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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 7th Annual General Meeting of **PENSONIC HOLDINGS BERHAD** will be held at Sunway Hotel, 33, New Lane, 10400 Penang, Malaysia, Dahlia Room, on Monday, 12th November, 2001 at 11.30 a.m. for the following purposes :-

AGENDA

1. To receive and consider the Report of the Directors and the Financial Statements for the year ended 31st May, 2001. (Resolution 1)
2. To declare a First and Final Dividend of 3% less tax of 28% for the year ended 31st May, 2001. (Resolution 2)
3. To approve Directors' fees for the year ended 31st May, 2001. (Resolution 3)
4. **To re-elect the following Directors who retire in accordance with Article 29(2) of the Company's Articles of Association :-**
 - a) Chew Chuon Jin (Resolution 4)
 - b) Tan King Tai @ Tan Khoon Hai D.J.N., P.K.T. (Resolution 5)
5. To re-appoint Messrs. Teh Eng Aun & Co. as Auditors and to authorise the Executive Directors to fix their remuneration. (Resolution 6)
6. **AS SPECIAL BUSINESS**
To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions :-

ORDINARY RESOLUTIONS :

Power To Issue Shares pursuant to Section 132D of the Companies Act, 1965

- a. " That pursuant to Section 132D of the Companies Act, 1965 and subject to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company."

(Resolution 7)

NOTICE OF ANNUAL GENERAL MEETING

- b. “ That pursuant to the Company’s Employees’ Share Option Scheme (“the Scheme”) as approved at the 6th Annual General Meeting of the Company held on 23rd October 2000, the Directors of the Company be and are hereby authorised, in accordance with Section 132D of the Companies Act 1965, to allot and issue shares in the Company from time to time in accordance with the Scheme.”

(Resolution 8)

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

Notice of Dividend Entitlement

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the 7th Annual General Meeting, the first and final dividend of 3% less tax of 28% in respect of the financial year ended 31st May, 2001 will be payable on 20th December, 2001 to depositors registered in the Records of Depositors on 30th November, 2001.

A depositor shall qualify for entitlement only in respect of :-

- (a) Shares transferred into the Depositor’s Securities Account before 12.30 p.m. on 30th November, 2001, in respect of ordinary transfers; and
- (b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

BY ORDER OF THE BOARD

Ker Siew Luan
Secretary

Penang
Date : 19th October, 2001

Notes :-

1. Every member of the Company is entitled to appoint a proxy or in the case of a corporation, to appoint a representative to attend and vote in his stead. A proxy need not be a member of the Company. The Proxy Form must be signed by the appointer or by his attorney duly authorised in writing or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised. If no name is inserted in the space for the name of your proxy, the Chairman of the Meeting will act as your proxy.
2. The Proxy Form must be deposited at the Registered Office of the Company at 2-5-26, Harbour Trade Centre, No. 2, Gat Lebu Macallum, 10300 Penang, Malaysia not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes of Special Business :

3. Resolution Pursuant to Section 132D of the Companies Act, 1965. The Ordinary Resolution proposed under item 6 a., if passed, will give the Directors of the Company, from the date of the above General Meeting, authority to issue and allot ordinary shares from the unissued capital of the Company being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in General Meeting, expires at the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier.

4. Resolution Pursuant to Section 132D of the Companies Act, 1965. The Ordinary Resolution proposed under item 6 b., if passed, will give the Directors of the Company, from the date of the above General Meeting, authority to issue and allot ordinary shares of the Company to those employees who have exercised their options under the Employees' Share Option Scheme. This authority unless revoked or varied at a General Meeting will expire at the next Annual General Meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman

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

Managing Director

Mr. Chew Chuon Jin

Executive Directors

Mr. Tan King Tai @ Tan Khoon Hai D.J.N, P.K.T.
Puan Zahara Bt. Pawanchik P.P.N, P.J.K.

Non Executive Directors

Y.Bhg. Dato' Seri Haji Abdul Rahman Bin Haji Abbas
S.M.N., D.U.P.N, D.M.P.N, D.J.N.
Mr. Chew Weng Yeaw
En. Nyak Zahari Bin Nyak Ibrahim

SECRETARY

Mdm. Ker Siew Luan

REGISTERED OFFICE

2-5-26, Harbour Trade Centre,
No. 2, Gat Lebu Macallum,
10300 Penang.
Tel : 604-2638 100/200
Fax : 604-2638 500

REGISTRAR

Plantation Agencies Sdn. Bhd.
Standard Chartered Bank Chambers
Lebuh Pantai,
10300 Penang.
Tel : 604-2625 333
Fax : 604-2622 018

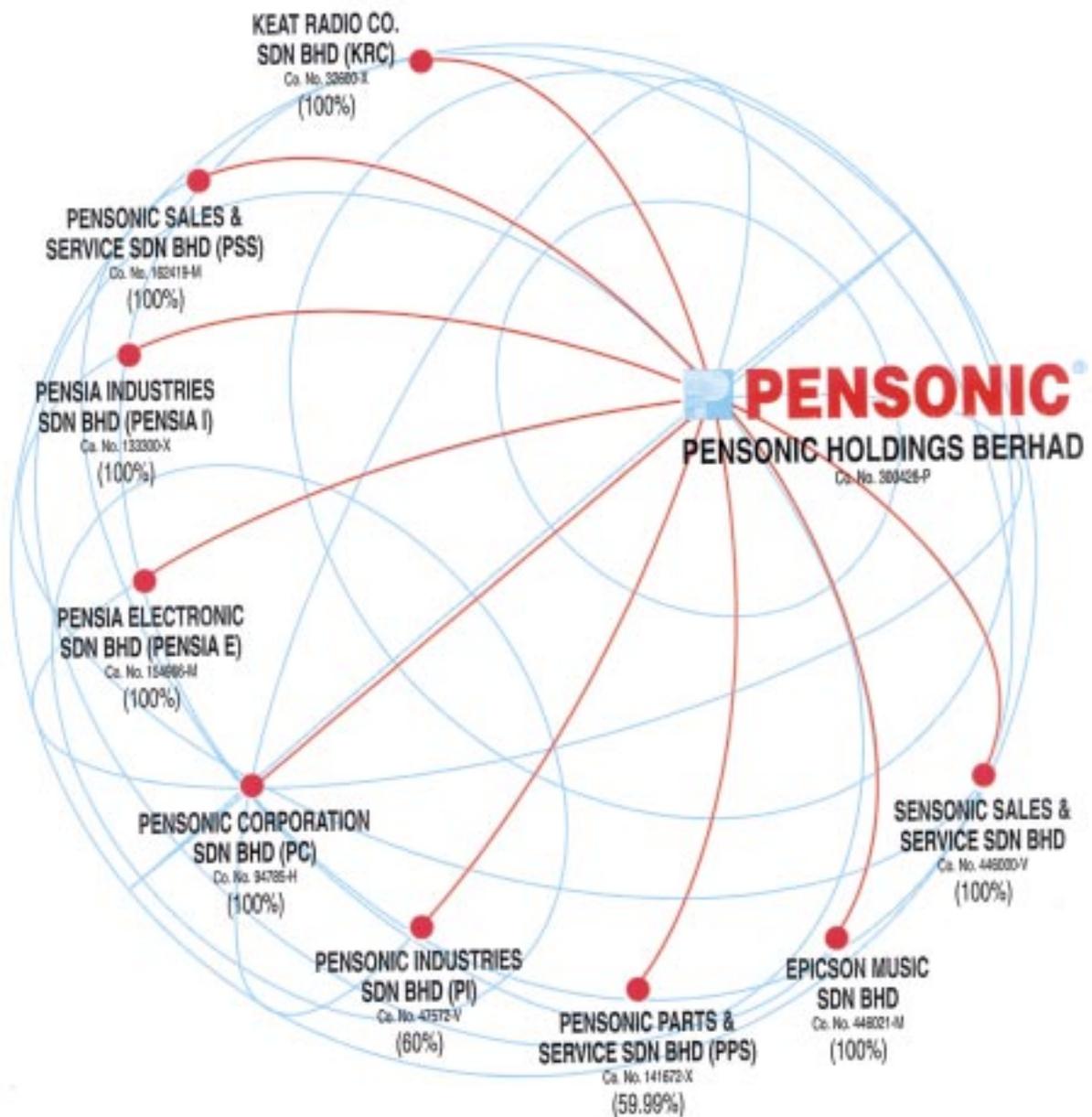
AUDITORS

Teh Eng Aun & Co.
Public Accountants

PRINCIPAL BANKERS

Malayan Banking Berhad
HSBC Bank Malaysia Berhad
Aseambankers Malaysia Berhad

CORPORATE STRUCTURE



CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the PENSONIC'S Group and Company Annual Report and Financial Statements for the financial year ended 31st May, 2001.

Financial Review

For the financial year ended 31st May 2001, the performance of the Group declined due to the slowdown in economic activities in the country. Revenue fell from RM104 million to RM93 million. The Group achieved a pre-tax profit of RM331,836, compared to the pre-tax profit of RM 7,182,716 of the previous financial year. The poor financial result is mainly due to higher costs for raw materials and operating expenses.

The Group's net tangible assets per share is RM1.94 against RM2.67 for the last financial year. The Group's shareholders' funds increased to RM88 million as at 31st May 2001 from the previously reported figure of RM59 million as at 31st May 2000.

Dividend

After taking into account the financial position of the company, the Board of Directors are pleased to recommend a first and final dividend of 3% less tax of 28% for the financial year ended 31st May 2001 (2000 : 5% less tax).

Operations Review

In current extremely competitive and challenging business environment, the Group continues to focus mainly on its core and niche market business of electrical home appliances. The Group continues to strive to improve productivity and quality of the products towards achieving the highest standards of best business practice.

Prospect

Demand for consumer products are expected to increase following the Government's implementation of fiscal measures to restore the economy. In anticipation of the growing challenges, strategic measures and initiatives have been put in place to prudently position and gear the Company to effectively address and ride the prospects that may lie ahead.

Apart from further improving the Company's domestic market position through broader and more diversified distribution networks and better customer services, the Company would also seek to introduce higher value added downstream products and services to better enhance the Group's profitability.

CHAIRMAN'S STATEMENT

Strategic alliance and partnerships that create and add greater business values would also be developed and established.

Prudent and progressive investment programme that are necessary to effectively increase our productivity and cost competitiveness in preparation for the market liberalization under Asean Free Trade Area (AFTA) would also be actively pursued. Correspondingly, the Company is also actively developing and establishing its presence in the international market.

Acknowledgement

On behalf of the Board of Directors, I would like to express our appreciation and sincere thanks to the management and staff at all level of the Group for their effort, commitment, dedication, support and hard work displayed and to our valuable dealers, customers, suppliers, bankers, business associates, shareholders and regulatory authorities and agencies for their invaluable support. With such good support, our Group can continue to forge ahead to even better accomplishments.

Y.Bhg. DATO' CHEW WENG KHAK
GROUP EXECUTIVE CHAIRMAN
6th OCTOBER 2001.

PARTICULARS OF DIRECTORS

DIRECTORS' PROFILE

Dato' Chew Weng Khak @ Chew Weng Kiak, aged 59, is the Group Executive Chairman and founder of the **Pensonic Holdings Berhad Group**. He has had more than 30 years experience in the manufacturing and trading of electrical and electronic products. His vision and stewardship over the past 30 years has taken the Group from being a small family operation into a position as one of the leading electrical & electronic manufacturers in Malaysia. His invaluable experience and vast knowledge of management and production as well as the business connections established in Malaysia and overseas over the years have helped the Group tremendously in achieving its growth. Through his innovative management style, Dato' Chew Weng Khak @ Chew Weng Kiak has been responsible and is the catalyst for the numerous advancement and milestones experienced by the Group.

