote diversity and will not tolerate any form of discrimination. We believe that diversity in professional background and experiences as well as gender, ethnicity and culture promote a richness of ideas and perspectives which supports innovative thinking and creativity.

# Sustainability Statement

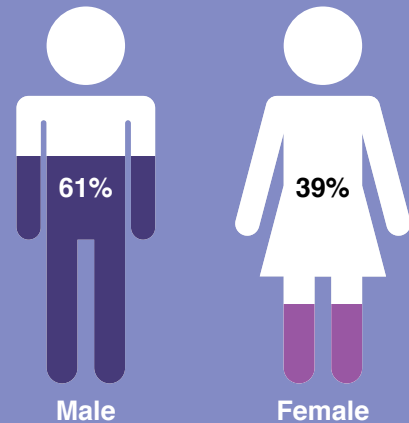
(Cont'd)

## SOCIAL (CONT'D)

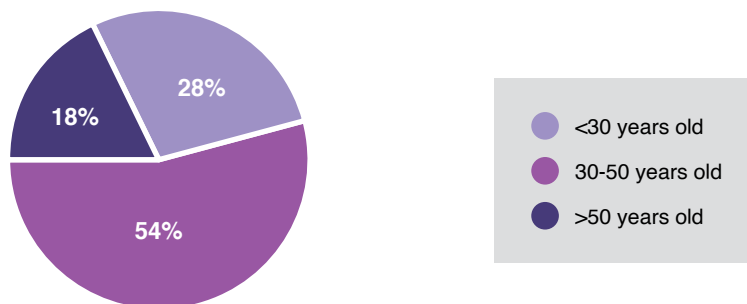
Our work force comprises of 61% male and 39% female. The gender distribution is skewed by male dominance in operational functions which involves heavy manual tasks. Nevertheless, we do not restrict our female employees from undertaking any professional positions and tasks, provided that they are fully qualified for the job.

Embracing an equal opportunity culture, we stand strongly against any form of gender, racial or age discrimination. Therefore, in hiring, we look at candidates' qualifications, knowledge, skills, training and experience rather than gender, age or cultural background.

The Group's total employee distribution by gender, age and employment category for FYE2022 is presented in the graph below. The employees' age distribution within the Group mainly ranges from 30 to 50 years old age group (55%). This group is made up of experienced and skilled employees and we are committed to the continual improvement of their knowledge and skills for now and in the future.



Group Employee Statistics by Age Group



Our employees are our most valuable asset, therefore we ensure employees are compensated fairly and competitively by benchmarking periodically against market salary levels and employment benefits to show our recognition and appreciation towards their contributions to the Group.

Employee benefits are given to our full-time employees aimed at supporting a workforce who feel secure, stable and cared for through fair leave allocation and insurance coverage, among others. A list of employee benefits is given below:



### Leave entitlement :

Annual, medical, hospitalisation, marriage, maternity, paternity and bereavement



### Insurance :

Hospital, surgical and group personal accident protection



### Others :

Shift and meal allowance, bonus, travel allowance, festival celebrations, birthday celebrations, sport activities, long service awards, in-house gym facility



# Sustainability Statement

(Cont'd)

## SOCIAL (CONT'D)

Engaging with the local communities in which we operate provide opportunities for us to meet their needs and create long-term positive impact. We aim to build sustainable communities through CSR activities, allowing us to give back to our society.

Due to the many lockdowns and closing of some businesses in Malaysia due to the pandemic, the lower income groups were struggling to make ends meet. Malaysians joined hands and helped each other by starting the “White Flag Campaign” (#benderaputih). Corporations, non-governmental organisations and even individuals came forward to offer assistance to families who hung the white flag in front of their houses. No questions were asked and the generosity of Malaysians helping one another proved the solidarity and strength of Malaysians in a crisis.

Pensonic also contributed to these families by setting up the Pensonic Community Care ‘We Are One’ Campaign. We posted in the social media mid of July 2021 about this campaign to reach out to the public, requesting for their help to let us know about families or communities who are affected by the pandemic for us to send them the necessities. Within a short period of time, we distributed necessities to around 3,000 affected families and communities. Our reward was seeing their relieved, happy smiles and assuring they are not alone.

The flood that hit this nation during the late 2021 and early 2022 had caused severe damage to living quarters, vehicles, business premises, manufacturing and the agriculture sector as well as public assets and infrastructures in a few states. Pensonic quickly collaborated with our business partners and associates to donate thousands of small home appliances to the affected families and communities to overcome the people’s challenges during this critical time.



In addition to supporting our community during crisis, PENSONIC also supports and honours the commitment to promote quality education opportunities for all. As part of our corporate social responsibility of giving back to the society that is supporting us, we have contributed for a school building fund raising that will help to provide greater education accessibility and advancement of children’s education.

As we continue our journey to become a progressively sustainable company, we will remain resolute in our commitment towards continual improvements, carry out our business activities in a transparent and environmentally friendly manner while providing long-term value for all our stakeholders.

# Statement of Proposed Renewal of Authority for the Company to Purchase Its Own Ordinary Shares

(“Proposed Renewal of Share Buy-Back Authority”)

## 1.0 INTRODUCTION

The shareholders of Pensonic Holdings Berhad (“PHB” or “the Company”) had at the 27<sup>th</sup> Annual General Meeting (“AGM”) of our Company held on 28 October 2021, granted approval for our Directors to purchase its own ordinary shares in PHB (“Shares”) of up to ten percent (10%) of the total number of issued Shares at any point of time through Bursa Malaysia Securities Berhad (“Bursa Securities”).

The aforesaid mandate shall lapse at the conclusion of the forthcoming 28<sup>th</sup> AGM unless the approval for its renewal is obtained from the shareholders at the forthcoming 28<sup>th</sup> AGM.

On 22 September 2022, the Company announced to Bursa Securities that the Company proposed to seek shareholders’ approval on the Proposed Renewal of Share Buy-Back Authority at the forthcoming 28<sup>th</sup> AGM.

The purpose of this Share Buy-Back Statement (“Statement”) is to provide you with the details of the Proposed Renewal of Share Buy-Back Authority as well as set out the recommendation of the Board of Directors of the Company (“Board”) and to seek your approval for the ordinary resolution in respect of the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 28<sup>th</sup> AGM of the Company.

## 2.0 DISCLAIMER STATEMENT

This Statement is important and if you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Securities has not perused this Statement prior its issuance, and hence, takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

## 3.0 DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

We are proposing to seek your approval to purchase Shares of up to ten percent (10%) of the total number of issued Shares of the Company at any point in time, subject to compliance with Section 127 of the Companies Act, 2016 (“Act”), Chapter 12 of the Main Market Listing Requirements of Bursa Securities (“Listing Requirements”), the Malaysian Code on Take-Overs and Mergers 2016 (“Code”) and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities (collectively “Prevailing Laws”) at the time of purchase(s).

The maximum aggregate number of Shares which may be purchased by the Company shall not exceed ten percent (10%) of the total number of issued Shares at any point in time.

As at 22 September 2022, the Company’s issued share capital is RM67,670,893 comprising 129,668,000 Shares. Based on the number of issued shares of PHB and assuming full exercise of the Warrants, the maximum number of shares which can be bought back pursuant to the Proposed Share Buy-Back are detailed as below:

Share Capital	Based on existing share capital No. of shares	Assuming full exercise of the Warrants No. of shares
Total number of issued shares	129,668,000	129,668,000
Add: new shares arising from the exercise of the Warrants	-	64,834,000
Enlarged share capital	129,668,000	194,502,000
10% of the total number of issued shares	12,966,800	19,450,200
Less: Treasury shares held by PHB	(3,877,400)	(3,877,400)
Maximum number of shares which may be purchased in respect of this Proposed Share Buy-Back	9,089,400	15,572,800

The purchase of Shares under the Proposed Renewal of Share Buy-Back Authority will be carried out through Bursa Securities via stockbroker(s) to be appointed by the Board.

# Statement of Proposed Renewal of Authority for the Company to Purchase Its Own Ordinary Shares

(“Proposed Renewal of Share Buy-Back Authority”)

(Cont'd)

## 3.0 DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

Your authority for the share buy-back will be effective upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority at our forthcoming 28<sup>th</sup> AGM to be convened until:

- a) the conclusion of the next AGM, at which time the authority shall lapse unless by ordinary resolution the authority is renewed, either unconditionally or subject to conditions;
- b) the expiration of the period within which the next AGM is required by law to be held; or
- c) the authority is revoked or varied by an ordinary resolution passed by you at a general meeting; whichever occurs first.

Your approval for the Proposed Renewal of Share Buy-Back Authority does not impose an obligation on the Company to purchase its Shares. However, it will allow the Board to exercise the power of the Company to purchase its Shares at any time within the abovementioned time period.

## 4.0 RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back would enable the Company to utilise its surplus financial resources to purchase shares when appropriate, and at prices which the Board view as favourable to the Company with a view to enhancing the earnings per Share of PHB Group (“the Group”) and net asset per Share of the Company.

The Proposed Share Buy-Back is not expected to have any potential material disadvantage to the Company and its shareholders as it will be exercised only after in-depth consideration of the financial resources of the Group and of the resultant impact on its shareholders.

### (i) Advantages of the Proposed Share Buy-Back

- a) The Proposed Share Buy-Back would effectively reduce the number of shares carrying voting and participation rights unless the Shares which are purchased by the Company pursuant to the Proposed Share Buy-Back (“Purchased Shares”) are resold on Bursa Securities or distributed as share dividends. Consequently, all else being equal, the earnings per share of the Group may be enhanced as the earnings of the Group would be divided by a reduced number of Shares.
- b) The Purchased Shares which will be retained as treasury shares (“Treasury Shares”) may potentially be resold on Bursa Securities at a higher price and therefore realising a potential gain in reserves without affecting the total share capital of the Company. The Treasury Shares may also be distributed to shareholders as dividends and, if undertaken, would serve to reward the shareholders of the Company.
- c) The Company may be able to stabilise the supply and demand of its Shares in the open market and thereby supporting its fundamental values.

### (ii) Disadvantages of the Proposed Share Buy-Back

- a) The Proposed Share Buy-Back, if implemented, would reduce the financial resources of the Group. This may result in the Group having to forgo better future investment or business opportunities and/or any interest income that may be derived from the deposit of such funds in interest bearing instruments; and
- b) The Proposed Share Buy-Back may also result in a reduction of financial resources available for distribution in the form of cash dividends to you as shareholders of PHB in the immediate future.

## 5.0 SOURCE OF FUNDING FOR THE PROPOSED SHARE BUY-BACK

Paragraph 12.10(1) of the Listing Requirements stipulates that the Proposed Share Buy-Back must be made wholly out of the retained profits of our Company. We intend to use internally generated funds to finance the Proposed Share Buy-Back subject to compliance with Section 127 of the Act and any Prevailing Laws at the time of the purchase. Notwithstanding this, in the event the Proposed Share Buy-Back (or any part of it) is to be financed through external borrowings, our Board will ensure that we have sufficient funds to repay such external borrowings.

Based on our latest audited consolidated financial statements for financial year ended 31 May 2022, the retained profits of our Company is approximately RM17,095,431. The maximum amount of funds to be allocated for the Proposed Share Buy-Back shall not exceed the aggregate amount of the retained profits of the Company.

The Proposed Share Buy-Back is not expected to have a material impact on the cash flow position of our Company. In addition, our Board will ensure that our Company satisfies the solvency test as stated in Section 112(2) of the Act before implementing the Proposed Share Buy-Back. The actual number of Shares to be purchased, and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock market as well as our financial resources and retained profits.

# Statement of Proposed Renewal of Authority for the Company to Purchase Its Own Ordinary Shares

(“Proposed Renewal of Share Buy-Back Authority”)

## 6.0 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

The Directors, Major Shareholders and persons connected to the Directors and/or Major Shareholders of PHB Group have no direct or indirect interest in the Proposed Share Buy-Back and/or the resale of Treasury Shares, if any.

The proforma table below shows the equity interests held directly and indirectly in PHB by the Directors and Substantial shareholders of PHB as at 19 August 2022 before and after the Proposed Share Buy-Back:-

Minimum scenario: assuming none of the Warrants are exercised and 12,966,800 shares are buy-back by PHB.

Maximum scenario: assuming all Warrants in issued are fully exercised and 19,450,200 shares are buy-back by PHB.

	As at 19 August 2022			As at 19 August 2022			After minimum scenario			After maximum scenario		
	Direct	%	Indirect	Direct	%	Indirect	Direct	%	Indirect	Direct	%	Indirect
<b>Directors</b>												
Dato' Seri Chew Weng Khak	11,034,300	8.772	32,261,924 <sup>^</sup>	8,400,000	25.647	11,089,912 <sup>*</sup>	11,034,300	9.455	32,261,924 <sup>^</sup>	11,102,434,300	27.645	43,351,836 <sup>^</sup>
@ Chew Weng Kiak	7,898,400	6.279	16,800 <sup>#</sup>	5,485,700	0.013	10,000 <sup>#</sup>	7,898,400	6.768	16,800 <sup>#</sup>	7,646	0.014	26,800 <sup>#</sup>
Chew Chuon Jin, Dixon	8,704,000	6.919	-	2,002,000	-	-	8,704,000	7.458	-	10,706,000	6.116	-
Chew Chuon Ghee, Vincent	6,181,000	4.914	-	2,877,000	-	-	6,181,000	5.296	-	9,058,000	5.174	-
Chew Chuon Fang, Nelson												
<b>Major shareholder</b>												
Chew Weng Khak Realty Sdn Bhd	26,061,924	20.718	-	10,669,912	-	-	26,061,924	22.332	-	36,731,836	20.983	-
Dato' Seri Chew Weng Khak	11,034,300	8.772	28,261,924 <sup>*</sup>	8,400,000	22.467	11,089,912 <sup>*</sup>	11,034,300	9.455	28,261,924 <sup>*</sup>	11,102,434,300	24.217	39,351,836 <sup>^</sup>
@ Chew Weng Kiak												



# Statement of Proposed Renewal of Authority for the Company to Purchase Its Own Ordinary Shares

("Proposed Renewal of Share Buy-Back Authority")

(Cont'd)

## 6.0 INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED (CONT'D)

	As at 19 August 2022		As at 19 August 2022		As at 19 August 2022		After minimum scenario		After maximum scenario	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
<b>Person connected to Directors and/or Major shareholders</b>										
Datin Seri Tan Ah Nya										
@ Tan Bee Tiang	2,200,000	1.749	-	420,000	-	2,200,000	1.885	-	2,620,000	1.497
Tan Guat See	16,800	0.013	-	10,000	-	16,800	0.014	-	26,800	0.015
Dato' Tan Ah Lee	505,000	0.401	-	182,000	-	505,000	0.433	-	687,000	0.392
Chew Chun Chia, Nick	2,000,000	1.590	-	-	-	2,000,000	1.714	-	2,000,000	1.143
Chew Pei Gee	2,000,000	1.590	-	-	-	2,000,000	1.714	-	2,000,000	1.143

Note:

By virtue of his interest of more than 20% in the ordinary shares of the Company, Dato' Seri Chew Weng Khak @ Chew Weng Khak is also deemed to have interest in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

- \* These shares are held in the name of spouse and Chew Weng Khak Realty Sdn Bhd.
- ^ These shares are held in the name of spouse, children and Chew Weng Khak Realty Sdn Bhd.
- # These shares are held in the name of spouse.

# Statement of Proposed Renewal of Authority for the Company to Purchase Its Own Ordinary Shares

("Proposed Renewal of Share Buy-Back Authority")

(Cont'd)

## 7.0 EFFECTS OF THE PROPOSED SHARE BUY-BACK

### 7.1 Share Capital

The effect of the Proposed Share Buy-Back on the issued share capital of the Company will depend on whether the Purchased Shares are cancelled or retained as Treasury Shares. The Proposed Share Buy-Back will result in a reduction of the issued shares capital of the Company if the Purchased Shares are cancelled.

In the event the Proposed Share Buy-Back is carried out in full and all the Purchased Shares are cancelled, the present issued share capital of the Company will be reduced by the number of Shares so cancelled as follows:

Share Capital	Based on existing share capital No. of shares	Assuming full exercise of the Warrants No. of shares
Existing share capital as at 22 September 2022 (inclusive of the 3,877,400 Treasury Shares)	129,668,000	129,668,000
Add: new shares arising from the exercise of the Warrants	-	64,834,000
Enlarged share capital	129,668,000	194,502,000
Assuming all the Purchased Shares pursuant to the Proposed Share Buy-Back are cancelled	(12,966,800)	(19,450,200)
Resultant ordinary issued share capital	116,701,200	175,051,800

Conversely, if all the Purchased Shares are retained as Treasury Shares, the Proposed Share Buy-Back will not have any effect on the issued share capital of PHB. Nevertheless, certain rights attached to the Purchased Shares are suspended while they are held as Treasury Shares.

### 7.2 Net Assets ("NA") per Share

The Proposed Share Buy-Back may increase or decrease the NA per Share depending on the purchase price of the Shares bought back in comparison to the NA per Share at the time that the Shares are purchased.

If the Treasury Shares are distributed as share dividends, the NA per Share will decrease by the cost of the Treasury Shares at the point of purchase.

In the event the Purchased Shares which are retained as Treasury Shares are resold, the NA per Share of the Group will increase or decrease depend on whether a gain or a loss is realised upon the resale. However, the quantum of the increase or decrease in NA per Share will depend on the actual selling price of the Treasury Shares and the number of Treasury Shares resold to Bursa Securities.

### 7.3 Earnings and Earnings per Share ("EPS")

The Proposed Share Buy-Back may increase or reduce the EPS of the Group, depending on the number of and prices paid for the Purchased Shares, the effective funding cost to PHB to finance the purchase of such Shares, or any loss in interest income to PHB or opportunity cost in relation to other investment opportunities as well as the proposed treatment of the Purchased Shares.

Assuming that the Purchased Shares are retained as Treasury Shares and subsequently resold, the extent of the effects on the earnings of the Group will depend on the actual selling price, the number of Treasury Shares resold and the effective gain arising from the exercise.

If the Purchased Shares are cancelled, the Proposed Share Buy-Back shall increase the EPS of the Group provided that the income forgone and interest expense incurred on the Purchased Shares are less than the EPS before the share purchase.

# Statement of Proposed Renewal of Authority for the Company to Purchase Its Own Ordinary Shares

(“Proposed Renewal of Share Buy-Back Authority”)

(Cont'd)

## 7.0 EFFECTS OF THE PROPOSED SHARE BUY-BACK (CONT'D)

### 7.4 Dividends

The Proposed Share Buy-Back is not expected to have any impact on the dividend payment as the Board will take into consideration the Company's profit, cash flow and the capital commitments before proposing any dividend payment. However, the Board will have the option of distributing the Treasury Shares as share dividends to you subject to Section 131(1) of the Act, where a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent.

## 8.0 IMPLICATION OF THE CODE

In the event the Proposed Share Buy-Back results in any Director, Major Shareholder and/or parties acting in concert with him/them triggering a mandatory offer obligation under the Code, the affected Director or Major Shareholder will be obliged to make a mandatory offer for the remaining shares in the Company not held by him/them. However, an exemption may be sought from the Securities Commission by the affected Director or Major Shareholder under Section 219 of the Capital Market Services Act before a mandatory offer obligation is triggered.

However, it is not the intention of the Company to cause any shareholder to trigger an obligation to undertake a mandatory general offer under the Code. The Company will be mindful of the above implications of the Code in making any purchase of its own shares pursuant to the Proposed Share Buy-Back.

## 9.0 PURCHASE, RESALE OR TRANSFER AND CANCELLATION IN THE PRECEDING TWELVE (12) MONTHS

As at 19 August 2022, the Company had purchased a total of 3,877,400 of its own Shares and retained as Treasury Shares in accordance to the provisions of Section 127 of the Act.

As at the date of this Statement, the Company had not resold or transferred any Treasury Shares on Bursa Securities. No cancellation of Purchased Shares was made in the preceding twelve (12) months.

