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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman

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

Managing Director

Mr. Chew Chuon Jin

Executive Directors

Y.Bhg. Dato' Tan King Tai @ Tan Khoon Hai

Puan Zahara Bt. Pawanchik P.P.N, P.J.K.

Mr. Chew Chuon Ghee

Non Executive Directors

Mr. Chew Weng Yeaw

En. Nyak Zahari Bin Nyak Ibrahim

En. Khairilnuar Bin Abdul Rahman

SECRETARY

Mdm. Ker Siew Luan

REGISTERED OFFICE

2-5-26, Harbour Trade Centre,
No. 2, Gat Lebuah Macallum,
10300 Penang.

Tel : 604-2638 100/200

Fax : 604-2638 500

REGISTRAR

Plantation Agencies Sdn. Bhd.

Standard Chartered Bank Chambers

Lebuah Pantai,

10300 Penang.

Tel : 604-2625 333

Fax : 604-2622 018

AUDITORS

Teh Eng Aun & Co.

Chartered Accountants

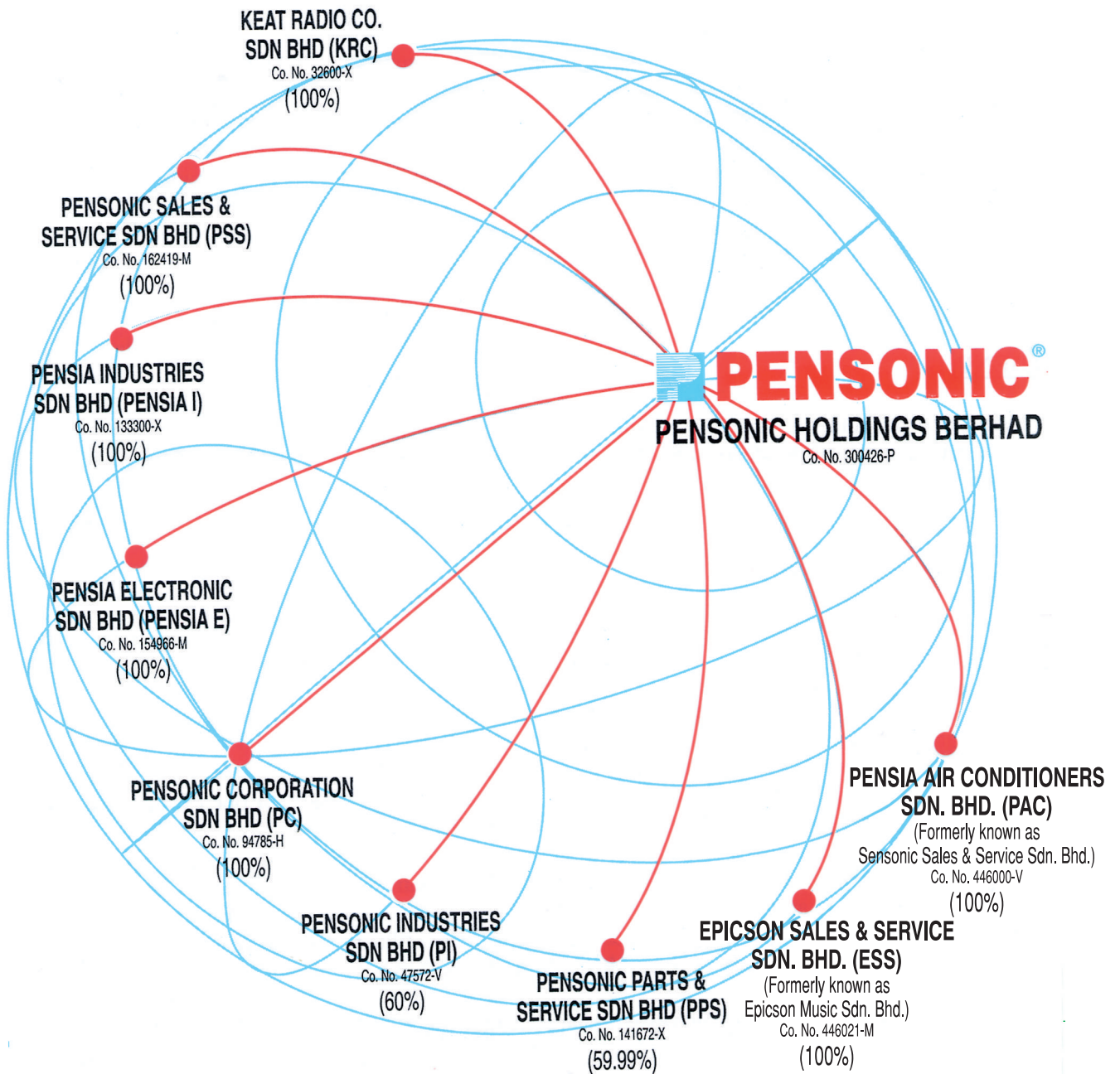
PRINCIPAL BANKERS

Malayan Banking Berhad

HSBC Bank Malaysia Berhad

Aseambankers Malaysia Berhad

CORPORATE STRUCTURE



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 8th Annual General Meeting of **PENSONIC HOLDINGS BERHAD** will be held at Dahlia Room, Sunway Hotel, 33, New Lane, 10400 Penang, Malaysia, on Tuesday, 12th day of November, 2002 at 11.30 a.m. for the following purposes :-

AGENDA

1. To receive and adopt the Audited Financial Statements for the financial year ended 31st May, 2002 together with the Reports of the Directors and Auditors thereon. (Resolution 1)
2. To approve a First and Final Dividend of 3% less tax of 28% for the financial year ended 31st May, 2002. (Resolution 2)
3. To approve Directors' Fees for the financial year ended 31st May, 2002. (Resolution 3)
4. i) To re-elect the Director, Chew Weng Yeaw who is retiring under Article 29(2) of the Company's Articles of Association. (Resolution 4)
ii) To re-elect the following Directors who retire in accordance with Article 29(6) of the Company's Articles of Association :-
 - a) Chew Chuon Ghee (Resolution 5)
 - b) Khairilnuar Bin Abdul Rahman (Resolution 6)
5. To re-appoint Messrs. Teh Eng Aun & Co. as Auditors and to authorise the Directors to fix their remuneration. (Resolution 7)

NOTICE OF ANNUAL GENERAL MEETING

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 8)
 - b. “ That pursuant to the Company’s Employees’ Share Option Scheme (“the Scheme”) as approved at the 7th Annual General Meeting of the Company held on 12th November, 2001, 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 9)
7. To transact any other business of which due notice shall have been given.

NOTICE OF ANNUAL GENERAL MEETING

Notice of Dividend Entitlement

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the 8th Annual General Meeting, the First and Final dividend of 3% less tax of 28% in respect of the financial year ended 31st May, 2002 will be paid on 20th December, 2002 to depositors registered in the Records of Depositors on 29th November, 2002.

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 29th November, 2002, 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 : 18th October, 2002

NOTICE OF ANNUAL GENERAL MEETING

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.

Explanatory Notes of Special Business :

3. Resolution Pursuant to Section 132D of the Companies Act, 1965. The Ordinary Resolution proposed under item 6a., 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 6b., 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.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

STATEMENT ACCOMPANYING NOTICE OF THE 8TH ANNUAL GENERAL MEETING OF THE COMPANY

(Pursuant to Paragraph 8.28 (2) of the Kuala Lumpur Stock Exchange Listing Requirements)

1. Names of Directors who are standing for re-election :-

- (a) Mr. Chew Weng Yeaw (retiring pursuant to Article 29(2) of the Articles of Association)
- (b) Mr. Chew Chuon Ghee and En. Khairilnuar Bin Abdul Rahman (retiring pursuant to Article 29(6) of the Articles of Association)

2. Details of attendance of Directors at the Board of Directors' Meetings :

Fourteen (14) Board of Directors' Meeting were held during the financial year from 1st June, 2001 to 31st May, 2002. Details of attendance of Directors at the Board of Directors' Meeting during the financial year are as follows :-

Name	No. of Meeting attended
Dato' Chew Weng Khak @ Chew Weng Kiak	14
Chew Chuon Jin	10
Dato' Tan King Tai @ Tan Khoon Hai	14
Zahara Bt. Pawanchik P.P.N., P.J.K.	9
Chew Weng Yeaw	8
Nyak Zahari Bin Nyak Ibrahim	11
Chew Chuon Ghee	5
Khairilnuar Bin Abdul Rahman	5

3. Venue, date and time of the Board of Directors' Meetings :

All fourteen (14) Board of Directors' Meeting held during the financial year ended 31st May, 2002 took place at 2-5-26, Harbour Trade Centre, No. 2, Gat Lebu Macallum, 10300 Penang.

Date of Meetings	Time
21.08.2001	10.00 a.m.
21.09.2001	10.30 a.m.
25.10.2001	10.00 a.m.
20.11.2001	10.00 a.m.
27.12.2001	10.00 a.m.
22.01.2002	10.30 a.m.
23.01.2002	10.30 a.m.
07.02.2002	10.00 a.m.
22.02.2002	10.30 a.m.
27.02.2002	10.00 a.m.
15.04.2002	10.00 a.m.
22.04.2002	10.30 a.m.
29.05.2002	10.00 a.m.
25.07.2002	10.30 a.m.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

4. Details of the profile of directors who are standing for re-election are set out in the Directors' Profile on pages 10 to 11 of the Annual Report.
5. None of the directors have any conflict of interest in the Company except for those transactions disclosed in Note 24 to the financial statements.
6. None of the directors have been convicted for offences within the past ten (10) years other than traffic offences, if any.
7. None of the directors hold any directorship in any public listed company other than Dato' Tan King Tai @ Tan Khoon Hai, who is also a director of Unimech Group Berhad.
8. Details of the Directors' securities holdings in the Company, any/or in a related corporations are set out on pages 73 to 77 of the Annual Report.

