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PENSONIC
HOLDINGS BERHAD (300426-P)

(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The above proposal will be tabled as Special Business at the Twenty-Fourth Annual General Meeting ("24th AGM") of Pensonic Holdings Berhad ("PHB" or "the Company"). Notice of the 24th AGM of the Company together with the Form of Proxy are included in the Company's Annual Report 2018 which is sent together with this Circular.

You are requested to complete and deposit the Form of Proxy for the 24th AGM at the Registered Office of the Company at Suite16-1 (Penthouse Upper), Menara Penang Garden, 42A Jalan Sultan Ahmad Shah, 10050 Pulau Pinang, not less than forty-eight (48) hours before the time appointed for holding the 24th AGM or at any adjournment thereof.

| | | |
|--|---|---|
| Last date and time for lodging the Form of Proxy | : | Tuesday, 23 October 2018 (Prior to 2.30 pm) |
| Date and time of the 24 th AGM | : | Thursday, 25 October 2018 at 2.30 pm |
| Venue of the 24 th AGM | : | 1165, Lorong Perindustrian Bukit Minyak 16, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang |

This Circular is dated 25 September 2018

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

| | |
|------------------------------------|--|
| Act | – The Malaysian Companies Act, 2016 as amended from time to time and any re-enactment thereof |
| AGM | – Annual General Meeting |
| AC | – Audit Committee of PHB save and except for Dato’ Tahir Jalaluddin Bin Hussain who had abstained from expressing any opinion in relation to the Proposed Shareholders’ Mandate in view of his interest |
| Board or Board of Directors | – The Board of Directors of PHB |
| Bursa Securities | – Bursa Malaysia Securities Berhad (635998-W) |
| Directors | – Director(s) of PHB and shall have the meaning given in section 2(1) of the Capital Markets and Services Act 2007 and for the purpose of the Proposed Shareholders’ Mandate, includes any person who is or was within the preceding 6 months from the date on which the terms of the transactions were agreed upon, a director of PHB, its subsidiary or holding company or a chief executive officer of PHB, its subsidiary or holding company |
| Listing Requirements | – Main Market Listing Requirements of the Bursa Securities including any amendments to the Listing Requirements that may be made from time to time. |
| LPD | – Latest practicable date of 30 August 2018 |
| Major shareholder | – A person who has an interest or interests in one or more voting shares in a company and the number or the aggregate number of those shares, is: (a) 10% or more of the total number of voting shares in the company; or (b) 5% or more of the total number of voting shares in the company where such person is the largest shareholder of the company Major Shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of PHB as defined above (or any other company which is its subsidiary or holding company). For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act. |
| PHB or Company | – Pensonic Holdings Berhad (300426-P) |
| PHB Group / Group | – PHB and its subsidiary companies |

DEFINITIONS (cont'd)

- Person(s) Connected** – In relation to any person (referred to as “said Person”) means such person who falls under any one of the following categories:
- (a) a family member of the said Person;
 - (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person or a family member of the said Person, is the sole beneficiary;
 - (c) a partner of the said Person;
 - (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
 - (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
 - (f) a body corporate in which the said Person or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
 - (g) a body corporate which is a related corporation of the said Person.
- Proposed Shareholders’ Mandate** – Proposed renewal of existing shareholders’ mandate for PHB Group to enter into Recurrent Related Party Transactions
- Recurrent Related Party Transactions or RRPT** – Transactions with Related Parties involving recurrent transactions of a revenue or trading nature which are necessary for the PHB Group’s day-to-day operations and are in the ordinary course of business of the PHB Group
- Related Parties** – Directors, Major Shareholders and/or Persons Connected with such Directors and/or Major Shareholders of the Company
- RM and sen** – Ringgit Malaysia and sen, respectively

TABLE OF CONTENTS

CIRCULAR TO SHAREHOLDERS OF PENSONIC HOLDINGS BERHAD**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

| No. | Section | Pages |
|-----------------------|--|-------|
| 1. | INTRODUCTION | 1 |
| 2. | DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE | 2-8 |
| 3. | STATEMENT BY THE AUDIT COMMITTEE | 8 |
| 4. | RATIONALE FOR AND THE BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE | 9 |
| 5. | EFFECT OF THE PROPOSED SHAREHOLDERS' MANDATE | 9 |
| 6. | APPROVAL REQUIRED | 9 |
| 7. | DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS | 10-11 |
| 8. | DIRECTORS' RECOMMENDATION | 11 |
| 9. | AGM | 11 |
| 10. | FURTHER INFORMATION | 11 |
| APPENDIX I | | |
| 1. | DIRECTORS' RESPONSIBILITY STATEMENT | 12 |
| 2. | MATERIAL LITIGATION | 12 |
| 3. | MATERIAL CONTRACTS | 12 |
| 4. | DOCUMENTS AVAILABLE FOR INSPECTION | 12 |