The details of Shares purchased by the Company in the preceding twelve (12) months are as follows:

Month	No. of Shares	Highest price paid (RM)	Lowest price paid (RM)	Average price paid (RM)	Total consideration (RM)
June 2021	51,500	0.720	0.720	0.720	37,080
November 2021	63,300	0.594	0.576	0.585	37,111
December 2021	103,099	0.594	0.579	0.587	60,431
January 2022	91,000	0.585	0.580	0.583	53,232
February 2022	119,301	0.590	0.580	0.585	69,716
March 2022	145,000	0.568	0.520	0.544	81,764

# Statement of Proposed Renewal of Authority for the Company to Purchase Its Own Ordinary Shares

(“Proposed Renewal of Share Buy-Back Authority”)

(Cont'd)

## 10.0 HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Shares traded on Bursa Securities in the preceding twelve (12) months were as follows:

Month	Lowest (RM)	Highest (RM)
June 2021	0.605	0.750
July 2021	0.625	0.750
August 2021	0.685	0.750
September 2021	0.680	0.825
October 2021	0.670	0.750
November 2021	0.550	0.695
December 2021	0.555	0.625
January 2022	0.570	0.635
February 2022	0.550	0.630
March 2022	0.510	0.630
April 2022	0.570	0.660
May 2022	0.520	0.585
June 2022	0.520	0.570
July 2022	0.510	0.550

Last transacted price on 19 August 2022, being the latest practicable date prior to printing of the Annual Report 2022 was RM0.57.

(Source: [www.investing.com](http://www.investing.com))

## 11.0 PROPOSED INTENTION OF THE DIRECTORS TO DEAL WITH THE SHARES BOUGHT BACK

All the Purchased Shares, when the Proposed Share Buy-Back is exercised, shall be dealt with in the following manner:

- cancel the Shares so purchased;
- retain the Shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of the Bursa Securities or subsequently cancelled;
- resell the Shares or any of the Shares in accordance with the relevant rules of Bursa Securities;
- retain part of the shares so purchased as Treasury Shares and cancel the remainder; or
- in such other manner as the Bursa Securities and such other relevant authorities may allow from time to time.

## 12.0 PUBLIC SHAREHOLDING SPREAD

According to the Record of Depositors maintained by Bursa Malaysia Depository Sdn. Bhd. as at 19 August 2022, the public shareholding spread of the Company was approximately 47.04%. In this regard, the Board undertakes to purchase shares only to the extent that the public shareholding spread of PHB shall not fall below 25% of the total number of issued shares of the Company at all times pursuant to the Proposed Renewal of Share Buy-Back Authority, in accordance with Paragraph 12.14 of the Listing Requirements.

## 13.0 DIRECTORS' STATEMENT

After taking into consideration all relevant factors, the Board is of the opinion that the Proposed Renewal of Share Buy-Back Authority described above is in the best interest of the Company.



# Statement of Proposed Renewal of Authority for the Company to Purchase Its Own Ordinary Shares

(“Proposed Renewal of Share Buy-Back Authority”)

(Cont'd)

## 14.0 DIRECTORS' RECOMMENDATION

The Board recommends that you vote in favour of the ordinary resolution to be tabled at the forthcoming 28<sup>th</sup> AGM of the Company to give effect to the Proposed Renewal of Share Buy-Back Authority.

## 15.0 RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no facts, the omission of which would make any statement herein misleading.

## 16.0 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company during working hours from Mondays to Fridays (except Public Holidays) from the date of this Annual Report up to and including the date of the forthcoming 28<sup>th</sup> AGM:

- a) the Constitution of the Company; and
- b) the Audited Financial Statements of the Group for past two (2) financial years ended 31 May 2021 and 31 May 2022.

# Additional Compliance Information

## 1. AUDIT FEES AND NON-AUDIT FEES

The audit fees and non-audit fees payable to the external auditors during the financial year ended 31 May 2022 (“FYE2022”) were as follows:

	Group (RM)	Company (RM)
Audit fees	268,180	40,000
Non-audit fees	155,990	58,450
Total	424,170	98,450

## 2. MATERIAL CONTRACTS

There were no material contracts with the Company and its subsidiaries involving Directors’ and major shareholders’ interest during the financial year ended 31 May 2022.

## 3. STATUS OF UTILISATION OF PROCEEDS RAISED FROM ANY PROPOSAL

There were no proceeds raised by the Company from any corporate proposals during the financial year ended 31 May 2022.

## 4. RECURRENT RELATED PARTY TRANSACTIONS (“RPT”) FOR FYE2022

The aggregate value of RRPT conducted pursuant to the shareholders’ mandate during FYE2022 are as follows:

Related Party	Company within the Group involved	Nature of Transactions	Amount (RM)	Related Parties
PW Jit Seng Plastic Material Sdn Bhd (“PW Jit Seng”)	PHB Group	Purchase of raw materials	2,269,795	<p>Chew Weng Khak Realty Sdn Bhd (“CWKR”) is a major shareholder of PHB and PW Jit Seng.</p> <p>Dato’ Seri Chew Weng Khak @ Chew Weng Kiak (“Dato’ Seri Chew”) is a Director and major shareholder of PHB and PW Jit Seng via CWKR.</p> <p>Chew Chuon Jin, Dixon (“Dixon Chew”) a Director and shareholder of PHB, is also a Director of PW Jit Seng.</p> <p>Chew Chuon Ghee, Vincent (“Vincent Chew”) and Chew Chuon Fang, Nelson (“Nelson Chew”) are Directors and shareholders of PHB. Both are also a Directors of CWKR.</p> <p>Dixon Chew, Vincent Chew and Nelson Chew are brothers and they are sons of Dato’ Seri Chew.</p>
Syarikat Perkapalan Soo Hup Seng Sdn Bhd (“Soo Hup Seng”)	PHB Group	Shipping services	302,535	<p>Dato’ Tahir Jalaluddin Bin Hussain (“Dato’ Tahir”) is a Director of PHB and Soo Hup Seng.</p> <p>Dato’ Tan Ah Lee is a Director of Soo Hup Seng and is the brother in law of Dato’ Seri Chew.</p>

## Additional Compliance Information

(Cont'd)

### 4. RECURRENT RELATED PARTY TRANSACTIONS (“RPT”) FOR FYE2022 (CONT'D)

Related Party	Company within the Group involved	Nature of Transactions	Amount (RM)	Related Parties
PT Pensonic Appliances Indonesia (“PTPAI”)	PHB Group	Sale of electrical appliances	1,407,769	<p>PHB is the holding company of PTPAI. The remaining 49%, in PTPAI is held by Chew Chun Chia, Nick (“Nick Chew”) (16%) and Alex Tumondo Tan (33%).</p> <p>Nick Chew, the Director and shareholder of PTPAI, is a son of Dato’ Seri Chew.</p> <p>Dato’ Seri Chew, a Director and major shareholder of PHB, is also a Director of PTPAI. Dixon Chew, Vincent Chew and Nelson Chew are Directors and shareholders of PHB. Dixon Chew is also a Director of PTPAI.</p> <p>Dixon Chew, Vincent Chew, Nelson Chew and Nick Chew are brothers and they are sons of Dato’ Seri Chew.</p>

# Financial Statements Contents

**51**

Directors' Report

**57**

Statements of Financial Position

**58**

Statements of Profit or Loss and  
Other Comprehensive Income

**59**

Consolidated Statement of  
Changes in Equity

**61**

Statement of Changes in Equity

**62**

Statements of Cash Flows

**66**

Notes to the Financial Statements

**128**

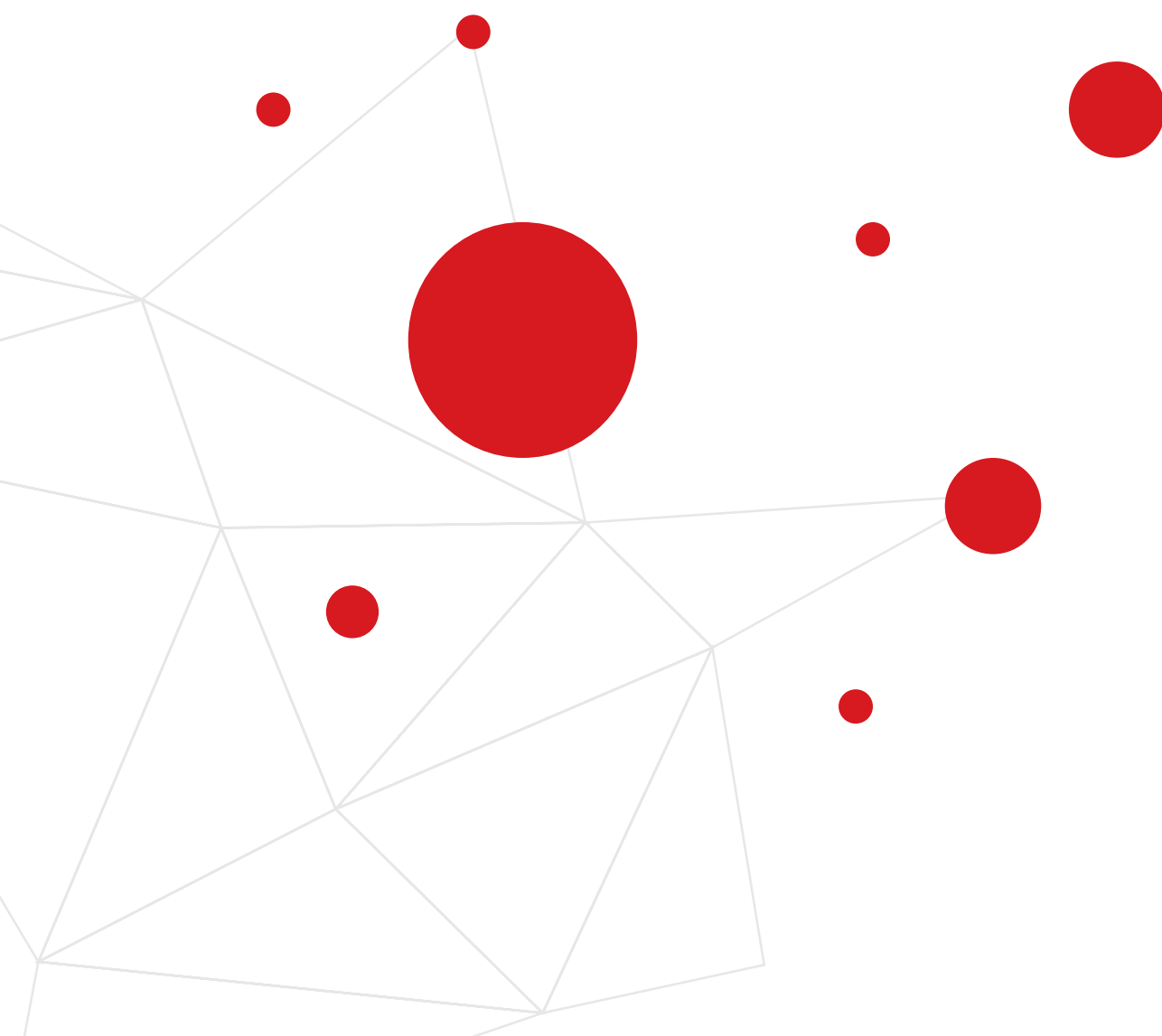
Statement by Directors

**129**

Statutory Declaration

**130**

Independent Auditors' Report



# Directors' Report

for the year ended 31 May 2022

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 May 2022.

## Principal activities

The principal activity of the Company is investment holding whilst the principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

## Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

## Results

	Group RM	Company RM
Profit for the year attributable to :		
Owners of the Company	14,356,008	1,310,523
Non-controlling interests	(1,303,129)	-
	<u>13,052,879</u>	<u>1,310,523</u>

## Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

## Dividends

Since the end of the previous financial year, a single tier final dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 May 2021 totalling RM1,262,677 was declared by the Company on 28 September 2021 and paid on 31 December 2021.

A final dividend of 1.25 sen per ordinary share in respect of the financial year ended 31 May 2022 has been recommended by the Directors on 28 July 2022, subject to the approval of the Company's shareholders at the fourthcoming Annual General Meeting.

## Directors of the Company

Directors who served during the financial year until the date of this report are :

Y. Bhg. Dato' Seri Chew Weng Khak @ Chew Weng Kiak  
Chew Chuon Jin  
Chew Chuon Ghee  
Chew Chuon Fang  
Y. Bhg. Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim  
Y. Bhg. Dato' Tahir Jalaluddin Bin Hussain  
Ong Huey Min



# Directors' Report

for the year ended 31 May 2022

(Cont'd)

## Directors of subsidiaries

Pursuant to Section 253(2) of the Companies Act 2016, the Directors who served in the subsidiaries during the financial year until the date of this report are :

Alex Tumondo Tan  
Chew Chun Jia  
Koh Wan Tiong

## Directors' interests in shares

The interests and deemed interests in the ordinary shares and warrants of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouse and/or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows :

	Number of ordinary shares			Balance at 31.5.2022
	Balance at 1.6.2021	Bought	(Sold)	
<b>Interests in the Company :</b>				
Direct interests :				
Y. Bhg. Dato' Seri Chew Weng Khak @ Chew Weng Kiak				
- own	11,034,300	-	-	11,034,300
- others*	6,200,000	-	-	6,200,000
Chew Chuon Jin				
- own	7,898,400	-	-	7,898,400
- others*	16,800	-	-	16,800
Chew Chuon Ghee - own	8,704,000	-	-	8,704,000
Chew Chuon Fang - own	6,181,000	-	-	6,181,000
Deemed interests :				
Y. Bhg. Dato' Seri Chew Weng Khak @ Chew Weng Kiak	26,061,924	-	-	26,061,924

# Directors' Report

for the year ended 31 May 2022

(Cont'd)

## Directors' interests in shares (Cont'd)

	Number of warrants 2014/2024			Balance at 31.5.2022
	Balance at 1.6.2021	Bought	(Sold)	
<b>Interests in the Company :</b>				
Direct interests :				
Y. Bhg. Dato' Seri Chew Weng Khak @ Chew Weng Kiak				
- own	8,400,000	-	-	8,400,000
- others*	420,000	-	-	420,000
Chew Chuon Jin				
- own	5,485,700	-	-	5,485,700
- others*	10,000	-	-	10,000
Chew Chuon Ghee - own	2,002,000	-	-	2,002,000
Chew Chuon Fang - own	2,877,000	-	-	2,877,000
Deemed interests :				
Y. Bhg. Dato' Seri Chew Weng Khak @ Chew Weng Kiak	10,669,912	-	-	10,669,912

\* These are shares and warrants held by the spouse/children and are regarded as interests of the Directors pursuant to Section 59(11)(c) of the Companies Act 2016.

By virtue of his interests in the shares of the Company, Y. Bhg. Dato' Seri Chew Weng Khak @ Chew Weng Kiak is also deemed to be interested in the shares of the subsidiaries during the financial year to the extent the Company has an interest.

None of the other Directors holding office at 31 May 2022 had any interest in the ordinary shares or warrants of the Company and of its related corporations during the financial year.

## Warrants

As at the end of the financial year, the Company has the following outstanding warrants :

Warrants	Exercise price per ordinary share	Expiry date	Number of warrants outstanding at 31.5.2022
Warrants 2014/2024	RM0.60	20.1.2024	64,834,000

The warrants 2014/2024 were constituted under the Deed Poll dated 18 November 2013. The salient terms of the warrants are disclosed in Note 13.2 to the financial statements.

## Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than those transactions entered in the ordinary course of business between certain related corporations with companies in which certain Directors have a substantial financial interest as disclosed in Note 23 to the financial statements.

# Directors' Report

for the year ended 31 May 2022

(Cont'd)

## Directors' benefits (Cont'd)

The benefits paid to or receivable by Directors in respect of the financial year ended 31 May 2022 are as follows:

	From the Company RM	From subsidiary companies RM
Directors of the Company:		
Fees	282,000	-
Remuneration	-	2,392,505
Estimated money value of benefits-in-kind	-	106,375
Trading between companies in which certain Directors have a substantial financial interest in the ordinary course of business		
- Sales	-	(1,500)
- Purchases	-	2,269,795
- Transportation charges	-	495,468
	<u>282,000</u>	<u>5,262,643</u>

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than through the warrants of the Company.

## Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company and no debentures were issued during the financial year.

## Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

## Indemnity and insurance costs

The total cost of insurance effected for Directors and officers of the Group and of the Company was RM5,500 for a total sum insured of RM2,000,000. There was no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

# Directors' Report

for the year ended 31 May 2022

(Cont'd)

## Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that :

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances :

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist :

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, other than the gain on disposal of investment properties, impairment on investments in subsidiaries and impairment on investments in and amount owing from an associate as disclosed in the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 May 2022 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

## Significant event during the financial year

Details of the significant event are disclosed in Note 27 to the financial statements.

## Subsequent event

The details of such event are disclosed in Note 29 to the financial statements.

# Directors' Report

for the year ended 31 May 2022

(Cont'd)

## Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM191,000 and RM40,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

.....  
**Y. Bhg. Dato' Seri Chew Weng Khak @  
Chew Weng Kiak**  
Director

.....  
**Chew Chuon Ghee**  
Director

Penang,

Date : 23 September 2022



# Statement of Financial Position

as at 31 May 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
<b>Assets</b>					
Property, plant and equipment	3	112,403,391	115,639,065	43,045,454	44,299,827
Investment properties	4	-	3,874,730	-	-
Intangible assets	5	870,000	870,000	-	-
Investments in subsidiaries	6	-	-	41,350,504	43,239,357
Investments in associates	7	962,913	1,364,917	1	737,485
Deferred tax assets	8	151,317	562,034	-	-
<b>Total non-current assets</b>		<b>114,387,621</b>	<b>122,310,746</b>	<b>84,395,959</b>	<b>88,276,669</b>
Inventories	9	96,872,111	68,470,899	-	-
Trade and other receivables	10	79,983,730	66,970,893	6,385,136	3,850,924
Current tax assets		880,861	733,965	-	-
Fixed deposits	11	538,722	527,528	-	-
Cash and bank balances		22,590,413	22,359,087	232,166	476,506
<b>Total current assets</b>		<b>200,865,837</b>	<b>159,062,372</b>	<b>6,617,302</b>	<b>4,327,430</b>
<b>Total assets</b>		<b>315,253,458</b>	<b>281,373,118</b>	<b>91,013,261</b>	<b>92,604,099</b>
<b>Equity</b>					
Share capital	12	67,670,893	67,670,893	67,670,893	67,670,893
Reserves	13	74,427,775	60,889,770	21,284,859	21,576,347
<b>Total equity attributable to owners of the Company</b>		<b>142,098,668</b>	<b>128,560,663</b>	<b>88,955,752</b>	<b>89,247,240</b>
Non-controlling interests	6	53,312	1,319,335	-	-
<b>Total equity</b>		<b>142,151,980</b>	<b>129,879,998</b>	<b>88,955,752</b>	<b>89,247,240</b>
<b>Liabilities</b>					
Loans and borrowings	14	31,265,664	35,809,846	-	-
Lease liabilities		255,251	118,318	-	-
Deferred tax liabilities	8	286,518	253,000	42,000	42,000
<b>Total non-current liabilities</b>		<b>31,807,433</b>	<b>36,181,164</b>	<b>42,000</b>	<b>42,000</b>
Trade and other payables	15	59,249,197	63,702,286	1,995,929	3,308,863
Loans and borrowings	14	79,347,669	45,786,560	-	-
Lease liabilities		680,873	336,287	-	-
Current tax liabilities		2,016,306	5,486,823	19,580	5,996
<b>Total current liabilities</b>		<b>141,294,045</b>	<b>115,311,956</b>	<b>2,015,509</b>	<b>3,314,859</b>
<b>Total liabilities</b>		<b>173,101,478</b>	<b>151,493,120</b>	<b>2,057,509</b>	<b>3,356,859</b>
<b>Total equity and liabilities</b>		<b>315,253,458</b>	<b>281,373,118</b>	<b>91,013,261</b>	<b>92,604,099</b>

The notes on pages 66 to 127 are an integral part of these financial statements.