Dato' Seri Haji Abdul Rahman Bin Haji Abbas, S.M.N, D.U.P.N., D.M.P.N., D.J.N., aged 63, received his secondary education at Maktab Perguruan Sultan Idris, Tg. Malim, Perak and Maktab Perguruan Bahasa (Language Institute), Kuala Lumpur. He completed his tertiary education in University Malaya with a Degree in Bachelor of Arts (Honours). Upon graduation, he worked as a teacher for more than 20 years. He was a Penang State Assemblyman for the Bertam constituency from 1977 to 1995. He was appointed a member of the State Exco from 1978 to 1990 and was the Speaker of the Penang State Legislative Assembly from 1990 to 1995. While serving in the State Exco, he has on a number of occasions assumed the position of Acting Chief Minister of Penang whenever the then Chief Minister went abroad. He was recently appointed as TYT Yang Dipertua Pulau Pinang.

Chew Chuon Jin, aged 32 is the Managing Director of the **Pensonic Holdings Berhad Group**. He graduated from the National Cheng Chi University of Taiwan with a Bachelor of Business Administration in 1991. Upon graduation, he worked for Lapro Corporation, a Taiwanese company, as a Management Trainee for 2 years prior to joining the **Pensonic Holdings Berhad Group** in June 1993. He is responsible for the product development, brand building and marketing of **Pensonic** products in domestic and international markets. He is also assisting the Executive Chairman in the strategic planning of the **Pensonic Holdings Berhad Group's** business venture. His many years in the electrical appliances industry and excellent entrepreneurial skills have steered Pensonic into a leading company in Malaysia and abroad.

Tan King Tai @ Tan Khoon Hai, D.J.N., P.K.T. aged 46, is a fellow member of the Institute of Cost and Executive Accountants, United Kingdom since 1993 and is currently the Deputy President of The Institute of Commercial and Industrial Accountants, Malaysia. He is the Executive Director of **Pensonic Holdings Berhad** since 1995. He was appointed as Executive Director of Pensia Industries Sdn. Bhd., a company involved in the manufacture, assembly and sale of electrical and electronic home appliances, and Pensonic Corporation Sdn. Bhd., a company involved in dealing in all kinds of electrical products and the operation of a licenced manufacturing warehouse, since 3rd April 1990 and 22nd November 1991 respectively. Both companies are within the Pensonic Group. He is responsible for the corporate planning, finance, data processing and management information functions. Mr. Tan King Tai @ Tan Khoon Hai is a director of Unimech Group Berhad a company listed on KLSE. He also sits on the board of several other private limited companies.

PARTICULARS OF DIRECTORS

Zahara Bt. Pawanchik, P.P.N., P.J.K. aged 57, has been a Director of Pensia Industries Sdn. Bhd. since 1987. Prior to joining Pensia Industries Sdn. Bhd., she was involved in the political arena. She has held various positions in UMNO, Tanjong Division. She was the Divisional Head of Wanita UMNO, Tanjong Division from 1981 to 1987. She is now a Committee Member of the Division. She is responsible for the overall management of Pensia Industries Sdn. Bhd.

Chew Weng Yeaw, aged 60. He has more than 25 years of experience in the electronic and electrical industry. He is responsible for the overall operations of the PHB Group. Mr. Chew Weng Yeaw was appointed to the Board of Pensonic Holdings Berhad on 13th September, 1995.

Nyak Zahari Bin Nyak Ibrahim, aged 46, worked as a male nurse in Penang Adventist Hospital from 1975 to 1980. He joined Malaysia Airlines and worked as a traffic clerk in 1980 and was promoted to traffic officer in 1991. He was appointed to the Board of Pensonic Holdings Berhad on 4th November, 1999.

PARTICULARS OF DIRECTORS

The Board meets at least four times a year to review and decide on issues of strategy, performance, resources, including key appointments and standards of conduct. Meetings would also be held on ad-hoc basis as and when necessary. Seven (7) Board meetings were held during the financial year. The attendance record of each Director is as follows :-

Executive Directors	No. of meetings attended	Percentage (%)
Dato' Chew Weng Khak @ Chew Weng Kiak	7	100
Mr. Chew Chuon Jin	6	86
Mr. Tan King Tai @ Tan Khoon Hai D.J.N., P.K.T.	7	100
Puan Zahara Bt. Pawanchik P.P.N, P.J.K.	7	100
Non-Executive Directors		
Dato' Seri Haji Abdul Rahman Bin Haji Abbas S.M.N., D.U.P.N, D.M.P.N, D.J.N.	5	71
Mr. Chew Weng Yeaw	5	71
En. Nyak Zahari Bin Nyak Ibrahim	6	86

AUDIT COMMITTEE REPORT

CONSTITUTION

The Audit Committee (“AC”) of Pensonic Holdings Berhad (“PHB” or “Company”) had been established since 13th September, 1995.

COMPOSITION

Dato’ Seri Haji Abdul Rahman Bin Haji Abbas (Chairman, Independent Non-Executive Director)
S.M.N, D.U.P.N, D.M.P.N., D.J.N.
En. Nyak Zahari Bin Nyak Ibrahim (Independent Non-Executive Director)
Mr. Tan King Tai @ Tan Khoon Hai (Executive Director) D.J.N, P.K.T.

SECRETARY

The Secretary to the AC is Mdm. Ker Siew Luan who is the Company Secretary of PHB.

MEETINGS

During the financial year ended 31st May 2001, four committee meetings were held and the attendance of the members were as follows :-

Member	Attendance
Dato’ Seri Haji Abdul Rahman Bin Haji Abbas S.M.N, D.U.P.N, D.M.P.N., D.J.N .	3/4
En. Nyak Zahari Bin Nyak Ibrahim	4/4
Mr. Tan King Tai @ Tan Khoon Hai D.J.N, P.K.T.	4/4

All meetings to review the quarterly results and annual financial statements were held prior to such quarterly results and annual financial statements being presented to the Board for approval.

After each AC Meeting, the AC reported and updated the Board on significant issues and concerns discussed during the AC meetings and where appropriate, made the necessary recommendations to the Board.

QUORUM

Two members of the AC shall constitute a quorum.

AUDIT COMMITTEE REPORT

ACTIVITIES

The AC carried out its duties in accordance with its Terms of Reference.

During the financial year, the AC reviewed the quarterly reports and financial statements of PHB and its subsidiaries (“the Group”). The AC had also met with the external auditors and discussed the nature and scope of the audit, considered any significant changes in accounting and auditing issues, reviewed the management letter and management’s response and discussed recent developments on accounting and auditing standards issued by the Malaysian Accounting Standards Board. In addition, the AC approved the annual internal audit plan of the Group, reviewed the audit findings and recommendations.

The AC also reviewed and recommended related party transactions for the approval of the Board.

AUTHORITY

The AC is authorised by the Board to review any activity of the Company and of the Group within its Terms of Reference. It is authorised to seek any information it requires from any director or member of management and all employees are directed to co-operate with any request made by the AC.

The AC is authorised by the Board to obtain independent legal or other professional advice if it considers necessary.

FUNCTIONS

- To review, with the external auditors, the audit plan.
- To review, with the external auditors, the evaluation of the system of internal accounting controls and audit findings.
- To review, with the external auditors, the audit report.
- To review the assistance given by the Company officers to the external auditors.
- To review the scope and results of the internal audit procedures.
- To review the financial statements of the Company and the consolidated financial statements submitted to the AC by the Company and thereafter to submit them to the directors of the Company.
- To review any related party transactions that may arise within the Company or the Group.
- To nominate and recommend for the Board of Directors’ approval, a person or persons as auditor(s).
- To consider and examine any other functions as may be agreed to by the AC and the Board of Directors.

INTERNAL AUDIT

During the financial year ended 31st May 2001, the internal audit department carried out its duties in accordance with its annual audit plan covering audit on operations.

OTHER INFORMATION

a) Share Buybacks

During the financial year, there were no share buybacks by the Company.

b) Options, Warrants or Convertible Securities

No warrants or convertible securities were exercised by the Company in the financial year. The amount of share options granted over unissued shares to Directors and employees are disclosed in the Directors Report.

c) American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

During the financial year, the Company did not sponsor any ADR or GDR programme

d) Imposition of Sanctions/Penalties

There were no sanctions and/or penalties imposed on the Company or its subsidiaries, Directors or management by the relevant regulatory bodies.

e) Profit Estimate, Forecast or Projection

During the financial year under review the Group incurred a loss after taxation and minority interest ("PAT & MI") of RM647,279 against the earlier forecast of profit after taxation and minority interest of RM8,924,000. The differences in Pensonic Holdings Berhad's PAT & MI are mainly due to the following :-

- (1) Effects of the economic slowdown which has significantly affected sales of its products especially during the third and fourth quarters which has resulted in a drop in turnover of approximately RM33 million from the forecasted turnover;
- (2) Higher costs for raw materials and operating expenses;
- (3) Delay on the completion for the rights issue exercise which resulted in lesser interest saved compared to the forecasted interest expected to be saved of approximately RM1.9 million as a result of later repayment of bank borrowings from the rights issue proceeds; and
- (4) The anticipated growth in turnover from increase in contract sales value and the commissioning of one of the subsidiary, Pensia Electronic Sdn. Bhd. to increase production capacity was not realised due to the slowdown in the electrical and electronic appliance industry.

OTHER INFORMATION

f) Material Contracts

During the financial year, there were no material contracts with the Company and its subsidiaries involving Directors' and major shareholders' interest other than as disclosed in the Directors' report and Notes to the Financial Statements.

g) Contracts Relating to Loans

There were no contracts relating to loans by the Company in respect of the abovesaid item.

h) Revaluation of Landed Properties

The Company does not have a revaluation policy on landed properties.

i) Status of utilization of Rights Issue Proceeds

The Rights Issue Proceeds are fully utilized in accordance with Securities Commission approval.

j) Profit guarantees

During the financial year, there were no profit guarantees given by the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at end of the financial year and of the results of the Group and the Company for the financial year ended on that date.

The Directors consider that in preparing the financial statements, the Group has used appropriate accounting policies which have been consistently applied and supported by reasonable judgements and estimates. All applicable accounting standards have been followed.

The Directors have responsibility in ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

FINANCIAL STATEMENTS

PENSONIC HOLDINGS BERHAD
(300426 – P)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY, 2001

DIRECTORS' REPORT

The Directors have pleasure in presenting their report and the audited financial statements of the Group and of the Company for the financial year ended 31st MAY, 2001.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holdings. The principal activities of the subsidiaries consist of manufacturing, assembling and retailing of electronic products and electrical home appliances.

There has been no significant changes in the activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Loss after taxation	(384,270)	(191,020)
Minority interest	(263,009)	-
Loss attributable to shareholders	(647,279)	(191,020)
Retained profits brought forward	15,355,319	4,562,969
Profit available for appropriation	14,708,040	4,371,949
Profit capitalised for bonus issue	(8,130,871)	-
Proposed dividend	(980,208)	(980,208)
Retained profits carried forward	5,596,961	3,391,741

DIRECTORS' REPORT

DIVIDENDS

During the financial year, the Company paid a dividend of 5% less tax 28% amounting to RM811,836 in respect of the financial year ended 31st MAY, 2000.

The Directors now propose a first and final dividend of 3% less tax 28%, amounting to RM980,208 in respect of the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year have been disclosed in the financial statements.