PENSONIC

HOLDINGS BERHAD (300426-P)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

Suite 16-1 (Penthouse Upper), Menara Penang Garden
42A, Jalan Sultan Ahmad Shah, 10050 Pulau Pinang

25 September 2018

Directors

Dato' Seri Chew Weng Khak @ Chew Weng Kiak, *Group Executive Chairman*

Chew Chuon Ghee, Vincent, *Group Managing Director*

Chew Chuon Jin, Dixon, *Group Chief Executive Officer*

Chew Chuon Fang, Nelson, *Group Executive Director*

Dato' Lela Pahlawan Dato' Wira Ku Nahar Bin Ku Ibrahim, *Independent Non-Executive Director*

Dato' Tahir Jalaluddin Bin Hussain, *Independent Non-Executive Director*

Ong Huey Min, Lindy, *Independent Non-Executive Director*

To: **The Shareholders of PHB**

Dear Sir/Madam,

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1.0 INTRODUCTION

Our Company had, at its Annual General Meeting held on 25 October 2017, obtained a general mandate from the shareholders for PHB Group to enter into the Recurrent Related Party Transactions of a revenue or trading nature which are necessary for PHB Group's day-to-day operations and are in the ordinary course of business and on terms that are not more favourable to the Related Parties than those generally available to the public. The said general mandate for RRPT shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming 24th AGM unless authority for its renewal is renewed.

The Board of Directors of our Company had, on 14 September 2018, announced that the Company proposed to seek a renewal of mandate in respect of the existing RRPT from our shareholders pursuant to Paragraph 10.09 of the Listing Requirements at the forthcoming 24th AGM to be convened.

The purpose of this Circular is to provide you with the relevant information on the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution to be tabled at the forthcoming 24th AGM, which will be held at 1165, Lorong Perindustrian Bukit Minyak 16, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang, on Thursday, 25 October 2018 at 2.30 pm.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR INCLUDING THE APPENDIX CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING AGM.

2.0 DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

Pursuant to Paragraph 10.09(2) of Chapter 10 of the Listing Requirements, a listed issuer may seek a proposed shareholders' mandate in respect of RRPT subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the proposed mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the proposed shareholders' mandate during the financial year in relation to a listed issuer with an issued capital of RM60 million and above where the aggregate value is equal to or more than the threshold prescribed below:-
 - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
 - (ii) the percentage ratio of such RRPT is 1% or more,whichever is the higher;
- (c) the Company's circular to shareholders for purposes of the Proposed Shareholders' Mandate shall include information as may be prescribed by Bursa Securities. The draft circular must be submitted to the Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholder or unit holder mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of a person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (e) the listed issuer immediately announces to the Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by the Bursa Securities in its announcement.

2.2 Validity of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if approved at the forthcoming 24th AGM, will take effect from the date of the passing of the Ordinary Resolution proposed at the forthcoming 24th AGM and shall continue to be in force until:

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

whichever is the earlier.

Thereafter, the approval from the shareholders will be sought for the renewal of the Proposed Shareholders' Mandate for RRPT at each subsequent AGM of the Company.

Transactions with any Related Parties, which do not fall within the ambit of the Proposed Shareholders' Mandate, will be subject to other applicable provisions of the Listing Requirements, the Act and/or any applicable law.

