

PENSONIC
Your Enjoyment

**ANNUAL
REPORT**

2024

• Audio • Visual • Home Appliances • Air Conditioner

Jun 2023

Date : 9 - 10 June 2023

Fort Cornwallis, Penang

Pensonic joined
Penang International Food Festival.



ANNUAL
REPORT

Jul 2023

Date : 26 – 29 July 2023

Kuala Lumpur Convention Centre, Kuala Lumpur

Toush participated in Archidex (the 22nd
International Architecture, Interior Design &
Building Exhibition 2023, Malaysia).

Date: 30 July 2023

Kubang Menerong, Penang

Pensonic had exhibition at MITIDAY 2023.



2024 BRAND ACTIVITIES



Oct 2023

Date : 10 October 2023

Kuala Lumpur

Pensonic Holdings Berhad Founder
Dato' Seri Chew Weng Khak received the
'Lifetime Achievement Award for Outstanding
Entrepreneurship Of The Year' awarded
by McMillan Woods.

Date : 26 – 29 October 2023

Kuala Lumpur Convention Centre, Kuala Lumpur

Lebensstil Kollektion participated in Homedec
(Home Design & Interior Exhibition).



Jan 2024

Date : 19 January 2024

Petaling Jaya

'Silver' Award for top brands in the
'Personal, Household & Outdoor Appliances'
Category 2023 Putra Brand Awards.

Feb 2024

Date : 23 – 25 February 2024

Lotuss Hypermarket (selected locations)

Pensonic enlisted well-known KOLs Chef Amir, Chef Jia Le, and Chef Zie Zie to conduct cooking demonstrations and complimentary gifts were given to customers.

**Mar 2024**

Date : 08 March 2024

Shah Alam, Selangor

Gold Award for Best Brand (above RM25 million category) at the Star Outstanding Business Awards (SOBA) 2023.

Apr 2024**Eight New Friends Joined Pensonic Friends 2024 Campaign.**

The first project of this campaign kicked off with Pensonic short film 'Lerfff... Nya Raya Bersama Pensonic!'.



PENSONIC
Your Enjoyment

FRESH UPGRADED MAGIC FREEZING



PRS-1100



PRT-2250



PRT-2650i



PRT-3650i



PRT-4350i



PSS-5600Di



PSS-5601GDi

PENSONIC
Your Enjoyment

Dry Clothes Any Weather

Dryer PD-8000V

Rain or shine, Pensonic vented dryer guarantees perfectly dry clothes with powerful airflow and efficient moisture removal every time!



CORnell®

The Ultimate Cleaning Powerhouse

Achieve spotless living with
Cornell Vacuum Cleaners
featuring wet, dry and steam cleaning
for sparkling surfaces.

Wet, Dry and
Floor Cleaner
CVC-WDI500C



Wet and Dry Floor
Cleaner Combo
CVC-WDI501CV

Wet and Dry Floor Cleaner
With Steam CVC-WDI502CS

Cornell®

Breeze Beyond Boundaries

Bladeless Fan CBF-001DCR , CBF-002DCR

Scroll down



Embrace a whisper-quiet, cooling comfort with Cornell bladeless fan that delivers smooth, uninterrupted flow of air for a refreshingly serene atmosphere.

LeBensSTIL
KOLLEKTION

Freshly Brewed Daily

20 Bars Pressure
Espresso Machine
LKCM-201X



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Corporate Information

Board of Directors

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

Y. Bhg. Dato' Chew Chuon Jin, Dixon
Group Chief Executive Officer

Chew Chuon Fang, Nelson
Group Executive Director

Y. Bhg. Dato' Seri Dr Liew Lee Leong, Raymond
Independent Non-Executive Director

Y. Bhg. Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim
Independent Non-Executive Director

Y. Bhg. Dato' Tahir Jalaluddin Bin Hussain
Independent Non-Executive Director

Ong Huey Min, Lindy
Independent Non-Executive Director

Remuneration Committee

Y. Bhg. Dato' Tahir Jalaluddin Bin Hussain
Chairman

Y. Bhg. Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim
Member

Ong Huey Min, Lindy
Member

Nomination Committee

Y. Bhg. Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim
Chairman

Y. Bhg. Dato' Tahir Jalaluddin Bin Hussain
Member

Ong Huey Min, Lindy
Member

Audit Committee

Ong Huey Min, Lindy
Chairman

Y. Bhg. Dato' Seri Dr. Liew Lee Leong, Raymond
Member

Y. Bhg. Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim
Member

Y. Bhg. Dato' Tahir Jalaluddin Bin Hussain
Member

Company Secretary

Ong Tze-En
MAICSA 7026537
SSM PC No. 202008003397

Registered Office

170-09-01, Livingston Tower
Jalan Argyll, 10050 George Town
Penang, Malaysia
T: +604 229 4390
F: +604 226 5860
E: boardrooml-kl@boardroomlimited.com

Principal Office

1165 Lorong Perindustrian
Bukit Minyak 16
Taman Perindustrian Bukit Minyak
14100 Simpang Ampat,
Penang, Malaysia
T: +604 507 0393
F: +604 507 3825
E: info@pensonic.com
W: www.pensonic.com

Registrars

Plantation Agencies Sdn Berhad
3rd Floor, 2 Lebuhr Pantai
10300 George Town,
Penang, Malaysia
T: +604 262 5333
F: +604 262 2018
E: sharereg@plantationagencies.com.my

Auditors

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 18, Hunza Tower
163E, Jalan Kelawei
10250 George Town,
Penang, Malaysia
T: +604-375 1800
F: +604 238 2222

Principal Bankers

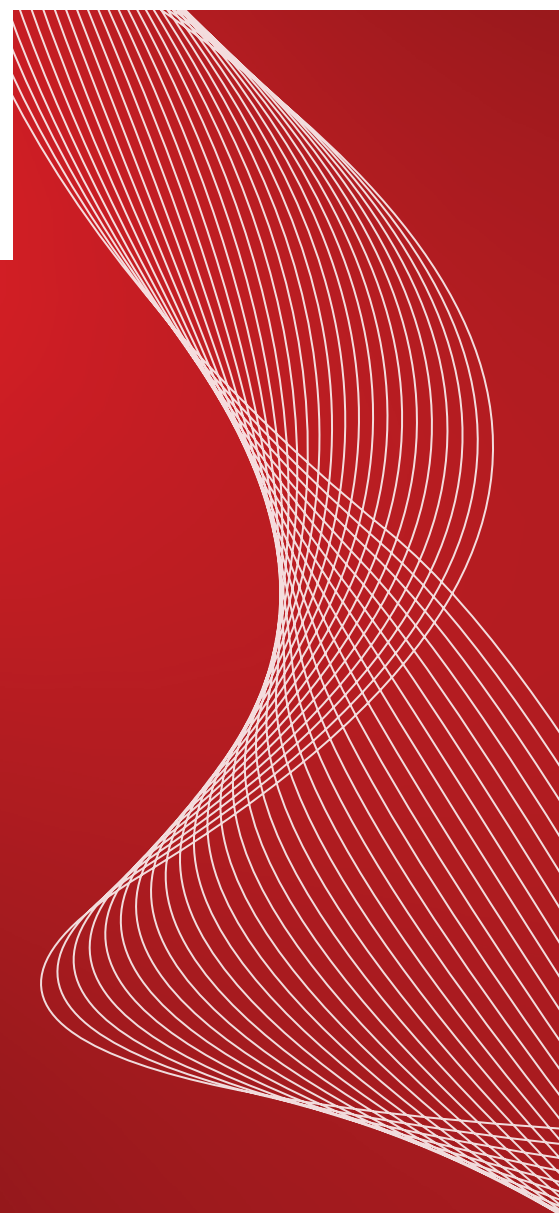
Malayan Banking Berhad
Bank Islam Malaysia Berhad
HSBC Bank Malaysia Berhad
Hong Leong Bank Berhad
AmBank (M) Berhad
CIMB Bank Berhad
Bangkok Bank Berhad
DBS Bank

Stock Exchange Listing

Main Market of Bursa Malaysia
Securities Berhad
(Listed since 13 September 1995)
Stock Name: PENSONI
Stock Code: 9997

Legal Form & Domicile

Public Limited Liability Company
Incorporated and Domiciled in
Malaysia

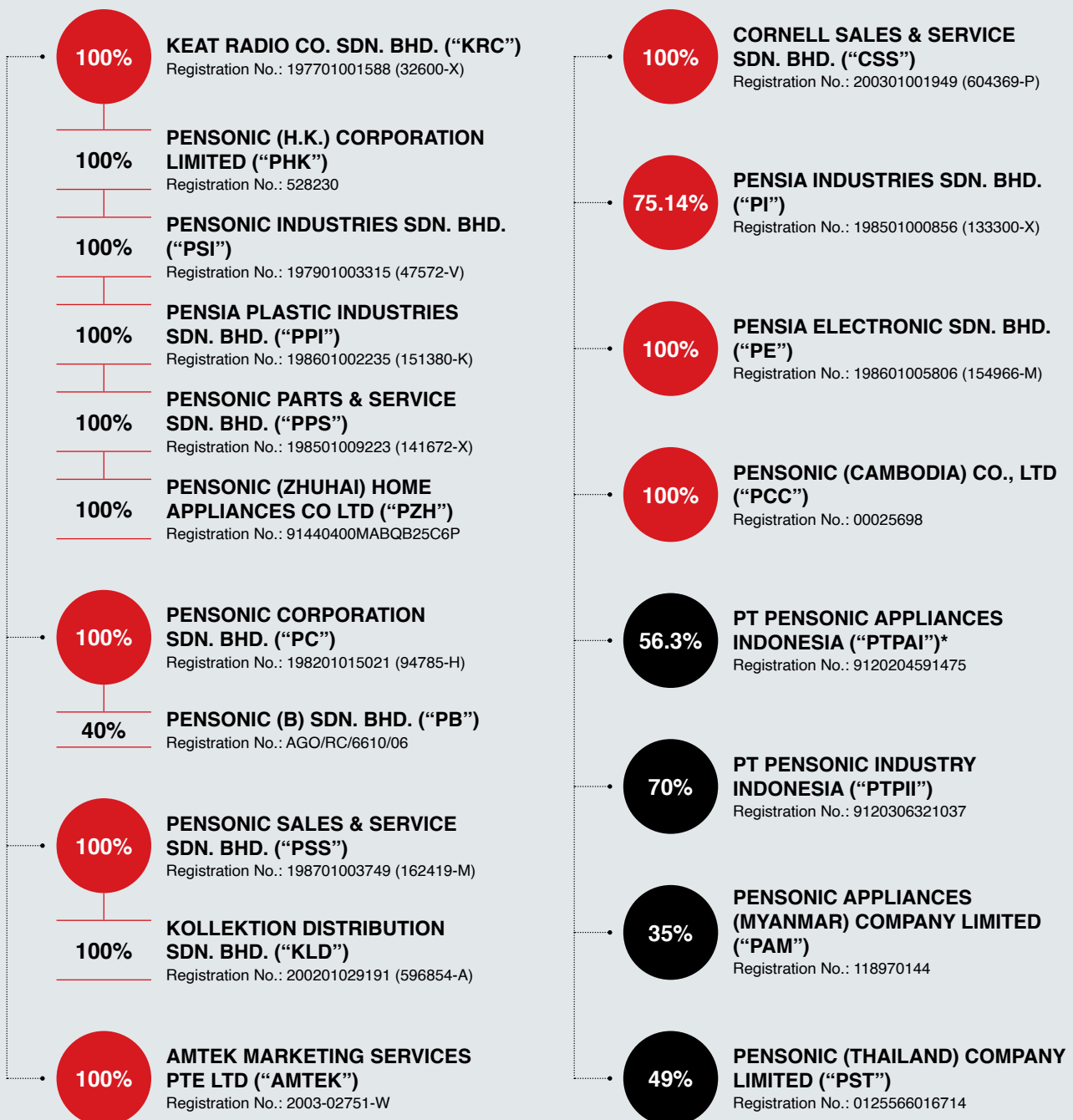


Corporate Structure

PENSONIC®

PENSONIC HOLDINGS BERHAD ("PHB")

Registration No.: 199401014746 (300426-P)



Profile of Directors / Key Senior Management

Y. BHG. DATO' SERI CHEW WENG KHAK @ CHEW WENG KIAK

Nationality : Malaysian
Age : 82
Gender : Male

Group Executive Chairman /
Key Senior Management

Y. Bhg. Dato' Seri Chew is the founder and Group Executive Chairman of Pensonic Holdings Berhad and its subsidiaries ("Pensonic Group" or "the Group"). He was appointed to the Board of Directors ("Board") on 13 September 1995.

More 50 years on, his leadership and guidance have propelled the Group from a modest family enterprise to the foremost domestically grown manufacturer and distributor of electrical home appliances. His broad-based expertise and in-depth understanding in areas ranging from management to sales and production, coupled with his extensive network of business contacts both in Malaysia and abroad, have played a crucial role in ensuring the Group's consistent growth. The Group has achieved numerous breakthroughs and significant milestones over time, largely influenced by his inventive management approach and forward-thinking strategies.

He has attended all the five (5) Board meetings held during the financial year and sits on the board of subsidiaries as well as several private limited companies.

Y. Bhg. Dato' Seri Chew is the father of executive Board members: Dato' Dixon Chew and Nelson Chew. He is a major shareholder of Chew Weng Khak Realty Sdn. Bhd..

Y. BHG. DATO' CHEW CHUON JIN, DIXON

Nationality : Malaysian
Age : 55
Gender : Male

Group Chief Executive Officer /
Key Senior Management

Y. Bhg. Dato' Dixon Chew was appointed to the Board on 13 September 1995. He graduated from the National Cheng Chi University in Taiwan Republic of China with a Bachelor of Business Administration. After a stint at Lapro Corporation in Taiwan, where he gained valuable expertise in cutting-edge manufacturing processes and marketing, he joined the Pensonic Group in 1993.

With his extensive knowledge of the electrical home appliances industry and exceptional entrepreneurial acumen, Y. Bhg. Dato' Dixon Chew has successfully spearheaded the expansion of the Pensonic brand and its products in various Asian countries. In November 2023, his role has been expanded to include those responsibilities designated under the Group Managing Director, assume overall responsibilities to managing the Group.

Y. Bhg. Dato' Dixon Chew has been serving as the President of the Hong Kong-Malaysia Business Association (HKMBA) since 2014, a position he has been appointed to hold until 2026. His leadership and contributions to fostering strong trade relations between Hong Kong and Malaysia have been highly acknowledged. It is worth noting that the HKMBA receives full support from the Hong Kong Trade Development Council.

He has attended all the five (5) Board meetings held during the financial year. He also sits on the board of subsidiaries as well as several private limited companies.

He is a son of Y. Bhg. Dato' Seri Chew Weng Khak @ Chew Weng Kiak and the brother of Nelson Chew.

CHEW CHUON FANG, NELSON

Nationality : Malaysian
Age : 48
Gender : Male

Group Executive Director /
Key Senior Management

Nelson Chew joined the Board on 5 September 2017, after completing his Bachelor of Business Administration degree at Eastern Michigan University in the United States of America in 1999. Upon his return to Malaysia, he joined the Pensonic Group and gained practical experience by working across different departments, including marketing, production, and sales.

Eventually, Nelson Chew assumed the role as the corporate branding, public relations, and marketing strategist. In this capacity, he plays a crucial role in shaping the company's image and branding as well as enhancing its public relations efforts. He also oversees operations in Hong Kong, Zhuhai, China and Thailand. Since November 2023, his role as a Group executive director included overseeing the domestic sales market.

He has attended five (5) Board meetings held during the financial year. He also sits on the board of subsidiaries as well as several private limited companies.

He is a son of Y. Bhg. Dato' Seri Chew Weng Khak @ Chew Weng Kiak and the brother of Dixon Chew.

Profile of Directors / Key Senior Management

Y. BHG. DATO' SERI DR. LIEW LEE LEONG, RAYMOND

Nationality : Malaysian
Age : 67
Gender : Male

Independent Non-Executive
Director

Y. Bhg. Dato' Seri Dr. Raymond Liew joined the Board on 1 February 2024. He holds memberships in prestigious professional organizations such as the Association of Certified Chartered Accountants (UK) (ACCA), Institute of Internal Auditors of Malaysia (IIAM), Chartered Tax Institute of Malaysia (CTIM), and Malaysian Institute of Accountants (MIA).

Y. Bhg. Dato' Seri Dr. Raymond Liew is a corporate advisor with many years of extensive work experience with professional firms and multinational companies in brand repositioning, corporate advisory, insolvency, mergers and acquisitions to include corporate tax planning, investigative and forensic reviews, VAT/GST/SST related exercises; and has since assisted in numerous corporate turnarounds and related due diligence corporate exercises.

He is the Founding President of McMillan Woods Global, an independent member firm of McMillan Woods Global network of which the global Head Office is based in London, United Kingdom.

With his extensive work knowledge, Y. Bhg. Dato' Seri Dr. Raymond Liew is a regular writer of technical and financial articles and a frequent speaker at various professional seminars, conferences and training programmes. He has been a Trustee of the Malaysian Accountancy Research & Education Foundation and was a Council member of the Malaysian Institute of Accountants and the Chartered Taxation Institute of Malaysia as well as a Council member of the local ACCA Malaysian office. He was also an appointed adjudicator for the National Annual Corporate Report Awards for the past many years.

He is a member of the Audit Committee. He attended one (1) Board meeting following his appointment as Independent Non-Executive Director.

Y. BHG. DATO' LELA PAHLAWAN DATO' PADUKA KU NAHAR BIN KU IBRAHIM

Nationality : Malaysian
Age : 77
Gender : Male

Independent Non-Executive
Director

Y. Bhg. Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim joined the Board on 16 August 2013. He obtained his Bachelor of Arts (Honors) degree in Geography from the University of Malaya in 1970. Following his graduation, he held various positions within the Kedah State Administrative Service, serving in different capacities until 2001, ultimately holding the position of State District Officer. Additionally, he served as the Director of the Kedah State Economic Planning Unit and held the esteemed position of State Secretary of Kedah until July 2003.

Following his tenure in the Kedah State Administrative Service, Y. Bhg. Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim became a board member of several government-controlled corporations, contributing his expertise and knowledge in the public sector. His extensive experience in government service and leadership roles has equipped him with valuable insights and decision-making skills that have proven beneficial to the organizations he has been associated with.

He is the Chairman of Nomination Committee and a member of both the Audit Committee and Remuneration Committee.

He has attended all five (5) Board meetings held during the financial year. He sits on the board of several private limited companies.



Profile of Directors / Key Senior Management

Y. BHG. DATO' TAHIR JALALUDDIN BIN HUSSAIN

Nationality : Malaysian
Age : 61
Gender : Male

Independent Non-Executive Director

Y. Bhg. Dato' Tahir Jalaluddin Bin Hussain joined the Board on 16 August 2013. With more than 25 years of experience in business and corporate management, as well as entrepreneurship, he brings valuable expertise to the Group. He was associated with Konsortium Perkapalan Berhad during 1985 to 1990, where he gained substantial experience in the shipping industry.

Y. Bhg. Dato' Tahir Jalaluddin Bin Hussain had served as a Councillor of the Majlis Perbandaran Pulau Pinang (Municipal Council of Penang) from January 2011 to June 2013 where he actively contributed to local governance and decision-making processes.

He is the Chairman of the Remuneration Committee and a member of both the Audit Committee and Nomination Committee.

He has attended all five (5) Board meetings held during the financial year. He is also a Director on the board of several private limited companies.

ONG HUEY MIN, LINDY

Nationality : Malaysian
Age : 66
Gender : Female

Independent Non-Executive Director

Lindy Ong was appointed to the Board on 3 January 2017. She holds memberships in prestigious professional organizations such as the Malaysian Institute of Accountants (MIA), Malaysian Institute of Certified Public Accountants (MICPA), and Chartered Tax Institute of Malaysia (CTIM).

She began her working career in 1978 as an Articled Clerk at Peat Marwick, Mitchell & Co. (now known as KPMG PLT) and rose through the ranks of supervisor, manager and director over her years of service with the firm. In 2003, she was appointed Executive Director/ Partner heading the Penang tax division of KPMG Tax Services Sdn. Bhd. ("KPMG Tax"), her last position held before her retirement in 2014.

She stayed on as a Consultant at KPMG Tax for three (3) months in 2015. During her tenure of more than thirty five (35) years at KPMG, she gained extensive experience in tax advisory and tax compliance matters, as well as being the engagement partner for public listed and multinational companies in various industries. She also advised foreign investors on various tax incentives accorded by the Government and setting up initial operation in Malaysia.

Since 2015, she has been the co-founding partner of YNWA Advisory PLT, a corporate advisory firm which provides, among others, business management consultancy, investment advisory and tax consultancy services.

She is the Chairman of the Audit Committee and also a member of both the Nomination Committee and Remuneration Committee.

She has attended all five (5) Board meetings held during the financial year.

She is also an Independent Non-Executive Director of DXN Holdings Bhd..

Note:

Save as disclosed, none of the Directors have:

- (a) any family relationship with any Directors and/or major shareholders of the Company;
- (b) any conflict of interest with the Company other than as disclosed in the notes to the financial statements;
- (c) held any other directorship in public companies;
- (d) any conviction for offences within the past 5 years other than traffic offences (if any); and
- (e) any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Chairman's Statement

Dear Valued Shareholders,

The fiscal year 2023/2024 has proven to be a period of significant challenges, transformative progress, and positive change for Pensonic Holdings Berhad ("Pensonic" or "the Company"). I am pleased to present this Annual Report for the financial year ended 31 May 2024. This report provides an overview of our company's performance, highlighting the key developments that have defined our journey over the past year.

In an era marked by uncertainty, our strategic focus remains steadfast on delivering robust performance and tangible results. We view these challenges not merely as obstacles but as opportunities to forge a more resilient future, one that enhances both our business and the communities we are dedicated to serving.

In November 2023, as a result of inevitable organisational changes, our Group Chief Executive Officer (GCEO) has also assumed the role of Group Managing Director (GMD). Concurrently, in fiscal year 2024, we shifted our focus from merely enhancing our competitive edge to actively driving the growth of the Company. This transition signifies a crucial turning point, as we intensify our focus on long-term growth investments and embark on a comprehensive transformation of our business portfolio.

We also welcomed Dato' Seri Dr. Liew Lee Leong as one of our Board of Directors in February 2024. Dato' Seri Dr. Liew brings significant expertise in corporate advisory, mergers, acquisitions, forensic reviews and is a prominent thought leader, regularly writing and speaking on technical and financial matters. His past roles include Trustee of the Malaysian Accountancy Research & Education Foundation, and Council member for various professional bodies. He was also the Founding President of McMillan Woods Global, and has led numerous corporate turnarounds and due diligence projects. His extensive experience and leadership will be a valuable asset to our Company.

Our financial results for the year showed a pre-tax loss of RM7.3 million on revenue of RM309.3 million, compared to a loss of RM2.5 million on revenue of RM273.2 million in the previous year.

For a detailed analysis and the measures we're taking to address these challenges, please refer to the Management Discussion and Analysis section of this Annual Report. While these challenges pose difficulties, they also present opportunities to enhance product promotions and strengthen our brand presence. We will monitor economic and environmental trends closely and adapt our strategies as needed.

Our primary focus will remain our core Malaysian market while we continue to expand and strengthen our presence internationally. By diversifying our market reach, we aim to reduce the impact of local economic fluctuations.





Leadership and Innovation

A notable development in the past year that has brought about significant changes to this organisation is due to the inevitable corporate management restructuring where the GCEO also assumed the role of GMD.

The expanded role of the GCEO now encompasses GMD responsibilities, integrating both strategic and operational oversight, which has already led to a comprehensive review of our business processes. This review aims to streamline operations, cut costs, and boost productivity, therefore setting the stage for future growth.

Under the leadership of the GCEO and a newly strengthened Management Team, we are introducing a range of dynamic initiatives aimed at driving product and service innovations that align with our customers' evolving needs. We have conducted a comprehensive review of our business operations, streamlining processes, reducing costs, and enhancing overall productivity to ensure a secure foundation for continued growth.

This transition signifies a pivotal shift in our business approach where we will introduce innovative household appliances designed to elevate our products to new standards in terms of convenience and efficiency for the ease of consumers.

At the same time, the Group is also refining its internal structure by improving operational agility, enhancing communication effectiveness, and accelerating speed of execution across the Group.

By focusing on eco-friendly practices and products to deliver consistent shareholder value, Pensonic is positioning itself as a dynamic frontrunner in the evolving household appliances market.

Strategic Vision and Growth Opportunities

Despite the short-term financial setbacks, we have implemented strategic steps that are aligned with our corporate vision and dynamic transformation, setting the stage to turn these challenges into opportunities for substantial and sustainable long-term growth for all our stakeholders. The Management team has also been restructured to execute the initiatives as laid out under the corporate goals and objectives.

We are working diligently to ensure that our strategic initiatives translate into significant benefits and favourable outcomes for the Group. We are confident these efforts will pave the way for robust growth and improved financial performance in the years to come.



Chairman's Statement

Recognitions and Achievements

Integrity and excellence have always been the cornerstone of our corporate culture, profoundly embedded in our vision, mission, and core values. Our unwavering commitment to continuous improvement is evident in the innovative products and services we deliver, consistently upholding the highest standards of quality and performance.

It is indeed a privilege and we are proud to announce that our commitment to excellence has been recognised with two prestigious awards this year. Pensonic was honoured with the 'Gold Award for Best Brand' at the Star Outstanding Business Awards (SOBA) 2023, acknowledging our significant contributions to the Malaysian economy.

Additionally, we have also received the 'Silver' Award in the 'Personal, Household & Outdoor Appliances' category at the Putra Brand Awards 2023, a testament to our brand's prominence and quality in the industry.



Looking Ahead

While we acknowledge the challenges that lie ahead, the economic outlook for FY2025 appears promising. We remain optimistic about the opportunities for growth and are committed to delivering value to our shareholders. Our strategic initiatives and renewed emphasis on innovation position us favourably for a successful year ahead.

In fiscal year 2025, our emphasis will be on enhancing profitability across the entire Group. We are dedicated to establishing a solid foundation for sustainable profit, aligning closely with stakeholder expectations, and strengthening our competitive edge to achieve robust and enduring growth.

I would like to extend my sincere gratitude to our dedicated customers, employees, partners, and shareholders for their unwavering support. Your commitment has been instrumental as we navigate this transformative phase. Together, we are well-positioned to reach new heights of success and achieve our collective goals.

Thank you for your continued confidence in Pensonic.

Y. Bhg. Dato' Seri Chew Weng Khak @ Chew Weng Kiak
Group Executive Chairman
30 September 2024



Management Discussion and Analysis



OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

The illustrious journey of Pensonic Holdings Berhad (“Pensonic” or “the Company”) and its subsidiaries (“Pensonic Group” or “the Group”) began in 1965 with the founding of Keat Radio and Electrical Co. in Balik Pulau, Penang. Initially a small retail store and workshop specialising in electrical home appliances, the Company flourished under the visionary leadership of its founder, Dato’ Seri Chew Weng Khak @ Chew Weng Kiak. Through his dedication and foresight, the Company evolved from its humble beginnings into the thriving conglomerate known as the Pensonic Group today.

Dato’ Seri Chew coined the distinctive and easily remembered name ‘Pensonic,’ which holds significant personal and sentimental value to him. The name ‘Pensonic’ ingeniously combines the words ‘Penang’ from his home state and ‘Sonic’ from the Company’s roots in audio appliances. This innovative combination resulted in a name that resonates with the Group’s roots and embodies its unique identity.

The Company’s success led to the formation of Pensonic Holdings Berhad in 1994, created to serve as an investment holding entity. This strategic move was aimed at consolidating the various companies within the Pensonic Group and paving the way for a public listing. On 18 December 1995, Pensonic Holdings Berhad achieved a significant milestone by being listed on the Main Market of Bursa Malaysia Securities Berhad.

Leveraging its extensive distribution network, the Pensonic Group deploys a multi-brand platform to market its diverse product categories across all market segments. Anchored by its core brand Pensonic, the Group also owns Lebensstil Kollektion, Tough and Cornell, an acquired notable American brand. Additionally, the Pensonic Group holds exclusive distributorship rights in Malaysia for globally acclaimed home appliance brand, Morphy Richards from the United Kingdom.

PENSONIC®
Your Enjoyment

CORNEll®
a simpler life

morphy richards®
smart ideas for your home

LEBENSSTIL
KOLLEKTION

Töush
Inspired by Pensonic

Management Discussion and Analysis



As we reflect on the performance in the past 12 months ended 31 May 2024 (“FY2024”), we are proud to highlight Pensonic’s continued commitment to innovation, community engagement, and cultural heritage. Our multifaceted approach have enabled us to not only strengthen our market presence but also to make meaningful contributions to our society.

At Pensonic, we are deeply proud of our Malaysian roots and actively promote our rich cultural heritage through our products. We introduced the ‘Batik Series’ home appliances, which are inspired by the exquisite beauty of our traditional Batik designs. This product line symbolises our dedication to preserving and celebrating Malaysian culture. By integrating these designs into our appliances, we aim to foster awareness and pride in our national heritage among future generations.

Our commitment to innovation remains unwavering. We are excited to unveil our latest range of refrigeration appliances, which includes Side-by-Side, Double Door, and Single Door models, with some featuring advanced Dual-Inverter Technology. This cutting-edge technology ensures that food stays fresher for longer while maintaining exceptional energy efficiency. With selected models having 5-Star energy rating, these new refrigerators provide significant energy savings, quiet operation, and advanced dual temperature control for rapid cooling and optimal freezing. The no-frost design, coupled with a multi-cooling system with a sleek touch control panel, that enhance convenience and performance, making these appliances ideal for modern kitchens.

Beyond our commitment to product innovation, Pensonic actively engages in supporting and sponsoring community initiatives. Over the years, we have consistently contributed to various sports events, educational institutions, and charitable programmes, all aimed at enhancing the well-being of our society. This dedication to community involvement embodies our broader mission of fostering development, promoting social responsibility, and expressing our gratitude to the society that has supported us throughout our journey.

As a leading local brand, Pensonic plays a vital role in enhancing Malaysia’s reputation as a hub of innovation and quality. By standing tall among international brands, we reinforce Malaysia’s position on the global stage.

Management Discussion and Analysis



PENSONIC Friends 2024

As part of our reach out to our customers, we had signed up eight new Pensonic Friends. This initiative involves partnering with eight influential personalities—Amber Chia, Bibi Qairina, Dato Chef Hj. Ismail, Dottie, Jia Le Woh, Satthiya Kandi, Sissy Imann, and Ucop Hashim. These individuals were selected for their popularity, versatility, and expertise, which align with the innovative and reliable nature of Pensonic products. Their involvement is showcased on social media channels and through over 30 billboards across Malaysia, highlighting how Pensonic appliances integrate seamlessly into modern homes and simplify daily tasks.

Under the guidance of our new Management Team, we are also intensifying our branding efforts to further elevate our brand presence. Our strategic focus includes comprehensive initiatives designed to strengthen brand recognition and market positioning. Through these concentrated efforts, we aim to drive greater engagement and reinforce our commitment to innovation and excellence.



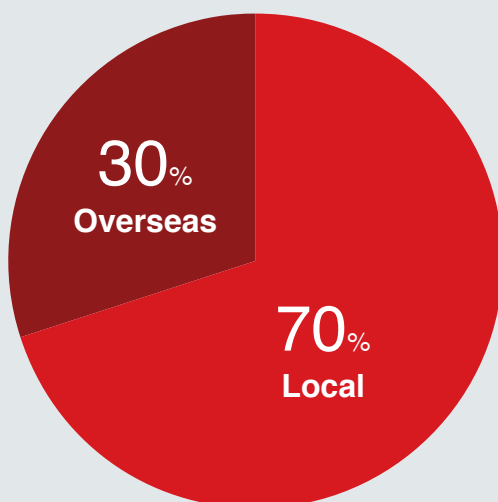
Management Discussion and Analysis

Despite a year of challenges, we are honoured to have received two prestigious awards. The 'Gold Award for Best Brand' at the 13th Star Outstanding Business Awards (SOBA) 2023 acknowledges our excellence and contributions to the Malaysian economy.