SHARE CAPITAL

During the financial year, the Company increased its authorised capital from RM25,000,000 comprising 25,000,000 ordinary shares of RM1 each to RM100,000,000 comprising 100,000,000 ordinary shares of RM1 each by the creation of an additional 75,000,000 new ordinary shares of RM1 each.

During the financial year, the issued and paid-up share capital of the Company was increased from RM22,551,000 to RM45,380,000 by the following issuance :

- (i) The issue of 139,000 fully paid-up ordinary shares of RM1 each for cash pursuant to the Pensonic Holdings Berhad Employees' Share Option Scheme ("ESOS") at the option price of RM2.20 per share.
- (ii) A bonus issue of 11,345,000 new ordinary shares of RM1 each to the shareholders of the Company on the basis of one (1) new ordinary share for every two (2) ordinary shares.
- (iii) A rights issue of 11,345,000 new ordinary shares of RM1 each at an issue price of RM2.60 per ordinary share with 11,345,000 detachable warrants on the basis of one (1) new ordinary share together with one (1) warrant for every two (2) shares.

The new shares rank pari passu in all respects with the existing ordinary shares of the Company.

EMPLOYEES' SHARE OPTION SCHEME

The Pensonic Holdings Berhad Employees' Share Option Scheme ("ESOS") was implemented on 9th March 1998. The scheme granted options to eligible directors and employees of the Group with the right to subscribe for new ordinary shares of RM1.00 each of the Company at the predetermined subscription price.

DIRECTORS' REPORT

The details of the ESOS are contained in the Bye-Laws and the salient features thereof are :-

- (a) The Scheme is set up for participation in the ordinary share capital of the Company only. The total number of shares to be offered under the ESOS shall not exceed 10% of the total number of issued and paid-up ordinary shares of the Company at any time during the duration of the Scheme.
- (b) Eligible employees are those who have been in the service of the Group for a continuous year of at least one (1) year for Malaysian employees (including full-time executive directors who are involved in the day-to-day management and on the payroll of the Company).
- (c) The ESOS shall continue to be in force for a duration of five (5) years commencing on 9th March 1998 and expiring on 8th March, 2003.
- (d) The Scheme shall be administered by the Option Committee which shall comprise senior management staff to be appointed by the Board of Directors.
- (e) An option granted under the ESOS shall be capable of being exercised by the Grantee by notice in writing to the Company during the year commencing on the date of offer and expiring on 8th March 2003. The option granted shall be exercisable by the grantee in proportion up to a maximum of 20% of the option granted for each year and may be exercised in full or in such lesser number of shares provided that the number shall be in multiples of and not less than 1,000 shares.
- (f) The price at which the eligible employees are entitled to take up shares under the ESOS is the average of the mean market quotations of the shares of the Company (as quoted in the Daily Official list issued by the Kuala Lumpur Stock Exchange) for the five(5) market days preceding the respective dates of offer of the options, or the nominal value of the share, whichever is higher.
- (g) An option granted under ESOS shall cease where the Grantee ceases his/her employment or appointment with the Group by reason of resignation or termination of employment by the Company or subsidiary companies of the Group other than by reasons of his/her retirement at or after attaining normal retirement age, ill health, injury or disability, redundancy or any other circumstances approved by the Option Committee in its entire discretion in writing.
- (h) An option shall immediately become void and of no effect on the bankruptcy of the grantee.

The outstanding offered options to take up unissued ordinary shares of RM1 each and the option price are as follows :

Options Over Number of Ordinary Shares of RM1 each

<u>Date of offer</u>	<u>Original option price</u>	<u>Balance at 1st June, 2000</u>	<u>Lapsed due to resignation</u>	<u>Exercised</u>	<u>Balance unexercised before adjustment to ESOS</u>	<u>Revised option price</u>	<u>Adjustment Pursuant to the Bonus and Rights Issue</u>	<u>Balance at 31st May, 2001</u>
	RM					RM		
9.3.98	2.20	786,000	(164,000)	(139,000)	483,000	1.39	292,000	775,000
2.5.01	1.30	-	-	-	-	-	3,385,000	3,385,000

DIRECTORS' REPORT

WARRANTS

During the financial year, the Company issued 11,345,000 Warrants 2001/2006 in respect of renounceable Rights Issue on the basis of one (1) Warrant for every two (2) ordinary shares to the shareholders.

The details on the Warrants are disclosed in Note 11 to the financial statements.

DIRECTORS' INTERESTS IN WARRANTS

By Virtue of Warrants held by companies in which the Directors are interested :-

<u>DIRECT INTEREST</u>	<u>As at 01.06.2000</u>	<u>Acquired</u>	<u>Disposed</u>	<u>As at 31.05.2001</u>
The Company :-				
DATO' CHEW WENG KHAK @ CHEW WENG KIAK	-	2,050,799	-	2,050,799*
DATO' SERI HAJI ABDUL RAHMAN BIN HAJI ABBAS S.M.N, D.U.P.N, D.M.P.N, D.J.N.	-	36,500	-	36,500
CHEW CHUON JIN	-	202,050	-	202,050
TAN KING TAI @ TAN KHOON HAI D.J.N., P.K.T.	-	346,702	-	346,702**
ZAHARA BT. PAWANCIK P.P.N., P.J.K	-	407,630	(407,630)	-
CHEW WENG YEAW	-	15,000	-	15,000
NYAK ZAHARI BIN NYAK IBRAHIM	-	-	-	-

INDIRECT INTEREST

By virtue of Warrants held by companies in which the Directors are interested :-

	<u>As at 01.06.2000</u>	<u>Acquired</u>	<u>Disposed</u>	<u>As at 31.05.2001</u>
CHEW WENG KHAK REALTY SDN. BHD.				
DATO' CHEW WENG KHAK @ CHEW WENG KIAK	-	1,741,079	-	1,741,079***
CHEW CHUON JIN	-	1,741,079	-	1,741,079 ***
TAN KHOON HAI SDN. BHD.				
TAN KING TAI @ TAN KHOON HAI D.J.N., P.K.T.	-	500	-	500

* Inclusive of 1,742,500 Warrants which are held through a nominee company.

** Inclusive of 100,000 Warrants which are held through a nominee company.

*** Inclusive of 2,000,000 Warrants which are held through a nominee company.

DIRECTORS' REPORT

DIRECTORS

The Directors who have held office since the date of the last report are :-

DATO' CHEW WENG KHAK @ CHEW WENG KIAK
DATO' SERI HAJI ABDUL RAHMAN BIN HAJI ABBAS
S.M.N., D.U.P.N, D.M.P.N, D.J.N.
CHEW CHUON JIN
TAN KING TAI @ TAN KHOON HAI
D.J.N., P.K.T.
ZAHARA BT. PAWANCIK
P.P.N., P.J.K.
CHEW WENG YEAW
NYAK ZAHARI BIN NYAK IBRAHIM

In accordance with Article 29(2) of the Company's Articles of Association, CHEW CHUON JIN and TAN KING TAI @ TAN KHOON HAI, D.J.N., P.K.T. retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS IN SHARES

Particulars of Directors' interest in shares, option over shares under ESOS in the Company as shown in the Registers are as follows :

	Number of ordinary shares of RM1 each			
	<u>As at</u> <u>01.06.2000</u>	<u>Acquired</u>	<u>Disposed</u>	<u>As at</u> <u>31.05.2001</u>
<u>DIRECT INTEREST</u>				
The Company :-				
DATO' CHEW WENG KHAK @ CHEW WENG KIAK	4,101,596	4,391,598	-	8,493,194 *
DATO' SERI HAJI ABDUL RAHMAN BIN HAJI ABBAS	73,000	73,000	(20,000)	126,000
CHEW CHUON JIN	404,100	404,100	-	808,200 **
TAN KING TAI @ TAN KHOON HAI D.J.N., P.K.T.	425,405	866,404	-	1,291,809 ***
ZAHARA BT. PAWANCIK P.P.N., P.J.K.	815,260	815,260	(1,145,000)	485,520
CHEW WENG YEAW	30,000	30,000	-	60,000
NYAK ZAHARI BIN NYAK IBRAHIM	-	-	-	-

DIRECTORS' REPORT

INDIRECT INTEREST

By virtue of shares held by companies in which the Directors are interested :-

	<u>Number of ordinary shares of RM1 each</u>			
	<u>As at</u>	<u>Acquired</u>	<u>Disposed</u>	<u>As at</u>
	<u>01.06.2000</u>			<u>31.05.2001</u>
CHEW WENG KHAK REALTY SDN. BHD.				
DATO' CHEW WENG KHAK @				
CHEW WENG KIAK	2,666,899	3,521,898	-	6,188,797 ****
CHEW CHUON JIN	2,666,899	3,521,898	-	6,188,797 ****
TAN KHOON HAI SDN. BHD.				
TAN KING TAI @ TAN KHOON HAI				
D.J.N., P.K.T.	1,000	1,000	-	2,000

* Inclusive of 7,570,000 ordinary shares which are held through a nominee company.

** Inclusive of 450,000 ordinary shares which are held through a nominee company.

*** Inclusive of 1,255,000 ordinary shares which are held through a nominee company.

**** Inclusive of 2,000,000 ordinary shares which are held through a nominee company.

	<u>Option over number of ordinary shares of RM1 each</u>			
	<u>As at</u>	<u>Adjustment</u>	<u>Exercised</u>	<u>As at</u>
	<u>01.06.2000</u>	<u>pursuant to the</u>		<u>31.05.2001</u>
		<u>Bonus and Rights</u>		
		<u>Issue</u>		
The Company :-				
DATO' CHEW WENG KHAK @				
CHEW WENG KIAK	66,000	39,000	-	105,000
CHEW CHUON JIN	66,000	39,000	-	105,000
TAN KING TAI @ TAN KHOON HAI				
D.J.N., P.K.T.	66,000	39,000	-	105,000
ZAHARA BT. PAWANCIK				
P.P.N., P.J.K.	66,000	39,000	-	105,000

Other than as disclosed, no other Director in office at the end of the financial year held any interest in shares or option in shares and debentures of the Company and its subsidiary companies.

Since the end of the previous year, no Director has received or become entitled to received any benefits (other than those disclosed as Directors' remuneration) by reason of a contract made by the Company or related corporation with any Director or with a firm of which a Director is a member or with a company in which the Director has a substantial financial interest other than virtue of transactions entered into the ordinary course of business.

DIRECTORS' REPORT

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debenture of the Company or any other body corporate except for the options over shares granted by PENSONIC HOLDINGS BERHAD to eligible executives, including Directors of the Company, pursuant to the Pensonic Holdings Berhad Executives' Share Option Scheme.

In accordance with the register of the Directors' shareholdings, there are no changes in the directors' interest in shares in the Company and its related corporations at 21st JUNE, 2001.

OTHER STATUTORY INFORMATION

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps :

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that all known bad debts had been written off and adequate provisions had been made for doubtful debts; and
- b) to ensure that any current assets which were unlikely to realise their book value in the ordinary course of business have been written down to their estimated realisable values.

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

- a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the accounts of the Group and of the Company inadequate to any substantial extent; or
- b) which would render the values attributed to current assets, in the accounts of the Group and of the Company misleading ; or
- c) 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;

No contingent or other liability 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 its obligations as and when they fall due.

