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Corporate Information

BOARD OF DIRECTORS

Executive Chairman

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

Managing Director

Mr. Chew Chuon Jin

Executive Directors

Y.Bhg. Dato' Tan King Tai @ Tan Khoon Hai
Mr. Chew Chuon Ghee

Non Executive Directors

Puan Zahara Bt. Pawanchik P.P.N, P.J.K.
En. Khairilnuar Bin Abdul Rahman

SECRETARY

Mdm. Ker Siew Luan

REGISTERED OFFICE

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

REGISTRAR

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

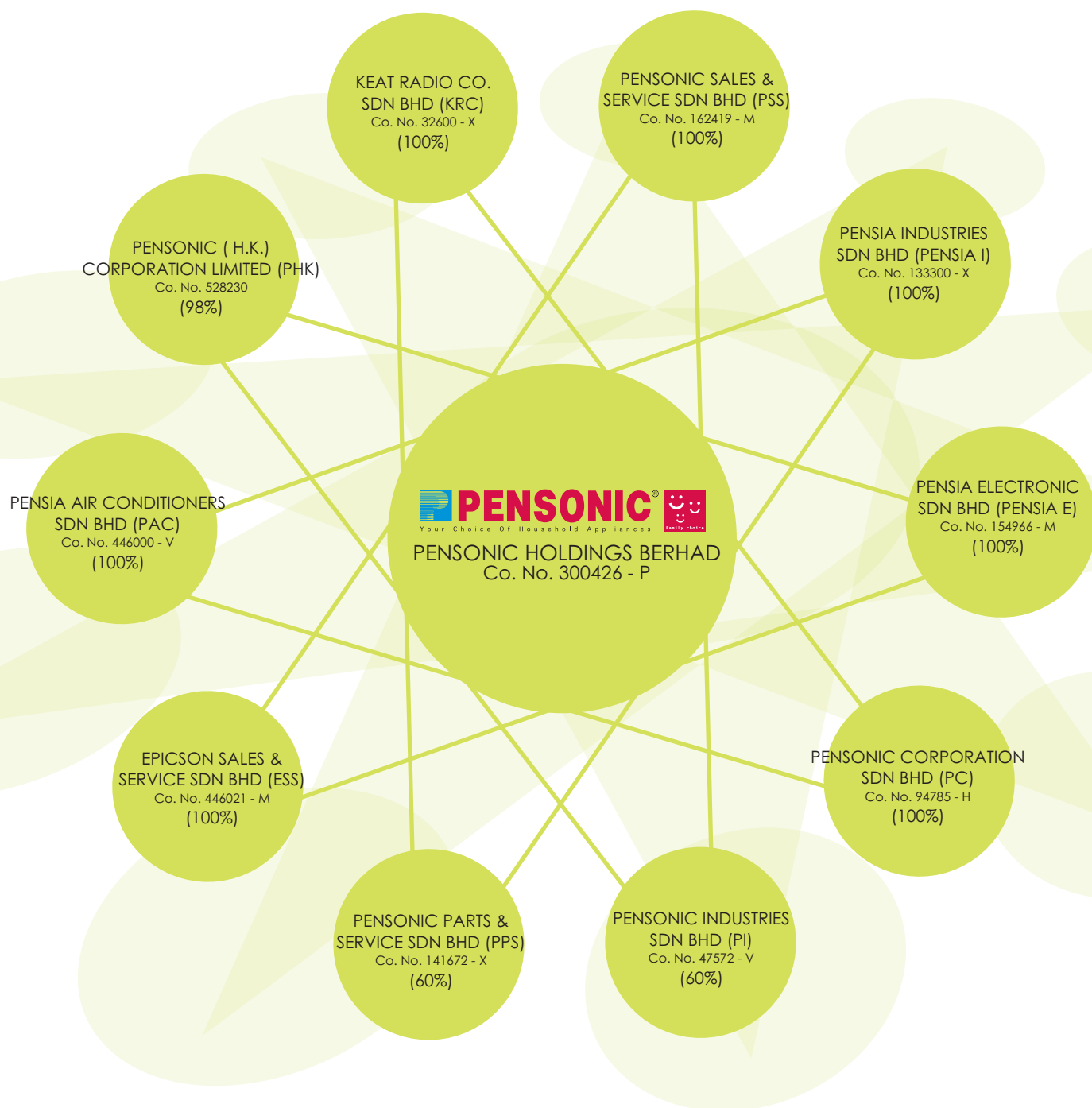
AUDITORS

Teh Eng Aun & Co.
Chartered Accountants

PRINCIPAL BANKERS

Malayan Banking Berhad
HSBC Bank Malaysia Berhad

Corporate Structure



Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 10th Annual General Meeting of PENSONIC HOLDINGS BERHAD will be held at Laurel 1, Level 1, Evergreen Laurel Hotel, 53, Persiaran Gurney, 10250 Penang, on Friday, 26th day of November, 2004 at 11.00 a.m. for the following purposes :-

A G E N D A

1. To receive and adopt the Audited Financial Statements for the financial year ended 31st May, 2004 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, 2004. (Resolution 2)
3. To approve Directors' Fees for the financial year ended 31st May, 2004. (Resolution 3)
4. To re-elect the following Directors who retire in accordance with Article 29(2) of the Company's Articles of Association :-
 - a) Dato' Seri Chew Weng Khak @ Chew Weng Kiak (Resolution 4)
 - b) Dato' Tan King Tai @ Tan Khoon Hai (Resolution 5)
5. To re-appoint Messrs. Teh Eng Aun & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 6)
6. **AS SPECIAL BUSINESS**
To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions :-
ORDINARY RESOLUTIONS :-
Power To Issue Shares pursuant to Section 132D of the Companies Act, 1965
“ That pursuant to Section 132D of the Companies Act, 1965 and subject to the approvals of the relevant Governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year 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 Bursa Malaysia Securities Berhad (Bursa Securities) and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company.” (Resolution 7)

Notice Of Annual General Meeting

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

Notice of Dividend Entitlement

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the 10th Annual General Meeting, the First and Final dividend of 3% less tax of 28% in respect of the financial year ended 31st May, 2004 will be paid on 30th December, 2004 to depositors registered in the Records of Depositors at the close of business on 15th December, 2004.

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

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 15th December, 2004 in respect of ordinary transfers; and
- (b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

Ker Siew Luan
Secretary

Penang
Date : 2nd November, 2004

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 6, 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.

Statement Accompanying Notice Of Annual General Meeting

STATEMENT ACCOMPANYING NOTICE OF THE 10TH ANNUAL GENERAL MEETING OF THE COMPANY

(Pursuant to Paragraph 8.28(2) of the Bursa Malaysia Securities Berhad Listing Requirements)

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

- (a) Dato' Seri Chew Weng Khak @ Chew Weng Kiak (retiring pursuant to Article 29(2) of the Articles of Association)
- (b) Dato' Tan King Tai @ Tan Khoon Hai (retiring pursuant to Article 29(2) of the Articles of Association)

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

Five (5) Board of Directors' Meeting were held during the financial year from 1st June, 2003 to 31st May, 2004. Details of attendance of Directors at the Board of Directors' Meeting during the financial year are as follows :-

Name	No. of Meeting attended
Dato' Seri Chew Weng Khak @ Chew Weng Kiak	5
Chew Chuon Jin	5
Dato' Tan King Tai @ Tan Khoon Hai	5
Zahara Bt. Pawanchik P.P.N., P.J.K.	4
Nyak Zahari Bin Nyak Ibrahim (Resigned on 13th August, 2004)	3
Chew Chuon Ghee	4
Khairilanuar Bin Abdul Rahman	3

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

All Five (5) Board of Directors' Meeting held during the financial year ended 31st May, 2004 took place at 2-5-26, Harbour Trade Centre, No. 2, Gat Lebu Macallum, 10300 Penang.

Date of Meetings	Time
25-07-2003	11.00 a.m.
23-10-2003	10.00 a.m.
10-11-2003	10.00 a.m.
06-01-2004	10.00 a.m.
19-04-2004	11.00 a.m.

4. Details of the profile of directors who are standing for re-election are set out in the Directors' Profile on pages 9 to 10 of the Annual Report.

5. None of the directors have any conflict of interest in the Company except for those transactions disclosed in Note 31 to the financial statements.

Statement Accompanying Notice Of Annual General Meeting



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 and En. Khairilnuar Bin Abdul Rahman. Dato' Tan King Tai @ Tan Khoon Hai is a director of Unimech Group Berhad & UDS Capital Berhad while En. Khairilnuar Bin Abdul Rahman is a director of UDS Capital Berhad.
8. Details of the Directors' securities holdings in the Company, any/or in a related corporations are set out on pages 91 to 95 of the Annual Report.

- * **Dato' Seri Chew Weng Khak @ Chew Weng Kiak**, a Malaysian, aged 62, 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' Seri Chew Weng Khak @ Chew Weng Kiak has been responsible and is the catalyst for the numerous advancement and milestones experienced by the Group.

Dato' Seri Chew is the father of Mr. Chew Chuon Jin and Mr. Chew Chuon Ghee.

Chew Chuon Jin, a Malaysian, aged 35, 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' Seri Chew Weng Khak @ Chew Weng Kiak, the Group chairman.

- * **Dato' Tan King Tai @ Tan Khoon Hai**, a Malaysian, aged 49, was appointed to the Board as an Executive Director and Audit Committee of Pensonic Holdings Berhad. He is a member of The Institute of Certified Public Accountants, Ireland 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 has over 25 years of working experience in the fields of auditing, accounting and corporate finance. 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 & appointed as Executive Director of UDS Capital Berhad on 30th November 2003 both these companies are listed on Bursa Malaysia Securities Berhad. UDS Capital Berhad was listed on Bursa Malaysia Securities Berhad in March 2004. 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 60, was appointed to the Board as an Independent, Non-Executive Director and Audit Committee member on 13 August, 2004. 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 Chuon Ghee, a Malaysian, aged 32, 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 joint 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' Seri Chew Weng Khak @ Chew Weng Kiak, the Group chairman.

Khairilanuar Bin Abdul Rahman, a Malaysian, aged 39, 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. Khairilanuar 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 was appointed as the Independent Non-Executive Director of UDS Capital Berhad on 30th November, 2003 a company listed on Bursa Malaysia Securities Berhad in March 2004.

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

On behalf of the Board of Directors of Pensonic Holdings Berhad, I am pleased to present to you the Annual Report and the Audited Financial Statements of the Group and the Company, for the year ended 31 May 2004.

Review of Operations

The global economy recovery into the second half of 2003 continued on a firmer note into 2004, fueling optimism for sustained global economic growth. On the local front, the Malaysian economy registered a GDP growth of 5.2 per cent for 2003, and entered into the 1st quarter of 2004 with a sharp GDP growth of 7.6 per cent from expansion in domestic demand as well as continued up-swing in the external sector. The robust economic activity in domestic demand was largely driven by the private sector, reflecting sustained strong growth in consumer spending and a continued pick-up in private investment activities. The optimism in both the global as well as the domestic economy, however, was dampened by the escalating price of crude oil during the financial year under review. With power costs on the increase, raw materials and components prices will in turn be driven upwards. This, if prolonged, may negatively impact corporate earnings.

The Group has engaged a leading global expert on brand creation, development and management as its brand consultant to develop a comprehensive master brand strategy and architecture for its core-brand "PENSONIC". The overall objective of this branding strategy is to attain not only just strong brand recognition, but stronger brand preference, and to maximize the Group's brand asset value for the long term. In line with the established brand strategy, the Group has rolled out many branding initiatives to drive the "PENSONIC" brand to meet its aspiration of building the "PENSONIC" brand into a powerful Malaysian brand in the region of Asia. These branding initiatives are focused on product quality; innovation and product design and development; customer relationship management; customer service; advertising and promotions; public relation events; corporate support and governmental recognition.

To drive the "PENSONIC" brand forward, the Group has also established a Brand Management Committee comprised of directors and key management personnel. The Brand Management Committee will ensure that the "PENSONIC" brand is positioned consistently and managed in accordance with its brand vision and values in all the markets that it serves. It will take full responsibility to lead the entire organization in the brand building process and to generate awareness and passion for what the "PENSONIC" brand stands for.