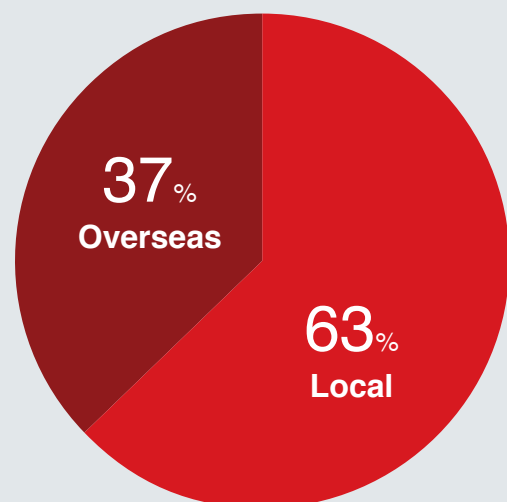
Additionally, we were awarded the Silver Award for top brands in the 'Personal, Household & Outdoor Appliances' category at the 2023 Putra Brand Awards, recognising our prominence in both local and international markets. This accolade, bestowed by the Association of Accredited Advertising Agents Malaysia ('4As') and endorsed by MATRADE, validate our commitment to quality and innovation.

In FY2024, approximately 37% of the Group's total revenue comes from overseas market, an increase from only 30% in the previous financial year. The Board recognises the importance of balancing local and international markets to create a more robust, adaptable, and competitive business model that supports long-term growth and stability. The Group is actively pursuing diversification of its revenue streams and exploring new growth opportunities in international markets to balance our business portfolio.

A crucial aspect of this strategy involves expanding our manufacturing operations to cater to a broader range of clients in the global market. By leveraging on our manufacturing expertise, cost efficiency, and commitment to product quality, we are positioning ourselves as a preferred partner for international businesses. This expansion aligns with our objective to achieve a balanced distribution between local and international markets, thereby generating new opportunities and enhancing our global business footprint.



FY2023



FY2024

Management Discussion and Analysis

REVIEW OF FINANCIAL RESULTS AND FINANCIAL HIGHLIGHTS

	FY2023 (RM'000)	FY2024 (RM'000)	Changes (RM'000)	%
Revenue	273,204	309,342	36,138	13.23
Earnings before interest, tax, depreciation and amortisation	7,109	1,990	(5,119)	(72.01)
Loss before tax	(2,540)	(7,286)	(4,746)	186.85
Loss for the year	(3,997)	(13,606)	(9,609)	240.41
Loss for the year attributable to owners of the Company	(3,036)	(13,254)	(10,218)	336.56

Pensonic Group reported a revenue of RM309.3 million, a 13% growth from RM273.2 million in FY2023. This growth was predominantly fuelled by the success of our manufacturing segment, with a substantial contribution coming from our expanded export activities to key international markets.

Despite the revenue growth, the Group reported a loss before tax of RM7.3 million. This loss is largely attributed to a strategic decision to write down inventories amounting to RM6 million; an adjustment that reflected our careful evaluation of historical consumption patterns, sales trends, inventory ageing, and product life cycles. While this decision to write down inventories was impacted our short-term financial performance, it is a prudent measure to align our inventory valuation with current market conditions and ensure long-term operational efficiency.

	FY2023 (RM'000)	FY2024 (RM'000)	Changes (RM'000)	%
Total assets	274,018	270,618	(3,400)	(1.24)
Non-current assets	111,765	117,247	5,482	4.90
Current assets	162,254	153,371	(8,883)	(5.47)
Borrowings	83,167	62,301	(20,866)	(25.09)

During the reporting period, the Group's non-current assets increased by RM5.5 million arising from significant investments in plant, machinery, and equipment as part of our strategic manufacturing expansion plan. Conversely, total current assets declined by 5.47%, from RM162.3 million to RM153.4 million; indicating a shift in our asset composition influenced by a strategic inventory write-down, with the inventory balance shrinking to RM58.8 million from RM79.6 million in the previous year.

The Group has also made substantial progress in managing its financial leverage. We successfully reduced bank borrowings from RM83.2 million to RM62.3 million, underscoring our commitment to prudent debt management. This reduction has led to a marked improvement in gearing ratio, which fell from 60.1% to 43.5%. The lower gearing ratio reflects a decreased reliance on debt for financing operations and investments, thereby enhancing our financial stability and resilience.

Management Discussion and Analysis

ANTICIPATED AND/OR KNOWN RISK

Operational Resilience Risks



The Group's business operations are susceptible to various potential vulnerabilities, including significant disruptions from threats such as fire, flooding, cyber-attacks, and contagious disease outbreaks.

We are committed to maintaining ongoing vigilance and conducting comprehensive risk assessments to effectively address these risks, thereby safeguarding our business continuity and ensuring operational stability.

The Group proactively invests in advanced infrastructure and robust systems designed to enhance our risk mitigation capabilities. We have established well-defined emergency plans and procedures that are regularly reviewed and updated to ensure their effectiveness in minimising the impact of these potential threats.

Through our proactive approach to risk management, we have fortified the resilience of our business operations. This strategy not only protects our stakeholders from potential disruptions but also ensures the Group is well equipped to sustain its operations and recover swiftly in the face of adversity.

Foreign Currency Exchange Risk



The Group is exposed to fluctuations in foreign currency exchange rates, given that our costs for raw materials and imported goods are denominated in foreign currencies. These currency fluctuations can materially impact the cost structure of our products. The Group employs natural hedging strategy to mitigate this risk for transactions denominated in USD, which helps offset the effects of exchange rate volatility.

Our Finance Department plays a crucial role in this process, diligently monitoring foreign currency movements to proactively manage and address potential risks. By implementing these measures, we aim to minimise the impact of currency fluctuations on our financial performance and maintain stability in our cost structure.

Credit Risk



The Group provides trade credit terms ranging from 30 to 90 days. However, significant delays or defaults in payments by major customers could pose potential credit risk, negatively impacting our financial position and overall performance. We conduct a thorough evaluation of credit terms and limits periodically to proactively manage the associated risk.

Additionally, we meticulously review ageing reports on a monthly basis to identify slow-paying customers. This allows us to implement timely recovery actions and make necessary provisions to mitigate potential credit losses. By maintaining vigilant oversight and responsive credit management practices, we aim to safeguard our financial stability and ensure effective risk management.

Management Discussion and Analysis

GROUP'S PROSPECTS AND OUTLOOK

Organisational Transformation

The year under review was a significant period of transformation for our Group. In November 2023, we undertook a strategic shift, with our Group Chief Executive Officer also assuming the role of Group Managing Director (GMD). This dual role underscores our commitment to enhancing our competitive edge and driving the Company's growth trajectory. This transition signifies a crucial turning point as we intensify our focus on long-term growth investments and embark on a comprehensive overhaul of our business portfolio.

Economic and Market Overview

Globally, the economy continues to expand, supported by resilient labour markets and a gradual recovery in global trade. We anticipate that global growth will be sustained by favourable labour market conditions, moderating inflation, and a less restrictive monetary policy. The recovery in global trade is expected to persist, driven by strong demand for both electrical and electronics (E&E) products and non-E&E goods. However, the growth outlook faces potential challenges, including geopolitical tensions, volatility in global financial markets, and slower growth momentum in major economies.

According to Bank Negara Malaysia, in Malaysia, the economy advanced by 5.9% in the second quarter of calendar year 2024 (1Q 2024: 4.2%). This represents the highest GDP growth since Q4 2022, primarily driven by increased household spending, improving exports, and robust investment activities.

Bank Negara Malaysia has maintained the Overnight Policy Rate (OPR) at 3%. Average headline and core inflation are projected to remain within earlier forecast ranges, unlikely to exceed 3%. Despite this, the inflation outlook remains sensitive to further domestic policy measures. Consumer spending is expected to improve, supported by new government policies allowing withdrawals from the EPF Akaun Fleksibel.

The Group's Strategic Focus for Financial Year 2025

The Group has focused on expanding our export activities, resulting in a significant increase in international sales with a 37% overall rise in export revenue compared to FY2023. We are optimistic about sustaining this growth trajectory and anticipate further growth in export sales in the upcoming financial year.

The pandemic has accelerated shift toward online shopping and digital payments, trends that are likely to persist. In response, we have established a new E-commerce Business Unit to adapt to the evolving preferences of digital-savvy consumers. We plan to gradually expand our online presence in Malaysia, Singapore, Indonesia, and other Southeast Asian countries.

Aligned with Pensonic's commitment to innovation, we are preparing for several new product launches aimed at enhancing convenience and efficiency in household appliances. With a strengthened management team, we are well-positioned to drive product and service innovation to meet our customers' evolving needs.

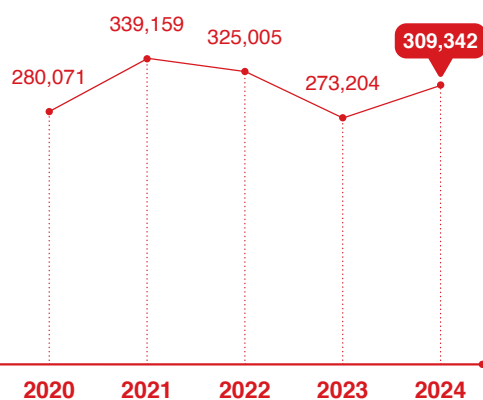
Overall, our business strategy emphasises forward-thinking adaptability and a swift response to market trends. By continuously evaluating market dynamics and consumer behaviour, we aim to position ourselves as industry leaders, ready to seize opportunities and address challenges. We remain dedicated to continuous improvement through innovation and cost-reduction measures designed to lower production costs and enhance profitability.

Management Discussion and Analysis

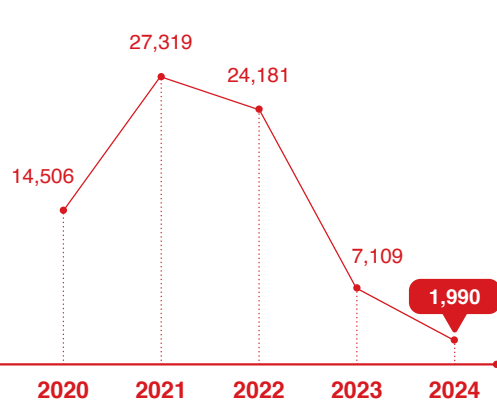
5-YEAR FINANCIAL HIGHLIGHT

	FY2020	FY2021	FY2022	FY2023	FY2024
Key Operating Results (RM'000)					
Revenue	280,071	339,159	325,005	273,204	309,342
Earnings before interest, taxes, depreciation & amortization (EBITDA)	14,506	27,319	24,181	7,109	1,990
Profit / (Loss) before tax	3,103	17,201	14,814	(2,540)	(7,286)
Profit / (Loss) for the year	2,562	15,482	13,053	(3,997)	(13,606)
Profit / (Loss) for the year attributable to owners of the Company	2,882	15,819	14,356	(3,036)	(13,254)
Other Key Data (RM'000)					
Total equity attributable to owner	116,820	128,561	142,099	138,358	143,146
Total assets	258,328	281,373	315,253	274,018	270,618
Total borrowings	92,214	81,596	110,613	83,167	62,301
Financial Ratio					
Return on equity attributable to owners	2.5%	12.3%	10.1%	(2.2)	(9.3)
Return on Assets	1%	5.7%	4.4%	(1.4%)	(5%)
Current ratio	1.33	1.38	1.42	1.47	1.52
Debt to Equity Ratio	0.79	0.63	0.78	0.60	0.44
Earnings / (Loss) per share (sen)	2.22	12.32	11.20	(2.37)	(9.45)

**Revenue
(RM'000)**



**EBITDA
(RM'000)**



Corporate Governance Overview Statement

The Board of Directors (“Board”) of Pensonic Holdings Berhad (“Pensonic” or “the Company”) recognises the importance of upholding strong corporate governance standards across the Company and its subsidiaries (“Pensonic Group” or “the Group”). The Directors lead by conducting business with integrity, transparency, and professionalism to enhance success, protect shareholders’ investments, and prioritise the interests of all stakeholders. By adopting the essence of good corporate governance practices, rather than mere compliance, the Board aims to ensure its effectiveness in enhancing shareholders’ value. This entails promoting integrity, transparency, and professionalism, while also focusing on board effectiveness and the long-term creation of shareholder value. Ultimately, Pensonic’s dedication to sound corporate governance principles reflects its commitment to responsible and sustainable business practices, fostering trust and building enduring relationships with stakeholders.

This Corporate Governance Overview Statement (“CG Statement”) provides a summary of corporate governance practices implemented during the financial year ended 31 May 2024 (“FY2024”) with reference to the three (3) principles set out in the Malaysian Code on Corporate Governance 2021 (“MCCG”):

Principle A: Board leadership and effectiveness;

Principle B: Effective audit and risk management; and

Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders

The application for each Practice as set out in the MCCG is disclosed in the Corporate Governance Report (“CG Report”) which is published on the Company’s website: www.pensonic.com as well as through an announcement on the website of Bursa Malaysia Securities Berhad (“Bursa Securities”). This CG Statement is to be read together with CG Report, based on a prescribed format as outlined under paragraph 15.25(2) of Main Market Listing Requirements of Bursa Securities (“MMLR”).

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

1 Board of Directors

The Board of Pensonic comprises of seven (7) members. Three (3) Executive Directors who are actively involved in the day-to-day management and operations of the Company and the remaining four (4) are Independent Non-Executive Directors (“INEDs”). The composition of the Board reflects a balance between executives responsible for operational matters and independent directors responsible for providing impartial perspective and oversight thus ensuring accountability.

Position	Directors
Executive	Dato’ Seri Chew Weng Khak @ Chew Weng Kiak, Group Executive Chairman Dato’ Chew Chuon Jin, Dixon, Group Chief Executive Officer Chew Chuon Fang, Nelson, Group Executive Director
Independent Non-Executive	Dato’ Seri Dr. Liew Lee Leong, Raymond Dato’ Lela Pahlawan Dato’ Paduka Ku Nahar Bin Ku Ibrahim Dato’ Tahir Jalaluddin Bin Hussain Ong Huey Min, Lindy

The background, experiences and qualifications of the Directors are set out under the Profile of Directors in this Annual Report.

All concerns regarding the Group can be conveyed to any one of the Directors and/or will be deliberated by all Directors during board meetings. As such, the Board is of the view that there is no immediate need to appoint a Senior INED to whom concerns regarding the Group may be conveyed.

The Board meets at least four (4) times a year at quarterly intervals with additional meetings convened as necessary. Throughout FY2024, the Board held a total of five (5) meetings. The purpose of these meetings was to discuss and deliberate on a wide range of matters pertaining to the Group. These included reviewing and analysing the Group’s quarterly operations and financial results, evaluating major investments and strategic decisions, assessing business plans, approving related party transactions, and conflict of interest (if any), and addressing any other strategic issues that could potentially impact the Group’s businesses. By convening regular board meetings, the Board ensures that important matters are thoroughly considered, enabling effective decision-making and strategic planning.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1 Board of Directors (Cont'd)

Board meetings are scheduled in advance to allow Directors to plan and adjust their schedules, ensuring good attendance and focused attention to the meeting agenda. The Board recognises the importance of informed decision-making and would invite management personnel and external consultants to attend meetings as needed. This enables presentation of relevant information, provision of clarifications, and offer of advice to support the Board's decision-making process.

In the intervals between board meetings, approvals are obtained through circular resolutions for exceptional matters requiring urgent Board decision-making which are then supported with information necessary for informed decision-making. As a mean to facilitate Directors' planning and time, an annual meeting calendar is adopted and given to Directors before the beginning of each new financial year.

Meetings are also organised for the Board Committees which are the Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC").

The attendance of Directors at meetings of the Board and Board Committees held during the financial year under review is as tabulated below:

Directors	Board	AC	NC	RC
Dato' Seri Chew Weng Khak @ Chew Weng Kiak	5/5	-	-	-
Dato' Chew Chuon Jin, Dixon	5/5	-	-	-
Chew Chuon Fang, Nelson	5/5	-	-	-
Dato' Seri Dr. Liew Lee Leong, Raymond	1/1	1/1	-	-
Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim	5/5	5/5	2/2	2/2
Dato' Tahir Jalaluddin Bin Hussain	5/5	5/5	2/2	2/2
Ong Huey Min, Lindy	5/5	5/5	2/2	2/2

The Board is satisfied with the time commitment given by the Directors as demonstrated by their full attendance.

In addition, all of the Directors do not hold more than 5 directorships in other public listed companies as required under paragraph 15.06 of the MMLR to enable the Directors to discharge their duties effectively by ensuring that their commitment, resources and time are more focused. The Board members must notify the Board or the Chairman before accepting any new directorship in other public listed companies.

1.1 Strategic Aims, Values and Standards

The Board assumes full leadership and control over the Group. Together, the Board members have the collective responsibility to manage the business affairs of the Group. This includes approving all strategies, providing guidance and direction, as well as overseeing the management's activities. In addition to their legal obligations, the Board ensures that effective processes are in place for the management, internal control, risk assessment, and monitoring performance against established benchmarks for the Group. They also ensure that the businesses are conducted in compliance with good governance practices, promoting transparency and objectivity. The primary objective of the Board is to enhance the value of shareholders by achieving the approved objectives.

As part of the Board's effort to ensure that its duties and responsibilities are effectively discharged, the Board delegates certain functions to the Board Committees, the Group Chief Executive Officer ("GCEO") and the management.

The Board Committees comprise solely of INEDs. Each of the Board Committees operates under clearly defined Terms of Reference ("TOR") as approved by the Board and which are periodically reviewed for relevance and improvement. The chairmen of the Board Committees will report to the Board on the outcome of any discussions and recommendations thereon. The ultimate responsibility for the final decision on all matters, however, lies with the Board. The TOR of the Board Committees are published on the corporate website.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1 Board of Directors (Cont'd)

1.1 Strategic Aims, Values and Standards (Cont'd)

The Board assumes responsibility for managing the primary risks that impact the Group. This includes tasks such as establishing and approving internal policies to address and mitigate these risks. Additionally, the Board reviews the effectiveness and reliability of the Group's internal control systems to ensure they are adequate. The Board also oversees the performance of the Group's various businesses, ensuring they are meeting established targets and objectives.

Furthermore, the Board is involved in succession planning and talent management, ensuring that the organization has a robust plan in place for leadership transitions and the development of key personnel. The Board also ensures compliance with legal and statutory requirements across the Group, ensuring that all operations adhere to applicable laws and regulations.

Key responsibilities of the Board also include approving major capital expenditures, carefully considering significant financial matters, and conducting reviews of the Group's financial and operating performance. This allows the Board to make informed decisions regarding financial investments and to assess the overall health and progress of the Group.

1.2 Chairman of the Board

The Board is led by an Executive Chairman who assumes the responsibility of providing leadership and governance within the Board. The Chairman's role involves creating a conducive environment that fosters the effectiveness of the Directors and facilitates timely discussions on relevant issues. The Chairman ensures that no single member dominates the discussions and encourages active and meaningful participation from all Board members.

In addition to these facilitation duties, the Chairman leads the Board in overseeing the management of the organisation. This involves actively monitoring the performance of the management team and ensuring that appropriate governance processes and practices are in place and upheld. The Chairman also maintains regular dialogues with the GCEO regarding operational matters, seeking input from fellow Board members when significant concerns arise.

The Chairman plays a crucial role in maintaining open lines of communication within the Board, promoting collaboration, and seeking the collective opinion of the Board members when necessary.

1.3 Separation of Position of Chairman and GCEO

The Board maintains a clear distinction between the roles of the Chairman and the GCEO. These positions are held by different individuals, with distinct responsibilities, roles and duties.

The GCEO assumes overall responsibility for the daily operations of the Group's operating units. This includes overseeing key aspects such as human resource, finance, business affairs, and ensuring the implementation of Board policies and decisions. The GCEO is responsible for maintaining the effectiveness of the Group and ensuring that the Group's products, services, and corporate identity meet high standards and align with market expectations.

During scheduled board meetings, the GCEO provides updates and briefings on the performance and activities of the Group. The GCEO also presents specific proposals related to capital expenditure, as well as acquisitions and disposals, if any. This allows the Board to stay informed about the Group's progress and make well-informed decisions regarding strategic initiatives and investments.

By clearly delineating the roles and responsibilities of the Chairman and the GCEO, the Board ensures effective governance, division of tasks, and accountability within the Group.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1 Board of Directors (Cont'd)

1.4 Chairman of the board shall not be a member of the AC, NC or RC

The Chairman of the Board is not a member of any Board Committees and does not participate in their meetings. This arrangement ensures that the Board Committees can operate independently and make decisions without the influence or presence of the Chairman. The Committees are able to carry out their specific responsibilities and functions autonomously. This separation helps to maintain objectivity and promotes diversity of perspectives within the Committees.

1.5 Qualified and Competent Company Secretary

The Company Secretary is competent, qualified and capable of carrying out her duties and providing support to the Board in the discharge of their fiduciary duties.

The Board expresses satisfaction with the performance and support provided by the Company Secretary. The Company Secretary serves as a valuable resource for the Directors, offering advice and assistance as needed.

One of the key responsibilities of the Company Secretary is to keep the Board informed about any updates or changes in statutory and regulatory requirements that are relevant to the duties and responsibilities of Directors. This includes notifying the Board about new laws, regulations, or guidelines that may impact the Group and its Directors. By staying updated on these matters, the Board can ensure compliance and understand the potential implications and consequences that may arise.

The Company Secretary, or her representatives, attend and ensure that all Board and Board Committees meetings are properly convened. The decisions made and/or resolutions passed thereof are recorded in minutes of meetings and kept at the registered office of the Company together with its statutory registers.

Other roles of the Company Secretary included coordinating with management on the preparation of board papers, ensuring procedures and applicable rules are observed and maintaining records of the Board as well as provide timely dissemination of information relevant to the Directors' roles and functions and keeping them updated on evolving regulatory and compliance requirements.

1.6 Access to Information and Advice

The Board recognises that the decision-making process is highly dependent on the quality of information available. All the Directors have access to all information within the Group and may seek the advice of Management on matters under discussion or request further information on the Group's business activities. The Chairman, with the assistance of the Company Secretary, ensures that all Directors have full and timely access to information with Board papers distributed in advance for meetings of the Board and Board Committees.

The Directors, whether as full Board or in their personal capacity, may upon approval from the Board, seek independent professional advice, where necessary and under appropriate circumstances, in furtherance of their duties and to enable them to discharge their duties, at the Group's expense.

To facilitate effective decision-making, all Directors received the necessary documents and information at least 7 days in advance of the meetings. These include agendas, board papers, reports, and other relevant materials.

Having the documents in advance allows the Directors sufficient time to thoroughly review and evaluate the matters to be discussed. If additional information is required, they have the opportunity to seek clarification or request further details before the meetings. This ensures that the discussions during the meetings are well-informed and efficient.

Furthermore, any actions or decisions taken during previous meetings are reported and followed up on in subsequent meetings. This allows for proper tracking and accountability, ensuring that the resolutions and tasks identified in earlier meetings are addressed and progress is made.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2 Demarcation of responsibilities

2.1 Board Charter

The Board Charter provides guidance by clearly delineating the roles, duties and responsibilities of the Executive Chairman, GCEO, Board, Board Committees and management. The Board Charter also includes the requirements of Directors in carrying out their leadership and supervisory role; and in discharging their duties towards the Group as well as boardroom activities.

The Board Charter is subject to periodical review by the Board to ensure that it remains relevant and consistent with the Board's roles and responsibilities, changing needs of the Company as well as any development in the prevailing legislation and practices.

The Board Charter is available on the Company's website.

3 Good business conduct and corporate culture

3.1 Code of Conduct and Code of Ethics

The Board is committed towards inculcating a corporate culture which engenders ethical conduct throughout the Group. Our brand values of Caring, Leadership, Trustworthy and Innovation are entrenched in our corporate psyche and observed by all our people from Directors down to employees as integral elements guiding the Group towards achieving sustainability.

The Board has formalised Code of Ethics and Code of Conduct to guide the desired standard of behaviour from all Directors and employees so as to improve work quality, productivity and self-discipline in order to provide effective, good and quality services. The Policies & Procedures covers, among others, general employment terms and conditions, compensation and benefits, proprietary information and sexual harassment.

The Code of Conduct is based on principles in relation to trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism. Our Code of Ethics is based on the principles of sincerity, integrity, responsibility and corporate social responsibility.

The Group has also an Employee Handbook to guide the desired standard of behaviour from all staffs. The Employee Handbook covers, among others, general employment terms and conditions, compensation and benefits, proprietary information and sexual harassment.

The Code of Conduct and Code of Ethics are available on the Company's website.

3.2 Whistleblowing Policy

The Company has in place a Whistleblowing Policy. The Company has always advocated for openness and transparency in its commitment to the highest standard of integrity and accountability. All malpractices or wrongdoings reported by the whistle-blower are directed to the Chairman of the AC and shall be set forth in writing or verbally. The Whistleblowing Policy is available on the Company's website.

3.3 Anti-Bribery & Anti-Corruption Policy ("ABC Policy")

The Company has also adopted the Anti-Bribery and Anti-Corruption Policy ("ABC Policy") to guide compliance with the Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The adoption of the ABC Policy signalled commitment by the Board and the Group to conduct all businesses in an honest and ethical manner requiring all Directors and employees to act professionally, fairly and with integrity in all our business dealings and relationships. The ABC Policy sets out adequate procedures designed to prevent situations in which bribery and corrupt practices may take root. The ABC Policy is available on the Company's website.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3 Good business conduct and corporate culture (Cont'd)

3.4 Directors' Fit and Proper Policy

The Company had in April 2023 adopted a Directors' Fit and Proper Policy to ensure that individual who possesses the right qualification, expertise, competence and integrity is appointed as Director in the Group. All candidates to be appointed and seeking for re-election as Directors in the Group, shall undergo a fit and proper review accordance with the Directors' Fit and Proper Policy. The policy is available on the Company's website.

4 Sustainable Practice

4.1 Governance of sustainability

The Board recognises that sustainable development is an important and integral part of the Group's pursuit of its long-term business success. The Board is responsible for the development of the Group's sustainability strategies.

4.2 Communication of Sustainability Strategies

The management continues to engage with stakeholders to seek feedback and viewpoints that would be useful to the Group in developing sustainability targets and implementation strategies. The Board will meet and discuss key sustainability matter at least once a year.

4.3 Periodic Updates

The Directors has been and will continue to attend training to keep abreast of development on sustainability as well as regulations and guidance on current and emerging environmental problems that may affect the Group.

4.4 Performance Evaluation

The Board recognises the importance of sustainability in all its business operation and had included sustainability as one of the criteria in the performance evaluations of board members. The annual evaluation of the Directors, the Board and Board Committees for FY2024 included assessment on Board's understanding of sustainability issues. Do refer the Sustainability Statement which outlined sustainability activities by the Group.

4.5 Sustainability Leadership

The GCEO is the designated person leading the Group's sustainability initiatives.

5 Board Composition

Nomination Committee

The Nominating Committee ("NC") plays a crucial role in assisting the Board in ensuring that it comprises individuals who possess the necessary calibre, knowledge, experience, integrity, and reputation to effectively fulfill their roles. The NC is responsible for assessing the qualifications and suitability of candidates for directorship and senior management positions within the Group. Additionally, the NC carries out an annual assessment of the performance of the Board, Board Committees, and senior management. The specific duties and responsibilities of the NC are outlined in its Terms of Reference ("TOR"), which are published on the Company's website.

The NC comprises of three (3) members, all of whom are INEDs as tabulated below:

Name	Position
Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim	Chairman
Dato' Tahir Jalaluddin Bin Hussain	Member
Ong Huey Min, Lindy	Member

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

5 Board Composition (Cont'd)

Nomination Committee (Cont'd)

The NC met twice (2) during the financial year under review with full attendance by all members to deliberate on the following matters:

- (a) Reviewed the composition, mix of skills and experience and other qualities, including core competencies as well as contribution of each individual Director and the effectiveness of the Board as a whole and the Board Committees as well as contribution of each individual Director.
- (b) Reviewed the level of independence of the INEDs.
- (c) Discussed the character, experience, integrity and competence of the Directors and to ensure they have the time to discharge their respective roles.
- (d) Discussed and recommended the re-election of Directors at the forthcoming annual general meeting ("AGM").
- (e) Reviewed the term of office and performance of the AC and its members pursuant to paragraph 15.20 of the MMLR.
- (f) Conducted annual assessment on Board, Board Committees and individual Directors.
- (g) Assessed and recommended the appointment of new INED.

5.1 Board Composition

The NC reviews the composition of the Board annually to ensure that the Board is of the right size, with the right mix of skills and diversity of experience.

The NC also evaluates the performance of each director on an annual basis. Recommendation for annual re-election of Director is made upon satisfactory evaluation of the Director's performance and contribution to the Board.

Upon conclusion of the annual assessment for FY2024, the Board affirmed that the current Board is appropriately sized with balanced mix of skills, knowledge and experience in the relevant areas to enable the Board to carry out its responsibilities in an effective and efficient manner.

The Board is in compliance with paragraph 15.02 of MMLR, which requires that at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, are INEDs.

5.2 Independent Directors

The concept of independence as adopted by the Board is consistent with definition of INEDs outlined in paragraph 1.01 and Practice Note 13 of the MMLR. The key elements for fulfilling the criteria are the appointment of Directors who are not members of Management and who are free from any business or other relationship which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company.

The Board is in compliance with Practice 5.2 of the MCCG as more than half (50%) of its Directors are INEDs.

The current composition of the Board Committees, made up of only INEDs affirmed the Board's commitment towards independence and provide strong check and balance in the Board's governance function.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

5 Board Composition (Cont'd)

5.3 Tenure of Independent Directors

The Board recognises the MCCG's recommendation that service tenure of an INED should not exceed a cumulative or consecutive term of nine (9) years. Upon completion of the nine (9) years, an INED may continue to serve on the Board subject to the Director's re-designation as a Non-INED. MCCG also states that the Board should provide justification and seek annual shareholders' approval through a two-tier voting process if it intends to retain an INED beyond nine (9) years.

As of to-date, Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim and Dato' Tahir Jalaluddin Bin Hussain have served as INEDs for more than 9 years since their appointment on 16 August 2013. Following the annual assessment, the Board intends to retain both Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim and Dato' Tahir Jalaluddin Bin Hussain as INEDs and will seek shareholders' approval at the forthcoming AGM.

NC had reviewed and assessed the independence of INEDs and their tenure of service. The NC is satisfied that the INEDs of the Company continue to demonstrate independence through their engagement in meetings by bringing objective and independent judgement to decisions taken by the Board. The INEDs of the Company had also devoted sufficient time and attention to the Group's affairs.

Key justifications to recommend their continuation as INEDs are as follows:

- (a) They have actively participated in Board deliberation, providing objectivity in decision-making and possess sufficient self-esteem and confidence to stand up with an independent voice to the Board.
- (b) They have exercised due care during their tenure and carried out their professional duties in the best interest of the Company and shareholders.
- (c) They had not developed, established or maintained any significant relationship which could impair their independence as INEDs, with the Executive Directors and major shareholders other than normal engagements and interactions on a professional level consistent and expected of them to carry out their duties as INEDs or member of the Board's Committees.
- (d) They had contributed sufficient time and efforts in attending meeting of the Board and Board Committees.
- (e) They have proven business insight, academic qualifications, professional and entrepreneurial experience to share their valuable experience, expertise and skills with the Board.