# Statements of profit or loss and other comprehensive income

for the year ended 31 May 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Revenue	16	325,004,925	339,159,325	5,500,000	5,800,000
Cost of sales		(265,470,264)	(271,068,676)	-	-
<b>Gross profit</b>		<b>59,534,661</b>	68,090,649	<b>5,500,000</b>	5,800,000
Other income		12,013,101	4,077,794	1,279,024	1,233,133
Selling and distribution expenses		(23,642,774)	(24,924,247)	-	-
Administrative expenses		(29,882,356)	(27,071,406)	(5,358,276)	(5,286,124)
<b>Results from operating activities</b>		<b>18,022,632</b>	20,172,790	<b>1,420,748</b>	1,747,009
Finance costs	17	(3,396,961)	(3,195,211)	-	-
Share of results of associates		188,656	223,524	-	-
<b>Profit before tax</b>	18	<b>14,814,327</b>	17,201,103	<b>1,420,748</b>	1,747,009
Tax expense	19	(1,761,448)	(1,719,391)	(110,225)	(87,828)
<b>Profit for the year</b>		<b>13,052,879</b>	15,481,712	<b>1,310,523</b>	1,659,181
<b>Other comprehensive income/(expense), net of tax :</b>					
<b>Item that is or may be reclassified subsequently to profit or loss</b>					
Foreign exchange translation differences for foreign operations		821,114	(621,245)	-	-
<b>Total comprehensive income for the year</b>		<b>13,873,993</b>	14,860,467	<b>1,310,523</b>	1,659,181
<b>Profit for the year attributable to :</b>					
Owners of the Company		14,356,008	15,819,184	1,310,523	1,659,181
Non-controlling interests		(1,303,129)	(337,472)	-	-
		<b>13,052,879</b>	15,481,712	<b>1,310,523</b>	1,659,181
<b>Total comprehensive income attributable to :</b>					
Owners of the Company		15,140,016	15,292,249	1,310,523	1,659,181
Non-controlling interests		(1,266,023)	(431,782)	-	-
		<b>13,873,993</b>	14,860,467	<b>1,310,523</b>	1,659,181
Basic/Diluted earnings per ordinary share (sen)	21	<b>11.38</b>	12.32		

The notes on pages 66 to 127 are an integral part of these financial statements.

# Consolidated Statement of Changes in Equity

for the year ended 31 May 2022

Group	Attributable to owners of the Company		Distributable		Total equity					
	Share capital	Total equity	Share capital	Total equity	Share capital	Total equity				
	RM	RM	RM	RM	RM	RM				
<b>At 1 June 2020</b>	67,670,893	724,449	6,483,400	-	4,487,540	(638,792)	38,092,983	116,820,473	1,751,117	118,571,590
Profit for the year	-	-	-	-	-	-	15,819,184	15,819,184	(337,472)	15,481,712
Other comprehensive expense for the year	-	(526,935)	-	-	-	-	-	(526,935)	(94,310)	(621,245)
- Foreign exchange translation differences for foreign operations	-	(526,935)	-	-	-	-	-	(526,935)	(94,310)	(621,245)
<b>Total comprehensive income/ (expense) for the year</b>	-	(526,935)	-	-	-	-	15,819,184	15,292,249	(431,782)	14,860,467
<b>Transaction with owners of the Company :</b>	-	-	-	-	-	-	(1,597,421)	(1,597,421)	-	(1,597,421)
Dividend paid (Note 22)	-	-	-	-	-	-	-	(1,597,421)	-	(1,597,421)
Own shares acquired	-	-	(1,954,638)	-	-	-	-	(1,954,638)	-	(1,954,638)
Total transactions with owners of the Company	-	-	(1,954,638)	-	-	-	(1,597,421)	(3,552,059)	-	(3,552,059)
<b>At 31 May 2021</b>	67,670,893	197,514	6,483,400	(1,954,638)	4,487,540	(638,792)	52,314,746	128,560,663	1,319,335	129,879,998

Note 12 ← ————— Note 13 →

# Consolidated Statement of Changes in Equity

for the year ended 31 May 2022

(Cont'd)

Group	Attributable to owners of the Company		Distributable					Total equity RM	
	Share capital RM	Foreign currency translation reserve RM	Warrants reserve RM	Treasury shares RM	Capital reserve RM	Other reserve RM	Retained earnings RM		Non-controlling interests RM
<b>At 1 June 2021</b>	67,670,893	197,514	6,483,400	(1,954,638)	4,487,540	(638,792)	52,314,746	1,319,335	129,879,998
Profit for the year	-	-	-	-	-	-	14,356,008	(1,303,129)	13,052,879
Other comprehensive income for the year	-	784,008	-	-	-	-	-	37,106	821,114
- Foreign exchange translation differences for foreign operations	-	784,008	-	-	-	-	-	37,106	821,114
<b>Total comprehensive income for the year</b>	-	784,008	-	-	-	-	14,356,008	(1,266,023)	13,873,993
<b>Transaction with owners of the Company :</b>	-	-	-	-	-	-	(1,262,677)	-	(1,262,677)
Dividend paid (Note 22)	-	-	-	-	-	-	(1,262,677)	-	(1,262,677)
Own shares acquired	-	-	-	(339,334)	-	-	-	-	(339,334)
Total transactions with owners of the Company	-	-	-	(339,334)	-	-	(1,262,677)	-	(1,602,011)
<b>At 31 May 2022</b>	67,670,893	981,522	6,483,400	(2,293,972)	4,487,540	(638,792)	65,408,077	53,312	142,151,980

Note 12

Note 13

The notes on pages 66 to 127 are an integral part of these financial statements.

# Statement of Changes in Equity

for the year ended 31 May 2022

	← Non-distributable →			→ Distributable	Total equity RM
	Share capital RM	Treasury shares RM	Warrants reserve RM	Retained earnings RM	
<b>Company</b>					
<b>At 1 June 2020</b>	67,670,893	-	6,483,400	16,985,825	91,140,118
Profit and total comprehensive income for the year	-	-	-	1,659,181	1,659,181
Own shares acquired	-	(1,954,638)	-	-	(1,954,638)
Dividend paid (Note 22)	-	-	-	(1,597,421)	(1,597,421)
<b>At 31 May 2021/1 June 2021</b>	<b>67,670,893</b>	<b>(1,954,638)</b>	<b>6,483,400</b>	<b>17,047,585</b>	<b>89,247,240</b>
Profit and total comprehensive income for the year	-	-	-	1,310,523	1,310,523
Own shares acquired	-	(339,334)	-	-	(339,334)
Dividend paid (Note 22)	-	-	-	(1,262,677)	(1,262,677)
<b>At 31 May 2022</b>	<b>67,670,893</b>	<b>(2,293,972)</b>	<b>6,483,400</b>	<b>17,095,431</b>	<b>88,955,752</b>
	Note 12	Note 13	Note 13	Note 13	

The notes on pages 66 to 127 are an integral part of these financial statements.



# Statement of Cash Flows

for the year ended 31 May 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
<b>Cash flows from operating activities</b>					
Profit before tax		<b>14,814,327</b>	17,201,103	<b>1,420,748</b>	1,747,009
Adjustments for :					
Depreciation of property, plant and equipment	3	<b>5,840,944</b>	6,922,425	<b>1,285,773</b>	1,284,439
Depreciation of investment properties	4	<b>128,272</b>	-	-	-
Dividend income from subsidiaries	16	-	-	<b>(5,500,000)</b>	(5,800,000)
Interest expense		<b>3,309,422</b>	3,125,587	-	-
Accretion of interest on lease liabilities	17	<b>87,539</b>	69,624	-	-
(Gain)/Loss on disposal of plant and equipment and right-of-use assets	18	<b>(28,826)</b>	527,168	-	-
Loss/(Gain) on derecognition of right-of-use assets	18	<b>54,693</b>	(18,444)	-	-
Gain on disposal of investment properties	18	<b>(10,552,150)</b>	-	-	-
Property, plant and equipment written off	18	<b>73,672</b>	2,711,796	<b>617</b>	-
Interest income	18	<b>(15,379)</b>	(21,260)	<b>(1,974)</b>	(491)
Share of results of associates		<b>(188,656)</b>	(223,524)	-	-
Impairment loss on					
- investments in subsidiaries		-	-	<b>1,888,853</b>	2,553,240
- investment in an associate		-	-	<b>146,824</b>	-
- amount owing from an associate		<b>719,256</b>	-	<b>719,256</b>	-
Operating profit/(loss) before working capital changes		<b>14,243,114</b>	30,294,475	<b>(39,903)</b>	(215,803)

# Statement of Cash Flows

for the year ended 31 May 2022

(Cont'd)

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Changes in working capital :					
Inventories		(28,106,445)	(23,829,083)	-	-
Trade and other receivables		(13,361,116)	(8,471,993)	(1,457,428)	1,005,988
Trade and other payables		(4,918,450)	24,190,059	(1,312,934)	193,434
<b>Cash (used in)/generated from operations</b>		<b>(32,142,897)</b>	<b>22,183,458</b>	<b>(2,810,265)</b>	<b>983,619</b>
Tax paid		(4,934,626)	(2,256,940)	(96,641)	(86,832)
<b>Net cash (used in)/ from operating activities</b>		<b>(37,077,523)</b>	<b>19,926,518</b>	<b>(2,906,906)</b>	<b>896,787</b>
<b>Cash flows from investing activities</b>					
Proceeds from disposal of plant and equipment and right-of-use assets		240,477	322,918	-	-
Net proceeds from disposal of investment properties	27	14,298,608	-	-	-
Purchase of property, plant and equipment	3.1	(1,766,574)	(3,710,968)	(32,017)	-
Interest received		15,379	21,260	1,974	491
Dividends received		-	-	3,703,960	4,106,721
Investments in subsidiaries		-	-	-	(421,900)
Capital reduction/(Investment in) an associate		590,660	(590,660)	590,660	(590,660)
<b>Net cash from/(used in) investing activities</b>		<b>13,378,550</b>	<b>(3,957,450)</b>	<b>4,264,577</b>	<b>3,094,652</b>

# Statement of Cash Flows

for the year ended 31 May 2022

(Cont'd)

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
<b>Cash flows from financing activities</b>					
(Repayment)/Drawdown of :					
- bankers' acceptances	14.1	<b>31,541,854</b>	(2,224,815)	-	-
- revolving credits	14.1	<b>2,995,006</b>	(692,255)	-	-
- hire purchase creditors	14.1	<b>(643,069)</b>	(846,082)	-	-
- term loans	14.1	<b>(5,282,599)</b>	(3,799,536)	-	-
- lease liabilities	14.1	<b>(679,404)</b>	(807,255)	-	-
Placement of fixed deposits		<b>(11,194)</b>	(14,779)	-	-
Repurchase of treasury shares	13.3	<b>(339,334)</b>	(1,954,638)	<b>(339,334)</b>	(1,954,638)
Dividend paid to owners of the Company	22	<b>(1,262,677)</b>	(1,597,421)	<b>(1,262,677)</b>	(1,597,421)
Interest paid	17	<b>(3,396,961)</b>	(3,195,211)	-	-
<b>Net cash from/(used in) financing activities</b>		<b>22,921,622</b>	(15,131,992)	<b>(1,602,011)</b>	(3,552,059)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(777,351)</b>	837,076	<b>(244,340)</b>	439,380
Effects of exchange differences on cash and cash equivalents		<b>602,942</b>	(445,064)	-	-
Cash and cash equivalents at 1 June		<b>21,129,680</b>	20,737,668	<b>476,506</b>	37,126
<b>Cash and cash equivalents at 31 May</b>	A	<b>20,955,271</b>	21,129,680	<b>232,166</b>	476,506

# Statement of Cash Flows

for the year ended 31 May 2022

(Cont'd)

Notes :

## A. Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts :

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash and bank balances	<b>22,590,413</b>	22,359,087	<b>233,166</b>	476,506
Bank overdrafts (Note 14)	<b>(1,635,142)</b>	(1,229,407)	-	-
	<b>20,955,271</b>	21,129,680	<b>233,166</b>	476,506

## B. Cash outflows for leases as a lessee

	Note	Group	
		2022	2021
		RM	RM
<b>Included in net cash from operating activities :</b>			
Payment relating to :			
- short-term leases	18	<b>1,126,009</b>	545,332
- leases of low-value assets	18	<b>42,837</b>	41,252
<b>Included in net cash from financing activities :</b>			
Payment of lease liabilities	14.1	<b>679,404</b>	807,255
Interest paid in relation to lease liabilities	17	<b>87,539</b>	69,624
		<b>1,935,789</b>	1,463,463

The notes on pages 66 to 127 are an integral part of these financial statements.

# Notes to the Financial statements

Pensonic Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows :

## Principal place of business

1165, Lorong Perindustrian Bukit Minyak 16  
Taman Perindustrian Bukit Minyak  
14100 Simpang Ampat  
Penang

## Registered office

170-09-01, Livingston Tower  
Jalan Argyll  
10050 George Town  
Penang

The consolidated financial statements of the Company as at and for the financial year ended 31 May 2022 comprise the Company and its subsidiaries (together referred to as “the Group” and individually referred to as “Group entities”) and the Group’s interests in associates.

The principal activity of the Company is investment holding whilst the principal activities of the subsidiaries are stated in Note 6 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 23 September 2022.

## 1. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standard and amendments that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company :

#### ***MFRSs and amendments effective for annual periods beginning on or after 1 January 2022***

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

# Notes to the Financial statements

(Cont'd)

## 1. BASIS OF PREPARATION (Cont'd)

### (a) Statement of compliance (Cont'd)

#### ***MFRSs and amendments effective for annual periods beginning on or after 1 January 2023***

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

#### ***MFRSs and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned amendments, where applicable in the respective financial years when the abovementioned amendments become effective.

The Group and the Company do not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual periods beginning on or after 1 January 2023 as it is not applicable to the Group and the Company.

The initial application of the amendments is not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in the financial statements.

### (c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM, unless otherwise stated.

### (d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes :

- Note 3.4.1 - Extension options and incremental borrowing rate in relation to leases
- Note 9 - Inventories



# Notes to the Financial statements

(Cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group entities, unless otherwise stated.

### (a) Basis of consolidation

#### (i) *Subsidiaries*

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

#### (ii) *Business combinations*

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as :

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

#### (iii) *Acquisitions of non-controlling interests*

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

#### (iv) *Loss of control*

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

# Notes to the Financial statements

(Cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (a) Basis of consolidation (Cont'd)

#### (v) *Associates*

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of the investment includes transaction costs.

#### (vi) *Non-controlling interests*

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

#### (vii) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

# Notes to the Financial statements

(Cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (b) Foreign currency

#### (i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss.

#### (ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of, such that control or significant influence is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

### (c) Financial instruments

#### (i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

#### (ii) Financial instrument categories and subsequent measurement

##### Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

# Notes to the Financial statements

(Cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (c) Financial instruments (Cont'd)

#### (ii) *Financial instrument categories and subsequent measurement (Cont'd)*

##### *Financial assets (Cont'd)*

###### *Amortised cost*

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see note 2(h)(i)) where the effective interest rate is applied to the amortised cost.

All financial assets are subject to impairment assessment (see Note 2(h)(i)).

###### *Financial liabilities*

###### *Amortised cost*

Financial liabilities are measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gains or losses on derecognition are also recognised in profit or loss.

#### (iii) *Financial guarantee contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of :

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

#### (iv) *Derecognition*

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

# Notes to the Financial statements

(Cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (c) Financial instruments (Cont'd)

#### (v) *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

### (d) Property, plant and equipment

#### (i) *Recognition and measurement*

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

#### (ii) *Subsequent costs*

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

#### (iii) *Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Capital-work-in-progress are not depreciated until the assets are ready for their intended use.

# Notes to the Financial statements

(Cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (d) Property, plant and equipment (Cont'd)

#### (iii) Depreciation (Cont'd)

The estimated useful lives for the current and comparative periods are as follows :

	Years
Buildings	50
Computers	2 - 10
Renovation and electrical installation	8 - 10
Plant and machinery	8 - 10
Furniture, fittings and office equipment	3 - 20
Motor vehicles	5 - 10
Signboards and showcases	10

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

### (e) Leases

#### (i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether :

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group and the Company are a lessee, they have elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.



# Notes to the Financial statements

(Cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (e) Leases (Cont'd)

#### (ii) *Recognition and initial measurement*

##### (a) *As a lessee*

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following :

- fixed payments, including in-substance fixed payments less any incentives receivable; and
- penalties for early termination of a lease unless the Group and the Company are reasonably certain not to terminate early.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

##### (b) *As a lessor*

When the Group and the Company acts as a lessor, they determine at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15, *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group and the Company are an intermediate lessor, they account for their interests in the head lease and the sublease separately. They assess the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group and the Company apply the exemption described above, then it classifies the sublease as an operating lease.

# Notes to the Financial statements

(Cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (e) Leases (Cont'd)

#### (iii) *Subsequent measurement*

##### (a) *As a lessee*

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

##### (b) *As a lessor*

The Group and the Company recognise lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

### (f) Intangible assets

#### (i) *Trademark*

Trademark with indefinite useful life is measured at cost less any accumulated impairment losses.

#### (ii) *Research and development*

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Expenditure on development activities, whereby the application of research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete the development and to use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

#### (iii) *Amortisation*

Trademark with indefinite useful life is not amortised but is tested for impairment annually and whenever there is an indication that they may be impaired.

# Notes to the Financial statements

(Cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (g) Investment properties

Investment properties are properties which are owned or right-of-use asset held under contract lease to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2(d).

Cost includes expenditure that is attributable to the acquisition of the investment property. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Transfers between investment properties and property, plant and equipment do not change the carrying amount and the cost of the property transferred.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful life ranging from 50 - 60 years. The residual value, useful life and depreciation method are reviewed at the end of the reporting period, and adjusted as appropriate.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

### (h) Impairment

#### (i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

# Notes to the Financial statements

(Cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (h) Impairment (Cont'd)

#### (i) *Financial assets (Cont'd)*

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

#### (ii) *Other assets*

The carrying amounts of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are to reduce the carrying amounts of the assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

#### (i) **Inventories**

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average cost basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### (j) **Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, balances and deposits with banks which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

# Notes to the Financial statements

(Cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

### (l) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

#### (i) Ordinary shares

Ordinary shares are classified as equity.

#### (ii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statements of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

### (m) Revenue and other income

#### (i) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of goods or services at a point in time unless one of the following over time criteria is met :

- (a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
- (b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

#### (ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

#### (iii) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Rental income from subleased property is recognised as other income.

#### (iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

# Notes to the Financial statements

(Cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (m) Revenue and other income (Cont'd)

#### (v) *Government grants*

Government grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

### (n) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

### (o) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance, being a tax incentive that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.



# Notes to the Financial statements

(Cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (p) Employee benefits

#### (i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### (ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

### (q) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and for the effects of all dilutive potential ordinary shares, namely warrants granted to shareholders.