Chairman's Statement

The Malaysian Government has been very supportive of the Group's branding endeavor and expansion initiatives in the export market. The Group's export-marketing arm and subsidiary, Pensonic Industries Sdn. Bhd., is the 1st. Company to obtain approval from the Malaysia External Trade Development Corporation (MATRADE) for the Brand Promotion Grant for the development of the "PENSONIC" brand in the export market and has also obtained approval from MATRADE to use the logo "MADE IN MALAYSIA FOR THE WORLD". The "PENSONIC" brand was also awarded the National Creativity & Innovation Award 2004 by the Malaysia Design Technology Centre for outstanding brand building endeavors that have helped to build Malaysia's international image and reputation for quality.

To support the growth of its business, the Group has acquired a warehouse cum office building in Petaling Jaya to better serve its dealership network in the central and southern regions in the country. During the financial year under review, the Group has also commenced construction of a plant to increase its production capacity, which at the date of this statement, has already been completed. At the Group's headquarters in Prai, a new concept showroom has been set-up. A similar concept showroom is also due for completion soon at our Petaling Jaya branch office.

The Group's subsidiary in Hong Kong, Pensonic (H.K.) Corp. Ltd., has relocated to a new and bigger office at the Malaysia Building, Hong Kong to cater to the increase in business and operational activities in Hong Kong and China. This subsidiary also operates an office in Zhuhai, China with a team of engineers to perform product design and development, and to carry out quality assurance activities for our out-sourced manufacturing. This is to enhance the Group's capability to develop innovative products to meet the expectations of our customers and to ensure that our out-sourced manufacturing is also subject to the same exacting standards and quality that we have defined for our products. Our presence in Hong Kong is also intended to pave our gateway for eventual entry into the Greater China market.

The Group's efforts to expand its business in the export markets have shown impressive results, with exports recording an increase of 88.8% over the last financial year's export turnover. Our Lebensstil Kollektion line which was rolled out in the last financial year to cater to the high-end niche market has also gained strong awareness and increasing acceptance by end-consumers. To meet the increasing demand from end-consumers, more products would be designed and developed to broaden the Lebensstil Kollektion line in the future.

Chairman's Statement

Financial Review

The Group achieved a turnover of RM152 Million for the financial year under review, recording a commendable 25.6% turnover growth over the previous financial year's turnover of RM121 Million. Domestic market turnover increased by 19.5% while export market turnover increased by 88.8% over the respective turnover for the previous financial year. Contribution to the total turnover of the Group from the domestic market was 86.4% and from the export market was 13.6%. The branding and marketing strategies, and export market development initiatives that the Group had put in place to increase market share in both the domestic and export markets have proved to be effective in generating the turnover growth.

The Group achieved a Net Profit (after taxation, pre-acquisition loss and minority interest) of RM3.1 Million as compared to a Net Loss of RM3.9 Million incurred in the previous financial year. This commendable turnaround in bottom-line result was primarily due to the higher total turnover achieved, and the effect of the various strategic measures and cost containment initiatives adopted by the Group to increase operational and cost efficiencies.

The Net Tangible Asset per share and earnings per share of the Group for the financial year under review is RM1.86 and 6.70 sen respectively.

Future Prospects

The global economy is expected to grow by 4.1% and Malaysia has forecast a growth of 7.0% in its economy for the year 2004. In the absence of external shocks and subject to crude oil price increase being capped, the general economic outlook remains positive and would provide a favorable operating environment for the Group.

The Group will continue to strategically streamline its operations to achieve higher productivity and cost efficiencies to enhance its long-term competitiveness. Focus will be placed on the branding strategy already established for the "PENSONIC" brand to drive the business of the Group going forward. Many brand building initiatives have been lined up and to be implemented in stages to elevate the brand identity and image of "PENSONIC" to achieve its aspiration of "PENSONIC FOR ASIA". Marketing strategies are also in place to further build the Group's dealer and distributor network in both the domestic market as well as export market. I am confident, with the combined strategies that we have planned and to be implemented, the Group will be able to enjoy sustainable growth and profitability into the future.

Chairman's Statement

Dividends

The Board is recommending a first and final dividend of 3% less 28% tax in respect of the financial year ended 31 May 2004 (2003 : 1% less 28% tax).

Appreciation

On behalf of the Board, I would like to express my sincere appreciation to our shareholders, valued customers, vendors, business associates, bankers, media, government authorities and regulatory bodies for their continued trust, confidence and support. I would also like to extend my heartfelt thanks to my fellow directors, management team and all employees of the Group for their commitment, loyalty and dedication in elevating the Group to greater heights and growth.

Y.Bhg. Dato' Seri Chew Weng Khak
Group Executive Chairman

20 September 2004



Audit Committee Report

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

COMPOSITION OF THE AUDIT COMMITTEE

The members of the Audit Committee and their respective designations who have served during the financial year ended 31 May 2004 are as follows:-

<u>Member</u>	<u>Designation</u>
Encik Khairilnuar Bin Abdul Rahman	Chairman (Independent Non-Executive Director)
Encik Nyak Zahari Bin Nyak Ibrahim (Resigned as director on 13th August, 2004)	Member (Independent Non-Executive Director)
Dato' Tan King Tai @ Tan Khoon Hai	Member (Executive Director)
Zahara Bt. Pawanchik P.P.N.,P.J.K. (Appointed as audit committee on 13th August, 2004)	Member (Independent Non-Executive Director)

TERMS OF REFERENCE

- **Membership**

The Audit Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members, the majority of whom including the Chairman shall be Independent Directors. At least one member of the Audit Committee must be a member of the Malaysian Institute of Accountants or possesses such other qualifications and/or experiences as approved by Bursa Malaysia Securities Berhad (BMSB). No alternate director shall be appointed as a member of the Audit Committee. Any vacancy which affects the composition must be filled up within three (3) months. The member shall serve up to the forthcoming Annual General Meeting. An appointment terminates when a member ceases to be a Director.

- **Authority of the Audit Committee**

The Audit Committee is authorized by the Board and has explicit authority to investigate any matter within its terms of reference and shall have the resources required to perform its duties. The Audit Committee has full unrestricted access to all information and documents.

The Audit Committee is authorized by the Board to obtain external professional advice and to invite outsiders with relevant experience to attend the Audit Committee meeting. The Audit Committee shall also have direct communication channels with the external auditors and the person carrying out the internal audit function.

Audit Committee Report

- **Meetings and Procedures**

The Audit Committee shall meet at least 4 times in a year, and such additional meetings as the Chairman shall decide in order to fulfill its duties. The external auditors may request for a meeting if they consider this necessary.

The Company Secretary shall act as the Secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by such necessary explanatory documentation to the members of the Audit Committee prior to each meeting. The Secretary shall also be responsible for keeping the minutes of the meetings of the Audit Committee, and circulating them to the members and other members of the Board. Other directors and employees shall attend any particular Audit Committee meeting only at the invitation of the Audit Committee.

During the financial year ended 31 May 2004, the Audit Committee held a total of four (4) meetings, the details of attendance of which are as follows:-

<u>Member</u>	<u>No. of meetings attended</u>
Encik Khairilnuar Bin Abdul Rahman	4 of 4
Encik Nyak Zahari Bin Nyak Ibrahim (Resigned on 13th August, 2004)	4 of 4
Dato' Tan King Tai @ Tan Khoon Hai	4 of 4

- **Quorum**

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

- **Functions and Duties**

The functions and duties of the Audit Committee are as follows:-

- To recommend to the Board the appointment of the external auditors, the audit fee and any matters in relation to their resignation or termination;
- To review with the external auditors the nature and scope of their audit plan;
- To review the assistance given by the officers of the Group to the external auditors;
- To discuss the outcome of the interim and final audits and any matter the external auditors may wish to discuss;
- To review quarterly and annual accounts before submission to the Board focusing particularly on –
 - Any changes in accounting policies and practices;
 - Significant adjustments and unusual events arising from the audit;
 - The going-concern assumption; and
 - Compliance with accounting standards, Listing Requirements of BMSB and other legal requirements.

Audit Committee Report

- f. To review the effectiveness of internal control systems and to consider major findings of internal investigations and management's response;
- g. To review the scope, functions, resources and authority given to the internal audit function, and the results of the internal audit or investigations undertaken to ensure that appropriate action is taken on the recommendation made by the internal auditor;
- h. To review any related party transactions and situations where conflict of interests may arise including any transaction, procedure or course of conduct that raises questions of management integrity; and
- i. To undertake such other functions as may be agreed to by the Audit Committee and the Board.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 31 May 2004, the activities of the Audit Committee included the followings:-

- Review of the external auditors' scope of work and audit plan for the financial year;
- Review of the unaudited quarterly results, annual financial statements and related announcements prior to submission to the Board for approval and subsequent release to BMSB, to ensure that the financial reporting and disclosure requirements of the relevant authorities had been complied with;
- Review with the external auditors in respect of the audit findings, the audit report and management letters including management's response;
- Review related party transactions of the Group;
- Review the Group's key operational and business risks area and the policies in place to address and minimize such risks;
- Review the findings of the internal audit function and to ensure appropriate actions were taken and recommendations implemented; and
- Review the Corporate Governance Statement for inclusion in the Group's Annual Report.

INTERNAL AUDIT FUNCTION

The role of the internal audit function is to assist the Audit Committee and Board of Directors in monitoring and managing risks and internal controls of the Group. A systematic and disciplined approach is used to evaluate and improve the effectiveness of risk management, operational and internal control, and compliance with law and regulations. The internal audit function of the Group adopts a risk based approach to monitor and implement an effective internal control system for the Group. The monitoring process forms the basis for continuous improvement to the risk management process of the Group in meeting its overall objectives.

Statement On Internal Control

Introduction

This Statement on Internal Control is made pursuant to Bursa Malaysia Securities Berhad (“BMSB”) Listing Requirements paragraph 15.27(b). The Board of Directors of Pensonic Holdings Berhad is pleased to include in the Annual Report the following statement on internal control of the Group for the financial year under review prepared in accordance with the “Statement on Internal Control-Guidance for Directors of Public Listed Companies” issued by the Institute of Internal Auditors Malaysia and adopted by BMSB.

Board Responsibilities

The Board of Directors recognizes the importance of sound internal controls and risk management practices in the maintenance of good corporate governance. It affirms that it is responsible for the Group’s system of internal control, including review of the adequacy and integrity of the system. The responsibilities of the Board in relation to the system extend to all subsidiaries of the Group. The system includes financial, risk management, operational and compliance controls. The system is designed to identify and manage risks in the pursuit of the Group’s business objectives as well as to safeguard shareholders’ interest and the Group’s assets.

While it is acknowledged by the Board that they are responsible for the Group’s internal control system, they are aware that the Group’s system of internal control is designed to manage and control risk rather than to eliminate the risk of failure to achieve business objectives. Accordingly, it should be noted that the system can therefore only provide reasonable and not absolute assurance against material misstatement or loss.

The process for the review of the adequacy and integrity of the system of internal control has been in place during the financial year under review and up to the date of approval of the Annual Report. This process is reviewed on a regular basis by the Audit Committee and the Board of Directors. The key features of the internal control system are outlined below.

System of Internal Control

The Group maintains a system of internal control that serves to safeguard its assets; identify and manage risk; ensure compliance with statutory and regulatory requirements; and to ensure operational results are closely monitored and substantial variances are promptly explained.

The salient features of the Group’s system of internal control include, inter alia:-

- The Board of Directors evaluates risks involved and seeks appropriate experts’ advice in considering business proposals and operational issues so as to make an effective decision in the best interest of the Group.