5.4 Policy on Tenure of Independent Directors

The Board does not have a policy which limits the tenure of its INEDs to nine (9) years without further extension. At present, the Board will ensure compliance with MMLR which limits tenure of INEDs to not more than a cumulative period of twelve (12) years.

5.5 Diversity in the Board and Senior Management

The Board is supportive of diversity on the Board and in Senior Management team. The appointment of Directors and Senior Management team are based on objective criteria, merit and takes into consideration diversity in experience, skills set, age and cultural background.

The current composition of the Board reflects a good mix of diversity and expertise from various fields such as general management and operations, commercial, finance and accounting, corporate affairs, manufacturing, sales and marketing, business, tax, product development, shipping and logistics.

5.6 Sources to identify candidate for Directorship

The NC will consider to utilise independent sources to identify suitably qualified candidates, if such needs arise. There was one (1) new appointment to the Board during the year under review. The NC will also perform independent background check on the candidate using information from independent sources prior to recommending any candidates for directorship.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

5 Board Composition (Cont'd)

5.7 Directors' Information

The profiles of the Directors are included in the Annual Report. Information contained therein included age, gender, tenure of service, directorship in other companies, working experience and any conflict of interest as well as shareholding in Pensonic.

A statement from the Board (on whether it supports the appointment or reappointment) is included in the Notice of AGM to ensure shareholders have the information they require to make an informed decision on the re-election of said Directors.

5.8 Chairman of Nomination Committee

The Nomination Committee is currently chaired by Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim, an INED.

5.9 Female Board Representation

The INED, Madam Ong Huey Min, Lindy is the sole female Director on board. Her presence also complies with MMLR which mandates presence of at least one (1) female Director on board.

5.10 Gender Diversity

The Board is of the collective opinion that there was no necessity to adopt a formal gender diversity policy presently as the Group is committed to provide fair and equal opportunities and nurturing diversity within the Group.

6 Board Effectiveness

6.1 Effectiveness of the Board and individual Directors

The Board has adopted a Directors' Assessment Policy which sets out the criteria and procedures for the Board performance assessment. The NC conducts annual review of the effectiveness of the Board and Board Committees as well as performance of each individual Director. The assessment is administered via customised questionnaires, on self-assessment basis, for continuous improvement.

The NC also reviews annually the required mix of skills, experience and other qualities, including core competencies of the members in discharging their duties. The skills and experience of each Director is analysed, inter-alia, in the areas of business operations technical and governmental affairs and legislation. Furthermore, the NC reviews size and composition of the Board with consideration on the impact to the effective functioning of the Board.

The INEDs are assessed annually by the NC on behalf of the Board. Following an assessment carried out for FY2024, the Board is satisfied with the level of independence demonstrated by the INEDs and their ability to provide unbiased impartial and objective opinion during meetings and act in the best interest of the Company and the Group.

Based on the outcome of evaluation for the financial year under review, the NC and the Board are satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively and the contribution and performance of each individual Director is satisfactory. The NC believes that the current Board composition is well balanced with the right mix of high-calibre individuals with the necessary skills, qualification, experience, knowledge, credibility, independence and core competencies.

Training

The Directors have been attending training courses and professional programmes necessary so as to keep abreast with the changes to guidelines issued by the relevant authorities as well as developments in the business environment, which can complement their services to the Group. The Directors are regularly updated by the Company Secretary on any changes to new statutory, corporate and regulatory developments relating to their duties and responsibilities or the discharge of their duties as Directors of the Company.

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

6 Board Effectiveness (Cont'd)

6.1 Effectiveness of the Board and individual Directors (Cont'd)

Training (Cont'd)

The Board had, through the NC, undertaken an assessment of the training needs of the Directors and concluded that the Directors are to determine their training needs as they are in the better position to assess their areas of needs.

Nonetheless, the NC had recommended for training to improve financial literacy and keep with changes to financial reporting environment as well as understanding the impact of the changes arising from implementation of Companies Act 2016 and other related laws. Internal briefings are provided from time to time to update on any amendment(s) or implementation of existing or new laws and regulations.

The training, conferences or seminars attended by Directors during FY2024 encompassed various topics as outlined below:

Director(s)	Training / Conferences / Seminars
Dato' Seri Chew Weng Khak @ Chew Weng Kiak	<ul style="list-style-type: none"> Rewards and Realities of Fostering an Inclusive Culture Bursa's Sustainability Reporting Requirements for Listed Companies Materiality Assessment - How to Carry Out Effective and Meaningful Assessments Carbon Footprint – How to start and using the data Sustaining ESG Momentum – Maintaining and Improving Performance for Long Term
Dato' Chew Chuon Jin, Dixon	<ul style="list-style-type: none"> Asia Forum 2023 Bursa's Sustainability Reporting Requirements for Listed Companies Corporate Governance and Corporate Value – Needed Tool or Necessary Bane Integrating and Operationalising ESG – How to Start Carbon Footprint – How to start and using the data Materiality Assessment - How to Carry Out Effective and Meaningful Assessments Mandatory Accreditation Programme Part II: Leading for Impact (LIP) The 24th Hong Kong Forum How to Detect Financial Warnings in Companies
Chew Chuon Fang, Nelson	<ul style="list-style-type: none"> Special Talk on Doing Business in Thailand High-Impact ESG Awareness ESG Readiness Training
Dato' Seri Dr. Liew Lee Leong, Raymond	<ul style="list-style-type: none"> Malaysia Export – 4th National Seminar on Financing for Malaysia SME 2024 Budget Seminar Preparation and Presentation of Consolidated Financial Statement Capital Gain Tax – Understanding the Technicalities Tax Deductible Expenses – Principles and Latest Development Capital Gain Tax (CGT) on Foreign and Domestic Transaction Taxation Course – Business or Employment Income held at Virtual Platform
Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim	<ul style="list-style-type: none"> Capital Markets Malaysia - Corporate Ventre Capital Programme Conflict of Interest and Governance of Conflict of Interest High-Impact ESG Awareness ESG Readiness Training
Dato' Tahir Jalaluddin Bin Hussain	<ul style="list-style-type: none"> Conflict of Interest and Governance of Conflict of Interest High-Impact ESG Awareness ESG Readiness Training
Ong Huey Min, Lindy	<ul style="list-style-type: none"> Understanding ESG Data KPMG Board Leadership Center Exclusive Navigating through the evolution of Corporate Governance with the introduction of Tax Corporate Governance Framework ("TCGF") Bursa's Sustainability Reporting Requirements for Listed Companies Taxation of Land Transactions National Tax Conference 2023 Management of Cyber Risk How to Detect Financial Warnings in Companies Mandatory Accreditation Programme Part II: Leading for Impact (LIP) Recent Reported Case Law in the Property Development Malaysia's E-Invoicing Initiative Navigating Recent Tax Changes in Malaysia

Corporate Governance Overview Statement

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

7 Level and composition of Remuneration

7.1 Remuneration policy

The objective of the Remuneration Policy is to attract and retain high performing Directors required to lead and control the Group effectively.

In the case of the Executive Director, the components of the remuneration package are linked to individual and corporate performance. As for Non-Executive Directors, the Directors' fees are reflective of their experience and level of responsibilities and the onerous challenges in discharging their fiduciary duties and broad-based roles and responsibilities as well as time commitment to the Group that go with board membership. The executive Board members played no part in deciding their own remuneration and the respective Board members shall abstain from all discussion pertaining to their remuneration.

7.2 Remuneration Committee ("RC")

The RC comprises of three (3) members, all of whom are independent. The members of the RC are as follows:

Name	Position
Dato' Tahir Jalaluddin Bin Hussain	Chairman
Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim	Member
Ong Huey Min, Lindy	Member

The RC is responsible for, inter-alia, recommending to the Board the policy framework and remuneration structure for Directors as well as the remuneration packages of Executive Directors.

The TOR of the Remuneration Committee is available on the Company's website.

The Remuneration Committee met twice (2) during the financial year under review with all members in attendance to deliberate on the following matters:

- (a) Reviewed and recommended the remuneration packages for the EDs; and
- (b) Reviewed and recommended Director's Fees payable to Directors.
- (c) Reviewed and recommended Director's Fees payable for new INED.

8 Remuneration of Directors and Senior Management

8.1 Details of Directors' Remuneration

The details of the Directors' remuneration paid/payable to the Directors of the Company and the Group for the financial year ended 31 May 2024 are tabulated in the Corporate Governance Report.

8.2 Top 5 Senior Management's Remuneration

All members of Senior Management are members of the Board. As such there is no necessity for a separate disclosure.

8.3 Detailed Remuneration of Top Five (5) Senior Management

There is no full disclosure of top 5 Senior Management's remuneration on named basis.

Corporate Governance Overview Statement

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Part I Audit Committee (“AC”)

9 Effective and Independent AC

The TOR of the AC is published on corporate website. Details on the composition and other pertinent facts of the AC is outlined under the AC Report in this Annual Report.

9.1 Chairman of the AC

Madam Ong Huey Min, Lindy, an INED, is the Chairman of AC.

9.2 Appointment of Former Key Audit Partner to AC

None of the members of the Board were former key audit partners. As such, there was no need to establish such policy presently. Such a policy would be established when the need arises in future.

The Board will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the AC was a key audit partner.

9.3 External Auditors

The AC reviews the suitability, objectivity and independence of the external auditor of the Company on an annual basis. The review process covers the assessment of the independence of the external auditor, the evaluation of the external auditor’s performance, competency, quality of work, audit fees and the adequacy of resources.

Following a review conducted for FY2024, the AC is satisfied with the technical competency and independence of the external auditors. The AC meets with the external auditors at least twice (2) a year to discuss their audit plan and audit findings. The AC discusses the nature and scope of audit and reporting obligations with the external auditors before commencement of audit engagement. It is also the practice of the AC to respond to auditors’ enquiries and recommendations, if any, to ensure compliance with the various approved accounting standards in the preparation of the Group’s financial statements.

The AC has considered the non-audit services provided by the external auditors during FY2024 and concluded that the provision of these services did not compromise the external auditors’ independence and objectivity. The amount of fees paid for these services was not significant when compared to the total audit fees paid to the external auditors.

The external auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of relevant professional, ethics and regulatory requirements.

9.4 Composition of the AC

The Board has long observed and valued the independence of the AC. As such, the AC comprised solely of INEDs.

9.5 Diversity in skills of the AC

The AC currently comprised of members with professional experience in finance, taxation, public service, business and economic environment. All members are financially literate and are able to read, interpret and understand the financial statements. The diversity in skills set coupled with their financial literacy gave the AC the ability to effectively discharge their roles and responsibilities.

Corporate Governance Overview Statement

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Part II Risk Management and Internal Control

10 Risk Management and Internal Control

10.1 Establishment of an effective Risk Management and Internal Control Framework

The Board acknowledges the significance of robust internal controls, which encompass risk management practices, financial controls, operational controls, and compliance controls. The Board conducts regular reviews to ensure the effectiveness of these controls. The Board takes full responsibility for overseeing the Group's internal control systems and risk management processes, emphasising the need to assess their adequacy and integrity.

Continuous reviews are carried out by the Group's internal audit function and Management to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. The findings of the internal audit function are reported to the AC regularly.

10.2 Features of Risk Management and Internal Control Framework

The Statement on Risk Management and Internal Control in this Annual Report provides an overview on the state of internal controls and risk management within the Group.

10.3 Establishment of a Risk Management Committee Comprises a Majority of Independent Directors

The group has not complied on this Step-up Practice as the current Risk Management Team comprised of management personnel.

11 Internal Audit Function

11.1 Effectiveness of the Internal Audit Function

The internal audit function of the Group is carried out by an outsourced consulting firm, JWC Consulting Sdn. Bhd. ("JWC") which reports directly to the AC. JWC is led by Ms. Wong Ai May who is a member of both MIA (Malaysian Institute of Accountants) and IIAM (Institute of Internal Auditors Malaysia) and is sufficiently resourced to provide service level and advisory that meet with the Group's expectations.

Information on the internal auditors and the internal audit activities during the financial year are set out in the Audit Committee Report in this Annual Report.

11.2 Disclosure on the Internal Audit Function

The internal auditors have represented to the AC that they are free from any relationship or conflict of interest with the Group. The AC has also received assurance from the internal auditors that they have adopted internal audit standards and best practices based on the International Professional Practices Framework (IPPF), endorsed by the Institute of Internal Auditors Malaysia.

JWC assigned 2 experienced staff to undertake internal audits of the Group and RM30,000 has been incurred for internal audit services for FY2024.

Corporate Governance Overview Statement

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Part I Engagement with Stakeholders

12 Stakeholders

12.1 Communication with its stakeholders

The Group is dedicated to maintaining a consistent and transparent flow of information to shareholders and stakeholders regarding its developments. This commitment is upheld through regular and timely communication that is transparent, coherent, and equitable. The Group ensures that relevant and material information is disseminated through appropriate channels, taking into account commercial confidentiality and regulatory requirements.

The GCEO of the Group is designated spokesperson for all matters related to the Group.

The Company places significant importance on its general meetings as the primary platform for engaging in dialogue and communication with shareholders and investors. Shareholders are actively encouraged to attend these meetings and are provided with ample time and opportunities to participate in the proceedings. They are invited to ask questions related to the resolutions being proposed, inquire about the Group's operations, and express their expectations and concerns.

In addition, the Board and Management welcome visits by investors, fund managers and analysts and conduct briefings to them when required, as the Board believes that this will give investors and interested parties on one hand, a better appreciation and understanding of the Group's performance and on the other, awareness of the expectations and concerns of investors and such interested parties. The corporate website at www.pensonic.com provides an easy and convenient avenue for stakeholders to gain access to more information of the Group.

However, in any circumstances, while the Group endeavours to provide as much information as possible to its shareholders and stakeholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information. The Directors are cautious not to provide undisclosed material information about the Group and frequently stress the importance of timely and equal dissemination of information to all shareholders and stakeholders.

All material announcements are reviewed and endorsed by the AC (as applicable) and the Board prior to release to the public through Bursa Securities. Shareholders and the public in general may also obtain announcements and financial results of the Company from Bursa Securities' website.

12.1 Integrated Reporting

Integrated reporting is not applicable to the Group presently as the Group does not fall within the definition of "Large Companies".

Part II Conduct of General Meetings

13 Shareholders' Participation at General Meeting

13.1 Notice for AGM

The notice of 29th AGM held on 30 October 2023 was sent to the shareholders, proxies and corporate representatives at least twenty-eight (28) days prior to the meeting date and published in a major local newspaper. Items of special business included in the notice of 29th AGM were accompanied by explanation of the proposed resolutions. All suggestions and comments put forth by shareholders, proxies and corporate representatives were noted by the Board for consideration.

Corporate Governance Overview Statement

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Part II Conduct of General Meetings (Cont'd)

13 Shareholders' Participation at General Meeting (Cont'd)

13.2 Directors' attendance

All Directors save for one had attended the 29th AGM held on 30 October 2023.

13.3 Leveraging on Technology

General meetings are held in person as this is better engagement platform with shareholders, proxies and corporate representatives.

The Company will consider leverage on technology to facilitate voting in absentia and remote shareholders' participation should this become a norm.

13.4 Shareholders Engagement

All Directors save for one, management, Company Secretary and external auditors were present during 29th AGM to engage with shareholders, proxies and corporate representatives. All questions posed were duly addressed by the Board.

13.5 Infrastructure for Virtual AGM

The 29th AGM was held physically. As such, there was no necessary to deploy infrastructure for virtual meeting format.

13.6 Minutes of General Meeting

Minutes of the proceedings of the 29th AGM are posted on the Company's website within 30 business days from the date of the AGM.

STATEMENT ON COMPLIANCE

The Board will continue to strive for sound standards of corporate governance throughout the Group. Presently, the Board is of the view that the Company has, in all material aspects, satisfactorily complied with the principles and practices set out in the MCCG except for the departures as disclosed.

The Corporate Governance Overview Statement was approved by the Board of Directors on 30 September 2024.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and cash flows for the year then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards under MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the provisions of the Companies Act, 2016 have been applied.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates. The Directors also have general responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Audit Committee Report

FORMATION

The primary objective of the Audit Committee (“AC” or “Committee”), as a Committee of the Board of Directors (“Board”) of Pensonic Holdings Berhad (“Pensonic” or “the Company”) is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control. The key responsibilities of the AC, included, among others, the following:

- (a) Oversee the Company and its subsidiaries (“Pensonic Group” or “the Group”) financial reporting process and the integrity of the Group’s financial statements;
- (b) Assess the Group’s processes in relation to its risks, governance and control environment;
- (c) Review conflict of interest situations and related party transactions; and
- (d) Evaluate the internal and external audit processes and performance.

The terms of reference of the AC is published on the Company’s website at www.pensonic.com.

COMPOSITION, MEETING AND ATTENDANCE

The present AC comprised solely of Independent Non-Executive Directors, in compliance with paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)(“MMLR”) and Practice 9.4 of the Malaysian Code on Corporate Governance 2021 (“MCCG”).

The members of the AC and their attendance at the five (5) meetings held during the financial year under review are as tabulated:

Composition Position in Committee	Attendance
Ong Huey Min, Lindy Chairman	5/5
Dato’ Seri Dr. Liew Lee Leong, Raymond ⁽¹⁾ Member	1/1
Dato’ Lela Pahlawan Dato’ Paduka Ku Nahar Bin Ku Ibrahim Member	5/5
Dato’ Tahir Jalaluddin Bin Hussain Member	5/5

Note:

⁽¹⁾ Dato’ Seri Dr. Liew Lee Leong’s attendance is calculated from the date of his appointment on 1 February 2024.

All members of the AC are financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the AC. The Chairman of the AC is a member of the Malaysian Institute of Accountants.

The minutes of each AC meeting were recorded and tabled for confirmation at the following AC meeting. The AC Chairman reported to the Board on the activities undertaken and the key recommendations for the Board’s consideration and decision. During the financial year ended 31 May 2024 (“FY2024”), the AC met five (5) times to discuss matters, among others, in relation to the accounting and reporting practices, related party transactions as well as internal and external audits of the Group.

The meetings were organised in a structured manner, utilising agendas that were shared to members with ample notice. To ensure proper governance, the Company Secretary or a representative from the Company Secretary’s office was present at all meetings. In addition, executive Board members, management members, and representatives from the external auditors and internal auditors were invited to attend meetings when their presence was deemed necessary.

Audit Committee Report

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The main activities undertaken by the AC during FY2024 were as follows:

Financial Performance and Reporting

- (a) Reviewed quarterly unaudited financial results of the Group before recommending to the Board for its consideration and approval and subsequent announcement to Bursa Securities.
- (b) Reviewed audited financial statements of the Company and the Group before recommending to the Board for its consideration and approval.
- (c) Reviewed the Company's compliance, in particular, the quarterly and year-end financial statements, with the MMLR, applicable approved accounting standards of the Malaysian Accounting Standards Board and other relevant legal and statutory requirements.
- (d) Reviewed pertinent issues, which might have significant impact on the results of the Group, including receivables, inventory management, bank borrowings, investments and divestments and strategic operations of subsidiaries.
- (e) Reviewed recurrent related party transactions of revenue and trading nature and other related party transactions entered into by the Group.

Internal Audit ("IA")

- (a) Reviewed and approved the annual IA plan for financial year ended 31 May 2024.
- (b) Reviewed the internal audit reports, audit recommendations made and management's response to these recommendations and actions taken to improve the system of internal control and procedures.
- (c) Monitored the feedback and reports from the Internal Auditors for matters of non-compliance, weakness in internal control systems or the lack of it as well as recommendations and management's response.
- (d) The AC has, where appropriate, directed management to rectify and improve control procedures and workflow processes based on the internal auditors' suggestions for improvement.
- (e) Reviewed the implementation of these recommendations through follow up audit reports.
- (f) Reviewed the performance of JWC Consulting Sdn. Bhd. ("JWC") as internal audit services provider upon confirmation that JWC has the appropriate qualification and experience as well as being a member of The Institute of Internal Auditors Malaysia.

External auditors ("EA")

- (a) Discussed the audit plan, scope of work/audit and reporting obligations as well as proposed audit fee for the year under review with the external auditors before commencement of audit engagement.
- (b) Reviewed and discussed with the auditors, the findings and results arising from the audit and management letter (if any) together with management's response and comments.
- (c) Responded to external auditors' enquiries and recommendations, if any, to ensure compliance with the various approved accounting standards in the preparation of the Group's financial statements.
- (d) Reviewed the suitability and performance as well as factors relating to the independence of the external auditors with due consideration to the quality, robustness and timeliness of the audit and report furnished, audit governance, level of understanding demonstrated of the Group's business and communication about new and applicable accounting practices and auditing standards and its impact on the Group's financial statements as well as the quality of the people and service level.
- (e) The Committee also met once (1) with management, in the absence of auditors, to hear their views on the effectiveness of the external auditors.
- (f) Following a review of the performance and independence of the external auditors, the AC recommended the re-appointment of KPMG PLT.

Audit Committee Report

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (CONT'D)

The main activities undertaken by the AC during FY2024 were as follows: (Cont'd)

Corporate Governance

- (a) Reviewed the relevant regulatory changes and ensure compliance by the Company and the Group.
- (b) Reviewed and approved / recommended, as applicable, the Audit Committee Report, Statement of Risk Management and Internal Control, Statement on Corporate Governance and Corporate Governance Report for Board's approval before inclusion in the Annual Report.
- (c) Reviewed, discussed, approved and monitored recurrent related party transactions of a revenue or trading nature and other related party transactions entered into by the Group as reported by the Management.
- (d) Reviewed any conflict of interest ("COI") or potential COI of Directors and Key Senior Management ("KSM") and on the measures to be taken to resolve, eliminate or mitigate such COI for Board's deliberation and approval.
- (e) Met twice (2) with the external auditors in the absence of the executive Board members and management staff to discuss issues of concern to the auditors arising from the annual statutory audit. None was reported.

Risk Management

- (a) Reviewed and accepted the Risk Assessment Report from Chief Risk Officer which detailed the risk status in the Group.
- (b) Reviewed and assessed the key risks of the Group as identified in the Enterprise Risk Management ("ERM") Report and follow through on various action plans to manage, mitigate and or eliminate the risks so identified.
- (c) Reviewed and endorsed the key risks profile of the Group as identified in the ERM Report.
- (d) Reviewed the progress of ongoing risk management activities undertaken by Risk Management Team ("RMT").

Internal Audit Function

The Board acknowledges the need for an effective system of internal control covering all aspects of the Group's activities including the mapping and management of risks which the Group may be exposed to.

The Group has engaged an independent professional consulting firm to provide outsourced internal audit function to carry out internal audit of the Group. This is to assist the Committee in discharging its duties and responsibilities. The cost incurred for the internal audit function of the Group in respect of the financial year under review is RM30,000.

The principal role of the internal audit function is to undertake independent and periodic reviews of the system of internal controls and risk management so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively.

It is the responsibility of the internal audit function to provide the Committee with independent and objective reports on the risk management profile as well as the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.

JWC took the risk-based approach in planning the Internal Audit Plan for the approval of the AC.

During FY2024, the internal audit function carried out internal audits to test the adequacy and effectiveness of the internal control system on review of the recurrent related party transactions of the Group, inventory management and safety controls as well as internal controls for credit control, sales and marketing of Pensonic Sales & Service Sdn Bhd.

Further information on the internal audit function and its activities are set out in the Statement on Risk Management and Internal Control in this Annual Report.

This report was approved by the AC on 30 September 2024.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors (“the Board”) of Pensonic Holdings Berhad (“Pensonic” or “the Company”) acknowledges its responsibility to establish a robust risk management framework and internal controls system in accordance with the Malaysian Code on Corporate Governance. As mandated by paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)(“MMLR”), the Board is required to include a statement on the state of internal control in the Company and its subsidiaries (“Pensonic Group” or “the Group”) in its Annual Report. The Board recognises the significance of a sound system of risk management and internal controls in safeguarding shareholders’ investments and the Group’s assets. The following is the Board’s statement on risk management and internal control, which offers an overview of the Group’s current state of risk management and internal control system.

BOARD RESPONSIBILITY

The Board reiterates its overall responsibility for maintaining a robust system of internal control and risk management within the Group. It acknowledges the significance of the system, which encompasses financial, operational, compliance, and integrity risks, along with the corresponding controls to effectively manage these risks on an ongoing basis. It is recognised that no internal control and risk management system can completely eliminate risks, and therefore, the current system is designed to manage risks within acceptable limits while ensuring efficiency. The system provides reasonable assurance but not absolute certainty against material misstatements, financial losses, defalcations, or fraud. The Audit Committee, Risk Management Team and Sustainability Working Team have been assigned the duty of supporting the Board in fulfilling its fiduciary obligations pertaining to the management of principal risks and internal controls.

- **Audit Committee (“AC”)**

The AC, which comprises solely of Independent Non-Executive Directors, plays a crucial role in assisting the Board in obtaining assurance regarding the adequacy and effectiveness of the Group’s Risk Management and internal control systems through the independent reviews carried out by the internal audit function.

- **Risk Management Team (“RMT”)**

The RMT, which comprises the Group Chief Executive Officer (“GCEO”) and identified senior management members, is established to identify risks that affect the Group, to quantify their potential impact and identify control systems to manage significant risks. If controls for certain significant risks are not in place presently, to propose and formulate new controls to manage those risks. The RMT is tasked to set up an ongoing risk management process that is effective.

- **Sustainability Working Team (“ST”)**

The ST, which comprises of the GCEO and identified senior management members is responsible for overseeing and guiding the Group’s sustainability efforts by developing sustainability goals, monitoring and reporting performance as well as integrating sustainability practices into business operations and driving continuous improvement.

KEY COMPONENTS OF THE INTERNAL CONTROL PROCESSES

Enterprise Risk Management Framework

The Board has put in place a risk management framework and ongoing process to assess the various types of risks, which might have an impact on the operations of the Group’s business activities. These include strategic, operational, financial and project risks. The Group’s risk management objectives are as outlined:

- To evaluate the primary risks encountered or potential risk exposure of the Group in its business operations and implement suitable internal control systems to mitigate those risks.
- To review the sufficiency and reliability of the internal controls in accordance with guidelines, laws, and regulations, and adapt them to accommodate changes in the business environment as needed.

Statement on Risk Management and Internal Control

KEY COMPONENTS OF THE INTERNAL CONTROL PROCESSES (CONT'D)

Enterprise Risk Management Framework (Cont'd)

- (c) To assess business decisions in light of the principle that risks are inherent in business activities and may be incurred if the potential rewards are anticipated to be able to enhance shareholder's value for the Group.
- (d) To identify and address significant risks that could have a significant impact on the Group, ensuring that appropriate measures are taken to mitigate and manage these risks in a timely manner.
- (e) To provide assurance on the Group's compliance with regulatory requirements, as well as the effectiveness of the policies and procedures that have been implemented.

The RMT which is part of the Group's risk management governance framework is responsible for conducting reviews and assessments and updates to the Risk Register on an annual basis. The Group is continuously improving its Enterprise Risk Management ("ERM") system, which involves an ongoing and systematic process of identifying, assessing, responding to and monitoring of risks. The risks are identified and assessed by deploying the following methodologies:

- Identification of risks by the process owners;
- Assessment of the likelihood and impact of the risks identified;
- Evaluation of the control strategies in relation to the risks;
- Formulation of action plans to address control deficiencies; and
- Setting key risks indicators to monitor the risks

Board Meetings

The Board meets on a quarterly basis, adhering to a structured agenda encompassing a wide range of topics for discussion. The GCEO takes the lead in presenting board papers, providing comprehensive updates to the Board on critical business and operational matters including key products performance and growth, business plans, corporate affairs, and future prospects. The decision-making process entails thorough deliberation and in-depth discussions by the Board, following recommendations from the management team.

Organisational Structure

The Group has an established organisational structure that includes delineated job responsibilities and delegated authorities. This structure facilitates effective communication of risk control objectives and ensures that authority and accountability are aligned with responsibilities and operational requirements.

Furthermore, the Audit Committee, Remuneration Committee and Nomination Committee which comprise primarily non-executive Directors, have well-defined terms of reference and specific functions that contribute to the overall governance framework of the Group.

Internal Policies and Procedures

The Group has implemented a comprehensive set of internal policies and procedures that are continuously updated to reflect changes in systems, work environment, and guidelines. The Group's Standard Operating Procedures ("SOP") are aligned with and adhere to industry standards such as Quality Management Systems ISO 9001:2015. These policies and procedures ensure compliance with relevant regulations and promote responsible and sustainable business practices throughout the Group.

The Group has documented Limits of Approving Authority for key aspects of its businesses. This framework ensures a clear structure of authority and accountability within the organisation, enabling appropriate decision-making at each level of the organisational hierarchy. The delegation of limits is regularly reviewed to ensure its effective implementation and ongoing suitability in aligning with the Group's business objectives and operational requirements.

Performance Management Framework

Management reports are generated monthly to support the Board and management in conducting financial and operational reviews of the different business units. These reviews cover financial and non-financial Key Performance Indicators (KPIs), analysis of variances between standard and actual results, and compliance with applicable laws and regulations.

Statement on Risk Management and Internal Control

KEY COMPONENTS OF THE INTERNAL CONTROL PROCESSES (CONT'D)

Internal Audit

The AC is responsible to review and monitor the adequacy and effectiveness of the Group's system of internal control via the outsourced internal audit function. The internal audit function assists the AC to achieve the following objectives:

- assess and report on the effectiveness of the risk management and internal control systems;
- assess and report on the reliability of systems and reporting information;
- assess and report on the operational efficiency of various business units and departments within the Group and identify cost saving potentials, where practical; and
- review compliance with the Group's policies, standing instructions and guidelines as requested by the Management, and applicable laws and regulations.

The Company has outsourced the internal audit functions to JWC Consulting Sdn. Bhd. ("JWC"), an independent professional firm since 2017. During the financial year ended 31 May 2024 ("FY2024"), JWC carried out a total of three (3) audit assignments on the Group in accordance with their audit plan, which covered the following areas:

- Review of Recurrent Related Party Transactions - Group
- Review of inventory management and safety controls - Pensonic Sales & Service Sdn. Bhd.
- Review of internal controls for credit control and sales as well as marketing - Pensonic Sales & Service Sdn. Bhd.

The results of the internal audits reviews, which included recommendations made by the internal auditors and the management's responses to those recommendations, are reported directly to the AC. When deemed necessary, the AC instructs the management to correct and enhance control and workflow procedures based on the recommendations for improvements provided by the internal auditors. Additionally, the AC monitors the corrective actions taken by the management in response to the weaknesses identified in the previous quarters.

The overall expenses associated with the Internal Audit function for the FY2024 amounted to RM30,000.

REVIEW OF THIS STATEMENT

The Internal Auditor has informed the AC that all internal control weaknesses identified during the FY2024 audit assignments have been or are being resolved, and that none of these weaknesses have led to any significant losses, contingencies, or uncertainties that necessitate disclosure in the Company's Annual Report.

The Board has received assurance from the GCEO that the Group's risk management and internal control system is functioning sufficiently and efficiently, addressing all significant aspects, in accordance with the Group's risk management and internal control framework.

Pursuant to paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement for inclusion in the Annual Report. As set out in their terms of engagement, the limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report.

The External Auditors have informed the Board that no issues have been brought to their attention that would lead them to believe that the Statement, which is intended to be included in the Annual Report, is not prepared in accordance with the necessary disclosures outlined in paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of the Listed Issuers.

The Board holds the opinion that the risk management and internal control in place during FY2024 and up to the date of this report are satisfactory in safeguarding the investments of shareholders, the interests of customers, regulators, employees, and other stakeholders associated with the Group.

This Statement does not cover the associates which the Group does not have direct control. Nevertheless, the Board has appointed representatives in the board of the associates to oversee their businesses who will update key matters and significant information to the Board.

This Statement is made in accordance with the resolution of the Board of Directors dated 30 September 2024.