DIRECTORS' PROFILE

Dato' Chew Weng Khak @ Chew Weng Kiak, a Malaysian, aged 60, was appointed to the Board as an Executive Director. He is the Group Executive Chairman and the founder of **Pensonic Holdings Berhad Group**. He has 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 he 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' Chew is the father of Mr. Chew Chuon Jin and Mr. Chew Chuon Ghee. Dato' Chew is also the brother of Mr. Chew Weng Yeaw.

Chew Chuon Jin, a Malaysian, aged 33, was appointed to the Board as an Executive Director. He 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 experience in the electrical appliances industry and excellent entrepreneurial skills have steered Pensonic into a leading company in Malaysia and abroad.

Mr. Chew Chuon Jin is the eldest son of Dato' Chew Weng Khak @ Chew Weng Kiak, the Group chairman.

Dato' Tan King Tai @ Tan Khoon Hai, a Malaysian, aged 47, was appointed to the Board as an Executive Director and Audit Committee of Pensonic Holdings Berhad. He is a fellow member of the Institute of Cost and Executive Accountants, United Kingdom since 1993 and is currently the President of The Institute of Commercial and Industrial Accountants, Malaysia. He holds the position of an 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. Dato' Tan King Tai @ Tan Khoon Hai is a director of Unimech Group Berhad a company listed on the Second Board of KLSE. He also sits on the board of several other private limited companies.

He has no family relationship with any other Director or Major shareholder of the Group.

DIRECTORS' PROFILE

Zahara Bt. Pawanchik, P.P.N., P.J.K., a Malaysian, aged 58, was appointed to the Board as an Executive Director. She 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.

She has no family relationship with any other Director or Major shareholder of the Group.

- * **Chew Weng Yeaw**, a Malaysian, aged 61, was appointed to the Board as Non-Executive Director. 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.

Mr. Chew Weng Yeaw is the brother of Dato' Chew Weng Khak @ Chew Weng Kiak, the Group chairman.

Nyak Zahari Bin Nyak Ibrahim, a Malaysian, aged 47, was appointed to the Board as an Independent, Non-Executive Director and Audit Committee of Pensonic Holdings Berhad. He 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.

He has no family relationship with any other Director or Major shareholder of the Group.

- * **Chew Chuon Ghee**, a Malaysian, aged 30, was appointed to the Board as an Executive Director. He graduated from Eastern Michigan University with a Bachelors Degree in Business Administration in 1995. Upon graduation, he joined Pensonic Group as Marketing Manager and he is in charge of Project and Marketing operation and responsible for promoting the Group's local and overseas business venture.

He is the second son of Dato' Chew Weng Khak @ Chew Weng Kiak, the Group chairman.

- * **Khairilnuar Bin Abdul Rahman**, a Malaysian, aged 37, was appointed to the Board as an Independent, Non-Executive Director and Audit Committee of Pensonic Holdings Berhad. He graduated from Institute of Technology Mara in 1988. En. Khairilnuar is the Executive Director of Infinity Prospect Sdn. Bhd. since 1993 and he is also the committee member of UMNO Youth of Kepala Batas Division since 2001.

He has no family relationship with any other Director or Major shareholder of the Group.

- * Directors who are standing for re-election.

CHAIRMAN'S STATEMENT

It gives me great pleasures to present the Annual Report and Financial Statements of Pensonic's Group and Company for the financial year ended 31st May 2002.

Financial Review

For the financial year ended 31st May 2002, the Group achieved a turnover of RM100 million and Profit Before Taxation of RM1.38 million as compared with a Turnover of RM93 million and Profit Before Taxation of RM331,836 in the preceding year. The improvement in this year's profit was principally due to savings in finance costs upon settlement of term loans in the preceding year.

The Group's net tangible assets per share is RM1.93 against RM1.94 for the last financial year.

For the year under review, the slightly improved economy along with intensified efforts to streamline the Group has resulted in a marginally better overall performance for the Group.

Review of Operations

For the financial year under review, Pensonic faced a difficult market environment due to intense competition and uncertainty in the electrical and electronics industry. In spite of the turbulent time in the industry, the Group made a growth of 7 % in revenue during the year through customer focus strategy to increase loyalty.

The management does not foresee any significant changes in the coming year. However, the Company will continue to work on promoting awareness and acceptance of its products for greater market penetration and expect a sustained growth in the coming year.

Dividend

The Board declared a first and final dividend of 3 % less tax of 28 % for the financial year ended 31st May 2002 (2001: 3 % less tax).

Future Prospects

An anticipated growth in the global economy together with world electronics demand would contribute to a more robust and broad-based growth in the manufacturing sector. Signs of a turnaround in the sector have become more visible in the second quarter of 2002. The positive changes in the economy should create a favourable impact on the Company's performance.

To position itself strongly in the electrical and electronics business, the Group has reviewed its current status and position and will continuously develop new and existing products with emphasis on improved features.

The Board will continue to focus its effort to rationalise operations, improve efficiency and remain competitive.

CHAIRMAN'S STATEMENT

Appreciation

Our return to profitability would not have been possible without the hard work, commitment and support of various quarters. First and foremost, credit must be given to our Management and Staff who have been exemplary for energy, dedication and displaying a high degree of professionalism.

Finally, we would also like to convey our gratitude to our shareholders, clients, bankers, business associates and government authorities for their firm support and confidence in the Group.

To all our loyal shareholders, I give you my assurance that we will not slacken in our efforts to enhance the value of your Company. Given the systematic approach with which we are approaching our strategic objectives, I am optimistic we will rise to even greater heights in the future.

Y.BHG. DATO' CHEW WENG KHAK
GROUP EXECUTIVE CHAIRMAN

7TH OCTOBER, 2002.

AUDIT COMMITTEE REPORT

COMPOSITION OF MEMBERS OF THE AUDIT COMMITTEE

<u>NAME</u>	<u>DESIGNATIONS</u>
Dato' Seri Haji Abdul Rahman Bin Haji Abbas S.M.N., D.U.P.N., D.M.P.N., D.J.N. (Resigned on 23-1-2002)	Chairman and Independent Non-Executive Director
En. Khairilnuar Bin Abdul Rahman (Appointed on 22-02-2002)	Chairman and Independent Non-Executive Director
En. Nyak Zahari Bin Nyak Ibrahim	Independent and Non-Executive Director
Dato' Tan King Tai @ Tan Khoon Hai	Executive Director

1. COMPOSITION

The committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three (3) members. The majority of the members shall be independent directors and at least one member of the committee :-

(a) Must be a member of the Malaysian Institute of Accountants, or

(b) Must have at least 3 years working experience and :-

- have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
- be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967.

In the event of any vacancy in the Audit Committee resulting in the non-compliance of the above, the vacancy must be filled within three (3) months of that event.

The members of the committee shall elect a chairman from amongst their number who shall be an independent director.

No alternate director shall be appointed as a member of the committee.

The committee member shall serve up to the forthcoming Annual General Meeting. An appointment terminates when a member ceases to be a Director.

2. OBJECTIVE

The overall objective of the Audit Committee is to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices and to ensure the adequacy and effectiveness of the company's internal control measures.

AUDIT COMMITTEE REPORT

3. FUNCTIONS AND DUTIES

The functions and duties of the Audit Committee shall be to :

- (a) Recommend to the Board the appointment or re-appointment of the external auditors, the audit fee and any matters in relation to their resignation or dismissal.
- (b) Review with the external auditors the nature and scope of their audit plan.
- (c) Review the assistance given by the company's officers to the external auditors.
- (d) Discuss the outcome of the interim and final audits and any matter the auditors may wish to discuss.
- (e) Review quarterly and annual accounts before submission to the Board focusing particularly on :
 - Any changes in accounting policies and practices.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements.
- (f) Review the effectiveness of the internal control systems.
- (g) Undertake such other functions as may be agreed to by the audit committee and the Board of Directors.

4. AUTHORITY

- (a) The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employees and all employees are directed to cooperate with any request made by the committee.
- (b) The Committee is authorised by the Board to obtain legal or other independent professional advice and to secure the attendance of such outsiders with relevant experience and expertise when and where they consider it necessary to carry out their duties.

5. FREQUENCY OF MEETINGS

The committee shall meet at least 4 times in a year, with the Company Secretary in attendance. The external auditors may request for a meeting if they consider this necessary.

During the financial year ended 31st May, 2002, the Audit Committee held a total of four (4) meetings.

The details of attendance of the committee members are as follows :-

<u>Name of committee member</u>	<u>No.of meetings attended</u>
Dato' Seri Haji Abdul Rahman Bin Haji Abbas *	-
S.M.N., D.U.P.N., D.M.P.N., D.J.N.	
En. Khairilnuar Bin Abdul Rahman**	2/4
En. Nyak Zahari Bin Nyak Ibrahim	4/4
Dato' Tan King Tai @ Tan Khoon Hai	4/4

* Resigned as a member of the Audit Committee on 23-01-2002

** Appointed as a member of the Audit Committee on 22-02-2002

AUDIT COMMITTEE REPORT

6. REPORTING PROCEDURES

- (a) The Secretary is responsible for sending out notices of meetings and keeping minutes of meetings.
- (b) The minutes of meeting of the Audit Committee shall be circulated to all members of the Board of Directors of PENSONIC HOLDINGS BERHAD.

7. QUORUM

The quorum for a meeting shall consist of a majority of independent directors.

8. ACTIVITIES OF THE AUDIT COMMITTEE

The following activities were performed by the Audit Committee during the financial year ended 31st May, 2002

- (a) Reviewed and approved the Annual Audit Plan of the company for the calendar year 2002.
- (b) Reviewed the unaudited quarterly financial statements and the audited accounts of the company and the Group and recommending the same for approval by the Board, upon being satisfied that inter-alia the financial reporting and disclosure requirements of the relevant authorities has been complied with.