Statement On Internal Control

- A clear organizational structure with the key job functions and responsibilities well-defined and communicated to all levels of the organization.
- The Group's management with the assistance of a centralized human resource function sets the policies for recruitment, training and appraisal of the employees within the Group.
- Key responsibilities are properly segregated in order that no employee has total control of a transaction.
- The Group's management sets clearly defined authorization procedures and exercise strict control on compliance therewith by all levels of employees.
- Standard Operating Procedures are clearly documented and implemented, and are regularly reviewed.
- The Group's management regularly visits the various branches located in the country and discuss key operational and business issues with the respective branch employees.
- The Group's management meets monthly to review the operational and financial performance of the businesses in the Group and its subsidiaries, and to discuss key business, operational and management issues.
- The Board of Directors receives and reviews quarterly performance reports on the Group and its subsidiaries from the management, and discuss on significant business and risk issues.
- The Group's management and internal auditor review and monitor on a regular basis the compliance with the established policies and procedures of the Group and ensure weaknesses are identified and addressed on a timely basis.

Conclusion

The Board is of the view that the Group's system of internal controls that had been established and reviewed on a regular basis are adequate and effective to provide reasonable assurance that the structure of internal controls is adequate and appropriate to the Group's objectives and in the minimizing of significant risks encountered by the Group.

The Board recognizes that the development of the system of internal controls is an ongoing process and has taken continual efforts to improve and strengthen the system.

This statement is made in accordance with a resolution of the Board of Directors dated 20th September, 2004.

Statement Of Corporate Governance

The Board of Directors (“The Board”) of Pensonic Holdings Berhad recognizes the importance of good corporate governance and is committed to ensure that the Group’s business and operational activities are in line with the principles and best practices as set out in the Malaysian Code of Corporate Governance (“The Code”). The Board is aware that the responsibilities of observing good corporate governance rest on the directors. The need for good corporate governance, through greater accountability and transparency of the Group, are continuously addressed by the Board to protect and enhance shareholders’ value.

The following statement outlines the key principles of corporate governance and best practices as set out in the Code which the Group has applied for the financial year ended 31 May 2004.

DIRECTORS

1. The Board and Board Balance

The Board of Directors consists of six (6) members comprising four (4) executive directors, and two (2) independent non-executive directors which is in compliance with Paragraph 15.02 of the Listing Requirements of Bursa Malaysia Securities Berhad that at least two or one-third of the Board, whichever is the higher are independent directors. All independent non-executive directors are independent of management and free from any relationship that could interfere with the exercise of their independent judgment. The Board considers its current size adequate given the existing scope and nature of the Group’s business operations.

The role of the Board is to determine the Group’s long-term direction, develop and implement business and corporate strategies, monitor the achievement of business objectives, and ensure that the Group meets its responsibilities to shareholders, customers and other stakeholders. The Board also monitors the performance of the Group and ensures that a proper internal control system is in place.

2. Attendance at Meetings

The attendance record of the members at Board meetings are as follows:-

Directors	Attendance
Dato’ Seri Chew Weng Khak @ Chew Weng Kiak	5/5
Chew Chuon Jin	5/5
Dato’ Tan King Tai @ Tan Khoon Hai	5/5
Chew Chuon Ghee	4/5
Zahara Bt. Pawanchik P.P.N., P.J.K.	4/5
Nyak Zahari Bin Nyak Ibrahim (Resigned on 13th August, 2004)	3/5
Khairilnuar Bin Abdul Rahman	3/5

Statement Of Corporate Governance

3. Supply of Information

The Board members have full access to information concerning the Group. All 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 the activities and performance of the Group are provided to the Board members to enable them to participate at the Board meetings. The Board members also have access to the advice and services of the Company Secretary, senior management and independent professional advisers including the external auditors.

4. 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 provide that all directors shall retire once in every three (3) years in compliance with the Code. Directors who are appointed before the next AGM will retire and be subject to re-election by shareholders at the next AGM.

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. The functions of the Nomination Committee are carried out by the full Board.

DIRECTORS' REMUNERATION

The determination of remuneration packages of the directors are matters for the Board as a whole. The remuneration of the directors is structured to attract, retain and motivate them in order to run the Group successfully.

The Board reviews the remuneration of the directors annually whereby the respective Executive Directors are abstained from discussions and decisions on their own remuneration.

The aggregate remuneration of the Directors for the financial year ended 31 May 2004 is as follows:-

Category	Fees	Salaries & Other Emoluments	Total
	RM	RM	RM
Executive Directors	70,000	643,500	713,500
Non-Executive Directors	10,000	-	10,000

Statement Of Corporate Governance

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

Range of Remuneration In RM	Number of Directors	
	Executive Director	Non-Executive Director
50,000 and below	1	1
50,001 – 100,000	1	-
100,001 – 150,000	1	-
150,001 – 200,000	1	-
200,001 – 250,000	-	-
250,001 – 300,000	-	-
300,001 – 350,000	1	-

RELATIONSHIP WITH SHAREHOLDERS

The Group recognizes the importance of communicating with its shareholders and investors and does this through the Annual Report, Annual General Meeting and the Group's website at www.pensonic.com. The main forum for dialogue with shareholders remains at the Annual General Meeting, during which shareholders are encouraged to raise questions pertaining to the operations of the Group.

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

ACCOUNTABILITY AND AUDIT

1. Financial reporting

The Board is responsible for ensuring the proper maintenance of the accounting records of the Group and aims to present a balanced and understandable assessment of the Group's position and prospects when presenting the quarterly and annual financial statements to shareholders. The Board has considered, with the Audit Committee, the appropriateness and consistency of all accounting principles adopted by the Group. It evaluates all significant estimates and ensures that the Group is prudent when providing for various business risks. The Board and the Audit Committee have also considered all applicable approved accounting standards, Companies Act requirements and other regulatory requirements and ensured adherence thereto in preparing the financial statements of the Group.

Statement Of Corporate Governance

2. Internal Control

The Board acknowledges its responsibilities to maintain a sound and effective system of internal control to provide reasonable assurance of effective and efficient operations, compliance with regulations and internal policies, and to safeguard shareholders' investments and the Group's assets. The Board also recognizes that the system of internal control has inherent limitations and is aware that such a system can only provide reasonable and not absolute assurance against material misstatements, loss or fraud.

The internal control system of the Group is supported by an established organizational structure with well-defined authority and responsibility lines, and which comprises of appropriate financial, operational and compliance controls.

3. Relationship with Auditors

Through the Audit Committee, the Group has established a transparent arrangement and appropriate relationship with its auditors, both external and internal.

4. Statement of Directors' Responsibility

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 of their financial results and cash-flows for the financial year.

In preparing the financial statements for the year ended 31 May 2004, the Directors have:-

- Adopted the appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonably prudent;
- Ensure applicable accounting standards have been followed, and any material departures have been disclosed and explained in the financial statements; and
- Prepared the financial statements on a going concern basis.

The directors are responsible for keeping proper accounting records of the Group, which disclose with reasonable accuracy the financial position of the Company and the Group, and which will enable them to ensure the financial statements have been prepared in accordance with the provisions of the Companies Act and comply with the approved accounting standards.

The directors have the general responsibility for taking such steps as are 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 BURSA MALAYSIA SECURITIES BERHAD 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, 2004 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

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, 2004**.

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
Net profit for the year	3,164,242	1,158,148
Minority interest	<u>(59,380)</u>	<u>-</u>
Profit attributable to shareholders	3,104,862	1,158,148
Retained profits brought forward - As restated	450,725	3,283,572
Dividends	<u>(333,432)</u>	<u>(333,432)</u>
Retained profits carried forward	<u><u>3,222,155</u></u>	<u><u>4,108,288</u></u>

Financial Statements

DIVIDENDS

During the financial year, the Company paid a dividend of 1% less tax 28%, amounting to RM333,432 in respect of the financial year ended 31st May, 2003.

The Directors propose a first and final dividend of 3% less tax 28%, amounting to RM1,000,296 in respect of the current financial year subject to the approval of members at the forthcoming Annual General Meeting.

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, there were no changes to the authorized and paid-up share capital of the Company.

DIRECTORS' INTERESTS IN WARRANTS

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

	<u>As at</u> <u>01.06.2003</u>	<u>Ac uired</u>	<u>Disposed</u>	<u>As at</u> <u>31.05.2004</u>	
<u>DIRECT INTEREST</u>					
The Company :-					
DATO' SERI CHEW WENG KHAK					
@ CHEW WENG KIAK	1,826,799	45,000	-	1,871,799	*
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 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>01.06.2003</u>	<u>Ac</u> <u>quired</u>	<u>Disposed</u>	<u>As at</u> <u>31.05.2004</u>
CHEW WENG KHAK REALTY SDN. BHD.				
DATO' SERI CHEW WENG KHAK @ CHEW WENG KIAK	1,334,079	-	-	1,334,079
CHEW CHUON JIN	1,334,079	-	-	1,334,079
CHEW CHUON GHEE	1,334,079	-	-	1,334,079
TAN KHOON HAI SDN. BHD.				
DATO' TAN KING TAI @ TAN KHOON HAI	500	-	-	500

CHEW CHUON GHEE

TAN KHOON HAI SDN. BHD.

DATO' TAN KING TAI @ TAN KHOON HAI	500	-	-	500
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* Certain Warrants are held through nominee companies.

DIRECTORS

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

DATO' SERI CHEW WENG KHAK @
CHEW WENG KIAK
CHEW CHUON JIN
DATO' TAN KING TAI @ TAN KHOON HAI
ZAHARA BT. PAWANCIK
P.P.N., P.J.K.
NYAK ZAHARI BIN NYAK IBRAHIM (Resigned on 13.8.2004)
CHEW CHUON GHEE
KHAIRILANUAR BIN ABDUL RAHMAN

In accordance with Article 29(2) of the Company's Articles of Association, DATO' SERI CHEW WENG KHAK @ CHEW WENG KIAK and DATO' TAN KING TAI @ TAN KHOON HAI retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Financial Statements

DIRECTORS' INTERESTS IN SHARES

Particulars of Directors' interest in shares 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>01.06.2003</u>	<u>Ac uired</u>	<u>Disposed</u>	<u>As at</u> <u>31.05.2004</u>
<u>DIRECT INTEREST</u>				
The Company :-				
DATO' SERI CHEW WENG KHAK				
@ CHEW WENG KIAK	8,533,194	206,500	-	8,739,694 *
CHEW CHUON JIN	848,200	-	-	848,200 *
DATO' TAN KING TAI @				
TAN KHOON HAI	1,356,809	-	-	1,356,809 *
ZAHARA BT. PAWANCIK				
P.P.N., P.J.K.	235,520	-	155,520	80,000
CHEW CHUON GHEE	327,580	125,000	-	452,580 *
KHAIRILANUAR BIN				
ABDUL RAHMAN	-	-	-	-

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>01.06.2003</u>	<u>Ac uired</u>	<u>Disposed</u>	<u>As at</u> <u>31.05.2004</u>
CHEW WENG KHAK REALTY SDN. BHD.				
DATO' SERI CHEW WENG KHAK				
@ CHEW WENG KIAK	6,188,797	155,520	-	6,344,317 *
CHEW CHUON JIN	6,188,797	155,520	-	6,344,717 *
CHEW CHUON GHEE	6,188,797	155,520	-	6,344,717 *

INDIRECT INTEREST (Continued)

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>As at</u>
	<u>01.06.2003</u>	<u>Ac uired</u>	<u>Disposed</u>	<u>31.05.2004</u>
TAN KHOON HAI SDN. BHD.				
DATO' TAN KING TAI @ TAN KHOON HAI	2,000	-	-	2,000

* Certain shares are held through nominee companies.

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 financial year, no Director of the Company has received nor become entitled to receive 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 the Director is a member or with a company in which the Director has a substantial financial interest, other than virtue of transactions entered into in 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.

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 allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written off and adequate allowance 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 allowance 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
- (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 28 to the financial statements.

OTHER STATUTORY INFORMATION (Continued)

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

In the opinion of the Directors :

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

AUDITORS

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

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

**DATO' SERI CHEW WENG KHAK @
CHEW WENG KIAK
DIRECTOR**

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

Penang

Dated: **20TH SEPTEMBER, 2004**

Financial Statements

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

We, **DATO' SERI 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 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, 2004** 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.