Sustainability Statement

Pensonic's Sustainability Progress

The Board of Directors of Pensonic Holdings Berhad ("Pensonic" or "the Company") is pleased to present its Sustainability Statement in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR") Practice Note 9 and the Sustainability Reporting Guide Issue. This Statement describes our approach to sustainability matters and the measures implemented by the Company and its subsidiaries ("Pensonic Group" or "the Group") for the financial year ended 31 May 2024 ("FY2024").

Pensonic is committed to integrating and implementing the principles of economic, environmental, and social responsibility in all its business and operational activities. The Group recognises that its businesses and sustained growth are closely linked to the Group's ability to effectively manage its significant economic, environmental, social and governance ("ESG") impact. The Group has strove to adopt sustainable practices in all aspects of its operations whenever feasible, with the aim of benefiting future generations.



SCOPE AND COVERAGE

The scope of our Sustainability Statement covers the period from 1 June 2023 to 31 May 2024 and the reporting boundary for the time being is mainly focused on the Malaysian operations. Unless otherwise stated, Pensonic's business operations overseas are not included at this juncture. Our core business operations focused on manufacturing and trading of Electrical Home Appliances.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Group's sustainability governance framework is as presented below:

Sustainability Working Team

- Headed by the Group Chief Executive Officer (GCEO)
- Identifies areas for improvement
- Recommends sustainability initiatives and standards
- Implements sustainability initiatives approved by the BOD
- Monitors and reports progress of sustainability initiatives on a periodical basis to the BOD



Group Chief Executive Officer (GCEO)

- Reports directly to the BOD on sustainability matters
- Oversees and approves sustainability targets, key indicators and disclosures
- Evaluates and assesses sustainability risks and opportunities



Board of Directors (BOD)

- Ultimately responsible for managing sustainability matters of the Group

The Sustainability Working Team comprises senior management and relevant heads of business and supporting units, who undertake the integration of sustainability practices and objectives at the operational level, including tracking and measuring the progress of implemented initiatives. The Sustainability Working Team is helmed by the GCEO.

Sustainability Statement

STAKEHOLDER ENGAGEMENT






Stakeholders encompass individuals, groups, and entities affected by the activities of the Group. The Group recognises that equitable treatment and fostering strong relationships with core stakeholders are crucial for long-term profitability, accomplishments and business continuity. In view of this consideration, the Group engages regularly with both internal and external stakeholders to gain deeper insights into their viewpoints and concerns regarding significant sustainability matters.

These engagements enable the Group to integrate the relevant perspectives and concerns into its sustainability strategy effectively to deliver positive business outcomes and create values across the system as we continue to build a sustainable future together with our stakeholders.

Our key stakeholders are as set out below:



Pensonic categorises its stakeholder engagement and sustainability practices into the following categories and activities, which helps Pensonic in targeting its sustainability activities, engagement and communication in a systematic and focused manner:

Stakeholder Group	Type of Engagement	Sustainability Concerns
Customers 	<ul style="list-style-type: none"> • Customer visit • Sales, marketing and promotional events • Collaboration activities • Social media 	<ul style="list-style-type: none"> • Product safety and quality • Design and features • Timely delivery • Customer service and experience
Employees 	<ul style="list-style-type: none"> • Day-to-day operations • Code of Ethics and Code of Conduct • Whistleblowing policy • Training • Annual appraisal 	<ul style="list-style-type: none"> • Occupational safety and health • Employee appreciation, welfare and benefits • Employee development • Fair and equitable treatment
Investors 	<ul style="list-style-type: none"> • Annual general meeting • Quarterly announcement of financial results • Website updates 	<ul style="list-style-type: none"> • Sustainable financial returns
Suppliers 	<ul style="list-style-type: none"> • Supplier selection • Supplier evaluation and periodic audits 	<ul style="list-style-type: none"> • Supply chain efficiency • Ethical business practices • Timely delivery • Product quality and safety
Regulators 	<ul style="list-style-type: none"> • Regulatory disclosures / reporting • Scheduled waste disposals • Survey, statistics requests by regulators 	<ul style="list-style-type: none"> • Adherence to law and regulations • Corporate governance and compliances

Sustainability Statement

MATERIALITY ASSESSMENT PROCESS

As part of the Group's efforts to develop its sustainability framework, the Group has conducted a materiality assessment to identify material sustainability matters and ranked the material matters based on their importance to business and stakeholders.

Materiality Matrix

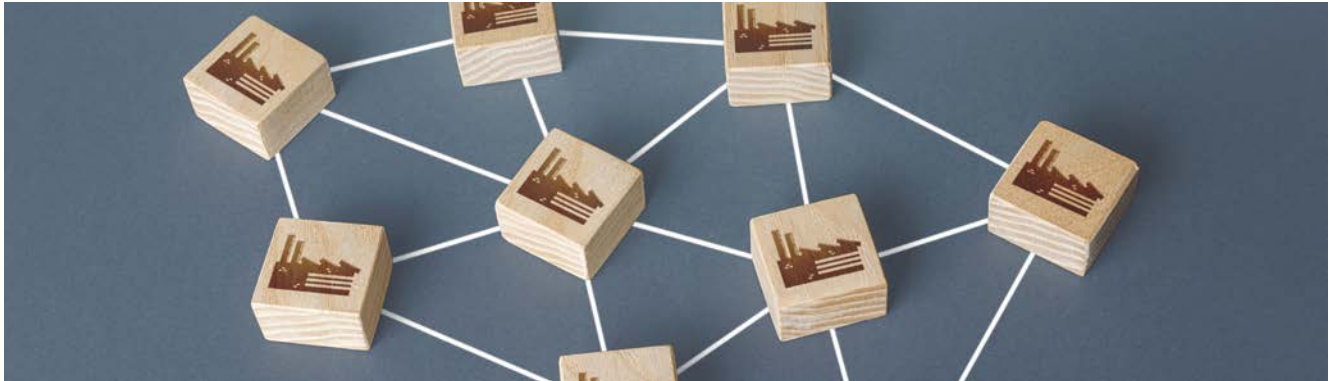
Materiality assessment was conducted and the Group has prioritised 12 material issues. The resulting materiality matrix is set out below:

Importance to Stakeholders	Importance to Business Operations		
	Low	Medium	High
High		<ul style="list-style-type: none"> Welfare, Benefit and Development 	<ul style="list-style-type: none"> Employee Health & Safety Energy Management Product Design, Safety and features Customer service and Experience
Medium		<ul style="list-style-type: none"> Emission Management Waste Management Ethics & Code of conduct 	<ul style="list-style-type: none"> Supply Chain efficiency Anti-Corruption Environmental Compliance
Low		<ul style="list-style-type: none"> Diversity 	

The United Nations Sustainable Development Goals ("UNSDG")

In 2015, the United Nations General Assembly set up the Sustainable Development Goals that comprise a set of 17 goals as per below, with respective targets to be achieved by the year 2030. These UNSDGs were formed with the aim of creating a better world for mankind. Therefore, we have aligned our sustainability drive with the UNSDGs to play our part and contribute towards the betterment of the global community in which we are a part.



Sustainability Statement**Economic****Product and Market**

Pensonic acknowledges that the enduring success of our business is balanced upon attaining the utmost level of product quality while meeting our customers' elevated expectations at competitive prices.

Pensonic holds ISO 9001:2015 certification, ensuring adherence to rigorous quality standards. Our products are approved and certified by Suruhanjaya Tenaga and SIRIM before they are introduced into the market. We offer comprehensive product warranty for all items, allowing customers to seek assistance for repairs and maintenance through warranty claims. In certain cases, customers may also be eligible for product exchanges, depending on specific circumstances.

The Group operates seven service centres in Malaysia to provide convenient access to product information, repairs and maintenance services. These centres are strategically located in Bukit Minyak and Perak Road in Penang, Petaling Jaya, Johor Bahru, Kota Bahru, Kota Kinabalu, and Labuan. Additionally, we also have global sales and service centres in Zhuhai, Hong Kong, Singapore, Indonesia, Brunei and Myanmar.

Pensonic has introduced a one-stop solution called 'Circlez App' for consumers to register online product warranty for all Pensonic brands. With Circlez App, registering product warranty is a breeze! Consumers can simply scan the QR code or manually input the necessary information, therefore saving time and effort. Circlez App provides automatic warranty period tracking for consumers to stay informed about the duration of warranty coverage. In addition to warranty registration and tracking, Circlez App also provides other convenient features such as prompt customer service support, convenient online shopping, access to awesome shopping rewards and updates on the latest deals.

The response towards e-Warranty registrations during the past three (3) years have been encouraging. The numbers are as follows:

No. of e-Warranty registrations

57,555	39,100	71,386
2022	2023	2024

We actively track warranty claims to gauge the quality of our products. There are also multiple communication channels to encourage seamless consumer interactions with us, allowing them to submit inquiries, express concerns, or file complaints. These channels encompass our website, social media sites and customer service centres.

Each customer concern is meticulously documented and reviewed by the Group, enabling us to identify frequently reported issues. This information is then included in our ongoing efforts towards continuous quality improvement.

Sustainability Statement

Supply Chain Efficiency

Pensonic upholds a robust supply chain management approach by fostering long term, collaborative partnerships with suppliers. We strive to establish secure and efficient procurement practices, allowing us to leverage economies of scale to gain competitive advantage. We engage in lean manufacturing, adhere to environmental regulations, and follow the necessary compliance and quality standards. Our goal is to deliver products that satisfy our consumers' needs promptly and at competitive prices. This commitment extends from procurement and production to warehousing and distribution. We conduct factory audit before engaging new suppliers to ensure they align with our requirements. Furthermore, we perform an Annual Supplier Evaluation that assess quality, cost, delivery and service of the suppliers. Pensonic will prioritise sourcing from local suppliers to support economic growth and reducing carbon footprint. The proportion of spending on local suppliers in 2024 is 29% from the total purchase.

Ethic and Code of Conduct

The Group acknowledges that sound corporate governance is essential for the enduring sustainability of the business. The Group is wholeheartedly dedicated to implementing the necessary practices that foster corporate transparency, accountability, performance, and integrity. These elements play a pivotal role in gaining stakeholders' trust, confidence and continued business relationships. The Group remains steadfast in upholding high standards of corporate governance, as outlined in the Corporate Governance Overview Statement provided in this Annual Report. The Group has formalised the following policies that are available on the Company's website www.pensonic.com:

Code of Conduct

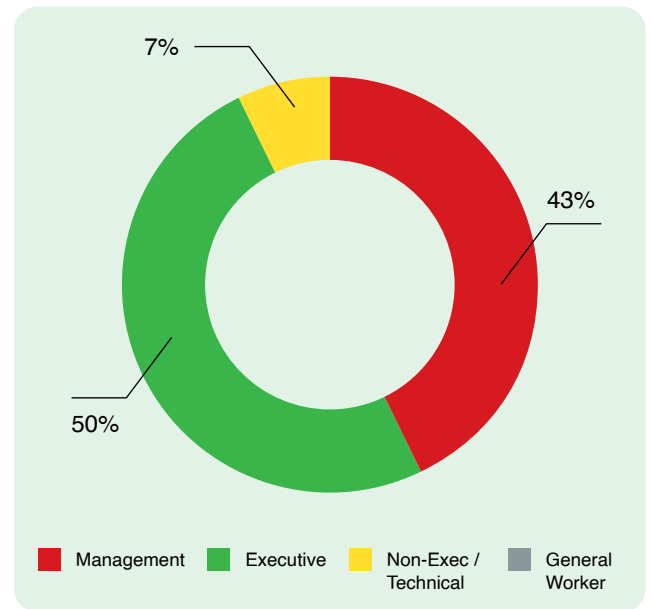
Code of Ethics

Anti-Bribery and
Corruption Policy

Whistleblowing Policy

Pensonic has an environment where employees can raise concerns and report without fear of reprisal or retaliation through the Whistleblowing channel to the Chairman of the Audit Committee, Pensonic Holdings Berhad. Throughout the financial year, the Group has recorded zero cases of whistleblowing concerning corruption, money laundering, or unethical business practices. The Group remains committed to regularly evaluating its policies and procedures to ensure adherence to high ethical and integrity standards in all aspects of its operations.

As of the reporting period, percentage of employees who have received training on anti-corruption by employee category showed as below:



Data Privacy

Pensonic is dedicated to upholding the fundamental principles of data privacy, which involve handling sensitive information such as personal or financial data with utmost care. Ensuring data security, protecting information from unauthorised access, alteration, or theft is also a priority to build trust and accountability with customers, business partners and employees.

To safeguard data privacy, we have implemented key internal controls that include:

- Utilising firewalls and installing antivirus or anti-malware software to protect our technology resources and assets.
- Implementing appropriate physical and organisational security measures to safeguard personal and Company data.
- Ensuring employee cooperation and compliance with Pensonic Code of Conduct and Code of Ethic.
- Providing employee training and awareness programmes to increase understanding on importance of data privacy.
- Establishing Non-Disclosure Agreements with customers, suppliers, and contractors.

As a result of our ongoing efforts, there were no complaints concerning breaches of customer privacy and data in FY2024.

Sustainability Statement

Environmental

At Pensonic, we prioritise stringent adherence to environmental laws governing our plant operations and maintenance. We are fully committed to upholding high environmental standards, including compliance with relevant emission regulations, noise level management, and the proper treatment of plant effluents and wastewater. By strictly complying with these regulations, we strive to minimise our environmental impact and promote sustainable practices.

We are supportive of the Government's regulations and initiatives on the Minimum Energy Performance Standards (MEPS) provided under the Electricity Regulations 1994 and its subsequent amendments. We ensure all our products have the necessary energy efficiency rating and are affixed with the required MEPS Star Rating Label. The Group's products with MEPS Star rating include cooling appliances, washing machines and selected small cooking appliances.

The Manufacturing Division of the Group has adopted ISO 14001, the internationally recognized standard for Environmental Management System (EMS) to show full commitment not only to the regulatory compliances but also to ongoing environmental improvement. This proactive approach will result in tangible benefits such as waste reduction, energy conservation and cost saving. By adhering to this standard, the division take proactive measures to minimize environmental footprint, comply with legal requirements and achieve the environmental objectives.

With the implementation of ISO 14001, Waste Management Control, Chemical & Hazardous Substances Control Standard Operating Procedures were established to assure that the Waste & Chemical are managed and controlled systematically. All these inventories are recorded and subsequently reported to the Department of Environment on monthly basis via Electronic Scheduled Waste Information System (eSWIS). The accumulated waste will then dispose by the vendor licenced by the Department of Environment, Malaysia.



For the financial year under review, the summary of scheduled waste generated by the Group is as below:

Description of Waste	Directed to Disposal (metric tonnes)		
	FY2022	FY2023	FY2024
SW410 (Used Contaminated Rags)	0.14482	0.0765	0.152
SW306 (Used Hydraulic Oil)	0.115	0.071	0.113
SW409 (Contaminated Empty Container)	-	-	0.027


Sustainability Statement

Energy Consumption

Pensonic’s plant primarily needs energy in the form of electricity which we purchase directly from Tenaga National Berhad. Electricity is mainly for machinery used in manufacturing and other process engineering equipment. The measurement and control technology, as well as the lighting, requires electricity. None of our plants use steam, coal nor natural gas as a source of energy. Other than that we also started to track our fuel consumption by company owned vehicle this financial year.

Energy Consumption	Unit	FY2022	FY2023	FY2024
Electricity consumption	Gj	7,507.66	6,942.96	7,319.63
Fuel and Gasoline consumption	Gj	n/a	n/a	1,806.52

The Group has installed rooftop solar panels at our Head Office and Manufacturing Plant with a total capacity of 871.2 kWdc. The installation was completed in the end of September 2023, but the energization only started in April and May 2024 after getting the approval from Tenaga Nasional Berhad. This industrial-scale Solar Photovoltaic (PV) System offer clean and green energy that generates electricity by absorbing sunlight and using that light energy to create an electrical current. We aim to accelerate the vast and underutilised potential of Pensonic’s rooftops to produce energy, which is natural, free and accessible in plenty. The total saving after initiating the energizing, amounted to RM7,950.47 for both Head Office and Manufacturing Plant.



RM7,950.47

Total energy saving (RM) for both Head Office and Manufacturing Plant.



Furthermore, our office is designed with a modern and sustainable approach, featuring plenty of large window openings and spacious interiors. This design choice maximises the use of natural sunlight and reduces the need for artificial lighting during the day time. By implementing these measures, we aim to create an energy-efficient and environmentally conscious workspace.

Pensonic acknowledges the importance of managing its water resources sensibly and responsibly. As a part of our commitment, we have incorporated rainwater harvesting system as a component of our green building efforts. This system allows us to collect rainwater for various non-operational general purposes, therefore helping to conserve our world’s existing clean water supply. We started to track our water consumption for FY2024, across head office and branches in Malaysia. The total volume of water used in FY2024 is 14.78 megaliters.

Sustainability Statement

Social

At Pensonic, we strongly uphold the principles of human rights and treat each individual with respect and dignity. We strictly condemn and do not engage in any form of forced labour. Discrimination in any form is strictly prohibited within our organisation. We are committed to maintaining a safe and healthy workplace for all employees. Child labour is strictly prohibited, and we ensure compliance with the applicable minimum wage requirements. Furthermore, we actively promote freedom of speech within our organisation, fostering an environment where individuals can express their views openly and without fear of retribution.

We ensure that all foreign labour is hired in accordance with the laws, rules and regulations, complete with proper documentation and legal permits. They are provided with a contract of employment and receive comparable benefits to our local employees. As a testament to our dedication to safeguarding the human rights of all our employees, the Pensonic Group has invested continual resources to enhance the comfort and accommodation facilities of our workforce. This includes providing spacious living areas for each individual and upgrading the facilities available to comply with the Employee's Minimum Standards of Housing and Amenities Act 2019.

Overall, there have been no reported cases of discrimination, child labour, or workplace harassment for the Group during year 2024.

Occupational Health and Safety

In order to be a responsible and sustainable employer, Pensonic prioritizes the health and wellbeing of all our employees. We have developed our own localized Occupational Safety and Health ("OSH") Policy, which underscores our firm dedication to occupational safety and health concerns. This Policy is complemented by detailed Standard Operating Procedures ("SOPs") for activities across our manufacturing plants, coupled by a robust framework for our OSH governance, ensuring a safe and healthy workplace for our employees, contractors, and visitors. By identifying and managing all risk factors and mitigating their adverse effects on individuals' physical, mental, and cognitive well-being, we aspire to cultivate greater hazard awareness, reduce risks, enhance workplace health and safety, and ultimately aim for zero injury incidents for the years to come.

Our Safety and Health Committee ("SHC") comprises employee representatives from all organisational levels, including top management, executives, and frontline workers, as required by law. Led by our Administrative and Human Resources Department, the joint management-worker SHC meets quarterly to discuss OSH management systems and evaluations. The SHC investigates hazard prevention measures, root causes of occupational accidents and diseases, recurrence prevention measures, employee health issues, and health promotion measures and report to top management. The SHC collaborates with the Human Resources Department to organize OSH-related programs, including internal and external training. To continuously enhance our processes, we conduct various health and safety training for our employees such as Forklift training, ERT fire drill and first aid training. A total of 32 employees were trained on the health and safety program.



0 case

Number of reported cases of discrimination, child labour, or workplace harassment



32 employees

Total employees trained on the health and safety program.



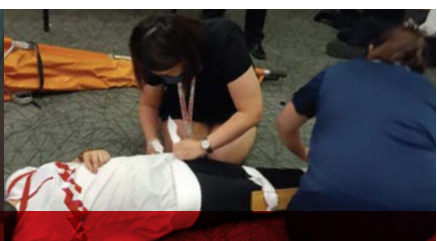
ERT Fire Drill Training



Forklift Training



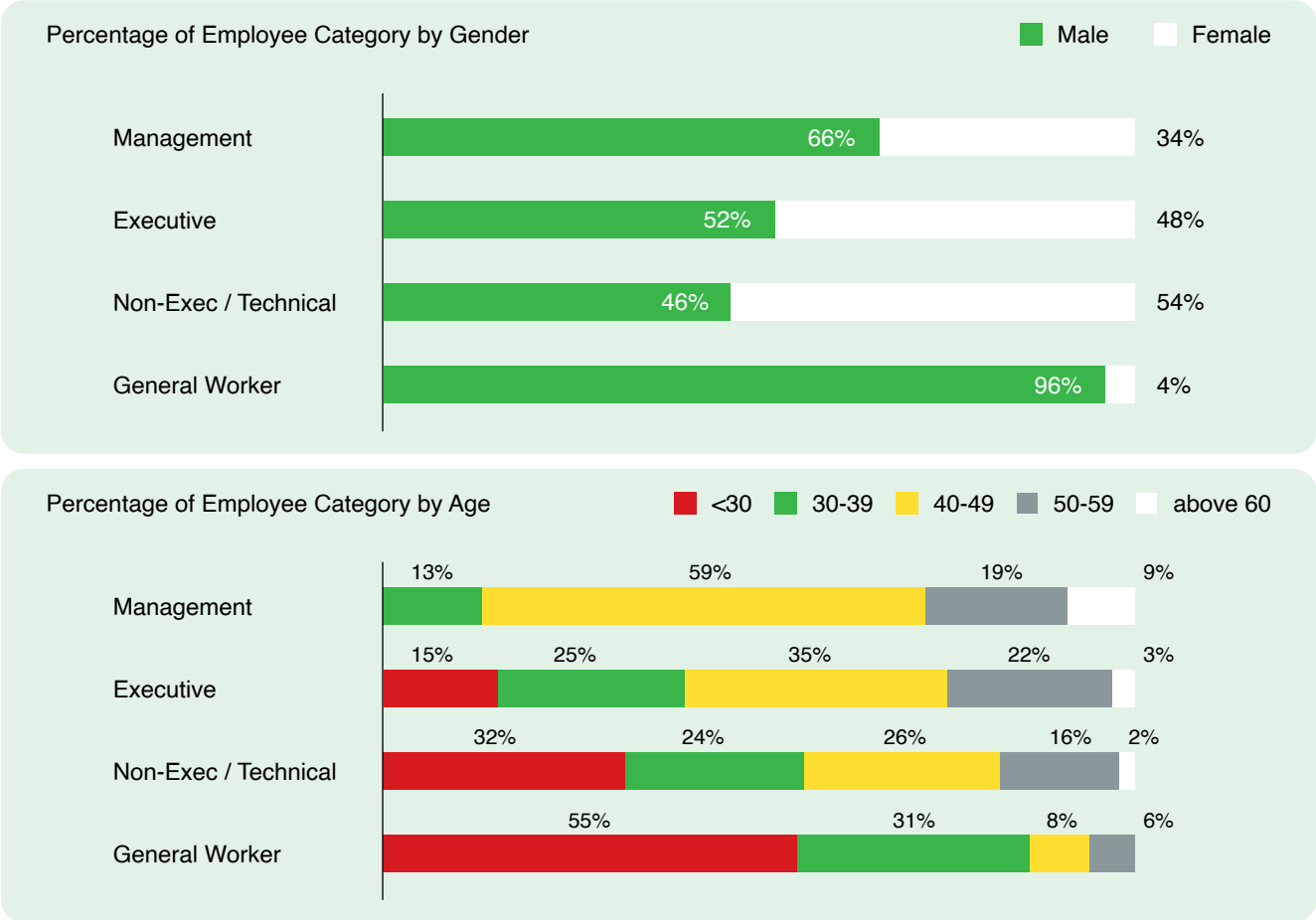
First Aid Training



Sustainability Statement

Diversity

We promote diversity and do not tolerate any form of discrimination. We believe that diversity in professional background, experience, gender, ethnicity and culture promote a richness of ideas and fresh perspectives that support innovative thinking and creativity.

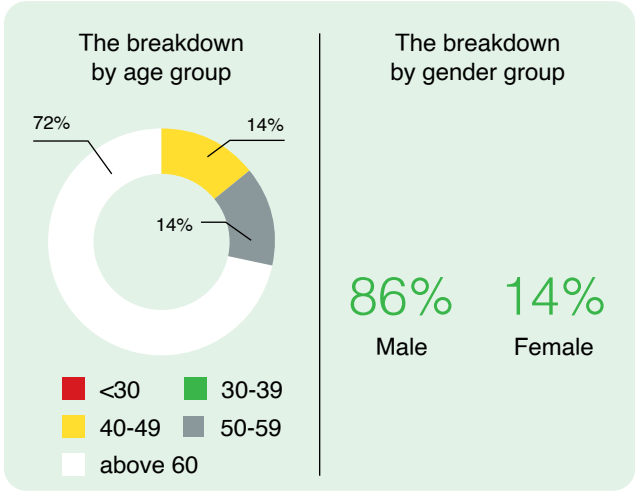


Our Management category consists of 66% males and 34% females in FY2024, while the gender distribution among Executive and Non-Executive is more even. Under the general worker category, it could be observed that there is a predominance of males in operational roles which are more physically demanding. However, we do not limit our female employees from taking on any professional positions or responsibilities, as long as they possess the necessary qualifications for the role.

The graph also illustrates the Group’s employee category by age group, for the financial year ended 2024. The majority of employees in the management and executive categories fall within the age range of 40 to 49 years old, while in the general worker category, the majority are less than 30 years old.

As proponents of an inclusive culture, we firmly oppose any type of discrimination based on gender, race, or age. Consequently, during the hiring process, we prioritise candidates’ qualifications, knowledge, skills, training, and experience, rather than considering their gender, age, or cultural background.

With respect to Board Diversity, currently 1 out of 7 current board members are female which represents 14% of total board composition. The breakdown by age group as follows:



Sustainability Statement

Welfare, Benefit and development

Our employees are our most valuable asset, therefore we ensure employees are compensated fairly and competitively by benchmarking periodically against market salary levels and upgrading employment benefits to show recognition and appreciation for their contributions to the Group.

Employee benefits are given to our full-time employees aimed at supporting a workforce that feels secure, stable and cared for through fair leave allocation and insurance coverage, among others. A list of employee benefits is given below:

Statutory Benefits	<ul style="list-style-type: none"> • Minimum wages • EPF, SOCSO, EIS and HRDF contributions • Overtime payments • Annual leave, paid medical leave, hospitalisation leave, maternity leave, marriage leave, compassionate leave
Employee Benefits	<ul style="list-style-type: none"> • Group medical insurance including hospitalisation and personal accident • Medical subsidies including dental and outpatient medical claim • Employee Discount on company products • Gift (Marriage) • Allowance for new born baby • Condolence Donation & Funeral Expenses
Employee Welfare	<ul style="list-style-type: none"> • Festival celebrations • Loyalty Program (for staff purchase, marriage and birthday) • Sport activities • Long service awards • Hostel for foreign operators • Transportation
Extra Facilities	<ul style="list-style-type: none"> • Prayer rooms • Personal lockers • Rest area • Secured car parks • In-house gym • Auditorium • Ballroom

Our employee engagement initiatives extend beyond the workplace, encompassing a range of social events and activities aimed at promoting fellowship and fostering a vibrant and inclusive workplace culture. The events and activities held include Merdeka Day celebration, and festive celebration. A Chinese New Year Dinner was held in February 2024 and a Hari Raya celebration during April 2024, featuring an array of Malay delicacies and engaging activities. At the same time, we were giving away long service award to employees that contributed 10 years, 20 years and 30 years.



Sustainability Statement



Apart from that, we are also committed to the development of our employees at Pensonic. To empower them in facing challenges of our industry, we conducted training need analysis and tailored our training programs to meet the specific needs of our employees.

As at financial year ended May 2024, we achieved a total of 17,624 training hours.



17,624 hours

Total training hours achieved.

Total training hours by employee category (ALL Training)	Total Training Hours
Management	5,384
Executive	4,496
Non-Exec / Technical	3,984
General Worker	3,760

Engaging with the local communities in which we operate provides opportunities for us to meet their needs and create positive, long-term impact. Taking this into consideration, Pensonic is wholeheartedly dedicated to its Corporate Social Responsibility ("CSR") initiatives by participating in a range of community service activities to support the local communities. This support is manifested through diverse means, including offering financial aid to a wide array of non-profit organisations.

Conclusion

At Pensonic, we consistently take initiative to expand upon our sustainability achievements, we believe that we can always do more to embed and strengthen meaningful ESG development in our business and operations. As we continue our journey to become a progressively sustainable company, we will remain resolute in our commitment towards continual improvements, carry out our business activities in a transparent and environmentally friendly manner while providing long-term value for all our stakeholders.



Sustainability Statement

Performance Data Table

No.	Common Sustainability Matters	Common Indicators	Unit	Data
1.	Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category		
		(a) Management	%	43%
		(b) Executive	%	50%
		(c) Non-Exec / Technical	%	7%
		(d) General Worker	%	0%
		Percentage of operations assessed for corruption-related risks	%	0%
		Confirmed incidents of corruption and action taken	number	0
2.	Community / Society	(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	25,410
		(b) Total number of beneficiaries of the investment in communities	beneficiaries	4
3.	Diversity	Percentage of employees by gender, for each employee category		
		(a) Management - Male	%	66%
		(b) Management - Female	%	34%
		(c) Executive - Male	%	52%
		(d) Executive - Female	%	48%
		(e) Non - Executive - Male	%	46%
		(f) Non - Executive - Female	%	54%
		(g) General Worker - Male	%	96%
		(h) General Worker - Female	%	4%
		Percentage of employees by age group, for each employee category		
		(a) Management <30	%	0%
		(b) Management 30-39	%	13%
		(c) Management 40-49	%	59%
		(d) Management 50-59	%	19%
		(e) Management above 60	%	9%
		(f) Executive <30	%	15%
		(g) Executive 30-39	%	25%
		(h) Executive 40-49	%	35%
		(i) Executive 50-59	%	22%
		(j) Executive above 60	%	3%
		(k) Non- Executive <30	%	32%
		(l) Non- Executive 30-39	%	24%
		(m) Non- Executive 40-49	%	26%
		(n) Non- Executive 50-59	%	16%
		(o) Non- Executive above 60	%	2%
		(p) General Worker <30	%	55%
		(q) General Worker 30-39	%	31%
		(r) General Worker 40-49	%	8%
		(s) General Worker 50-59	%	6%
		(t) General Worker <60	%	0%

Sustainability Statement

Performance Data Table (Cont'd)

No.	Common Sustainability Matters	Common Indicators	Unit	Data
3.	Diversity (Cont'd)	Percentage of directors by gender and age group		
		(a) Director - Male	%	86%
		(b) Director - Female	%	14%
		(c) Director - <30	%	0%
		(d) Director - 30-39	%	0%
		(e) Director - 40-49	%	14%
		(f) Director - 50-59	%	14%
		(g) Director - <60	%	72%
4.	Energy management	(a) Total energy consumption	Gj	9,126.15
5.	Health and safety	(a) Number of work-related fatalities		NIL
		(b) Lost time incident rate		NIL
		(c) Number of employees trained on health and safety standards	headcount	32
6.	Labour practices and standards	(a) Total hours of training by employee category		
		(a) Management	hours	5,384
		(b) Executive	hours	4,496
		(c) Non-Exec / Technical	hours	3,984
		(d) General Worker	hours	3,760
		(b) Percentage of employees that are contractors or temporary staff	%	6.12%
		(c) Total number of employee turnover by employee category		
		(a) Management	headcount	8
		(b) Executive	headcount	30
		(c) Non-Exec / Technical	headcount	38
		(d) General Worker	headcount	64
		(d) Number of substantiated complaints concerning human rights violations		NIL
7.	Supply chain management	(a) Proportion of spending on local suppliers		29%
8.	Data privacy and security	(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data		NIL
9.	Water	(a) Total volume of water used	Megaliter	14.78
10.	Waste management	(a) Total waste generated, and a breakdown of the following:	metric tonnes	
		(i) total waste diverted from disposal		***
		(ii) total waste directed to disposal		0.292
11.	Emissions management	(a) Scope 1 emissions in tonnes of CO ₂ e		***
		(b) Scope 2 emissions in tonnes of CO ₂ e		***
		(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)		***

*** These data are currently being compiled and will only be made available in the next financial year..

Statement Of Proposed Renewal Of Authority For The Company To Purchase Its Own Ordinary Shares (“Proposed Share Buy-Back”)

1.0 Introduction

The shareholders of Pensonic Holdings Berhad (“PHB” or “the Company”) had, at the 29th Annual General Meeting (“AGM”) held on 30 October 2023, granted approval to the Board of Directors (“Board”) to purchase the ordinary shares in Pensonic (“Shares”) of up to ten percent (10%) of the total number of issued Shares at any point of time through Bursa Malaysia Securities Berhad (“Bursa Securities”).