DIRECTORS' REPORT

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

- a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liability of any other person ; or
- b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year other than as disclosed in NOTE 23 to the financial statements.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors :

- a) the results of the Group and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- b) there has not arisen in the interval between the end of the financial year and the date of this report any time, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are as follows :

- i) The issue of 139,000 fully paid-up ordinary shares of RM1 each for cash pursuant to the Pensonic Holdings Berhad Employees' Share Option Scheme ("ESOS") at the option price of RM2.20 per share.
- ii) A bonus issue of 11,345,000 new ordinary shares of RM1 each to the shareholders of the Company on the basis of one (1) new ordinary share for every two (2) ordinary shares and;
- iii) A rights issue of 11,345,000 new ordinary shares of RM1 each at an issue price of RM2.60 per ordinary share with 11,345,000 detachable warrants on the basis of one (1) new ordinary share together with one (1) warrant for every two (2) shares.

The new shares rank pari passu in all respects with the existing ordinary shares of the Company.

DIRECTORS' REPORT

AUDITORS

The auditors, TEH ENG AUN & CO., have expressed their willingness to continue in office.

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

DATO' CHEW WENG KHAK @
CHEW WENG KIAK

Director

TAN KING TAI @
TAN KHOON HAI,
D.J.N., P.K.T.

Director

Penang.

Dated :

STATEMENT BY DIRECTORS

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

We, DATO' CHEW WENG KHAK @ CHEW WENG KIAK and TAN KING TAI @ TAN KHOON HAI, D.J.N., P.K.T., being two of the Directors of PENSONIC HOLDINGS BERHAD, state that, in the opinion of the Directors, the accompanying balance sheets, income statements, statements of changes in equity and the cash flow statements, together with the notes thereto, are properly drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31st MAY, 2001 and of the results of their operations and the cash flows for the Group and of the Company for the financial year ended on that date.

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

DATO' CHEW WENG KHAK @
CHEW WENG KIAK

TAN KING TAI @
TAN KHOON HAI,
D.J.N., P.K.T.

Dated :

STATUTORY DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT 1965

I, DATO' CHEW WENG KHAK @ CHEW WENG KIAK, I.C.NO. 421102-02-5141, the Director responsible for the financial management of PENSONIC HOLDINGS BERHAD, do solemnly and sincerely declare that the accompanying balance sheets, income statements, statements of changes in equity and cash flow statements, together with the notes thereto, are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)

abovenamed DATO' CHEW WENG KHAK @

CHEW WENG KIAK at)

in the state of)

this day of 2001)

DATO'CHEW WENG KHAK @
CHEW WENG KIAK

Before me,

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements together with the notes thereto of the Group and of the Company. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion :-

- a) the financial statements are properly drawn up in accordance with the provision of the Companies Act 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of :-
 - i) the state of affairs of the Group and of the Company as at 31st MAY, 2001 and of the results of the Group and of the Company and cash flows of the Group and of the Company for the financial year then ended ; and
 - ii) the matters required by Section 169 of the Companies Act 1965 to be dealt with in the Company's financial statements and consolidated financial statements; and

REPORT OF THE AUDITORS TO THE MEMBERS

- b) The accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we received satisfactory information and explanations required by us for those purposes.

The Auditors' Report on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Section 174 (3) of the Companies Act 1965.

TEH ENG AUN & CO.
NO : AF - 0322
PUBLIC ACCOUNTANTS

TEH ENG HIN
NO : 1708/8/2003 (J)
PARTNER

CONSOLIDATED BALANCE SHEET

As At 31st May, 2001

	NOTE	2001 RM	2000 RM (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	2	27,949,789	28,341,507
Intangible assets	3	25,497	70,789
CURRENT ASSETS			
Inventories	5	54,226,461	51,787,789
Amount owing by related companies	6	6,313,005	6,414,491
Trade and other receivables	7	31,536,929	27,897,853
Fixed deposits, cash and bank balances	8	9,494,808	5,001,539
		101,571,203	91,101,672
CURRENT LIABILITIES			
Trade and other payables	9	29,450,957	37,760,590
Short term borrowings	10	7,134,516	10,649,678
Provision for taxation		772,473	1,339,677
Proposed dividend		980,208	811,836
		38,338,154	50,561,781
NET CURRENT ASSETS		63,233,049	40,539,891
		91,208,335	68,952,187
FINANCED BY :-			
SHARE CAPITAL	11	45,380,000	22,551,000
RESERVES	12	42,663,348	37,317,035
SHAREHOLDERS' EQUITY		88,043,348	59,868,035
MINORITY INTEREST		587,827	324,818
LONG TERM AND DEFERRED LIABILITIES :-			
Long-term loan	13	2,244,735	8,469,687
Deferred taxation	14	332,425	289,647
Total Long-Term and Deferred Liabilities		2,577,160	8,759,334
		91,208,335	68,952,187

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED INCOME STATEMENT **FOR THE YEAR ENDED 31ST MAY, 2001**

	NOTE	2001 RM	2000 RM (Restated)
REVENUE	15	93,382,210	103,680,782
COST OF SALES		(77,769,291)	(82,380,732)
GROSS PROFIT		15,612,919	21,300,050
OTHER OPERATING INCOME		258,948	182,760
DISTRIBUTION COSTS		(5,273,785)	(4,095,590)
ADMINISTRATION EXPENSES		(9,093,993)	(8,676,394)
PROFIT FROM OPERATIONS		1,504,089	8,710,826
FINANCE COSTS		(1,172,253)	(1,528,110)
PROFIT BEFORE TAXATION	16	331,836	7,182,716
INCOME TAX EXPENSE	17	(716,106)	(2,268,702)
(LOSS)/PROFIT AFTER TAXATION		(384,270)	4,914,014
MINORITY INTEREST		(263,009)	(161,539)
NET (LOSS)/PROFIT FOR THE YEAR		(647,279)	4,752,475
BASIC (LOSS)/EARNINGS PER SHARE (sens)	18	(1.90)	21.34

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MAY, 2001

	Share capital RM	Share premium RM	Revaluation reserve RM	Capital reserve RM	Reserve on consolidation RM	Retained profits RM	Total RM
Balance as at 31st May, 1999	22,036,000	7,731,900	407,649	4,487,540	8,716,627	11,475,763	54,855,479
Change in accounting policy - prior year adjustment (Note 19)	-	-	-	-	-	(61,083)	(61,083)
As restated	22,036,000	7,731,900	407,649	4,487,540	8,716,627	11,414,680	54,794,396
Issue of shares							
-ESOS	515,000	618,000	-	-	-	-	1,133,000
Proposed final dividend (5% less tax)	-	-	-	-	-	(811,836)	(811,836)
Net profit for the year	-	-	-	-	-	5,072,357	5,072,357
Change in accounting policy - prior year adjustment (Note 19)	-	-	-	-	-	(319,882)	(319,882)
As restated	-	-	-	-	-	4,752,475	4,752,475
Balance as at 31st May, 2000	22,551,000	8,349,900	407,649	4,487,540	8,716,627	15,355,319	59,868,035
Issue of shares							
-ESOS	139,000	166,800	-	-	-	-	305,800
- Bonus Issue	11,345,000	(3,214,129)	-	-	-	(8,130,871)	-
- Rights Issue with warrants	11,345,000	18,152,000	-	-	-	-	29,497,000
Net loss for the year	-	-	-	-	-	(647,279)	(647,279)
Proposed final dividend (3% less tax) (Note20)	-	-	-	-	-	(980,208)	(980,208)
Balance as at 31st May, 2001	45,380,000	23,454,571	407,649	4,487,540	8,716,627	5,596,961	88,043,348

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MAY, 2001

	NOTE	2001 RM	2000 RM (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		331,836	7,182,716
Adjustments for :-			
Amortisation of intangible assets			
- Trade mark		6,374	9,456
- Preliminary expenses		-	9,379
- Listing expenses		38,918	203,602
Amortisation of leasehold land and buildings		244,448	248,390
Bad debts written off		-	15,749
Depreciation of property, plant and equipment		1,245,740	1,118,776
Interest expense		2,239,188	2,951,402
(Gain)/Loss on disposal of property, plant and equipment		(23,132)	46,497
Interest income		(75,984)	-
Operating profit before working capital changes		4,007,388	11,785,967
(Increase)/Decrease in inventories		(2,438,672)	1,061,041
Increase in receivables		(357,735)	(3,983,260)
Decrease in payables		(10,923,974)	(6,123,160)
Cash (used in)/generated from operations		(9,712,993)	2,740,588
Taxes paid		(1,806,047)	(1,405,402)
Interest expense		(2,239,188)	(2,951,402)
Interest income		75,984	-
Net cash used in operating activities		(13,682,244)	(1,616,216)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	21	(1,137,838)	(1,275,562)
Proceeds from disposal of property, plant and equipment		62,500	521,500
Proceeds from ESOS issue		305,800	1,133,000
Proceeds from rights issue with warrants		29,497,000	-
Intangible assets applied		-	(2,033)
Net cash generated from investing activities		28,727,462	376,905

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MAY, 2001

	2001	2000
	RM	RM
		(Restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(811,836)	(1,101,800)
Repayment of hire purchase creditors	-	(155,002)
Proceeds from term loan	-	4,000,000
Repayment of term loan	(7,601,630)	(1,017,711)
Net cash (used in)/generated from financing activities	(8,413,466)	1,725,487
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	6,631,752	486,176
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		
	(3,357,445)	(3,843,621)
* CASH AND CASH EQUIVALENTS CARRIED FORWARD	3,274,307	(3,357,445)
* CASH AND CASH EQUIVALENTS		
	RM	RM
Cash and bank balances	4,868,258	4,889,612
Fixed deposits with licensed banks	4,626,550	111,927
Bank overdrafts	(6,220,501)	(8,358,984)
	3,274,307	(3,357,445)

The accompanying notes form an integral part of the financial statements.

BALANCE SHEET

As At 31st May, 2001

	NOTE	2001 RM	2000 RM (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	2	32,815	111,570
Intangible assets	3	-	38,918
Interest in subsidiary companies	4	81,090,125	52,150,390
CURRENT ASSETS			
Other receivables	7	256,572	256,572
Cash at bank	8	19,172	43,143
		275,744	299,715
CURRENT LIABILITIES			
Other payables	9	61,292	63,145
Proposed dividend		980,208	811,836
		1,041,500	874,981
NET CURRENT LIABILITIES		(765,756)	(575,266)
		80,357,184	51,725,612
SHARE CAPITAL			
	11	45,380,000	22,551,000
RESERVES			
	12	34,977,184	29,174,612
SHAREHOLDERS' EQUITY		80,357,184	51,725,612

The accompanying notes form an integral part of the financial statements.

