

# Panasonic

## Panasonic Manufacturing Malaysia Berhad (6100-K) (Incorporated in Malaysia)

### Condensed Combined Entity Income Statements for the 2<sup>nd</sup> Quarter Ended 30 September 2009

|   | (Unaudited)                   |                        | (Unaudited)             |                        |
|---|-------------------------------|------------------------|-------------------------|------------------------|
|   | 2 <sup>nd</sup> Quarter ended |                        | Cumulative Period ended |                        |
|   | 30.09.2009<br>(RM'000)        | 30.09.2008<br>(RM'000) | 30.09.2009<br>(RM'000)  | 30.09.2008<br>(RM'000) |
| Revenue   | 172,818                       | 169,921                | 328,749                 | 326,531                |
| Operating expenses                                  | (158,902)                     | (159,303)              | (305,087)               | (308,397)              |
| Other operating income                              | 4,191                         | 5,495                  | 8,255                   | 11,491                 |
| Profit from operations                              | 18,107                        | 16,113                 | 31,917                  | 29,625                 |
| Share of results of associated company (net of tax) | 1,252                         | 1,254                  | 2,359                   | 2,584                  |
| Profit before taxation                              | 19,359                        | 17,367                 | 34,276                  | 32,209                 |
| Taxation  | (3,769)                       | (3,826)                | (6,784)                 | (6,777)                |
| Profit after taxation                               | 15,590                        | 13,541                 | 27,492                  | 25,432                 |
| Profit after tax for the period                     | <u>15,590</u>                 | <u>13,541</u>          | <u>27,492</u>           | <u>25,432</u>          |
| <u>Attributable to:</u>                             |                               |                        |                         |                        |
| Equity holders                                      | 15,590                        | 13,541                 | 27,492                  | 25,432                 |
|   | <u>15,590</u>                 | <u>13,541</u>          | <u>27,492</u>           | <u>25,432</u>          |
| <u>Earnings per share</u>                           |                               |                        |                         |                        |
| <u>attributable to equity holders:</u>              |                               |                        |                         |                        |
| Basic (sen)   | <u>25</u>                     | <u>22</u>              | <u>45</u>               | <u>42</u>              |
| Diluted (sen)                                       | -                             | -                      | -                       | -                      |

(The Condensed Combined Entity Income Statements should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2009)

**Condensed Combined Entity Balance Sheet as at 30 September 2009**

|   | (Unaudited)                                   | (Audited)   |
|---|---|---|
|   | As at Quarter Ended<br>30.09.2009<br>(RM'000) | As at Preceding<br>Financial Year End<br>31.03.2009<br>(RM'000) |
| <b>ASSETS</b>                               |   |   |
| <b>Non-current assets</b>                   |   |   |
| Property, plant and equipment               | 49,223  | 47,946  |
| Prepaid lease payments                      | 6,591   | 6,629   |
| Interest in associated company              | 120,393                                       | 120,232   |
| Deferred Income tax assets                  | 9,795   | 10,618  |
|   | <u>186,002</u>                                | <u>185,425</u>  |
| <b>Current assets</b>                       |   |   |
| Inventories                                 | 11,777  | 9,064   |
| Trade and other receivables                 | 68,046  | 35,432  |
| Tax recoverable                             | 931   | 1,478   |
| Placement of funds with related company     | 455,101                                       | 466,361   |
| Cash and bank balances                      | 98  | 201   |
|   | <u>535,953</u>                                | <u>512,536</u>  |
| <b>Total assets</b>                         | <u>721,955</u>                                | <u>697,961</u>  |
| <b>EQUITY</b>                               |   |   |
| Share capital                               | 60,746  | 60,746  |
| Retained earnings                           | 528,058                                       | 541,569   |
| Total equity                                | <u>588,804</u>                                | <u>602,315</u>  |
| <b>LIABILITIES</b>                          |   |   |
| <b>Non-current liabilities</b>              |   |   |
| Provision for other liabilities and charges | 1,471   | 1,477   |
|   | <u>1,471</u>                                  | <u>1,477</u>  |
| <b>Current liabilities</b>                  |   |   |
| Trade and other payables                    | 113,115                                       | 73,412  |
| Provision for other liabilities and charges | 18,565  | 20,757  |
|   | <u>131,680</u>                                | <u>94,169</u>   |
| Total liabilities                           | <u>133,151</u>                                | <u>95,646</u>   |
| Total equity and liabilities                | <u>721,955</u>                                | <u>697,961</u>  |
| Net assets per share (RM)                   | <u>9.69</u>                                   | <u>9.92</u>   |

(The Condensed Combined Entity Balance Sheet should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2009)