### (r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case are the Chief Executive Officer and Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

### (s) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

# Notes to the Financial statements

(Cont'd)

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (t) Fair value measurements

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

# Notes to the Financial statements

(Cont'd)

## 3. PROPERTY, PLANT AND EQUIPMENT

	← Right-of-use assets →											Total RM									
	Leasehold land		Buildings		Freehold land		Buildings		Computers and office equipment		Renovation and electrical installation		Plant and machinery		Furniture, fittings and office equipment		Motor vehicles		Signboards and showcases		
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM		RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>																					
<b>Cost</b>																					
At 1 June 2020	12,855,678	2,476,986	21,085,360	87,911,949	5,507,775	6,743,026	20,871,605	7,723,968	6,418,948	1,238,857	172,834,152										
Additions	-	255,158	-	2,108,420	665,051	331,721	231,134	225,518	1,268,924	4,200	5,090,126										
Disposals	-	-	-	-	(19,588)	-	(2,380,399)	(57,267)	(1,079,757)	-	(3,537,011)										
Write-off	-	-	-	(2,653,068)	(212,003)	(2,451,940)	(185,344)	(842,996)	(9,610)	(323,510)	(6,678,471)										
Transfer to investment properties	(1,523,532)	-	-	(5,727,028)	-	-	-	-	-	-	(7,250,560)										
Exchange difference	-	(68,013)	-	-	455	(3,819)	-	(15,082)	(4,175)	-	(90,634)										
Derecognition	-	(1,623,994)	-	-	-	-	-	-	-	-	(1,623,994)										
<b>At 31 May 2021/ 1 June 2021</b>	<b>11,332,146</b>	<b>1,040,137</b>	<b>21,085,360</b>	<b>81,640,273</b>	<b>5,941,690</b>	<b>4,618,988</b>	<b>18,536,996</b>	<b>7,034,141</b>	<b>6,594,330</b>	<b>919,547</b>	<b>158,743,608</b>										
Additions	-	1,191,215	-	34,756	655,393	122,982	204,890	748,553	-	-	2,957,789										
Disposals	-	-	-	-	(309,033)	(68,985)	(2)	(69,668)	-	-	(447,688)										
Write-off	-	-	-	-	(42,178)	(1,532,394)	(103,245)	(369,721)	-	-	(2,047,538)										
Exchange difference	-	60,767	-	-	4,853	2,628	-	13,054	4,330	-	85,632										
Derecognition	-	(341,689)	-	-	-	-	-	-	-	-	(341,689)										
<b>At 31 May 2022</b>	<b>11,332,146</b>	<b>1,950,430</b>	<b>21,085,360</b>	<b>81,675,029</b>	<b>6,250,725</b>	<b>3,143,219</b>	<b>18,638,639</b>	<b>7,356,359</b>	<b>6,598,660</b>	<b>919,547</b>	<b>158,950,114</b>										

# Notes to the Financial statements

(Cont'd)

## 3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group	← Right-of-use assets →											Total RM										
	Leasehold land		Buildings		Freehold land		Buildings		Computers		Renovation and electrical installation		Plant and machinery		Furniture, fittings and office equipment		Motor vehicles		Signboards and showcases			
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM		RM	RM	RM	RM	RM	RM	RM	RM	RM	
<b>Accumulated depreciation</b>																						
At 1 June 2020	2,983,441	916,644	-	8,953,785	4,488,054	5,496,585	14,996,845	4,124,940	4,599,950	761,080	47,321,324											
Depreciation for the year	238,998	794,401	-	1,726,860	437,514	261,388	1,779,024	781,693	815,945	86,602	6,922,425											
Disposals	-	-	-	-	(17,722)	-	(1,700,926)	(46,701)	(921,576)	-	(2,686,925)											
Write-off	-	-	-	(366,543)	(207,148)	(2,071,647)	(185,324)	(829,368)	(9,609)	(297,036)	(3,966,675)											
Transfer to investment properties	(685,586)	-	-	(2,690,244)	-	-	-	-	-	-	(3,375,830)											
Exchange difference	-	(30,508)	-	-	324	(1,618)	-	(6,221)	(535)	-	(38,558)											
Derecognition	-	(1,071,218)	-	-	-	-	-	-	-	-	(1,071,218)											
At 31 May 2021/ 1 June 2021	<b>2,536,853</b>	<b>609,319</b>	-	<b>7,623,858</b>	<b>4,701,022</b>	<b>3,684,708</b>	<b>14,889,619</b>	<b>4,024,343</b>	<b>4,484,175</b>	<b>550,646</b>	<b>43,104,543</b>											
Depreciation for the year	<b>213,606</b>	<b>647,022</b>	-	<b>1,619,201</b>	<b>474,289</b>	<b>220,177</b>	<b>1,150,307</b>	<b>816,602</b>	<b>637,481</b>	<b>62,259</b>	<b>5,840,944</b>											
Disposals	-	-	-	-	(151,208)	(42,542)	-	(42,287)	-	-	(236,037)											
Write-off	-	-	-	-	(32,724)	(1,484,618)	(103,218)	(353,306)	-	-	(1,973,866)											
Exchange difference	-	<b>46,708</b>	-	-	<b>5,098</b>	<b>1,545</b>	-	<b>4,214</b>	<b>828</b>	-	<b>58,393</b>											
Derecognition	-	<b>(247,254)</b>	-	-	-	-	-	-	-	-	<b>(247,254)</b>											
At 31 May 2022	<b>2,750,459</b>	<b>1,055,795</b>	-	<b>9,243,059</b>	<b>4,996,477</b>	<b>2,379,270</b>	<b>15,936,708</b>	<b>4,449,566</b>	<b>5,122,484</b>	<b>612,905</b>	<b>46,546,723</b>											
<b>Carrying amounts</b>																						
At 1 June 2020	9,872,237	1,560,342	21,085,360	78,958,164	1,019,721	1,246,441	5,874,760	3,599,028	1,818,998	477,777	125,512,828											
At 31 May 2021/ 1 June 2021	8,795,293	430,818	21,085,360	74,016,415	1,240,668	934,280	3,647,377	3,009,798	2,110,155	368,901	115,639,065											
At 31 May 2022	<b>8,581,687</b>	<b>894,635</b>	<b>21,085,360</b>	<b>72,431,970</b>	<b>1,254,248</b>	<b>763,949</b>	<b>2,701,931</b>	<b>2,906,793</b>	<b>1,476,176</b>	<b>306,642</b>	<b>112,403,391</b>											

# Notes to the Financial statements

(Cont'd)

## 3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company	Right-of-use assets - Leasehold land RM	Buildings RM	Furniture, fittings and office equipment RM	Computers RM	Total RM
<b>Cost</b>					
At 1 June 2020/31 May 2021/1 June 2021	6,300,899	43,244,831	2,755,049	92,569	52,393,348
Additions	-	-	9,167	22,850	32,017
Written off	-	-	(2,000)	-	(2,000)
At 31 May 2022	<b>6,300,899</b>	<b>43,244,831</b>	<b>2,762,216</b>	<b>115,419</b>	<b>52,423,365</b>
<b>Accumulated depreciation</b>					
At 1 June 2020	1,078,232	4,324,481	1,360,084	46,285	6,809,082
Depreciation for the year	134,779	864,896	275,507	9,257	1,284,439
At 31 May 2021/1 June 2021	1,213,011	5,189,377	1,635,591	55,542	8,093,521
Depreciation for the year	134,779	864,897	275,888	10,209	1,285,773
Written off	-	-	(1,383)	-	(1,383)
At 31 May 2022	<b>1,347,790</b>	<b>6,054,274</b>	<b>1,910,096</b>	<b>65,751</b>	<b>9,377,911</b>
<b>Carrying amounts</b>					
At 1 June 2020	5,222,667	38,920,350	1,394,965	46,284	45,584,266
At 31 May 2021/1 June 2021	5,087,888	38,055,454	1,119,458	37,027	44,299,827
At 31 May 2022	<b>4,953,109</b>	<b>37,190,557</b>	<b>852,120</b>	<b>49,668</b>	<b>43,045,454</b>

# Notes to the Financial statements

(Cont'd)

## 3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

### 3.1 Additions to property, plant and equipment

The additions to property, plant and equipment of the Group and of the Company during the financial year were acquired as follows :

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Total additions	<b>2,957,789</b>	5,090,126	<b>32,017</b>	-
Less: Assets acquired under hire purchase/lease arrangements	<b>(1,191,215)</b>	(1,379,158)	-	-
Amount paid by cash	<b>1,766,574</b>	3,710,968	<b>32,017</b>	-

### 3.2 Security

The carrying amount of property, plant and equipment (including right-of-use assets) pledged as securities for borrowings granted to the Group as disclosed in Note 14 are as follows :

	Group	
	2022 RM	2021 RM
Leasehold land	<b>3,628,578</b>	3,707,406
Freehold land	<b>21,085,360</b>	21,085,360
Buildings	<b>31,042,224</b>	31,693,822
	<b>55,756,162</b>	56,486,588

### 3.3 Right-of-use assets

The Group's and the Company's leases of land, warehouses, apartments and office space run between 2 years to 84 years, with options to renew some of the leases after the expiry of their initial lease periods.

#### 3.3.1 Extension options

The leases for apartments contain extension options exercisable by the Group ranging from 1 year to 2 years before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

	2022	2021
	Lease liabilities recognised (discounted) RM	Lease liabilities recognised (discounted) RM
<b>Group</b>		
Apartments	<b>49,236</b>	90,274



# Notes to the Financial statements

(Cont'd)

## 3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

### 3.3 Right-of-use assets (Cont'd)

#### 3.3.2 Significant judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances, including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

#### 3.3.3 Restriction imposed by lease

The lease contracts for warehouses, apartments and office space prohibits the Group to sublease the leased assets.

## 4. INVESTMENT PROPERTIES - GROUP

Cost	Leasehold land RM	Buildings RM	Total RM
At 1 June 2020	-	-	-
Transfer from property, plant and equipment	1,523,532	5,727,028	7,250,560
At 31 May 2021/1 June 2021	1,523,532	5,727,028	7,250,560
Disposal	(1,523,532)	(5,727,028)	(7,250,560)
31 May 2022	-	-	-
<b>Accumulated depreciation</b>			
At 1 June 2020	-	-	-
Transfer from property, plant and equipment	685,586	2,690,244	3,375,830
At 31 May 2021/1 June 2021	685,586	2,690,244	3,375,830
Depreciation for the year	23,276	104,996	128,272
Disposal	(708,862)	(2,795,240)	(3,504,102)
31 May 2022	-	-	-
<b>Carrying amount</b>			
At 31 May 2021	837,946	3,036,784	3,874,730
At 31 May 2022	-	-	-

# Notes to the Financial statements

(Cont'd)

## 4. INVESTMENT PROPERTIES - GROUP (Cont'd)

The following is recognised in profit or loss in respect of investment properties :

	2022 RM	2021 RM
Rental income	-	360,000
Gain on disposal on investment properties	10,552,150	-
Direct operating expenses :		
- income generating investment properties	235,184	35,342

Investment properties comprise a leasehold land together with office building and warehouse that were leased to an external party.

### 4.1 Security

The above leasehold land and buildings were charged as securities for borrowings granted to the Group as disclosed in Note 14.

### 4.2 Fair value information

The fair value of the investment properties was based on the Directors' estimation using the latest available market information, recent experience and knowledge in the location and category of the property being valued. The fair value of investment properties as at 31 May 2021 was classified as level 3 in the fair value hierarchy and was determined to be approximately RM15 million.

#### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

The most significant input into this valuation approaches is the price per square foot of approximately Nil (2021 : RM64), which would increase/(decrease) the estimated fair value if the price per square foot is higher/(lower).

## 5. INTANGIBLE ASSETS - GROUP

	Trademark RM
Cost	
At 1 June 2020/31 May 2021/1 June 2021/31 May 2022	870,000

The trademark relates to the "Cornell" brand name that was acquired in a business combination by way of an assignment of full and absolute rights from the registered proprietor.

As those rights were assigned without any specified time frame and the Directors believe that there is no foreseeable limit to the period over which the brand is expected to generate cash inflows for the Group, the trademark is assessed to have an indefinite useful life subject to use in good faith.

### Impairment testing for cash generating units ("CGU") containing trademark

The recoverable amount of trademark is determined based on value-in-use calculation using cash flow projections and financial budgets approved by the Directors covering a period of 5 years (2021 : 5 years). The value-in-use calculation is determined by discounting future cash flows using a pre-tax discount rate of 7.50% (2021 : 5.40%).

The values assigned to the key assumptions (e.g. sales growth rates and gross margins) represent the Directors' assessment of future trends of the business and are based on both external and internal sources (historical data).

# Notes to the Financial statements

(Cont'd)

## 6. INVESTMENTS IN SUBSIDIARIES - COMPANY

	2022 RM	2021 RM
Investments, at cost	45,792,597	45,792,597
Less : Impairment losses	<u>(4,442,093)</u>	<u>(2,553,240)</u>
	<b>41,350,504</b>	43,239,357

During the financial year, the Company subscribed for additional equity interests in subsidiaries for a total cash consideration of Nil (2021 : RM421,900). The Company also conducted an operational review on the performance of its subsidiaries and arising from the said review, recognised an impairment loss of RM1,888,853 (2021 : RM2,553,240) for certain subsidiaries using value-in-use calculations. The estimated recoverable amount of the said subsidiaries is as follows:

	Country of incorporation	2022 RM	2021 RM
Subsidiary A	Cambodia	-	1,470,000
Subsidiary B	Indonesia	-	1,083,000
Subsidiary C	Indonesia	<b>184,000</b>	N/A

The impairment loss is recognised as administrative expenses in profit or loss.

Details of the subsidiaries are as follows :

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest		Principal activities
		2022 %	2021 %	
Keat Radio Co. Sdn. Bhd.	Malaysia	100	100	Investment holding company
Pensia Electronic Sdn. Bhd.	Malaysia	100	100	Manufacture, assembly and sale of electrical products
Pensia Industries Sdn. Bhd.	Malaysia	100	100	Manufacture, assembly and sale of electrical products
Pensonic Sales & Service Sdn. Bhd. ("PSS")	Malaysia	100	100	Distribution of electrical and electronic appliances
Cornell Sales & Service Sdn. Bhd.	Malaysia	100	100	Distribution of electrical and electronic appliances <sup>(3)</sup>
Amtek Marketing Services Pte. Ltd. <sup>(1)</sup>	Singapore	100	100	Marketing and distribution of electrical goods
Pensonic Corporation Sdn. Bhd.	Malaysia	100	100	Provision of management services
Pensonic (Cambodia) Co., Ltd. <sup>(1)</sup>	Cambodia	100	100	Wholesale and retail sales of household appliances
PT Pensonic Appliances Indonesia <sup>(1) and (2)</sup>	Indonesia	51	51	Distribution of electrical and electronic appliances
PT Pensonic Industries Indonesia <sup>(1) and (2)</sup>	Indonesia	70	70	Manufacture, assembly and sale of electrical products

# Notes to the Financial statements

(Cont'd)

## 6. INVESTMENTS IN SUBSIDIARIES - COMPANY (Cont'd)

Details of the subsidiaries are as follows : (Cont'd)

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest		Principal activities
		2022	2021	
		%	%	
<b>Held through Keat Radio Co. Sdn. Bhd.</b>				
Pensonic Industries Sdn. Bhd.	Malaysia	100	100	Distribution of electrical products
Pensonic (H.K.) Corporation Limited <sup>(1)</sup>	Hong Kong	100	100	Trading of home electrical appliances
Pensonic Parts & Service Sdn. Bhd. ("PPS")	Malaysia	100	100	Trading and servicing of parts for electrical and electronic appliances <sup>(3)</sup>
Pensia Plastic Industries Sdn. Bhd. <sup>(1)</sup>	Malaysia	100	100	Plastic injection and moulding
<b>Held through Pensonic Sales &amp; Service Sdn. Bhd.</b>				
Kollektion Distribution Sdn. Bhd. ("KDSB")	Malaysia	100	100	Distribution of home appliances <sup>(3)</sup>

<sup>(1)</sup> Not audited by KPMG

<sup>(2)</sup> The unaudited management accounts were consolidated in the Group's financial statements as these subsidiaries were not required by the local legislation to have their financial statements audited

<sup>(3)</sup> The operations of the subsidiaries have been transferred to PSS during the financial year ended 31 May 2021 and 2022.

### 6.1 Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows :

	PT Pensonic Appliances Indonesia RM	Other subsidiaries with immaterial NCI RM	Total RM
<b>2022</b>			
<b>NCI percentage of ownership interest and voting interest</b>	<b>49%</b>		
Carrying amount of NCI	(25,285)	78,597	53,312
Loss allocated to NCI	(1,177,578)	(125,551)	(1,303,129)

# Notes to the Financial statements

(Cont'd)

## 6. INVESTMENTS IN SUBSIDIARIES - COMPANY (Cont'd)

### 6.1 Non-controlling interests in subsidiaries (Cont'd)

		PT Pensonic Appliances Indonesia	RM
<b>2022</b>			
<b>Summarised financial information before intra-group elimination</b>			
<b>At 31 May</b>			
Non-current assets		159,201	
Current assets		4,139,528	
Current liabilities		(4,350,332)	
Net liabilities		<u>(51,603)</u>	
<b>2022</b>			
<b>Year ended 31 May</b>			
Revenue		2,911,977	
Loss for the year		(2,403,220)	
Total comprehensive expense for the year		<u>(2,342,346)</u>	
Cash flows used in operating activities		(200,073)	
Cash flows used in investing activities		(82,549)	
Cash flows used in financing activities		(1,210)	
Net decrease in cash and cash equivalents		<u>(283,832)</u>	

	PT Pensonic Appliances Indonesia	Other subsidiaries with immaterial NCI	Total
	RM	RM	RM
<b>2021</b>			
<b>NCI percentage of ownership interest and voting interest</b>	49%		
Carrying amount of NCI	<u>1,122,465</u>	<u>196,870</u>	<u>1,319,335</u>
Loss allocated to NCI	<u>(294,165)</u>	<u>(43,307)</u>	<u>(337,472)</u>

# Notes to the Financial statements

(Cont'd)

## 6. INVESTMENTS IN SUBSIDIARIES - COMPANY (Cont'd)

### 6.1 Non-controlling interests in subsidiaries (Cont'd)

		PT Pensonic Appliances Indonesia
		RM
<b>2021</b>		
<b>Summarised financial information before intra-group elimination</b>		
<b>At 31 May</b>		
Non-current assets		198,231
Current assets		4,758,749
Current liabilities		(2,666,236)
Net assets		<u>2,290,744</u>
<b>Year ended 31 May</b>		
Revenue		3,535,938
Loss for the year		(600,336)
Total comprehensive expense for the year		<u>(764,369)</u>
Cash flows generated from operating activities		176,755
Cash flows used in investing activities		(83,249)
Cash flows used in financing activities		(2,703)
Net increase in cash and cash equivalents		<u>90,803</u>

6.2 There is no significant restriction on the ability of the subsidiaries to transfer funds to the Company and other related companies other than PSS which is confined to the covenants imposed by its lenders.

## 7. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
<b>Investments, at cost</b>				
Balance at 1 June 2021/2020	922,095	331,435	737,485	146,825
Addition	-	590,660	-	590,660
Capital reduction	(590,660)	-	(590,660)	-
Balance at 31 May	<u>331,435</u>	922,095	<u>146,825</u>	737,485
Share of post-acquisition reserves	631,478	442,822	-	-
Less : Impairment loss	-	-	(146,824)	-
	<u>962,913</u>	1,364,917	<u>1</u>	737,485



# Notes to the Financial statements

(Cont'd)

## 7. INVESTMENTS IN ASSOCIATES (Cont'd)

Details of the associates are as follows :

Name of entity	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest		Principal activities
		2022 %	2021 %	
Pensonic (B) Sdn. Bhd. *	Brunei	40	40	Trading of electrical and electronic appliances
Pensonic Appliances (Myanmar) Company Limited	Myanmar	35	35	Trading of electrical and electronic appliances

\* Held through Pensonic Corporation Sdn. Bhd.

The Group's and the Company's associates are not individually material to the consolidated financial statements.

During the financial year ended 31 May 2022, the Company conducted an operational review on the performance of its associates and recognised an impairment loss of RM146,824 (2021: Nil) in respect of its investment in Pensonic Appliances (Myanmar) Company Limited which recorded a deficit in its total equity. The impairment loss is recognised as administrative expenses in profit or loss.