INCOME STATEMENT

FOR THE YEAR ENDED 31ST MAY, 2001

	NOTE	2001 RM	2000 RM (Restated)
REVENUE	15	1,349,153	1,700,000
ADMINISTRATION EXPENSES		(1,177,334)	(521,736)
PROFIT FROM OPERATIONS		171,819	1,178,264
FINANCE COSTS		(1,639)	(6,100)
PROFIT BEFORE TAXATION	16	170,180	1,172,164
INCOME TAX EXPENSE	17	(361,200)	(467,256)
NET (LOSS)/PROFIT FOR THE YEAR		(191,020)	704,908

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MAY, 2001

	Share capital RM	Share premium RM	Revaluation reserve RM	Retained profits RM	Total RM
Balance as at 31st May, 1999	22,036,000	7,731,900	-	4,723,404	34,491,304
Change in accounting policy - prior year adjustment (Note 19)	-	-	-	(53,507)	(53,507)
As restated	22,036,000	7,731,900	-	4,669,897	34,437,797
Issue of shares - ESOS	515,000	618,000	-	-	1,133,000
Surplus on revaluation of subsidiaries	-	-	16,261,743	-	16,261,743
Proposed dividends (5% less tax)	-	-	-	(811,836)	(811,836)
Net profit for the year	-	-	-	787,251	787,251
Change in accounting policy - prior year adjustment (Note 19)	-	-	-	(82,343)	(82,343)
As restated	-	-	-	704,908	704,908
Balance as at 31st May, 2000	22,551,000	8,349,900	16,261,743	4,562,969	51,725,612
Issue of shares - ESOS	139,000	166,800	-	-	305,800
- Bonus Issue	11,345,000	(3,214,129)	(8,130,871)	-	-
- Rights Issue with warrants	11,345,000	18,152,000	-	-	29,497,000
Net loss for the year	-	-	-	(191,020)	(191,020)
Proposed dividends (3% less tax) (Note 20)	-	-	-	(980,208)	(980,208)
Balance as at 31st May, 2001	45,380,000	23,454,571	8,130,872	3,391,741	80,357,184

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MAY, 2001

	2001	2000
	RM	RM
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	170,180	1,172,164
Adjustments for :-		
Amortisation of intangible assets		
- listing expenses	38,918	172,602
Depreciation of property, plant and equipment	78,755	78,755
Interest expenses	477	5,546
Interest income	(59,153)	-
	229,177	1,429,067
Operating profit before working capital changes		
Decrease in payables	(1,853)	(24,946)
	227,324	1,404,121
Cash generated from operations		
Taxes refund	-	6,744
Taxes paid	(361,200)	(476,000)
Interest expense	(477)	(5,546)
Interest income	59,153	-
	(75,200)	929,319
Net cash (used in)/generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances to subsidiary companies	(28,939,735)	(948,763)
Proceeds from ESOS issue	305,800	1,133,000
Proceeds from rights issue with warrants	29,497,000	-
Net cash generated from investing activities	863,065	184,237

CASH FLOW STATEMENT

	2001	2000
	RM	RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(811,836)	(1,101,800)
Repayment of hire purchase creditors	-	(32,194)
Net cash used in financing activities	(811,836)	(1,133,994)
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	(23,971)	(20,438)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		
	43,143	63,581
* CASH AND CASH EQUIVALENTS CARRIED FORWARD	19,172	43,143
* CASH AND CASH EQUIVALENTS		
	RM	RM
Cash at bank	19,172	43,143

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements of the Group and of the Company have been prepared under the historical cost convention modified to include the revaluation of certain property, plant and equipment of the Group and investments in subsidiaries of the Company and comply with approved accounting standards issued by the Malaysian Accounting Standards Board (MASB).

1.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the 31st May 2001. Subsidiary companies are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting the results of subsidiary companies acquired or disposed of during the financial year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are reflected in the consolidated financial statements. The difference between acquisition costs and the fair values of the subsidiary companies' net assets is reflected as goodwill or reserve on consolidation as appropriate.

All inter-company transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

1.3 Property, plant and equipment and Depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation except freehold land which is not amortised. Leasehold land and buildings are amortised over the lease periods ranging from 40 to 85 years. Depreciation on other property, plant and equipment is calculated to write off the cost or valuation of the property, plant and equipment on the straight-line basis and reducing balance basis over the estimated useful lives of the property, plant and equipment concerned. The principal annual rates used are :-

	Group		Company
	Straight - line	Reducing balance	Straight - line
Buildings	-	2% - 5%	-
Motor vehicles	20%	20%	20%
Furniture and fittings	10%	5%	-
Office equipments	10%	10%	-
Electrical installation, Renovation	10%	-	-
Fire protection system, Showcase	10%	10%	-
Factory fittings and equipments	12%	10%	-
Moulds, Signboard	10%	10%	-
Tools and equipments	10%	5% - 10%	-
Plant and machinery	10%	10%	-
Computer	50%	50%	-

1.4 Investments

Investments in subsidiaries are stated at valuation based on the net tangible assets value of the subsidiaries. Acquisition subsequent to valuation date are stated at cost. A valuation will be conducted in an interval of at least once every five years.

Provision is made for any diminution in the value of the investments which, in the opinion of the directors, is considered permanent.

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

1.5 Intangible assets

In previous years, preliminary expenses, pre-operating expenses and listing expenses are deferred and amortised on straight line basis over a period of five years upon commencement of operations or the useful life, whichever is the shorter.

However, in compliance with MASB Standard No. 1 expenditure which do not meet the criteria of an asset should not be shown in the balance sheet and instead be expensed off when they are incurred. Arising therefrom, the Group and the Company changed their accounting policy to comply with this standard.

This change in accounting policy has been accounted for retrospectively by prior year adjustment together with restatement of comparative figures as disclosed in note 19 to the financial statements.

Trade mark is amortised over a period of 10 years commencing 1991.

1.6 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the weighted average basis for the raw materials and first-in first-out basis for the finished goods. Cost of finished goods comprises of purchase cost, direct labour and an appropriate proportion of production overheads.

1.7 Related companies

Related companies are companies within the Pensonic Holdings Berhad's group of companies.

1.8 Trade and other receivables

Known bad debts are written off and specific provisions are made for all debts considered doubtful.

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

1.9 Deferred taxation

Deferred taxation, calculated by the liability method is provided on timing differences arising from the different treatments in accounting and taxation of certain items except where it can be demonstrated with reasonable probability that deferral will continue for the foreseeable future.

In accounting for timing differences deferred tax debits are not accounted for unless there is reasonable expectation of their realisation.

1.10 Revenue and revenue recognition

Revenue of the Group consists of gross sales of electronic products and electrical home appliances less returns and discounts.

Revenue for the Company represents gross dividend received and fixed deposits interest received.

Revenue from sale of goods is recognized upon the delivery of products and customer acceptance. Dividends from subsidiaries are included in the income statements of the Company and the Group when the shareholder's right to receive payment is established. Interest income and income from royalty are recognized on an accrual basis.

All inter-company transactions are eliminated on consolidation.

1.11 Foreign currency transactions

Transactions in foreign currencies are converted into Ringgit Malaysia at the exchange rates prevailing at the transaction dates and, where settlement of liabilities and receivables has not yet taken place at the end of the financial year, at the approximate exchange rates prevailing on that date. Gains or losses arising from foreign currency conversions are taken up in the income statements.

1.12 Cash and cash equivalents

Cash and cash equivalents consists of cash in hand, bank balances, bank overdrafts and fixed deposits. Cash equivalents consists of short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT (Continued)

GROUP 2001

COST OR VALUATION

	AT 01.06.2000 RM	Additions RM	Disposals RM	AT 31.05.2001 RM
At valuation :-				
Leasehold land	1,523,532	-	-	1,523,532
At cost :-				
Leasehold land and buildings	12,316,123	-	-	12,316,123
Freehold land	997,287	-	-	997,287
Buildings	10,611,287	-	-	10,611,287
Motor vehicles	2,655,477	394,213	(112,521)	2,937,169
Furniture and fittings	408,999	112,534	-	521,533
Office equipments	698,922	76,784	-	775,706
Electrical installation	293,539	13,355	-	306,894
Renovation	1,020,424	91,426	-	1,111,850
Fire protection system	355,949	-	-	355,949
Showcase	66,746	-	-	66,746
Factory fittings and equipments	310,550	12,250	-	322,800
Moulds	2,567,184	182,454	-	2,749,638
Signboard	161,277	-	-	161,277
Tools and equipment	102,830	155,586	-	258,416
Plant and machinery	282,154	48,603	-	330,757
Computer	101,039	50,633	-	151,672
	34,473,319	1,137,838	(112,521)	35,498,636

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT (Continued)

	ACCUMULATED DEPRECIATION			NET BOOK VALUE	
	AT 01.06.2000 RM	Charge for the year RM	Disposals RM	AT 31.05.2001 RM	AT 31.05.2001 RM
At valuation :-					
Leasehold land	152,352	25,392	-	177,744	1,345,788
At cost :-					
Leasehold land and buildings	1,207,001	219,056	-	1,426,057	10,890,066
Freehold land	-	-	-	-	997,287
Buildings	711,465	204,127	-	915,592	9,695,695
Motor vehicles	1,458,638	444,974	(73,153)	1,830,459	1,106,710
Furniture and fittings	144,306	28,199	-	172,505	349,028
Office equipments	356,962	99,978	-	456,940	318,766
Electrical installation	107,44	21,642	-	129,083	177,811
Renovation	368,460	97,199	-	465,659	646,191
Fire protection system	137,658	21,876	-	159,534	196,415
Showcase	58,969	777	-	59,746	7,000
Factory fittings and equipments	134,407	28,178	-	162,585	160,215
Moulds	987,612	191,164	-	1,178,776	1,570,862
Signboard	86,943	14,323	-	101,266	60,011
Tools and equipment	32,302	23,390	-	55,692	202,724
Plant and machinery	108,478	22,377	-	130,855	199,902
Computer	78,818	47,536	-	126,354	25,318
	6,131,812	1,490,188	(73,153)	7,548,847	27,949,789

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT (Continued)

GROUP 2000

COST OR VALUATION

	AT 01.06.1999 RM	Additions RM	Disposals RM	AT 31.05.2000 RM
At valuation :-				
Leasehold land	1,523,532	-	-	1,523,532
At cost :-				
Leasehold land and buildings	12,316,123	-	-	12,316,123
Freehold land	997,287	-	-	997,287
Buildings	11,040,762	-	(429,475)	10,611,287
Motor vehicles	2,498,599	513,488	(356,610)	2,655,477
Furniture and fittings	397,342	11,657	-	408,999
Office equipments	653,277	51,545	(5,900)	698,922
Electrical installation	284,867	8,672	-	293,539
Renovation	779,580	240,844	-	1,020,424
Fire protection system	355,949	-	-	355,949
Showcase	66,746	-	-	66,746
Factory fittings and equipments	269,895	40,655	-	310,550
Moulds	2,251,242	315,942	-	2,567,184
Signboard	144,477	16,800	-	161,277
Tools and equipment	88,572	14,258	-	102,830
Plant and machinery	263,249	18,905	-	282,154
Computer	58,243	42,796	-	101,039
	33,989,742	1,275,562	(791,985)	34,473,319

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT (Continued)

	ACCUMULATED DEPRECIATION			NET BOOK VALUE	
	AT 01.06.1999 RM	Charge for the year RM	Disposals RM	AT 31.05.2000 RM	AT 31.05.2000 RM
At valuation :-					
Leasehold land	126,960	25,392	-	152,352	1,371,180
At cost :-					
Leasehold land and buildings	984,003	222,998	-	1,207,001	11,109,122
Freehold land	-	-	-	-	997,287
Buildings	504,541	206,924	-	711,465	9,899,822
Motor vehicles	1,273,594	405,068	(220,024)	1,458,638	1,196,839
Furniture and fittings	121,671	22,635	-	144,306	264,693
Office equipment	303,717	57,208	(3,963)	356,962	341,960
Electrical installation	85,432	22,009	-	107,441	186,098
Renovation	276,715	91,745	-	368,460	651,964
Fire protection system	113,360	24,298	-	137,658	218,291
Showcase	58,105	864	-	58,969	7,777
Factory fittings and equipment	104,936	29,471	-	134,407	176,143
Moulds	802,967	184,645	-	987,612	1,579,572
Signboard	72,384	14,559	-	86,943	74,334
Tools and equipment	24,080	8,222	-	32,302	70,528
Plant and machinery	89,059	19,419	-	108,478	173,676
Computer	47,109	31,709	-	78,818	22,221
	4,988,633	1,367,166	(223,987)	6,131,812	28,341,507

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company 2001

COST

	AT 01.06.2000 RM	Additions RM	Disposals RM	AT 31.05.2001 RM
Motor vehicle	393,776	-	-	393,776

ACCUMULATED DEPRECIATION

	At 01.06.2000 RM	Charge for the year RM	Disposals RM	At 31.05.2001 RM	NET BOOK VALUE At 31.05.2001 RM
Motor vehicle	282,206	78,755	-	360,961	32,815

COMPANY 2000

COST

	01.06.1999 RM	Additions RM	Disposals RM	31.05.2000 RM
Motor vehicle	393,776	-	-	393,776

ACCUMULATED DEPRECIATION

	At 01.06.1999 RM	Charge for the year RM	Disposals RM	At 31.05.2000 RM	NET BOOK VALUE At 31.05.2000 RM
Motor vehicle	203,451	78,755	-	282,206	111,570

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

- (i) The property, plant and equipment of certain subsidiary companies pledged to licensed banks for banking facilities granted to the Group are as follows :-

	GROUP	
	2001 RM	2000 RM
At cost :-		
Freehold land and building	1,246,666	1,246,666
Leasehold land and building	22,268,691	22,268,691
	<u>23,515,357</u>	<u>23,515,357</u>

- (ii) The valuation for leasehold land were made in 1994 based on valuations by independent professional valuers using the open market value basis. The valuations have not been updated as the Group has not adopted a policy of regular revaluation. Pursuant to the transitional provisions of International Accounting Standard No. 16 (Revised) - Property, Plant and Equipment adopted by the Malaysian Accounting Standards Board, the said assets are stated at their valuation less accumulated depreciation.