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors (“The Board”) recognises the importance of upholding the highest standards of corporate governance in conducting the Group’s business activities and discharging the Board’s fiduciary responsibilities to protect and enhance shareholders' value. Therefore, it is the policy of the Board to manage the business and affairs of the group in accordance with the appropriate standards for good corporate governance.

In line with the revamped KLSE requirements, the Board of Directors wishes to report on the manner the group has applied the principles and the extent of compliance with the best practices set out in the Malaysian Code on Corporate Governance (Code) by the Group.

DIRECTORS

1. The Board and Board Balance

The Board of Directors consists of eight members of which five are holding executive positions, one is non-executive and two are independent non-executive directors. As such two third of the Board are made up of non-executive directors who are independent of management and as such brings objective and independent judgment to the decision making process of the Board.

The role of the Board is to review and approve the Management’s proposals on strategic business plans as well as reviewing the company’s performance and operations and also ensuring that appropriate internal controls are in place.

Attendance of the Directors at Board meetings are as follows :

<u>Attendance Record of Board</u>	<u>Attendance</u>	<u>Remarks</u>
Dato’ Chew Weng Khak @ Chew Weng Kiak	14/14	
Chew Choun Jin	10/14	
Dato’ Tan King Tai @ Tan Khoon Hai	14/14	
Zahara Bt. Pawanchik P.P.N., P.J.K.	9/14	
Chew Weng Yeaw	8/14	
Nyak Zahari Bin Nyak Ibrahim	11/14	
Chew Choun Ghee	5/14	(Appointed on 22-02-2002)
Khairilnuar Bin Abdul Rahman	5/14	(Appointed on 22-02-2002)

2. Supply of Information

The Board members are provided with agenda and board papers containing information relevant to the business of the meeting including information on major financial, operational and corporate matters in relation to activities and performance of the group to enable them to participate at board meetings.

STATEMENT OF CORPORATE GOVERNANCE

3. Appointment and Re-election

In accordance with article 29.1 of the Company's Articles of Association, one third or the number nearest to one third of the Directors shall retire from office and be subject to retirement by rotation at each Annual General Meeting (AGM). The articles also provided that all Directors shall retire once in every three years in compliance with the Code. Directors who are appointed by the Board before the next Annual General Meeting will retire and be subject to re-election by shareholders at the next Annual General Meeting.

The Board is of the opinion that a nomination committee is currently not required as the entire Board will be more effective in carrying out any assessment of appointments. As such the nomination committee is currently the entire Board.

Directors' Remuneration

Currently the Board reviews the remuneration of the directors annually but the Executive Directors play no part in determining their own remuneration and the respective Board members are abstained from all discussions pertaining to their individual remuneration.

The Board is in the process of setting up the Remuneration Committee and is formulating policies and guidelines for the committee to ensure that the levels of remuneration is sufficient to attract and retain the Directors needed to run the company successfully.

The aggregate remuneration of the Directors for the financial year ended 31st May, 2002 is as follows :

	Fees (RM)	Salaries & Other Emoluments (RM)	Total (RM)
Executive Directors	35,000	596,000	631,000
Non -Executive Directors	26,000	-	26,000

Remuneration categories of Directors during the financial year are as follows :-

Range of Remuneration	Number of Directors	
	Executive Director	Non-Executive Director
Below RM50,000	2	3
RM50,000 – RM100,000	-	-
RM100,000 – RM150,000	1	-
RM150,000 – RM200,000	1	-
RM200,000 – RM250,000	-	-
RM250,000 – RM300,000	1	-

STATEMENT OF CORPORATE GOVERNANCE

Relationship with Shareholders

The Company recognises the importance of communication with its shareholders and investors. The Company meets with requests from any group or individuals for information and the AGM serves as the main forum for dialogue with its shareholders. At the AGM the Board provides opportunities for shareholders to raise questions pertaining to the activities of the Group.

The Company also makes timely announcements through the Kuala Lumpur Stock Exchange of any material information, corporate proposals, financial results and other announcements that are required to be made pursuant to the Listing Requirements of the Kuala Lumpur Stock Exchange.

Accountability and Audit

1. Financial Reporting

In presenting the annual financial statements and quarterly announcements to shareholders, the Board aims to present a balanced and understandable assessment of the Group's financial position and prospects. The Statement by Directors pursuant to Section 169(15) of the Companies Act 1965 is set out in page 32 of the Annual Report.

2. Internal Control

The Board acknowledges their responsibility for the Group's system of internal controls which would cover not only financial controls but also operational and compliance controls as well as risk management. Currently the Audit Committee assists the Board to ensure a sound system of internal control

Currently the internal control systems are embedded within the overall management process and some of the key elements are described as below :

- i. Review and approval of annual business plans. These plans cover the key business objectives, the major risks and opportunities in the operation.
- ii. Review and analysis of accounts on monthly basis.
- iii. Monthly review of the performance of all the business units.

The internal control of the Group is also supported by an established organisation structure with reporting lines and appropriate limits of authority clearly set out for different processes, decisions or commitments.

While acknowledging their responsibility for the system of internal controls, the Directors are aware that such a system cannot totally eliminate risks and thus there can never be an absolute assurance against the Group in failing to achieve its objectives or a material loss arising therefore.

STATEMENT OF CORPORATE GOVERNANCE

3. Audit Committee and Auditors

The Board has established an Audit Committee and the membership of this committee together with a summary of the terms of reference are set out on pages 14 to 16. The activity report of the audit committee is set out on page 16.

4. Statement on Directors' responsibility for preparing the annual audited accounts

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 the Company and their results for the financial year.

In preparing the financial statements for the year ended 31st May, 2002 , the Directors have :

1. Adopted the appropriate accounting policies, which are consistently applied,
2. Made judgments and estimates that are reasonably prudent, and
3. Ensured that the applicable approved accounting standards in Malaysia and provisions of the Act are complied with.

The Directors have the responsibility for ensuring that the Company and the Group keeps proper accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and which will enable them to ensure that the financial statements comply with the Act. The Directors have the general responsibility for taking such steps as is reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

OTHER DISCLOSURE REQUIREMENTS

PURSUANT TO THE KUALA LUMPUR STOCK EXCHANGE LISTING REQUIREMENTS

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) Variation in Results

There were no variance between the results of the financial year and the unaudited results previously announced.

f) Material Contracts

To the best of the Board's knowledge, there are no material contracts involving the Group with any of the major shareholders nor Directors in office as at 31st May, 2002 except those disclosed under Recurrent Related Party Transactions of a Revenue or Trading Nature.

g) Contracts Relating to Loans

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

h) Revaluation of Landed Properties

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

i) Profit guarantees

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

FINANCIAL STATEMENTS

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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY, 2002

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, 2002**.

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
Profit after taxation	613,536	611,013
Minority interest	<u>(73,775)</u>	<u>-</u>
Profit attributable to shareholders	539,761	611,013
Retained profits brought forward	<u>5,596,961</u>	<u>3,391,741</u>
Profit available for appropriation	6,136,722	4,002,754
Proposed dividend	<u>(1,000,296)</u>	<u>(1,000,296)</u>
Retained profits carried forward	<u>5,136,426</u>	<u>3,002,458</u>

DIRECTORS' REPORT

DIVIDENDS

During the financial year, the Company paid a dividend of 3% less tax 28% amounting to RM980,208 in respect of the financial year ended 31st MAY, 2001.

The Directors now propose a first and final dividend of 3% less tax 28%, amounting to RM1,000,296 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 issued and paid-up share capital of the Company was increased from RM45,380,000 to RM46,310,000 by the following issuance :

- i) The issue of 595,000 and 335,000 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 RM1.30 and RM1.39 per share respectively.

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.

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).

DIRECTORS' REPORT

EMPLOYEES' SHARE OPTION SCHEME (Continued)

- (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 :

<u>Date of offer</u>	<u>Option price</u>	<u>Balance at 1st June, 2001</u>	<u>Lapsed due to resignation</u>	<u>Exercised</u>	<u>Balance at 31st May, 2002</u>
	RM				
9.3.98	1.39	775,000	(5,000)	(335,000)	435,000
2.5.01	1.30	3,385,000	(107,000)	(595,000)	2,683,000

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN WARRANTS

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

<u>DIRECT INTEREST</u>	<u>As at</u> <u>01.06.2001</u>	<u>Acquired</u>	<u>Disposed</u>	<u>As at</u> <u>31.05.2002</u>	
The Company :-					
DATO' CHEW WENG KHAK @					
CHEW WENG KIAK	2,050,799	-	(224,000)	1,826,799	*
CHEW CHUON JIN	202,050	-	-	202,050	
DATO' TAN KING TAI @					
TAN KHOON HAI	346,702	-	-	346,702	**
ZAHARA BT. PAWANCIK					
P.P.N., P.J.K.	-	-	-	-	
CHEW WENG YEAW	15,000	-	-	15,000	
NYAK ZAHARI BIN					
NYAK IBRAHIM	-	-	-	-	
CHEW CHUON GHEE	74,395	-	-	74,395	
KHAIRILANUAR BIN					
ABDUL RAHMAN	-	-	-	-	

INDIRECT INTEREST

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

	<u>As at</u> <u>01.06.2001</u>	<u>Acquired</u>	<u>Disposed</u>	<u>As at</u> <u>31.05.2002</u>
CHEW WENG KHAK REALTY SDN. BHD.				
DATO' CHEW WENG KHAK @				
CHEW WENG KIAK	1,741,079	-	(407,000)	1,334,079
CHEW CHUON JIN	1,741,079	-	(407,000)	1,334,079
CHEW CHUON GHEE	1,741,079	-	(407,000)	1,334,079
 TAN KHOON HAI SDN. BHD.				
DATO' TAN KING TAI @				
TAN KHOON HAI	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.

