CORPORATE GOVERNANCE REPORT

STOCK CODE	**:**	9997
COMPANY NAME	**:**	PENSONIC HOLDINGS BERHAD
FINANCIAL YEAR	**:**	May 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE
Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA
Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	:	Applied
Explanation on application of the practice	:	The Board of Directors ("Board") of Pensonic Holdings Berhad ("PENSONIC" or "the Company") has overall responsibility to manage the business affairs of the Company and its subsidiaries ("Pensonic Group" or "the Group") and approving all strategies, providing leadership and direction as well as management supervision. The Board ensures that Management has in place appropriate processes for management and internal controls, risk assessment and monitoring performance against agreed benchmark for the Group as well as ensuring that businesses are carried out in compliance with good governance practices and in a transparent and objective manner. The Board responsibilities are to ensure that the business objectives of the Group is aligned with the expectations of Shareholders with a view to enhancing long-term Shareholders' value whilst taking into account the interests of other stakeholders and maintaining high standards of transparency, accountability and integrity. The Board delegates certain functions to Board Committees, the Group Chief Executive Officer ("GCEO") and the Management. The Board has established the Board Committees comprising the Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC") to perform certain of its functions and to provide recommendations and advice. The GCEO is responsible for the day-to-day management of business and operations with support from the Executive Directors and senior management team. During financial year ended 31 May 2025 ("FY2025"), the Board also discussed sustainability topics such as business development and risk management.