- (iii) Had the revalued asset been carried at cost less depreciation the carrying amounts would have been as follows :-

GROUP	Cost RM	Accumulated Depreciation RM	Net book value RM
2001			
Leasehold land	1,115,883	148,784	967,099
2000			
Leasehold land	1,115,883	130,186	985,697

- (iv) Deferred taxation is not provided on the surplus arising from the revaluation of leasehold land of a subsidiary company as the Group has no intention of disposing the revalued asset in the foreseeable future.

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

3. INTANGIBLE ASSETS

	GROUP		COMPANY	
	2001 RM	2000 RM (Restated)	2001 RM	2000 RM (Restated)
a) Trade mark :				
Cost				
As at 1st June	62,456	60,423	-	-
Add : Addition during the year	-	2,033	-	-
As at 31st May	62,456	62,456	-	-
Accumulated amortisation				
As at 1st June	30,585	21,129	-	-
Add : Amortisation during the year	6,374	9,456	-	-
As at 31st May	36,959	30,585	-	-
As at 31st May	25,497	31,871	-	-
b) Preliminary expenses :				
Cost				
As at 31st May	-	46,894	-	-
Accumulated amortisation				
As at 1st June	-	37,515	-	-
Add : Amortisation during the year	-	9,379	-	-
As at 31st May	-	46,894	-	-
As at 31st May	-	-	-	-
c) Listing expenses :				
Cost				
As at 31st May	964,498	964,498	809,498	809,498
Accumulated amortisation				
As at 1st June	925,580	721,978	770,580	597,978
Add : Amortisation during the year	38,918	203,602	38,918	172,602
As at 31st May	964,498	925,580	809,498	770,580
As at 31st May	-	38,918	-	38,918

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

4. INTEREST IN SUBSIDIARY COMPANIES

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Unquoted shares				
- at cost	-	-	11,962,962	11,962,962
- at directors valuation	-	-	16,261,743	16,261,743
Amount owing by subsidiary companies	-	-	52,865,420	23,925,685
	-	-	81,090,125	52,150,390

During the financial year ended 31st May, 2000 the cost of investment in certain subsidiaries were revalued by the directors based on the audited net tangible assets of these subsidiaries as at 31st May, 1998.

The amount owing by subsidiary companies are unsecured, interest free and with no fixed terms of repayment.

The subsidiary companies which are incorporated in Malaysia are :-

<u>Name of company</u>	<u>Principal activities</u>	<u>Effective interest</u>	
		2001	2000
Keat Radio Co. Sdn. Bhd.	Manufacturing, assembling and sale of electrical and electronic home appliances	100%	100%
Pen sonic Sales & Service Sdn. Bhd.	Assembling and sale of electrical and electronic home appliances	100%	100%
Pen sonic Corporation Sdn. Bhd.	Dealing in all kinds of electrical products and operators of licensed manufacturing warehouse	100%	100%
Pensia Electronic Sdn. Bhd.	Manufacturing, assembling, and sale of electrical and electronic home appliances	100%	100%
Pensia Industries Sdn. Bhd.	Manufacturing, assembling and sale of electrical and electronic home appliances	100%	100%
Pen sonic Industries Sdn. Bhd.	Dealing in electrical and electronic items	60%	60%

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

<u>Name of company</u>	<u>Principal activities</u>	<u>Effective interest</u>	
		2001	2000
Pensonic Part & Services Sdn. Bhd.	Dealing in electrical and electronic items	59.99%	59.99%
Epicson Music Sdn. Bhd.	Promoters of music industry (Dormant during the year)	100%	100%
Sensonic Sales & Service Sdn. Bhd.	Manufacturing of electrical products and electronic home appliances (Dormant during the year)	100%	100%

All the subsidiary companies are audited by us.

5. INVENTORIES

	GROUP	
	2001	2000
	RM	RM
Raw materials	19,925,102	22,057,973
Finished goods	34,301,359	29,729,816
	<u>54,226,461</u>	<u>51,787,789</u>

6. AMOUNT OWING BY RELATED COMPANIES

Amount owing by related companies are unsecured, interest free and with no fixed terms of repayment.

7. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2001	2000	2001	2000
	RM	RM	RM	RM
Trade receivables	24,679,357	21,659,629	-	-
Other receivables	6,857,572	6,238,224	256,572	256,572
	<u>31,536,929</u>	<u>27,897,853</u>	<u>256,572</u>	<u>256,572</u>

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

8. FIXED DEPOSITS, CASH AND BANK BALANCES

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Fixed deposits with licensed banks	4,626,550	111,927	-	-
Cash and bank balances	4,868,258	4,889,612	19,172	43,143
	9,494,808	5,001,539	19,172	43,143

9. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Trade payables	3,761,216	3,488,566	-	-
Bills payable - secured	24,335,656	31,557,000	-	-
Other payables	1,354,085	2,715,024	61,292	63,145
	29,450,957	37,760,590	61,292	63,145

10. SHORT-TERM BORROWINGS - SECURED

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Bank overdrafts	6,220,501	8,358,984	-	-
Term-loan - Repayment due within one year (Note 13)	914,015	2,290,694	-	-
	7,134,516	10,649,678	-	-

The bank overdrafts and other banking facilities bear interest ranging from 1% to 2% above the banks' base lending rates and are secured by the following :-

- i) Legal charges over the certain properties belonging to subsidiary companies.
- ii) Fixed deposits belonging to subsidiary companies.
- iii) Corporate Guarantee by the Company.

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

11. SHARE CAPITAL

	COMPANY	
	2001 RM	2000 RM
Ordinary shares of RM1 each		
Authorised : -	100,000,000	25,000,000
Issued and fully paid-up :-		
At 1st June	22,551,000	22,036,000
Issued under Employees' Share Option Scheme	139,000	515,000
Bonus issue	11,345,000	-
Rights issue with warrants	11,345,000	-
At 31st May	45,380,000	22,551,000

During the financial year, the Company increased its authorised capital from RM25,000,000 comprising 25,000,000 ordinary shares of RM1 each to RM100,000,000 comprising 100,000,000 ordinary shares of RM1 each by the creation of an additional 75,000,000 new ordinary shares of RM1 each.

The Company also increased its issued and paid up capital from RM22,551,000 to RM45,380,000 as follows :-

- (i) An issue of 139,000 fully paid-up ordinary shares of RM1 each for cash pursuant to the Pensonic Holdings Berhad Employees' Share Option Scheme ("ESOS") at the option price of RM2.20 per share.
- (ii) A bonus issue of 11,345,000 new ordinary shares of RM1 each to the shareholders of the Company on the basis of one (1) new ordinary share for every two (2) ordinary shares held.
- (iii) A rights issue of 11,345,000 new ordinary shares of RM1 each at an issued price of RM2.60 per ordinary shares with 11,345,000 detachable warrants on the basis of one (1) new ordinary share together with one (1) warrant for every two (2) ordinary shares held.

The new shares issued rank pari passu with the then existing shares of the Company.

As at 31st May, 2001 options to subscribe for 775,000 ordinary shares and 3,385,000 ordinary shares at an option price of RM1.39 and RM1.30 respectively, remains unexercised.

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

11. SHARE CAPITAL (Continued)

During the financial year, the Company issued 11,345,000 Warrants 2001/2006 in respect of renounceable Rights Issue on the basis of one (1) Warrant for every two (2) ordinary shares to the shareholders.

The details of the Warrants are as follows :-

The Warrants were constituted under a Deed Poll dated 6 September, 2000 and each Warrant entitles its registered holder to subscribe for one (1) new ordinary shares of RM1.00 each in the Company at the exercise price of RM2.85 payable in cash. The exercise price is subject to adjustment in accordance with the basis set out in the Deed Poll. The Warrants may be exercised at any time commencing on the date of issue of Warrants and ending on 4 January 2006. Any Warrants which have not been exercised at date of expiry will lapse and cease to be valid for any purpose.

The exercise period may be extended by the Company for a further term of five (5) years from the date expiration subject to the approval of relevant authorities and shareholders.

The new ordinary shares allotted and issued upon exercise of the Warrants shall be fully paid-up and shall rank pari passu in all respects with the then existing ordinary shares of the Company except that they shall not be entitled to any dividends, rights, entitlements and/or other distributions, the record date which is prior to the relevant subscription date (record date means, in relation to any dividends, rights, allotments or other distributions, the date on which the shareholders of the Company must be registered in order to participate in such dividends, rights, allotments or other distributions).

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

12. RESERVES

	GROUP		COMPANY	
	2001 RM	2000 RM (Restated)	2001 RM	2000 RM (Restated)
<u>Non-Distributable :-</u>				
a) Revaluation reserve :				
As at 1st June	407,649	407,649	16,261,743	-
Add : Surplus on revaluation of subsidiaries	-	-	-	16,261,743
Less : Amount capitalised for bonus issue	-	-	(8,130,871)	-
As at 31st May	407,649	407,649	8,130,872	16,261,743
b) Capital reserve :				
As at 31st May	4,487,540	4,487,540	-	-
c) Share premium :				
As at 1st June	8,349,900	7,731,900	8,349,900	7,731,900
Add : Employees' Share Option Scheme	166,800	618,000	166,800	618,000
Rights issue with warrants	18,152,000	-	18,152,000	-
Less : Amount capitalised for bonus issue	(3,214,129)	-	(3,214,129)	-
As at 31st May	23,454,571	8,349,900	23,454,571	8,349,900
d) Reserve on Consolidation				
As at 31st May	8,716,627	8,716,627	-	-
<u>Distributable :-</u>				
e) Retained profits				
As at 1st June	15,355,319	11,414,680	4,562,969	4,669,897
(Loss)/Profit during the year	(1,627,487)	3,940,639	(1,171,228)	(106,928)
Less : Amount capitalised for bonus issue	(8,130,871)	-	-	-
As at 31st May	5,596,961	15,355,319	3,391,741	4,562,969
TOTAL RESERVES				
Total reserves at 31st May are analysed as follows :				
Distributable	5,596,961	15,355,319	3,391,741	4,562,969
Non-distributable	37,066,387	21,961,716	31,585,443	24,611,643
	42,663,348	37,317,035	34,977,184	29,174,612

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

13. TERM LOANS - SECURED

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Balance as at 31st May	3,158,750	10,760,381	-	-
Repayment due within one year	914,015	2,290,694	-	-
Repayment due after one year	2,244,735	8,469,687	-	-

Term loans bear interest ranging from 1.5% to 1.75% per annum above the bank's base lending rate and is secured by charges as mentioned in Note 10.