ON BEHALF OF THE BOARD,

**DATO' SERI CHEW WENG KHAK @
CHEW WENG KIAK**

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

Dated: **20TH SEPTEMBER, 2004**

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

I, **DATO' SERI 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' SERI CHEW WENG
KHAK @ CHEW WENG KIAK** at)

Georgetown in the State of **Penang**)

this **20TH** day of **SEPTEMBER, 2004**)

**DATO' SERI CHEW WENG
KHAK @ CHEW WENG KIAK**

BEFORE ME,

**REPORT OF THE AUDITORS TO THE MEMBERS
OF
PENSONIC HOLDINGS BERHAD
(300426 - P)
(Incorporated in Malaysia)**

We have audited the accompanying balance sheets, income statements, statements of changes in equity and cash flow 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 these 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, 2004** and of the results of the Group and of the Company and cash flow 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

- 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.

The name of the subsidiary company of which we have not acted as auditors is indicated in Note 5 to the financial statements. We have considered the financial statements of the subsidiary thereon.

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 have 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 : 1708/8/2005(J)
PARTNER

Dated: **20TH SEPTEMBER, 2004**

Financial Statements

CONSOLIDATED BALANCE SHEET AS AT 31ST MAY, 2004

	NOTE	2004 RM	2003 RM (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment	3	31,864,554	27,516,368
Intangible assets	4	35,332	37,761
Goodwill on consolidation		526,646	469,862
		<u>32,426,532</u>	<u>28,023,991</u>
CURRENT ASSETS			
Inventories	6	50,884,285	46,687,706
Trade receivables	7	32,097,947	28,376,800
Other receivables, deposits and prepayment	8	7,864,945	7,385,009
Amount owing by related companies	9	5,160,347	4,347,172
Fixed deposits, cash and bank balances	11	10,952,627	5,516,195
		<u>106,960,151</u>	<u>92,312,882</u>
CURRENT LIABILITIES			
Trade payables	12	12,310,434	8,127,921
Other payables, accruals and deposit received	13	4,346,488	2,506,599
Short term borrowings	14	33,743,281	23,549,325
Tax liabilities		178,925	156,679
		<u>50,579,128</u>	<u>34,340,524</u>
NET CURRENT ASSETS		<u>56,381,023</u>	<u>57,972,358</u>
		<u>88,807,555</u>	<u>85,996,349</u>

Financial Statements

CONSOLIDATED BALANCE SHEET AS AT 31ST MAY, 2004

	NOTE	2004 RM	2003 RM (Restated)
FINANCED BY :-			
SHARE CAPITAL	15	46,310,000	46,310,000
RESERVES	16	<u>40,577,309</u>	<u>37,805,879</u>
SHAREHOLDERS EQUITY		86,887,309	84,115,879
MINORITY INTEREST		682,626	623,246
LONG TERM AND DEFERRED LIABILITIES :-			
Hire purchase creditors	17	164,918	117,500
Long-term loan	18	-	71,441
Deferred taxation	19	1,072,702	1,068,283
Total Long Term and Deferred Liabilities		<u>1,237,620</u>	<u>1,257,224</u>
		<u>88,807,555</u>	<u>85,996,349</u>

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

Financial Statements

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31ST MAY, 2004

	NOTE	2004 RM	2003 RM (Restated)
REVENUE	20	151,879,706	120,791,608
COST OF SALES		(122,236,189)	(102,850,991)
GROSS PROFIT		29,643,517	17,940,617
OTHER OPERATING INCOME		368,883	297,969
DISTRIBUTION COSTS		(12,040,130)	(9,291,232)
ADMINISTRATION EXPENSES		(13,729,050)	(11,850,358)
PROFIT/(LOSS) FROM OPERATIONS	21	4,243,220	(2,903,004)
FINANCE COSTS	22	(819,623)	(966,206)
PROFIT/(LOSS) BEFORE TAXATION		3,423,597	(3,869,210)
INCOME TAX EXPENSE	23	(259,355)	(279,041)
PROFIT/(LOSS) AFTER TAXATION		3,164,242	(4,148,251)
PRE-ACQUISITION LOSS		-	125,351
MINORITY INTEREST		(59,380)	91,217
NET PROFIT/(LOSS) FOR THE YEAR		3,104,862	(3,931,683)
BASIC EARNINGS/(LOSS) PER SHARE (sen)	24	6.70	(8.49)

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

Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MAY, 2004

	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, 2002	46,310,000	23,763,721	407,649	4,487,540	8,716,627	6,136,722	89,822,259
Changes in accounting policy							-
- Prior year adjustment (Note 25)	-	-	(20,383)	-	-	(754,018)	(774,401)
As restated	46,310,000	23,763,721	387,266	4,487,540	8,716,627	5,382,704	89,047,858
Dividend for the financial year ended 31st May, 2002 (Note 26)	-	-	-	-	-	(1,000,296)	(1,000,296)
Net loss for the year	-	-	-	-	-	(3,962,689)	(3,962,689)
Changes in accounting policy							
- Prior year adjustment (Note 25)	-	-	-	-	-	31,006	31,006
As restated	-	-	-	-	-	(3,931,683)	(3,931,683)
Balance as at 31st May, 2003	46,310,000	23,763,721	387,266	4,487,540	8,716,627	450,725	84,115,879
Dividend for the financial year ended 31st May, 2003 (Note 26)	-	-	-	-	-	(333,432)	(333,432)
Net profit for the year	-	-	-	-	-	3,104,862	3,104,862
Balance as at 31st May, 2004	46,310,000	23,763,721	387,266	4,487,540	8,716,627	3,222,155	86,887,309

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

Financial Statements

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MAY, 2004

	NOTE	2004 RM	2003 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation		3,423,597	(3,869,210)
Adjustments for :-			
Allowance for doubtful debts		580,063	952,668
Amortisation of intangible assets			
- Trade mark		13,931	12,411
Amortisation of leasehold land and buildings		210,975	228,101
Bad debts written off		232,406	-
Depreciation of property, plant and equipment		1,251,513	1,138,263
Interest expense		831,429	976,593
Gain on disposal of property, plant and equipment		(30,291)	-
Interest income		(11,806)	(10,387)
Property, plant and equipment written off		5,443	2
Operating profit/(loss) before working capital changes		6,507,260	(571,559)
(Increase)/Decrease in inventories		(4,196,579)	10,188,868
Increase in receivables		(10,108,383)	(4,273,534)
Increase/(Decrease) in payables		19,338,388	(277,725)
Cash generated from operations		11,540,686	5,066,050
Taxes paid		(629,981)	(888,409)
Interest expense		(831,429)	(976,593)
Interest income		11,806	10,387
Net cash from operating activities		10,091,082	3,211,435
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiary s property, plant and equipment		-	(126,807)
Purchase of property, plant and equipment	27	(5,793,026)	(963,833)
Proceeds from disposal of property, plant and equipment		53,520	-
Intangible assets applied		(11,502)	(2,647)
** Acquisition of a subsidiary company net of cash acquired		-	(206,800)
Net cash used in investing activities		(5,751,008)	(1,300,087)

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

Financial Statements

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MAY, 2004

	NOTE	2004 RM	2003 RM
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of hire purchase creditors		(60,256)	(2,500)
Dividend paid		(333,432)	(1,000,296)
Repayment of term loan		(1,131,299)	(1,040,702)
Net cash used in financing activities		<u>(1,524,987)</u>	<u>(2,043,498)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,815,087	(132,150)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		<u>3,007,976</u>	<u>3,140,126</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD		<u><u>5,823,063</u></u>	<u><u>3,007,976</u></u>
 <u>CASH AND CASH EQUIVALENTS</u>			
		RM	RM
Cash and bank balances		10,793,941	5,368,305
Fixed deposits with licensed banks		158,686	147,890
Bank overdrafts		<u>(5,020,564)</u>	<u>(2,399,219)</u>
		5,932,063	3,116,976
Less : Fixed deposits pledge to licensed bank		<u>(109,000)</u>	<u>(109,000)</u>
		<u><u>5,823,063</u></u>	<u><u>3,007,976</u></u>

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

Financial Statements



During the financial year ended 31st May, 2003 the Company acquired Pensonic (H.K.) Corporation Limited. The fair value of the assets acquired and the liabilities assumed were as follows :-

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

Financial Statements

BALANCE SHEET AS AT 31ST MAY, 2004

	NOTE	2004 RM	2003 RM
NON-CURRENT ASSETS			
Property, plant and equipment	3	1	1
Investment in subsidiary companies	5	28,024,705	28,024,705
		28,024,706	28,024,706
CURRENT ASSETS			
Other receivables, deposits and prepayments	8	277,191	270,901
Amounts owing by subsidiary companies	10	51,858,744	53,237,543
Cash at banks	11	2,268,127	32,888
		54,404,062	53,541,332
CURRENT LIABILITIES			
Other payables and accruals	13	115,887	77,873
		115,887	77,873
NET CURRENT ASSETS			
		54,288,175	53,463,459
		82,312,881	81,488,165
Financed by :-			
SHARE CAPITAL	15	46,310,000	46,310,000
RESERVES	16	36,002,881	35,178,165
SHAREHOLDERS EQUITY		82,312,881	81,488,165

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

Financial Statements

	NOTE	2004 RM	2003 RM
REVENUE	20	1,950,000	780,000
OTHER OPERATING INCOME		4,000	-
ADMINISTRATIVE EXPENSES		<u>(250,569)</u>	<u>(292,099)</u>
PROFIT FROM OPERATIONS	21	1,703,431	487,901
INCOME TAX EXPENSE	23	<u>(545,283)</u>	<u>(206,787)</u>
NET PROFIT FOR THE YEAR		<u>1,158,148</u>	<u>281,114</u>

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

Financial Statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MAY, 2004

	Share capital RM	Share premium RM	Revaluation reserve RM	Retained profits RM	Total RM
Balance as at 31st May, 2002	46,310,000	23,763,721	8,130,872	4,002,754	82,207,347
Net profit for the year	-	-	-	281,114	281,114
Dividend for the financial year ended 31st May, 2002 (Note 26)	-	-	-	(1,000,296)	(1,000,296)
Balance as at 31st May, 2003	46,310,000	23,763,721	8,130,872	3,283,572	81,488,165
Net profit for the year	-	-	-	1,158,148	1,158,148
Dividend for the financial year ended 31st May, 2003 (Note 26)	-	-	-	(333,432)	(333,432)
Balance as at 31st May, 2004	46,310,000	23,763,721	8,130,872	4,108,288	82,312,881

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

Financial Statements

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MAY, 2004

Cash at banks			RM	RM
			2,268,127	32,888

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

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basic of accounting

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 the provisions of the Companies Act, 1965 and approved accounting standards issued by the Malaysian Accounting Standards Board (MASB).

In addition, the Group complies with new accounting standards that are effective for the reporting year. New accounting standards are retrospectively applied unless in cases where the standard specifically does not require comparatives or first adoption due to non availability of such information or when it is not practicable to do so.

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 2004. 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.

1.2 Basis of consolidation (Continued)

The difference between the purchase price and the fair value of the net assets of subsidiary companies at the date of acquisition is treated as goodwill or reserve on consolidation. Goodwill on consolidation is stated at cost less impairment losses if any. 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.

1.3 Property, plant and equipment and Depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, if any. Freehold land is not amortised. Leasehold land and building under construction 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 Impairment of assets

The carrying amount of the Group and Company's assets, other than inventories, assets arising from construction contracts, deferred tax assets, assets arising from employee benefits and financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset. The impairment loss is recognised in the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation surplus account to the extent of the surplus credited from the previous revaluation for the same assets with the excess of the impairment loss charged to the income statement. All reversals of an impairment loss are recognised as income immediately in the income statement except for the reversal of an impairment loss on a revalued assets where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation surplus account of the same asset.

The impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and subsequent external events have occurred that reverse the effect of the specific event. In respect of other assets, an impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.5 Intangible assets

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

1.6 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.

Impairment losses are recognised where applicable.

1.7 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.

1.8 Receivables

Known bad debts are written off and specific allowance is made for debts considered to be doubtful of collection.

1.9 Related companies

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

1.10 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.

1.11 Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and service received.

