

PENSONIC HOLDINGS BERHAD
Registration No. 199401014746 (300426-P)
(Incorporated in Malaysia)

Minutes of the Twenty-Eighth Annual General Meeting (“28th AGM”) of PENSONIC HOLDINGS BERHAD (“PENSONIC” or “the Company”) held at 1165, Lorong Perindustrian Bukit Minyak 16, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang, on Thursday, 27 October 2022 at 2.30 pm

Present : As per attendance list.
In attendance : As per attendance list.
By invitation : As per attendance list.
Shareholders/
Corporate
Representatives/
Proxies / Invitees : As per attendance list.

The list of attendees at the 28th AGM is set out in the Attendance List as attached and which formed an integral part of these minutes.

Chairman

Chairman of the Board of Directors (“Board”) of PENSONIC, Dato’ Seri Chew Weng Khak @ Chew Weng Kiak (“Chairman” or “Dato’ Seri Chairman”) chaired the meeting.

Call to Order and Determination of Quorum

Ms. Dimple Devi A/P Munandy, the Master of Ceremony, extended a very warm welcome to all shareholders, proxies and corporate representatives (collectively, the **shareholders**) for their attendance at the 28th AGM. She thanked all present for their patience and cooperation in observing the protocols put in place to ensure the smooth running of the 28th AGM in a socially distant, safe and comfortable environment. She reminded all present to wear a face mask and that voice or video recording of the proceeding of 28th AGM is strictly prohibited.

She then introduced the members of the Board, the Company Secretary and the Audit Engagement Partner, Mr Raymond Chong from external auditors, KPMG PLT. She also informed that the Group Managing Director, Vincent Chew Chuon Ghee joined via Teams online meeting platform from Kuala Lumpur.

She then proceeded to apprise all present of the flow of 28th AGM. She explained that the 28th AGM would kick-off with the 10 Ordinary Resolutions being tabled for approval by the shareholders by poll. She then continued to brief the shareholders present of their right to participate, speak and vote on the resolutions set out in the Notice of 28th AGM. She informed the meeting that the polling process would be conducted upon the conclusion of the deliberations of all agenda items.

She then informed that Plantation Agencies Sdn. Bhd. is appointed as Polling Administrator to conduct the poll whilst SH Corporate Services Sdn. Bhd. is appointed as Scrutineer to validate the poll results.

She then invites Dato' Seri Chairman to commence with the formal business of the meeting upon confirming the presence of a quorum. Dato' Seri Chairman proceeded to call the meeting to order.

Notice of Meeting

Having noted that the Notice of the 28th AGM was announced and circulated to all shareholders, Directors and auditors on 28 September 2022, Dato' Seri Chairman sought consent that the Notice be taken as read. Consent was duly obtained from the shareholders.

Voting By Poll & Procedures

Dato' Seri Chairman informed that there were 10 Ordinary Resolutions to be tabled for approval by the shareholders. In accordance with the provision of para 8.29 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR"), all the 10 Ordinary Resolutions as set forth in the Notice of the 28th AGM would be taken on a Poll.

For this purpose, Dato' Seri Chairman exercised his right as the Chairman to demand for a poll in accordance with Clause 86 of the Company's Constitution in respect of the 10 Ordinary Resolutions which would be put to vote at this meeting.

1. To receive the Audited Financial Statements for the financial year ended 31 May 2022 together with the Reports of the Directors and Auditors thereon

- 1.1 Dato' Seri Chairman informed that the first item on the meeting agenda was to receive the Audited Financial Statements of the Company and the Group for the financial year ended 31 May 2022 together with the Reports of the Directors and Auditors thereon ("AFS FYE2022").
- 1.2 He informed that the AFS FYE2022 is meant for discussion only and does not require a formal approval from shareholder and hence, will not be put for voting.
- 1.3 He informed that the Board had received a Query Letter dated 20 October 2022 from Minority Shareholders Watch Group ("MSWG") and invited Vincent Chew Chuon Ghee ("Mr Vincent Chew"), Group Managing Director to read out the Board's response to the queries from MSWG. The said response was also projected on screen for ease of reading by all present.