# Notes to the Financial statements

(Cont'd)

## 8. DEFERRED TAX ASSETS/(LIABILITIES)

### Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities of the Group and the Company are attributable to the following :

Group	Assets		Liabilities		Net	
	2022	2021	2022	2021	2022	2021
	RM	RM	RM	RM	RM	RM
Property, plant and equipment	-	-	(773,518)	(621,000)	(773,518)	(621,000)
- capital allowance	145,000	146,000	-	-	145,000	146,000
- reinvestment allowance	-	-	(339,000)	(97,000)	(339,000)	(97,000)
Right-of-use assets	344,000	109,000	-	-	344,000	109,000
Lease liabilities	488,317	772,034	-	-	488,317	772,034
Other temporary differences						
Tax assets/(liabilities)	977,317	1,027,034	(1,112,518)	(718,000)	(135,201)	309,034
Set-off of tax	(826,000)	(465,000)	826,000	465,000	-	-
	151,317	562,034	(286,518)	(253,000)	(135,201)	309,034

### Company

	Liabilities	
	2022	2021
	RM	RM
Property, plant and equipment		
- capital allowance	42,000	42,000

# Notes to the Financial statements

(Cont'd)

## 8. DEFERRED TAX ASSETS/(LIABILITIES) (Cont'd)

Movements in temporary differences during the year are as follows :

	At 1 June 2020 RM	Recognised in profit or loss (Note 19) RM	At 31 May 2021/ June 2021 RM	Recognised in profit or loss (Note 19) RM	At 31 May 2022 RM
<b>Group</b>					
Property, plant and equipment					
- capital allowance	55,000	(676,000)	(621,000)	(152,518)	(773,518)
- reinvestment allowance	-	146,000	146,000	(1,000)	145,000
Right-of-use assets	(385,000)	288,000	(97,000)	(242,000)	(339,000)
Lease liabilities	396,000	(287,000)	109,000	235,000	344,000
Other temporary differences	190,765	581,269	772,034	(283,717)	488,317
	256,765	52,269	309,034	(444,235)	(135,201)
<b>Company</b>					
Property, plant and equipment					
- capital allowance	42,000	-	42,000	-	42,000

Deferred tax assets and liabilities are offset when there are legally enforceable rights to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

### Unrecognised deferred tax assets - Group

Deferred tax assets have not been recognised in respect of the following items (stated at gross) :

	2022 RM	2021 RM
Property, plant and equipment - capital allowance	208,000	(1,234,000)
Capital allowances carry-forward	582,000	576,000
Tax losses carry-forward	12,463,000	12,769,000
Reinvestment allowance carry-forward	9,575,000	9,575,000
Other deductible temporary differences	769,000	1,176,000
	23,597,000	22,862,000

The capital allowances carry-forward are available indefinitely for offsetting against future taxable profits, subject to no substantial change in shareholdings of those entities and guidelines issued under the Income Tax Act, 1967.

# Notes to the Financial statements

(Cont'd)

## 8. DEFERRED TAX ASSETS/(LIABILITIES) (Cont'd)

### Unrecognised deferred tax assets - Group (Cont'd)

The tax losses carry-forward and reinvestment allowance carry-forward will expire in the following years of assessment ("YA") under the current tax legislations of countries in which the entities operate in :

	2022	2021
	RM	RM
<b>Tax losses carry-forward</b>		
Expire in YA 2028 (FY2021 : FY2025)	322,000	742,000
Expire in YA 2029 (FY2021 : FY2026)	7,879,000	8,311,000
Expire in YA 2030 (FY2021 : FY2027)	2,184,000	2,184,000
Expire in YA 2031 (FY2021 : FY2028)	1,532,000	1,532,000
Expire in YA 2032	546,000	-
	<b>12,463,000</b>	<b>12,769,000</b>

	2022	2021
	RM	RM
<b>Unutilised reinvestment allowance</b>		
Expire in YA 2026	9,575,000	9,575,000

Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profits will be available against which the Group entities can utilise the benefits therefrom.

## 9. INVENTORIES - GROUP

	2022	2021
	RM	RM
Raw materials	8,106,013	4,423,118
Goods-in-transit	10,530,854	13,756,205
Manufactured and trading inventories	78,235,252	50,291,576
	<b>96,872,119</b>	<b>68,470,899</b>
Recognised in profit or loss :		
Inventories recognised as cost of sales	234,919,113	256,541,939
Inventories written off	-	454,783
Inventories written down	1,037,347	1,177,436

### 9.1 Significant judgements and assumptions

The Directors review inventories for obsolescence and decline in net realisable value to below cost. The review involves judgements and estimates.

In determining the amount of inventories to be written down, the Directors took into consideration the age of the inventories, likelihood of future sales and customer demand. Possible changes to those estimates could result in a revision to the carrying amount of the Group's inventories and profit or loss.

# Notes to the Financial statements

(Cont'd)

## 10. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
<b>Trade</b>					
Trade receivables		<b>56,675,800</b>	56,219,829	-	-
Amount due from associates	10.1	<b>2,189,586</b>	1,513,978	-	-
		<b>58,865,386</b>	57,733,807	-	-
<b>Non-trade</b>					
Amount due from subsidiaries	10.1	-	-	<b>844,432</b>	107,258
Other receivables	10.2	<b>14,869,207</b>	4,587,897	-	-
Deposits		<b>846,444</b>	768,775	<b>560</b>	560
Prepayments		<b>5,402,693</b>	3,880,414	<b>40,144</b>	39,146
Dividends receivable		-	-	<b>5,500,000</b>	3,703,960
		<b>21,118,344</b>	9,237,086	<b>6,385,136</b>	3,850,924
		<b>79,983,730</b>	66,970,893	<b>6,385,136</b>	3,850,924

### 10.1 Amounts due from subsidiaries and associates

The trade amount due from associates is subject to normal trade terms.

The non-trade amount due from subsidiaries is unsecured, interest-free and repayable on demand.

### 10.2 Other receivables - Group

Included in other receivables is insurance claim receivable of Nil (2021 : RM2,867,664) relating to a fire incident. The insurance claim was received during the current financial year.

Included in other receivables is the remaining balance of the consideration receivable of RM14,694,000 (2021 : Nil) relating to the disposal of investment properties.

## 11. FIXED DEPOSITS - GROUP

Included in fixed deposits of the Group is RM510,948 (2021 : RM500,131) which are held in lien for borrowings granted to the Group as disclosed in Note 14.

## 12. SHARE CAPITAL - GROUP/COMPANY

	2022		2021	
	Amount RM	Number of shares	Amount RM	Number of shares
Ordinary shares, issued and fully paid with no par value classified as equity instruments	<b>67,670,893</b>	129,668,000	<b>67,670,893</b>	129,668,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

# Notes to the Financial statements

(Cont'd)

## 13. RESERVES

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Non-distributable :					
Foreign currency translation reserve	13.1	981,522	197,514	-	-
Warrants reserve	13.2	6,483,400	6,483,400	6,483,400	6,483,400
Treasury shares	13.3	(2,293,972)	(1,954,638)	(2,293,972)	(1,954,638)
Capital reserve	13.4	4,487,540	4,487,540	-	-
Other reserve	13.5	(638,792)	(638,792)	-	-
		<b>9,019,698</b>	8,575,024	<b>4,189,428</b>	4,528,762
Distributable :					
Retained earnings		<b>65,408,077</b>	52,314,746	<b>17,095,431</b>	17,047,585
		<b>74,427,775</b>	60,889,770	<b>21,284,859</b>	21,576,347

### 13.1 Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

### 13.2 Warrants reserve

The warrants reserve represents the consideration of the Warrants 2014/2024 at the date of issue. When the warrants are exercised or expire, the warrants reserve remains in equity, although it may be transferred to another reserve account within equity.

As at 31 May 2022, the Company has the following outstanding warrants :

Warrants	Exercise price per ordinary share	Expiry date	Number of warrants outstanding as at 31.5.2022
Warrants 2014/2024	RM0.60	20.1.2024	6,483,400

Warrants 2014/2024 were issued on 21 January 2014 at an issue price of RM0.10 per warrant in conjunction with the rights issue of warrants undertaken by the Company on the basis of one warrant for every two ordinary shares held in the Company. The warrants entitle the holders to subscribe for new ordinary shares in the Company on the basis of one ordinary share for every warrant held at an exercise price of RM0.60 per share within ten years from the date of issue of the warrants. The exercise price of the warrants is subject to adjustment from time to time in accordance with the conditions stipulated in the Deed Poll dated 18 November 2013.



# Notes to the Financial statements

(Cont'd)

## 13. RESERVES (Cont'd)

### 13.3 Treasury shares

The shareholders of the Company, by an ordinary resolution passed in an Extraordinary General Meeting held on 18 September 2020, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

The Company repurchased its issued and paid-up ordinary shares from the open market as follows :

	No. of shares	Cost RM	Purchase price <sup>(N1)</sup>		
			Highest RM	Lowest RM	Average RM
<b>2022</b>					
At beginning of the financial year	3,242,600	1,954,638	0.385	0.425	0.572
Purchased during the financial year :					
June 2021	51,500	37,080	0.720	0.720	0.720
November 2021	63,300	37,111	0.594	0.576	0.585
December 2021	103,099	60,431	0.594	0.579	0.587
January 2022	91,000	53,232	0.585	0.580	0.583
February 2022	119,301	69,716	0.590	0.580	0.585
March 2022	145,000	81,764	0.568	0.520	0.544
	573,200	339,334			
At end of the financial year	3,815,800	2,293,972	0.720	0.520	0.585
<b>2021</b>					
At beginning of the financial year	-	-	-	-	-
Purchased during the financial year :					
October 2020	479,700	208,359	0.435	0.425	0.432
November 2020	396,900	181,374	0.465	0.430	0.450
December 2020	210,300	112,568	0.545	0.515	0.530
January 2021	787,400	463,407	0.609	0.550	0.579
March 2021	327,300	214,693	0.662	0.620	0.645
April 2021	723,300	532,585	0.756	0.705	0.732
May 2021	317,700	241,652	0.835	0.730	0.781
	3,242,600	1,954,638			
At end of the financial year	3,242,600	1,954,638	0.835	0.425	0.572

<sup>(N1)</sup> Purchase price includes share price, stamp duty, brokerage fee, clearing fee and service tax.

The repurchased ordinary shares were financed by internally generated funds and are held as treasury shares.

# Notes to the Financial statements

(Cont'd)

## 13. RESERVES (Cont'd)

### 13.4 Capital reserve

The capital reserve of the Group represents the statutory reserve of foreign subsidiaries as required by foreign legislations.

### 13.5 Other reserve

Other reserve comprises the premium paid on acquisition of non-controlling interests in a subsidiary determined as the difference between the consideration paid and the carrying value of the interest acquired.

## 14. LOANS AND BORROWINGS - GROUP

	Note	2022 RM	2021 RM
<b>Non-current</b>			
<b>Secured</b>			
Term loans		30,489,303	34,467,102
Hire purchase creditors		776,361	1,342,744
		<b>31,265,664</b>	<b>35,809,846</b>
<b>Current</b>			
<b>Unsecured</b>			
Bank overdrafts		469,743	260,492
Bankers' acceptances		46,706,127	25,042,850
Revolving credits		6,712,751	3,717,745
		<b>53,888,621</b>	<b>29,021,087</b>
<b>Secured</b>			
Bank overdrafts	14.2	1,165,399	968,915
Bankers' acceptances	14.2	19,465,602	9,587,025
Term loans	14.2	4,265,163	5,569,963
Hire purchase creditors	14.2	562,884	639,570
		<b>25,459,048</b>	<b>16,765,473</b>
		<b>79,347,669</b>	<b>45,786,560</b>
Total loans and borrowings		<b>110,613,333</b>	<b>81,596,406</b>

# Notes to the Financial statements

(Cont'd)

## 14. LOANS AND BORROWINGS - GROUP (Cont'd)

### 14.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 31 May 2020/1 June 2020		At 31 May 2021/1 June 2021		Net changes from financing cash flows		Assets acquired under hire purchase/ lease arrangements		Net changes from financing cash flows		Derecognition of leases movements		Foreign exchange movements		At 31 May 2022	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>																
Bankers' acceptances	36,854,690	-	(2,224,815)	-	-	34,629,875	-	-	31,541,854	-	-	-	-	-	-	66,171,729
Revolving credits	4,410,000	-	(692,255)	-	-	3,717,745	-	-	2,995,006	-	-	-	-	-	-	6,712,751
Hire purchase creditors	1,704,396	1,124,000	(846,082)	-	-	1,982,314	-	-	(643,069)	-	-	-	-	-	-	1,339,245
Term loans	43,836,601	-	(3,799,536)	-	-	40,037,065	-	-	(5,282,599)	-	-	-	-	-	-	34,754,466
Lease liabilities	1,617,671	255,158	(807,255)	(571,220)	(39,749)	454,605	1,191,215	(679,404)	(39,742)	9,450	936,124					
	88,423,358	1,379,158	(8,369,943)	(571,220)	(39,749)	80,821,604	1,191,215	27,931,788	(39,742)	9,450	109,914,315					

# Notes to the Financial statements

(Cont'd)

## 14. LOANS AND BORROWINGS - GROUP (Cont'd)

### 14.2 Security

The bank overdrafts, bankers' acceptances, revolving credits, term loans and hire purchase creditors are secured by the following :

- (i) a first party legal charge over certain lands, buildings, plant and machinery and investment properties of the Group and the Company as disclosed in Note 3 and Note 4 respectively;
- (ii) fixed deposits as disclosed in Note 11;
- (iii) corporate guarantee by the Company; and
- (iv) joint and several guarantee by certain Directors of the Company.

## 15. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
<b>Trade</b>					
Trade payables		28,745,904	29,072,679	-	-
Trade accruals		8,482,365	13,364,568	-	-
Amount due to a company in which certain Directors have a substantial financial interest	15.1	309,926	577,488	-	-
		<b>37,538,195</b>	<b>43,014,735</b>	<b>-</b>	<b>-</b>
<b>Non-trade</b>					
Amount due to subsidiaries	15.1	-	-	1,609,805	2,887,962
Amount due to an associate	15.1	-	58,358	-	58,358
Amount due to companies in which certain Directors have a substantial financial interest	15.1	428,570	156,353	-	-
Other payables	15.2	5,699,334	7,284,566	140,624	120,814
Deposits received		8,724	14,420	-	-
Accruals		15,574,374	13,173,854	245,500	241,729
		<b>21,711,002</b>	<b>20,687,551</b>	<b>1,995,929</b>	<b>3,308,863</b>
		<b>59,249,197</b>	<b>63,702,286</b>	<b>1,995,929</b>	<b>3,308,863</b>

# Notes to the Financial statements

(Cont'd)

## 15. TRADE AND OTHER PAYABLES (Cont'd)

### 15.1 Amounts due to subsidiaries, an associate and companies in which certain Directors have a substantial financial interest

The trade amount due to a company in which certain Directors have a substantial financial interest is subject to normal trade terms.

The non-trade amounts due to subsidiaries, an associate and companies in which certain Directors have a substantial financial interest are unsecured, interest-free and repayable on demand.

### 15.2 Other payables - Group

Included in the other payables are contract liabilities of RM253,648 (2021 : RM1,518,395) comprising advance consideration received from customers where the revenue is recognised at point in time.

## 16. REVENUE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue from contracts with customers	325,004,925	339,159,325	-	-
Dividend income	-	-	5,500,000	5,800,000
	<u>325,004,925</u>	<u>339,159,325</u>	<u>5,500,000</u>	<u>5,800,000</u>

### 16.1 Disaggregation of revenue - Group

	2022 RM	2021 RM
<b>Primary geographical markets</b>		
- Malaysia	244,415,715	239,000,951
- Other Asian countries	71,434,837	92,990,360
- Middle East	7,934,041	6,504,998
- Others	1,220,332	663,016
	<u>325,004,925</u>	<u>339,159,325</u>
<b>Major product lines</b>		
- Electrical and electronic appliances	325,004,925	339,159,325
<b>Timing and recognition</b>		
- At point in time	325,004,925	339,159,325

# Notes to the Financial statements

(Cont'd)

## 16. REVENUE (Cont'd)

### 16.2 Nature of goods

The following information reflects the typical transactions of the Group :

Nature of goods	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Household electrical and electronic appliances	Revenue is recognised at point in time when the goods are delivered and accepted by the customers.	Credit period of 30 - 90 days from invoice date.	Discounts, rebates and incentives are given to customers on a case-by-case basis.	The Group allows defective goods to be returned in exchange for new goods or cash refunds on a case-by-case basis.	Generally, assurance warranty of 1-2 years is given to customers except for motors or compressors which are given 5 years assurance warranty which do not form a separate performance obligation.

The Group applies the practical expedient on the exemption for disclosure of information on remaining performance obligations that would be fulfilled within one year.

## 17. FINANCE COSTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest expense on :				
- financial liabilities that are not at fair value through profit or loss	3,309,422	3,125,587	-	-
- lease liabilities	87,539	69,624	-	-
	<b>3,396,961</b>	<b>3,195,211</b>	<b>-</b>	<b>-</b>

# Notes to the Financial statements

(Cont'd)

## 18. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting) :

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration :				
- Audit fee				
- KPMG PLT	191,000	191,000	40,000	36,000
- Other auditors	77,180	69,638	-	-
- Non-audit services				
- KPMG PLT	24,000	5,000	24,000	33,000
- Affiliate of KPMG PLT	131,990	131,180	34,450	29,680
<b>Material expenses/(income)</b>				
Property, plant and equipment written off	73,672	2,711,796	617	-
Inventories written down	1,037,347	1,177,436	-	-
Inventories written off	-	454,783	-	-
Research and development expenditure	880,478	689,494	-	-
Warehousing and logistic charges	1,731,935	1,752,145	-	-
(Gain)/Loss on disposal of plant and equipment and right-of-use assets	(28,826)	527,168	-	-
Gain on disposal of investment properties	(10,552,150)	-	-	-
Loss/(Gain) on derecognition of right-of-use assets	54,693	(18,444)	-	-
Government grants*	(423,344)	(564,882)	-	-
Impairment loss on :				
- investments in subsidiaries	-	-	1,888,853	2,553,240
- investment in an associate	-	-	146,824	-
Fire insurance claim	-	(3,256,243)	-	-
Interest income	(15,379)	(21,260)	(1,974)	(491)
Royalty income	(404,609)	(899,770)	-	-
Realised gain on foreign exchange	(623,159)	(850,399)	(66,001)	(27,438)
Unrealised loss/(gain) on foreign exchange	28,042	17,497	(8,648)	(5,204)
<b>Expenses/(Income) arising from leases</b>				
Expenses relating to :				
- short-term leases <sup>#</sup>	1,126,009	545,332	-	-
- leases of low-value assets <sup>#</sup>	42,837	41,252	-	-
Rental income	-	(360,000)	(1,200,000)	(1,200,000)



# Notes to the Financial statements

(Cont'd)

## 18. PROFIT BEFORE TAX (Cont'd)

Profit before tax is arrived at after charging/(crediting) : (Cont'd)

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
<b>Net loss/(gain) on impairment of financial instruments</b>				
Reversal of impairment loss on trade receivables	(688,662)	(411,469)	-	-
Impairment loss on amount due from an associate	719,256	-	719,256	-
Impairment loss on other receivables	1,475,509	-	-	-
Bad debts written off	-	7,000	-	-
Bad debts recovered	(1,500)	(4,948)	-	-

\* The Group and the Company received government grants as wage subsidies to retain local employees during the approved period of economic uncertainty brought about by the Coronavirus (COVID-19) outbreak. The government grants are recognised as other income in profit or loss.

# The Group leases warehouses, office space, motor vehicles and office equipment with contract terms of 1 year. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

## 19. TAX EXPENSE

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
<b>Recognised in profit or loss</b>				
<b>Current tax expense</b>				
Current year	1,368,202	2,764,174	106,580	87,828
Prior years	(50,989)	(992,514)	3,645	-
	1,317,213	1,771,660	110,225	87,828
<b>Deferred tax expense</b>				
Current year	437,235	(501,269)	-	-
Prior year	7,000	449,000	-	-
	444,235	(52,269)	-	-
	1,761,448	1,719,391	110,225	87,828

# Notes to the Financial statements

(Cont'd)

## 19. TAX EXPENSE (Con'd)

### Reconciliation of tax expense

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before tax	<b>14,814,327</b>	17,201,103	<b>1,420,748</b>	1,747,009
Income tax calculated using Malaysian tax rate of 24%	<b>3,555,438</b>	4,128,265	<b>340,980</b>	419,282
Effect of different tax rates in foreign jurisdictions	<b>(144,464)</b>	(360,704)	-	-
Income not subject to tax	<b>(2,755,327)</b>	(108,540)	<b>(1,337,916)</b>	(1,399,834)
Non-deductible expenses	<b>1,768,181</b>	1,737,822	<b>1,117,409</b>	1,083,552
Tax incentives	<b>(794,791)</b>	(2,500,338)	-	-
Utilisation of previously unrecognised deferred tax assets	-	(633,600)	-	-
Deferred tax assets not recognised	<b>176,400</b>	-	-	-
Other items	-	-	<b>(13,893)</b>	(15,172)
	<b>1,805,437</b>	2,262,905	<b>106,580</b>	87,828
(Over)/Under provision in prior years	<b>(43,989)</b>	(543,514)	<b>3,645</b>	-
	<b>1,761,448</b>	1,719,391	<b>110,225</b>	87,828

Certain subsidiaries of the Group were previously granted pioneer status for a period of five years commencing 1 June 2012 under Section 127(3) of the Income Tax Act, 1967 with an option to extend the pioneer status for a period of another five years upon expiry of the initial tax exemption period, subject to approval by the relevant authority. During the pioneer status period, the relevant subsidiaries' statutory income are exempted from income tax.