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	(Resigned on 23.1.02)
S.M.N, D.U.P.N, D.M.P.N, D.J.N.	
CHEW CHUON JIN	
DATO' TAN KING TAI @ TAN KHOON HAI	
ZAHARA BT. PAWANCIK	
P.P.N., P.J.K.	
CHEW WENG YEAW	
NYAK ZAHARI BIN NYAK IBRAHIM	
CHEW CHUON GHEE	(Appointed on 22.2.02)
KHAIRILANUAR BIN ABDUL RAHMAN	(Appointed on 22.2.02)

In accordance with Article 29(6) of the Company's Articles of Association, CHEW CHUON GHEE and KHAIRILANUAR BIN ABDUL RAHMAN retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 29(2) of the Company's Articles of Association, CHEW WENG YEAW retires at the forthcoming Annual General Meeting and, being eligible, offers himself 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 :

	<u>Number of ordinary shares of RM1 each</u>			
	<u>As at</u> <u>01.06.2001</u>	<u>Acquired</u>	<u>Disposed</u>	<u>As at</u> <u>31.05.2002</u>
<u>DIRECT INTEREST</u>				
The Company :-				
DATO' CHEW WENG KHAK @				
CHEW WENG KIAK	8,493,194	40,000	-	8,533,194 *
CHEW CHUON JIN	808,200	40,000	-	848,200 **
DATO' TAN KING TAI @				
TAN KHOON HAI	1,291,809	-	-	1,291,809 ***
ZAHARA BT. PAWANCIK				
P.P.N., P.J.K.	485,520	40,000	(290,000)	235,520
CHEW WENG YEAW	60,000	-	-	60,000
NYAK ZAHARI BIN				
NYAK IBRAHIM	-	-	-	-
CHEW CHUON GHEE	297,580	30,000	-	327,580 ****
KHAIRILANUAR BIN				
ABDUL RAHMAN	-	-	-	-

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>01.06.2001</u>			<u>31.05.2002</u>	
CHEW WENG KHAK REALTY SDN. BHD.					
DATO' CHEW WENG KHAK @					
CHEW WENG KIAK	6,188,797	-	-	6,188,797	*****
CHEW CHUON JIN	6,188,797	-	-	6,188,797	*****
CHEW CHUON GHEE	6,188,797	-	-	6,188,797	*****

TAN KHOON HAI SDN. BHD.

DATO' TAN KING TAI @					
TAN KHOON HAI	2,000	-	-	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 250,000 ordinary shares which are held through a nominee company.

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

Option over number of ordinary shares of RM1 each

	<u>As at</u>	<u>Granted</u>	<u>Exercised</u>	<u>As at</u>
	<u>01.06.2001</u>			<u>31.05.2002</u>
The Company :-				
DATO' CHEW WENG KHAK @				
CHEW WENG KIAK	105,000	230,000	(40,000)	295,000
CHEW CHUON JIN	105,000	230,000	(40,000)	295,000
DATO' TAN KING TAI @				
TAN KHOON HAI	105,000	230,000	-	335,000
ZAHARA BT. PAWANCIK				
P.P.N., P.J.K.	105,000	230,000	(40,000)	295,000
CHEW CHUON GHEE	48,000	140,000	(30,000)	158,000

DIRECTORS' REPORT

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 as disclosed in the notes to the financial statements) 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.

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, 2002.

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 financial statements 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 financial statements of the Group and of the Company misleading ; or

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (Continued)

- (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.

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 22 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 item, 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.

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**

**DATO' TAN KING TAI @
TAN KHOON HAI
DIRECTOR**

Penang.

Dated : 6TH SEPTEMBER, 2002

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 **DATO' TAN KING TAI @ TAN KHOON HAI**, 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, 2002** 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**

**DATO' TAN KING TAI @
TAN KHOON HAI**

Dated : 6TH SEPTEMBER, 2002

STATUTORY DECLARATION

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)

Georgetown in the State of **Pulau Pinang**)

this 6TH day of SEPTEMBER, 2002)

**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 provisions 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, 2002** 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
CHARTERED ACCOUNTANTS

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

CONSOLIDATED BALANCE SHEET AS AT 31ST MAY, 2002

	NOTE	2002 RM	2001 RM
NON-CURRENT ASSETS			
Property, plant and equipment	2	27,642,094	27,949,789
Intangible assets	3	47,525	25,497
		27,689,619	27,975,286
CURRENT ASSETS			
Inventories	5	56,085,293	54,226,461
Trade and other receivables	6	29,699,889	31,536,929
Amount owing by related companies	7	7,766,488	6,313,005
Fixed deposits, cash and bank balances	9	4,629,437	9,494,808
		98,181,107	101,571,203
CURRENT LIABILITIES			
Trade and other payables	10	31,091,000	29,450,957
Short term borrowings	11	2,383,056	7,134,516
Provision for taxation		348,362	772,473
Proposed dividend		1,000,296	980,208
		34,822,714	38,338,154
NET CURRENT ASSETS		63,358,393	63,233,049
		91,048,012	91,208,335
FINANCED BY :-			
SHARE CAPITAL	12	46,310,000	45,380,000
RESERVES	13	42,511,963	42,663,348
		88,821,963	88,043,348
SHAREHOLDERS' EQUITY		88,821,963	88,043,348
MINORITY INTEREST		719,202	587,827
LONG TERM AND DEFERRED LIABILITIES :-			
Long-term loan	14	1,199,465	2,244,735
Deferred taxation	15	307,382	332,425
		1,506,847	2,577,160
Total Long-Term and Deferred Liabilities		91,048,012	91,208,335

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

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31ST MAY, 2002

	NOTE	2002 RM	2001 RM
REVENUE	16	100,348,048	93,382,210
COST OF SALES		<u>(84,198,786)</u>	<u>(77,769,291)</u>
GROSS PROFIT		16,149,262	15,612,919
OTHER OPERATING INCOME		193,245	258,948
DISTRIBUTION COSTS		(5,926,698)	(5,273,785)
ADMINISTRATION EXPENSES		<u>(8,672,099)</u>	<u>(9,188,956)</u>
PROFIT FROM OPERATIONS		1,743,710	1,409,126
FINANCE COSTS		<u>(360,456)</u>	<u>(1,077,290)</u>
PROFIT BEFORE TAXATION	17	1,383,254	331,836
INCOME TAX EXPENSE	18	<u>(769,718)</u>	<u>(716,106)</u>
PROFIT/(LOSS) AFTER TAXATION		613,536	(384,270)
MINORITY INTEREST		<u>(73,775)</u>	<u>(263,009)</u>
NET PROFIT/(LOSS) FOR THE YEAR		<u><u>539,761</u></u>	<u><u>(647,279)</u></u>
BASIC EARNINGS/(LOSS) PER SHARE (sen)	19	<u><u>1.18</u></u>	<u><u>(1.90)</u></u>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MAY, 2002

	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, 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) (Note 20)	-	-	-	-	-	(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
Issue of shares							
- ESOS	930,000	309,150	-	-	-	-	1,239,150
Net profit for the year	-	-	-	-	-	539,761	539,761
Proposed final dividend (3% less tax) (Note 20)	-	-	-	-	-	(1,000,296)	(1,000,296)
Balance as at 31st May, 2002	46,310,000	23,763,721	407,649	4,487,540	8,716,627	5,136,426	88,821,963

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MAY, 2002

	2002	2001
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,383,254	331,836
Adjustments for :-		
Amortisation of intangible assets		
- Trade mark	11,881	6,374
- Listing expenses	-	38,918
Amortisation of leasehold land and buildings	240,704	244,448
Bad debts written off	7,839	-
Depreciation of property, plant and equipment	1,184,221	1,245,740
Interest expense	1,301,644	2,239,188
Loss/(Gain) on disposal of property, plant and equipment	27,798	(23,132)
Interest income	(16,735)	(75,984)
	4,140,606	4,007,388
Operating profit before working capital changes		
Increase in inventories	(1,858,832)	(2,438,672)
Decrease/(Increase) in receivables	411,210	(357,735)
Increase/(Decrease) in payables	1,640,043	(10,923,974)
	4,333,027	(9,712,993)
Cash generated from/(used in) operations		
Taxes paid	(1,196,763)	(1,806,047)
Interest expense	(1,301,644)	(2,239,188)
Interest income	16,735	75,984
	1,851,355	(13,682,244)
Net cash from/(used in) operating activities		

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MAY, 2002

	NOTE	2002 RM	2001 RM
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	21	(1,168,829)	(1,137,838)
Proceeds from disposal of property, plant and equipment		23,800	62,500
Intangible assets applied		(33,909)	-
Net cash used in investing activities		(1,178,938)	(1,075,338)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from ESOS issue		1,239,150	305,800
Proceeds from rights issue with warrants		-	29,497,000
Dividend paid		(980,208)	(811,836)
Repayment of term loan		(956,540)	(7,601,630)
Net cash (used in)/generated from financing activities		(697,598)	21,389,334
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(25,181)	6,631,752
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		3,165,307	(3,466,445)
* CASH AND CASH EQUIVALENTS CARRIED FORWARD		3,140,126	3,165,307
* <u>CASH AND CASH EQUIVALENTS</u>		RM	RM
Cash and bank balances		4,486,851	4,868,258
Fixed deposits with licensed banks		142,586	4,626,550
Bank overdrafts		(1,380,311)	(6,220,501)
		3,249,126	3,274,307
Less : Fixed deposits pledge to licensed bank		(109,000)	(109,000)
		3,140,126	3,165,307