**Condensed Combined Entity Statement of Changes in Equity for the  
2<sup>nd</sup> Quarter Ended 30 September 2009**

|   | (Unaudited)   | (Unaudited)                                       | (Unaudited)                  |
|---|---|---|------------------------------|
|   | Attributable to equity holders  |   |                              |
|   | Share Capital<br>Issued and fully paid<br>ordinary shares of<br>RM1.00 each<br><br>(RM'000) | Distributable<br>Retained Profits<br><br>(RM'000) | Total Equity<br><br>(RM'000) |
| <b><u>Cumulative Period Ended 30 September 2008</u></b>       |   |   |                              |
| At 1 April 2008   | 60,746  | 544,186   | 604,932                      |
| Profit after taxation   | -   | 25,432  | 25,432                       |
| Dividends:  |   |   |                              |
| - Final dividend for the financial year ended 31 March 2008   | -   | (15,946)  | (15,946)                     |
| - Special dividend for the financial year ended 31 March 2008 | -   | (29,613)  | (29,613)                     |
| At 30 September 2008  | 60,746  | 524,059   | 584,805                      |
| <b><u>Cumulative Period Ended 30 September 2009</u></b>       |   |   |                              |
| At 1 April 2009   | 60,746  | 541,569   | 602,315                      |
| Profit after taxation   | -   | 27,492  | 27,492                       |
| Dividends:  |   |   |                              |
| - Final dividend for the financial year ended 31 March 2009   | -   | (15,946)  | (15,946)                     |
| - Special dividend for the financial year ended 31 March 2009 | -   | (25,057)  | (25,057)                     |
| At 30 September 2009  | 60,746  | 528,058   | 588,804                      |

(The Condensed Combined Entity Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2009)

**Condensed Combined Entity Cash Flow Statement for the 2<sup>nd</sup> Quarter  
Ended 30 September 2009**

|   | (Unaudited)                            | (Unaudited)                            |
|---|--|--|
|   | Period ended<br>30.09.2009<br>(RM'000) | Period ended<br>30.09.2008<br>(RM'000) |
| <b>Profit after taxation</b>                                    | 27,492                                 | 25,432                                 |
| <b>Adjustments for:</b>   |  |  |
| Non Cash Flow Items   | 9,154                                  | 8,355                                  |
| Share of results of associated company                          | (2,359)                                | (2,584)                                |
| <b>Operating profit / (loss) before working capital changes</b> | 34,287                                 | 31,203                                 |
| <b>Changes in working capital</b>                               |  |  |
| Net (increase) in current assets                                | (35,191)                               | (31,218)                               |
| Net increase in current liabilities                             | 39,703                                 | 29,135                                 |
| <b>Cash generated from operations</b>                           | 38,799                                 | 29,120                                 |
| Other operating activities                                      | (7,046)                                | (7,930)                                |
| <b>Net cash flow from operating activities</b>                  | 31,753                                 | 21,190                                 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |  |  |
| Purchase of property, plant and equipment                       | (9,567)                                | (6,760)                                |
| Proceeds from disposal of property, plant and equipment         | 291                                    | -                                      |
| Interest received   | 5,066                                  | 8,394                                  |
| Dividend received (net)   | 2,197                                  | 1,433                                  |
| <b>Net cash flow from investing activities</b>                  | (2,013)                                | 3,067                                  |
| <b>CASH FLOWS FROM FINANCING ACTIVITY</b>                       |  |  |
| Dividends paid  | (41,003)                               | (45,559)                               |
| <b>Net cash flow from financing activity</b>                    | (41,003)                               | (45,559)                               |
| <b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>              | (11,263)                               | (21,302)                               |
| <b>CURRENCY TRANSLATION DIFFERENCES</b>                         | (100)                                  | 91                                     |
| <b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD</b>  | 466,562                                | 460,511                                |
| <b>CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD</b>        | 455,199                                | 439,300                                |
| <u>Cash and cash equivalents comprise:</u>                      |  |  |
| Placement of funds with related company                         | 455,101                                | 439,844                                |
| Cash and bank balances  | 98                                     | 17                                     |
| Bank overdraft  | -                                      | (561)                                  |
|   | <u>455,199</u>                         | <u>439,300</u>                         |

(The Condensed Combined Entity Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2009)

# **Panasonic**

**Panasonic Manufacturing Malaysia Berhad (6100-K)**  
(Incorporated in Malaysia)

## **Notes to the Interim Financial Statements for the 2<sup>nd</sup> Quarter ended 30 September 2009**

### **Note 1. Accounting Policies and Basis of Preparation**

This interim financial report is unaudited and has been prepared in accordance with FRS 134 Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the Company's audited statutory financial statements for the financial year ended 31 March 2009. The accounting policies and methods of computation adopted for the interim financial statements are consistent with the annual audited financial statements of the Company for the financial year ended 31 March 2009.

### **Note 2. Disclosure of Audit Report Qualification**

The audit report of the Company's annual financial statements for the financial year ended 31 March 2009 was not qualified.