1.12 Assets acquired under hire purchase agreement

Assets financed by hire-purchase arrangements which transfer substantially all the risks and rewards of ownership to the Group are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

Finance charges are allocated to the income statement over the period of the agreements to give a constant periodic rate of charge on the remaining hire-purchase liability.

1.13 Deferred tax liabilities and assets

Deferred tax liabilities and assets are provided for under the liability method using the tax rates that have been enacted or substantially enacted by the balance sheet date in respect of all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base including unused tax losses and capital allowances.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

1.14 Income Tax Expense

Income tax expense in the financial statements for the financial year comprises current tax expense/(income) and deferred tax expense/(income).

1.15 Provisions

Provision are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.16 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.

1.16 Revenue and revenue recognition (Continued)

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 shareholders 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.

1.17 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.

The principal closing rate used in the transaction of foreign currency amounts are as follows :

	2004	2003
	RM	RM
1 United States Dollar	3.800	3.800
1 Hong Kong Dollar	0.488	0.485

1.18 Employees benefits

(i) Short term benefits

Salaries, wages, bonuses and social security contributions are recognised as an expense in the financial year in which the services are rendered by the employees of the Company. Non-monetary benefits are charged to the income statement as and when incurred.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employees Provident Fund. Such contributions are recognised as an expense in the income statement in the financial year to which they relate.

1.19 Segment information

Segment information is presented in respect of the Group's business and geographical segments. The primary reporting segment information is in respect of business segments as the Group risk and rates of return are affected predominantly by differences in the products it produces, while the secondary information is reported geographically.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise finance cost and corporate administration expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that is expected to be used for more than one period.

2. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows :

a) Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal trading activities, both external and intra-Group where the currency denomination differs from the local currency-Ringgit Malaysia (RM). The Group's policy is to minimise the exposure of overseas operating subsidiary to transaction risk by matching local currency income against local currency costs.

2. FINANCIAL RISK MANAGEMENT POLICIES (Continued)

b) Interest rate risk

The Group borrows from licensed banks at interest rates approved by Bank Negara Malaysia to finance its working capital. The interest rates are relatively competitive compared to interest rates of similar instruments in the market.

The Group places excess funds if any, with reputable bank to generate interest income for the Group. The Group manages its interest rate risk by monitoring market rates and placing such balances on varying maturities and interest rate terms.

c) Credit risk

The Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group do not require collateral in respect of financial assets.

Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures. At balance sheet date, there were no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial assets in the balance sheet.

d) Liquidity and Cash Flow risks

The Group seeks to achieve a balance between certainty of funding even in difficult times for the markets or the Group and a flexible, cost effective borrowing structure. This is to ensure that at the minimum, all projected net borrowing needs are covered by committed facilities. Also, the objective for debt maturity is to ensure that the amount of debt maturing in any one year is not beyond the Group's means to repay and refinance.

3. PROPERTY, PLANT AND EQUIPMENT

**GROUP
2004**

COST OR VALUATION

	AT 01.06.2003 RM	Adjustments RM	Additions RM	Disposals/ Written off RM	AT 31.05.2004 RM
At valuation :-					
Leasehold land	1,523,532	-	-	-	1,523,532
At cost :-					
Leasehold land and building under construction	-	-	4,106,857	-	4,106,857
Leasehold land and buildings	12,402,523	-	-	-	12,402,523
Freehold land	997,287	-	-	-	997,287
Buildings	10,611,287	-	-	-	10,611,287
Motor vehicles	3,229,442	47,855	449,203	(131,304)	3,595,196
Furniture and fittings	886,895	(96,647)	329,749	(22,191)	1,097,806
Office equipment	903,073	-	162,883	-	1,065,956
Electrical installation	366,680	-	16,039	-	382,719
Renovation	1,877,842	(6,887)	110,458	-	1,981,413
Fire protection system	355,949	-	300	-	356,249
Showcase	66,746	-	-	-	66,746
Factory fittings and equipment	372,189	-	50,155	-	422,344
Moulds	2,975,175	-	479,561	(8,700)	3,446,036
Signboard	171,978	-	4,900	-	176,878
Tools and equipment	360,983	-	81,013	-	441,996
Plant and machinery	330,757	-	20,000	-	350,757
Computer	250,932	-	83,908	-	334,840
	<u>37,683,270</u>	<u>(55,679)</u>	<u>5,895,026</u>	<u>(162,195)</u>	<u>43,360,422</u>

Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

	ACCUMULATED DEPRECIATION			NET BOOK VALUE	
	AT 01.06.2003 RM	Charge for the year RM	Disposal RM	AT 31.05.2004 RM	AT 31.05.2004 RM
At valuation :-					
Leasehold land	228,528	25,392	-	253,920	1,269,612
At cost :-					
Leasehold land and building under construction	-	-	-	-	4,106,857
Leasehold land and buildings	1,853,126	210,975	-	2,064,101	10,338,422
Freehold land	-	-	-	-	997,287
Buildings	1,319,222	197,901	-	1,517,123	9,094,164
Motor vehicles	2,283,513	275,353	(112,931)	2,445,935	1,149,261
Furniture and fittings	257,698	116,000	(16,748)	356,950	740,856
Office equipment	635,278	107,640	-	742,918	323,038
Electrical installation	177,055	22,562	-	199,617	183,102
Renovation	752,335	137,789	-	890,124	1,091,289
Fire protection system	196,969	15,942	-	212,911	143,338
Showcase	61,076	569	-	61,645	5,101
Factory fittings and equipment	216,919	25,456	-	242,375	179,969
Moulds	1,560,460	197,803	(3,843)	1,754,420	1,691,616
Signboard	130,244	11,208	-	141,452	35,426
Tools and equipment	110,799	30,748	-	141,547	300,449
Plant and machinery	169,251	17,109	-	186,360	164,397
Computer	214,429	70,041	-	284,470	50,370
	10,166,902	1,462,488	(133,522)	11,495,868	31,864,554

3. PROPERTY, PLANT AND EQUIPMENT

GROUP 2003

COST OR VALUATION

	AT 01.06.2002 RM	Ac uisition of subsidiary RM	Additions RM	Disposals RM	AT 31.05.2003 RM
At valuation :-					
Leasehold land	1,523,532	-	-	-	1,523,532
At cost :-					
Leasehold land and buildings	12,402,523	-	-	-	12,402,523
Freehold land	997,287	-	-	-	997,287
Buildings	10,611,287	-	-	-	10,611,287
Motor vehicles	3,023,436	-	288,155	(82,149)	3,229,442
Furniture and fittings	686,164	119,920	80,811	-	886,895
Office equipment	846,819	-	56,254	-	903,073
Electrical installation	347,218	-	19,462	-	366,680
Renovation	1,466,407	6,887	404,548	-	1,877,842
Fire protection system	355,949	-	-	-	355,949
Showcase	66,746	-	-	-	66,746
Factory fittings and equipment	329,270	-	42,919	-	372,189
Moulds	2,884,729	-	90,446	-	2,975,175
Signboard	170,538	-	1,440	-	171,978
Tools and equipment	298,016	-	62,967	-	360,983
Plant and machinery	330,757	-	-	-	330,757
Computer	184,101	-	66,831	-	250,932
	36,524,779	126,807	1,113,833	(82,149)	37,683,270

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

	ACCUMULATED DEPRECIATION			NET BOOK VALUE	
	AT 01.06.2002 RM	Charge for the year RM	Disposal RM	AT 31.05.2003 RM	AT 31.05.2003 RM
At valuation :-					
Leasehold land	203,136	25,392	-	228,528	1,295,004
At cost :-					
Leasehold land and buildings	1,641,369	211,757	-	1,853,126	10,549,397
Freehold land	-	-	-	-	997,287
Buildings	1,118,738	200,484	-	1,319,222	9,292,065
Motor vehicles	2,101,642	264,018	(82,147)	2,283,513	945,929
Furniture and fittings	212,393	45,305	-	257,698	629,197
Office equipment	551,516	83,762	-	635,278	267,795
Electrical installation	153,096	23,959	-	177,055	189,625
Renovation	591,317	161,018	-	752,335	1,125,507
Fire protection system	179,232	17,737	-	196,969	158,980
Showcase	60,446	630	-	61,076	5,670
Factory fittings and equipment	188,735	28,184	-	216,919	155,270
Moulds	1,371,257	189,203	-	1,560,460	1,414,715
Signboard	115,921	14,323	-	130,244	41,734
Tools and equipment	81,128	29,671	-	110,799	250,184
Plant and machinery	151,038	18,213	-	169,251	161,506
Computer	161,721	52,708	-	214,429	36,503
	8,882,685	1,366,364	(82,147)	10,166,902	27,516,368

The net book value of the Group's motor vehicles and furniture and fittings amounting to RM318,965 (2003 : 179,345) are held under hire purchase contracts.

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

COMPANY 2004

COST	At	Addition	Disposal	At
	01.06.2003			31.05.2004
	RM	RM	RM	RM
Motor vehicle	393,776	-	-	393,776

ACCUMULATED DEPRECIATION				NET BOOK VALUE	
	At	Charge for	Disposal	At	At
	01.06.2003	the year	RM	31.05.2004	31.05.2004
	RM	RM	RM	RM	RM
Motor vehicle	393,775	-	-	393,775	1

COMPANY 2003

COST	At	Addition	Disposal	At
	01.06.2002			31.05.2003
	RM	RM	RM	RM
Motor vehicle	393,776	-	-	393,776

ACCUMULATED DEPRECIATION				NET BOOK VALUE	
	At	Charge for	Disposal	At	At
	01.06.2002	the year	RM	31.05.2003	31.05.2003
	RM	RM	RM	RM	RM
Motor vehicle	393,775	-	-	393,775	1

3. 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	
	2004	2003
	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. Pursuant to the transitional provisions of MASB 15, 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	RM
2004			
Leasehold land	1,115,883	204,578	911,305
	<u>1,115,883</u>	<u>204,578</u>	<u>911,305</u>
2003			
Leasehold land	1,115,883	185,980	929,903
	<u>1,115,883</u>	<u>185,980</u>	<u>929,903</u>

4. INTANGIBLE ASSETS

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
a) Trade mark :				
Cost				
As at 1st June	99,012	96,365	-	-
Add : Addition during the year	11,502	2,647	-	-
As at 31st May	<u>110,514</u>	<u>99,012</u>	-	-
Accumulated amortisation				
As at 1st June	61,251	48,840	-	-
Add : Amortisation during the year	13,931	12,411	-	-
As at 31st May	<u>75,182</u>	<u>61,251</u>	-	-
As at 31st May	<u>35,332</u>	<u>37,761</u>	-	-

Financial Statements

5. INVESTMENT IN SUBSIDIARY COMPANIES

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 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)	(200,000)
	-	-	28,024,705	28,024,705

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.

Particulars of the subsidiary companies are as follows :-

<u>Name of company</u>	<u>Principal activities</u>	<u>Effective interest</u>		<u>Country of incorporation</u>
		2004	2003	
Keat Radio Co. Sdn. Bhd.	Manufacturing, assembling and sale of electrical and electronic home appliances	100%	100%	Malaysia
Pensonic Sales & Service Sdn. Bhd.	Assembling and sale of electrical and electronic home appliances	100%	100%	Malaysia
Pensonic Corporation Sdn. Bhd.	Dealing in all kinds of electrical products and operators of licensed manufacturing warehouse	100%	100%	Malaysia
Pensia Electronic Sdn. Bhd.	Manufacturing, assembling, and sale of electrical and electronic home appliances	100%	100%	Malaysia

5. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

<u>Name of company</u>	<u>Principal activities</u>	<u>Effective interest</u>		<u>Country of incorporation</u>
		2004	2003	
Pensia Industries Sdn. Bhd.	Manufacturing, assembling and sale of electrical and electronic home appliances	100%	100%	Malaysia
Pensia Air Conditioners Sdn. Bhd.	Assembling and sales of electrical and electronic product.	100%	100%	Malaysia
Epicson Sales & Service Sdn. Bhd.	Dealing in electronic products and electrical home appliances.	100%	100%	Malaysia
Subsidiaries of Keat Radio Co. Sdn. Bhd.				
Pensonic Industries Sdn. Bhd.	Dealing in electrical and electronics items	60%	60%	Malaysia
Pensonic Part & Services Sdn. Bhd	Dealing in electrical and electronics items	60%	60%	Malaysia
* Pensonic (H.K.) Corporation Limited	Dealing in electrical and electronics items	98%	98%	Hong Kong

* The subsidiary company is not audited by us.