14. DEFERRED TAXATION

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
As at 1st June	289,647	206,197	-	-
Transfer from income statement	42,778	83,450	-	-
As at 31st May	332,425	289,647	-	-

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Tax effect on :-				
Timing difference arising from excess of capital allowance over the corresponding depreciation	1,187,232	1,034,454	-	-

As at 31st May, 2001 there were no timing differences on which deferred taxation liability has not been provided (2000:Nil)

The tax effect of the surplus on revaluation of leasehold land in a subsidiary company has not been provided in the financial statements as the Group has no intention of disposing the revalued asset in the foreseeable future.

15. REVENUE

Revenue for the Company represents gross dividend received and fixed deposits interest received.

Revenue for the Group represents invoiced value of goods sold less discounts and returns.

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

16. PROFIT BEFORE TAXATION

Profit before taxation has been determined after inclusion of the following charges and credits:-

	GROUP		COMPANY	
	2001 RM	2000 RM (Restated)	2001 RM	2000 RM (Restated)
After charging :-				
Audit fee (Note a)	100,300	65,000	44,300	9,000
Amortisation of leasehold land and buildings	244,448	248,390	-	-
Amortisation of intangible assets :-				
- Trade mark	6,374	9,456	-	-
- Preliminary expenses	-	9,379	-	-
- Listing expenses	38,918	203,602	38,918	172,602
Bad debts written off	-	15,749	-	-
Bonus and rights issue expenses	691,544	-	691,544	-
Directors' remuneration (Note b)	538,879	572,288	40,000	40,000
Depreciation of property, plant and equipment	1,245,740	1,118,776	78,755	78,755
Interest expense :-				
- bankers acceptance	1,161,898	1,496,820	-	-
- bank interest	261,775	694,640	477	53
- hire purchase interest	-	29,702	-	5,493
- term loan interest	815,515	730,240	-	-
Listing expenses	-	102,928	-	102,928
Loss on foreign exchange - realised	8,808	10,573	-	-
Rental of premises	282,694	201,273	-	-
And crediting :-				
Fixed deposits interest received	75,984	-	59,153	-
Rental received	218,985	215,737	-	-
Gain/(Loss) on disposal of property, plant and equipment	23,132	(46,497)	-	-
Gross dividend received from subsidiary companies	-	-	1,290,000	1,700,000

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

16. PROFIT BEFORE TAXATION (CONTINUED)

	GROUP		COMPANY	
	2001 RM	2000 RM (Restated)	2001 RM	2000 RM
(a) Audit fee				
- statutory audit	65,000	65,000	9,000	9,000
- non-audit in relation to Company bonus and rights issue	35,300	-	35,300	-
	<u>100,300</u>	<u>65,000</u>	<u>44,300</u>	<u>9,000</u>

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
(b) Directors remuneration				
Executive Directors				
- salaries	470,879	514,788	-	-
- bonuses	28,000	17,500	-	-
- fees	20,000	20,000	20,000	20,000
- benefits-in-kind	-	-	-	-
Total	<u>518,879</u>	<u>552,288</u>	<u>20,000</u>	<u>20,000</u>
Non-Executive Directors				
- fees	20,000	20,000	20,000	20,000
- benefits-in-kind	-	-	-	-
Total	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Total	<u>538,879</u>	<u>572,288</u>	<u>40,000</u>	<u>40,000</u>

	Number of directors			
	2001		2000	
	Executive Directors	Non- Executive Directors	Executive Directors	Non- Executive Directors
<u>Directors of the Group</u>				
Below RM50,000	2	3	2	3
RM50,000 - RM100,000				
RM100,000 - RM150,000	1			
RM150,000 - RM200,000				
RM200,000 - RM250,000			2	
RM250,000 - RM300,000				
RM300,000 - RM350,000	1			

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

17. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Provision for current year	312,400	2,104,100	-	-
Under / (Over) provision in prior year	360,928	87,896	-	(2,000)
Tax refund	-	(6,744)	-	(6,744)
Tax deducted at source	-	-	361,200	476,000
Deferred taxation	42,778	83,450	-	-
	<u>716,106</u>	<u>2,268,702</u>	<u>361,200</u>	<u>467,256</u>

The disproportionate tax charge in relation to the results of the Group for the current year is mainly due to certain expenses being disallowed for tax purposes.

The Company's tax charge for the financial year is in respect of dividend income.

The Company has tax credit of approximately RM1,752,000 (2000: RM1,772,000) under Section 108 of the Income Tax Act, 1967 to frank the payment of future dividends subject to the agreement by the Inland Revenue Board.

18. (LOSS)/EARNINGS PER SHARE

The basic (loss)/earnings per share has been calculated on after tax group (loss)/earnings of (RM647,279) (2000:RM4,752,475) and on the weighted average number of ordinary shares in issue during the year of 34,023,416 (1999: on the weighted average number of ordinary shares in issue of 22,265,750).

The fully diluted loss per ordinary share in 2001 has not been computed as the Group showed basic loss per ordinary share for 2001.

The fully diluted earnings per ordinary share for financial year 2000 based on the assumed conversion of the options granted under the Employees' Share Option Scheme would be anti-dilutive and therefore, not shown in the financial statements.

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

19. PRIOR YEAR ADJUSTMENT

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Adjustments arising from a change of accounting policy for treatment of expenditure carried forward :				
Balance of intangible assets written off due to a change of accounting policy (note 1 (1.5))	-	61,083	-	53,507
Intangible assets charged to Income Statement due to a change of accounting policy (note 1 (1.5))	-	340,467	-	102,928
Reversal of accumulated amortisation				
Amortisation made in year ended 31st May 2000 on intangible assets charged to income statement	-	(20,585)	-	(20,585)
	-	319,882	-	82,343

The effect of the change is a decrease in loss for the year of RM20,585 (2000: a decrease in profit RM319,882) and RM20,585 (2000: a decrease in profit RM82,343) for the Group and Company respectively.

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

20. PROPOSED DIVIDEND

	GROUP		COMPANY	
	2001 RM	2000 RM	2001 RM	2000 RM
Proposed dividend of 3%				
less tax				
(2000 : 5% less tax)	980,208	811,836	980,208	811,836

21. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM1,137,838 (2000: RM1,275,562) by cash.

22. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions during the financial year are as follows :-

	COMPANY	
	2001 RM	2000 RM
Gross dividend received from subsidiary companies	1,290,000	1,700,000
Advances to subsidiary companies	29,250,400	1,019,800

23. CONTINGENT LIABILITIES

	COMPANY	
	2001 RM	2000 RM
Guarantees given to bankers in respect of bank facilities granted to certain subsidiary companies - unsecured	81,200,000	81,200,000

24. SEGMENT ANALYSIS

No segment analysis is prepared as the group is primarily engaged in the manufacturing, assembling and retailing of electronic and electrical home appliances.

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

25. CORPORATE INFORMATION

(a) Registered office and principal place of business.

The registered office and principal place of business of the Company is located at 2-5-26, Harbour Trade Centre, No.2, Gat Lebu Macallum, 10300 Penang.

(b) Employees Information

	2001 RM	2000 RM
Staff costs	4,743,352	4,074,369

The number of employees for the Group (excluding directors) at the end of the financial year was 342 (2000:287).

26. COMPARATIVE FIGURES

The comparative figures stated are in respect of the year ended 31st May, 2000.

The following comparative figures in the balance sheet, income statement and cash flow statement of the Group and of the Company have been restated to reflect the prior year adjustment stated in note 19 to the financial statements.

	GROUP		COMPANY	
	As restated RM	As previously reported RM	As restated RM	As previously reported RM
Balance sheet :-				
a) Intangible assets	70,789	451,754	38,918	174,768
b) Retained profits as at 31st May 2000	15,355,319	15,736,284	4,562,969	4,698,819
Income statement :-				
a) Net profit as at 31st May 2000	4,752,475	5,072,357	704,908	787,251
b) Basic Earnings Per Share (sens)	21.34	22.78	-	-
Cash flow statement :-				
a) Amortisation of intangible assets	222,437	243,022	172,602	193,187
b) Intangible assets applied	2,033	343,462	-	102,928

NOTES TO THE ACCOUNTS FINANCIAL STATEMENTS

26. COMPARATIVE FIGURES (Continued)

The presentation of the financial statements for the current year is presented in accordance with the requirements of the Malaysian Accounting Standards Board (MASB) Standard No. 1 - Presentation of Financial Statements. Accordingly, certain comparative figures have been re-presented to conform with this new presentation.

	GROUP		COMPANY	
	As restated RM	As previously reported RM	As restated RM	As previously reported RM
Balance sheet :-				
a) Trade debtors	-	21,659,629	-	-
Other debtors, deposits and prepayments	-	6,238,224	-	256,572
Trade and other receivables	27,897,853	-	256,572	-
b) Trade creditors	-	35,045,566	-	-
Other creditors and accruals	-	2,715,024	-	63,145
Trade and other payables	37,760,590	-	63,145	-
c) Bank overdrafts	-	8,358,984	-	-
Term loans due within one year	-	2,290,694	-	-
Short term borrowings	10,649,678	-	-	-
Cash flow statement :-				
a) Bad debts written off	15,749	-	-	-

LIST OF PROPERTIES OWNED BY THE GROUP

DETAILS OF PHB GROUP'S PROPERTIES ARE SET OUT BELOW :-

Registered Owner	Location	Description And Existing Use	Approximately Age of Buildings (Yrs)	Tenure	Land/ Built-Up Area	Net Book Value At 31.05.2001 RM
KRC	Plot 5, Tingkat Perusahaan 6, Phase 4, Prai Industrial Estate, 13600 Prai, Penang.	Industrial land with Factory, warehouse and office	9	Leasehold Expiring in 2052	184,410 acres/ 40,000 sq.ft.	2,164,404
KRC	17, Solok Gurney 1, 10250 Penang	Double storey Residential Building	19	Freehold	2,777 sq.ft/ 3,026 sq.ft.	386,616
KRC	158,160 & 162, Jalan Perak, 10150 Penang.	Shop/ warehouse	Pre-war	Freehold	4,945 sq.ft/ 4,945 sq.ft.	434,773
KRC	Block H.1.09 H2.09, HI.10.H.1.11, H2.10, H.2-11, CI-09,CI-10, C1-11, C2-09,C-2-10, C2-11, Taman Pelangi, 13600 Prai	Residential	5	Leasehold	7,200 sq.ft/ 7,200 sq.ft.	436,437
KRC	Lot 2286 & 2287, TS 6, NED, Penang	Development land	-	Freehold	14,348 sq.ft.	415,401
KRC	Shoplot B1-1-27 & B1.1.28 Komtar, Penang	Shoplot	19	Leasehold Expiring in 2075	624 sq.ft/ 624 sq.ft.	451,447