During the last financial year, the Company submitted an application to the relevant authority to extend the pioneer status of its subsidiaries for another 5 years commencing 1 June 2017 and at the same time, appealed for the relaxation of certain conditions attached to the pioneer status.

On 20 July 2018, the pioneer status for the subsidiaries and relaxation of the pioneer status conditions were approved by the authority. However, the terms of the pioneer status were revised whereby the relevant subsidiaries' statutory income will now be partially instead of fully exempted from income tax retrospectively effective 1 June 2012. Further to the above, the Company had on 31 July 2018, 25 April 2019 and 28 April 2020 submitted appeals to the relevant authority on this matter.

During the financial year ended 31 May 2021, the Group received the revised tax assessments from the authority for certain subsidiaries. Based on the revised tax assessments, the Group had updated the tax provisions previously recognised accordingly.

# Notes to the Financial statements

(Cont'd)

## 20. STAFF COSTS - GROUP

	2022	2021
	RM	RM
Salaries, wages and other emoluments	23,621,226	24,213,566
Defined contribution plans	2,278,467	2,273,872
Other employee benefits	948,134	714,805
	<u>26,847,827</u>	<u>27,202,243</u>

The above staff costs include those paid to Directors and key management personnel as disclosed in Note 23.

There is no staff cost applicable to the Company save for Directors' fee as the payroll costs for key management personnel and employees are paid by the operating subsidiaries.

## 21. EARNINGS PER ORDINARY SHARE - GROUP

### 21.1 Basic earnings per ordinary share

The basic earnings per ordinary share is calculated based on the consolidated profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares, excluding treasury shares held by the Company, calculated as follows :

	2022	2021
Profit attributable to owners of the Company (RM)	14,356,008	15,819,184
Weighted average number of ordinary shares at 31 May	126,171,492	128,454,592
Basic earnings per ordinary share (sen)	11.38	12.32

### Weighted average number of ordinary shares :

	2022	2021
Issued ordinary shares at 1 June 2021/2020	128,454,592	129,668,000
Effect of treasury shares repurchased	(2,283,100)	(1,213,408)
Weighted average number of ordinary shares at 31 May	126,171,492	128,454,592

### 21.2 Diluted earnings per ordinary share

The diluted earnings per ordinary share is the same as basic earnings per ordinary share as there were no outstanding instruments with potential dilutive effect.

# Notes to the Financial statements

(Cont'd)

## 22. DIVIDENDS - GROUP AND COMPANY

Dividends recognised by the Company :

	Sen per share	Amount RM	Date of payment
<b>Financial year ended 31 May 2021</b>			
Single tier final dividend	1.00	1,262,677	31 December 2021
Single tier interim dividend	1.25	<u>1,597,421</u>	15 March 2021
		<u>2,860,098</u>	

A final dividend of 1.25 sen per ordinary share in respect of the financial year ended 31 May 2022 has been recommended by the Directors and is subject to shareholders' approval at the forthcoming Annual General Meeting.

These financial statements do not reflect this final dividend which, when approved by the shareholders of the Company, will be accounted for as an appropriation of retained earnings in financial year ending 31 May 2023.

## 23. RELATED PARTIES

### 23.1 Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group and the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

The Group has related party relationship with its significant investor, subsidiaries, associates and companies in which certain Directors have a substantial financial interest.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company.

### 23.2 Significant related party transactions

Related party transactions have been entered in the ordinary course of business and were established under negotiated terms. The balances related to the below transactions are shown in Note 10 and Note 15.

The significant related party transactions of the Group and of the Company are as follows :

	2022 RM	2021 RM
<b>Company</b>		
<b>Transactions with subsidiaries</b>		
- Dividend income	5,500,000	5,800,000
- Rental income	1,200,000	1,200,000
- Subscription of shares	<u>-</u>	<u>421,900</u>

# Notes to the Financial statements

(Cont'd)

## 23. RELATED PARTIES (Cont'd)

### 23.2 Significant related party transactions (Cont'd)

	2022	2021
	RM	RM
<b>Group</b>		
<b>Transactions with associates</b>		
- Sales	4,504,147	4,868,600
- (Capital reduction)/ Subscription of shares	<u>(590,660)</u>	<u>590,660</u>
<b>Transactions with companies in which certain Directors have a substantial financial interests</b>		
- Sales	1,500	-
- Purchases	(2,269,795)	(1,949,569)
- Transportation charges	<u>(495,468)</u>	<u>(181,750)</u>

### Transactions with key management personnel

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
<b>Directors of the Company</b>				
Fees	282,000	282,000	282,000	282,000
Salaries and other emoluments	2,214,611	2,053,715	-	-
Defined contribution plan	177,894	163,763	-	-
Estimated monetary value of benefits-in-kind	<u>106,375</u>	<u>113,539</u>	-	-
	<u>2,780,880</u>	<u>2,613,017</u>	<u>282,000</u>	<u>282,000</u>
<b>Directors of subsidiaries</b>				
Salaries and other emoluments	639,469	537,618	-	-
Defined contribution plan	<u>28,328</u>	<u>25,766</u>	-	-
	<u>667,797</u>	<u>563,384</u>	-	-
	<u>3,448,677</u>	<u>3,176,401</u>	<u>282,000</u>	<u>282,000</u>

# Notes to the Financial statements

(Cont'd)

## 24. OPERATING SEGMENT

The Group has three reportable segments, as described below, which are the Group's strategic business units. For each of the strategic business unit, the Group's Chief Executive Officer and Managing Director review internal management reports at least on a quarterly basis.

The following summary describes the main business segments and business activities of each segment of the Group's reportable segments :

Manufacturing	Manufacture, assembly and sales of electrical and electronic appliances
Trading	Sales and distribution of electrical and electronic appliances
Others	Investment holding and provision of management services

Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer and Group's Managing Director, who are the Group's operating decision makers. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

### Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer and Group's Managing Director.

Segment total asset is used to measure the return of assets of each segment.

### Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's Chief Executive Officer and Group's Managing Director. Hence, no disclosure is made on segment liabilities.

# Notes to the Financial statements

(Cont'd)

## 24. OPERATING SEGMENT (Cont'd)

Group	Manufacturing RM	Trading RM	Others RM	Total RM	Eliminations RM	Consolidated RM
<b>2022</b>						
<b>Revenue</b>						
External customers	4,379,836	320,625,089	-	325,004,925	-	325,004,925
Inter-segment	79,430,915	10,836,411	10,901,600	101,168,926	(101,168,926)	-
Total revenue	83,810,751	331,461,500	10,901,600	426,173,851	(101,168,926)	325,004,925
<b>Segment profit</b>	10,944,129	7,038,713	1,737,925	19,720,767	(4,906,440)	14,814,327
<i>Included in the measure of segment profit are :</i>						
Interest income	9,651	65,000	2,105	76,756	(61,377)	15,379
Finance costs	(465,430)	(3,106,590)	(11,897)	(3,583,917)	186,956	(3,396,961)
Impairment loss on amount due from associate	-	-	(719,256)	(719,256)	-	(719,256)
Reversal of impairment loss on trade receivables	-	688,662	-	688,662	-	688,662
Impairment loss on other receivables	-	(1,475,509)	-	(1,475,509)	-	(1,475,509)
Depreciation of property, plant and equipment and amortisation of right-of-use	(1,454,400)	(3,945,985)	(1,465,358)	(6,865,743)	1,024,799	(5,840,944)
Depreciation of investment properties	(128,272)	-	-	(128,272)	-	(128,272)
Inventories written down	13,581	(1,050,928)	-	(1,037,347)	-	(1,037,347)
Share of results of associates	-	-	188,656	188,656	-	188,656
<i>Not included in the measure of segment profit but provided to CODM :</i>						
Gain on disposal of plant and equipment	111	28,715	-	28,826	-	28,826
Property, plant and equipment written off	(6,622)	(66,428)	(622)	(73,672)	-	(73,672)
Gain in disposal of investment properties	10,552,150	-	-	10,552,150	-	10,552,150
<b>Segment assets</b>	62,275,359	265,453,732	94,910,851	422,639,942	(107,386,484)	315,253,458
<i>Included in the measurement of segment assets are :</i>						
Additions to property, plant and equipment and right-of-use assets	299,052	3,359,305	59,969	3,718,326	(760,537)	2,957,789



# Notes to the Financial statements

(Cont'd)

## 24. OPERATING SEGMENT (Cont'd)

Group	Manufacturing		Trading		Others		Total		Eliminations		Consolidated	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>2021</b>												
<b>Revenue</b>												
External customers	3,506,562	335,652,763	-	-	-	-	339,159,325	-	-	-	-	339,159,325
Inter-segment	74,693,127	51,433,389	11,713,600	11,713,600	137,840,116	(137,840,116)	-	-	-	-	-	-
Total revenue	78,199,689	387,086,152	11,713,600	11,713,600	476,999,441	(137,840,116)	339,159,325	-	-	-	-	339,159,325
<b>Segment profit</b>												
	1,838,255	14,432,795	2,110,388	2,110,388	18,381,438	(1,180,335)	17,201,103	-	-	-	-	17,201,103
<i>Included in the measure of segment profit are :</i>												
Interest income	12,059	100,264	612	612	112,935	(91,675)	21,260	-	-	-	-	21,260
Reversal of impairment loss on trade receivables	-	411,469	-	-	411,469	-	411,469	-	-	-	-	411,469
Finance costs	(513,183)	(3,007,620)	(6,598)	(6,598)	(3,527,401)	332,190	(3,195,211)	-	-	-	-	(3,195,211)
Depreciation and amortisation	(2,481,842)	(4,301,415)	(1,465,931)	(1,465,931)	(8,249,188)	1,326,763	(6,922,425)	-	-	-	-	(6,922,425)
Inventories written down	(3,964)	(1,173,472)	-	-	(1,177,436)	-	(1,177,436)	-	-	-	-	(1,177,436)
Share of results of associates	-	-	223,524	223,524	223,524	-	223,524	-	-	-	-	223,524
<i>Not included in the measure of segment profit but provided to CODM :</i>												
Loss on disposal of property, plant and equipment	(667,146)	139,978	-	-	(527,168)	-	(527,168)	-	-	-	-	(527,168)
Property, plant and equipment written off *	(11,238)	(2,700,553)	(5)	(5)	(2,711,796)	-	(2,711,796)	-	-	-	-	(2,711,796)
Inventories written off *	-	(454,783)	-	-	(454,783)	-	(454,783)	-	-	-	-	(454,783)
Fire insurance claim*	-	3,256,243	-	-	3,256,243	-	3,256,243	-	-	-	-	3,256,243
<b>Segment assets</b>												
	47,607,413	251,880,701	95,900,754	95,900,754	395,388,868	(114,015,750)	281,373,118	-	-	-	-	281,373,118
<i>Included in the measurement of segment assets are :</i>												
Additions to property, plant and equipment and right-of-use assets	205,411	7,489,879	342,962	342,962	8,038,252	(2,948,126)	5,090,126	-	-	-	-	5,090,126

\* relating to a fire incident at one of the Group's premises

# Notes to the Financial statements

(Cont'd)

## 24. OPERATING SEGMENT (Cont'd)

### 24.1 Geographical information

Non-current assets information based on the geographical location of assets are as below. The amounts of non-current assets do not include financial instruments (including investments in associates) and deferred tax assets.

	Non-current assets	
	2022	2021
	RM	RM
Malaysia	112,424,111	119,849,575
Other Asian countries	849,280	534,220
	<u>113,273,391</u>	<u>120,383,795</u>

The segregation of revenue by geographical area is disclosed in Note 16.

## 25. FINANCIAL INSTRUMENTS

### 25.1 Categories of financial instruments

The table below provides an analysis of financial instruments as at 31 May 2022 and 31 May 2021 categorised as amortised cost ("AC").

	Carrying amount	AC
	RM	RM
<b>2022</b>		
<b>Financial assets</b>		
<b>Group</b>		
Trade and other receivables (excluding prepayments)	74,581,037	74,581,037
Fixed deposits	538,722	538,722
Cash and bank balances	22,590,413	22,590,413
	<u>97,710,172</u>	<u>97,710,172</u>
<b>Company</b>		
Trade and other receivables (excluding prepayments)	6,344,992	6,344,992
Cash and bank balances	232,166	232,166
	<u>6,577,158</u>	<u>6,577,158</u>

# Notes to the Financial statements

(Cont'd)

## 25. FINANCIAL INSTRUMENTS (Cont'd)

### 25.1 Categories of financial instruments (Cont'd)

	Carrying amount RM	AC RM
<b>2022</b>		
<b>Financial liabilities</b>		
<b>Group</b>		
Trade and other payables (excluding contract liabilities)	58,995,549	58,995,549
Loans and borrowings	110,613,333	110,613,333
	<u>169,608,882</u>	<u>169,608,882</u>
<b>Company</b>		
Trade and other payables	<u>1,995,929</u>	<u>1,995,929</u>
<b>2021</b>		
<b>Financial assets</b>		
<b>Group</b>		
Trade and other receivables (excluding prepayments)	63,090,479	63,090,479
Fixed deposits	527,528	527,528
Cash and bank balances	22,359,087	22,359,087
	<u>85,977,094</u>	<u>85,977,094</u>
<b>Company</b>		
Trade and other receivables (excluding prepayments)	3,811,778	3,811,778
Cash and bank balances	476,506	476,506
	<u>4,288,284</u>	<u>4,288,284</u>
<b>2021</b>		
<b>Financial liabilities</b>		
<b>Group</b>		
Trade and other payables (excluding contract liabilities)	62,183,891	62,183,891
Loans and borrowings	81,596,406	81,596,406
	<u>143,780,297</u>	<u>143,780,297</u>
<b>Company</b>		
Trade and other payables	<u>3,308,863</u>	<u>3,308,863</u>

# Notes to the Financial statements

(Cont'd)

## 25. FINANCIAL INSTRUMENTS (Cont'd)

### 25.2 Net gains and losses arising from financial instruments :

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Net gains/(losses) arising on :				
- Financial assets at amortised cost	(1,223,901)	564,990	5,419	(1,140)
- Finance liabilities measured at amortised cost	(2,260,373)	(2,426,998)	71,205	34,273
	<u>(3,484,274)</u>	<u>(1,862,008)</u>	<u>76,624</u>	<u>33,133</u>

### 25.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments :

- Credit risk
- Liquidity risk
- Market risk

### 25.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks for borrowings granted to subsidiaries. There are no significant changes as compared to prior year.

#### Trade receivables

*Risk management objectives, policies and processes for managing the risk*

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

# Notes to the Financial statements

(Cont'd)

## 25. FINANCIAL INSTRUMENTS (Cont'd)

### 25.4 Credit risk (Cont'd)

#### Trade receivables (Cont'd)

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position.

The exposure to credit risk for trade receivables as at the end of the reporting period by geographical region was :

	2022	2021
	RM	RM
<b>Group</b>		
Malaysia	46,809,381	47,337,069
Other Asian countries	11,959,749	10,353,852
Middle East	320	4,553
Others	95,936	38,333
	<u>58,865,386</u>	<u>57,733,807</u>

#### *Recognition and measurement of impairment loss*

The Group uses an allowance matrix to measure expected credit loss ("ECLs") of trade receivables. Consistent with the debt recovery process, invoices which are past due more than 120 days will be considered as credit impaired.

The Group will initiate appropriate debt recovery procedures on past due balances which are monitored by the sales and finance teams. Where necessary, the Group will also commence legal proceeding against the customers.

Loss rates are based on actual credit loss experienced over the past three years and forward-looking information. The Group believes that the financial impacts of the forward-looking information are inconsequential for the purpose of impairment calculation of trade receivables due to their relatively short term nature.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 May 2022 and 31 May 2021.

	Gross carrying amount	Loss allowances	Net balance
	RM	RM	RM
<b>Group</b>			
<b>2022</b>			
Not past due	39,639,040	-	39,639,040
Past due less than 60 days	16,576,974	-	16,576,974
Past due 61 to 120 days	1,138,741	-	1,138,741
	<u>57,354,755</u>	-	<u>57,354,755</u>
<b>Credit impaired</b>			
Past due more than 120 days	2,385,129	(874,498)	1,510,631
	<u>59,739,884</u>	<u>(874,498)</u>	<u>58,865,386</u>

# Notes to the Financial statements

(Cont'd)

## 25. FINANCIAL INSTRUMENTS (Cont'd)

### 25.4 Credit risk (Cont'd)

#### Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

	Gross carrying amount RM	Loss allowances RM	Net balance RM
<b>2021</b>			
Not past due	45,962,639	-	45,962,639
Past due less than 60 days	10,261,922	-	10,261,922
Past due 61 to 120 days	750,972	-	750,972
	56,975,533	-	56,975,533
<b>Credit impaired</b>			
Past due more than 120 days	2,321,434	(1,563,160)	758,274
	59,296,967	(1,563,160)	57,733,807

There are past due trade receivables where the Group has not recognised any loss allowance as the trade receivables are supported by subsequent collection after the reporting period and based on the historical collection trend of these customers.

The movements in the allowance for impairment in respect of trade receivables during the year are shown below.

	Lifetime ECL	
	2022 RM	2021 RM
<b>Group</b>		
Balance at 1 June 2021/2020	1,563,160	2,003,472
Loss allowance provided	74,363	100,726
Reversal of loss allowance	(763,025)	(512,195)
Amount written off	-	(28,843)
Balance at 31 May	874,498	1,563,160

#### Cash and bank balances

The cash and bank balances are held with reputable banks. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks have low credit risks. In addition, some of the bank balances are insured by government agencies.

# Notes to the Financial statements

(Cont'd)

## 25. FINANCIAL INSTRUMENTS (Cont'd)

### 25.4 Credit risk (Cont'd)

#### Other receivables

Credit risks on other receivables are mainly arising from advances to suppliers for securing the continuing supply of raw materials, remaining balance of the consideration receivable from the disposal of investment properties, deposits and other balances arising in the normal course of the Group's business. The advances to suppliers will be utilised against the raw materials delivered to the Group. The Group manages the credit risk together with the payables upon the delivery of the raw materials.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The movements in the allowance for impairment in respect of other receivables during the year are shown below.

	2022 RM	2021 RM
<b>Group</b>		
Balance at 1 June 2021/2020	-	-
Loss allowance provided	<u>1,475,509</u>	-
Balance at 31 May	<u>1,475,509</u>	-

#### Financial guarantees

##### *Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

##### *Exposure to credit risk, credit quality and collateral*

The maximum exposure to credit risk amounted to RM109 million (2021 : RM79 million) representing the Company's exposure to the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

##### *Recognition and measurement of impairment loss*

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when :

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.



# Notes to the Financial statements

(Cont'd)

## 25. FINANCIAL INSTRUMENTS (Cont'd)

### 25.4 Credit risk (Cont'd)

#### Inter company balances

*Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The advances provided are not secured by any collateral or supported by any other credit enhancements.

*Recognition and measurement of impairment loss*

Generally, the Company considers advances to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payment of the advances, the Company considers the advances to be in default when the subsidiary is not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when :

- The subsidiary is unlikely to repay its advance to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

The amount owing from subsidiaries of RM844,432 (31 May 2021 : RM107,258) is regarded to be of low credit risk.