6. INVENTORIES

	GROUP	
	2004	2003
	RM	RM
Raw materials	8,361,660	8,517,716
Finished goods	42,522,625	38,169,990
	<u>50,884,285</u>	<u>46,687,706</u>

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

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7. TRADE RECEIVABLES

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Amounts due :-				
- within 1 year	27,917,580	23,194,547	-	-
- after 1 year	4,766,597	6,134,921	-	-
	<u>32,684,177</u>	<u>29,329,468</u>	-	-
Less : Allowance for doubtful debts	(586,230)	(952,668)	-	-
	<u>32,097,947</u>	<u>28,376,800</u>	-	-

The allowance for doubtful debts is net of bad debts written off as follows :-

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Bad debts written off	232,406	-	-	-

8. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Other receivables, deposits and prepayments	5,945,107	5,862,311	187,289	179,000
Tax recoverable	1,919,838	1,522,698	89,902	91,901
	<u>7,864,945</u>	<u>7,385,009</u>	<u>277,191</u>	<u>270,901</u>

9. AMOUNT OWING BY RELATED COMPANIES

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

10. AMOUNT OWING BY SUBSIDIARY COMPANIES

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

11. FIXED DEPOSITS, CASH AND BANK BALANCES

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Fixed deposits with licensed banks	158,686	147,890	-	-
Cash and bank balances	10,793,941	5,368,305	2,268,127	32,888
	<u>10,952,627</u>	<u>5,516,195</u>	<u>2,268,127</u>	<u>32,888</u>

Included in the fixed deposits with licensed banks of the Group are fixed deposits RM109,000 (2003 : RM109,000) pledged to licensed bank for banking facilities granted to the Group.

12. TRADE PAYABLES

The credit terms of trade payables range from 30 days to 90 days.

13. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Other payables	2,842,411	1,389,627	9,004	7,873
Accruals and deposit received	1,440,393	1,086,972	106,883	70,000
Hire purchase creditors (Note 17)	63,684	30,000	-	-
	<u>4,346,488</u>	<u>2,506,599</u>	<u>115,887</u>	<u>77,873</u>

14. SHORT-TERM BORROWINGS - SECURED

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Bank overdrafts	5,020,564	2,399,219	-	-
Bills payables - secured	28,692,508	20,060,039	-	-
Term loan (Note 18)	30,209	1,090,067	-	-
	<u>33,743,281</u>	<u>23,549,325</u>	<u>-</u>	<u>-</u>

The bank borrowings and other banking facilities bear interest ranging from 1.25% 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 3 (i) to the financial statements.
- ii) Fixed deposits belonging to subsidiary companies as disclosed in Note 11 to the financial statements.
- iii) Fresh Corporate Guarantee by the Company.
- iv) Trade Financing General Agreement.
- v) Trade Financing General Agreement for Islamic Financing.
- vi) Negative pledge.

15. SHARE CAPITAL

	COMPANY	
	2004	2003
	RM	RM
Ordinary shares of RM1 each		
Authorised :-	<u>100,000,000</u>	<u>100,000,000</u>
Issued and fully paid-up :-	<u>46,310,000</u>	<u>43,610,000</u>

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 were 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, 2004 is 11,345,000 (2003 : 11,345,000).

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16. RESERVES	GROUP		COMPANY	
	2004 RM	2003 RM (Restated)	2004 RM	2003 RM
<u>Non-Distributable :-</u>				
a) Revaluation reserve :				
As at 31st May	387,266	387,266	8,130,872	8,130,872
b) Capital reserve :				
As at 31st May	4,487,540	4,487,540	-	-
c) Share premium :				
As at 31st May	23,763,721	23,763,721	23,763,721	23,763,721
d) Reserve on Consolidation :				
As at 31st May	8,716,627	8,716,627	-	-
<u>Distributable :-</u>				
e) Retained profits				
As at 1st June	450,725	5,413,710	3,283,572	4,002,754
Profit/(Loss) during the year	3,104,862	(3,962,689)	1,158,148	281,114
Dividends	(333,432)	(1,000,296)	(333,432)	(1,000,296)
As at 31st May	3,222,155	450,725	4,108,288	3,283,572
TOTAL RESERVES				
Total reserves at 31st May are analysed as follows :				
Distributable	3,222,155	450,725	4,108,288	3,283,572
Non-distributable	37,355,154	37,355,154	31,894,593	31,894,593
	40,577,309	37,805,879	36,002,881	35,178,165

17. HIRE PURCHASE CREDITORS

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Amounts payable within :-				
1 year after balance sheet date	63,684	30,000	-	-
More than 1 year but not later than 5 years	164,918	117,500	-	-
	<u>228,602</u>	<u>147,500</u>	-	-

18. TERM LOAN - SECURED

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Amounts payable within :-				
1 year after balance sheet date	30,209	1,090,067	-	-
More than 1 year but not later than 5 years	-	71,441	-	-
	<u>30,209</u>	<u>1,161,508</u>	-	-

Term loan bears interest ranging from 1.5% to 1.75% per annum above the banks base lending rates and is secured by charges as mentioned in Note 14.

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19. DEFERRED TAXATION

	GROUP		COMPANY	
	2004 RM	2003 RM (Restated)	2004 RM	2003 RM
As at 1st June			-	-
As restated	1,068,283	-		
As previously reported	-	307,382		
Prior year adjustment (Note 25)	-	743,395	-	-
As restated	1,068,283	1,050,777	-	-
Transfer from income statement	4,419	17,506		
	<u>1,072,702</u>	<u>1,068,283</u>	<u>-</u>	<u>-</u>

As at 31st May, 2004 there were no other temporary differences on which deferred taxation liability has not been provided (2003 : Nil).

20. REVENUE

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
Sale of goods	151,879,706	120,791,608	-	-
Dividend income	-	-	1,950,000	780,000
	<u>151,879,706</u>	<u>120,791,608</u>	<u>1,950,000</u>	<u>780,000</u>

21. PROFIT/(LOSS) FROM OPERATIONS

Profit/(Loss) from operations has been determined after inclusion of the following charges and credits :-

	GROUP		COMPANY	
	2004 RM	2003 RM (Restated)	2004 RM	2003 RM
After charging :-				
Allowance for doubtful debts	580,063	952,668		
Audit fee	79,338	67,500	9,000	9,000
Amortisation of leasehold land and buildings	210,975	228,101	-	-
Amortisation of intangible assets :-				
- Trade mark	13,931	12,411	-	-
Bad debts written off	232,406	-	-	-
Directors remuneration (Note a)	723,500	671,294	80,000	61,000
Depreciation of property, plant and equipment	1,251,513	1,138,263	-	-
Lease rental for land and building	223,878	-		
Loss on foreign exchange - realised	35,551	18,467	-	-
Loss on disposal of property, plant and equipment	1,208	-	-	-
Property, plant and equipment written off	5,443	2	-	-
Research expenses written off	9,953	-		
Rental of premises :-				
- paid to third parties	300,491	446,860	-	-

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21. PROFIT/(LOSS) FROM OPERATIONS (Continued)

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
	(Restated)			
And crediting :-				
Gain on disposal of property, plant and equipment	31,499	-	-	-
Gross dividend received from subsidiary companies	-	-	1,950,000	780,000
Other income	4,000	33,167	4,000	-
Patent fee received	-	8,386	-	-
Rental received	283,289	180,000	-	-
(a) Directors remuneration				
Executive Directors				
- salaries	572,000	558,000	-	-
- bonuses	71,500	52,294	-	-
- fees	70,000	44,000	70,000	44,000
Total	713,500	654,294	70,000	44,000
Non-Executive Directors				
- fees	10,000	17,000	10,000	17,000
Total	723,500	671,294	80,000	61,000

	Number of directors			
	2004		2003	
	Executive Directors	Non- Executive Directors	Executive Directors	Non- Executive Directors
<u>Directors of the Group</u>				
Below RM50,000	1	1	2	2
RM50,000 - RM100,000	1	-	-	-
RM100,000 - RM150,000	1	-	1	-
RM150,000 - RM200,000	1	-	1	-
RM200,000 - RM250,000	-	-	-	-
RM250,000 - RM300,000	-	-	1	-
RM300,000 - RM350,000	1	-	-	-

22. FINANCE COSTS

	GROUP		COMPANY	
	2004	2003	2004	2003
	RM	RM	RM	RM
	(Restated)			
Bank interest	104,705	118,617	-	-
Banker acceptance interest	666,548	716,646		
Term loan interest	50,277	140,873	-	-
Hire purchase interest	9,899	457	-	-
	831,429	976,593	-	-
Fixed deposits interest received	(8,305)	(5,704)	-	-
Other interest	(3,501)	(4,683)	-	-
	819,623	966,206	-	-

23. INCOME TAX EXPENSE

	GROUP		COMPANY	
	2004	2003	2004	2003
	RM	RM	RM	RM
	(Restated)			
Current tax expenses	103,200	141,300	-	-
Under / (Over) provision in prior year	151,736	151,241	(717)	(11,613)
Tax deducted at source	-	-	546,000	218,400
Deferred taxation	4,419	(13,500)	-	-
	259,355	279,041	545,283	206,787

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23. INCOME TAX EXPENSE (Continued)

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective tax rate of the Company is as follows :-

	GROUP		COMPANY	
	2004 RM	2003 RM	2004 RM	2003 RM
		(Restated)		
Reconciliation of income tax expense :-				
Profit/(Loss) before taxation	3,423,597	(3,869,210)	1,703,431	487,901
Taxation at Malaysian Statutory tax rate 28% (2003 : 28%)	991,808	(555,956)	-	-
Taxation at Foreign Statutory tax rate 17.50% (2003 : 17.50%)	(42,838)	(320,720)	476,960	136,613
Non-deductible expenses	281,171	251,705	69,040	81,787
Underprovision in prior years	151,736	151,241	(717)	(11,613)
Tax incentive and allowance	(624,517)	(243,628)	-	-
Income not subject to tax	(503,100)	(300)	-	-
Tax losses and capital allowance not recognised	78,095	996,699	-	-
Utilisation of unabsorbed capital allowance	(38,000)	-	-	-
Utilisation of unabsorbed losses	(35,000)	-	-	-
	259,355	279,041	545,283	206,787

23. INCOME TAX EXPENSE (Continued)

The disproportionate tax charge in relation to the results of the Group for the current year is mainly due to available tax reliefs for tax purposes.

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

The Group has tax credit of approximately RM15,921,454 (2003 : RM2,158,595) under Section 108 of the Income Tax Act, 1967 and tax exempt income available for distribution amounting to approximately RM4,023,055 (2003 : RM65,610) to frank the payment of future dividends subject to the agreement by the Inland Revenue Board Malaysia.

As at 31st May, 2004, the Group has a potential deferred tax of approximately RM52,300 (2003 : RM Nil) arising principally from unutilised tax losses and unabsorbed capital allowances carried forward. Deferred tax assets have not been recognised in respect of these items as there is no probability that future income stream will be sufficient to allow the benefit to be realised.

24. BASIC EARNINGS/(LOSS) PER SHARE

The basic earnings/(loss) per share has been calculated on after tax group earnings/(loss) of RM3,104,862 (2003: (RM3,931,683)) and on the number of ordinary shares during the year of 46,310,000 (2003: ordinary shares of 46,310,000).