### **Note 3. Seasonality or Cyclicity of Interim Operations**

The Company's business operations were not materially affected by any seasonal or cyclical factors since the last balance sheet date.

The Company's products are generally dependent on consumer demand both in the domestic and export market.

### **Note 4. Unusual Item**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

### **Note 5. Changes in Estimates of Amounts Reported in Prior Interim Periods for the Current Financial Year or in Prior Financial Years**

There were no major changes in estimates of amounts reported in prior interim periods for the current financial year or changes in estimates of amounts reported in the prior financial year, which give a material effect in the current interim period.

### **Note 6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

There were no issuances and repayment of debt securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares since the last balance sheet date.

**Note 7. Dividends Paid**

In respect of the financial year ended 31 March 2009, the following dividends were paid on 18 September 2009 to shareholders registered in the Record of Depositors at the close of business on 26 August 2009:

| <u>Final and Special Dividends Paid</u>                                    | RM'000               |
|--|----------------------|
| Final dividend (35 sen per ordinary share of RM1.00 less 25% income tax)   | 15,946               |
| Special dividend (55 sen per ordinary share of RM1.00 less 25% income tax) | <u>25,057</u>        |
| Total  | <u><u>41,003</u></u> |

**Note 8. Segmental Reporting**

There is no segmental reporting as the Company is principally involved in the manufacture and sales of electrical home appliances, batteries and related components in one industry segment and operates wholly in Malaysia.

**Note 9. Valuation of Property, Plant and Equipment**

There was no valuation of property, plant and equipment for the period under review.

**Note 10. Significant Post Balance Sheet Events**

On 1 October 2009, the Company has discontinued the manufacture and sales of dry batteries.

Save as disclosed above, in the interval between 30 September 2009 and the date of this announcement, there is no transaction or event of a material or unusual nature that is likely to affect substantially the results of the Company for the quarter ended 30 September 2009.

**Note 11. Contingent Liabilities**

There were no contingent liabilities since the last financial year ended 31 March 2009.

## **Disclosure Requirements Pursuant to Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements**

### **Note 12. Review of Performance**

#### **(a) 2nd Quarter This Year vs 2nd Quarter Last Year**

The Company's revenue of RM172.8 million for the current quarter ended 30 September 2009 registered a modest growth of 1.7% or RM2.9 million as compared with the revenue of RM169.9 million registered in the previous year's corresponding quarter.

The Company's combined profit before tax of RM19.4 million for the current quarter ended 30 September 2009 increased by 11.5% or RM 2.0 million as compared to the previous year's corresponding quarter; as a result of lower material costs and improved production efficiency.

#### **(b) Current Year-to-date vs Last Year-to-date**

Despite the current challenging economic condition, the Company is able to achieve revenue of RM328.7 million for the half year ended 30 September 2009, a slight improvement of 0.7% or RM2.2 million as compared to the previous year's corresponding period of RM326.5 million.

The Company also recorded a combined profit before taxation for the half year ended 30 September 2009 of RM34.3 million, which was higher by 6.5% or RM2.1 million compared to the combined profit before taxation of RM32.2 million reported in the previous year's corresponding period.

### **Note 13. Material Changes in Quarterly Results Compared to Preceding Quarter**

The Company's revenue of RM172.8 million in the current quarter was an increase of 10.8% or RM16.9 million over the revenue of RM155.9 million recorded in the preceding quarter with higher export sales of certain products.

Correspondingly, the Company's combined profit before tax of RM19.4 million for the current quarter ended 30 September 2009 was 30.2% or RM4.5 million higher than the combined profit before taxation of RM14.9 million registered in the preceding quarter.

### **Note 14. Prospects and Outlook**

The prospects and outlook for the Company is very encouraging as the economic environment has shown signs of recovery. In October 2009, the Company launched two new products in the domestic market; bidet and dish dryer. Moving forward, the Company will continue to strengthen collaboration activities with its sales companies to boost the sales of all products locally and abroad. The Company will remain focused on improving its operational efficiency to deliver a satisfactory performance for this financial year ending 31 March 2010.

### **Note 15. Profit Forecast, Profit Guarantee or Internal Targets**

The Company did not issue or publicly announce or disclose any profit forecasts, profit guarantee or internal targets for the period under review.