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

BALANCE SHEET AS AT 31ST MAY, 2002

	NOTE	2002 RM	2001 RM
NON-CURRENT ASSETS			
Property, plant and equipment	2	1	32,815
Investment in subsidiary companies	4	28,024,705	28,224,705
		28,024,706	28,257,520
CURRENT ASSETS			
Other receivables	6	566,697	256,572
Amounts owing by subsidiary companies	8	53,681,837	52,865,420
Cash at bank	9	15,372	19,172
		54,263,906	53,141,164
CURRENT LIABILITIES			
Other payables	10	81,265	61,292
Proposed dividend		1,000,296	980,208
		1,081,561	1,041,500
NET CURRENT ASSETS			
		53,182,345	52,099,664
		81,207,051	80,357,184
Financed by :-			
SHARE CAPITAL			
	12	46,310,000	45,380,000
RESERVES			
	13	34,897,051	34,977,184
SHAREHOLDERS' EQUITY			
		81,207,051	80,357,184

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

INCOME STATEMENT FOR THE YEAR ENDED 31ST MAY, 2002

	NOTE	2002 RM	2001 RM
REVENUE	16	1,350,000	1,349,153
ADMINISTRATION EXPENSES		<u>(305,058)</u>	<u>(1,178,496)</u>
PROFIT FROM OPERATIONS		1,044,942	170,657
FINANCE COSTS		<u>(30)</u>	<u>(477)</u>
PROFIT BEFORE TAXATION	17	1,044,912	170,180
INCOME TAX EXPENSE	18	<u>(433,899)</u>	<u>(361,200)</u>
NET PROFIT/(LOSS) FOR THE YEAR		<u><u>611,013</u></u>	<u><u>(191,020)</u></u>

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MAY, 2002

	Share capital RM	Share premium RM	Revaluation reserve RM	Retained profits RM	Total RM
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
Issue of shares					
- ESOS	930,000	309,150	-	-	1,239,150
Net profit for the year	-	-	-	611,013	611,013
Proposed dividends (3% less tax) (Note 20)	-	-	-	(1,000,296)	(1,000,296)
Balance as at 31st May, 2002	<u>46,310,000</u>	<u>23,763,721</u>	<u>8,130,872</u>	<u>3,002,458</u>	<u>81,207,051</u>

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MAY, 2002

	2002	2001
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,044,912	170,180
Adjustments for :-		
Amortisation of intangible assets		
- listing expenses	-	38,918
Depreciation of property, plant and equipment	32,814	78,755
Interest expenses	30	477
Interest income	-	(59,153)
	1,077,756	229,177
Operating profit before working capital changes	1,077,756	229,177
Increase in receivables	(7,411)	-
Increase/(Decrease) in payables	19,973	(1,853)
	1,090,318	227,324
Cash generated from operations	1,090,318	227,324
Taxes paid	(436,614)	(361,200)
Interest expense	(30)	(477)
Interest income	-	59,153
	653,674	(75,200)
Net cash generated from/(used in) operating activities	653,674	(75,200)
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances to subsidiary companies	(916,416)	(28,939,735)
	(916,416)	(28,939,735)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MAY, 2002

	2002	2001
	RM	RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from ESOS issue	1,239,150	305,800
Proceeds from rights issue with warrants	-	29,497,000
Dividend paid	(980,208)	(811,836)
Net cash generated from financing activities	258,942	28,990,964
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,800)	(23,971)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	19,172	43,143
* CASH AND CASH EQUIVALENTS CARRIED FORWARD	15,372	19,172
* <u>CASH AND CASH EQUIVALENTS</u>	RM	RM
Cash at bank	15,372	19,172

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

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 unless otherwise indicated in the significant accounting policies 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 2002. Subsidiary companies are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

Subsidiary companies are consolidated using the acquisition method of accounting. Under the acquisition method of accounting the results of subsidiary companies acquired or disposed off 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 reserve on consolidation. Reserve on consolidation are not amortised and will be transferred directly to income statement upon disposal of the subsidiary companies concerned.

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

NOTES TO THE 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 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 year 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 assets 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.

Trade mark incurred is amortised over a maximum period of 10 years from the year the expense is incurred.

NOTES TO THE FINANCIAL STATEMENTS

1.5 Investments

Investments in subsidiary companies are stated at valuation based on the net tangible assets value of the subsidiary companies. 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.

1.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials is determined on a weighted average basis and comprises the original cost of purchase plus the cost of bringing the inventories to their present location and condition. Cost of finished goods comprises of purchase cost, direct labour and an appropriate proportion of production overheads.

1.7 Trade and other receivables

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

1.8 Related companies

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

1.9 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.

1.10 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.

NOTES TO THE FINANCIAL STATEMENTS

1.11 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 recognised 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 recognised on an accrual basis.

All inter-company transactions are eliminated on consolidation.

1.12 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 exchanges rates prevailing on that date. Gains or losses arising from foreign currency conversions are taken up in the income statements.

NOTES TO THE FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT

GROUP 2002

COST OR VALUATION

	AT 01.06.2001 RM	Additions RM	Disposals RM	AT 31.05.2002 RM
At valuation :-				
Leasehold land	1,523,532	-	-	1,523,532
At cost :-				
Leasehold land and buildings	12,316,123	86,400	-	12,402,523
Freehold land	997,287	-	-	997,287
Buildings	10,611,287	-	-	10,611,287
Motor vehicles	2,937,169	226,453	(140,186)	3,023,436
Furniture and fittings	521,533	164,631	-	686,164
Office equipments	775,706	73,613	(2,500)	846,819
Electrical installation	306,894	40,324	-	347,218
Renovation	1,111,850	354,557	-	1,466,407
Fire protection system	355,949	-	-	355,949
Showcase	66,746	-	-	66,746
Factory fittings and equipments	322,800	6,470	-	329,270
Moulds	2,749,638	135,091	-	2,884,729
Signboard	161,277	9,261	-	170,538
Tools and equipment	258,416	39,600	-	298,016
Plant and machinery	330,757	-	-	330,757
Computer	151,672	32,429	-	184,101
	<u>35,498,636</u>	<u>1,168,829</u>	<u>(142,686)</u>	<u>36,524,779</u>

NOTES TO THE FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT (Continued)

ACCUMULATED DEPRECIATION					NET BOOK VALUE	
	AT 01.06.2001 RM	Charge for the year RM	Disposals RM	AT 31.05.2002 RM	AT 31.05.2002 RM	
At valuation :-						
Leasehold land	177,744	25,392	-	203,136		1,320,396
At cost :-						
Leasehold land						
and buildings	1,426,057	215,312	-	1,641,369		10,761,154
Freehold land	-	-	-	-		997,287
Buildings	915,592	203,146	-	1,118,738		9,492,549
Motor vehicles	1,830,459	359,770	(88,587)	2,101,642		921,794
Furniture and fittings	172,505	39,888	-	212,393		473,771
Office equipments	456,940	97,076	(2,500)	551,516		295,303
Electrical installation	129,083	24,013	-	153,096		194,122
Renovation	465,659	125,658	-	591,317		875,090
Fire protection system	159,534	19,698	-	179,232		176,717
Showcase	59,746	700	-	60,446		6,300
Factory fittings						
and equipments	162,585	26,150	-	188,735		140,535
Moulds	1,178,776	192,481	-	1,371,257		1,513,472
Signboard	101,266	14,655	-	115,921		54,617
Tools and equipment	55,692	25,436	-	81,128		216,888
Plant and machinery	130,855	20,183	-	151,038		179,719
Computer	126,354	35,367	-	161,721		22,380
	<u>7,548,847</u>	<u>1,424,925</u>	<u>(91,087)</u>	<u>8,882,685</u>		<u>27,642,094</u>

NOTES TO THE 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
	34,473,319	1,137,838	(112,521)	35,498,636

NOTES TO THE 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	107,441	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 FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT (Continued)

COMPANY 2002					
COST	At	Additions	Disposals	At	
	01.06.2001			31.05.2002	
	RM	RM	RM	RM	
Motor vehicle	393,776	-	-	393,776	
<hr/>					
ACCUMULATED DEPRECIATION					
ACCUMULATED DEPRECIATION	At	Charge for	Disposals	At	NET BOOK VALUE
	01.06.2001	the year		31.05.2002	At
	RM	RM	RM	RM	31.05.2002
	RM	RM	RM	RM	RM
Motor vehicle	360,961	32,814	-	393,775	1
<hr/>					
COMPANY 2001					
COST	At	Additions	Disposals	At	
	01.06.2000			31.05.2001	
	RM	RM	RM	RM	
Motor vehicle	393,776	-	-	393,776	
<hr/>					
ACCUMULATED DEPRECIATION					
ACCUMULATED DEPRECIATION	At	Charge for	Disposals	At	NET BOOK VALUE
	01.06.2000	the year		31.05.2001	At
	RM	RM	RM	RM	31.05.2001
	RM	RM	RM	RM	RM
Motor vehicle	282,206	78,755	-	360,961	32,815
<hr/>					

NOTES TO THE FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT (Continued)

- (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	
	2002	2001
	RM	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 accumulated depreciation the carrying amounts would have been as follows :-

GROUP	Cost	Accumulated	Net
	RM	Depreciation	book value
		RM	RM
2002			
Leasehold land	1,115,883	167,382	948,501
			<u>948,501</u>
2001			
Leasehold land	1,115,883	148,784	967,099
			<u>967,099</u>

- (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 FINANCIAL STATEMENTS

3. INTANGIBLE ASSETS

	GROUP		COMPANY	
	2002	2001	2002	2001
	RM	RM	RM	RM
a) Trade mark :				
Cost				
As at 1st June	62,456	62,456	-	-
Add : Addition during the year	33,909	-	-	-
As at 31st May	<u>96,365</u>	<u>62,456</u>	-	-
Accumulated amortisation				
As at 1st June	36,959	30,585	-	-
Add : Amortisation during the year	11,881	6,374	-	-
As at 31st May	<u>48,840</u>	<u>36,959</u>	-	-
As at 31st May	<u>47,525</u>	<u>25,497</u>	-	-
b) Listing expenses :				
Cost				
As at 31st May	-	964,498	-	809,498
Accumulated amortisation				
As at 1st June	-	925,580	-	770,580
Add : Amortisation during the year	-	38,918	-	38,918
As at 31st May	-	<u>964,498</u>	-	<u>809,498</u>
As at 31st May	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT IN SUBSIDIARY COMPANIES