25. CHANGES IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENT

(a) Changes in Accounting Policy

During the financial year, the Group adopted new MASB Standards, namely MASB 25 Income Taxes and MASB 29 Employee Benefits, which became effective during the financial year and accordingly certain accounting policies have been modified. The changes in accounting policy which resulted in prior year adjustment are stated belows :-

i) MASB 25 : Income Taxes

Under MASB 25, deferred tax liabilities are recognised for all taxable temporary differences. Previously, deferred tax liabilities were provided for on account of material timing differences only to the extent that a tax liability was expected to materialise in the foreseeable future. In addition, the group and the Company have commenced recognition of deferred tax assets for all deductible temporary differences, when it is probable that sufficient taxable profit will be available against which the deductible temporary differences can be utilised. Previously, deferred tax assets were not recognised unless there was reasonable expectation of their realisation.

ii) MASB 29 : Employee Benefits

Under MASB 29, Employee Benefits is applied retrospectively. The adoption of this standard has no effect on these financial statements.

25. CHANGES IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENT (Continued)

(b) Prior Year Adjustment

The Changes in accounting policy has been applied retrospectively and comparative figures have been restated. The effects of changes in accounting policy is as follows:-

	GROUP	
	2004	2003
	RM	RM
<u>Retained profits</u>		
As at 1st June - As previously reported	1,173,737	6,136,722
Effects of adopting MASB 25	<u>(723,012)</u>	<u>(754,018)</u>
As at 1st June - As restated	<u>450,725</u>	<u>5,382,704</u>
<u>Deferred tax liabilities</u>		
As at 1st June - As previously reported	324,888	307,382
Effects of adopting MASB 25	<u>743,395</u>	<u>774,401</u>
As at 1st June - As restated	<u>1,068,283</u>	<u>1,081,783</u>
<u>Net loss for the year</u>		
Net loss for the year before changes in accounting policy	-	(3,962,689)
Effects of adopting MASB 25	<u>-</u>	<u>31,006</u>
Net loss for the year - As restated	<u>-</u>	<u>(3,931,683)</u>

26. DIVIDEND

	GROUP		COMPANY	
	2004	2003	2004	2003
	RM	RM	RM	RM
Final dividend of 3% (2003 : 1%) less tax at 28% in respect of financial year ended 31st May	1,000,296	333,432	1,000,296	333,432

The Board of Directors propose a first and final dividend on ordinary shares of 3% less tax amounting to RM1,000,296 in respect of the current financial year. This dividend is not recognised as a liability at the balance sheet date and will be accounted for as an appropriation of retained profits in the financial year ending 31st May, 2005 when approved by shareholders.

27. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM5,895,026 (2003: RM1,113,833) of which of RM102,000 (2003 : RM150,000) was acquired by terms of hire purchase. Cash payment of RM5,793,026 (2003 : RM963,833) was acquired to purchase property, plant and equipment.

28. CONTINGENT LIABILITIES

	COMPANY	
	2004	2003
	RM	RM
Guarantees given to bankers in respect of bank facilities granted to certain subsidiary companies - unsecured	91,906,000	81,200,000

29. CAPITAL COMMITMENT

	GROUP		COMPANY	
	2004	2003	2004	2003
	RM	RM	RM	RM
Contracted but not provided for	6,386,995	523,785	-	-

30. SEGMENT REPORTING

i) Business Segments

The Group operations comprise the following business segments :-

- Investment holding : The long term investment in unquoted shares.
- Manufacturing and assembling : The manufacturing and assembling of electrical home appliances.
- Trading : The sales and servicing of electrical home appliances.

2004	Manufacturing and Investment Holding			Elimination RM	Consolidation RM
	Holding RM	Assembling RM	Trading RM		
Revenue					
External revenue	-	27,953,429	123,926,277	-	151,879,706
Inter-Segment revenue	1,950,000	124,567,648	478,069	(126,995,717)	-
Total revenue	1,950,000	152,521,077	124,404,346	(126,995,717)	151,879,706
Result					
Segment result (external)	(246,569)	677,850	3,811,939		4,243,220
Finance costs					(819,623)
Profit before taxation					3,423,597
Income tax expense					(259,355)
Profit after taxation					3,164,242
Minority interest					(59,380)
Net profit for the year					3,104,862

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30. SEGMENT REPORTING (Continued)

	Investment Holding RM	Manufacturing and Assembling RM	Trading RM	Consolidation RM
Other information				
Segment assets	2,368,417	77,228,123	57,343,659	136,940,199
Unallocated corporate assets	89,902	1,727,393	102,543	1,919,838
Consolidated total assets	<u>2,458,319</u>	<u>78,955,516</u>	<u>57,446,202</u>	<u>138,860,037</u>
Segment liabilities	115,887	40,377,492	10,071,742	50,565,121
Unallocated corporate liabilities	-	802,602	449,025	1,251,627
Consolidated total liabilities	<u>115,887</u>	<u>41,180,094</u>	<u>10,520,767</u>	<u>51,816,748</u>
Capital expenditure	-	5,340,511	554,515	5,895,026
Depreciation	-	792,625	458,888	1,251,513
Non-cash expenses other than depreciation	-	104,412	938,406	1,042,818

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30. SEGMENT REPORTING (Continued)

2003	Investment and Holding RM	Manufacturing and Assembling RM	Trading RM	Elimination RM	Consolidation RM (Restated)
Revenue					
External revenue	-	16,782,412	104,009,196	-	120,791,608
Inter-Segment revenue	780,000	92,069,103	406,904	(93,256,007)	-
Total revenue	<u>780,000</u>	<u>108,851,515</u>	<u>104,416,100</u>	<u>(93,256,007)</u>	<u>120,791,608</u>
Result					
Segment result (external)	(292,099)	(1,736,510)	(874,395)		(2,903,004)
Finance costs					<u>(966,206)</u>
Loss before taxation					(3,869,210)
Income tax expense					<u>(279,041)</u>
Loss after taxation					(4,148,251)
Pre-acquisition loss					125,351
Minority interest					<u>91,217</u>
Net loss for the year					<u><u>(3,931,683)</u></u>

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30. SEGMENT REPORTING (Continued)

	Investment Holding RM	Manufacturing and Assembling RM	Trading RM	Consolidation RM (Restated)
Other information				
Segment assets	124,889	69,423,756	48,795,668	118,344,313
Unallocated corporate assets	91,901	1,328,104	102,693	1,522,698
Consolidated total assets	216,790	70,751,860	48,898,361	119,867,011
Segment liabilities	77,873	24,364,424	9,930,489	34,372,786
Unallocated corporate liabilities	-	789,483	435,479	1,224,962
Consolidated total liabilities	77,873	25,153,907	10,365,968	35,597,748
Capital expenditure	-	548,910	564,923	1,113,833
Depreciation	-	681,242	457,021	1,138,263
Non-cash expenses other than depreciation	-	128,508	1,064,674	1,193,182

30. SEGMENT REPORTING (Continued)

ii) Geographical Segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are also based on the geographical location of assets.

	Revenue		Total assets		Capital expenditure	
	2004	2003	2004	2003	2004	2003
	RM	RM	RM	RM	RM	RM
Malaysia	131,194,862	109,833,236	128,970,766	114,714,827	3,252,348	1,052,192
* Outside Malaysia	20,684,844	10,958,372	7,969,433	3,629,486	2,642,678	61,641
	<u>151,879,706</u>	<u>120,791,608</u>	136,940,199	118,344,313	<u>5,895,026</u>	<u>1,113,833</u>
Unallocated assets			<u>1,919,838</u>	<u>1,522,698</u>		
			<u>138,860,037</u>	<u>119,867,011</u>		

Inter segment pricing is determined on an arm's length basis.

* Includes various countries across Asia and Middle East.

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	COMPANY	
	2004	2003
	RM	RM
Gross dividend received from subsidiary company :-		
- Pensonic Sales & Service Sdn. Bhd.	1,950,000	780,000
Advances to subsidiary companies :-		
- Keat Radio Co. Sdn. Bhd.	-	872,706
	<u> </u>	<u> </u>

- (b) Directors related transactions

	GROUP	
	2004	2003
	RM	RM
Directors fee payable to :-		
- Dato Seri 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 and Khairilnuar Bin Abdul Rahman	80,000	61,000
Directors salaries and bonuses :-		
- Dato Seri 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	643,500	610,294
	<u> </u>	<u> </u>

31. 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	
	2004	2003
	RM	RM
Purchase of raw materials from Pensia Plastic Industries Sdn. Bhd.	6,589,606	3,271,777
Electricity charges paid by Pensia Plastic Industries Sdn. Bhd.	338,000	205,900
Factory rental paid by Pensia Plastic Industries Sdn. Bhd.	<u>180,000</u>	<u>180,000</u>

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

32. 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

	2004	2003
	RM	RM
Staff costs	<u>7,436,161</u>	<u>6,097,687</u>

The number of employees for the Group (excluding directors) at the end of the financial year was 487 (2003 : 400).

- (c) The Company is a public limited liability Company, incorporated and domiciled in Malaysia, and listed on the Second Board of Bursa Malaysia Securities Berhad.

33. FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying amounts and estimated fair values of financial instruments of the Group and Company as at 31st May, 2004 are as follows :-

	GROUP		COMPANY	
	Carrying Amounts RM	Fair Value RM	Carrying Amounts RM	Fair Value RM
<u>Financial Assets</u>				
Trade receivables	32,097,947	32,097,947	-	-
Other receivables	4,526,061	4,526,061	-	-
Amount owing by related companies	5,160,347	5,160,347	-	-
Fixed deposits, cash and bank balances	10,952,627	10,952,627	2,268,127	2,268,127
<u>Financial Liabilities</u>				
Trade payables	12,310,434	12,310,434	-	-
Other payables	2,842,411	2,842,411	9,004	9,004
Short term borrowings	33,743,281	33,743,281	-	-

The following methods and assumptions are used to estimate the fair value of each class of financial instruments :

a) Fixed deposits, cash and bank balances

The carrying amount of fixed deposits, cash and bank balances approximates fair value due to the relatively short term maturity of these instruments.

b) Trade and other receivables and payables

The historical cost carrying amount of receivables and payables subject to normal trade credit terms approximates fair value. The carrying amounts of other receivables and payables are reasonable estimates of fair value because of their short maturity.

c) Borrowings

The carrying amount of short term borrowings approximated fair value because of the short period to maturity of those instruments. The fair value of long term borrowings is estimated based on the quoted market prices for the same or similar issues or on the current rates available for borrowings with the same maturity profile.

34. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

The comparative figures stated are in respect of the year ended 31st May, 2003.