Operations & Financial Matters

- (1) **The pandemic has catalyzed the boom of digitalization, particularly e-commerce and online shopping. PENSONIC made online shopping seamless through Circlez, a platform where all Pensonic brands are readily available for customers' convenience. (page 7 of Annual Report (AR) 2022)**

- (a) **How much was the revenue contribution from e-commerce platform in FY2022 vs FY2021?**

As a percentage of revenue, contribution from e-commerce channel was 25% upside from its contribution in FY2021.

- (b) **What is the targeted revenue growth for e-commerce platform in FY2023?**

Given the intense competitive e-commerce landscape, the Group is allowing e-commerce sales to grow organically.

We continue to maintain a strong presence on key e-commerce platforms and work with our partners to sustain interest and drive sales. Partnerships enable the Group to maintain optimum pricing strategy that reflect our commitment to grow our presence in the virtual arena.

Of late, we noted a gradual decline in e-commerce sales with the return to the norm post Covid-19 pandemic. As such, we have shifted gear and pivot back to the traditional offline sales. Circlez estore and app will continue to be actively participating at the online platform as it is seamlessly combining sales avenue, eWarranty, eService and loyalty program.

- (2) **During the year, PENSONIC has increased the selling prices of its products amidst rising shipping costs and material costs coupled with the depreciation of Ringgit Malaysia. (Page 9 of AR 2022)**

- (a) **How much were the increase in selling prices for your products in FY2022? Do you have plans to further increase selling prices and if yes, by how much?**

Management continues to monitor the strengthening of United States Dollar ("USD") and would review product pricing strategy, on a need basis, to ensure that costs are addressed with margin sufficient to attract and maintain our distribution network to prioritise our product lines.

- (b) **How much of the Group's purchases were in USD and RMB in FY2022 vs FY2021?**

The Group's supply chain is primarily denominated in the United States Dollar ("USD") and Renminbi ("RMB"). Over the most recent 2 financial years, two third of the Group's purchases are denominated in the USD whilst we are shifting more to the RMB.

(3) The Group intends to enhance the efficiency of its existing manufacturing activities and increase its manufacturing capacity to cater for future business growth. (Page 10 of AR 2022)

(a) What is the planned capex for this expansion plan? How much will be the increase in production capacity?

It is almost to the final stage of planning and management is evaluating the planning and viability vis-à-vis present economic conditions and business prospects.

(b) What was the manufacturing capacity and utilization rate in FY2022? What is the targeted utilization rate in FY2023?

Our manufacturing utilisation rate in FY2022 was satisfactory although it was affected by continued supply chain disruptions. Nonetheless, we were able to deliver to meet demands.

The proposed expansion plan is to enable the Group to build up additional capacity to meet our targeted increase in revenue.

(4) Other income increased significantly from RM4.07 million in FY2021 to RM12.01 million in FY2022. (Page 58 of AR 2022)

What were the reasons for the sharp increase in other income in FY2022?

There was a gain from the disposal of certain investment properties of RM10.5 million in FY2022.

(5) The Group recognized impairment losses of RM0.72 million on amount due from an associate and RM1.48 million on other receivables in FY2022 (page 105 of AR 2022).

Please explain the nature of these impairment losses.

Following a routine operational review on the performance of its subsidiaries and associates during the financial year, management was of the view that it is prudent for the Company to recognize an impairment loss for amount spent for operating expenses in their initial years of operations in certain subsidiaries and associates which are beyond the investment amount.