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Unquoted shares				
- at cost	-	-	11,962,962	11,962,962
- at directors valuation	-	-	16,261,743	16,261,743
	-	-	28,224,705	28,224,705
Less : Dividend paid out by a subsidiary company out of retained profits after revaluation date	-	-	(200,000)	-
	-	-	28,024,705	28,224,705

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 subsidiary companies which are incorporated in Malaysia are:-

<u>Name of company</u>	<u>Principal activities</u>	<u>Effective interest</u>	
		2002	2001
Keat Radio Co. Sdn. Bhd.	Manufacturing, assembling and sale of electrical and electronic home appliances	100%	100%
Pensonic Sales & Service Sdn. Bhd.	Assembling and sale of electrical and electronic home appliances	100%	100%
Pensonic 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%

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

<u>Name of company</u>	<u>Principal activities</u>	<u>Effective interest</u>	
		2002	2001
Pensia Air Conditioners Sdn. Bhd. (Formerly Known as Sensonic Sales & Service Sdn. Bhd.)	Assembling and sales of electrical and electronic product.	100%	100%
Epicson Sales & Service Sdn. Bhd. (Formerly Known as Epicson Music Sdn. Bhd.)	Dealing in electronic products and electrical home appliances.	100%	100%
Pensonic Industries Sdn. Bhd.	Dealing in electrical and electronic items	60%	60%
Pensonic Part & Services Sdn. Bhd.	Dealing in electrical and electronic items	59.99%	59.99%

All the subsidiary companies are audited by us.

5. INVENTORIES

	GROUP	
	2002	2001
	RM	RM
Raw materials	15,571,594	19,925,102
Finished goods	40,513,699	34,301,359
	<u>56,085,293</u>	<u>54,226,461</u>

Raw materials and finished goods are carried at net realisable value.

6. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2002	2001	2002	2001
	RM	RM	RM	RM
Trade receivables	23,187,966	24,679,357	-	-
Other receivables	6,511,923	6,857,572	566,697	256,572
	<u>29,699,889</u>	<u>31,536,929</u>	<u>566,697</u>	<u>256,572</u>

NOTES TO THE FINANCIAL STATEMENTS

7. AMOUNT OWING BY RELATED COMPANIES

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

8. AMOUNT OWING BY SUBSIDIARY COMPANIES

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

9. FIXED DEPOSITS, CASH AND BANK BALANCES

	GROUP		COMPANY	
	2002	2001	2002	2001
	RM	RM	RM	RM
Fixed deposits with licensed banks	142,586	4,626,550	-	-
Cash and bank balances	4,486,851	4,868,258	15,372	19,172
	<u>4,629,437</u>	<u>9,494,808</u>	<u>15,372</u>	<u>19,172</u>

Included in the fixed deposits with licensed bank of the Group are fixed deposits amounting to RM109,000 (2001 : RM109,000) pledged to licensed bank for banking facilities granted to the Group.

10. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2002	2001	2002	2001
	RM	RM	RM	RM
Trade payables	6,477,206	3,761,216	-	-
Bills payable - secured	22,217,031	24,335,656	-	-
Other payables	2,396,763	1,354,085	81,265	61,292
	<u>31,091,000</u>	<u>29,450,957</u>	<u>81,265</u>	<u>61,292</u>

NOTES TO THE FINANCIAL STATEMENTS

11. SHORT-TERM BORROWINGS - SECURED

	GROUP		COMPANY	
	2002	2001	2002	2001
	RM	RM	RM	RM
Bank overdrafts	1,380,311	6,220,501	-	-
Term loan - Repayment due within one year (Note 14)	1,002,745	914,015	-	-
	<u>2,383,056</u>	<u>7,134,516</u>	-	-

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

- i) Legal charges over the certain properties belonging to subsidiary companies as shown in Note 2 (i) to the financial statements.
- ii) Fixed deposits belonging to subsidiary companies as disclosed in Note 9 to the financial statements.
- iii) Corporate Guarantee by the Company.

12. SHARE CAPITAL

	COMPANY	
	2002	2001
	RM	RM
Ordinary shares of RM1 each		
Authorised : -	<u>100,000,000</u>	<u>100,000,000</u>
Issued and fully paid-up :-		
At 1st June	45,380,000	22,551,000
Issued under Employees' Share Option Scheme	930,000	139,000
Bonus issue	-	11,345,000
Rights issue with warrants	-	<u>11,345,000</u>
At 31st May	<u>46,310,000</u>	<u>45,380,000</u>

NOTES TO THE FINANCIAL STATEMENTS

12. SHARE CAPITAL (Continued)

During the financial year, the Company increased its issued and paid up capital from RM45,380,000 to RM46,310,000 via the issue of 595,000 and 335,000 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 RM1.30 and RM1.39 per share respectively.

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

As at 31st May, 2002 options to subscribe for 2,683,000 ordinary shares and 435,000 ordinary shares at an option price of RM1.30 and RM1.39 respectively, remains unexercised.

During the financial year ended 31st May, 2001, 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).

During the financial year, no warrants were converted into ordinary shares. The number of outstanding warrants as at 31st May, 2002 is 11,345,000 (2001 : 11,345,000).

NOTES TO THE FINANCIAL STATEMENTS

13. RESERVES

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
<u>Non-Distributable :-</u>				
a) Revaluation reserve :				
As at 1st June	407,649	407,649	8,130,872	16,261,743
Less : Amount capitalised for bonus issue	-	-	-	(8,130,871)
As at 31st May	<u>407,649</u>	<u>407,649</u>	<u>8,130,872</u>	<u>8,130,872</u>
b) Capital reserve :				
As at 31st May	<u>4,487,540</u>	<u>4,487,540</u>	-	-
c) Share premium :				
As at 1st June	23,454,571	8,349,900	23,454,571	8,349,900
Add : Employees' Share Option Scheme	309,150	166,800	309,150	166,800
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	<u>23,763,721</u>	<u>23,454,571</u>	<u>23,763,721</u>	<u>23,454,571</u>
d) Reserve on Consolidation				
As at 31st May	<u>8,716,627</u>	<u>8,716,627</u>	-	-
<u>Distributable :-</u>				
e) Retained profits				
As at 1st June	5,596,961	15,355,319	3,391,741	4,562,969
Loss during the year	(460,535)	(1,627,487)	(389,283)	(1,171,228)
Less : Amount capitalised for bonus issue	-	(8,130,871)	-	-
As at 31st May	<u>5,136,426</u>	<u>5,596,961</u>	<u>3,002,458</u>	<u>3,391,741</u>
TOTAL RESERVES				
Total reserves at 31st May are analysed as follows :				
Distributable	5,136,426	5,596,961	3,002,458	3,391,741
Non-distributable	<u>37,375,537</u>	<u>37,066,387</u>	<u>31,894,593</u>	<u>31,585,443</u>
	<u>42,511,963</u>	<u>42,663,348</u>	<u>34,897,051</u>	<u>34,977,184</u>

NOTES TO THE FINANCIAL STATEMENTS

14. TERM LOANS - SECURED

	GROUP		COMPANY	
	2002	2001	2002	2001
	RM	RM	RM	RM
Balance as at 31st May	2,202,210	3,158,750	-	-
Repayment due within one year	1,002,745	914,015	-	-
Repayment due after one year	1,199,465	2,244,735	-	-

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 11.

15. DEFERRED TAXATION

	GROUP		COMPANY	
	2002	2001	2002	2001
	RM	RM	RM	RM
As at 1st June	332,425	289,647	-	-
Transfer (to)/from income statement	(25,043)	42,778	-	-
As at 31st May	307,382	332,425	-	-

	GROUP		COMPANY	
	2002	2001	2002	2001
	RM	RM	RM	RM
Tax effect on :-				
Timing differences arising from excess of capital allowance over the corresponding depreciation	1,097,794	1,187,232	-	-

As at 31st May, 2002 there were no other timing differences on which deferred taxation liability has not been provided (2001 : 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.

16. REVENUE

	GROUP		COMPANY	
	2002	2001	2002	2001
	RM	RM	RM	RM
Sale of goods	100,348,048	93,323,057	-	-
Dividend income	-	-	1,350,000	1,290,000
Interest income	-	59,153	-	59,153
	100,348,048	93,382,210	1,350,000	1,349,153

NOTES TO THE FINANCIAL STATEMENTS

17. PROFIT BEFORE TAXATION

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

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
After charging :-				
Audit fee (Note a)	64,800	100,300	9,000	44,300
Amortisation of leasehold land and buildings	240,704	244,448	-	-
Amortisation of intangible assets :-				
- Trade mark	11,881	6,374	-	-
- Listing expenses	-	38,918	-	38,918
Bad debts written off	7,839	-	-	-
Bonus and rights issue expenses	-	691,544	-	691,544
Directors' remuneration (Note b)	657,000	538,879	61,000	40,000
Depreciation of property, plant and equipment	1,184,221	1,245,740	32,814	78,755
Interest expense :-				
- bank interest	135,421	261,775	30	477
- term loan interest	225,035	815,515	-	-
Loss on foreign exchange - realised	9,794	8,808	-	-
Rental of premises :-				
- paid to a director	96,000	48,000	-	-
- paid to third parties	212,166	234,694	-	-
Cost of sales :-				
- bankers acceptance interest	941,188	1,161,898	-	-
And crediting :-				
Royalty income	89,400	-	-	-
Fixed deposits interest received	16,735	75,984	-	59,153
Rental received	105,780	218,985	-	-
(Loss)/Gain on disposal of property, plant and equipment	(27,798)	23,132	-	-
Gross dividend received from subsidiary companies	-	-	1,350,000	1,290,000