	In accepting report on risk management, the AC noted reporting on risks which focussed on strategic, operational and financial aspects as well as mitigation of the same. The NC assists the Board by reviewing existing composition for diversity in terms of gender, ethnicity as well as mix of skills / experience. The NC oversees the conduct of Directors' annual assessment and the facilitation of Directors' induction, training and succession programmes. The RC is primarily responsible for reviewing and recommending to the Board the remuneration of Executive Directors in accordance with the Remuneration Policy & Procedures. Information on the AC, NC, and RC, including its functions, are disclosed under Corporate Governance Overview Statement, Audit Committee Report, and Statement on Risk Management and Internal Control in PENSONIC's Annual Report 2025.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied	
Explanation on application of the practice	:	The Board is led by Dato' Seri Chew Weng Khak @ Chew Weng Kiak, the Group Executive Chairman. His profile is outlined under the Profile of Directors in the Annual Report 2025. The Chairman of the Board and is responsible for leading the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in meetings of the Board and Board Committees. He ensures that no member dominates discussions so that appropriate discussions take place and opinions among Board members are forthcoming. The Chairman ensures that every Board resolution is put to vote with the will of the majority to prevail. He also chairs the general meetings and ensure that the conduct of the same is in order by ensuring proper flow of resolutions tabled at these meetings and managing communication from shareholders. The Chairman leads the Board in the oversight of management, ensuring adequacy and integrity of the governance process and issues, maintaining regular dialogues with GCEO over operational matters and seek opinion of fellow Board members over any matters that give cause for major concerns.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	The Board has always made the distinction that the position of the Chairman and the GCEO does not reside with the same person as such division further provides for organisational check and balance for better governance. There is a clear and separate division of responsibility in the roles and duties of the Chairman and GCEO more particularly spelt out in the Board Charter. Dato' Seri Chew Weng Khak @ Chew Weng Kiak is the Group Executive Chairman, leading the Board in the oversight of management. Dato' Chew Chuon Jin is the GCEO. In this capacity, he has overall responsibilities over the daily conduct of operating units, human resource management with respect to key positions in the Group's hierarchy, financial management and business affairs. As the GCEO, he also ensures that the Group's corporate identity, products and services are of high standard and reflective of market environment, business practices are in compliance with governmental regulations.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.			
Application	:	Applied	
Explanation on application of the practice	:	The Chairman of the Board is not a member of Board Committees and does not attend any meetings of the Board Committees.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	:	Applied	
Explanation on application of the practice	:	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 is satisfied with the performance and support rendered as the Directors are able to seek advice and service of the Company Secretary. The Company Secretary informs the Board on any updates relating to any new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors and the potential impact and implications arising there from. The Company Secretary, or her representatives, attend and ensure that all meetings of the Board and Board Committees 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. The Company Secretary also facilitate the communication of key decisions and policies between the Board, Board Committees and management. Other roles of the Company Secretary included coordinating with management on the preparation of Board papers, ensuring Board 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 requirements.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	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. All Board and Board Committees are provided with agenda and relevant board papers, reports including matters arising, financial, operational and regulatory compliance matter, at least 7 days prior to meetings to ensure that they have sufficient time to review and evaluate the matters to be deliberated and obtain further information, if needed, prior to meeting to expedite decision-making during meetings. Actions on all matters arising from any previous meeting are reported at the following meeting.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1
The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	The Board Charter provides structured guidance by clearly delineating the roles, duties and responsibilities of the Chairman, GCEO, Board (Executive Directors, Non-Executive Directors and Independent Directors), 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 also sets out the Schedule of Matters Reserved for collective decision of the Board. The Board Charter is subject to periodical review by the Board to ensure that it remains 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 at www.pensonic.com.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1
The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	:	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 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 Company has also adopted the Anti-Bribery and Anti-Corruption Policy ("ABC Policy") in 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 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 Code of Ethics, Code of Conduct, ABC policy and Directors' Fit and Proper Policy are available on the Company's website at www.pensonic.com.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied	
Explanation on application of the practice	:	The Company has adopted 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 AC and shall be set forth in writing or verbally. The Whistleblowing Policy is available on the Company's website at www.pensonic.com.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1
The board together with management takes responsibility for the governance of sustainability in the company including setting the company's sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied	
Explanation on application of the practice	:	The Board recognises that sustainable development is an important and integral part of the Group's pursuit of its long-term business success. At management level, sustainability is driven by the Risk Management Team ("RMT") that comprise mainly of senior management. They are responsible for ensuring the Group's progress and improvement in areas of economic, environment, social and governance and implementing action plans. At the Board level, the Board supervise the implementation of sustainability strategies.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Sustainability targets, implementation strategies and measurement goals are being developed. The Board is cognisant of the material sustainability matters and would schedule an agenda item to discuss key sustainability matters at least once a year going forward.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3
The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The Board recognises that sustainability issues evolve in line with the ever-changing business environment. Hence, the Board will be appraised, and they shall be encouraged to attend various training programs to keep themselves abreast of the latest sustainability trend and understand the latest sustainability issues.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4
Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The Board recognises the importance of sustainability in all its business operation and has sustainability as one of the criteria in the performance evaluation of its board members. The annual assessment and evaluation of the Directors, Board and Board Committees for FY2025 included assessment of the Board's understanding on sustainability issues that are critical to the Group's performance. Please refer to the Sustainability Statement in the Annual Report 2025 which outlined sustainability activities by the Group.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up
The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.		
Application	:	Adopted
Explanation on adoption of the practice	:	The GCEO is appointed as the designated person on sustainability.

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1
The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied	
Explanation on application of the practice	:	The NC 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 on the effective functioning of the Board. The NC had also reviewed and assessed the independence of the Independent Directors based on the Directors' professionalism and integrity in the decision-making process, ability to form independence judgements, as well as objectivity and clarity in deliberations in addition to the specific criteria of independence as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR").	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2
At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied
Explanation on application of the practice	:	The concept of independence as adopted by the Board is consistent with definition of Independent Non-Executive Director ("INED") 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 of any relationship which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company. During FY2025, the Board has met the recommended composition for INEDs to comprise at least half (50%) of the board composition. Further, the current composition of the Board Committees, made up of majority INEDs affirmed the Board's commitment towards independence and provide strong check and balance in the Board's governance function.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3
The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	The Board recognises the Malaysian Code on Corporate Governance'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 or the Board shall justify and seek annual shareholders' approval. Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim and Dato' Tahir Jalaluddin Bin Hussain have reached the tenure of twelve (12) years on 15 August 2025. The Board concurred with the recommendation from the NC to redesignate them as Non-Independent Non-Executive Director ("NINED") for them to continue to serve on the Board of Pensonic. This redesignation was effective on 1 August 2025, was undertaken after the Board, through the NC, reviewed and assessed their independence status in accordance with Practice 5.3 of the MCCG and determined that they no longer meet the criteria for independence under the MMLR. Following the redesignations, the Board still maintains the requisite number of INED in compliance with Paragraph 15.02 of the MMLR. As for Ms. Ong Huey Min, she would have served on the Board for cumulative term of nine (9) years by the end of year 2025. The NC has recommended for Ms. Ong Huey Min to continue to act as INED beyond nine (9) years until conclusion of next AGM in 2026. Key justifications to recommend the continuation of Ms. Ong Huey Min as INED are as follows:

	(a) She has actively participated in the deliberation at Board and/or Board Committees, providing objectivity in decision-making and possess sufficient self-esteem and confidence to stand up with an independent voice to the Board. (b) She has exercised due care during her tenure and carried out her professional duties in the best interest of the Company and shareholders. (c) She has not developed, established or maintained any significant relationship which could impair her independence as INED, with the Executive Directors and major shareholders other than normal engagements and interactions on a professional level consistent and expected to carry out her duties as INED or member of the Board Committees. (d) She has contributed sufficient time and efforts in attending meetings of the Board and Board Committees. (e) She has proven business insight, academic qualifications, professional expertise, skills sets and entrepreneurial experience to share with the Board. NC had also reviewed and assessed the independence of other 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.	
	The Company had decided to maintain present voting practice as there may be potential legal implication if the Company opted to go for 2-tier as this would be inconsistent with the 1 share 1 vote stand under Companies Act 2016. The Company would like to allow an advocacy period for the awareness and implications of the 2-tier voting to be better understood.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up
The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.		
Application	:	Not Adopted
Explanation on adoption of the practice	:	This is Not Adopted in view that the Company does not fall within the definition of "Large Companies".

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5
Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application :	Applied	
Explanation on application of the practice :	The Board is supportive of diversity on the Board and in Senior Management team. The appointment of Board 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, legal manufacturing, sales and marketing, business, tax, product development, shipping and logistics.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6
In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application :	Applied	
Explanation on application of the practice :	The Board is open to utilise independent sources such as external registries of corporate directors, internal database of potential candidates, third party referrals or from executive search firms to identify suitably qualified candidates. There was one (1) new appointment to the Board during FY2025. The NC also perform independent background check on the candidate using information from independent sources prior to recommending the candidate for directorship.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7
The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	Appointment of new Directors to the Board or Board Committees are recommended to the NC for consideration and approval by the Board in accordance with the TOR of the NC. Qualified candidates with sufficient and relevant knowledge, skills and competency are sought out to serve as members of the Board in discharging its responsibilities and duties effectively and contributing to the governance of the Group. At the same time, gender and ethnic diversity within the Board would be considered if such potential candidate is available. To facilitate an informed decision by the shareholders on the reappointment of retiring Directors during the forthcoming 31st AGM, the profile of the Directors are included in the Annual Report 2025. 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 the Company. A brief profile of the Directors together with a statement from the Board (on whether it supports the appointment or reappointment) will be included in the Notice of AGM when such appointment or reappointment is being considered.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8
The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	During FY2025, the NC is chaired by Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim, an INED. Subsequently on 1 August 2025, Ms Loh Keow Lin was appointed as Chairman of the NC, succeeding Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim, who was redesignated to NINED. Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim remains as a member of the NC.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9
The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	The INED, Ms Ong Huey Min and Ms Loh Keow Lin are the female Directors on board, in compliance with MMLR which mandates presence of at least one (1) female Director on board.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10
The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	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.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1
The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.	
Application :	Applied
Explanation on application of the practice :	The Board, through 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 FY2025, 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 were 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.
Explanation for departure :	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	The objective of the Directors' Remuneration Policy ("Policy") is to attract, develop and retain high performing executive Board members required to lead and control the Group effectively. The remuneration package is designed to commensurate with the responsibilities of their positions and encourage value creation for the Group and its stakeholders. Policy is published on the Company's website at www.pensonic.com. The executive Board members played no part in deciding their remuneration and the respective Board members shall abstain from all discussion pertaining to their remuneration. In the case of the executive Board members, the components of the remuneration package are linked to individual and corporate performance. As for Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities and the onerous challenges in discharging their fiduciary duties. The Directors' fees reflect the broad-based role and responsibilities as well as time commitment to the Group that go with Board membership. The RC met thrice (3) during the year to consider the remuneration package for the executive Board members as well as Directors' fees payable to Directors.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure	:		
Timeframe	:		