Corporate Governance

- (6) Practice 5.9 of the Malaysian Code on Corporate Governance stipulates that 30% of the Board should comprise women. As of FYE2022, there was only one female director out of 7 directors on the Board. Does the Company intend to apply Practice 5.9, and if yes, by when?**

The Independent Non-Executive Director, Madam Ong Huey Min, Lindy is the sole female Director on board. Her presence ensures compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which mandates presence of at least one (1) female director on board.

Whilst the Board is cognisant of the Malaysian Code of Corporate Governance, compliance is voluntary and the Board would review the need as part of its annual evaluation of, among others, board composition, skills set and expertise.

- 1.4 Dato' Seri Chairman then invited question from the floor pertaining to the AFS FY2022.
- 1.5 Mr Wan Mohd Rusldi Bin W.A.Lah ("Mohd Rusldi"), a shareholder of the Company went on to query on the Group's strategy to sustain revenue for the next year, in light of economic and political instability stemming from the war in Ukraine and political tussle in Malaysia.
- 1.6 Mr Vincent Chew replied that the Group is a seasoned player in the electrical appliances industry and have been assessing new channels to ensure sustainability.
- 1.7 Mr Mohd Rusldi thanked Mr Vincent Chew for the explanation.
- 1.8 As there were no further questions, Dato' Seri Chairman declared that AFS FY2022 were duly tabled and received by the shareholders and proceeded to the next meeting agenda.

2. Ordinary Resolution 1

To approve the declaration of a final single tier dividend of 1.25 sen per ordinary share for the financial year ended 31 May 2022

- 2.1 Dato' Seri Chairman informed that Ordinary Resolution 1 is to seek approval from the shareholders for the declaration of a final single tier dividend of 1.25 sen per ordinary share for the financial year ended 31 May 2022. The motion was put to vote by way of poll.

3. To re-elect the following Directors who are retiring in accordance with Clause 103 of the Company's Constitution:

(a) Ordinary Resolution 2 - Dato' Seri Chew Weng Khak @ Chew Weng Kiak

(b) Ordinary Resolution 3 - Mr. Chew Chuon Ghee

- 3.1 Dato' Seri Chairman declared that Ordinary Resolutions 2 and 3 dealt with the re-election of 2 Directors, namely, himself and Mr. Vincent Chew respectively. Both of them retired pursuant to Clause 103 of the Company's Constitution and being eligible, had offered themselves for re-election be put to vote, separately, by way of poll.

4. Ordinary Resolution 4

To approve the payment of Directors' Fees of up to RM300,000 for the period from the next day of the 28th AGM until the conclusion of the next Annual General Meeting ("AGM") of the Company in 2023

- 4.1 Dato' Seri Chairman informed that Ordinary Resolution 4 concerned the payment of Directors' Fees of up to RM300,000 for the period from the next day of the 28th AGM until the conclusion of the next AGM of the Company in 2023 be put to vote by way of poll.

5. Ordinary Resolution 5

To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration

- 5.1 Dato' Seri Chairman declared that the motion on the re-appointment of KPMG PLT as Auditors of the Company and authority for the Directors to fix their remuneration be put to vote by way of poll.

Special Business

6. Ordinary Resolution 6

Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

- 6.1 Dato' Seri Chairman proceeded to Special Business. He informed that Ordinary Resolution 6, if passed would empower the Directors to issue and allot shares up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company.

- 6.2 He then declared Ordinary Resolution 6 be put to vote by way of poll.

7. Ordinary Resolution 7

Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

- 7.1 Dato' Seri Chairman explained that approval of Ordinary Resolution 7 today would allow the Company and the Group to enter into RRPT under Section 2.5 of the Circular to shareholders dated 28 September 2022 ("**Circular**").
- 7.2 He added that all the interested Directors and/or Major Shareholders and persons connected with them as defined under Section 7 of the Circular (collectively "**Interested Persons**") would abstain from voting in respect of their direct and/or indirect shareholdings.
- 7.3 The motion was put to vote by way of poll.