2.3 The principal business activity of the Company and its subsidiaries

The principal activity of PHB is investment holding whilst the principal activities of its subsidiaries are as follows:

| Subsidiaries of PHB | Interest held (%) | Principal activities |
|--|-------------------|---|
| Keat Radio Co. Sdn Bhd | 100 | Sale of electrical and electronic appliances |
| Pensonic Corporation Sdn Bhd | 100 | Provision of management services |
| Pensonic Sales and Service Sdn Bhd | 100 | Distribution of electrical and electronic appliances |
| Amtex Marketing Services Pte Ltd | 100 | Distribution of electrical and electronic appliances |
| Cornell Sales & Service Sdn Bhd | 100 | Distribution of electrical and electronic appliances |
| Pensia Industries Sdn Bhd | 100 | Manufacture, assembly and sale of electrical products |
| Pensia Electronic Sdn Bhd | 100 | Manufacture, assembly and sale of electrical products |
| Pensonic (Cambodia) Co Ltd | 100 | Wholesale and retail sales of household appliances |
| Microtag Engineering Sdn Bhd | 51 | Dormant |
| PT Pensonic Appliances Indonesia ("PTPAI") | 51 | Distribution of electrical and electronic appliances |
| Pensonic (H.K.) Corporation Limited * | 100 | Trading of home electrical appliances |
| Pensonic Industries Sdn Bhd * | 100 | Distribution of electrical products |
| Pensia Plastic Industries Sdn Bhd * | 100 | Plastic injection and moulding |
| Pensonic Parts and Service Sdn Bhd * | 100 | Distribution of electrical and electronic appliances |
| Kollektion Distribution Sdn Bhd ^ | 100 | Distribution of home appliances |
| Kollektion Haus (Austin) Sdn Bhd @ (In Members' Voluntary Winding Up) | 60 | Commenced Members' Voluntary Winding Up on 1 February 2018. |

Note:

* held through Keat Radio Co. Sdn Bhd

^ held through Pensonic Sales and Service Sdn Bhd

@ held through Kollektion Distribution Sdn Bhd

2.4 The principal activities of the Related Transacting Parties

The principal activities of the Related Transacting Parties which are not part of PHB Group that are involved in the RRPT with the PHB Group are set out below:

| Related Transacting Parties | Principal activities |
|---|---------------------------------------|
| PW Jit Seng Plastic Material Sdn Bhd ("PW Jit Seng") | Reprocess of plastic waste and scraps |
| Syarikat Perkapalan Soo Hup Seng Sdn Bhd ("Soo Hup Seng") | Shipping agent |

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2.5 Nature of the RRPT

The details of the nature and estimated annual value of the RRPT in respect of which PHB Group is seeking renewal mandate from its shareholders as contemplated under the Proposed Shareholders' Mandate are as follows:

| Provider of goods and services | Recipient of goods and services | Nature of Transaction | Estimated aggregate value as disclosed in the Circular to Shareholders dated 29 September 2017 (RM) | Actual value transacted ("Actual Value") ⁽ⁱ⁾ (RM) | Estimated Value from forthcoming 24 th AGM to next AGM ⁽ⁱⁱ⁾ (RM) | Related Parties |
|--------------------------------|---------------------------------|---------------------------|---|--|--|--|
| PW Jit Seng | PHB Group | Purchase of raw materials | 5,000,000 | 2,456,904 | 5,000,000 | Chew Weng Khak Realty Sdn Bhd ("CWKR") is a major shareholder of PHB and PW Jit Seng. Dato' Seri Chew Weng Khak @ Chew Weng Kiak ("Dato' Seri Chew") is the Group Executive Chairman and major shareholder of PHB. He is a Director and shareholder of PW Jit Seng via CWKR. Chew Chuon Jin, Dixon ("Dixon Chew"), Chew Chuon Ghee, Vincent ("Vincent Chew") and Chew Chuon Fang, Nelson ("Nelson Chew") are Directors and shareholders of PHB. Dixon Chew is also a Director of PW Jit Seng. Dixon Chew, Vincent Chew and Nelson Chew are also Directors of CWKR. Dixon Chew, Vincent Chew and Nelson Chew are brothers and they are sons of Dato' Seri Chew. |
| Soo Hup Seng | PHB Group | Shipping services | 500,000 | 133,148 | 500,000 | Dato' Tahir Jalaluddin Bin Hussain ("Dato' Tahir") is a Director of PHB and Soo Hup Seng. Dato' Tan Ah Lee is a Director of Soo Hup Seng and is the brother in law of Dato' Seri Chew. |

Notes:

- (i) The actual value transacted of RRPT from the date on which the existing mandate was obtained up to the LPD.
- (ii) The estimated value may vary and subject to changes.