LIST OF PROPERTIES OWNED BY THE GROUP

Registered Owner	Location	Description And Existing Use	Approximately Age of Buildings (Yrs)	Tenure	Land/ Built-Up Area	Net Book Value At 31.05.2001 RM
PENSONIC INDUSTRIES	Shoplot B1.1.29 Komtar, Penang.	Shoplot	19	Leasehold Expiring in	312 sq.ft. 2075	153,685
PENSIA ELECTRONIC	Plot 98, MK.11, Bukit Tengah Industrial Park, SPT, Prai, Penang.	Industrial land with warehouse and office	5	Leasehold Expiring in 2054	3.05632 acres	6,444,469
PSS	Lot 4, Towering Industrial Centre, 4½ Miles Penampang, 88300 Kota Kinabalu, Sabah.	Warehouse and office	10	Leasehold Expiring in 2037	2700 sq.ft.	334,762
PSS	Lot 11-B, Jalan 223, Section 51A, 46100 Petaling Jaya, Selangor.	Factory Building and Office	10	Leasehold Expiring in 2069	43560 sq.ft.	11,287,909
PSS	31, Laluan Perusahaan Kledang 9, Kawasan Perindustrian Chandan Raya, 31450 Menglembu.	Factory Building and Office	5	Leasehold Expiring in 2082	5494 sq.ft.	387,202

ANALYSIS OF SHAREHOLDINGS As At 18th September 2001

Class of Securities	:	Ordinary Shares of RM1.00 each
	:	Warrants expiring on 4th January 2006 whereby the exercise period may be extended by the company for a further term of five (5) years from the date of expiration subject to the approval of relevant authorities and shareholders
Authorised Share Capital	:	RM100,000,000.00
Issued & Paid-up Capital	:	RM45,380,000.00
Voting Rights	:	<p><i>Shareholders</i> Every member of the Company present in person or by proxy or represented by attorney shall on a show of hand have one vote and upon a poll every such member shall have one vote for every share held by him .</p> <p><i>Warrantholders</i> Every Warrantholder of the Company present in person or by proxy shall on a show of hand have one vote, and in the case of poll, shall have one vote for every Warrant of which he is a holder in the meeting of Warrantholders.</p>
Number of outstanding warrants	:	11,345,000
Number of shareholders	:	4,020
Number of warrantholders	:	1,565

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 1,000	355	8.83	325,754	0.72
1,001 - 5,000	2,841	70.67	7,332,925	16.16
5,001 - 10,000	477	11.87	3,545,500	7.81
10,001 AND ABOVE	347	8.63	34,175,821	75.31
TOTAL	4,020	100.00	45,380,000	100.00

LIST OF TOP 30 SHAREHOLDERS As At 18th September, 2001

No	Name	No. of Shares	% of Issued Share Capital
1.	Mayban Nominees (Tempatan) Sdn Bhd - Dato' Chew Weng Khak @ Chew Weng Kiak	5,000,000	11.02
2.	Permodalan Nasional Berhad	2,580,000	5.69
3.	Aseam Malaysia Nominees (Tempatan) Sdn Bhd - Aseambankers Malaysia Berhad (A/c One)	2,325,777	5.13
4.	Arab-Malaysian Finance Berhad - Chew Weng Khak Realty Sdn Bhd	2,000,000	4.41
5.	Mayfin Nominees (Tempatan) Sdn Bhd - Dato' Chew Weng Khak @ Chew Weng Kiak	1,970,000	4.34
6.	Chew Weng Khak Realty Sdn Bhd	1,805,547	3.98
7.	Chew Weng Khak Realty Sdn Bhd	1,528,250	3.37
8.	The Kulim-Baling Road Transport Company, Sdn Bhd	1,000,000	2.20
9.	Tay Keng	932,000	2.05
10.	Chew Weng Khak Realty Sdn Bhd	855,000	1.88
11.	OSK Securities Berhad - IVT (LH)	677,423	1.49
12.	Citicorp Nominees (Tempatan) Sdn Bhd - Dato' Chew Weng Khak @ Chew Weng Kiak	600,000	1.32
13.	Dato' Chew Weng Khak @ Chew Weng Kiak	588,107	1.30
14.	Metro Genesis Sdn Bhd	523,500	1.15
15.	Traders Nominees (Tempatan) Sdn Bhd - Tan King Tai @ Tan Khoon Hai	490,000	1.08
16.	Zahara Bt. Pawanchik	484,650	1.07
17.	Arab-Malaysian Finance Berhad - Chew Chuon Jin	450,000	0.99
18.	Citicorp Nominees (Tempatan) Sdn Bhd - Tan King Tai @ Tan Khoon Hai	400,000	0.88
19.	HSBC Nominees (Tempatan) Sdn Bhd - Orchid City Sdn Bhd	400,000	0.88
20.	Metro Genesis Sdn Bhd	294,000	0.65
21.	Arab-Malaysian Finance Berhad - Chew Chuon Ghee	250,000	0.55
22.	Arab-Malaysian Finance Berhad - Tan King Tai @ Tan Khoon Hai	230,000	0.51
23.	Dato' Chew Weng Khak @ Chew Weng Kiak	200,000	0.44
24.	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for OSK-UOB Small Cap Opportunity Unit Trust	193,000	0.43
25.	Chew Chuon Jin	189,950	0.42
26.	MIDF Sisma Securities Sdn Bhd - IVT (C01) for MIDF Sisma Securities Sdn Bhd	187,700	0.41
27.	Chew Chuon Jin	168,250	0.37
28.	Chan Mei Cheng	168,000	0.37
29.	Hong Leong Finance Berhad - Chantika Holdings Sdn Bhd	146,000	0.32
30.	Tan Ah Nya @ Tan Bee Tiang	140,000	0.31
TOTAL		26,777,154	59.01

SUBSTANTIAL SHAREHOLDERS As At 18th September, 2001

<u>Name of Shareholder</u>	← NO. OF SHARES HELD →			
	<u>DIRECT</u>	<u>%</u>	<u>INDIRECT</u>	<u>%</u>
Dato' Chew Weng Khak @ Chew Weng Kiak	8,493,194	18.71	*6,188,797	13.63
Chew Weng Khak Realty Sdn Bhd	6,188,797	13.63	-	-
Permodalan Nasional Berhad	2,580,000	5.69	-	-
Aseam Malaysia Nominees (Tempatan) Sdn Bhd				
– Aseambankers Malaysia Berhad (A/c One)	2,325,777	5.13	-	-
Chew Chuon Jin	808,200	1.78	*6,188,797	13.63

* Held through CHEW WENG KHAK REALTY SDN. BHD.

ANALYSIS OF WARRANTHOLDINGS As At 18th September, 2001

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF WARRANTS	%
1 - 1,000	950	60.70	778,702	6.86
1,001 - 5,000	460	29.40	1,271,275	11.21
5,001 - 10,000	80	5.11	649,500	5.72
10,001 AND ABOVE	75	4.79	8,645,523	76.21
TOTAL	1,565	100.00	11,345,000	100.00

LIST OF TOP 30 WARRANTHOLDERS As At 18th September, 2001

No	Name	No. of Warrants	% of Warrants
1.	Aseam Malaysia Nominees (Tempatan) Sdn Bhd - Aseambankers Malaysia Berhad (A/c One)	1,368,777	12.07
2.	Chew Weng Khak Realty Sdn Bhd	1,333,449	11.75
3.	Mayban Nominees (Tempatan) Sdn Bhd - Dato' Chew Weng Khak @ Chew Weng Kiak	1,250,000	11.02
4.	OSK Securities Berhad - IVT (LH)	672,423	5.93
5.	Mayfin Nominees (Tempatan) Sdn Bhd - Dato' Chew Weng Khak @ Chew Weng Kiak	492,500	4.34
6.	Chew Weng Khak Realty Sdn Bhd	407,630	3.59
7.	Tay Keng	264,000	2.33
8.	The Kulim-Baling Road Transport Company, Sdn Bhd	250,000	2.20
9.	Tan King Tai @ Tan Khoon Hai	241,500	2.13
10.	Loo Nyok Lan	226,000	1.99
11.	Dato' Chew Weng Khak @ Chew Weng Kiak	224,527	1.98
12.	Chew Chuon Jin	202,050	1.78
13.	MIDF Sisma Securities Sdn Bhd - IVT (C01) for MIDF Sisma Securities Sdn Bhd	105,000	0.93
14.	Citicorp Nominees (Tempatan) Sdn Bhd - Tan King Tai @ Tan Khoon Hai	100,000	0.88
15.	Chan Mei Cheng	93,000	0.82
16.	Chew Chuon Ghee	74,395	0.66
17.	Chan Mei Cheng	72,000	0.63
18.	Chang Koon Fook	58,000	0.51
19.	Tay Siew Kim	52,000	0.46
20.	Tay Teng Hui	52,000	0.46
21.	Dato' Chew Weng Khak @ Chew Weng Kiak	50,000	0.44
22.	Li Ah Peng	50,000	0.44
23.	Hong Leong Finance Berhad - Chantika Holdings Sdn Bhd	38,500	0.34
24.	Ong Ko Loan	38,000	0.33
25.	Tan Ah Nya @ Tan Bee Tiang	35,000	0.31
26.	Dato' Chew Weng Khak @ Chew Weng Kiak	33,772	0.30
27.	Ong Sheng Yan @ Wong Jiun Leian	32,000	0.28
28.	Tan Ah Kow @ Tan Chee Lin	31,000	0.27
29.	Yap Chop Yin	30,500	0.27
30.	Amsec Nominees (Tempatan) Sdn Bhd - Lee Wei Ching	30,000	0.26
TOTAL		7,908,023	69.70

CORPORATE CALENDER

18th December 2000	Payment of the first & final dividend of 5% less tax 28% for the year ended 31st May 2000.
19th January 2001	Preliminary announcement of unaudited results for the first 6 months of the period ending 30th November 2000.
31st May 2001	Financial year end.
26th July 2001	Preliminary announcement of unaudited results for the year ended 31st May 2001.
19th October 2001	Posting of Annual Report to Shareholders.
12th November 2001	Annual General Meeting

No. of Share

--

Proxy Form

I/We

of _____

being a member of Pensonic Holdings Berhad hereby appoint _____

_____ or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our/belief at the Annual General Meeting of the Company to be held at Sunway Hotel, 33, New Lane, 10400 Penang, Malaysia, . Dahlia Room, on Monday, 12th November, 2001 at 11.30 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below :

RESOLUTION		FOR	AGAINST
No. 1.	Adoption of Reports and accounts (Resolution 1)		
2	Declaration of first and final dividend (Resolution 2)		
3.	Approval of payment of Directors' fees (Resolution 3)		
4.	Re-election of Directors :		
(a)	Chew Chuon Jin (Resolution 4)		
(b)	Tan King Tai @ Tan Khoo Hai		
	D.J.N., P.K.T. (Resolution 5)		
5.	Appointment of Auditors (Resolution 6)		
6.	As Special Business		
(a)	Authorising Directors to issue shares not exceeding 10% of the issued share capital (Resolution 7)		
(b)	Authorising Directors to issue Shares pursuant to the Company's Employees Share Option Scheme (Resolution 8)		

(Please indicate with "X" how you wish to cast your vote)

Date _____ 2001.

Signature/Seal

Notes :-

1. This proxy form, duly signed or sealed, must be deposited at the Registered Office of the Company listed on the reverse side of the form not less than 48 hours before the meeting.
2. If you wish to appoint a proxy, please insert the full name of the proxy (in block letters) in the space provided. A proxy need not be a member of the Company.
3. If the appointer is a corporation, this form must be executed under its common seal or under hand of its duly authorised officer or attorney.
4. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

FOLD

STAMP

PENSONIC HOLDINGS BERHAD

(Company No : 300426-P)
2-5-26, HARBOUR TRADE CENTRE
NO. 2, GAT LEBUH MACALLUM
10300 PENANG

FOLD