### 25.5 Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group or the Company maintains a level of cash and bank balances and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

# Notes to the Financial statements

(Cont'd)

## 25. FINANCIAL INSTRUMENTS (Cont'd)

### 25.5 Liquidity risk (Cont'd)

#### Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments :

2022	Group	Carrying amount RM	Contractual interest rates/ discount rates per annum %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
<i>Non-derivative financial liabilities</i>								
	Bank overdrafts	1,635,142	7.70 - 7.95	1,635,142	1,635,142	-	-	-
	Bankers' acceptances	66,171,729	1.98 - 4.85	66,171,729	66,171,729	-	-	-
	Revolving credits	6,712,751	3.39 - 4.89	6,712,751	6,712,751	-	-	-
	Term loans	34,754,466	3.11 - 5.35	43,122,556	5,389,265	4,189,801	11,804,593	21,738,897
	Hire purchase creditors	1,339,245	2.11 - 3.45	1,485,321	627,721	772,855	84,745	-
	Lease liabilities	936,124	4.22 - 11.00	952,496	703,562	248,934	-	-
	Trade and other payables (excluding contract liabilities)	58,995,549	-	58,995,549	58,995,549	-	-	-
		<b>170,545,006</b>		<b>179,075,544</b>	<b>140,235,719</b>	<b>5,211,590</b>	<b>11,889,338</b>	<b>21,738,897</b>
<b>Company</b>								
<i>Non-derivative financial liabilities</i>								
	Trade and other payables	1,995,929	-	1,995,929	1,995,929	-	-	-
	Financial guarantee	-	-	109,000,000	109,000,000	-	-	-
		<b>1,995,929</b>		<b>110,995,929</b>	<b>110,995,929</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Notes to the Financial statements

(Cont'd)

## 25. FINANCIAL INSTRUMENTS (Cont'd)

### 25.5 Liquidity risk (Cont'd)

#### Maturity analysis (Cont'd)

2021	Group	Carrying amount RM	Contractual interest rates/ discount rates per annum %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
<i>Non-derivative financial liabilities</i>								
	Bank overdrafts	1,229,407	7.00 - 7.95	1,229,407	1,229,407	-	-	-
	Bankers' acceptances	34,629,875	2.36 - 4.85	34,629,875	34,629,875	-	-	-
	Revolving credits	3,717,745	3.90 - 4.35	3,717,745	3,717,745	-	-	-
	Term loans	40,037,065	3.10 - 5.35	50,186,221	7,333,914	5,360,325	12,166,764	25,325,218
	Hire purchase creditors	1,982,314	2.11 - 3.45	2,222,629	737,308	627,721	857,600	-
	Lease liabilities	454,605	5.38 - 11.00	477,089	355,589	113,400	8,100	-
	Trade and other payables (excluding contract liabilities)	62,183,891	-	62,183,891	62,183,891	-	-	-
		144,234,902		154,646,857	110,187,729	6,101,446	13,032,464	25,325,218
<b>Company</b>								
<i>Non-derivative financial liabilities</i>								
	Trade and other payables	3,308,863	-	3,308,863	3,308,863	-	-	-
	Financial guarantee	-	-	79,000,000	79,000,000	-	-	-
		3,308,863		82,308,863	82,308,863	-	-	-

# Notes to the Financial statements

(Cont'd)

## 25. FINANCIAL INSTRUMENTS (Cont'd)

### 25.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's and the Company's financial position or cash flows.

#### 25.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and loans and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD"), Renminbi ("RMB") and Hong Kong Dollar ("HKD").

*Risk management objectives, policies and processes for managing the risk*

Foreign currency exchange exposures in currencies other than functional currency of the Group entities are kept to an acceptable level.

*Exposure to foreign currency risk*

The Group's exposure to foreign currency (a currency which is other than the functional currencies of the Group entities) risk, based on carrying amounts as at the end of the reporting period was :

	← Denominated in →		
	USD RM	RMB RM	HKD RM
<b>Group</b>			
<b>2022</b>			
Trade and other receivables	2,804,815	-	46,354
Cash and bank balances	7,270,312	-	227,076
Trade and other payables	(16,526,141)	(2,995,161)	(158,477)
Loans and borrowings	(1,925,208)	-	-
<b>Net exposure</b>	<b>(8,376,222)</b>	<b>(2,995,161)</b>	<b>(114,953)</b>
<b>2021</b>			
Trade and other receivables	594,069	-	4,074,268
Cash and bank balances	1,962,259	2,588	244,561
Trade and other payables	(17,435,999)	(6,613,587)	(2,580,857)
Loans and borrowings	(2,267,796)	-	-
<b>Net exposure</b>	<b>(17,147,467)</b>	<b>(6,610,999)</b>	<b>1,737,972</b>

# Notes to the Financial statements

(Cont'd)

## 25. FINANCIAL INSTRUMENTS (Cont'd)

### 25.6 Market risk (Cont'd)

#### 25.6.1 Currency risk (Cont'd)

##### *Currency risk sensitivity analysis*

A 10% (2021 : 10%) strengthening of the respective functional currencies of the Group entities against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

Group	Profit or loss	
	2022	2021
	RM	RM
USD	<b>636,593</b>	1,303,208
RMB	<b>227,632</b>	502,436
HKD	<b>(8,736)</b>	(132,086)

A 10% (2021 : 10%) weakening of the respective functional currencies of the Group entities against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

#### 25.6.2 Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

##### *Risk management objectives, policies and processes for managing the risk*

The Group manages this risk by having a combination of borrowings with fixed and floating rates. The Group is presently enjoying competitive interest rates which are reviewed and negotiated on a regular basis.

# Notes to the Financial statements

(Cont'd)

## 25. FINANCIAL INSTRUMENTS (Cont'd)

### 25.6 Market risk (Cont'd)

#### 25.6.2 Interest rate risk

##### *Exposure to interest rate risk*

The interest rate profile of the Group's significant interest-earning and interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was :

	2022	2021
	RM	RM
<b>Group</b>		
<b>Fixed rate instruments</b>		
Financial asset		
- Fixed deposits	<u>538,722</u>	<u>527,528</u>
Financial liabilities		
- Hire purchase creditors	1,339,245	1,982,314
- Bankers' acceptances	66,171,729	34,629,875
- Lease liabilities	<u>936,124</u>	<u>454,605</u>
	<u>68,447,098</u>	<u>37,066,794</u>
<b>Floating rate instruments</b>		
Financial liabilities		
- Term loans	34,754,466	40,037,065
- Bank overdrafts	1,635,142	1,229,407
- Revolving credits	<u>6,712,751</u>	<u>3,717,745</u>
	<u>43,102,359</u>	<u>44,984,217</u>

##### *Interest rate risk sensitivity analysis*

#### (a) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

# Notes to the Financial statements

(Cont'd)

## 25. FINANCIAL INSTRUMENTS (Cont'd)

### 25.6 Market risk (Cont'd)

#### 25.6.2 Interest rate risk (Cont'd)

*Interest rate risk sensitivity analysis (Cont'd)*

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Group	
	50 bp increase RM	50 bp decrease RM
<b>Profit or loss</b>		
<b>Floating rate instruments</b>		
2022	<u>(163,789)</u>	<u>163,789</u>
2021	<u>(170,940)</u>	<u>170,940</u>

### 25.7 Fair value information

The carrying amounts of cash and bank balances, fixed deposits, short term receivables and payables and short term borrowings approximate their fair values due to the relatively short term nature of these financial instruments.



# Notes to the Financial statements

(Cont'd)

## 25. FINANCIAL INSTRUMENTS (Cont'd)

### 25.7 Fair value information (Cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	
<b>2022</b>									
<b>Group</b>									
<b>Financial liabilities</b>									
Term loans	-	-	-	-	-	-	-	34,754,466	34,754,466
- Variable rate	-	-	-	-	-	-	-	1,339,245	1,339,245
Hire purchase creditors	-	-	-	-	-	-	-	36,093,711	36,093,711
<b>2021</b>									
<b>Group</b>									
<b>Financial liabilities</b>									
Term loans	-	-	-	-	-	-	-	40,037,065	40,037,065
- Variable rate	-	-	-	-	-	-	-	1,982,314	1,982,314
Hire purchase creditors	-	-	-	-	-	-	-	42,019,379	42,019,379

The Company provides financial guarantees to banks for borrowings granted to certain subsidiaries. The fair value of such guarantees is negligible as the probability of the subsidiaries defaulting on the credit lines is remote.

# Notes to the Financial statements

(Cont'd)

## 25. FINANCIAL INSTRUMENTS (Cont'd)

### 25.7 Fair value information (Cont'd)

#### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

#### Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest determined by reference to similar borrowing arrangements at the end of the reporting period.

#### Level 3 fair value

The carrying amount of floating rate term loans approximate their fair values as their effective interest rates change accordingly to movements in the market interest rate. The fair value of finance lease liabilities is calculated using discounted cash flows where the market rate of interest is determined by reference to similar borrowing arrangements which range from 2.11% to 3.45% (2021 : 2.11% to 3.45%).

## 26. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than 25 percent of the issued and paid-up capital and that such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

There were no changes in the Group's approach to capital management during the financial year.

## 27. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 9 May 2022, Pensia Electronic Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement to dispose of its investment properties comprising a leasehold land together with office building and warehouse erected thereon for a net cash consideration of RM14,298,608 (net of real property gains tax and incidental costs to sell). The disposal resulted in a gain of RM10,552,150 being recognised by the Group during the financial year.

## 28. CONTINGENT LIABILITY - COMPANY

	2022	2021
	RM	RM
Corporate guarantee given to financial institutions for banking facilities granted to subsidiaries - limit	168,720,000	168,720,000

## 29. SUBSEQUENT EVENT

On 8 June 2022, Keat Radio Co. Sdn. Bhd., a wholly-owned subsidiary of the Company, had incorporated a wholly-owned subsidiary known as Pensonic (Zhuhai) Home Appliances Co. Ltd. ("PZHA") with a paid-up capital of CNY2,500,000 (equivalent to RM1,665,000) comprising 2,500,000 number of ordinary shares. PZHA is principally engaged in the inspection and testing of electrical and electronic products and trading of home appliances.

# Statement by Directors

pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 57 to 127 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 May 2022 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

.....  
**Y. Bhg. Dato' Seri Chew Weng Khak @  
Chew Weng Kiak**  
Director

.....  
**Chew Chuon Ghee**  
Director

Penang,

Date : 23 September 2022

# Statutory Declaration

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Y. Bhg. Dato' Seri Chew Weng Khak @ Chew Weng Kiak**, the Director primarily responsible for the financial management of Pensonic Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 57 to 127 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed **Y. Bhg. Dato' Seri Chew Weng Khak @ Chew Weng Kiak**, NRIC: 421102-20-5141 at George Town in the State of Penang on 23 September 2022.

.....  
**Y. Bhg. Dato' Seri Chew Weng Khak @  
Chew Weng Kiak**

Before me :

**Goh Suan Bee**  
(No. P125)  
Commissioner for Oaths  
Penang

# Independent Auditors' Report

to the Members of Pensonic Holdings Berhad  
(Registration No. 199401014746 (300426-P)) (Incorporated in Malaysia)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Pensonic Holdings Berhad, which comprise the statements of financial position as at 31 May 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 57 to 127.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 May 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Valuation of inventories

Refer to Notes 1(d) - Use of estimates and judgements and 2(i) – Inventories.

#### The key audit matter

As at 31 May 2022, the carrying amount of the Group's inventories as disclosed in Note 9 amounted to RM97 million which comprise a wide range of household electrical products and appliances.

Inventories are required to be measured at the lower of cost and net realisable value. Identifying and determining the appropriate write down of the inventories to net realisable value require the use of judgement on estimated selling price and future customer demand.

Given the wide range of inventories carried by the Group and the judgement required to determine the write down of the inventories, we have identified valuation of inventories as a key audit matter.

#### How the matter was addressed in our audit

Our audit procedures performed in this area included, among others :

- We attended the year end physical inventory counts to identify whether any inventories were damaged;
- We assessed the Group's inventory write-down policy by considering the age of the inventories, historical consumption and sales trend of the inventories;
- We tested the accuracy of the sales by product reports relied by the Group to assess inventories for write down; and
- We selected items of inventories on sampling basis and compared the carrying amount of the inventories to the selling price transacted after year end or recent sales transacted during the year and checked that they were sold at prices higher than the carrying amount.

# Independent Auditors' Report

to the Members of Pensonic Holdings Berhad  
(Registration No. 199401014746 (300426-P)) (Incorporated in Malaysia)

(Cont'd)

## How the matter was addressed in our audit (Cont'd)

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to be communicated in our auditors' report.

## Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

# **Independent Auditors' Report**

**to the Members of Pensonic Holdings Berhad**  
**(Registration No. 199401014746 (300426-P)) (Incorporated in Malaysia)**

(Cont'd)

## **Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 6 to the financial statements.

## **Other Matter**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report

**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants

Penang

Date : 23 September 2022

**Raymond Chong Chee Mon**  
Approval Number : 03272/06/2024 J  
Chartered Accountant



## List of Properties Owned by the Group

As at 31 May 2022

Registered Owner	Address/ Location	Description/ Existing use	Approximately age of buildings (Years)	Tenure	Land/ Built-up area	Audited net book value as at 31 May 2022 RM
PSS	Lot 4, Towering Industrial Centre, 88300 Penampang, Kota Kinabalu, Sabah.	Warehouse and office	30	Leasehold Expiring in 2037	2,700 sq. ft.	144,762
PSS	Lot No. 23B & 24B, Mukim Kapar, Daerah Klang, Selangor	Warehouse	3	Freehold	270,465 sq. ft. / 159,435 sq. ft.	47,779,980
PSS	Lot 11-A, Jalan 223, Section 51A, 46100 Petaling Jaya, Selangor.	Warehouse and office	18	Leasehold Expiring in 2070	43,560 sq. ft. / 36,255 sq. ft.	3,760,229
PI	895, Jalan Perindustrian Bukit Minyak, Kawasan Perindustrian Bukit Minyak, MK. 13, 14100 Bukit Minyak, Penang.	Industrial land with factory, warehouse and office	19	Leasehold Expiring in 2063	130,685 sq. ft. / 75,260 sq. ft.	4,215,948
PHB	1165, Lorong Perindustrian Bukit Minyak 16, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang.	Industrial land with warehouse and office	10	Leasehold Expiring in 2059	261,380 sq. ft. / 224,158 sq. ft..	42,143,666
PSS	141, 143 & 145 Jalan Perak, 11600 George Town, Penang	Shophouse	16	Freehold	4,887 sq. ft. / 5,889 sq. ft.	3,974,510

# Analysis of Shareholdings

## SHAREHOLDINGS STATISTICS AS AT 19 AUGUST 2022

Class of Securities	: Ordinary Shares
Total number of issued shares	: 129,668,000 ordinary shares (including 3,877,400 treasury shares)
Voting Rights	: 1 vote per share on a poll
Number of shareholders	: 2,832

## DISTRIBUTION SCHEDULE OF SHAREHOLDINGS AS AT 19 AUGUST 2022

No. of Holders	Size of Holdings	No. of Shares	% of Total Shareholdings
42	less than 100 shares	864	#
257	100 to 1,000 shares	125,454	0.10
1,592	1,001 to 10,000 shares	8,600,618	6.84
839	10,001 to 100,000 shares	22,911,700	18.21
100	100,001 to less than 5% of the total no. of shares issued	66,840,740	53.14
2	5% and above of the total no. of shares issued	27,311,224	21.71
2,832		125,790,600	100.00

# Negligible

## THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 19 AUGUST 2022

	Name	No. of Shares	%
1	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHEW WENG KHAK REALTY SDN. BHD. (SMART)	20,061,924	15.95
2	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR CHEW WENG KHAK @ CHEW WENG KIAK	7,249,300	5.76
3	CHEW WENG KHAK REALTY SDN BHD	6,000,000	4.77
4	CHEW CHUON GHEE	4,600,000	3.66
5	CHEW WENG KHAK @ CHEW WENG KIAK	3,785,000	3.01
6	CHEW CHUON FANG	3,400,000	2.70
7	CHEW CHUON FANG	2,781,000	2.21
8	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHEW CHUON JIN (SMART)	2,772,000	2.20
9	TIU JON HUI	2,630,000	2.09
10	CHEW CHUON JIN	2,626,400	2.09
11	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	2,512,500	2.00
12	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR CHEW CHUON JIN (6000225)	2,500,000	1.99

# Analysis of Shareholdings

(Cont'd)

## THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 19 AUGUST 2022 (CONT'D)

	Name	No. of Shares	%
13	CHEW CHUON GHEE	2,310,000	1.84
14	TAN AH NYA @ TAN BEE TIANG	2,200,000	1.75
15	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW CHUN CHIA (MID-VALLEY-CL)	2,000,000	1.59
16	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW PEI GEE (MID-VALLEY-CL)	2,000,000	1.59
17	CHEW CHUON GHEE	1,794,000	1.43
18	LEE ANN NEE	1,155,700	0.92
19	IFAST NOMINEES (TEMPATAN) SDN BHD VOON SZE LIN	1,020,000	0.81
20	LEE JOOI SENG	1,000,000	0.80
21	LEE SENG LONG	792,680	0.63
22	LIM LIENG PIAU	765,600	0.61
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KING TAI @ TAN KHOON HAI	748,400	0.60
24	TAM KAI YUEN	700,000	0.56
25	WAN THIAM HUAT	694,600	0.55
26	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TAN KING TAI @ TAN KHOON HAI (SMART)	630,000	0.50
27	LUM CHEE YUN	600,000	0.48
28	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN HUI LUN (6000201)	500,000	0.40
29	LIM LIENG PIAU	500,000	0.40
30	NICHOLAS GOH XING SHUNG	491,500	0.39
	<b>Total</b>	<b>80,820,604</b>	<b>64.28</b>

# Analysis of Shareholdings

(Cont'd)

## SUBSTANTIAL SHAREHOLDERS AS AT 19 AUGUST 2022

Name of substantial shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
CHEW WENG KHAK REALTY SDN BHD	26,061,924	20.72	-	-
DATO' SERI CHEW WENG KHAK @ CHEW WENG KIAK	11,034,300	8.77	28,261,924 <sup>a/b</sup>	22.47
CHEW CHUON GHEE	8,704,000	6.92	-	-
CHEW CHUON JIN	7,898,400	6.28	16,800 <sup>c</sup>	0.01

## DIRECTORS' SHAREHOLDINGS AS AT 19 AUGUST 2022

Name of directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
DATO' SERI CHEW WENG KHAK @ CHEW WENG KIAK	11,034,300	8.77	32,261,924 <sup>a/b</sup>	25.65
CHEW CHUON JIN	7,898,400	6.28	16,800 <sup>c</sup>	0.01
CHEW CHUON GHEE	8,704,000	6.92	-	-
CHEW CHUON FANG	6,181,000	4.91	-	-

Notes :

- a By virtue of his interest in the shares of the Company (through Chew Weng Khak Realty Sdn Bhd), Dato' Seri Chew Weng Khak @ Chew Weng Kiak is deemed interested in the shares of the subsidiaries to the extent that the Company has an interest.
- b Indirect interest through his spouse, Datin Seri Tan Ah Nya @ Tan Bee Tiang and/or children, Chew Chun Chia and Chew Pei Gee pursuant to Section 59(11)(c) of the Companies Act 2016 ("Act").
- c Indirect interest through his spouse, Tan Guat See pursuant to Section 59(11)(c) of the Act.