	2003 GROUP	
	As restated RM	As previously reported RM
CONSOLIDATED BALANCE SHEET		
Goodwill on consolidation	469,862	-
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY		
Reserve on consolidation	8,716,627	8,246,765
Revaluation reserve	387,266	407,649
CONSOLIDATED INCOME STATEMENT		
Cost of sales	102,850,991	103,567,637
Gross profit	17,940,617	17,223,971
Finance costs - Banker acceptance interest	966,206	259,947
Other operating income	297,969	308,356

35. DATE OF AUTHORISATION OF ISSUE

The financial statements were authorised for issue by the Board of Directors on 20th September, 2004.

ist Of Properties Owned by the Group

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 31.05.2004 RM
KRC	Plot 5, Tingkat Perusahaan 6, Phase 4, Prai Industrial Estate, 13600 Prai, Penang.	Industrial land with Factory, warehouse and office	11	Leasehold Expiring in 2052	184,410 acres/ 40,000 sq.ft.	1,916,986
KRC	17, Solok Gurney 1, 10250 Penang	Double storey Residential Building	21	Freehold	2,777 sq.ft/ 3,026 sq.ft.	379,987
KRC	158,160 & 162, Jalan Perak, 10150 Penang.	Shop/ warehouse	Pre-war	Freehold	4,945 sq.ft/ 4,945 sq.ft.	427,318
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	7	Leasehold	7,200 sq.ft/ 7,200 sq.ft.	410,771
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	21	Leasehold Expiring in 2075	624 sq.ft/ 624 sq.ft.	430,297

Registered Owner	Location	Description And Existing Use	Approximately Age of Buildings (Yrs)	Tenure	Land/ Built-Up Area	Net Book Value At 31.05.2004 RM
PENSONIC INDUSTRIES	Shoplot B1.1.29 Komtar, Penang.	Shoplot	21	Leasehold Expiring in 2075	312 sq.ft.	147,370
PENSIA ELECTRONIC	Plot 98, MK.11, Bukit Tengah Industrial Park, SPT, Prai, Penang.	Industrial land with warehouse and office	7	Leasehold Expiring in 2054	3.05632 acres	6,149,768
PSS	Lot 4, Towering Industrial Centre, 4 Miles Penampang, 88300 Kota Kinabalu, Sabah.	Warehouse and office	12	Leasehold Expiring in 2037	2700 sq.ft.	307,619
PSS	Lot 11-B, Jalan 223, Section 51A, 46100 Petaling Jaya, Selangor.	Factory Building and Office	12	Leasehold Expiring in 2069	43560 sq.ft.	10,717,977
PSS	31, Laluan Perusahaan Kledang 9, Kawasan Perindustrian Chandan Raya, 31450 Menglembu.	Factory Building and Office	7	Leasehold Expiring in 2082	5494 sq.ft.	372,861
PENSIA INDUSTRIES	Plot 215, MK.13, Bukit Minyak Industrial Park, SPT, Prai, Penang	Industrial land with factory building	1	Leasehold Expiring in 2064	3.00003 acres	4,106,857

SHAREHOLDINGS STATISTICS AS AT 30TH SEPTEMBER, 2004

Class of Securities	:	Ordinary Shares of RM1.00 each
	:	Warrants expiring on 4 January 2006 and 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.
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.
No. of outstanding warrants	:	11,345,000
Number of shareholders	:	3,948
Number of warranholders	:	1,409

Distribution Schedule of Ordinary Shares as at 30th September 2004

<u>No. of Holders</u>	<u>Size of Holdings</u>	<u>Total Holdings</u>	<u>% of total issued capital</u>
6	Less than 100 shares	201	0.00
509	101 to 1,000 shares	469,409	1.01
3,052	1,001 to 10,000 shares	10,280,076	22.20
341	10,001 to 100,000 shares	8,364,400	18.06
36	100,001 to less than 5% of issued shares	13,634,010	29.44
4	5% and above of issued shares	13,561,904	29.29
3,948		46,310,000	100.00

PENSONIC HOLDINGS BERHAD (300426-P)			
LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 30TH SEPTEMBER, 2004			
No.	Names	No. of Shares	
1	Mayban Nominees (Tempatan) Sdn.Bhd. pledged securities a/c for Chew Weng Khak @ Chew Weng Kiak	5,000,000	10.80
2	Chew Weng Khak Realty Sdn.Bhd.	3,333,797	7.20
3	Chew Weng Khak @ Chew Weng Kiak	2,648,107	5.72
4	Permodalan Nasional Berhad	2,580,000	5.57
5	Amfinance Berhad pledged securities a/c for Chew Weng Khak Realty Sdn.Bhd.	2,000,000	4.32
6	Chew Weng Khak Realty Sdn.Bhd.	1,010,520	2.18
7	The Kulim-Baling Road Transport Company, Sdn.Bhd.	1,000,000	2.16
8	Tay Keng	927,500	2.00
9	OSK Securities Berhad – IVT (LH)	677,423	1.46
10	Citicorp Nominees (Tempatan) Sdn.Bhd. pledged securities a/c for Chew Weng Khak @ Chew Weng Kiak	652,600	1.41
11	Affin-Acf Nominees (Tempatan) Sdn.Bhd. pledged securities a/c for Tan King Tai @ Tan Khoon Hai	505,000	1.09
12	Metro Genesis Sdn. Bhd.	495,300	1.07
13	Chew Chuon Fang	487,100	1.05
14	Amfinance Berhad pledged securities a/c for Chew Chuon Jin	450,000	0.97
15	Orchid City Sdn.Bhd.	407,000	0.88
16	Citicorp Nominees (Tempatan) Sdn.Bhd. pledged securities a/c for Tan King Tai @ Tan Khoon Hai	400,000	0.86
17	Chew Chuon Jin	398,200	0.86
18	The Kulim-Baling Road Transport Company, Sdn.Bhd.	300,000	0.65
19	Pee Yu Chi	254,000	0.55
20	Amfinance Berhad pledged securities a/c for Tan King Tai @ Tan Khoon Hai	250,000	0.54
21	Amfinance Berhad pledged securities a/c for Chew Chuon Ghee	250,000	0.54
22	Tan Yong Siang	249,500	0.54
23	Tan Ah Nya @ Tan Bee Tiang	245,200	0.53
24	Chew Weng Khak @ Chew Weng Kiak	238,887	0.52
25	Chew Weng Khak @ Chew Weng Kiak	200,000	0.43
26	Muafakat Rakyat Johor Sdn.Bhd.	200,000	0.43
27	Chan Phaik Gnoh	199,700	0.43
28	Tay Siew Kim	188,000	0.41
29	TA Nominees (Tempatan) Sdn.Bhd. pledged securities a/c for Chua Eng Ho Waa @ Chua Eng Wah	182,500	0.39
30	Southern Nominees (Tempatan) Sdn. Bhd. pledged securities a/c for Tan King Tai @ Tan Khoon Hai	170,000	0.37
	Total	25,900,334	55.93

SUBSTANTIAL SHAREHOLDERS AS AT 30TH SEPTEMBER 2004

<u>Name of Shareholder</u>	← NO. OF SHARES HELD →			
	<u>DIRECT</u>		<u>INDIRECT</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
Y.Bhg. Dato' Seri Chew Weng Khak @ Chew Weng Kiak	8,739,594	18.87	* 6,344,317	13.69
Chew Weng Khak Realty Sdn Bhd	6,344,317	13.69	-	-
Permodalan Nasional Berhad	2,580,000	5.57	-	-

* Held through Chew Weng Khak Realty Sdn. Bhd.

STATEMENT OF DIRECTORS' SHAREHOLDINGS
As at 30th September 2004

	<u>Direct</u>		<u>Deemed</u>	
	No. of Shares	% of Issued Share Capital	No. of Shares	% of Issued Share Capital
Y.Bhg. Dato' Seri Chew Weng Khak @ Chew Weng Kiak	8,739,594 *	18.87	@ 6,344,317	13.69
Chew Chuon Jin	848,200 *	1.83	@ 6,344,317	13.69
Dato' Tan King Tai @ Tan Khoon Hai	1,407,809 *	3.03	2,000	0.00
Zahara Binti Pawanchik	80,000	0.17	-	-
Chew Chuon Ghee	423,580 *	0.91	@ 6,344,317	13.69
Khairilnuar Bin Abdul Raman	-	-	-	-

Note

* Certain shares are held through nominees companies

@ Held through Chew Weng Khak Realty Sdn. Bhd.
Held through Tan Khoon Hai Sdn. Bhd.

Distribution Schedule of Warrants as at 30th September, 2004

<u>No. of Warrants</u>	<u>Size of Holdings</u>	<u>Total Warrants</u>	<u>% of total issued Warrants</u>
0	Less than 100 shares	0	0.00
816	101 to 1,000 shares	672,232	5.92
499	1,001 to 10,000 shares	1,923,775	16.96
77	10,001 to 100,000 shares	2,172,067	19.15
14	100,001 to less than 5% of issued shares	3,345,554	29.49
3	5% and above of issued shares	3,231,372	28.48
1,409		11,345,000	100.00

PENSONIC HOLDINGS BERHAD (300426-P)			
LIST OF THIRTY LARGEST WARRANTHOLDERS AS AT 30TH SEPTEMBER, 2004			
No.	Names	No. of Warrants	
1	Chew Weng Khak Realty Sdn.Bhd.	1,333,449	11.75
2	Mayban Nominees (Tempatan) Sdn.Bhd. pledged securities a/c for Chew Weng Khak @ Chew Weng Kiak	1,250,000	11.02
3	OSK Securities Berhad – IVT (LH)	647,923	5.71
4	Chew Weng Khak @ Chew Weng Kiak	538,027	4.74
5	Phnuah Farn Farn	369,639	3.26
6	Orchid City Sdn.Bhd.	303,638	2.68
7	Tay Keng	297,000	2.62
8	Phnuah Farn Farn	251,000	2.21
9	Tan King Tai @ Tan Khoon Hai	241,500	2.13
10	HLB Nominees (Tempatan) Sdn.Bhd. pledged securities a/c for Tey Choon Hee	220,800	1.95
11	Tan Bak Fook @ Tang Kiat	209,500	1.85
12	Chew Chuon Jin	202,050	1.78
13	Chan Mei Cheng	171,400	1.51
14	Metro Genesis Sdn.Bhd.	161,400	1.42
15	Tay Siew Kim	142,000	1.25
16	Tay Keng	123,500	1.09
17	Chew Chuon Fang	114,100	1.00
18	Citicorp Nominees (Tempatan) Sdn.Bhd. pledged securities a/c for Tan King Tai @ Tan Khoon Hai	100,000	0.88
19	Teh Giek Hooi	100,000	0.88
20	Liew Sow Ying	94,000	0.83
21	Chan Mei Cheng	93,000	0.82
22	Chew Chuon Ghee	74,395	0.66
23	Tan Kim Hong	65,000	0.57
24	Wong Keck Lone	64,000	0.56
25	Ong Sheng Yan @ Wong Jiun Leian	55,000	0.48
26	Chew Weng Khak @ Chew Weng Kiak	50,000	0.44
27	Gan Pua @ Gan Tiong Phua	50,000	0.44
28	Mayban Securities Nominees (Tempatan) Sdn.Bhd. pledged securities a/c for Vivekanandan A/L Ams. Periasamy	46,400	0.41
29	Teng Tung Kiaw	46,000	0.41
30	Neoh Cher Leong	45,000	0.40
	Total	7,459,721	65.75

Analysis Of Shareholdings Warrant Holdings

SUBSTANTIAL WARRANTHOLDERS AS AT 30TH SEPTEMBER, 2004

<u>Name of Warrantholder</u>	← NO. OF WARRANTS HELD →			
	<u>DIRECT</u>		<u>INDIRECT</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
Y.Bhg. Dato' Seri Chew Weng Khak @ Chew Weng Kiak	1,871,799	16.50	*1,334,079	11.76
Chew Weng Khak Realty Sdn Bhd	1,334,079	11.76	-	-
OSK Securities Berhad IVT (LH)	647,923	5.71	-	-
Phnuah Farn Farn	620,639	5.47	-	-

* Held through Chew Weng Khak Realty Sdn. Bhd.

Corporate Calendar

CORPORATE CALENDAR

23rd October, 2003	Preliminary announcement of unaudited results for the first quarter ended 31 st August, 2003.
23rd December, 2003	Payment of the first and final dividend of 1% less tax of 28% for the year ended 31 st May, 2003.
7th January, 2004	Preliminary announcement of unaudited results for the second quarter ended 30 th November, 2003.
19th April, 2004	Preliminary announcement of unaudited results for the third quarter ended 29 th February, 2004.
31st May, 2004	Financial year end.
23rd July, 2004	Preliminary announcement of unaudited results for the fourth quarter ended 31 st May, 2004.
2nd November, 2004	Posting of Annual Report to Shareholders.
26th November, 2004	Annual General Meeting & Extraordinary General Meeting.

No. of Share

Proxy Form

I/We

of

being a member of Pensonic Holdings Berhad hereby appoint

of 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 Laurel 1, Level 1, Evergreen Laurel Hotel, 53, Persiaran Gurney, 10250 Penang, on Friday, 26th November, 2004 at 11.00 a.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated belows :-

NO.	RESOLUTION	FOR	AGAINST
1.	Adoption of Reports and financial statement (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) Dato' Seri Chew Weng Khak @ Chew Weng Kiak (Resolution 4) (ii) Dato' Tan King Tai @ Tan Khoon Hai (Resolution 5)		
5.	Appointment of Auditors (Resolution 6)		
6.	As Special Business Authorising Directors to issue shares not exceeding 10% of the issued share capital (Resolution 7)		

(Please indicate with “ ” how you wish to cast your vote)

Date : 2004

Signature /Seal

Notes :-

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

F O D

STAMP

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

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