Intended Outcome
The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2
The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	The RC is empowered by the Board and its TOR to appraise performance of each individual executive Board members in proposing salary increment as well as annual bonus, considering and reviewing fringe benefits issues and to evaluate different remuneration methods and philosophies as well conducting studies of current industry practice. The TOR of the RC is available for viewing at the Company's website at www.pensonic.com.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The fees payable for the Directors are endorsed by the Board of Directors for approval by the shareholders at the AGM prior to payment.

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Dato' Seri Chew Weng Khak @ Chew Weng Kiak	Executive Director	30	-	-	-	-	-	30	30	-	526	45	31	-	632
2	Dato' Chew Chuon Jin	Executive Director	30	-	-	-	-	-	30	30	-	884	94	35	94	1,137
3	Chew Chuon Fang	Executive Director	30	-	-	-	-	-	30	30	-	494	70	25	60	679
4	Dato' Seri Dr Liew Lee Leong	Independent Director	30	-	-	-	-	-	30	30	-	-	-	-	-	30
5	Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim[(a)]	Independent Director	45	-	-	-	-	-	45	45	-	-	-	-	-	45
6	Dato' Tahir Jalaluddin Bin Hussain[(a)]	Independent Director	45	-	-	-	-	-	45	45	-	-	-	-	-	45
7	Ong Huey Min	Independent Director	72	-	-	-	-	-	72	72	-	-	-	-	-	72
8	Loh Keow Lin[(b)]	Independent Director	18.8	-	-	-	-	-	18.8	18.8	-	-	-	-	-	18.8

Notes:

(a) Redesignated as Non-Independent Non-Executive Director on 01 August 2025

(b) Appointed on 01 January 2025

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Not applicable - all members of senior management are members of the board	
Explanation on application of the practice	:		
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome
Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up
Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	This is Not Adopted in view that the Company does not fall within the definition of "Large Companies".

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.1
The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied	
Explanation on application of the practice	:	Madam Ong Huey Min, an INED, is the Chairman of AC. The Chairman of the AC is not the Chairman of the Board of Directors of the Company. The Chairman of the Board is Dato' Seri Chew Weng Khak @ Chew Weng Kiak. Details on the composition and activities of the AC are outlined under the AC Report in Annual Report 2025.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.2
The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	None of the members of the Board were former key audit partners. Hence, no former key audit partner is appointed to the AC. As such, there was no need to establish such policy presently. The policy will be established when the need arise 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 is a former key audit partner.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3
The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	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 FY2025, 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 had approved the non-audit services provided by the external auditors during FY2025 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. A summary of activities of the AC during the financial period under review is set out in the AC Report in the Annual Report 2025.
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up
The Audit Committee should comprise solely of Independent Directors.

<table>
<tr><td>Application :</td><td>Adopted</td></tr>
<tr><td>Explanation on adoption of the practice :</td><td>During FY2025, the AC comprised solely of INEDs as tabulated below:
<table>
<tr><th>Name</th><th>Position</th></tr>
<tr><td>Ong Huey Min</td><td>Chairman</td></tr>
<tr><td>Dato' Seri Dr. Liew Lee Leong</td><td>Member</td></tr>
<tr><td>Dato' Tahir Jalaluddin Bin Hussain</td><td>Member</td></tr>
<tr><td>Dato' Lela Pahlawan Dato' Paduka Ku Nahar Bin Ku Ibrahim</td><td>Member</td></tr>
</table>
Subsequently on 1 August 2025, Dato' Tahir Jalaluddin Bin Hussain was redesignated from INED to NINED, and he remains as an AC member. Following this change, the AC is currently chaired by an INED and continues to have a majority of INEDs, thereby complying with the MMLR.