# Analysis of Warrantholdings

## WARRANTHOLDINGS STATISTICS AS AT 19 AUGUST 2022

Class of Securities	: 64,834,000 warrants
Exercise price of warrants	: RM0.60 for each warrant
Expiry date of warrants	: 20 January 2024
Voting Rights	: One vote per warrant at any warrantholders' meeting
Number of warrantholders	: 682 holders

## DISTRIBUTION SCHEDULE OF WARRANTHOLDINGS AS AT 19 AUGUST 2022

No. of Holders	Size of Holdings	No. of Warrants	% of Total Warrantholdings
13	less than 100 warrants	590	#
32	100 to 1,000 warrants	19,980	0.03
329	1,001 to 10,000 warrants	1,569,452	2.42
235	10,001 to 100,000 warrants	9,265,766	14.29
70	100,001 to less than 5% of the total no. of warrants issued	35,322,600	54.48
3	5% and above of the total no. of warrants issued	18,655,612	28.78
682		64,834,000	100.00

# Negligible

## THIRTY (30) LARGEST WARRANTHOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 19 AUGUST 2022

	Name	No. of Warrants	%
1	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHEW WENG KHAK REALTY SDN. BHD. (SMART)	8,569,912	13.22
2	CHEW WENG KHAK @ CHEW WENG KIAK	5,600,000	8.64
3	CHEW CHUON JIN	4,485,700	6.92
4	OLIVE LIM SWEE LIAN	2,200,000	3.39
5	CHEW WENG KHAK REALTY SDN BHD	2,100,000	3.24
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHUA ENG HO WA'A @ CHUA ENG WAH	1,980,500	3.05
7	CHEW CHUON FANG	1,827,000	2.82
8	ANG YOOK CHU @ ANG YOKE FONG	1,627,400	2.51
9	CHEW WENG KHAK @ CHEW WENG KIAK	1,400,000	2.16
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW WENG KHAK @ CHEW WENG KIAK	1,400,000	2.16
11	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR TAN KING TAI @ TAN KHOON HAI (SMART)	1,172,900	1.81
12	CHEW CHUON GHEE	1,155,000	1.78

# Analysis of Warrantholdings

(Cont'd)

## THIRTY (30) LARGEST WARRANTHOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 19 AUGUST 2022 (CONT'D)

Name	No. of Warrants	%
13 VOON SZE LIN	1,085,800	1.67
14 CHEW CHUON FANG	1,050,000	1.62
15 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHEW CHUON JIN (SMART)	1,000,000	1.54
16 MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM GIM LEONG	987,900	1.52
17 CHEW CHEN HIN	981,200	1.51
18 PHNUAH FARN FARN	913,100	1.41
19 HEH WUN YEE	797,000	1.23
20 VOON JYE WAH	788,600	1.22
21 IFAST NOMINEES (TEMPATAN) SDN BHD VOON SZE LIN	715,100	1.10
22 CHEW CHUON GHEE	700,000	1.08
23 CGS-CIMB NOMINEES (ASING) SDN BHD PIONEER UNITED LIMITED (JS 803)	689,300	1.06
24 LIM YEE KHAU	580,000	0.89
25 IFAST NOMINEES (TEMPATAN) SDN BHD VOON JYE YNG	505,700	0.78
26 YEOH WEI SYUEN	455,800	0.70
27 TAN AH NYA @ TAN BEE TIANG	420,000	0.65
28 LEO YUAN KUAN	351,200	0.54
29 MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KING TAI @ TAN KHOON HAI	347,400	0.54
30 TAN TEONG OON	300,000	0.46
<b>Total</b>	<b>46,186,512</b>	<b>71.22</b>

## DIRECTORS' WARRANTHOLDINGS AS AT 19 AUGUST 2022

Name of Warrantholders	Direct Interest		Indirect Interest	
	No. of Warrants	%	No. of Warrants	%
DATO' SERI CHEW WENG KHAK @ CHEW WENG KIAK	8,400,000	12.96	11,089,912 <sup>a/b</sup>	17.11
CHEW CHUON JIN	5,485,700	8.46	10,000 <sup>c</sup>	0.02
CHEW CHUON GHEE	2,002,000	3.09	-	-
CHEW CHUON FANG	2,877,000	4.44	-	-

Notes :

- a Indirect interest through Chew Weng Khak Realty Sdn Bhd.
- b Indirect interest through his spouse, Datin Seri Tan Ah Nya @ Tan Bee Tiang and/or children, Chew Chun Chia and Chew Pei Gee pursuant to Section 59(11)(c) of the Companies Act 2016 ("Act").
- c Indirect interest through his spouse, Tan Guat See pursuant to Section 59(11)(c) of the Act.

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Eighth Annual General Meeting (“28<sup>th</sup> AGM”) of **PENSONIC HOLDINGS BERHAD** (“the Company”) will be convened and held at 1165, Lorong Perindustrian Bukit Minyak 16, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang, Malaysia on Thursday, 27 October 2022 at 2.30 pm for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice:

## AGENDA

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 May 2022 together with the Reports of the Directors and Auditors thereon.
2. To declare a final single tier dividend of 1.25 sen per ordinary share in respect of the financial year ended 31 May 2022. **Ordinary Resolution 1**
3. To re-elect the following Directors who are retiring in accordance with Clause 103 of the Company’s Constitution:  
(a) Dato’ Seri Chew Weng Khak @ Chew Weng Kiak; and **Ordinary Resolution 2**  
(b) Chew Chuon Ghee **Ordinary Resolution 3**
4. To approve the payment of Directors’ Fees of up to RM300,000 for the period from the next day of the 28<sup>th</sup> AGM until the conclusion of the next Annual General Meeting (“AGM”) of the Company in 2023. **Ordinary Resolution 4**
5. To re-appoint 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, pass the following resolutions with or without modifications:

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

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and subject always to the provisions of the Constitution of the Company and the approvals from the relevant regulatory authorities, the Directors of the Company be and are hereby authorised to issue and allot from time to time such number of ordinary shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of ordinary shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued share capital (excluding treasury shares) of the Company for the time being.

THAT the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad (“Bursa Securities”) AND THAT such authority shall continue to be 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.

THAT pursuant to Section 85 of the Act, read together with Clause 65 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from issuance of new shares pursuant to this mandate.

AND THAT the new shares to be issued shall, upon issuance and allotment, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”



# Notice of Annual General Meeting

(Cont'd)

7. **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 Main Market Listing Requirements of Bursa Securities ("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 28 September 2022, 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."

# Notice of Annual General Meeting

(Cont'd)

## 8. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)** Ordinary Resolution 8

“THAT subject to the Act, the provisions of the Company’s Constitution, the Listing Requirements and any other relevant authority or approval for the time being in force or as may be amended from time to time, the Directors of the Company be and are hereby authorised to make purchases of the Company’s shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (a) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time of the said purchase(s);
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained earnings of the Company at the time of purchase; and
- (c) the authority conferred by this resolution shall continue to be in force until:
  - (i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
  - (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
  - (iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and / or any other relevant governmental and / or regulatory authorities (if any).

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:

- (a) cancel all the ordinary shares so purchased; and/or
- (b) retain the ordinary shares so purchased as treasury shares; and/or
- (c) retain part thereof as treasury shares and cancel the remainder.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including executing all such documents as may be required) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company.”

# Notice of Annual General Meeting

(Cont'd)

9. **RETENTION OF DATO' TAHIR JALALUDDIN BIN HUSSAIN AS INDEPENDENT NON-EXECUTIVE DIRECTOR** Ordinary Resolution 9

"THAT approval be and is hereby given to Dato' Tahir Jalaluddin Bin Hussain, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM."

10. **RETENTION OF DATO' LELA PAHLAWAN DATO' PADUKA KU NAHAR BIN KU IBRAHIM AS INDEPENDENT NON-EXECUTIVE DIRECTOR** Ordinary Resolution 10

"THAT approval be and is hereby given to Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM."

11. To transact any other business for which due notice shall have been given in accordance with the Act.

By Order of the Board

**Ong Tze-En**

MAICSA 7026537 | SSM PC No. 202008003397

Company Secretary

Penang, 28 September 2022

# Notice of Annual General Meeting

(Cont'd)

## NOTES :

### APPOINTMENT OF PROXY

1. A proxy must be of full age. A proxy may but need not be a member. For a proxy to be valid, the Form of Proxy 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 duly executes the Form of Proxy but does not name any proxy, such member shall be deemed to have appointed the Chairman of the meeting as 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.
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/her. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her 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 20 October 2022 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 Business:

#### 1. Ordinary Resolutions 2 and 3:

The profiles of the retiring Directors are set out under Profile of Directors in the Annual Report 2022. The Board of Directors ("Board") approved the recommendations from the Nomination Committee and is supportive of the re-election of the retiring Directors based on the justifications below. The retiring Directors had abstained from deliberation and decision making on their own eligibility to stand for re-election:

- 1.1 **Dato' Seri Chew Weng Khak @ Chew Weng Kiak** is the founder and Group Executive Chairman. His invaluable experience and knowledge in management, sales and production as well as his extensive network of business connections in Malaysia and overseas have been instrumental in sustaining the continued growth the Group.
- 1.2 **Chew Chuon Ghee** is the Group Managing Director. He leads management and oversees group-wide business activities and operations focusing on both domestic and international market.

The retiring Directors do not have any conflict of interest with the Company other than as disclosed in the notes to the financial statements.

#### 2. Ordinary Resolution 4 is to approve Directors' Fees

Directors' fees to the Directors have been reviewed by the Remuneration Committee and the Board 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 from the next day of the 28<sup>th</sup> AGM until the conclusion of the next AGM of the Company in 2023. Details of Directors' fees for the financial year ended 31 May 2022 are enumerated under the Corporate Governance Overview Statement in the Annual Report 2022.

The amount of Directors' fees payable includes fees payable to Directors as members of Board and Board Committees. The amount also includes a contingency sum to cater to unforeseen circumstances such as the appointment of any additional Director and/or for the formation of additional Board Committees.

# Notice of Annual General Meeting

(Cont'd)

## Explanatory Notes on Special Business:

1. **Ordinary Resolution 6 is to authorise to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016**

This Ordinary Resolution, is for the purpose of granting a renewed general mandate (“General Mandate”) and if passed, will give authority to the Board 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 28 October 2021 and which will lapse at the conclusion of the 28<sup>th</sup> 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 projects, working capital and/or acquisitions as well as to avoid any delay and cost in convening general meeting to specifically approve such an issuance of shares.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make announcement in respect thereof.

2. **Ordinary Resolution 7 is to approve Proposed Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

This Ordinary Resolution, if passed, will allow the Company and/or its subsidiaries to enter into the existing recurrent related party transactions under the Proposed Shareholders’ Mandate pursuant to the provisions of the Listing Requirements without the necessity to convene separate general meetings from time to time to seek shareholders’ approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. The Proposed Shareholders’ Mandate is subject to renewal on an annual basis.

Please refer to the Circular to Shareholders dated 28 September 2022 for further information.

3. **Ordinary Resolution 8 is to approve Proposed Renewal of Authority to purchase its own ordinary shares**

This Ordinary Resolution, if passed, will empower the Directors of the Company to exercise the power of the Company to purchase its own shares. The total number of shares purchased shall not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being. This authority will, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required to be held, whichever occurs first.

4. **Ordinary Resolution 9 is to retain Dato’ Tahir Jalaluddin Bin Hussain as Independent Non-Executive Director (“INED”)**

This Ordinary Resolution, if passed, will allow Dato’ Tahir Jalaluddin Bin Hussain, who has served as INED for a cumulative term of more than nine (9) years, to be retained and continue to act as INED of the Company. Following annual performance evaluation and assessment of Dato’ Tahir coupled with his confirmation of independence, the Board recommended him to continue acting as INED of the Company based on the justifications as set out in Corporate Governance Overview Statement in the Annual Report 2022.

5. **Ordinary Resolution 10 is to retain Dato’ Lela Pahlawan Dato’ Paduka Ku Nahar Bin Ku Ibrahim as INED**

This Ordinary Resolution, if passed, will allow Dato’ Lela Pahlawan Dato’ Paduka Ku Nahar Bin Ku Ibrahim, who has served as INED for a cumulative term of more than nine (9) years, to be retained and continue to act as INED of the Company. Following annual performance evaluation and assessment of Dato’ Lela Pahlawan coupled with his confirmation of independence, the Board recommended him to continue acting as INED of the Company based on the justifications as set out in Corporate Governance Overview Statement in the Annual Report 2022.

## Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Securities)

No individual is standing for election as a Director at the forthcoming 28<sup>th</sup> AGM of the Company.

# Notice of Dividend Entitlement

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the 28<sup>th</sup> Annual General Meeting of the Company, the final single tier dividend of 1.25 sen per ordinary share in respect of the financial year ended 31 May 2022 will be payable on 15 December 2022 to depositors registered in the Records of Depositors at the close of business on 30 November 2022.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- (a) shares transferred into the depositor's securities account before 4.30 p.m. on 30 November 2022 in respect of transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

**Ong Tze-En**

MAICSA 7026537 | SSM PC No. 202008003397

Company Secretary

Penang, 28 September 2022

This page has been intentionally left blank.



# Form of Proxy

Number of shares held	CDS Account no.

I/We \_\_\_\_\_  
(Full name in Block Letters and NRIC No./Passport No./ Registration No.)

of \_\_\_\_\_ and \_\_\_\_\_  
(Address) (Tel No./Email Address)

being a Member(s) of Pensonic Holdings Berhad (the "Company"), hereby appoint

Full Name (in Block Letters)	NRIC No./Passport No.	No. of Shares
Address	Email address	% of Shareholding

\*and/or failing him/her

Full Name (in Block Letters)	NRIC No./Passport No.	No. of Shares
Address	Email address	% of Shareholding

or failing him/her, the CHAIRMAN OF THE MEETING as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf at the Twenty-Eighth Annual General Meeting ("28<sup>th</sup> AGM") of the Company, to be convened and held at 1165, Lorong Perindustrian Bukit Minyak 16, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang, Malaysia on Thursday, 27 October 2022 at 2.30 p.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at \*his/her discretion.

ORDINARY RESOLUTION ("OR")	OR1	OR2	OR3	OR4	OR5	OR6	OR7	OR8	OR9	OR10
FOR										
AGAINST										

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

Signature of Shareholder(s)/ Common Seal

\* Strike out whichever is not desired.

#### Notes:

1. A proxy must be of full age. A proxy may but need not be a member. For a proxy to be valid, the Form of Proxy 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 duly executes the Form of Proxy but does not name any proxy, such member shall be deemed to have appointed the Chairman of the meeting as 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.
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/her. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her 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 20 October 2022 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.

#### Personal Data Privacy

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 28<sup>th</sup> AGM of the Company and any adjournment thereof.



*1<sup>st</sup> fold here*

---

Affix  
Stamp

The Company Secretary  
**PENSONIC HOLDINGS BERHAD**  
Registration No.: 199401014746 (300426-P)  
170-09-01, Livingston Tower  
Jalan Argyll, 10050 George Town  
Pulau Pinang, Malaysia

---

*Then fold here*

---

*Fold this flap for sealing*

---



**PENSONIC**  
Your Enjoyment

**CORNELL**  
*a simpler life*

LEBENSSTIL  
KOLLEKTION

**Töush**  
Inspired by Pensonic

**MorphyRichards**

# ALL BRANDS ONE APP



Download & Register Circlez App For Exclusive Members Only Deals  
DOWNLOAD NOW!



Online Warranty • Rewards • Estore • Product Status Updates

# PENSONIC SALES & SERVICE CENTRES

## MALAYSIA

### **PENANG HEAD OFFICE, SHOWROOM**

1165, Lorong Perindustrian Bukit Minyak 16,  
Taman Perindustrian Bukit Minyak,  
14100 Simpang Ampat, Penang, Malaysia.

### **PJ SHOWROOM & CUSTOMER CARE CENTRE**

Lot 11A, Jalan 223 Sec 51A, 46100  
Petaling Jaya, Selangor Darul Ehsan.

#### **Showroom**

Tel : 603- 7954 5200

#### **Customer Care Centre**

Tel : 1800- 881- 770

### **PENANG**

143- 145, Perak Rd., 10150 Penang.  
Tel : 604- 226 9923 / 050

### **JOHOR BAHRU**

31, Jalan Ros Merah Satu/1,  
Taman Johor Jaya, 81100  
Johor Bahru, Johor.

### **SABAH**

Lot 4, Towering Industrial Centre,  
88300 Penampang, Kota Kinabalu, Sabah.  
Tel. Fax: 6088- 715 519 / 715 730

### **KOTA BHARU**

PT-621 Ground Floor,  
Batu 2 Jalan Pengkalan Chepa,  
15400 Kota Bharu, Kelantan.

### **LABUAN**

SU11T/SL05, Wisma Wong  
Wo Lo, 87000 Labuan.

PN 7884, Jalan OKK,  
Awang Besar, W.P Labuan,  
87000 Labuan.

**CoreLine**

Please Call **1-800-881-770**  
call this number for any enquiries

**For Prompt After-Sales Service (For Malaysia Only)**

\* **Operation Hours:** **Mon - Fri** 8:30am - 5:30pm  
**Sat, Sun & Public Holiday** Closed

PENSONIC SALES & SERVICE SDN. BHD. (199401014746/300426-P)

# ANNUAL REPORT 2022



# PENSONIC SALES & SERVICE CENTRES

## WORLDWIDE

### CHINA

5F, Block 10, XiangZhou Technology  
Industrial District Meihua Xi Road, No.  
2372 XiangZhou Zhuhai City, 519000,  
Guangdong, China  
Tel: 0756- 852 5933

### CHINA

Room No. 802, 8th Floor of Rongshan  
Postal Building, No.6 Rongqi Dadao,  
Ronggui Street, Shunde, Foshan,  
Guangdong Province, China  
Tel: 852- 2290 2280

### INDONESIA

JL. Jembatan III Barat, Blok E Kav.  
No. 8 Kelurahan Penjaringan,  
Kecamatan Penjaringan Jakarta  
Utara 14440, Indonesia.  
Tel: 621- 2267 4720

### VIETNAM

No 59-61 Nguyen Thi Thap Street,  
Him Lam Area, Tan Phong Ward,  
District 7 Ho Chi Minh City, Vietnam.  
Tel. Fax: 848- 3945 3483 / 3945 3482

### LEBANON

Verdun-Bekaa Str-Zahraa Bldg-3 Flr,  
P.O.Box 155150 Beirut-Lebanon.  
Tel. Fax: 961- 1817 681 / 1318 152

### SRI LANKA

No. 68, Keyzer Street  
Colombo 11, Sri Lanka.  
Tel: 9411- 2343586 Fax: 9411- 2326699

### HONG KONG

No.2, 14th Floor, Keen Hung Commercial  
Building, 80 Queen's Road East,  
Wan Chai, Hong Kong.  
Tel. Fax: 852- 2727 0997 / 2758 5088

### BRUNEI

No D1, Spg 396, Jln Jerudong,  
Bangunan Perkasa 1, Kampung  
Sengkurong B, Bg 1321,  
Brunei Darussalam  
Tel. Fax: 673- 2611 918 / 2610 801

### CAMBODIA

Lot# 1529, National Road 2, Sangkat  
Chak Angre Krom, Khan Meanchey,  
Phnom Penh, 120602, Cambodia.  
Tel: 855- 89 308474

### EGYPT

Usama Shahin St of Saad Zaglol St.,  
El Bar Elsharkey Shibin El Kom Menofia,  
POB 32514, Egypt.  
Tel. Fax: 201- 0009 3033

### FIJI

Centerpoint 1, Ratu Dovi Road,  
GPO Box 14416 Suva Fiji  
Tel. Fax: 679- 339 3111 / 334 0255

### SOUTH KOREA

6F, Jung Am Building, Eun-cheon-ro 25,  
Kwan-Ak-gu, Seoul, Korea.  
Tel: 070- 4185 3645 Fax: 0507- 0326 7040

### SINGAPORE

2 Leng Kee Road, #06-03 Thye Hong  
Centre Singapore 159086  
Tel. Fax: 65- 6472 6504 / 6475 9534

### MYANMAR

No. 15, (6) Ward, Waizayandar Road,  
South Okkalapa Township,  
Yangon, Myanmar.  
Tel: 95- 9750114898

### PHILIPPINES HEAD OFFICE

165 Quirino Avenue Baesa, Quezon City  
Manila Philippines 1115

### Service Center

#606 Evangelista St G Puyat St Quiapo Manila  
Tel: 733-28-51 / (02) 7357691 / (02) 7332840

### TIMOR LESTE

Avenida De Presidente Nicolau Lobato,  
Bidau, Lecidere, Nain Feto Dili, Timor Leste  
Tel: 670- 3311278

### SEYCHELLES

P.O.Box 1371, Victoria, Mahe, Seychelles.  
Tel. Fax: 248- 323 680 / 324 724

### MAURITIUS

12, Corderie Street, Port Louis, Mauritius.  
Tel: 230- 2121563

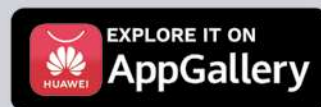
### MALDIVES

Ma.Elyzium - Buruzumagu  
Male' 20240 Maldives  
Tel: 960- 3009907



Get Circlez App Now!

Now Available At



ONLINE WARRANTY • REWARDS • ESTORE • PRODUCT STATUS UPDATES

Pensonic Holdings Berhad

(199401014746/300426-P)

1165, Lorong Perindustrian Bukit Minyak 16,

Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang.

Tel : 604-507 0393 Fax : 604-507 3825 Info@pensonic.com

www.pensonic.com



All Rights Reserved