The aforesaid mandate shall lapse at the conclusion of the forthcoming 30th AGM unless the approval for its renewal is obtained from the shareholders at the forthcoming 30th AGM.

On 25 September 2024, the Company announced to Bursa Securities that the Company proposed to seek shareholders’ approval on the Proposed Share Buy-Back at the forthcoming 30th AGM.

The purpose of this Statement is to provide you with the details of the Proposed Share Buy-Back as well as to set out the recommendation of the Board and to seek your approval for the ordinary resolution in respect of the Proposed Share Buy-Back to be tabled at the forthcoming 30th AGM of the Company.

2.0 Disclaimer Statement

This Statement is important and if you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Securities has not perused this Statement prior its issuance, and hence, takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

3.0 Details of the Proposed Renewal of Share Buy-Back

The Board is proposing to seek your approval to purchase a maximum aggregate number of Shares of up to ten percent (10%) of the total number of issued Shares of the Company at any point in time, subject to compliance with Section 127 of the Companies Act 2016 (“Act”), Chapter 12 of the Main Market Listing Requirements of Bursa Securities (“Listing Requirements”), the Malaysian Code on Take-Overs and Mergers 2016 (“Code”) and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities (collectively “Prevailing Laws”) at the time of purchase(s).

As at 30 August 2024, being the latest practicable date (“LPD”) prior to the printing of the Annual Report 2024, the Company’s issued share capital is RM84,304,948.60 comprising 157,391,426 Shares. Based on the number of issued shares of Pensonic, the number of shares which can be bought back pursuant to the Proposed Share Buy-Back are detailed as below:

Share Capital	Based on existing share capital No. of shares
Total number of issued shares	157,391,426
10% of the total number of issued shares	15,739,142
Less: Treasury shares held by PHB	(5,036,300)
Maximum number of shares which may be purchased in respect of this Proposed Share Buy-Back	10,702,842

The purchase of Shares under the Proposed Share Buy-Back will be carried out through Bursa Securities via stockbroker(s) to be appointed by the Board.

Statement Of Proposed Renewal Of Authority For The Company To Purchase Its Own Ordinary Shares (“Proposed Share Buy-Back”)

3.0 Details of the Proposed Renewal of Share Buy-Back Authority (Cont’d)

Your authority for the share buy-back will be effective upon the passing of the ordinary resolution for the Proposed Share Buy-Back at the forthcoming 30th AGM to be convened and shall continue to be in force until:

- (a) 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
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first.

Your approval for the Proposed Share Buy-Back does not impose an obligation on the Company to purchase its Shares. However, it will allow the Board to exercise the power of the Company to purchase its Shares at any time within the abovementioned time period.

4.0 Rationale for the Proposed Share Buy-Back

The Proposed Share Buy-Back would enable the Company to utilise its surplus financial resources to purchase Shares when appropriate, and at prices which the Board view as favourable to the Company with a view to enhancing the earnings per Share of Pensonic Group (“the Group”) and net assets (“NA”) per Share of the Company.

The Proposed Share Buy-Back is not expected to have any potential material disadvantage to the Company and its shareholders as it will be exercised only after in-depth consideration of the financial resources of the Group and of the resultant impact on its shareholders.

(i) Advantages of the Proposed Share Buy-Back

- (a) The Proposed Share Buy-Back would effectively reduce the number of shares carrying voting and participation rights unless the Shares which are purchased by the Company pursuant to the Proposed Share Buy-Back (“Purchased Shares”) are resold on Bursa Securities or distributed as share dividends. Consequently, all else being equal, the EPS of the Group may be enhanced as the earnings of the Group would be divided by a reduced number of Shares.
- (b) The Purchased Shares which will be retained as treasury shares (“Treasury Shares”) may potentially be resold on Bursa Securities at a higher price and therefore realising a potential gain in reserves without affecting the total share capital of the Company. The Treasury Shares may also be distributed to shareholders as dividends and, if undertaken, would serve to reward the shareholders of the Company.
- (c) The Company may be able to stabilise the supply and demand of its Shares in the open market and thereby supporting its fundamental values.

(ii) Disadvantages of the Proposed Share Buy-Back

- (a) The Proposed Share Buy-Back, if implemented, would reduce the financial resources of the Group. This may result in the Group having to forgo better future investment or business opportunities and/or any interest income that may be derived from the deposit of such funds in interest bearing instruments; and
- (b) The Proposed Share Buy-Back may also result in a reduction of financial resources available for distribution in the form of cash dividends to you as shareholders of Pensonic in the immediate future.

5.0 Source of funding for the Proposed Share Buy-Back

Paragraph 12.10(1) of the Listing Requirements stipulates that the Proposed Share Buy-Back must be made wholly out of the retained profits of our Company. We intend to use internally generated funds to finance the Proposed Share Buy-Back subject to compliance with Section 127 of the Act and any Prevailing Laws at the time of the purchase. Notwithstanding this, in the event the Proposed Share Buy-Back (or any part of it) is to be financed through external borrowings, our Board will ensure that we have sufficient funds to repay such external borrowings.

Based on the latest audited consolidated financial statements for financial year ended 31 May 2024, the retained profits of our Company is approximately RM16,386,153. The maximum amount of funds to be allocated for the Proposed Share Buy-Back shall not exceed the aggregate amount of the retained profits of the Company.

The Proposed Share Buy-Back is not expected to have a material impact on the cash flow position of our Company. In addition, our Board will ensure that our Company satisfies the solvency test as stated in Section 112(2) of the Act before implementing the Proposed Share Buy-Back. The actual number of Shares to be purchased, and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock market as well as our financial resources and retained profits.

Statement Of Proposed Renewal Of Authority For The Company To Purchase Its Own Ordinary Shares (“Proposed Share Buy-Back”)

6.0 INTEREST OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED

The Directors, Substantial Shareholders and persons connected to the Directors and/or Substantial Shareholders of PHB Group have no direct or indirect interest in the Proposed Share Buy-Back and/or the resale of Treasury Shares, if any.

The proforma table below shows the equity interests held directly and indirectly in Pensonic by the Directors and Substantial shareholders of PHB as at LPD before and after the Proposed Share Buy-Back:-

	No. of shares held					
	Before proposed share buy back			After proposed share buy back		
	Direct	%	Indirect	Direct	%	Indirect
Directors						
Dato' Seri Chew Weng Khak @ Chew Weng Kiak	8,034,300	5.273	9,261,924 ^(c)	8,034,300	5.672	9,261,924 ^(c)
Dato' Chew Chuon Jin, Dixon	10,898,400	7.153	16,800 ^(d)	10,898,400	7.694	16,800 ^(d)
Chew Chuon Fang, Nelson	6,181,000	4.057	-	6,181,000	4.364	-
Substantial Shareholders						
Sphere Corporation Sdn Bhd	26,000,000	17.065	-	26,000,000	18.355	-
Dato' Dr. Lai Kim Teng	-	-	26,000,000 ^(a)	-	-	26,000,000 ^(a)
Dato' Seri Chew Weng Khak @ Chew Weng Kiak	8,034,300	5.273	5,261,924 ^(b)	8,034,300	5.672	5,261,924 ^(b)
Dato' Chew Chuon Jin, Dixon	10,898,400	7.153	16,800 ^(d)	10,898,400	7.694	16,800 ^(d)
Neo Ching Yuen	8,295,800	5.445	-	8,295,800	5.856	-
Person connected to Directors and/or Substantial Shareholders						
Chew Weng Khak Realty Sdn Bhd	3,061,924	2.010	-	3,061,924	2.162	-
Datin Seri Tan Ah Nya @ Tan Bee Tiang	2,200,000	1.444	-	2,200,000	1.553	-
Tan Guat See	16,800	0.011	-	16,800	0.012	-
Dato' Tan Ah Lee	505,000	0.331	-	505,000	0.357	-
Chew Chun Chia, Nick	2,000,000	1.313	-	2,000,000	1.412	-
Chew Pei Gee	2,000,000	1.313	-	2,000,000	1.412	-

Note:

- (a) Deemed interest pursuant to Section 8(4) of the Companies Act 2016 (“Act”) held through Sphere Corporation Sdn Bhd.
- (b) Indirect interest through his spouse pursuant to Section 59(1)(c) of the Act and Chew Weng Khak Realty Sdn Bhd.
- (c) Indirect interest through his spouse, children pursuant to Section 59(1)(c) of the Act and Chew Weng Khak Realty Sdn Bhd.
- (d) Indirect interest through his spouse pursuant to Section 59(1)(c) of the Act.

Statement Of Proposed Renewal Of Authority For The Company To Purchase Its Own Ordinary Shares (“Proposed Share Buy-Back”)

7.0 Effects of the Proposed Share Buy-Back

7.1 Share Capital

The effect of the Proposed Share Buy-Back on the issued share capital of the Company will depend on whether the Purchased Shares are cancelled or retained as Treasury Shares. The Proposed Share Buy-Back will result in a reduction of the issued shares capital of the Company if the Purchased Shares are cancelled.

In the event the Proposed Share Buy-Back is carried out in full and all the Purchased Shares are cancelled, the issued share capital of the Company will be reduced by the number of Shares so cancelled as follows:

Share Capital	Based on existing share capital No. of shares
Existing share capital as at LPD (inclusive of the 5,036,300 Treasury Shares)	157,391,426
Assuming all the Purchased Shares pursuant to the Proposed Share Buy-Back are cancelled	(15,739,142)
Resultant ordinary issued share capital	<u>141,652,284</u>

Conversely, if all the Purchased Shares are retained as Treasury Shares, the Proposed Share Buy-Back will not have any effect on the issued share capital of Pensonic. Nevertheless, certain rights attached to the Purchased Shares are suspended while they are held as Treasury Shares.

7.2 NA per Share

The Proposed Share Buy-Back may increase or decrease the NA per Share depending on the purchase price of the Shares bought back in comparison to the NA per Share at the time that the Shares are purchased.

If the Treasury Shares are distributed as share dividends, the NA per Share will decrease by the cost of the Treasury Shares at the point of purchase(s).

In the event the Purchased Shares which are retained as Treasury Shares are resold, the NA per Share of the Group will increase or decrease depend on whether a gain or a loss is realized upon the resale. However, the quantum of the increase or decrease in NA per Share will depend on the actual selling price of the Treasury Shares and the number of Treasury Shares resold to Bursa Securities.

7.3 Earnings and EPS

The Proposed Share Buy-Back may increase or reduce the EPS of the Group, depending on the number of and prices paid for the Purchased Shares, the effective funding cost to Pensonic to finance the purchase of such Shares, or any loss in interest income to Pensonic or opportunity cost in relation to other investment opportunities as well as the proposed treatment of the Purchased Shares.

Assuming that the Purchased Shares are retained as Treasury Shares and subsequently resold, the extent of the effects on the earnings of the Group will depend on the actual selling price, the number of Treasury Shares resold and the effective gain arising from the exercise.

If the Purchased Shares are cancelled, the Proposed Share Buy-Back shall increase the EPS of the Group provided that the income forgone and interest expense incurred on the Purchased Shares are less than the EPS before the share purchase.

7.4 Dividends

The Proposed Share Buy-Back is not expected to have any impact on the dividend payment as the Board will take into consideration the Company's profit, cash flow and the capital commitments before proposing any dividend payment. However, the Board will have the option of distributing the Treasury Shares as share dividends to the shareholders subject to Section 131(1) of the Act, where a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent.

Statement Of Proposed Renewal Of Authority For The Company To Purchase Its Own Ordinary Shares (“Proposed Share Buy-Back”)

8.0 Implication of the Code

In the event the Proposed Share Buy-Back results in any Director, Substantial Shareholder and/or parties acting in concert with him/them triggering a mandatory offer obligation under the Code, the affected Director or Substantial Shareholder will be obliged to make a mandatory offer for the remaining shares in the Company not held by him/them. However, an exemption may be sought from the Securities Commission by the affected Director or Substantial Shareholder under Section 219 of the Capital Markets and Services Act 2007 before a mandatory offer obligation is triggered.

However, it is not the intention of the Company to cause any shareholder to trigger an obligation to undertake a mandatory general offer under the Code. The Company will be mindful of the implications of the Code in making any purchase of its own shares pursuant to the Proposed Share Buy-Back.

9.0 Purchase, Resale or Transfer and Cancellation in the Preceding Twelve (12) Months

As at 30 August 2024, the Company had purchased a total of 5,036,300 of its own Shares and retained as Treasury Shares in accordance to the provisions of Section 127 of the Act.

As at the date of this Statement, the Company had not resold or transferred any Treasury Shares on Bursa Securities. No cancellation of Purchased Shares was made in the preceding twelve (12) months.

The details of Shares purchased by the Company in the preceding twelve (12) months are as follows:

Month	No of Shares	Highest price paid (RM)	Lowest price paid (RM)	Average price paid (RM)	Total consideration (RM)
December 2023	1,050,000	0.715	0.700	0.706	743,306

10.0 Historical share prices

The monthly highest and lowest market prices of Shares traded on Bursa Securities in the preceding twelve (12) months were as follows:

Month	Lowest (RM)	Highest (RM)
September 2023	0.555	0.735
October 2023	0.630	0.705
November 2023	0.650	0.815
December 2023	0.615	0.780
January 2024	0.605	0.700
February 2024	0.555	0.740
March 2024	0.630	0.700
April 2024	0.585	0.670
May 2024	0.545	0.620
June 2024	0.550	0.615
July 2024	0.550	0.600
August 2024	0.480	0.575

Last transacted price at LPD was RM0.525.
(Source: www.investing.com)

Statement Of Proposed Renewal Of Authority For The Company To Purchase Its Own Ordinary Shares (“Proposed Share Buy-Back”)

11.0 Proposed intention of the Directors to deal with the Shares bought back

All the Purchased Shares, when the Proposed Share Buy-Back is exercised, shall be dealt with in the following manner:

- (a) cancel the Shares so purchased;
- (b) retain the Shares so purchased in treasury for distribution as dividend to the shareholders and/or resell on the market of the Bursa Securities or subsequently cancelled;
- (c) resell the Shares or any of the Shares in accordance with the relevant rules of Bursa Securities;
- (d) retain part of the shares so purchased as Treasury Shares and cancel the remainder; or
- (e) in such other manner as the Bursa Securities and such other relevant authorities may allow from time to time.

12.0 Public shareholding spread

According to the Record of Depositors maintained by Bursa Malaysia Depository Sdn. Bhd. as at LPD, the public shareholding spread of the Company is approximately 54.58%. In this regard, the Board undertakes to purchase shares only to the extent that the public shareholding spread of Pensonic shall not fall below 25% of the total number of issued Shares of the Company at all times pursuant to the Proposed Share Buy-Back, in accordance with paragraph 12.14 of the Listing Requirements.

13.0 Directors’ statement

After taking into consideration all relevant factors, the Board is of the opinion that the Proposed Share Buy-Back described above is in the best interest of the Company.

14.0 Directors’ recommendation

The Board recommends that you vote in favour of the ordinary resolution to be tabled at the forthcoming 30th AGM of the Company to give effect to the Proposed Share Buy-Back.

15.0 Responsibility statement

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

16.0 Documents available for inspection

Copies of the following documents are available for inspection at the Registered Office of the Company during working hours from Mondays to Fridays (except Public Holidays) from the date of this Annual Report up to and including the date of the forthcoming 30th AGM:

- (a) the Constitution of the Company; and
- (b) the Audited Financial Statements of the Group for past two (2) financial years ended 31 May 2023 and 31 May 2024.

Additional Compliance Information

1. Audit fees and Non-audit Fees

The audit fees and non-audit fees paid or payable to the external auditors, KPMG PLT or a firm or corporation affiliated with them by the Company and the Group for the financial year ended 31 May 2024 ("FY2024") are as follows:

	Group (RM)	Company (RM)
Fees paid or payable to the external auditors:		
Audit fees	227,000	58,000
Non-audit fees		
- KPMG PLT	26,400	26,400
- Affiliate of KPMG PLT	51,500	3,500
Total	304,900	87,900

2. Material Contracts

There were no material contracts with the Company and its subsidiaries involving Directors' and major shareholders' interest during the financial year ended 31 May 2024.

3. Status of Utilisation of Proceeds Raised from any Proposal

There were no proceeds raised by the Company from any corporate proposals during the financial year ended 31 May 2024.

4. Recurrent Related Party Transactions ("RPT") for FY2024

The aggregate value of RRPT conducted pursuant to the shareholders' mandate during FY2024 are as follows:

Related Party	Company within the Group involved	Nature of Transactions	Amount (RM)	Related Parties
PW Jit Seng Plastic Material Sdn Bhd ("PW Jit Seng")	PHB Group	Purchase of raw materials	677,634	<p>Chew Weng Khak Realty Sdn Bhd ("CWKR") is a shareholder of PHB and PW Jit Seng.</p> <p>Dato' Seri Chew Weng Khak @ Chew Weng Kiak ("Dato' Seri Chew") is a Director and shareholder of PHB and PW Jit Seng via CWKR.</p> <p>Dato' Chew Chuon Jin, Dixon ("Dato' Dixon Chew") and Chew Chuon Fang, Nelson ("Nelson Chew") are Directors and shareholders of PHB. Dato' Dixon Chew is also a Director of PW Jit Seng.</p> <p>Dato' Dixon Chew and Nelson Chew are also Directors of CWKR.</p> <p>Dato' Dixon Chew and Nelson Chew are brothers and they are sons of Dato' Seri Chew.</p>

Additional Compliance Information

4. Recurrent Related Party Transactions (“RPT”) for FY2024 (Cont’d)

The aggregate value of RRPT conducted pursuant to the shareholders’ mandate during FY2024 are as follows: (Cont’d)

Related Party	Company within the Group involved	Nature of Transactions	Amount (RM)	Related Parties
Syarikat Perkapalan Soo Hup Seng Sdn Bhd (“Soo Hup Seng”)	PHB Group	Shipping services	809,634	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.
PT Pensonic Appliances Indonesia (“PTPAI”)	PHB Group	Sale of electrical appliances	120,030	PHB is the holding company of PTPAI. The remaining 43.7%, in PTPAI is held by Chew Chun Chia, Nick (“Nick Chew”) (10.7%) and Alex Tumondo Tan (33%) Nick Chew, a Director and shareholder of PTPAI, is a son of Dato’ Seri Chew. Dato’ Seri Chew, Dato’ Dixon Chew and Nelson Chew are Directors and shareholders of PHB. Dato’ Seri Chew and Dato’ Dixon Chew are also Directors of PTPAI. Dato’ Dixon Chew, Nelson Chew and Nick Chew are brothers and they are sons of Dato’ Seri Chew.
Soship Marine Sdn Bhd (“SOSHIP”)	PHB Group	Shipping services	17,479	Dato’ Tan Ah Lee is a Director and shareholder of SOSHIP and is the brother in law of Dato’ Seri Chew.
High Ace Industries Sdn Bhd (“HAI”)	PHB Group	Purchase and sale of raw materials	76,066	Lim Aun Ghee is a Director of Pensia Industries Sdn Bhd (“PI”). He is a Director and shareholder of HAI.
High Ace Marketing Sdn Bhd (“HAM”)	PHB Group	Purchase of raw materials	(203)	Lim Aun Ghee is a Director of PI. He is a Director and shareholder of HAM.

Directors' Report

For the year ended 31 May 2024

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 May 2024.

Principal activities

The principal activity of the Company is investment holding whilst the principal activities and details of the subsidiaries are disclosed in Note 5 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Loss for the year attributable to :		
Owners of the Company	13,253,679	2,658,224
Non-controlling interests	<u>352,307</u>	<u>-</u>
	<u>13,605,986</u>	<u>2,658,224</u>

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review other than as disclosed in the financial statements.

Dividend

No dividend was paid since the end of previous financial year and the Directors do not recommend any dividend to be paid for the current financial year.

Directors of the Company

Directors who served during the financial year until the date of this report are :

Y. Bhg. Dato' Seri Chew Weng Khak @ Chew Weng Kiak
 Y. Bhg. Dato' Chew Chuon Jin
 Chew Chuon Fang
 Y. Bhg. Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim
 Y. Bhg. Dato' Tahir Jalaluddin Bin Hussain
 Ong Huey Min
 Y. Bhg. Dato' Seri Dr. Liew Lee Leong
 Chew Chuon Ghee

(Appointed on 1 February 2024)
 (Resigned on 31 October 2023)

Directors' Report

For the year ended 31 May 2024

Directors of subsidiaries

Pursuant to Section 253(2) of the Companies Act 2016, the Directors who served on the Board of the subsidiaries during the financial year until the date of this report are :

Y. Bhg. Dato' Lim Aun Ghee
Alex Tumondo Tan
Chew Chun Chia
Koh Wan Tiong

Directors' interests in shares

The interests and deemed interests in the ordinary shares and warrants of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouse and/or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows :

	Balance at 1.6.2023	Number of ordinary shares		Balance at 31.5.2024
		Bought	(Sold)	
Interests in the Company :				
Direct interests :				
Dato' Seri Chew Weng Khak @ Chew Weng Kiak				
- own	11,034,300	-	(3,000,000)	8,034,300
- others*	6,200,000	-	-	6,200,000
Dato' Chew Chuon Jin				
- own	7,898,400	3,000,000	-	10,898,400
- others*	16,800	-	-	16,800
Chew Chuon Fang				
- own	6,181,000	-	-	6,181,000
Deemed interests :				
Dato' Seri Chew Weng Khak @ Chew Weng Kiak				
	26,061,924	-	(23,000,000)	3,061,924

Directors' Report

For the year ended 31 May 2024

Directors' interests in shares (Cont'd)

	Balance at 1.6.2023	Number of warrants 2014/2024 [^]		Balance at 31.5.2024
		(Sold)	(Expired)	
Interests in the Company :				
Direct interests :				
Dato' Seri Chew Weng Khak @ Chew Weng Kiak				
- own	8,400,000	(6,990,088)	(1,409,912)	-
- others*	420,000	-	(420,000)	-
Dato' Chew Chuon Jin				
- own	5,485,700	-	(5,485,700)	-
- others*	10,000	-	(10,000)	-
Chew Chuon Fang				
- own	2,877,000	-	(2,877,000)	-
Deemed interests :				
Dato' Seri Chew Weng Khak @ Chew Weng Kiak				
	10,669,912	(10,669,912)	-	-

* Being ordinary shares and warrants held by the spouse/children and are regarded as interests of the Director pursuant to Section 59(11)(c) of the Companies Act 2016.

[^] The warrants of the Company expired on 20 January 2024.

None of the other Directors holding office at 31 May 2024 had any interest in the ordinary shares or warrants of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than as shown below) by reason of a contract made by the Company or a related corporation with the 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 certain related corporations which traded in the normal course of business with companies in which certain Directors have a substantial financial interest and the sale of a motor vehicle to a Director who resigned during the year.

Directors' Report

For the year ended 31 May 2024

Directors' benefits (Cont'd)

The benefits paid to or receivable by Directors of the Company in respect of the financial year ended 31 May 2024 are as follows :

	From the Company RM	From subsidiary companies RM
Current Directors		
- Fees	267,000	-
- Remuneration	-	1,770,742
- Defined contribution plan	-	110,279
- Estimated monetary value of benefits-in-kind	-	86,394
	267,000	1,967,415
Past Director		
- Remuneration	-	248,170
- Defined contribution plan	-	24,480
- Estimated monetary value of benefits-in-kind	-	12,975
	-	285,625
	267,000	2,253,040

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

During the financial year, the Company issued 27,723,426 new ordinary shares pursuant to the conversion of 27,723,426 warrants at the exercise price of RM0.60 per warrant for a total cash consideration of RM16,634,056.

There were no other changes in the issued and paid-up capital of the Company and no debentures were issued during the financial year.

Directors' Report

For the year ended 31 May 2024

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

The total cost of insurance effected for Directors and officers of the Group and of the Company is RM5,500 for a total sum insured of RM2,000,000. There was no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that :

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) 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, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group 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 their obligations as and when they fall due.

In the opinion of the Directors, other than the income tax provided in respect of prior years arising from the tax authority's decision to disallow the Group's application to extend its tax holiday and impairment on investments in subsidiaries as disclosed in the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 May 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Directors' Report

For the year ended 31 May 2024

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The audit and non-audit remuneration of the Group and of the Company during the year are as follows :

	Group RM	Company RM
Audit fees		
- KPMG PLT	227,000	58,000
- Other auditors	77,450	-
	304,450	58,000
Non-audit fees		
- KPMG PLT	26,400	26,400
- Affiliate of KPMG PLT	51,500	3,500
	77,900	29,900
	382,350	87,900

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' Chew Chuon Jin
Director

Date : 30 September 2024

Statements Of Financial Position

As at 31 May 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Assets					
Property, plant and equipment	3	114,420,763	109,381,721	40,582,966	41,842,549
Intangible assets	4	870,000	870,000	-	-
Investments in subsidiaries	5	-	-	41,167,108	41,551,821
Investments in associates	6	1,263,690	1,386,390	343,736	343,736
Deferred tax assets	7	692,609	126,531	-	-
Total non-current assets		117,247,062	111,764,642	82,093,810	83,738,106
Inventories	8	58,814,541	79,571,599	-	-
Trade and other receivables	9	61,720,643	57,369,212	13,757,053	2,665,627
Current tax assets		410,311	1,031,945	106,771	23,173
Fixed deposits	10	557,583	547,960	-	-
Cash and bank balances		31,868,174	23,733,086	2,671,428	132,557
Total current assets		153,371,252	162,253,802	16,535,252	2,821,357
Total assets		270,618,314	274,018,444	98,629,062	86,559,463
Equity					
Share capital	11	84,304,949	67,670,893	84,304,949	67,670,893
Reserves	12	58,841,371	70,687,027	13,266,442	16,667,972
Total equity attributable to owners of the Company		143,146,320	138,357,920	97,571,391	84,338,865
Non-controlling interests	5	3,333,650	324,596	-	-
Total equity		146,479,970	138,682,516	97,571,391	84,338,865
Liabilities					
Loans and borrowings	13	22,182,817	24,501,090	-	-
Lease liabilities		345,392	163,238	-	-
Deferred tax liabilities	7	753,000	301,337	4,000	45,000
Total non-current liabilities		23,281,209	24,965,665	4,000	45,000
Trade and other payables	14	56,384,598	50,902,562	1,053,671	2,175,598
Loans and borrowings	13	40,118,006	58,665,538	-	-
Lease liabilities		597,329	492,315	-	-
Current tax liabilities		3,757,202	309,848	-	-
Total current liabilities		100,857,135	110,370,263	1,053,671	2,175,598
Total liabilities		124,138,344	135,335,928	1,057,671	2,220,598
Total equity and liabilities		270,618,314	274,018,444	98,629,062	86,559,463

The notes on pages 75 to 124 are an integral part of these financial statements.