NOTES TO THE FINANCIAL STATEMENTS

17. PROFIT BEFORE TAXATION (Continued)

	GROUP		COMPANY	
	2002	2001	2002	2001
	RM	RM	RM	RM
(a) Audit fee				
- statutory audit	64,800	65,000	9,000	9,000
- non-audit in relation to Company bonus and rights issue	-	35,300	-	35,300
	<u>64,800</u>	<u>100,300</u>	<u>9,000</u>	<u>44,300</u>
	GROUP		COMPANY	
	2002	2001	2002	2001
	RM	RM	RM	RM
(b) Directors remuneration				
Executive Directors				
- salaries	545,000	470,879	-	-
- bonuses	51,000	28,000	-	-
- fees	35,000	20,000	35,000	20,000
- benefits-in-kind	-	-	-	-
Total	<u>631,000</u>	<u>518,879</u>	<u>35,000</u>	<u>20,000</u>
Non-Executive Directors				
- fees	26,000	20,000	26,000	20,000
- benefits-in-kind	-	-	-	-
Total	<u>26,000</u>	<u>20,000</u>	<u>26,000</u>	<u>20,000</u>
Total	<u>657,000</u>	<u>538,879</u>	<u>61,000</u>	<u>40,000</u>

	Number of directors			
	2002		2001	
	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		1	
RM150,000 - RM200,000	1			
RM200,000 - RM250,000				
RM250,000 - RM300,000	1			
RM300,000 - RM350,000			1	

NOTES TO THE FINANCIAL STATEMENTS

18. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2002 RM	2001 RM	2002 RM	2001 RM
Provision for current year	465,300	312,400	-	-
Under / (Over) provision in prior year	329,461	360,928	(101)	-
Tax deducted at source	-	-	434,000	361,200
Deferred taxation	(25,043)	42,778	-	-
	<u>769,718</u>	<u>716,106</u>	<u>433,899</u>	<u>361,200</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 RM1,355,593 (2001 : RM1,752,000) 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.

19. BASIC EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share has been calculated on after tax group earnings/(loss) of RM539,761 (2001: (RM647,279)) and on the weighted average number of ordinary shares in issue during the year of 45,599,500 (2001: on the weighted average number of ordinary shares in issue of 34,023,416).

The fully diluted earnings per ordinary share for financial year 2002 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.

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

NOTES TO THE FINANCIAL STATEMENTS

20. PROPOSED DIVIDEND

	GROUP		COMPANY	
	2002	2001	2002	2001
	RM	RM	RM	RM
Proposed dividend of 3%				
less tax				
(2001 : 3% less tax)	1,000,296	980,208	1,000,296	980,208
	1,000,296		980,208	

21. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM1,168,829 (2001: RM1,137,838) by cash.

22. CONTINGENT LIABILITIES

	COMPANY	
	2002	2001
	RM	RM
Guarantees given to bankers in respect of bank facilities granted to certain subsidiary companies - unsecured	81,200,000	81,200,000
	81,200,000	

23. 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 FINANCIAL STATEMENTS

24. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) The significant transactions of the Company with its subsidiary companies which are eliminated on consolidation are as follows :-

	COMPANY	
	2002	2001
	RM	RM
Gross dividend received from subsidiary companies :-		
- Pensonic Sales & Service Sdn. Bhd.	1,350,000	1,050,000
- Pensia Industries Sdn. Bhd.	200,000	-
- Keat Radio Co. Sdn. Bhd.	-	240,000
Advances to subsidiary companies :-		
- Keat Radio Co. Sdn. Bhd.	1,260,767	14,166,934
- Pensonic Sales & Service Sdn. Bhd.	-	7,085,965
- Pensia Industries Sdn. Bhd.	-	6,060,765
- Pensia Electronic Sdn. Bhd.	-	1,936,736

(b) Directors related transactions

	GROUP	
	2002	2001
	RM	RM
Rental of premises paid to :-		
- Dato' Chew Weng Khak @ Chew Weng Kiak	96,000	48,000
Directors' fee payable to :-		
- Dato' Chew Weng Khak @ Chew Weng Kiak, Mr. Chew Chuon Jin, Mr. Chew Chuon Ghee, Dato' Tan King Tai @ Tan Khoon Hai, Puan Zahara Bt. Pawanchik, Khairilnuar Bin Abdul Rahman, Dato' Seri Haji Abdul Rahman Bin Haji Abbas, Mr. Chew Weng Yeaw and En. Nyak Zahari Bin Nyak Ibrahim	61,000	40,000
Directors' salaries and bonuses :-		
- Dato' Chew Weng Khak @ Chew Weng Kiak, Mr. Chew Chuon Jin, Mr. Chew Chuon Ghee, Dato' Tan King Tai @ Tan Khoon Hai and Puan Zahara Bt. Pawanchik	596,000	498,879

NOTES TO THE FINANCIAL STATEMENTS

24. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

- (c) The significant transactions with companies in which certain Directors and persons connected to the Directors have substantial financial interest are as follows :-

	GROUP	
	2002	2001
	RM	RM
Purchase of raw materials from Pensia Plastic Industries Sdn. Bhd.	5,096,000	4,930,000
Purchase of calculators & printers from Amazing Technology Sdn. Bhd.	150,000	5,880
Electricity charges paid by Pensia Plastic Industries Sdn. Bhd.	145,000	130,000
Factory rental paid by Pensia Plastic Industries Sdn. Bhd.	60,000	180,000

The above transactions are in the ordinary course of business and are based on terms mutually agreed between the parties concerned.

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

	2002	2001
	RM	RM
Staff costs	4,423,799	4,743,352

The number of employees for the Group (excluding directors) at the end of the financial year was 358 (2001 : 342).

NOTES TO THE FINANCIAL STATEMENTS

26. COMPARATIVE FIGURES

Comparative figures have been extended to comply with the additional disclosure requirements of the additional MASB Standards that are applicable for the year ended 31st May, 2001 :-

	GROUP		COMPANY	
	As restated RM	As previously reported RM	As restated RM	As previously reported RM
BALANCE SHEET				
Investment in subsidiary companies	-	-	28,224,705	81,090,125
Amount owing by subsidiary companies	-	-	52,865,420	-
INCOME STATEMENT				
Administration expenses	9,188,956	9,093,993	1,178,496	1,177,334
Finance costs	1,077,290	1,172,253	477	1,639
CASH FLOW STATEMENT				
CASH FLOW FROM INVESTING ACTIVITIES				
Proceeds from ESOS issue	-	305,800	-	305,800
Proceeds from rights issue with warrants	-	29,497,000	-	29,497,000
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from ESOS issue	305,800	-	305,800	-
Proceeds from rights issue with warrants	29,497,000	-	29,497,000	-
Cash and cash equivalents brought forward	(3,466,445)	(3,357,445)	-	-
Cash and cash equivalents carried forward	3,165,307	3,274,307	-	-

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 31.05.2002 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.	2,078,434
KRC	17, Solok Gurney 1, 10250 Penang	Double storey Residential Building	19	Freehold	2,777 sq.ft/ 3,026 sq.ft.	384,362
KRC	158,160 & 162, Jalan Perak, 10150 Penang.	Shop/ warehouse	Pre-war	Freehold	4,945 sq.ft/ 4,945 sq.ft.	432,237
KRC	Block H1-09, H2-09, H1-10, H1-11, H2-10, H2-11, CI-09, CI-10, C1-11, C2-09, C2-10, C2-11, Taman Pelangi, 13600 Prai	Residential	5	Leasehold	7,200 sq.ft/ 7,200 sq.ft.	427,708
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.	445,263

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 31.05.2002 RM
PENSONIC INDUSTRIES	Shoplot B1.1.29 Komtar, Penang.	Shoplot	19	Leasehold Expiring in 2075	312 sq.ft.	151,580
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	6,401,775
PSS	Lot 4, Towering Industrial Centre, 4½ Miles Penampang, 88300 Kota Kinabalu, Sabah.	Warehouse and office	10	Leasehold Expiring in 2037	2700 sq.ft.	325,714
PSS	Lot 11-B, Jalan 223, Section 51A, 46100 Petaling Jaya, Selangor.	Factory Building and Office	10	Leasehold Expiring in 2069	43560 sq.ft.	11,097,932
PSS	31, Laluan Perusahaan Kledang 9, Kawasan Perindustrian Chandan Raya, 31450 Menglembu.	Factory Building and Office	5	Leasehold Expiring in 2082	5494 sq.ft.	382,422

ANALYSIS OF SHAREHOLDINGS AS AT 30TH SEPTEMBER 2002

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	:	RM46,310,000.00
Voting Rights	:	<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 .
	:	<i>Warranholders</i> Every Warranholder 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 Warranholders.
Number of outstanding warrants	:	11,345,000
Number of shareholders	:	4,289
Number of warranholders	:	1,570

Size of Holdings	No. of Holders	No. of shares	% of Issued share capital
1 - 999	75	35,084	0.07
1,000 - 10,000	3,810	11,814,925	25.52
10,001 - 100,000	372	8,586,040	18.54
100,001 - 2,315,499 *	29	15,571,454	33.62
2,315,500 and above **	3	10,302,497	22.25
TOTAL	4,289	46,310,000	100.00