Current composition of the AC:
<table>
<tr><th>Name</th><th>Position</th></tr>
<tr><td>Ong Huey Min</td><td>Chairman</td></tr>
<tr><td>Dato' Seri Dr. Liew Lee Leong</td><td>Member</td></tr>
<tr><td>Dato' Tahir Jalaluddin Bin Hussain</td><td>Member</td></tr>
<tr><td>Loh Keow Lin</td><td>Member</td></tr>
</table></td></tr>
</table>

Intended Outcome
There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5
Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application :	Applied	
Explanation on application of the practice :	The AC currently comprised of members with professional experience in finance, taxation, legal, 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. The Chairman of AC was with KPMG Malaysia for more than 35 years and was the Partner of KPMG Malaysia, heading the Tax Division of KPMG Penang. She is a member of the Malaysian Institute of Accountants (MIA), Malaysian Institute of Certified Public Accountants (MICPA) and Chartered Tax Institute of Malaysia (CTIM). The members of the AC will continue to undergo training programmes from time to time to address any skills or knowledge gaps according to their needs.	
Explanation for departure :		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure :		
Timeframe :		

Intended Outcome
Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1
The board should establish an effective risk management and internal control framework.

Application	:	Applied	
Explanation on application of the practice	:	The Board recognises the importance of sound internal controls which encompass risk management practices as well as financial, operational and compliance controls. In this respect, the Board affirms its overall responsibility for the Group's systems of internal controls and risk management, and for reviewing the adequacy and integrity of those systems. There is a structured risk management process aimed at identifying, evaluating, controlling, monitoring and reporting of principal risks faced by the Group on an on-going basis. The Board, through the AC, constantly reviews the adequacy and integrity of financial, operational and compliance controls. The Statement on Risk Management and Internal Control in the Annual Report 2025 provides an overview on the state of internal controls and risk management within the Group.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2
The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	The Board recognises that identification, evaluation and management of significant risks faced by the Group is an ongoing process. Continuous reviews are carried out by the Group's internal audit function to assess risks affecting the business and ensure that adequate and effective risk management and internal controls systems are in place. The findings of the internal audit function are reported to the AC regularly and onwards to the Board. The Board has received assurance from the GCEO that the Group's risk management and internal control have been operating adequately and effectively, in all material aspects during the financial year under review and up to the date of this Statement. Taking this assurance into consideration, the Board is of the view that the systems of internal control and the risk management is considered adequate for the Group's business operations. The Statement on Risk Management and Internal Control in the Annual Report 2025 provides an overview on the state of internal controls and risk management within the Group.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up
The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	This is Not Adopted in view that the Company does not fall within the definition of "Large Companies". The risk management functions are incorporated into the TOR of the AC. A management level RMT was established on 30 July 2018. Presently, the GCEO is also the Chief Risk Officer. The RMT is populated by all General Managers and Heads of Departments.