8. Ordinary Resolution 8

Proposed Renewal of Authority for the Company to Purchase its Own Ordinary Shares

- 8.1 Dato' Seri Chairman explained that the Ordinary Resolution 8 was to approve the renewal of authority for the Company to purchase its own ordinary shares.
- 8.2 He explained that the resolution, if passed, would empower the Directors to exercise the power of the Company to purchase its own shares up to an amount not exceeding 10% of the issued shares of the Company with effect from the date of passing of the resolution until the conclusion of the next AGM of the Company following this AGM or, if earlier revoked by the shareholders in a general meeting.
- 8.3 The motion was put to vote by way of poll.

9. Retention of Independent Directors:

(a) Ordinary Resolution 9 - Dato' Tahir Jalaluddin Bin Hussain

(b) Ordinary Resolution 10 - Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim

- 9.1 Dato' Seri Chairman informed the meeting that Ordinary Resolutions 9 and 10 concerned the retention of Dato' Tahir Jalaluddin Bin Hussain and Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim as Independent Non-Executive Directors ("**INEDs**") of the Company until the next AGM.
- 9.2 Dato' Seri Chairman further informed that Dato' Tahir Jalaluddin Bin Hussain and Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim had served as INEDs for cumulative term of nine (9) years each since their appointment on 16 August 2013.

- 9.3 Dato' Seri Chairman informed the meeting that Practice 5.3 of the Malaysian Code on Corporate Governance issued by the Securities Commission recommended for the Board to seek shareholders' approval to retain INEDs whose tenure have exceeded a cumulative term of nine (9) years.
- 9.4 The Board is of the view that both of the INEDs have performed their duties diligently and provided independent views when participating in deliberations and decision making of the Board and Board Committees. The length of their service does not in any way interfere with their exercise of independent judgement. In addition, they are not related to any directors or substantial shareholders and also do not own any shares in the Group.
- 9.5 The Board did not adopt a two-tier voting process when seeking shareholders' approval to retain the INEDs at today's meeting as the Board believed that every share owned by any shareholder should carry equal weight in voting power.
- 9.6 On Dato' Seri Chairman's proposal, the motions on Ordinary Resolutions 9 and 10 were put to vote, separately, by poll.

10. Any other business

- 10.1 The last item on the meeting agenda for this 28th AGM was to transact any other business for which due notice shall have been received in accordance with the Act. Dato' Seri Chairman noted from the Company Secretary that the Company had not received any notice for transaction of any other business in this meeting.

11. Polling Process

- 11.1 On invitation of the Dato' Seri Chairman, the representative of the Polling Administrator briefed the meeting on the polling procedures.
- 11.2 The Meeting then stood adjourned at 3:00 pm for the polling process to be undertaken as directed by the Dato' Seri Chairman.
- 11.3 The meeting was recessed, with consent of all shareholders, at 3.05 pm after shareholders had casted their votes.
- 11.4 The castings of votes by the shareholders were duly observed by the Independent Scrutineer.

12. Announcement of Polling Results

- 12.1 At 3.35 pm, Dato' Seri Chairman called the Meeting to order for the declaration of the poll results in respect of the ten (10) Ordinary Resolutions.
- 12.2 The poll results were scrutinized and verified by the Independent Scrutineer.

- 12.3 Dato' Seri Chairman proceeded to announce the results of the poll of all the Ordinary Resolutions, upon receipt of report from the Scrutineers. The following summary of poll results were flashed out on screen at the venue of the AGM for notation of the meeting:

Ordinary Resolution	FOR			AGAINST		
	Number of shares	Number of shareholders	%	Number of shares	Number of shareholders	%
1	53,022,004	58	100.0000	0	0	0.0000
2	52,622,004	56	100.0000	0	0	0.0000
3	52,622,004	56	100.0000	0	0	0.0000
4	52,621,704	54	99.2450	400,300	4	0.7550
5	52,622,004	56	100.0000	0	0	0.0000
6	52,622,004	56	100.0000	0	0	0.0000
7	2,491,680	46	100.0000	0	0	0.0000
8	52,622,004	56	100.0000	0	0	0.0000
9	52,611,864	54	99.9807	10,140	2	0.0193
10	52,611,864	54	99.9807	10,140	2	0.0193

- 12.4 Based on the poll results, Dato' Seri Chairman then declared that all ten (10) Ordinary Resolutions as tabled at the 28th AGM were approved by the shareholders unanimously. He added that 50,530,324 ordinary shares abstained from voting on Ordinary Resolution 7.