2.5 Nature of the RRPT (cont'd)

| Provider of goods and services | Recipient of goods and services | Nature of Transaction | Estimated aggregate value as disclosed in the Circular to Shareholders dated 29 September 2017 (RM) | Actual value transacted ("Actual Value") ⁽ⁱ⁾ (RM) | Estimated Value from forthcoming 24 th AGM to next AGM ⁽ⁱⁱ⁾ (RM) | Related Parties |
|--------------------------------|---------------------------------|-------------------------------|---|--|--|---|
| PHB Group | PTPAI | Sale of electrical appliances | 2,000,000 | 0 | 5,000,000 | <p>PHB is the holding company of PTPAI. The remaining 49% in PTPAI is held by Chew Chun Chia, Nick ("Nick Chew") (16%) and Alex Tumondo Tan (33%).</p> <p>Nick Chew, a Director and major shareholder of PTPAI, is a son of Dato' Seri Chew.</p> <p>Dato' Seri Chew is also a Director of PTPAI.</p> <p>Dixon Chew, Vincent Chew and Nelson Chew are Directors and shareholders of PHB. Dixon Chew is also a Director of PTPAI.</p> <p>Dixon Chew, Vincent Chew, Nelson Chew and Nick Chew are brothers and they are sons of Dato' Seri Chew.</p> |

Notes:

- (i) The actual value transacted of RRPT from the date on which the existing mandate was obtained up to the LPD.
- (ii) The estimated value may vary and subject to changes.

2.6 Amount Due and Owing Under Recurrent Related Party Transactions

As at the financial year ended 31 May 2018 and the LPD, there is no outstanding amount due and owing to PHB Group under the RRPT as per Section 2.5 which has exceeded the credit term.

2.7 Guidelines and Review Procedures

The Group had established the guidelines and procedures to ensure that the RRPT contemplated under the Proposed Shareholders' Mandate are undertaken on transaction prices and terms which are generally not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders:

(a) Methods for Determination of Transaction Price

- (i) The transaction prices, terms and conditions are determined by current market forces, under similar commercial terms for transaction with third parties, which are dependent on the demand and supply of the products/services.
- (ii) The Group shall ensure at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities.
- (iii) In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, for instance where the vendor is the sole distributors/ agents or an in-depth knowledge, understanding and evaluation of the requirements of the industry are critical for the products/services offered, the transaction price will be determined based on the usual business practice and policies of the Group to ensure the RRPT is not detrimental to the minority shareholders of the Group.

(b) Thresholds for Approval of RRPT

There are no specific thresholds for approval of RRPT within the Group. All RRPT will be monitored by the management and reviewed by the AC on a quarterly basis and approved by the Board. Where the RRPT has not obtained the shareholders' mandate or has exceeded the shareholders' mandate, an announcement shall be made to Bursa Securities.

(c) Monitoring of RRPT

- (i) A list of Related Parties shall be circulated within the Group from time to time for reference and at the same time, the related party will be notified to ensure that all RRPT are undertaken in accordance with the policies.
- (ii) All operating divisions and subsidiary companies shall review the existing information systems to ensure that information on Related Party Transactions is captured at source.
- (iii) Records will be maintained by the Company for AC's review in order to capture all RRPT which are entered into pursuant to the Proposed Shareholders' Mandate.
- (iv) The annual internal audit plan shall incorporate a review of all RRPT entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to.
- (v) The AC shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPT have been complied with.
- (vi) The Board and the AC shall have overall responsibility for the determination of the review procedures with authority to sub-delegate to individuals or committees within the Company as they deem appropriate. If a member of the Board or AC has an interest, as the case may be, he will abstain from any decision making by the Board and the AC respectively in respect of the said transaction.

(c) Monitoring of RRPT (cont'd)

- (vii) Additional quotations, if relevant, from third parties will be obtained and will be evaluated based on ranking on the price, delivery, services and other terms and conditions before entering into such transactions.

If it is determined that the guidelines and/or procedures stated in Section 2.7(a) of this Circular are inadequate and to ensure that:

- (a) the RRPT will be conducted at arm's length and on normal commercial terms which are not favourable to the Related Parties than those generally available to the public; and
- (b) such transactions are not to the detriment of the minority shareholders of the Company or prejudicial to the interests of the shareholders.

The Company will obtain a fresh proposed mandate based on new guidelines and procedures. The AC shall also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such a request to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

Pursuant to Paragraph 10.09(2) of the Listing Requirements, in a meeting to obtain the Proposed Shareholders' Mandate, the interested director, interested major shareholder or interested persons connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions.