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	The internal audit function is independent of the operations of the Group, reports directly to the AC. The function is outsourced and competent consulting firm, JWC Consulting Sdn. Bhd. ("JWC") which is sufficiently resourced to provide the service level and advisory that meet with the Group's expectations. The service provider has been able to provide reasonable assurance that the Group's system of internal control and risk management is satisfactory and operating effectively. The internal auditors adopt a risk-based approach towards the planning and conduct of their audits, and this is consistent with the Group's approach in designing, implementing and monitoring its internal control system. The findings of the internal audit function are reported to the AC regularly. The activities of the internal auditors during the financial period are set out in the AC Report in the Annual Report 2025.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2
The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	The AC is assisted by the internal audit function, which is outsourced to an independent consulting firm, JWC. The expenses incurred for internal audit totalled RM30,000 for FY2025. JWC and its personnel are not related to any of the Directors of the Group and have no conflict of interest with the Group. Ms Joyce Wong Ai May is the Executive Director of JWC and is the lead internal auditor responsible for the internal audit of the Group. She is a member of Institute of Internal Auditors Malaysia, Malaysian Institute of Accountants (MIA) and Certified Practicing Accountants, Australia (CPA Australia). The internal audit is carried out in accordance with the Internal Audit Plan as approved by the AC and all audit findings arising therefrom are reported directly to the AC. It is the responsibility of the internal auditors to provide the AC with independent and objective reports on the state of internal control and risk management 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. The outcome of the audit reviews demonstrated the adequacy of the identified mitigations and evaluates the effectiveness and efficiency of the controls to mitigate the risks reviewed.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		

Measure	:		
Timeframe	:		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	The Group has been maintaining regular, transparent, coherent, timely and equitable dissemination of relevant and material information on the development of the Group to shareholders and stakeholders whilst balancing commercial confidentiality and regulatory considerations. The Group disseminates information in relation to its financial performance, operations and corporate developments through the annual reports, quarterly reports, circulars and various announcements. Investors are provided with sufficient business, operational and financial information on the Group to enable them to make informed investment decisions. The GCEO of the Group is the designated spokesperson for all matters related to the Group. The Company's website at www.pensonic.com has a tab marked as "Investor Relations" which contains vital information, including annual reports, quarterly reports and official announcements made to Bursa Securities, concerning the Group which is updated on a regular basis.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2
Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	The notice of 30th AGM held in 2024 was sent to the shareholders 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 30th AGM were accompanied by explanation of the proposed resolutions. All suggestions and comments put forth by shareholders will be noted by the Board for consideration. Notice of the upcoming 31st AGM in 2025 will be sent twenty-eight (28) days in advance to enable shareholders to make adequate preparation. Therefore, shareholders have sufficient time to review the Notice of AGM with the resolutions that are going to be discussed and voted upon during AGM and thus, allowing shareholders to make informed decisions including appointing of proxies to attend the AGM if necessary.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2
All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied	
Explanation on application of the practice	:	All the Directors had attended the 30th AGM held on 30 October 2024. Shareholders are invited to ask questions both about the resolutions being proposed before putting them to vote as well as matters relating to the Company's operations in general and meaningful responses were given to the questions raised.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3
Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	All general meetings are held at principal office in Penang which is easily accessible to all shareholders. As such, the concern over voting in absentia and/or remote shareholders' participation at AGM is not applicable. As of now, the Company encourages participation of shareholders through the issuance of proxies when there is indication that shareholders are unable to attend and vote in person at general meetings and maintain the same location for the AGM for the past years. The Group will consider leveraging on technology to facilitate remote shareholders' participation and e-voting should this become the norm going forward.	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.		
Application	:	Applied
Explanation on application of the practice	:	Chairman of the Board briefed the members, corporate representatives and proxies present at AGM of their right to ask questions and vote on the resolutions set out in the AGM Notice. Shareholders were able to post live questions to the Board of Directors during the AGM with immediate interaction and deliberation with the Board as necessary. All Directors, Management, Company Secretary and external auditors were present during 30th AGM to engage with shareholders to address any areas of interest or concerned brought up by the shareholders.
Explanation for departure	:	
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.		
Measure	:	
Timeframe	:	

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5
The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.			
Application	:	Not applicable – only physical general meetings were conducted in the financial year	
Explanation on application of the practice	:		
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

Intended Outcome
Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6
Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.			
Application	:	Applied	
Explanation on application of the practice	:	The 30th AGM was held on 30 October 2024. The minutes of the 30th AGM was posted on the Company's website at www.pensonic.com within thirty (30) business days after the conclusion of the 30th AGM.	
Explanation for departure	:		
Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.			
Measure	:		
Timeframe	:		

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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