Statements Of Profit Or Loss And Other Comprehensive Income

For the year ended 31 May 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	15	309,341,932	273,204,070	-	-
Cost of sales		(260,298,373)	(221,470,067)	-	-
Gross profit		49,043,559	51,734,003	-	-
Other income		3,294,123	1,772,676	1,211,205	1,211,467
Selling and distribution expenses		(22,255,535)	(20,499,141)	-	-
Administrative expenses		(32,858,647)	(29,768,586)	(3,777,105)	(4,044,783)
Net loss on impairment of financial instruments	17	(493,894)	(1,572,074)	(121,922)	(70,745)
Results from operating activities		(3,270,394)	1,666,878	(2,687,822)	(2,904,061)
Finance costs	16	(3,892,945)	(4,286,700)	-	-
Share of results of associates		(122,700)	79,742	-	-
Loss before tax	17	(7,286,039)	(2,540,080)	(2,687,822)	(2,904,061)
Tax expense	18	(6,319,947)	(1,456,677)	29,598	(58,323)
Loss for the year		(13,605,986)	(3,996,757)	(2,658,224)	(2,962,384)
Other comprehensive income, net of tax :					
Item that is or may be reclassified subsequently to profit or loss					
Foreign exchange translation differences for foreign operations		672,082	1,093,016	-	-
Total comprehensive expense for the year		(12,933,904)	(2,903,741)	(2,658,224)	(2,962,384)
Loss for the year attributable to :					
Owners of the Company		(13,253,679)	(3,035,828)	(2,658,224)	(2,962,384)
Non-controlling interests		(352,307)	(960,929)	-	-
		(13,605,986)	(3,996,757)	(2,658,224)	(2,962,384)
Total comprehensive expense attributable to :					
Owners of the Company		(12,584,506)	(2,086,245)	(2,658,224)	(2,962,384)
Non-controlling interests		(349,398)	(817,496)	-	-
		(12,933,904)	(2,903,741)	(2,658,224)	(2,962,384)
Basic/Diluted loss per ordinary share (sen)	20	(9.45)	(2.37)		

The notes on pages 75 to 124 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 May 2024

	Attributable to owners of the Company									
	Non-distributable					Distributable				
Group	Share capital RM	Foreign currency translation reserve RM	Warrants reserve RM	Treasury shares RM	Capital reserve RM	Other reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 June 2022	67,670,893	981,522	6,483,400	(2,293,972)	4,487,540	(638,792)	65,408,077	142,098,668	53,312	142,151,980
Loss for the year	-	-	-	-	-	-	(3,035,828)	(3,035,828)	(960,929)	(3,996,757)
Other comprehensive income for the year										
- Foreign exchange translation differences for foreign operations	-	949,583	-	-	-	-	-	949,583	143,433	1,093,016
Total comprehensive income/(expense) for the year	-	949,583	-	-	-	-	(3,035,828)	(2,086,245)	(817,496)	(2,903,741)
Transactions with owners of the Company :										
Dividend paid (Note 21)	-	-	-	-	-	-	(1,572,070)	(1,572,070)	-	(1,572,070)
Own shares acquired (Note 12.3)	-	-	-	(82,433)	-	-	-	(82,433)	-	(82,433)
Shares issued by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	1,088,780	1,088,780
Total transactions with owners of the Company	-	-	-	(82,433)	-	-	(1,572,070)	(1,654,503)	1,088,780	(565,723)
At 31 May 2023	67,670,893	1,931,105	6,483,400	(2,376,405)	4,487,540	(638,792)	60,800,179	138,357,920	324,596	138,682,516
	Note 11									

Consolidated Statement of Changes in Equity

For the year ended 31 May 2024

	Attributable to owners of the Company									
	Non-distributable					Distributable				
Group	Share capital RM	Foreign currency translation reserve RM	Warrants reserve RM	Treasury shares RM	Capital reserve RM	Other reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 June 2023	67,670,893	1,931,105	6,483,400	(2,376,405)	4,487,540	(638,792)	60,800,179	138,357,920	324,596	138,682,516
Loss for the year	-	-	-	-	-	-	(13,253,679)	(13,253,679)	(352,307)	(13,605,986)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
- Foreign exchange translation differences for foreign operations	-	669,173	-	-	-	-	-	669,173	2,909	672,082
Total comprehensive income/(expense) for the year	-	669,173	-	-	-	-	(13,253,679)	(12,584,506)	(349,398)	(12,933,904)
Transactions with owners of the Company :										
Own shares acquired (Note 12.3)	-	-	-	(743,306)	-	-	-	(743,306)	-	(743,306)
Shares issued by a subsidiary to non-controlling interests	-	-	-	-	-	-	1,828,249	1,828,249	3,389,639	5,217,888
Acquisition of non-controlling interests in a subsidiary (Note 27)	-	-	-	-	-	-	(346,093)	(346,093)	(31,187)	(377,280)
Conversion of warrants	16,634,056	-	(2,772,343)	-	-	-	2,772,343	16,634,056	-	16,634,056
Transfer to retained earnings upon expiration of warrants	-	-	(3,711,057)	-	-	-	3,711,057	-	-	-
Total transactions with owners of the Company	16,634,056	-	(6,483,400)	(743,306)	-	-	7,965,556	17,372,906	3,358,452	20,731,358
At 31 May 2024	84,304,949	2,600,278	-	(3,119,711)	4,487,540	(638,792)	55,512,056	143,146,320	3,333,650	146,479,970

Note 11

Note 12

Statement Of Changes In Equity

For the year ended 31 May 2024

	Share capital RM	Non-distributable		Distributable	Total equity RM
		Treasury shares RM	Warrants reserve RM	Retained earnings RM	
Company					
At 1 June 2022	67,670,893	(2,293,972)	6,483,400	17,095,431	88,955,752
Loss and total comprehensive expense for the year	-	-	-	(2,962,384)	(2,962,384)
Own shares acquired (Note 12.3)	-	(82,433)	-	-	(82,433)
Dividend paid (Note 21)	-	-	-	(1,572,070)	(1,572,070)
At 31 May 2023/ 1 June 2023	67,670,893	(2,376,405)	6,483,400	12,560,977	84,338,865
Loss and total comprehensive expense for the year	-	-	-	(2,658,224)	(2,658,224)
Conversion of warrants	16,634,056	-	(2,772,343)	2,772,343	16,634,056
Transfer to retained earnings upon expiration of warrants	-	-	(3,711,057)	3,711,057	-
Own shares acquired (Note 12.3)	-	(743,306)	-	-	(743,306)
At 31 May 2024	84,304,949	(3,119,711)	-	16,386,153	97,571,391
	Note 11	← Note 12 →			

Statements Of Cash Flows

For the year ended 31 May 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities					
Loss before tax		(7,286,039)	(2,540,080)	(2,687,822)	(2,904,061)
Adjustments for :					
Depreciation of property, plant and equipment	3	5,383,276	5,362,356	1,299,432	1,297,965
Interest expense	16	3,836,636	4,235,759	-	-
Accretion of interest on lease liabilities	16	56,309	50,941	-	-
Gain on :					
- disposal of property, plant and equipment		(1,674,722)	(294,707)	-	-
- derecognition of right-of-use assets		(4,100)	(1,471)	-	-
- modification of lease		-	(1,616)	-	-
Impairment loss on investments in subsidiaries		-	-	761,993	931,903
Plant and equipment written off		7,300	27,682	-	24,699
Inventories written down	8	5,995,755	699,463	-	-
Interest income		(44,925)	(18,143)	(828)	(1,379)
Share of results of associates		122,700	(79,742)	-	-
Operating profit/(loss) before working capital changes		6,392,190	7,440,442	(627,225)	(650,873)

Statements Of Cash Flows

For the year ended 31 May 2024

	Note	Group 2024 RM	2023 RM	Company 2024 RM	2023 RM
Changes in working capital :					
Inventories		14,761,303	16,601,049	-	-
Trade and other receivables		(4,351,431)	22,614,518	1,608,574	(1,780,491)
Trade and other payables		5,482,036	(8,346,635)	(1,121,927)	179,669
Cash generated from/(used in) operations		22,284,098	38,309,374	(140,578)	(2,251,695)
Tax paid		(2,365,374)	(3,274,614)	(95,000)	(98,076)
Net cash from/(used in) operating activities		19,918,724	35,034,760	(235,578)	(2,349,771)
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		1,861,500	295,080	-	-
Purchase of property, plant and equipment	3.1	(3,995,545)	(1,528,216)	(39,849)	(119,759)
Interest received		44,925	18,143	828	1,379
Dividends received		-	-	-	5,500,000
Advances to subsidiaries		-	-	(12,700,000)	-
Investment in a subsidiary	5	-	-	-	(1,133,220)
Acquisition of non-controlling interests in a subsidiary	5	(377,280)	-	(377,280)	-
Investment in an associate	6	-	(343,735)	-	(343,735)
Net cash (used in)/from investing activities		(2,466,400)	(1,558,728)	(13,116,301)	3,904,665

Statements Of Cash Flows

For the year ended 31 May 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from financing activities					
(Repayment)/Drawdown of :					
- bankers' acceptances	13.1	(18,173,834)	(17,756,340)	-	-
- revolving credits	13.1	(503,452)	701	-	-
- hire purchase creditors	13.1	(603,996)	(424,417)	-	-
- term loans	13.1	(2,272,931)	(8,638,617)	-	-
- lease liabilities	13.1	(618,148)	(792,010)	-	-
Placement of fixed deposits		(9,623)	(9,238)	-	-
Subscription of shares by non-controlling interests in a subsidiary		-	1,088,780	-	-
Proceeds from warrants converted	11	16,634,056	-	16,634,056	-
Purchase of treasury shares	12.3	(743,306)	(82,433)	(743,306)	(82,433)
Dividend paid to owners of the Company	21	-	(1,572,070)	-	(1,572,070)
Interest paid	16	(3,892,945)	(4,286,700)	-	-
Net cash (used in)/from financing activities		(10,184,179)	(32,472,344)	15,890,750	(1,654,503)
Net increase/(decrease) in cash and cash equivalents		7,268,145	1,003,688	2,538,871	(99,609)
Effects of exchange differences on cash and cash equivalents		678,535	1,100,017	-	-
Cash and cash equivalents at 1 June 2023/2022		23,058,976	20,955,271	132,557	232,166
Cash and cash equivalents at 31 May	A	31,005,656	23,058,976	2,671,428	132,557

Statements Of Cash Flows

For the year ended 31 May 2024

*Notes :***A. Cash and cash equivalents**

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts :

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	31,868,174	23,733,086	2,671,428	132,557
Bank overdrafts (Note 13)	(862,518)	(674,110)	-	-
	<u>31,005,656</u>	<u>23,058,976</u>	<u>2,671,428</u>	<u>132,557</u>

B. Cash outflows for leases as a lessee

	Note	Group 2024 RM	2023 RM
Included in net cash from/(used in) operating activities :			
Payment relating to :			
- short-term leases	17	281,795	663,698
- leases of low-value assets	17	56,736	41,307
Included in net cash (used in)/from financing activities :			
Payment of lease liabilities	13.1	618,148	792,010
Interest paid in relation to lease liabilities	16	56,309	50,941
Total cash outflows for leases		<u>1,012,988</u>	<u>1,547,956</u>

Notes to the Financial Statements

Pensonic Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows :

Principal place of business

1165, Lorong Perindustrian Bukit Minyak 16
Taman Perindustrian Bukit Minyak
14100 Simpang Ampat
Penang

Registered office

170-09-01, Livingston Tower
Jalan Argyll
10050 George Town
Penang

The consolidated financial statements of the Company as at and for the financial year ended 31 May 2024 comprise the Company and its subsidiaries (together referred to as “the Group” and individually referred to as “Group entities”) and the Group’s interests in associates.

The principal activity of the Company is investment holding whilst the principal activities of the subsidiaries are stated in Note 5 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 30 September 2024.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS Accounting Standards”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company :

MFRS Accounting Standards and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRS Accounting Standards and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*

Notes to the Financial Statements

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

MFRS Accounting Standards and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards and amendments, where applicable in the respective financial years when the abovementioned accounting standards and amendments become effective.

The initial application of the accounting standards and amendments is not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than as disclosed in Note 8 - Inventories.

2. Changes in material accounting policies

2.1 Material accounting policy information

The Group adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 June 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

Notes to the Financial Statements

3. Property, plant and equipment

← Right-of-use assets →												
Group	Leasehold land RM	Buildings RM	Freehold land RM	Buildings RM	Computers RM	Renovation and electrical installation RM	Plant and machinery RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Signboards and showcases RM	Capital work-in-progress RM	Total RM
Cost												
At 1 June 2022	11,332,146	1,950,430	21,085,360	81,675,029	6,250,725	3,143,219	18,638,639	7,356,359	6,598,660	919,547	-	158,950,114
Additions	-	258,531	-	8,920	257,442	253,645	135,743	209,498	820,668	14,000	161,300	2,119,747
Disposals	-	-	-	-	-	-	-	(1,650)	(622,688)	-	-	(624,338)
Write-offs	-	-	-	(27,878)	(32,587)	-	-	(20,053)	-	(20,191)	-	(100,709)
Exchange difference	-	36,800	-	-	12,971	521	-	10,829	1,444	-	-	62,565
Derecognition *	-	(813,987)	-	-	-	-	-	-	-	-	-	(813,987)
Remeasurement of lease	-	280,682	-	-	-	-	-	-	-	-	-	280,682
Reclassification	-	-	-	(79,921)	32,819	-	-	-	-	-	47,102	-
At 31 May 2023/ 1 June 2023	11,332,146	1,712,456	21,085,360	81,576,150	6,521,370	3,397,385	18,774,382	7,554,983	6,798,084	913,356	208,402	159,874,074
Additions	-	1,049,447	-	-	232,089	256,090	6,406,127	85,649	781,398	-	1,952,080	10,762,880
Disposals	-	-	-	(380,000)	(20,870)	(100,184)	(151,460)	(95,950)	(995,569)	(10,506)	-	(1,754,539)
Write-offs	-	-	-	-	(10,999)	-	(470,513)	(3,699)	-	-	-	(485,211)
Exchange difference	-	12,724	-	-	6,392	(1,043)	-	1,452	(8,224)	-	-	11,301
Derecognition *	-	(1,328,769)	-	-	-	-	-	-	-	-	-	(1,328,769)
Reclassification	-	-	-	-	75,900	-	-	-	-	-	(75,900)	-
At 31 May 2024	11,332,146	1,445,858	21,085,360	81,196,150	6,803,882	3,552,248	24,558,536	7,542,435	6,575,689	902,850	2,084,582	167,079,736

Included in property, plant and equipment of the Group are motor vehicles with a total carrying amount of RM126,501 (2023 : Nil) held in trust by a Director.

* Derecognition due to the termination or expiry of leases.

Notes to the Financial Statements

3. Property, plant and equipment (Cont'd)

← Right-of-use assets →												
Group	Leasehold land RM	Buildings RM	Freehold land RM	Buildings RM	Computers RM	Renovation and electrical installation RM	Plant and machinery RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Signboards and showcases RM	Capital work-in-progress RM	Total RM
Accumulated depreciation												
At 1 June 2022	2,750,459	1,055,795	-	9,243,059	4,996,477	2,379,270	15,936,708	4,449,566	5,122,484	612,905	-	46,546,723
Depreciation for the year	213,606	761,161	-	1,619,001	453,814	204,927	592,891	801,594	652,198	63,164	-	5,362,356
Disposals	-	-	-	-	-	-	-	(1,279)	(622,686)	-	-	(623,965)
Write-offs	-	-	-	(4,041)	(32,103)	-	-	(16,694)	-	(20,189)	-	(73,027)
Exchange difference	-	16,436	-	-	10,936	497	-	8,897	1,145	-	-	37,911
Derecognition *	-	(757,645)	-	-	-	-	-	-	-	-	-	(757,645)
At 31 May 2023/ 1 June 2023	2,964,065	1,075,747	-	10,858,019	5,429,124	2,584,694	16,529,599	5,242,084	5,153,141	655,880	-	50,492,353
Depreciation for the year	213,604	633,749	-	1,615,137	427,417	210,702	875,229	666,282	677,607	63,549	-	5,383,276
Disposals	-	-	-	(249,563)	(20,866)	(76,517)	(140,567)	(95,941)	(973,801)	(10,506)	-	(1,567,761)
Write-offs	-	-	-	-	(9,079)	-	(467,289)	(1,543)	-	-	-	(477,911)
Exchange Difference	-	3,374	-	-	5,518	(995)	-	2,609	(2,452)	-	-	8,054
Derecognition *	-	(1,179,038)	-	-	-	-	-	-	-	-	-	(1,179,038)
At 31 May 2024	3,177,669	533,832	-	12,223,593	5,832,114	2,717,884	16,796,972	5,813,491	4,854,495	708,923	-	52,658,973
Carrying amounts												
At 1 June 2022	8,581,687	894,635	21,085,360	72,431,970	1,254,248	763,949	2,701,931	2,906,793	1,476,176	306,642	-	112,403,391
At 31 May 2023/ 1 June 2023	8,368,081	636,709	21,085,360	70,718,131	1,092,246	812,691	2,244,783	2,312,899	1,644,943	257,476	208,402	109,381,721
At 31 May 2024	8,154,477	912,026	21,085,360	68,972,557	971,768	834,364	7,761,564	1,728,944	1,721,194	193,927	2,084,582	114,420,763

Notes to the Financial Statements

3. Property, plant and equipment (Cont'd)

	Right-of-use assets - Leasehold land RM	Buildings RM	Furniture, fittings and office equipment RM	Computers RM	Renovation RM	Total RM
Company						
Cost						
At 1 June 2022	6,300,899	43,244,831	2,762,216	115,419	-	52,423,365
Additions	-	8,920	110,839	-	-	119,759
Write-offs	-	(27,878)	(4,140)	-	-	(32,018)
At 31 May 2023/ 1 June 2023	6,300,899	43,225,873	2,868,915	115,419	-	52,511,106
Additions	-	-	14,089	-	25,760	39,849
At 31 May 2024	6,300,899	43,225,873	2,883,004	115,419	25,760	52,550,955
Accumulated depreciation						
At 1 June 2022	1,347,790	6,054,274	1,910,096	65,751	-	9,377,911
Depreciation for the year	134,779	864,612	287,032	11,542	-	1,297,965
Write-offs	-	(4,041)	(3,278)	-	-	(7,319)
At 31 May 2023/ 1 June 2023	1,482,569	6,914,845	2,193,850	77,293	-	10,668,557
Depreciation for the year	134,777	864,518	287,522	11,542	1,073	1,299,432
At 31 May 2024	1,617,346	7,779,363	2,481,372	88,835	1,073	11,967,989
Carrying amounts						
At 1 June 2022	4,953,109	37,190,557	852,120	49,668	-	43,045,454
At 31 May 2023/ 1 June 2023	4,818,330	36,311,028	675,065	38,126	-	41,842,549
At 31 May 2024	4,683,553	35,446,510	401,632	26,584	24,687	40,582,966

Notes to the Financial Statements

3. Property, plant and equipment (Cont'd)

3.1 Additions to property, plant and equipment

The additions to property, plant and equipment (including right-of-use assets) of the Group and of the Company during the financial year are acquired as follows :

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Total additions	10,762,880	2,119,747	39,849	119,759
Less:				
Assets acquired under hire purchase/lease arrangements (Note 13.1)	(1,549,447)	(591,531)	-	-
Assets acquired by way of issuance of ordinary shares to non-controlling interests (Note 5)	(5,217,888)	-	-	-
Amount paid in cash	<u>3,995,545</u>	<u>1,528,216</u>	<u>39,849</u>	<u>119,759</u>

3.2 Security

The carrying amounts of property, plant and equipment (including right-of-use assets) pledged as securities for borrowings granted to the Group as disclosed in Note 13 are as follows :

	Group	
	2024 RM	2023 RM
Leasehold land	3,470,924	3,549,752
Freehold land	21,085,360	21,085,360
Buildings	<u>29,718,522</u>	<u>30,380,374</u>
	<u>54,274,806</u>	<u>55,015,486</u>

Notes to the Financial Statements

3. Property, plant and equipment (Cont'd)

3.3 Right-of-use assets

The Group's and the Company's leases of land, warehouses, apartments and office space run for periods ranging from 2 years to 67 years (2023 : 2 years to 67 years), with options to renew some of the leases after the expiry of their initial lease periods.

3.3.1 Extension options

The leases for buildings contain extension options exercisable by the Group up to 1 year (2023 : 1 year) before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

	2024 Lease liabilities recognised (discounted) RM	2023 Lease liabilities recognised (discounted) RM
Group		
Buildings	<u>209,532</u>	<u>74,752</u>

3.3.2 Significant judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group considers all facts and circumstances, including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

3.3.3 Restriction imposed by lease

The lease contracts for warehouses, apartments and office space prohibit the Group to sublease the leased assets.

Notes to the Financial Statements

3. Property, plant and equipment (Cont'd)

3.4 Material accounting policy information

(a) *Recognition and measurement*

Items of property, plant and equipment (including right-of-use assets) are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(b) *Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Capital-work-in-progress are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows :

	Years
Buildings	42 - 67
Computers	2 - 5
Renovation and electrical installation	4 - 10
Plant and machinery	8 - 12
Furniture, fittings and office equipment	4 - 20
Motor vehicles	5 - 10
Signboards and showcases	10

(c) *Lease and non-lease components*

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(d) *Recognition exemption*

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or shorter and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

4. Intangible assets - Group

	Trademark RM
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At cost

At 1 June 2022/31 May 2023/1 June 2023/31 May 2024	<u>870,000</u>
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The trademark relates to the “Cornell” brand name that was acquired in a business combination by way of an assignment of the full and absolute rights from the registered proprietor.

As those rights were assigned without any specified time frame and the Directors believe that there is no foreseeable limit to the period over which the brand is expected to generate cash inflows for the Group. The trademark is assessed to have an indefinite useful life subject to use in good faith.

Impairment assessment for trademark

The recoverable amount of the trademark is determined based on value-in-use calculation using financial budget and cash flow projections approved by the Directors covering a period of 5 years (2023 : 5 years). The value-in-use calculation is determined by discounting future cash flows using a pre-tax discount rate of 9.51% (2023 : 7.62%).

The values assigned to the key assumptions (e.g. sales growth rates and gross margins) represent the Directors’ assessment of future trends of the business and are based on both external and internal sources (historical data).

5. Investments in subsidiaries - Company

	2024 RM	2023 RM
Investments, at cost	47,303,097	46,925,817
Less : Impairment losses	<u>(6,135,989)</u>	<u>(5,373,996)</u>
	<u>41,167,108</u>	<u>41,551,821</u>

During the financial year ended 31 May 2023, the Company subscribed for new ordinary shares issued by PT Pensonic Appliances Indonesia (“PTPAI”) for a total cash consideration of RM1,133,220.

On 14 September 2023, the Company acquired an additional 5.3% interest in PT Pensonic Appliances Indonesia (“PTPAI”), a 51% owned subsidiary from non-controlling interests for a total purchase consideration of USD80,000 (equivalent to RM377,280). Subsequent to the acquisition, the Company’s interest in PTPAI increased from 51% to 56.30%. See Note 27 for further details.

On 3 November 2023, Pensia Industries Sdn. Bhd. (“PI”), a wholly-owned subsidiary of the Company issued 1,654,057 new ordinary shares in exchange for the acquisition of plant and equipment from a Director valued at RM5,217,888. Consequently, the Company’s interest in PI was diluted from 100% to 75.14%.

Notes to the Financial Statements

5. Investments in subsidiaries - Company (Cont'd)

Impairment assessment

During the financial year, the Company conducted an operational review on the performance of certain foreign subsidiaries. Arising from the review, the Company recognised an impairment loss of RM761,993 (2023 : RM931,903) determined based on the fair value less cost of disposal method. The estimated recoverable amounts of the said subsidiaries are as follows :

	Country of incorporation	2024 RM	2023 RM
Subsidiary A	Indonesia	-	300,000
Subsidiary B	Indonesia	-	85,000

The impairment loss is recognised as administrative expenses in profit or loss.

Details of the subsidiaries are as follows :

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest		Principal activities
		2024 %	2023 %	
Keat Radio Co. Sdn. Bhd.	Malaysia	100	100	Investment holding
Pensia Electronic Sdn. Bhd.	Malaysia	100	100	Manufacture, assembly and sale of electrical products
Pensia Industries Sdn. Bhd.	Malaysia	75.14	100	Manufacture, assembly and sale of electrical products
Pensonic Sales & Service Sdn. Bhd.	Malaysia	100	100	Distribution of electrical and electronic appliances
Cornell Sales & Service Sdn. Bhd.	Malaysia	100	100	Inactive
Amtek Marketing Services Pte. Ltd. ⁽¹⁾	Singapore	100	100	Marketing and distribution of electrical goods
Pensonic Corporation Sdn. Bhd.	Malaysia	100	100	Provision of management services
Pensonic (Cambodia) Co., Ltd. ⁽¹⁾	Cambodia	100	100	Wholesale and retail sales of household appliances
PT Pensonic Appliances Indonesia ^{(1) and (2)}	Indonesia	56.3	51	Distribution of electrical and electronic appliances
PT Pensonic Industry Indonesia ^{(1) and (2)}	Indonesia	70	70	Manufacture, assembly and sale of electrical products

Notes to the Financial Statements

5. Investments in subsidiaries - Company (Cont'd)

Impairment assessment (Cont'd)

Details of the subsidiaries are as follows (Cont'd) :

Name of subsidiary	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest		Principal activities
		2024 %	2023 %	
Held through Keat Radio Co. Sdn. Bhd.				
Pensonic Industries Sdn. Bhd.	Malaysia	100	100	Distribution of electrical products
Pensonic (H.K.) Corporation Limited ⁽¹⁾	Hong Kong	100	100	Trading of home electrical appliances
Pensonic Parts & Service Sdn. Bhd.	Malaysia	100	100	Inactive
Pensia Plastic Industries Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Plastic injection and moulding
Pensonic (Zhuhai) Home Appliances Co. Ltd ^{(1) and (2)}	People's Republic of China	100	100	Inspection and testing of electrical and electronic products and trading of home appliances
Held through Pensonic Sales & Service Sdn. Bhd.				
Kollektion Distribution Sdn. Bhd.	Malaysia	100	100	Inactive

⁽¹⁾ Not audited by KPMG

⁽²⁾ The unaudited management accounts were consolidated in the Group's financial statements as these subsidiaries were not required by the local legislation to have their financial statements audited

Notes to the Financial Statements

5. Investments in subsidiaries - Company (Cont'd)

5.1 Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows :

	Pensia Industries Sdn. Bhd. RM	PT Pensonic Appliances Indonesia RM	Subsidiary with immaterial NCI RM	Total RM
2024				
NCI percentage of ownership interest and voting interest	24.86%	43.7%	30%	-
Carrying amount of NCI	<u>3,531,559</u>	<u>(184,910)</u>	<u>(12,999)</u>	<u>3,333,650</u>
Profit/(Loss) allocated to NCI	<u>141,920</u>	<u>(444,907)</u>	<u>(49,320)</u>	<u>(352,307)</u>
			Pensia Industries Sdn. Bhd. RM	PT Pensonic Appliances Indonesia RM

Summarised financial information before intra-group elimination

At 31 May 2024

Non-current assets	11,180,189	215,916
Current assets	31,352,103	2,782,764
Non-current liabilities	(700,496)	(30,769)
Current liabilities	<u>(27,626,009)</u>	<u>(3,391,046)</u>
Net assets/(liabilities)	14,205,787	(423,135)

Year ended 31 May 2024

Revenue	76,988,675	2,587,606
Profit/(Loss) for the year	2,204,154	(1,018,093)
Total comprehensive income/(expense) for the year	<u>2,204,154</u>	<u>(1,011,576)</u>
Cash flows from/(used in) operating activities	6,137,192	(99,056)
Cash flows used in investing activities	(1,299,615)	-
Cash flows used in financing activities	<u>(550,454)</u>	<u>(9,761)</u>
Net increase/(decrease) in cash and cash equivalents	4,287,123	(108,817)

Notes to the Financial Statements

5. Investments in subsidiaries - Company (Cont'd)

5.1 Non-controlling interests in subsidiaries (Cont'd)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows (Cont'd) :

	PT Pensonic Appliances Indonesia RM	Subsidiary with immaterial NCI RM	Total RM
2023			
NCI percentage of ownership interest and voting interest	49%	30%	-
Carrying amount of NCI	288,336	36,260	324,596
Loss allocated to NCI	(918,486)	(42,443)	(960,929)
			PT Pensonic Appliances Indonesia RM

Summarised financial information before intra-group elimination

At 31 May 2023

Non-current assets	275,372
Current assets	3,314,675
Non-current liabilities	(80,201)
Current liabilities	(2,921,405)
Net assets	588,441

Year ended 31 May 2023

Revenue	2,877,454
Loss for the year	(1,874,461)
Total comprehensive expense for the year	(1,581,956)
Cash flows used in operating activities	(2,222,188)
Cash flows from financing activities	2,210,766
Net decrease in cash and cash equivalents	(11,422)

5.2 Significant restrictions

There is no restriction imposed on the ability of the subsidiaries to transfer funds to the Company and among the subsidiaries other than Pensonic Sales & Service Sdn. Bhd. which is confined to the covenants imposed by its lenders.

5.3 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

Notes to the Financial Statements

6. Investments in associates

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Investments, at cost				
Balance at 1 June 2023/2022	675,170	331,435	490,560	146,825
Addition	-	343,735	-	343,735
Balance at 31 May	675,170	675,170	490,560	490,560
Share of post-acquisition reserves	588,520	711,220	-	-
Less : Impairment loss	-	-	(146,824)	(146,824)
	1,263,690	1,386,390	343,736	343,736

During the financial year ended 31 May 2023, the Company acquired 49% interest in a newly incorporated associate, Pensonic (Thailand) Company Limited with a paid-up capital of THB2,450,000 (equivalent to RM343,735) comprising 24,500 ordinary shares.

Details of the associates are as follows :

Name of entity	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest		Principal activities
		2024 %	2023 %	
Pensonic (B) Sdn. Bhd. ⁽¹⁾	Brunei	40	40	Trading of electrical and electronic appliances
Pensonic Appliances (Myanmar) Company Limited	Myanmar	35	35	Trading of electrical and electronic appliances
Pensonic (Thailand) Company Limited	Thailand	49	49	Trading of electrical and electronic appliances

⁽¹⁾ Held through Pensonic Corporation Sdn. Bhd.

The associates are not individually material to the consolidated financial statements of the Company.

6.1 Material accounting policy information

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses.

Notes to the Financial Statements

7. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities of the Group and of the Company are attributable to the following :

Group	Assets		Liabilities		Net	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
Property, plant and equipment	-	-	(925,945)	(508,337)	(925,945)	(508,337)
- capital allowance	-	145,000	-	-	-	145,000
- reinvestment allowance	554,719	-	-	-	554,719	-
Tax losses carry-forward	-	-	(97,000)	(69,000)	(97,000)	(69,000)
Right-of-use assets	99,000	68,000	-	-	99,000	68,000
Lease liabilities	308,835	189,531	-	-	308,835	189,531
Other temporary differences						
Tax assets/(liabilities)	962,554	402,531	(1,022,945)	(577,337)	(60,391)	(174,806)
Set-off of tax	(269,945)	(276,000)	269,945	276,000	-	-
	692,609	126,531	(753,000)	(301,337)	(60,391)	(174,806)

Company

	Liabilities	
	2024 RM	2023 RM
Property, plant and equipment		
- capital allowance	(4,000)	(45,000)

Notes to the Financial Statements**7. Deferred tax assets/(liabilities) (Cont'd)**

Movements in temporary differences during the year are as follows :

	At 1 June 2022 RM	Recognised in profit or loss (Note 18) RM	At 31 May 2023/ 1 June 2023 RM	Recognised in profit or loss (Note 18) RM	At 31 May 2024 RM
Group					
Property, plant and equipment					
- capital allowance	(773,518)	265,181	(508,337)	(417,608)	(925,945)
- reinvestment allowance	145,000	-	145,000	(145,000)	-
Tax losses carry-forward	-	-	-	554,719	554,719
Right-of-use assets	(339,000)	270,000	(69,000)	(28,000)	(97,000)
Lease liabilities	344,000	(276,000)	68,000	31,000	99,000
Other temporary differences	488,317	(298,786)	189,531	119,304	308,835
	<u>(135,201)</u>	<u>(39,605)</u>	<u>(174,806)</u>	<u>114,415</u>	<u>(60,391)</u>

Company

Property, plant and equipment

- capital allowance	<u>(42,000)</u>	<u>(3,000)</u>	<u>(45,000)</u>	<u>41,000</u>	<u>(4,000)</u>
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Deferred tax assets and liabilities are offset when there are legally enforceable rights to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross) :

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Property, plant and equipment				
- capital allowance	(1,062,000)	(1,200,000)	-	-
Capital allowances carry-forward	2,805,000	622,000	-	-
Tax losses carry-forward	13,555,000	11,789,000	150,000	-
Reinvestment allowance carry-forward	8,058,000	8,297,000	-	-
Other deductible temporary differences	<u>5,725,000</u>	<u>123,000</u>	<u>-</u>	<u>-</u>
	<u>29,081,000</u>	<u>19,631,000</u>	<u>150,000</u>	<u>-</u>

The capital allowances carry-forward is available indefinitely for offsetting against future taxable profits subject to guidelines issued under the Income Tax Act, 1967.

Notes to the Financial Statements

7. Deferred tax assets/(liabilities) (Cont'd)

Unrecognised deferred tax assets (Cont'd)

The tax losses carry-forward and reinvestment allowance carry-forward will expire in the following years of assessment ("YA") under the current tax legislations of the respective countries in which the entities operate in :

Tax losses carry-forward expiring in:	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
YA 2028	1,632,000	1,632,000	-	-
YA 2029	2,742,000	6,080,000	-	-
YA 2030	2,184,000	2,184,000	-	-
YA 2031	1,372,000	1,372,000	-	-
YA 2032	506,000	506,000	-	-
YA 2033	15,000	15,000	-	-
YA 2034	5,104,000	-	150,000	-
	13,555,000	11,789,000	150,000	-

Reinvestment allowance carry-forward expiring in:	Group	
	2024 RM	2023 RM
YA 2028	8,058,000	8,297,000

Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profits will be available against which the Group entities can utilise the benefits therefrom.

7.1 Material accounting policy information

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

8. Inventories - Group

	2024 RM	2023 RM
Raw materials	5,176,614	5,956,068
Goods-in-transit	9,665,256	5,673,395
Manufactured and trading inventories	43,972,671	67,942,136
	58,814,541	79,571,599
Recognised in profit or loss as cost of sales :		
Cost of inventories	254,302,618	220,770,604
Inventories written down	5,995,755	699,463

Notes to the Financial Statements

8. Inventories - Group (Cont'd)

8.1 Significant judgements and assumptions

The Directors review inventories for obsolescence and decline in net realisable value to below cost.

In determining the amount of inventories to be written down or reversed, the Directors took into consideration the age of the inventories, historical sales trend and Directors' judgment on the likelihood of future sales and customer acceptance. Possible changes to these estimates could result in a revision to the carrying amount of the Group's inventories and profit or loss.

8.2 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average basis, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

9. Trade and other receivables

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Trade					
Trade receivables		56,122,809	52,955,235	-	-
Amount due from :					
- associates	9.1	1,070,797	1,611,178	-	-
- a company in which certain Directors have a substantial financial interest	9.1	813	33,064	-	-
		57,194,419	54,599,477	-	-
Non-trade					
Amount due from :					
- subsidiaries	9.1	-	-	13,709,117	2,632,613
- a company in which certain Directors have a substantial financial interest	9.1	-	1,148	-	-
Other receivables		150,902	476,604	13,376	-
Deposits		634,675	585,600	760	760
Prepayments	9.2	3,740,647	1,706,383	33,800	32,254
		4,526,224	2,769,735	13,757,053	2,665,627
		61,720,643	57,369,212	13,757,053	2,665,627

Notes to the Financial Statements

9. Trade and other receivables (Cont'd)

9.1 Amounts due from subsidiaries, associates and a company in which certain Directors have a substantial financial interest

The trade amounts due from associates and a company in which certain Directors have a substantial financial interest are subject to normal trade terms.