2.8 Disclosure in the Annual Report

Disclosure will be made in the Company's Annual Report 2018 in accordance with the Listing Requirements, which requires a breakdown of the aggregate value of the RRPT made during the financial year based on the following information:-

- (a) type of RRPT made; and
- (b) names of the Related Parties involved and their relationship with the Group pursuant to the Proposed Shareholders' Mandate in accordance with paragraph 10.09(2) and Practice Note No. 12 of the Listing Requirements.

3. STATEMENT BY THE AC

The AC of PHB, save and except for Dato' Tahir Jalaluddin Bin Hussain, has seen and reviewed the procedures mentioned in section 2.7 above and is of the view that:

- (a) the procedures and processes are sufficient to ensure that the RRPT is in the best interest of the Company, are carried out on terms are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders; and
- (b) The Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis or whenever the need arises.

4. RATIONALE FOR AND THE BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE

The RRPT constitute recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group, and which contribute to the generation of their turnover.

It is envisaged that in the normal course of business of the Group, transactions in respect of goods or services with the Related Parties will occur with some degree of frequency from time to time and may arise at any time.

Some of these RRPT may be time-sensitive and it may be impractical to seek Shareholders' approval on a case to case basis before entering into such RRPT.

The obtaining of the proposed mandate and the renewal thereof on an annual basis would eliminate the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT arise, thereby reducing administrative time and cost associated with the corporate objectives or adversely affecting the business opportunities available to the Group.

Some of the benefits to be derived from the Proposed Shareholders' Mandate of these RRPT are as follows:

- (a) flexibility and choice of parties to enter into such transactions, whether with Related Parties or Non-Related Parties;
- (b) facilitate transactions with Related Parties which are in the ordinary course of business of the Group undertaken at arm's length basis, normal commercial terms and on terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;
- (c) facilitate transactions with Related Parties in an expeditious manner to meet business needs for the supply and/or provision of goods and services which are necessary for its day-to-day operations, particularly business needs which are time sensitive in nature; and
- (d) eliminate the need to announce and convene separate general meetings to seek proposed mandate for each transaction and as such, substantially reduce expenses, time and other resources associated with the making of announcements and convening of general meetings on an ad hoc basis, improve administrative efficiency considerably and allow financial and manpower resources to be channeled to attain more productive objectives.

In addition, the Related Parties had also proven to be reliable in its delivery of services and products as well as fulfilling the quality expectations of the Group. Due to previous business dealings with the Related Parties, the Related Parties are familiar with the Group's operations and are able to meet the Group's business requirements even when short notice is given. This has allowed the Group to benefit from sudden business opportunities that had arisen.

5. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate is not expected to have any effect on the issued capital, the substantial shareholders' shareholdings of the Company as well as the net assets per share and gearing of the Group for the financial year ending 31 May 2019.

6. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to the approval of the Shareholders of PHB at the forthcoming AGM.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The direct and indirect interest of the interested Major Shareholders and/or the interested Directors of PHB and Persons Connected with them as at LPD are summarised below:

As at LPD, the total paid-up share capital of PHB is 129,668,000 ordinary shares and total warrants outstanding is 64,834,000.

| Directors | Direct Interest | | Indirect Interest | | Direct Interest | | Indirect Interest | |
|--|-----------------|-------|-------------------------|--------|-----------------|--------|--------------------------|--------|
| | No. of Shares | % | No. of Shares | % | No. of Warrants | % | No. of Warrants | % |
| Dato' Seri Chew Weng Khak @ Chew Weng Kiak | 7,100,000 | 5.476 | 26,996,824 [^] | 20.820 | 8,400,000 | 12.956 | 11,083,912 ^{^^} | 17.096 |
| Chew Chuon Jin, Dixon | 4,898,400 | 3.778 | 16,800 [#] | 0.013 | 5,485,700 | 8.461 | 10,000 [#] | 0.015 |
| Chew Chuon Ghee, Vincent | 8,704,000 | 6.713 | - | - | 2,002,000 | 3.088 | - | - |
| Chew Chuon Fang, Nelson | 6,181,000 | 4.767 | - | - | 2,877,000 | 4.437 | - | - |

| Major shareholders | Direct Interest | | Indirect Interest | | Direct Interest | | Indirect Interest | |
|--|-----------------|--------|-------------------------|--------|-----------------|--------|--------------------------|--------|
| | No. of Shares | % | No. of Shares | % | No. of Warrants | % | No. of Warrants | % |
| Dato' Seri Chew Weng Khak @ Chew Weng Kiak | 7,100,000 | 5.476 | 22,996,824 [^] | 17.735 | 8,400,000 | 12.956 | 11,083,912 ^{^^} | 17.096 |
| Chew Weng Khak Realty Sdn Bhd | 20,796,824 | 16.039 | - | - | 10,663,912 | 16.448 | - | - |