- 12.5 It was **RESOLVED**:

Ordinary Resolution 1

"THAT the final single tier dividend of 1.25 sen per ordinary share for the financial year ended 31 May 2022 be and are hereby approved."

Ordinary Resolution 2

"THAT Dato' Seri Chew Weng Khak @ Chew Weng Kiak, who retired in accordance with Clause 103 of the Company's Constitution, be re-elected as Director of the Company."

Ordinary Resolution 3

“THAT Chew Chuon Ghee, who retired in accordance with Clause 103 of the Company’s Constitution, be re-elected as Director of the Company.”

Ordinary Resolution 4

“THAT the payment of Directors’ Fees of up to RM300,000 for the period from the next day of the 28th AGM until the conclusion of the next AGM of the Company in 2023 be and are hereby approved.”

Ordinary Resolution 5

“THAT KPMG PLT be and are hereby re-appointed as Auditors of the Company, to hold office until the conclusion of the next AGM and the Directors be and are hereby authorised to fix their remuneration.”

Ordinary Resolution 6

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and subject always to the provisions of the Constitution of the Company and the approvals from the relevant regulatory authorities, the Directors of the Company be and are hereby authorised to issue and allot from time to time such number of ordinary shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of ordinary shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued share capital (excluding treasury shares) of the Company for the time being.

THAT the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad (“Bursa Securities”) AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

THAT pursuant to Section 85 of the Act, read together with Clause 65 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from issuance of new shares pursuant to this mandate.

AND THAT the new shares to be issued shall, upon issuance and allotment, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

Ordinary Resolution 7

“THAT subject always to the Act, the Constitution, the Main Market Listing Requirements of Bursa Securities (“Listing Requirements”) and the approvals of the relevant government/regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries to enter into related party transactions with the Mandated Related Parties, particulars of which are set out in the Circular dated 28 September 2022, provided that such transactions are:

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

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

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

whichever is earlier;

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

Ordinary Resolution 8

“THAT subject to the Act, the provisions of the Company’s Constitution, the Listing Requirements and any other relevant authority or approval for the time being in force or as may be amended from time to time, the Directors of the Company be and are hereby authorised to make purchases of the Company’s shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (a) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time of the said purchase(s);
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained earnings of the Company at the time of purchase; and
- (c) the authority conferred by this resolution shall continue to be in force until:
 - (i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and / or any other relevant governmental and /or regulatory authorities (if any).

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:

- (a) cancel all the ordinary shares so purchased; and/or
- (b) retain the ordinary shares so purchased as treasury shares; and/or
- (c) retain part thereof as treasury shares and cancel the remainder.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including executing all such documents as may be required) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company.”

Ordinary Resolution 9

“THAT Dato’ Tahir Jalaluddin Bin Hussain, who has served for a cumulative term of more than nine (9) years, be and is hereby retained as Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM.”

Ordinary Resolution 10

“THAT Dato’ Lela Pahlawan Dato’ Paduka Ku Nahar Bin Ku Ibrahim, who has served for a cumulative term of more than nine (9) years, be and is hereby retained as Independent Non-Executive Director of the Company and to hold office until the conclusion of the next AGM.”

Conclusion

There being no further business, the Meeting closed at 3.40 pm with a vote of thanks to the Dato’ Seri Chairman.

Confirmed as a correct record

Signed

Chairman