The non-trade amounts due from subsidiaries and a company in which certain Directors have a substantial financial interest are unsecured, interest-free and repayable on demand.

9.2 Prepayments - Group

Included in prepayments is RM1,703,137 (2023 : RM411,394) comprising advances paid to suppliers for the purchase of raw materials and trading inventories.

10. Fixed deposits - Group

Fixed deposits of the Group amounting to RM516,476 (2023 : RM507,255) are held in lien for borrowings granted to the Group (see Note 13).

11. Share capital - Group/Company

	2024		2023	
	Amount RM	Number of shares	Amount RM	Number of shares
Issued and paid-up ordinary shares with no par value classified as equity instruments				
At 1 June 2023/2022	67,670,893	129,668,000	67,670,893	129,668,000
Issued during the year	16,634,056	27,723,426	-	-
At 31 May	84,304,949	157,391,426	67,670,893	129,668,000

During the financial year, the Company issued 27,723,426 new ordinary shares pursuant to the conversion of 27,723,426 warrants at the exercise price of RM0.60 per warrant for a total cash consideration of RM16,634,056.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Notes to the Financial Statements**12. Reserves**

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Non-distributable :					
Foreign currency translation reserve	12.1	2,600,278	1,931,105	-	-
Warrants reserve	12.2	-	6,483,400	-	6,483,400
Treasury shares	12.3	(3,119,711)	(2,376,405)	(3,119,711)	(2,376,405)
Capital reserve	12.4	4,487,540	4,487,540	-	-
Other reserve	12.5	(638,792)	(638,792)	-	-
		3,329,315	9,886,848	(3,119,711)	4,106,995
Distributable :					
Retained earnings		55,512,056	60,800,179	16,386,153	12,560,977
		58,841,371	70,687,027	13,266,442	16,667,972

12.1 Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

12.2 Warrants reserve

The warrants reserve represents the consideration of the Warrants 2014/2024 at the date of issue. Warrants 2014/2024 were issued on 21 January 2014 at an issue price of RM0.10 per warrant pursuant to the rights issue of warrants undertaken by the Company on the basis of one warrant for every two ordinary shares held in the Company.

The warrants entitled the holders to subscribe for new ordinary shares in the Company on the basis of one ordinary share for every warrant held at an exercise price of RM0.60 per share within ten years from the date of issue. The exercise price of the warrants is subject to adjustment from time to time in accordance with the conditions stipulated in the Deed Poll dated 18 November 2013.

On 20 January 2024, the warrants expired and the outstanding balance in the warrants reserve was transferred to retained earnings.

Notes to the Financial Statements

12. Reserves (Cont'd)

12.3 Treasury shares

The shareholders of the Company, by an ordinary resolution passed in an Extraordinary General Meeting held on 18 September 2020, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

The Company repurchased its issued and paid-up ordinary shares from the open market as follows :

		Purchase price ^(N1)			
	No. of shares	Cost RM	Highest RM	Lowest RM	Average RM
2024					
At beginning of the financial year	3,986,300	2,376,405	0.535	0.435	0.484
Purchased during the financial year :					
December 2023	1,050,000	743,306	0.715	0.700	0.706
At end of the financial year	5,036,300	3,119,711	0.712	0.700	0.706
2023					
At beginning of the financial year	3,815,800	2,293,972	0.720	0.520	0.585
Purchased during the financial year :					
July 2022	61,600	32,862	0.535	0.510	0.523
September 2022	25,000	11,807	0.470	0.470	0.470
January 2023	12,000	5,728	0.475	0.475	0.475
February 2023	43,800	19,612	0.449	0.435	0.442
March 2023	28,100	12,424	0.440	0.440	0.440
	170,500	82,433			
At end of the financial year	3,986,300	2,376,405	0.535	0.435	0.484

^(N1) Purchase price includes share price, stamp duty, brokerage fee, clearing fee and service tax.

The repurchased ordinary shares were financed by internally generated funds and are held as treasury shares. There were no treasury shares that were reissued during both financial years.

Notes to the Financial Statements

12. Reserves (Cont'd)

12.4 Capital reserve

The capital reserve of the Group represents the statutory reserve of foreign subsidiaries as required by foreign legislations.

12.5 Other reserve

Other reserve comprises the premium previously paid on acquisition of non-controlling interests in a subsidiary determined as the difference between the consideration paid and the carrying value of the interest acquired.

13. Loans and borrowings - Group

	Note	2024 RM	2023 RM
Non-current			
Secured			
Term loans		21,558,340	23,818,621
Hire purchase creditors		624,477	682,469
		<u>22,182,817</u>	<u>24,501,090</u>
Current			
Unsecured			
Bank overdrafts		-	624,318
Bankers' acceptances		19,463,370	35,126,384
Revolving credits		6,210,000	6,713,452
		<u>25,673,370</u>	<u>42,464,154</u>
Secured			
Bank overdrafts		862,518	49,792
Bankers' acceptances		10,778,185	13,289,005
Term loans		2,284,578	2,297,228
Hire purchase creditors		519,355	565,359
		<u>14,444,636</u>	<u>16,201,384</u>
	13.2	<u>40,118,006</u>	<u>58,665,538</u>
Total loans and borrowings		<u>62,300,823</u>	<u>83,166,628</u>

Notes to the Financial Statements

13. Loans and borrowings - Group (Cont'd)

13.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 June 2022 RM	Assets acquired under hire purchase/lease arrangements RM	Remeasurement of lease of lease RM	Net changes from financing cash flows RM	Derecognition of lease RM	Foreign exchange movements RM	At 31 May 2023 RM
Bankers' acceptances	66,171,729	-	-	(17,756,340)	-	-	48,415,389
Revolving credits	6,712,751	-	-	701	-	-	6,713,452
Hire purchase creditors	1,339,245	333,000	-	(424,417)	-	-	1,247,828
Term loans	34,754,466	-	-	(8,638,617)	-	-	26,115,849
Lease liabilities	936,124	258,531	279,066	(792,010)	(57,813)	31,655	655,553
	109,914,315	591,531	279,066	(27,610,683)	(57,813)	31,655	83,148,071

	At 1 June 2023 RM	Assets acquired under hire purchase/lease arrangements RM	Net changes from financing cash flows RM	Derecognition of lease RM	Foreign exchange movements RM	At 31 May 2024 RM
Bankers' acceptances	48,415,389	-	(18,173,834)	-	-	30,241,555
Revolving credits	6,713,452	-	(503,452)	-	-	6,210,000
Hire purchase creditors	1,247,828	500,000	(603,996)	-	-	1,143,832
Term loans	26,115,849	-	(2,272,931)	-	-	23,842,918
Lease liabilities	655,553	1,049,447	(618,148)	(153,831)	9,700	942,721
	83,148,071	1,549,447	(22,172,361)	(153,831)	9,700	62,381,026

Notes to the Financial Statements

13. Loans and borrowings - Group (Cont'd)

13.2 Security

The bank overdrafts, bankers' acceptances, revolving credits and term loans are secured by the following :

- (i) a first party legal charge over certain parcels of land, buildings and plant and machinery of the Group and of the Company as disclosed in Note 3 to the financial statements;
- (ii) fixed deposits as disclosed in Note 10 the financial statements;
- (iii) corporate guarantee by the Company; and
- (iv) joint and several guarantee by certain Directors of the Company.

The hire purchase creditors are effectively secured as the right to the assets under the hire purchase that reverts to the creditors in the event of default.

14. Trade and other payables

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Trade					
Trade payables		29,539,626	29,983,104	-	-
Trade accruals		8,504,708	4,441,421	-	-
Amount due to a company in which certain Directors have a substantial financial interest	14.1	510,161	1,355,747	-	-
		38,554,495	35,780,272	-	-
Non-trade					
Amount due to :					
- subsidiaries	14.1	-	-	643,583	1,422,617
- an associate	14.1	-	343,735	-	343,735
- companies in which certain Directors have a substantial financial interest	14.1	-	110,129	-	-
Other payables	14.2	4,556,972	4,336,838	163,025	163,746
Deposits received		8,259	9,661	-	-
Accruals		13,264,872	10,321,927	247,063	245,500
		17,830,103	15,122,290	1,053,671	2,175,598
		56,384,598	50,902,562	1,053,671	2,175,598

Notes to the Financial Statements

14. Trade and other payables (Cont'd)

14.1 Amounts due to subsidiaries, an associate and companies in which certain Directors have a substantial financial interest

The trade amount due to a company in which certain Directors have a substantial financial interest is subject to normal trade terms.

The non-trade amounts due to subsidiaries, an associate and companies in which certain Directors have a substantial financial interest are unsecured, interest-free and repayable on demand.

14.2 Other payables - Group

Included in other payables are contract liabilities of RM305,542 (2023 : RM318,211) comprising advance consideration received from customers where the revenue is recognised at point in time. The contract liabilities are expected to be recognised as revenue in the following financial year.

15. Revenue

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers	<u>309,341,932</u>	<u>273,204,070</u>	<u>-</u>	<u>-</u>

15.1 Disaggregation of revenue - Group

	2024 RM	2023 RM
Primary geographical markets		
- Malaysia	195,629,404	190,047,643
- Other Asian countries	76,890,819	74,731,135
- Middle East	34,815,004	6,429,464
- Others	<u>2,006,705</u>	<u>1,995,828</u>
	<u>309,341,932</u>	<u>273,204,070</u>
Major products		
- Electrical and electronic appliances	<u>309,341,932</u>	<u>273,204,070</u>
Timing and recognition		
- At point in time	<u>309,341,932</u>	<u>273,204,070</u>

Notes to the Financial Statements

15. Revenue (Cont'd)

15.2 Nature of goods

The following information reflects the typical transactions of the Group :

Nature of goods	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Household electrical and electronic appliances	Revenue is recognised at point in time when the goods are delivered and accepted by the customers.	Credit period of 30 - 90 days from invoice date.	Discounts, rebates and incentives are given to customers on a case-by-case basis.	The Group allows defective goods to be returned in exchange for new goods or cash refunds determined on a case-by-case basis.	Generally, assurance warranty of 1-2 years is given to customers except for motors and compressors which are given 1-5 years assurance warranty which do not form a separate performance obligation.

The Group applies the practical expedient on the exemption for disclosure of information on remaining performance obligations that would be fulfilled within one year.

16. Finance costs

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expense on :				
- financial liabilities that are not at fair value through profit or loss	3,836,636	4,235,759	-	-
- lease liabilities	56,309	50,941	-	-
	<u>3,892,945</u>	<u>4,286,700</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements

17. Loss before tax

Loss before tax is arrived at after charging/(crediting) :

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration :				
- Audit fee				
- KPMG PLT				
- current year	227,000	203,000	58,000	40,000
- prior year	-	12,000	-	-
- Other auditors	77,450	72,856	-	-
- Non-audit services				
- KPMG PLT	26,400	24,000	26,400	24,000
- Affiliate of KPMG PLT	51,500	51,500	3,500	2,500
Material expenses/(income)				
Depreciation of property, plant and equipment	5,383,276	5,362,356	1,299,432	1,297,965
Plant and equipment written off	7,300	27,682	-	24,699
Inventories written down	5,995,755	699,463	-	-
Research and development expenditure	582,047	250,872	-	-
Warehousing and logistics charges	2,024,944	1,632,775	-	-
Gain on disposal of property, plant and equipment	(1,674,722)	(294,707)	-	-
Government grants	(104,405)	(210,248)	-	-
Impairment loss on investments in subsidiaries	-	-	761,993	931,903
Interest income	(44,925)	(18,143)	(828)	(1,379)
Royalty income	(109,194)	(109,194)	-	-
(Gain)/loss on foreign exchange :				
- realised	(611,356)	(669,539)	3,417	174,854
- unrealised	(217,925)	214,213	(10,377)	(10,088)
Expenses/(Income) arising from leases				
Expenses relating to :				
- short-term leases [#]	281,795	663,698	-	-
- leases of low-value assets [#]	56,736	41,307	2,856	120
Rental income	-	-	(1,200,000)	(1,200,000)
Net loss on impairment of financial instruments				
Impairment loss on :				
- trade receivables	605,525	637,826	-	-
- non-trade amount due from a subsidiary	-	-	121,922	-
- non-trade amount due from an associate	-	70,745	-	70,745
- other receivables	(111,631)	863,503	-	-
	<u>493,894</u>	<u>1,572,074</u>	<u>121,922</u>	<u>70,745</u>

[#] The Group leases warehouses, office space, motor vehicles and office equipment with contract terms of 1 year or shorter. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Notes to the Financial Statements**18. Tax expense**

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM

Recognised in profit or loss**Current tax expense**

Current year	1,139,648	1,198,825	-	80,000
Prior years	5,294,714	218,247	11,402	(24,677)
	6,434,362	1,417,072	11,402	55,323

Deferred tax expense

Current year	138,585	313,605	(20,000)	1,000
Prior year	(253,000)	(274,000)	(21,000)	2,000
	(114,415)	39,605	(41,000)	3,000
	6,319,947	1,456,677	(29,598)	58,323

Reconciliation of tax expense

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Loss before tax	(7,286,039)	(2,540,080)	(2,687,822)	(2,904,061)
Income tax calculated using Malaysian tax rate of 24%	(1,748,649)	(609,619)	(645,077)	(696,975)
Effect of different tax rate in foreign jurisdictions	(147,902)	(6,456)	-	-
Income not subject to tax	(70,719)	(86,347)	(2,491)	(2,421)
Non-deductible expenses	977,503	2,345,892	591,313	779,396
Deferred tax assets not recognised	2,268,000	-	36,000	-
Utilisation of deferred tax assets previously not recognised	-	(131,040)	-	-
Other items	-	-	255	1,000
	1,278,233	1,512,430	(20,000)	81,000
Under/(Over) provision in prior years	5,041,714	(55,753)	(9,598)	(22,677)
	6,319,947	1,456,677	(29,598)	58,323

During the current financial year, the Group was notified by the Malaysian Investment Development Authorities ("MIDA") that the Group's application to extend its tax holiday period for an additional five years covering Year of Assessment ("YA") 2018 to YA2022 (collectively the "affected years") has been disallowed.

The Group has met preliminarily with MIDA to appeal against the decision. Pending resolution of the appeal, the Group had provided additional tax for the affected years amounting to RM5,651,565 while the Group continues to discuss the appeal with MIDA.

Notes to the Financial Statements

19. Staff costs - Group

	2024 RM	2023 RM
Salaries, wages and other emoluments	26,188,407	23,453,369
Defined contribution plans	2,376,536	2,346,107
Other employee benefits	1,476,684	1,049,881
	<u>30,041,627</u>	<u>26,849,357</u>

Staff costs include remuneration paid to Directors and key management personnel as disclosed in Note 22 to the financial statements.

There is no staff cost applicable to the Company save for the Directors' fees as disclosed in Note 22 as the payroll for the Company's employees are borne by the operating subsidiaries.

20. Loss per ordinary share - Group

20.1 Basic loss per ordinary share

The basic loss per ordinary share is calculated based on the consolidated loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares, excluding treasury shares held by the Company, calculated as follows :

	2024	2023
Loss attributable to owners of the Company (RM)	<u>(13,253,679)</u>	<u>(3,035,828)</u>
Weighted average number of ordinary shares at 31 May	<u>140,221,578</u>	<u>128,098,842</u>
Basic loss per ordinary share (sen)	<u>(9.45)</u>	<u>(2.37)</u>

Weighted average number of ordinary shares :

	2024	2023
Issued ordinary shares at 1 June 2023/2022	129,668,000	129,668,000
Effect of treasury shares repurchased	(2,094,158)	(1,569,158)
Effect of warrants exercised	12,647,736	-
Weighted average number of ordinary shares at 31 May	<u>140,221,578</u>	<u>128,098,842</u>

20.2 Diluted loss per ordinary share

The diluted loss per ordinary share is the same as basic loss per ordinary share as there are no dilutive instruments outstanding at the end of the financial year (2023 : no outstanding instruments with potential dilutive effect).

Notes to the Financial Statements**21. Dividend - Group and Company**

	Sen per share	RM	Date of payment
2023			
Financial year ended 31 May 2022			
Single tier final dividend	1.25	<u>1,572,070</u>	15 December 2022

22. Related parties**Significant related party transactions**

Related party transactions have been entered in the ordinary course of business and were established under negotiated terms. The balances related to the below transactions are shown in Note 9 and Note 14 to the financial statements.

The significant related party transactions of the Group and of the Company are as follows :

	2024 RM	2023 RM
Company		
Transactions with subsidiaries		
- Rental income	1,200,000	1,200,000
- Subscription of shares	-	1,133,220
- Advances provided	<u>12,700,000</u>	<u>-</u>
Group		
Transactions with associates		
- Sales	2,371,414	3,858,760
- Subscription of shares	<u>-</u>	<u>343,735</u>
Transactions with companies in which certain Directors have a substantial financial interest		
- Sales	577,397	34,172
- Purchases	(1,771,690)	(2,390,969)
- Transportation charges	<u>(784,022)</u>	<u>(394,976)</u>
Transactions with Directors		
- Ordinary shares issued to a Director of a subsidiary	5,217,888	-
- Sale of motor vehicle	<u>160,000</u>	<u>-</u>

Notes to the Financial Statements

22. Related parties (Cont'd)

Key management personnel compensation

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors of the Company				
Current Directors				
- Fees	267,000	282,000	267,000	282,000
- Salaries and other emoluments	1,770,742	2,083,097	-	-
- Defined contribution plan	110,279	173,572	-	-
- Estimated monetary value of benefits-in-kind	86,394	108,875	-	-
	<u>2,234,415</u>	<u>2,647,544</u>	<u>267,000</u>	<u>282,000</u>
Past Director				
- Fees	-	-	-	-
- Salaries and other emoluments	248,170	-	-	-
- Defined contribution plan	24,480	-	-	-
- Estimated monetary value of benefits-in-kind	12,975	-	-	-
	<u>285,625</u>	<u>-</u>	<u>-</u>	<u>-</u>
Directors of subsidiaries				
Salaries and other emoluments	1,035,115	801,060	-	-
Defined contribution plan	63,242	41,929	-	-
	<u>1,098,357</u>	<u>842,989</u>	<u>-</u>	<u>-</u>
	<u>3,618,397</u>	<u>3,490,533</u>	<u>267,000</u>	<u>282,000</u>

Notes to the Financial Statements

23. Operating segment

The Group has three reportable segments, as described below, which are the Group's strategic business units. For each of the strategic business unit, the Group's Chief Executive Officer and Group's Managing Director review internal management reports at least on a quarterly basis.

The following summary describes the main business segments and business activities of each segment of the Group's reportable segments :

Manufacturing	Manufacture, assembly and sales of electrical and electronic appliances
Trading	Sales and distribution of electrical and electronic appliances
Others	Investment holding and provision of management services

Performance is measured based on segment profit/(loss) before tax, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer and Group's Managing Director, who are the Group's operating decision makers. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer and Group's Managing Director.

Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's Chief Executive Officer and Group's Managing Director. Hence, no disclosure is made on segment liabilities.

Notes to the Financial Statements

23. Operating segment (Cont'd)

Group	Manufacturing RM	Trading RM	Others RM	Total RM	Elimination RM	Consolidated RM
2024						
Revenue						
External customers	33,991,102	275,350,830	-	309,341,932	-	309,341,932
Inter-segment	59,920,227	3,711,565	5,856,000	69,487,792	(69,487,792)	-
Total revenue	93,911,329	279,062,395	5,856,000	378,829,724	(69,487,792)	309,341,932
Segment profit/(loss)	4,296,363	(11,312,950)	(2,015,383)	(9,031,970)	1,745,931	(7,286,039)
<i>Included in the measure of segment profit/(loss) are :</i>						
Interest income	11,649	91,739	1,230	104,618	(59,693)	44,925
Finance costs	(173,082)	(3,776,569)	-	(3,949,651)	56,706	(3,892,945)
<i>(Impairment loss)/Reversal of impairment loss on :</i>						
- trade receivables	(1,878)	(603,647)	-	(605,525)	-	(605,525)
- other receivables	-	111,631	-	111,631	-	111,631
Depreciation of property, plant and equipment and right-of-use assets	(1,089,280)	(2,959,005)	(1,334,991)	(5,383,276)	-	(5,383,276)
Inventories written down	(15,930)	(5,979,825)	-	(5,995,755)	-	(5,995,755)
Share of results of associates	-	-	(122,700)	(122,700)	-	(122,700)
<i>Not included in the measure of segment profit/(loss) but provided to CODM :</i>						
Gain on disposal of property, plant and equipment	10,107	1,664,615	-	1,674,722	-	1,674,722
Plant and equipment written off	(3,224)	(1,920)	(2,156)	(7,300)	-	(7,300)
Gain on derecognition of right-of-use assets	2,041	2,059	-	4,100	-	4,100
Segment assets	58,904,818	221,271,591	103,352,668	383,529,077	(112,910,763)	270,618,314
<i>Included in the measurement of segment assets are :</i>						
Additions to property, plant and equipment and right-of-use assets	6,926,051	3,906,411	59,589	10,892,051	(129,171)	10,762,880

Notes to the Financial Statements**23. Operating segment (Cont'd)**

Group	Manufacturing RM	Trading RM	Others RM	Total RM	Elimination RM	Consolidated RM
2023						
Revenue						
External customers	7,888,450	265,315,620	-	273,204,070	-	273,204,070
Inter-segment	63,509,720	2,879,762	5,613,200	72,002,682	(72,002,682)	-
Total revenue	71,398,170	268,195,382	5,613,200	345,206,752	(72,002,682)	273,204,070
Segment profit/(loss)	1,588,627	(2,600,826)	(2,667,194)	(3,679,393)	1,139,313	(2,540,080)
<i>Included in the measure of segment profit/(loss) are :</i>						
Interest income	9,163	78,709	2,029	89,901	(71,758)	18,143
Finance costs	(315,511)	(4,044,021)	(4,281)	(4,363,813)	77,113	(4,286,700)
Impairment loss on :						
- trade receivables	(97,629)	(540,197)	-	(637,826)	-	(637,826)
- other receivables	-	(863,503)	-	(863,503)	-	(863,503)
- non-trade amount due from an associate	-	-	(70,745)	(70,745)	-	(70,745)
Depreciation of property, plant and equipment and right-of-use assets	(886,312)	(3,979,945)	(1,476,519)	(6,342,776)	980,420	(5,362,356)
Inventories written back/(down)	77,748	(777,211)	-	(699,463)	-	(699,463)
Share of results of associates	-	-	79,742	79,742	-	79,742
<i>Not included in the measure of segment profit/(loss) but provided to CODM :</i>						
Gain on disposal of plant and equipment	-	294,707	-	294,707	-	294,707
Plant and equipment written off	-	(2,983)	(24,699)	(27,682)	-	(27,682)
Gain on derecognition of right-of-use assets	774	697	-	1,471	-	1,471
Gain on remeasurement of lease	-	1,616	-	1,616	-	1,616
Segment assets	44,603,980	242,595,108	89,602,329	376,801,417	(102,782,973)	274,018,444
<i>Included in the measurement of segment assets are :</i>						
Additions to property, plant and equipment and right-of-use assets	321,170	1,677,716	134,386	2,133,272	(13,525)	2,119,747

Notes to the Financial Statements

23. Operating segment (Cont'd)

23.1 Geographical information

Non-current assets information based on the geographical location of assets are as below. The amount of non-current assets do not include financial instruments, investments in associates and deferred tax assets.

	Non-current assets	
	2024 RM	2023 RM
Malaysia	114,529,652	109,719,396
Other Asian countries	761,111	532,325
	<u>115,290,763</u>	<u>110,251,721</u>

The disaggregation of revenue by geographical area is disclosed in Note 15 to the financial statements.

24. Financial instruments

24.1 Categories of financial instruments

The table below provides an analysis of financial instruments as at 31 May 2024 and 31 May 2023 categorised as amortised cost ("AC").

	Carrying amount RM	AC RM
2024		
Financial assets		
Group		
Trade and other receivables (excluding prepayments)	57,979,996	57,979,996
Fixed deposits	557,583	557,583
Cash and bank balances	<u>31,868,174</u>	<u>31,868,174</u>
	<u>90,405,753</u>	<u>90,405,753</u>
Company		
Trade and other receivables (excluding prepayments)	13,723,253	13,723,253
Cash and bank balances	<u>2,671,428</u>	<u>2,671,428</u>
	<u>16,394,681</u>	<u>16,394,681</u>

Notes to the Financial Statements**24. Financial instruments (Cont'd)****24.1 Categories of financial instruments (Cont'd)**

	Carrying amount RM	AC RM
2024		
Financial liabilities		
Group		
Trade and other payables (excluding contract liabilities)	56,079,056	56,079,056
Loans and borrowings	62,300,823	62,300,823
	<u>118,379,879</u>	<u>118,379,879</u>
Company		
Trade and other payables	<u>1,053,671</u>	<u>1,053,671</u>
2023		
Financial assets		
Group		
Trade and other receivables (excluding prepayments)	55,662,829	55,662,829
Fixed deposits	547,960	547,960
Cash and bank balances	23,733,086	23,733,086
	<u>79,943,875</u>	<u>79,943,875</u>
Company		
Trade and other receivables (excluding prepayments)	2,633,373	2,633,373
Cash and bank balances	132,557	132,557
	<u>2,765,930</u>	<u>2,765,930</u>

Notes to the Financial Statements

24. Financial instruments (Cont'd)

24.1 Categories of financial instruments (Cont'd)

	Carrying amount RM	AC RM
2023		
Financial liabilities		
Group		
Trade and other payables (excluding contract liabilities)	50,584,351	50,584,351
Loans and borrowings	83,166,628	83,166,628
	<u>133,750,979</u>	<u>133,750,979</u>
Company		
Trade and other payables	<u>2,175,598</u>	<u>2,175,598</u>

24.2 Net losses arising from financial instruments :

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Net losses arising on :				
- Financial assets at amortised cost	(427,943)	(1,368,847)	(114,134)	(93,587)
- Finance liabilities measured at amortised cost	<u>(3,028,848)</u>	<u>(3,989,423)</u>	<u>-</u>	<u>(165,950)</u>
	<u>(3,456,791)</u>	<u>(5,358,270)</u>	<u>(114,134)</u>	<u>(259,537)</u>

24.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments :

- Credit risk
- Liquidity risk
- Market risk

24.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from advances given to subsidiaries and financial guarantees given to banks for borrowings granted to subsidiaries. There are no significant changes as compared to prior year.

Notes to the Financial Statements

24. Financial instruments (Cont'd)

24.4 Credit risk (Cont'd)

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to prior year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position.

The exposure to credit risk for trade receivables as at the end of the reporting period by geographical region is as follows:

	2024 RM	2023 RM
Group		
Malaysia	39,323,637	31,771,608
Other Asian countries	13,648,512	19,433,171
Middle East	4,207,246	2,839,683
Others	15,024	555,015
	<u>57,194,419</u>	<u>54,599,477</u>

Recognition and measurement of impairment loss

The Group adopts the simplified approach and uses an allowance matrix to measure expected credit loss ("ECLs") of trade receivables. Consistent with the debt recovery process, invoices which are past due more than 120 days will be considered as credit impaired.

The Group will initiate appropriate debt recovery procedures on past due balances which are monitored by the sales and finance teams. Where necessary, the Group will also commence legal proceeding against the customers.

Notes to the Financial Statements

24. Financial instruments (Cont'd)

24.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

Loss rates are based on actual credit loss experienced over the past five years and forward-looking information. The Group believes that the financial impacts of the forward-looking information are inconsequential for the purpose of impairment calculation of trade receivables due to their relatively short term nature.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 May 2024 and 31 May 2023.

	Gross carrying amount RM	Loss allowances RM	Net balance RM
Group			
2024			
Not past due	39,030,216	-	39,030,216
Past due less than 60 days	15,646,964	-	15,646,964
Past due 61 to 120 days	944,901	-	944,901
	55,622,081	-	55,622,081
Credit impaired			
Past due more than 120 days	3,032,861	(1,460,523)	1,572,338
	58,654,942	(1,460,523)	57,194,419
2023			
Not past due	41,213,623	-	41,213,623
Past due less than 60 days	11,243,297	-	11,243,297
Past due 61 to 120 days	943,749	-	943,749
	53,400,669	-	53,400,669
Credit impaired			
Past due more than 120 days	2,611,365	(1,412,557)	1,198,808
	56,012,034	(1,412,557)	54,599,477

There are past due trade receivables where the Group has not recognised any loss allowance as the trade receivables are supported by subsequent collection after the reporting period and after considering the historical collection trend of these customers.

Notes to the Financial Statements

24. Financial instruments (Cont'd)

24.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The movements in the allowance for impairment in respect of trade receivables during the year are shown below.

	Lifetime ECL	
	2024 RM	2023 RM
Group		
Balance at 1 June 2023/2022	1,412,557	874,498
Loss allowance provided	629,525	831,541
Reversal of loss allowance	(24,000)	(193,715)
Amount written off	<u>(557,559)</u>	<u>(99,767)</u>
Balance at 31 May	<u>1,460,523</u>	<u>1,412,557</u>

Cash and bank balances and fixed deposits with licensed banks

The cash and bank balances and fixed deposits are held with established banks. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks have low credit risks. In addition, some of the bank balances are insured by government agencies. As at the end of the reporting period, the Group did not recognise any allowance for impairment losses as it is immaterial.

Other receivables

Credit risks on other receivables are mainly arising from deposits paid for leases and utilities and other transactions in the normal course of the Group's businesses.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The movements in the allowance for impairment in respect of other receivables during the year are shown below.

	2024 RM	2023 RM
Group		
Balance at 1 June 2023/2022	2,339,012	1,475,509
Loss allowance provided	-	863,503
Reversal of loss allowance	<u>(111,631)</u>	<u>-</u>
Balance at 31 May	<u>2,227,381</u>	<u>2,339,012</u>

Notes to the Financial Statements

24. Financial instruments (Cont'd)

24.4 Credit risk (Cont'd)

Financial guarantees

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounted to RM62 million (2023 : RM83 million) representing the Company's exposure to the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

Recognition and measurement of impairment loss

The Company considers that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when :

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Inter company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The advances provided are not secured by any collateral or supported by any other credit enhancements.

Notes to the Financial Statements

24. Financial instruments (Cont'd)

24.4 Credit risk (Cont'd)

Inter company balances (Cont'd)

Recognition and measurement of impairment loss

Generally, the Company considers advances to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payment of the advances, the Company considers the advances to be in default when the subsidiary is not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when :

- The subsidiary is unlikely to repay the advances provided by the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

The amount owing from subsidiaries of RM13,709,117 (2023 : RM2,632,613) is regarded to be of low credit risk.

As at the end of the reporting period, the Group did not recognise any allowance for impairment losses as it is immaterial.