| Person Connected to Directors and/or Major Shareholders | Direct Interest | | Indirect Interest | | Direct Interest | | Indirect Interest | |
|---|-----------------|-------|-------------------|---|-----------------|-------|-------------------|---|
| | No. of Shares | % | No. of Shares | % | No. of Warrants | % | No. of Warrants | % |
| Datin Seri Tan Ah Nya @ Tan Bee Tiang | 2,200,000 | 1.697 | - | - | 420,000 | 0.648 | - | - |
| Tan Guat See | 16,800 | 0.013 | - | - | 10,000 | 0.015 | - | - |
| Dato' Tan Ah Lee | 505,000 | 0.389 | - | - | - | - | - | - |
| Chew Chun Chia, Nick | 2,000,000 | 1.542 | - | - | - | - | - | - |
| Chew Pei Gee | 2,000,000 | 1.542 | - | - | - | - | - | - |

Note:

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

[^] These shares are held in the name of spouse and/or children and Chew Weng Khak Realty Sdn Bhd.

^{^^} These warrants are held in the name of spouse and Chew Weng Khak Realty Sdn Bhd.

[#] These shares are held in the name of spouse.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS (cont'd)

The abovementioned Interested Related Parties will abstain and have undertaken to ensure that Persons Connected with them will abstain from voting, deliberating or approving in respect of their direct and indirect interests in PHB on the ordinary resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming AGM.

Save as disclosed, none of the other Directors and Major Shareholders of PHB and/or Persons Connected with them, has any interest, direct or indirect in the Proposed Shareholders' Mandate.

Dato' Seri Chew, Dixon Chew, Vincent Chew, Nelson Chew and Dato' Tahir had abstained and will continue to abstain from Board deliberation and voting in respect of their direct and indirect interests in PHB on the proposed ordinary resolution pertaining to the Proposed Shareholders' Mandate in which they are interested at the Board level.

8. DIRECTORS' RECOMMENDATION

The Board (save for Dato' Seri Chew, Dixon Chew, Vincent Chew, Nelson Chew and Dato' Tahir), having considered all relevant aspects of the Proposed Shareholders' Mandate, is of the opinion that it is in the best interest of the Group and accordingly, recommends that you vote in favour of the Ordinary Resolution on the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

9. AGM

The AGM, the notice of which is set out in the Company's Annual Report sent together with this Circular, will be held at 1165, Lorong Perindustrian Bukit Minyak 16, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang, on Thursday, 25 October 2018 at 2.30 pm for the purpose of considering and, if thought fit, passing with or without any modifications to the Ordinary Resolution so as to give effect to the Proposed Shareholders' Mandate in the AGM.

If you are unable to attend the AGM in person, you are requested to complete the Form of Proxy (as enclosed with the Annual Report 2018) in accordance with the instructions contained therein and forward it to the Registered Office of the Company at Suite 16-1 (Penthouse Upper), Menara Penang Garden, 42A, Jalan Sultan Ahmad Shah, 10050 Pulau Pinang so as to arrive not later than forty-eight (48) hours before the time set for the holding of the AGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

10. FURTHER INFORMATION

Shareholders of the Company are requested to refer to Appendix I contained in this Circular for further information.

Yours faithfully

For and on behalf of the Board of

PENSONIC HOLDINGS BERHAD

ONG HUEY MIN, LINDY

Chairman of the Audit Committee
Independent Non-Executive Director

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. MATERIAL LITIGATION

Neither the Company nor any of its subsidiary companies is engaged in any material litigation, claim or arbitration either, as plaintiff or defendant, and the Directors have no knowledge of any proceeding pending or threatened against the Group or of any fact likely to give rise to any proceeding which might materially and adversely affect the position or business of the Group.

3. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company and its subsidiary companies within the two (2) years immediately preceding the date of this Circular.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company during normal office hours on Monday to Friday (except public holidays) from the date of this Circular up to and including the date of AGM:

- (a) the Constitution of the Company; and
- (b) the Audited Financial Statements of the Company for the past two (2) financial years ended 31 May 2017 and 31 May 2018.

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