Remark * Less than 5% of Issued Shares
 ** 5% and above of Issued Shares

LIST OF TOP 30 SHAREHOLDERS AS AT 30TH SEPTEMBER, 2002

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	10.80
2.	Chew Weng Khak Realty Sdn. Bhd.	2,722,497	5.88
3.	Permodalan Nasional Berhad	2,580,000	5.57
4.	AmFinance Berhad - Chew Weng Khak Realty Sdn. Bhd.	2,000,000	4.32
5.	Mayfin Nominees (Tempatan) Sdn. Bhd. - Dato' Chew Weng Khak @ Chew Weng Kiak	1,970,000	4.25
6.	Aseam Malaysia Nominees (Tempatan) Sdn. Bhd. - Aseambankers Malaysia Berhad (A/c One)	1,613,777	3.48
7.	The Kulim-Baling Road Transport Company, Sdn. Bhd.	1,000,000	2.16
8.	Tay Keng	953,000	2.06
9.	Chew Weng Khak Realty Sdn. Bhd.	855,000	1.85
10.	OSK Securities Berhad - IVT (LH)	677,423	1.46
11.	Dato' Chew Weng Khak @ Chew Weng Kiak	628,107	1.36
12.	Chew Weng Khak Realty Sdn. Bhd.	611,300	1.32
13.	Citicorp Nominees (Tempatan) Sdn. Bhd. - Dato' Chew Weng Khak @ Chew Weng Kiak	600,000	1.30
14.	Affin-ACF Nominees (Tempatan) Sdn. Bhd. - Dato' Tan King Tai @ Tan Khoon Hai	505,000	1.09
15.	AmFinance Berhad - Chew Chuon Jin	450,000	0.97
16.	Citicorp Nominees (Tempatan) Sdn. Bhd. - Dato' Tan King Tai @ Tan Khoon Hai	400,000	0.86
17.	HSBC Nominees (Tempatan) Sdn. Bhd. - Orchid City Sdn. Bhd.	400,000	0.86
18.	Chew Chuon Jin	330,900	0.71
19.	The Kulim-Baling Road Transport Company, Sdn. Bhd.	296,000	0.64
20.	AmFinance Berhad - Chew Chuon Ghee	250,000	0.54
21.	Tay Siew Kim	248,000	0.54
22.	Pee Yu Chi	234,000	0.51
23.	AmFinance Berhad - Dato' Tan King Tai @ Tan Khoon Hai	230,000	0.50
24.	Chew Weng Khak @ Chew Weng Kiak	200,000	0.43
25.	Zahara Bt. Pawanchik	193,860	0.42
26.	Tan Ah Nya @ Tan Bee Tiang	166,000	0.36
27.	Cimsec Nominees (Tempatan) Sdn. Bhd. - Hamzah Bin Mohd. Salleh	152,000	0.33
28.	Hong Leong Finance Berhad - Chantika Holdings Sdn. Bhd.	146,000	0.32
29.	Dato' Chew Weng Khak @ Chew Weng Kiak	135,087	0.29
30.	Southern Nominees (Tempatan) Sdn. Bhd. - Dato' Tan King Tai @ Tan Khoon Hai	120,000	0.26
TOTAL		25,667,951	55.44

SUBSTANTIAL SHAREHOLDERS AS AT 30TH SEPTEMBER, 2002

<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	8,533,194	18.42	*6,188,797	13.36
Chew Weng Khak Realty Sdn. Bhd.	6,188,797	13.36	-	-
Permodalan Nasional Berhad	2,580,000	5.57	-	-
Aseam Malaysia Nominees (Tempatan) Sdn Bhd – Aseambankers Malaysia Berhad (A/c One)	1,613,777	3.48	-	-

* Held through CHEW WENG KHAK REALTY SDN. BHD.

STATEMENT OF DIRECTORS' SHAREHOLDINGS AS AT 30TH SEPTEMBER 2002

Name	<u>DIRECT</u>			<u>DEEMED</u>	
	No. of Shares	% of Issued Share Capital		No. of Shares	% of Issued Share Capital
1. DATO' CHEW WENG KHAK @ CHEW WENG KIAK	8,533,194*	18.43	@	6,188,797	13.36
2. CHEW CHUON JIN	848,200**	1.83	@	6,188,797	13.36
3. DATO' TAN KING TAI @ TAN KHOON HAI	1,291,809***	2.79	#	2,000	0.00
4. ZAHARA BT PAWANCIK P.P.N., P.J.K.	235,520	0.51		-	-
5. CHEW WENG YEAW	60,000	0.13		-	-
6. NYAK ZAHARI BIN NYAK INRAHIM	-	-		-	-
7. CHEW CHUON GHEE	327,580****	0.71	@	6,188,797	13.36
8. KHAIRILANUAR BIN ABDUL RAHMAN	-	-		-	-

NOTE :

* 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 250,000 ordinary shares which are held through a nominee company.

@ Held through Chew Weng Khak Realty Sdn. Bhd.

Held through Tan Khoon Hai Sdn. Bhd.

ANALYSIS OF WARRANTHOLDINGS AS AT 30TH SEPTEMBER, 2002

Size of Holdings	No. of Holders	No. of Warrants	% of Issued Warrants
1 - 999	320	159,859	1.41
1,000 - 10,000	1,148	2,678,275	23.61
10,001 - 100,000	90	2,537,167	22.36
100,001 - 567,249 *	8	2,057,050	18.13
567,250 and above **	4	3,912,649	34.49
TOTAL	<u>1,570</u>	<u>11,345,000</u>	<u>100.00</u>

Remark * Less than 5% of Warrants

** 5% and above of Warrants

LIST OF TOP 30 WARRANTHOLDERS AS AT 30TH SEPTEMBER, 2002

No.	Name	No. of Warrants	% of Issued Warrants
1.	Chew Weng Khak Realty Sdn. Bhd.	1,333,449	11.75
2.	Mayban Nominees (Tempatan) Sdn. Bhd. - Dato' Chew Weng Khak @ Chew Weng Kiak	1,250,000	11.02
3.	OSK Securities Berhad - IVT (LH)	672,423	5.93
4.	Aseam Malaysia Nominees (Tempatan) Sdn. Bhd. - Aseambankers Malaysia Berhad (A/c One)	656,777	5.79
5.	Mayfin Nominees (Tempatan) Sdn. Bhd. - Dato' Chew Weng Khak @ Chew Weng Kiak	492,500	4.34
6.	Amsec Nominees (Tempatan) Sdn. Bhd. - Tey Choon Hee	321,000	2.83
7.	Tay Keng	272,000	2.40
8.	The Kulim-Baling Road Transport Company, Sdn. Bhd.	250,000	2.20
9.	Dato' Tan King Tai @ Tan Khoon Hai	241,500	2.13
10.	Chew Chuon Jin	202,050	1.78
11.	Tay Siew Kim	144,000	1.27
12.	Tan Bak Fook @ Tang Kiat	134,000	1.18
13.	Teh Giek Hooi	100,000	0.88
14.	Citicorp Nominees (Tempatan) Sdn. Bhd. - Dato' Tan King Tai @ Tan Khoon Hai	100,000	0.88
15.	Liew Sow Ying	94,000	0.83
16.	Chan Mei Cheng	93,000	0.82
17.	Tay Teng Hui	85,000	0.75
18.	Chew Chuon Ghee	74,395	0.66
19.	Lau How Guan @ Low How Guan	65,000	0.57
20.	Wong Keck Lone	64,000	0.56
21.	Phnuah Farn Farn	60,000	0.53
22.	Chang Koon Fook	58,000	0.51
23.	Ong Sheng Yan @ Wong Jiun Leian	55,000	0.48
24.	Chan Mei Cheng	53,000	0.47
25.	Dato' Chew Weng Khak @ Chew Weng Kiak	50,000	0.44
26.	Gan Pua @ Gan Tiong Phua	50,000	0.44
27.	Neoh Cher Leong	45,000	0.40
28.	Straits Nominees (Tempatan) Sdn. Bhd. - Teoh Siew Guat	42,000	0.37
29.	Wong Seong Siew @ Wong Ah Kow	40,000	0.35
30.	Mok Chek Fook	40,000	0.35
TOTAL		7,138,094	62.91

SUBSTANTIAL WARRANTHOLDERS AS AT 30TH SEPTEMBER, 2002

<u>NAME OF WARRANTHOLDER</u>	← NO. OF WARRANTS HELD →			
	<u>DIRECT</u>	<u>%</u>	<u>INDIRECT</u>	<u>%</u>
Dato' Chew Weng Khak @ Chew Weng Kiak	1,826,799	16.10	* 1,334,079	11.76
Chew Weng Khak Realty Sdn. Bhd.	1,334,079	11.76	-	-
OSK Securities Berhad TVT (LH)	672,423	5.93	-	-
Aseam Malaysia Nominees (Tempatan) Sdn. Bhd. – Aseambankers Malaysia Berhad (A/c One)	656,777	5.79	-	-

* Held through CHEW WENG KHAK REALTY SDN. BHD.

CORPORATE CALENDAR

25th October, 2001	Preliminary announcement of unaudited results for the first Quarter ended 31st August, 2001.
20th December, 2001	Payment of the first and final dividend of 3% less tax 28% for the year ended 31st May, 2001.
22nd January, 2002	Preliminary announcement of unaudited results for the second quarter ended 30th November, 2001.
22nd April, 2002	Preliminary announcement of unaudited results for the third quarter ended 28th February, 2002.
31st May, 2002	Financial year end.
31st May, 2002	Extraordinary General Meeting.
25th July, 2002	Preliminary announcement of unaudited results for the fourth quarter ended 31st May, 2002.
18th October, 2002	Posting of Annual Report to Shareholders.
12th November, 2002	Annual General Meeting

No. of Share

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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 Dahlia Room, Sunway Hotel, 33, New Lane, 10400 Penang, Malaysia, on Tuesday, 12th November, 2002 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 financial statements (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 :		
	(i) Chew Weng Yeaw (Resolution 4)		
	(ii) a) Chew Chuon Ghee (Resolution 5)		
	b) Khairilnuar Bin Abdul Rahman (Resolution 6)		
5.	Appointment of Auditors (Resolution 7)		
6.	As Special Business		
	(a) Authorising Directors to issue shares not exceeding 10% of the issued share capital (Resolution 8)		
	(b) Authorising Directors to issue Shares pursuant to the Company's Employees Share Option Scheme (Resolution 9)		

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

Date _____ 2002.

Signature/Seal

Notes :-

- 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.
- 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.
- 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.
- 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