24.5 Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group or the Company maintains a level of cash and bank balances and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Notes to the Financial Statements

24. Financial instruments (Cont'd)

24.5 Liquidity risk (Cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments :

	Carrying amount RM	Contractual discount rates per annum	Contractual interest/ rates %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2024								
Group								
<i>Non-derivative financial liabilities</i>								
Bank overdrafts	862,518	7.70		862,518	862,518	-	-	-
Bankers' acceptances	30,241,555	3.81 - 6.28		30,241,555	30,241,555	-	-	-
Revolving credits	6,210,000	4.74 - 6.19		6,210,000	6,210,000	-	-	-
Term loans	23,842,918	5.62 - 6.02		30,892,980	3,539,130	3,412,673	9,479,274	14,461,903
Hire purchase creditors	1,143,832	1.77 - 5.00		1,217,038	568,453	236,294	412,291	-
Lease liabilities	942,721	5.00 - 5.82		970,544	623,843	346,701	-	-
Trade and other payables (excluding contract liabilities)	56,079,056	-		56,079,056	56,079,056	-	-	-
	119,322,600			126,473,691	98,124,555	3,995,668	9,891,565	14,461,903
Company								
<i>Non-derivative financial liabilities</i>								
Trade and other payables	1,053,671	-		1,053,671	1,053,671	-	-	-
Financial guarantee	-	-		62,000,000	62,000,000	-	-	-
	1,053,671			63,053,671	63,053,671	-	-	-

Notes to the Financial Statements**24. Financial Instruments (Cont'd)****24.5 Liquidity risk (Cont'd)***Maturity analysis (Cont'd)*

	Carrying amount RM	Contractual discount rates per annum %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2023							
Group							
<i>Non-derivative financial liabilities</i>							
Bank overdrafts	674,110	6.50 - 7.95	674,110	674,110	-	-	-
Bankers' acceptances	48,415,389	1.05 - 6.28	48,415,389	48,415,389	-	-	-
Revolving credits	6,713,452	4.48 - 5.85	6,713,452	6,713,452	-	-	-
Term loans	26,115,849	4.48 - 5.65	32,564,193	3,665,087	3,538,629	8,796,170	16,564,307
Hire purchase creditors	1,247,828	2.11 - 5.00	1,339,576	627,951	461,516	250,109	-
Lease liabilities	655,553	4.22 - 11.00	688,434	525,234	140,100	23,100	-
Trade and other payables (excluding contract liabilities)	50,584,351	-	50,584,351	50,584,351	-	-	-
	<u>134,406,532</u>		<u>140,979,505</u>	<u>111,205,574</u>	<u>4,140,245</u>	<u>9,069,379</u>	<u>16,564,307</u>
Company							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	2,175,598	-	2,175,598	2,175,598	-	-	-
Financial guarantee	-	-	83,000,000	83,000,000	-	-	-
	<u>2,175,598</u>		<u>85,175,598</u>	<u>85,175,598</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements

24. Financial instruments (Cont'd)

24.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's and the Company's financial position or cash flows.

24.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and loans and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD"), Renminbi ("RMB"), Hong Kong Dollar ("HKD") and Ringgit Malaysia ("MYR").

Risk management objectives, policies and processes for managing the risk

Foreign currency exchange exposures in currencies other than the functional currency of the Group entities are kept to an acceptable level.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currencies of the Group entities) risk, based on carrying amounts as at the end of the reporting period is as follows :

	Denominated in			
	USD RM	RMB RM	HKD RM	MYR RM
Group				
2024				
Trade and other receivables	5,083,352	-	20,780	2,980,049
Cash and bank balances	5,282,725	-	31,407	244,147
Trade and other payables	(6,343,353)	(12,685,108)	(143,070)	(109,507)
Loans and borrowings	-	-	-	(110,462)
Net exposure	4,022,724	(12,685,108)	(90,883)	3,004,227
2023				
Trade and other receivables	2,419,074	-	131,421	4,798,182
Cash and bank balances	1,165,930	-	121,173	661,900
Trade and other payables	(8,571,072)	(5,799,837)	(21,100)	(3,115,932)
Loans and borrowings	-	-	-	(141,080)
Net exposure	(4,986,068)	(5,799,837)	231,494	2,203,070

Notes to the Financial Statements

24. Financial instruments (Cont'd)

24.6 Market risk (Cont'd)

24.6.1 Currency risk (Cont'd)

Currency risk sensitivity analysis

A 10% (2023 : 10%) strengthening of the respective functional currencies of the Group entities against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

Group	Profit or loss	
	2024 RM	2023 RM
USD	(305,727)	378,941
RMB	964,068	440,788
HKD	6,907	(17,594)
MYR	<u>(228,321)</u>	<u>(167,433)</u>

A 10% (2023 : 10%) weakening of the respective functional currencies of the Group entities against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

24.6.2 Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group manages this risk by having a combination of borrowings with fixed and floating rates. The Group is presently enjoying competitive interest rates which are reviewed and negotiated on a regular basis.

Notes to the Financial Statements

24. Financial instruments (Cont'd)

24.6 Market risk (Cont'd)

24.6.2 Interest rate risk (Cont'd)

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-earning and interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period is as follows :

	2024 RM	2023 RM
Group		
Fixed rate instruments		
Financial asset		
- Fixed deposits	<u>557,583</u>	<u>547,960</u>
Financial liabilities		
- Hire purchase creditors	1,143,832	1,247,828
- Bankers' acceptances	30,241,555	48,415,389
- Lease liabilities	<u>942,721</u>	<u>655,553</u>
	<u>32,328,108</u>	<u>50,318,770</u>
Floating rate instruments		
Financial liabilities		
- Term loans	23,842,918	26,115,849
- Bank overdrafts	862,518	674,110
- Revolving credits	<u>6,210,000</u>	<u>6,713,452</u>
	<u>30,915,436</u>	<u>33,503,411</u>

Notes to the Financial Statements

24. Financial instruments (Cont'd)

24.6 Market risk (Cont'd)

24.6.2 Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

		Group
	50 bp increase RM	50 bp decrease RM
Profit or loss		
Floating rate instruments		
2024	<u>(117,479)</u>	<u>117,479</u>
2023	<u>(127,313)</u>	<u>127,313</u>

24.7 Fair value information

The carrying amounts of cash and bank balances, fixed deposits, short term receivables and payables and short term borrowings approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

Notes to the Financial Statements

24. Financial instruments (Cont'd)

24.7 Fair value information (Cont'd)

	Fair value of financial instruments not carried at fair value			Total RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
Group					
2024					
Financial liabilities					
Term loans					
- variable rate	-	-	23,842,918	23,842,918	23,842,918
Hire purchase creditors	-	-	1,143,832	1,143,832	1,143,832
	-	-	24,986,750	24,986,750	24,986,750
2023					
Financial liabilities					
Term loans					
- variable rate	-	-	26,115,849	26,115,849	26,115,849
Hire purchase creditors	-	-	1,247,828	1,247,828	1,247,828
	-	-	27,363,677	27,363,677	27,363,677

The Group and the Company do not have any financial instruments carried at fair value.

The Company provides financial guarantees to banks for borrowings granted to certain subsidiaries. The fair value of such guarantees is negligible as the probability of the subsidiaries defaulting on the credit lines is remote.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There has been no transfer between the levels in fair value during the financial year (2023 : no transfer in either direction).

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest determined by reference to similar borrowing arrangements at the end of the reporting period.

Level 3 fair value

The carrying amounts of floating rate term loans approximate their fair values as the effective interest rates change accordingly to movements in the market interest rate. The fair value of hire purchase liabilities is calculated using discounted cash flows where the market rate of interest is determined by reference to similar borrowing arrangements which range from 1.77% to 5.00% (2023 : 2.11% to 5.00%).

Notes to the Financial Statements

25. Capital commitment

	2024 RM	2023 RM
Contracted but not provided for:		
- Property, plant and equipment	<u>900,950</u>	<u>-</u>

26. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than 25 percent of the issued and paid-up capital and that such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

There were no changes in the Group's approach to capital management during the financial year.

27. Acquisition of additional interests in subsidiary

On 14 September 2023, the Company acquired an additional 5.3% interest in PT Pensonic Appliances Indonesia ("PTPAI") for USD80,000 (equivalent to RM377,280). The acquisition resulted in an increase in the Company's interest from 51% to 56.3% in PTPAI. Consequently, the Group recognised a decrease in non-controlling interests and retained earnings of RM31,187 and RM346,093 respectively.

The following summarises the effect of changes in the equity interest in PTPAI that is attributable to owners of the Company :

	2024 RM
Equity interest at 1 June 2023	300,105
Effect of increase in the Group's ownership interest	31,187
Share of total comprehensive expense, net of tax	<u>(569,517)</u>
Equity interest at 31 May 2024	<u>(238,225)</u>

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 66 to 124 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 May 2024 and of their financial performance and cash flows for the financial year then ended.

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' Chew Chuon Jin
Director

Date : 30 September 2024

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Dato' Seri Chew Weng Khak @ Chew Weng Kiak**, the Director primarily responsible for the financial management of Pensonic Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 66 to 124 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed **Dato' Seri Chew Weng Khak @ Chew Weng Kiak**, NRIC: 421102-02-5141 at George Town in the State of Penang on 30 September 2024.

.....
**Dato' Seri Chew Weng Khak @
Chew Weng Kiak**

Before me :

Independent Auditors' Report

To the members of Pensonic Holdings Berhad
(Registration No. 199401014746 (300426 - P))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pensonic Holdings Berhad, which comprise the statements of financial position as at 31 May 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 66 to 124.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 May 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of inventories

Refer to Note 8 – Inventories.

The key audit matter

As at 31 May 2024, the carrying amount of the Group's inventories amounted to RM58.8 million which mainly comprise of a wide range of household electrical products and appliances.

Inventories are required to be measured at the lower of cost and net realisable value. Identifying and determining the appropriate write down of the inventories to net realisable value require the use of judgement in estimating the selling price and future customer demand.

Given the wide range of inventories carried by the Group and judgement required to determine the write down of the inventories, we have identified valuation of inventories as a key audit matter.

Independent Auditors' Report

To the members of Pensonic Holdings Berhad
(Registration No. 199401014746 (300426 - P))
(Incorporated in Malaysia)

How the matter was addressed in our audit

Our audit procedures performed in this area included, among others :

- Tested the design and implementation of management's control in reviewing slow-moving inventories or inventories sold below cost to determine the write-down;
- Attended the year end physical inventory counts to identify whether any inventories were damaged;
- Assessed the Group's inventory write-down by considering the age, historical consumption and sales trend of the inventories;
- Tested the inventory movement and sales-by-product reports relied by the Group to assess inventories for write-down; and
- Selected items of inventories on sampling basis and compared the carrying amount of the inventories to the selling price transacted during and after year end.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to be communicated in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report

To the members of Pensonic Holdings Berhad
(Registration No. 199401014746 (300426 - P))
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report

To the members of Pensonic Holdings Berhad
(Registration No. 199401014746 (300426 - P))
(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 5 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Penang

Date : 30 September 2024

Raymond Chong Chee Mon
Approval Number : 03272/06/2026 J
Chartered Accountant

List of Properties Owned by the Group

As at 31 May 2024

Registered Owner	Address / Location	Description / Existing use	Approximately age of buildings (Years)	Tenure	Land/ Built-up area	Audited net book value as at 31 May 2024 RM
PSS	Lot No. 23B & 24B, Mukim Kapar, Daerah Klang, Selangor	Warehouse	5	Freehold	270,465 sq. ft. / 159,435 sq. ft.	46,660,879
PSS	Lot 11-A, Jalan 223, Section 51A, 46100 Petaling Jaya, Selangor.	Warehouse and office	20	Leasehold Expiring in 2070	43,560 sq. ft. / 36,255 sq. ft.	3,605,695
PI	895, Jalan Perindustrian Bukit Minyak, Kawasan Perindustrian Bukit Minyak, MK. 13, 14100 Bukit Minyak, Penang.	Industrial land with factory, warehouse and office	21	Leasehold Expiring in 2063	130,685 sq. ft. / 75,260 sq. ft.	4,008,228
PHB	1165, Lorong Perindustrian Bukit Minyak 16, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang.	Industrial land with warehouse and office	12	Leasehold Expiring in 2059	261,380 sq. ft. / 224,158 sq. ft.	40,130,063
PSS	141, 143 & 145 Jalan Perak, 11600 George Town, Penang	Shophouse	18	Freehold	4,887 sq. ft. / 5,889 sq. ft.	3,807,529

Analysis Of Shareholdings

SHAREHOLDINGS STATISTICS AS AT 30 AUGUST 2024

Class of Securities	: Ordinary Shares
Total number of issued shares	: 157,391,426 ordinary shares (including 5,036,300 treasury shares)
Voting Rights	: 1 vote per share on a poll
Number of shareholders	: 2,400

DISTRIBUTION SCHEDULE OF SHAREHOLDINGS AS AT 30 AUGUST 2024

No. of Holders	Size of Holdings	No. of Shares	% of Total Shareholdings
53	less than 100 shares	1,063	#
249	100 to 1,000 shares	109,858	0.1
1,280	1,001 to 10,000 shares	6,653,655	4.4
678	10,001 to 100,000 shares	18,609,936	12.2
138	100,001 to less than 5% of the total no. of shares issued	92,684,814	60.8
2	5% and above of the total no. of shares issued	34,295,800	22.5
2,400		152,355,126	100.0

Negligible

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 30 AUGUST 2024

Name	No. of Shares	%
1 RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SPHERE CORPORATION SDN BHD	26,000,000	17.07
2 MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NEO CHING YUEN	8,295,800	5.45
3 MAYBANK NOMINEES (TEMPATAN) SDN BHD CHEW WENG KHAK @ CHEW WENG KIAK	7,249,300	4.76
4 OOI ENG LEONG	6,341,400	4.16
5 MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG SUEANG SUEANG	5,629,100	3.69
6 CHEW CHUON JIN	5,626,400	3.69
7 CHEW CHUON FANG	3,400,000	2.23
8 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHEW WENG KHAK REALTY SDN. BHD. (SMART)	3,061,924	2.01
9 AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR VOON SZE LIN	2,810,000	1.84
10 CHEW CHUON FANG	2,781,000	1.83

Analysis Of Shareholdings

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 30 AUGUST 2024

Name	No. of Shares	%
11 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHEW CHUON JIN (SMART)	2,772,000	1.82
12 TIU JON HUI	2,630,000	1.73
13 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW CHUON JIN (6000225)	2,500,000	1.64
14 TAN AH NYA @ TAN BEE TIANG	2,200,000	1.44
15 CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEW CHUN CHIA (MID-VALLEY-CL)	2,000,000	1.31
16 CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEW PEI GEE (MID-VALLEY-CL)	2,000,000	1.31
17 CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOH KIN LIP (MY0502)	1,686,400	1.11
18 APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GV ASIA FUND LIMITED (STA 1)	1,127,700	0.74
19 CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR VOON SZE LIN (M55045)	1,103,600	0.72
20 AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEONG KIM FONG	1,090,000	0.72
21 CGS INTERNATIONAL NOMINEES MALAYSIA (ASING) SDN. BHD. PIONEER UNITED LIMITED (JS 803)	1,033,800	0.68
22 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH KIN LIP (8058900)	1,000,000	0.66
23 LEE JOOI SENG	1,000,000	0.66
24 CHONG KIM KONG	924,800	0.61
25 NG AI LING	853,500	0.56
26 LEE SENG LONG	804,280	0.53
27 CHEW WENG KHAK @ CHEW WENG KIAK	785,000	0.52
28 MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM GIM LEONG	769,100	0.50
29 LIM LIENG PIAU	765,600	0.50
30 MAYBANK SECURITIES NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WARRANTS CAPITAL LTD	748,500	0.49
Total	98,989,204	64.97

Analysis Of Shareholdings

SUBSTANTIAL SHAREHOLDERS AS AT 30 AUGUST 2024

Name of substantial shareholders	Direct Interest		Indirect Interest	
	No of shares	%	No of shares	%
SPHERE CORPORATION SDN BHD	26,000,000	17.07	-	-
DATO' DR. LAI KIM TENG	-	-	26,000,000 a	17.07
DATO' SERI CHEW WENG KHAK @ CHEW WENG KIAK	8,034,300	5.27	5,261,924 b	3.45
DATO' CHEW CHUON JIN	10,898,400	7.15	16,800 d	0.01
NEO CHING YUEN	8,295,800	5.45	-	-

DIRECTORS' SHAREHOLDINGS AS AT 30 AUGUST 2024

Name of directors	Direct Interest		Indirect Interest	
	No of shares	%	No of shares	%
DATO' SERI CHEW WENG KHAK @ CHEW WENG KIAK	8,034,300	5.27	9,261,924 c	6.08
DATO' CHEW CHUON JIN	10,898,400	7.15	16,800 d	0.01
CHEW CHUON FANG	6,181,000	4.06	-	-

Notes :

- a Deemed interest pursuant to Section 8(4) of the Companies Act 2016 ("Act") held though Sphere Corporation Sdn Bhd.
- b Indirect interest through his spouse pursuant to Section 59(11)(c) of the Act and Chew Weng Khak Realty Sdn Bhd.
- c Indirect interest through his spouse, children pursuant to Section 59(11)(c) of the Act and Chew Weng Khak Realty Sdn Bhd.
- d Indirect interest through his spouse pursuant to Section 59(11)(c) of the Act.

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirtieth (30th) Annual General Meeting (“**AGM**”) of PENSIONIC HOLDINGS BERHAD (“**PENSIONIC**” or “**the Company**”) will be convened and held at 1165, Lorong Perindustrian Bukit Minyak 16, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang, Malaysia on **Wednesday, 30 October 2024** at 2.30 pm for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice:

AGENDA

AS ORDINARY BUSINESS

- | | |
|---|------------------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 31 May 2024 together with the Reports of the Directors and Auditors thereon. | |
| 2. To re-elect the following Directors who retire in accordance with Clause 103 of the Company's Constitution and who, being eligible, offer themselves for re-election: | |
| (a) Dato' Chew Chuon Jin | Ordinary Resolution 1 |
| (b) Dato' Tahir Jalaluddin Bin Hussain | Ordinary Resolution 2 |
| 3. To re-elect Dato' Seri Dr. Liew Lee Leong, who retires in accordance with Clause 110 of the Company's Constitution and who, being eligible, offers himself for re-election. | Ordinary Resolution 3 |
| 4. To approve the payment of Directors' fees of up to RM400,000 for the period from the next day of the 30 th AGM until the conclusion of the next AGM of the Company in 2025. | Ordinary Resolution 4 |
| 5. To re-appoint KPMG PLT as Auditors of the Company for the financial year ending 31 May 2025 and to authorise the Directors to fix their remuneration. | Ordinary Resolution 5 |

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions with or without modifications:

- | | |
|--|------------------------------|
| 6. AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | Ordinary Resolution 6 |
|--|------------------------------|

“THAT subject to the Companies Act 2016 (“**the Act**”), the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and the approvals of the relevant government or regulatory authorities, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act 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 and quotation for the additional shares so issued on the 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(1) of the Act to be read together with Clause 65 of the Constitution of the Company, all new shares or other convertible securities in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings as at the date of the offer in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled (“**Pre-emptive Rights**”).

AND THAT should this resolution be passed by the shareholders, this resolution shall have the effect of the shareholders having agreed to irrevocably waive their Pre-emptive Rights pursuant to Section 85(1) of the Act and Clause 65 of the Constitution of the Company in respect of the new shares to be issued and allotted by the Company and the issuance of such new shares of the Company will result in a dilution to their shareholding percentage in the Company. Subsequent to the passing of this resolution, if this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect.

Notice Of Annual General Meeting

6. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (Cont'd)**

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.”

7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS' MANDATE”)**

Ordinary Resolution 7

“THAT subject to the Act, the Company's Constitution, the Main Market Listing Requirements of Bursa Securities (“**Listing Requirements**”) and the approvals of the relevant government or regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries (“**the Group**”) to enter into recurrent related party transactions with the Mandated Related Parties, particulars of which are set out in the Circular dated 30 September 2024, 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 of the Group and on terms not more favourable to the related parties than 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 the earlier;

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Shareholders' Mandate.”

Notice Of Annual General Meeting

8. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES ("PROPOSED SHARE BUY-BACK") Ordinary Resolution 8

"THAT subject to the Act, the Company's Constitution, the Listing Requirements and the approvals of the relevant government or regulatory authorities, 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 by the Company shall not exceed ten percent (10%) of the total number of issued shares (excluding treasury 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 will be effective immediately upon the passing of this Resolution and 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 government 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) to cancel all the ordinary shares so purchased; or
- (b) to retain the ordinary shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resale on the market of Bursa Securities and/or for cancellation subsequently; or
- (c) to retain part thereof as treasury shares and cancel the remainder; or
- (d) in such other manner as Bursa Securities and such other relevant authorities may allow from time to time.

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 Share Buy-Back 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."

Notice Of Annual General Meeting

9. RETENTION OF DATO' TAHIR JALALUDDIN BIN HUSSAIN AS INDEPENDENT NON-EXECUTIVE DIRECTOR **Ordinary Resolution 9**

"THAT approval be and is hereby given to Dato' Tahir Jalaluddin Bin Hussain, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM."

10. RETENTION OF DATO' LELA PAHLAWAN DATO' PADUKA KU NAHAR BIN KU IBRAHIM AS INDEPENDENT NON-EXECUTIVE DIRECTOR **Ordinary Resolution 10**

"THAT approval be and is hereby given to Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM."

11. To transact any other business for which due notice shall have been given.

By Order of the Board

Ong Tze-En

MAICSA 7026537 | SSM PC No. 202008003397

Company Secretary

Penang, 30 September 2024

Notes :

Appointment of Proxy

1. A proxy must be of full age. A proxy may but need not be a member. For a proxy to be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company, 170-09-01 Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia not less than forty-eight (48) hours before the time for holding the meeting, PROVIDED that in the event the member duly executes the Form of Proxy but does not name any proxy, such member shall be deemed to have appointed the Chairman of the meeting as his/her proxy, PROVIDED ALWAYS that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member.
2. A member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him/her. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
3. Where a member of the Company is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an Exempt Authorized Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorized Nominee may appoint in respect of each omnibus account it holds. An Exempt Authorized Nominee refers to an authorized nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
5. If the appointor is a corporation, the Form of Proxy must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorized.
6. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors ("ROD") as at 23 October 2024 and only a Depositor whose name appears on such ROD shall be eligible to attend this meeting or appoint proxy to attend and/or vote on his/her behalf.

Notice Of Annual General Meeting

Explanatory Notes on Ordinary Business:

1. Ordinary Resolutions 1, 2 and 3

The profiles of the retiring Directors are set out under Profile of Directors in the Annual Report 2024. The Board of Directors ("Board") approved the recommendations from the Nomination Committee and is supportive of the re-election of the retiring Directors based on the justifications below. The retiring Directors had abstained from deliberation and decision making on their own eligibility to stand for re-election:

1.1 Dato' Chew Chuon Jin is the Group Chief Executive Officer. He has successfully spearheaded the expansion of the Pensonic brand and its products in various Asian countries. In November 2023, his role has been expanded to include those responsibilities designated under the Group Managing Director, assume overall responsibilities to managing the Group.

1.2 Dato' Tahir Jalaluddin Bin Hussain and Dato' Seri Dr. Liew Lee Leong are Independent Non-Executive Directors ("INEDs") and fulfil the requirements on independence as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Both of them have demonstrated objectivity and commitment through proactive engagements at meetings of the Board and Board Committees (as applicable) held during the financial year by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion. They have exercised due care and carried out their professional duties proficiently and effectively throughout their tenure as INEDs of the Company.

The retiring Directors do not have any conflict of interest with the Group other than as disclosed in the notes to the financial statements.

2. Ordinary Resolution 4 is to approve Directors' fees

Directors' fees to the Directors have been reviewed by the Remuneration Committee and the Board of the Company. The Directors' fees are in the best interest of the Company and in accordance with the remuneration framework of the Group. The Directors' fees, if passed, will facilitate the payment of Directors' fees to the Directors for the period from the next day of the 30th AGM until the conclusion of the next AGM of the Company in 2025. Details of Directors' fees for the financial year ended 31 May 2024 are enumerated under the Corporate Governance Overview Statement in the Annual Report 2024.

The amount of Directors' fees payable includes fees payable to Directors as members of Board and Board Committees. The amount also includes a contingency sum to cater to unforeseen circumstances such as the appointment of any additional Director and/or for the formation of additional Board Committees.

Explanatory Notes on Special Business:

1. Ordinary Resolution 6 is to authorise to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016

This Ordinary Resolution, is for the purpose of granting a renewed general mandate ("General Mandate") and if passed, will give authority to the Board to issue and allot ordinary shares up to a maximum of ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time in their absolute discretion and that such authority shall continue 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.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 30 October 2023 and which will lapse at the conclusion of the 30th AGM.

The General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment projects, working capital and/or acquisitions as well as to avoid any delay and cost in convening general meeting to specifically approve such an issuance of shares.

The waiver of pre-emptive rights pursuant to Section 85(1) of the Act and Clause 65 of the Company's Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make announcement in respect thereof.

Notice Of Annual General Meeting

Explanatory Notes on Special Business: (Cont'd)

2. Ordinary Resolution 7 is to approve Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature

This Ordinary Resolution, if passed, will allow the Company and/or its subsidiaries to enter into the existing recurrent related party transactions ("RRPT") under the Proposed Shareholders' Mandate pursuant to the provisions of the Listing Requirements without the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. The Proposed Shareholders' Mandate is subject to renewal on an annual basis.

Please refer to the Circular to Shareholders dated 30 September 2024 for further information.

3. Ordinary Resolution 8 is to approve Proposed Renewal of Authority to purchase its own ordinary shares

This Ordinary Resolution, if passed, will empower the Directors of the Company to exercise the power of the Company to purchase its own shares. The total number of shares purchased shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being. This authority will, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required to be held, whichever occurs first.

4. Ordinary Resolution 9 is to retain Dato' Tahir Jalaluddin Bin Hussain as Independent Non-Executive Director ("INED")

This Ordinary Resolution, if passed, will allow Dato' Tahir Jalaluddin Bin Hussain to be retained and continue to act as INED of the Company. The Board of Directors had, vide the Nomination Committee, conducted an annual performance evaluation and assessment of Dato' Tahir, who has served as INED of the Company for a cumulative term of more than nine (9) years and recommended him to continue acting as INED of the Company based on the justifications as set out in Corporate Governance Overview Statement in the Annual Report 2024.

5. Ordinary Resolution 10 is to retain Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim as INED

This Ordinary Resolution, if passed, will allow Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim to be retained and continue to act as INED of the Company. The Board of Directors had, vide the Nomination Committee, conducted an annual performance evaluation and assessment of Dato' Lela Pahlawan, who has served as INED of the Company for a cumulative term of more than nine (9) years and recommended him to continue acting as INED of the Company based on the justifications as set out in Corporate Governance Overview Statement in the Annual Report 2024.

Statement Accompanying Notice Of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Securities)

No individual is standing for election as a Director at the forthcoming 30th AGM of the Company.

FORM OF PROXY

PENSONIC®

PENSONIC HOLDINGS BERHAD

Registration No.: 199401014746 (300426-P)
(Incorporated in Malaysia)

No. of Shares held	
CDS Account No.	

I/We _____
(Full name in Block Letters and NRIC No./Passport No./Registration No.)
of _____ and _____
(Address) (Tel No./Email Address)

being a Member(s) of Pensonic Holdings Berhad (the "Company"), hereby appoint

Full Name (in Block Letters)	NRIC No./Passport No.	No. of Shares
Address	Email address	% of Shareholding

*and/or failing him/her

Full Name (in Block Letters)	NRIC No./Passport No.	No. of Shares
Address	Email address	% of Shareholding

or failing him/her, the CHAIRMAN OF THE MEETING as my/our *proxy/proxies to vote for me/us on my/our behalf at the Thirtieth Annual General Meeting ("30th AGM") of the Company, to be convened and held at 1165, Lorong Perindustrian Bukit Minyak 16, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang, Malaysia on Wednesday, 30 October 2024 at 2.30 p.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

ORDINARY RESOLUTION ("OR")	OR1	OR2	OR3	OR4	OR5	OR6	OR7	OR8	OR9	OR10
FOR										
AGAINST										

Dated this _____ day of _____ 2024.

.....
Signature of Member(s)/ Common Seal

* Strike out whichever is not desired.

Notes:

1. A proxy must be of full age. A proxy may but need not be a member. For a proxy to be valid, the Form of Proxy duly completed must be deposited at the Registered Office of the Company, 170-09-01 Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia not less than forty-eight (48) hours before the time for holding the meeting, PROVIDED that in the event the member duly executes the Form of Proxy but does not name any proxy, such member shall be deemed to have appointed the Chairman of the meeting as his/her proxy, PROVIDED ALWAYS that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member.
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Personal Data Privacy

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 30th AGM of the Company and any adjournment thereof.



1st fold here

Affix
Stamp

The Company Secretary
PENSONIC HOLDINGS BERHAD
Registration No. 199401014746 (300426-P)
170-09-01 Livingston Tower
Jalan Argyll, 10050 George Town
Pulau Pinang, Malaysia

Then fold here

Fold this flap for sealing

LEBENSSTIL
KOLLEKTION



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Cooker Hood 90cm Inverted DC LKCH-9113iHR

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HEAD OFFICE

1165, Lorong Perindustrian Bukit Minyak 16,
Taman Perindustrian Bukit Minyak,
14100 Simpang Ampat, Penang, Malaysia.

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ANNUAL
REPORT 24

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46100 Petaling Jaya, Selangor.
Tel : 603- 7954 5200

PENANG

143- 145, Perak Road,
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Tel : 604- 226 9923 / 226 9050

PERAK

No.28 Lebuhr Pengkalan Barat 5,
Taman Putri Lindungan Bintang,
31650 Ipoh, Perak Darul Ridzuan.

KELANTAN

PT-621 Ground Floor,
Batu 2 Jalan Pengkalan Chepa,
15400 Kota Bharu, Kelantan.

JOHOR

31, Jalan Ros Merah Satu/1,
Taman Johor Jaya,
81100 Johor Bahru, Johor.

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Lot 4, Towering Industrial Centre,
88300 Penampang,
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Tel. Fax: 6088-715 519 / 715 730

SARAWAK

Ground Floor Intermediate Shop,
Sublot 8, Lot 2099,
Jalan Tun Ahmad Zaidi Adruce,
93150 Kuching, Sarawak

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Wo Lo, 87000 Labuan.

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87000 Labuan.

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Guangdong Province, China
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Salembaran Jati, Kec. Kosambi,
Kabupaten Tangerang, Banten,
DKI Jakarta 15213 Indonesia
Tel: 621- 3973 3599

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Bangunan Perkasa 1, Kampung
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Manila Philippines 1115

#606 Evangelista St G Puyat St Quiapo Manila
Tel: 733-28-51 / 02- 7357691 / 02- 7332840

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Verdun-Bekaa Str-Zahraa Bldg-3 Flr,
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Tel. Fax: 961- 1817 681 / 1318 152

EGYPT

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El Bar Elsharkey Shibin El Kom Menofia,
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SRI LANKA

No. 68, Keyzer Street
Colombo 11, Sri Lanka
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Fax: 9411- 2326699

FIJI

Centerpoint 1, Ratu Dovi Road,
GPO Box 14416 Suva Fiji
Tel. Fax: 679- 339 3111 / 334 0255

SEYCHELLES

P.O.Box 1371, Victoria, Mahe, Seychelles
Tel. Fax: 248- 323 680 / 324 724

TIMOR LESTE

Avenida De Presidente Nicolau Lobato,
Bidau, Lecidere, Nain Feto Dili, Timor Leste
Tel: 670- 3311278

MALDIVES

Ma.Elyzium - Buruzumagu
Male' 20240 Maldives
Tel: 960- 3009907

MAURITIUS

12, Corderie Street, Port Louis, Mauritius.
Tel: 230- 2121563

SOUTH KOREA

6F, Jung Am Building, Eun-cheon-ro 25,
Kwan-Ak-gu, Seoul, Korea
Tel: 070- 4185 3645
Fax: 0507- 0326 7040

MYANMAR

No-280, 9 Ward, Thumngalar Road,
South Okkalapa Township,
Yangon Region, Myanmar
Tel: 959- 406662246

THAILAND

32/20 Moo.3 Bang Khu Rat
Bang Bua Thong,
Nonthaburi 11110, Thailand
Tel: 6699 989 9252

NEPAL

Sadobato - 15
Lalitpur Nepal

PENSONIC

Your Enjoyment

PENSONIC HOLDINGS BERHAD

Registration No.: 199401014746 (300426-P)

1165, Lorong Perindustrian Bukit Minyak 16,

Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang.

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