**Note 16. Taxation**

|                          | <b>Current<br/>Quarter Ended<br/>30.09.2009<br/>(RM'000)</b> | <b>Preceding<br/>Quarter Ended<br/>30.09.2008<br/>(RM'000)</b> | <b>Current<br/>Period Ended<br/>30.09.2009<br/>(RM'000)</b> | <b>Preceding<br/>Period Ended<br/>30.09.2008<br/>(RM'000)</b> |
|--------------------------|--|--|---|---|
| Taxation charge:         |  |  |   |   |
| - current financial year | (3,434)  | (3,472)  | (5,961)   | (6,261)   |
| Deferred Tax:            |  |  |   |   |
| - current financial year | (335)  | (354)  | (823)   | (516)   |
|                          | (3,769)  | (3,826)  | (6,784)   | (6,777)   |

The effective tax rate for the 2<sup>nd</sup> quarter ended 30 September 2009 was lower than statutory income tax rate mainly due to the utilisation of reinvestment allowances.

**Note 17. Sale of Unquoted Investments and/or Properties**

There were no sales of unquoted investments or properties for the current quarter under review.

**Note 18. Purchase/Disposal of Quoted Securities**

There were no purchases or disposal of quoted securities for the current quarter under review.

**Note 19. Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of the issuance of this interim financial report.

**Note 20. Off Balance Sheet Financial Instruments****Foreign Currency Contracts**

Foreign exchange forward contracts are entered into by the Company in currencies other than Ringgit Malaysia for highly probable forecasted transactions to manage the exposure to fluctuations in foreign currency exchange rates.

As at 12 November 2009, the settlement dates on open forward contracts ranged between 1 and 3 months. The foreign currency amounts to be received/paid and contractual exchange rates of the Company's outstanding contracts are as follows:



| Currency  | Foreign Currency Contract Amount | Equivalent Amount in RM'000 | Contractual Rates  |
|---|----------------------------------|-----------------------------|--------------------|
| <b>(Net Payables)</b>                                     |                                  |                             |                    |
| <b>(Net future sales of goods over the next 3 months)</b> |                                  |                             |                    |
| USD   | 5,700,000                        | 20,235                      | 1 USD = RM3.5500   |
| USD   | 1,000,000                        | 3,423                       | 1 USD = RM3.4234   |
| USD   | 1,000,000                        | 3,441                       | 1 USD = RM3.4425   |
| JPY   | 10,000,000                       | 390                         | 100 JPY = RM3.8961 |
| <b>(Net future purchases over the next 3 months)</b>      |                                  |                             |                    |
| JPY   | 99,000,000                       | 3,732                       | 100 JPY = RM 3.77  |
| Euro  | 40,500                           | 203                         | 1 Euro = RM5.0192  |

Exchange gains and losses arising on contracts entered into are deferred until the date of the transactions. All exchange gains and losses relating to these financial instruments are recognised in the income statement in the same period as the exchange differences on the underlying items.

#### **Note 21. Material Litigation**

There were no material litigations pending the date of this announcement.

#### **Note 22. Dividends**

(a) An interim dividend of 15 sen per ordinary share of RM1.00 less 25% income tax for the financial year ending 31 March 2010 has been declared by the Directors on 19 November 2009:

- (i) The interim dividend shall be payable on 20 January 2010.
- (ii) Entitlement to the interim dividend:

A Depositor shall qualify for entitlement to the dividend only in respect of:

- Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 29 December 2009 in respect of securities exempt from mandatory deposit.
- Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 31 December 2009 in respect of transfers; and
- Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

(b) The interim dividend paid for the previous financial year ended 31 March 2009 amounted to 15 sen per ordinary share of RM 1.00 less 25% income tax.

(c) Total dividend for the current financial year ending 31 March 2010 is interim dividend of 15 sen per ordinary share of RM1.00 less 25% income tax.

**Note 23. Earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares in issue as at 30 September 2009 of 60,745,780 shares.

## (a) Basic earnings per share

|  | <b>Year To Date<br/>Ended<br/>30.09.2009</b> | <b>Year To Date<br/>Ended<br/>30.09.2008</b> |
|--|--|--|
| Profit after taxation for the period (RM'000)              | 27,492                                       | 25,432                                       |
| Weighted average number of ordinary shares in issue ('000) | 60,746                                       | 60,746                                       |
| Basic earnings per share (sen)                             | 45   | 42   |

## (a) Summary of earnings per share

|              | <b>Basic (sen)</b> | <b>Diluted (sen)</b> |
|--------------|--------------------|----------------------|
| Quarter 1    | 20                 | Not Applicable       |
| Quarter 2    | 25                 | Not Applicable       |
| Year-to-date | 45                 | Not Applicable       |

**Note 24. Commitments For Capital Expenditure**

|   | <b>As at<br/>30.09.2009<br/>(RM'000)</b> | <b>As at<br/>30.09.2008<br/>(RM'000)</b> |
|---|--|--|
| Contracted  | 1,666                                    | 2,930                                    |
| Not contracted  | 875                                      | 175                                      |
|   |  |  |
| Analysed as follows:<br>Property, plant and equipment | 2,541                                    | 3,105                                    |

By Order of the Board

Leong Oi Wah  
Pang Chia Tyng  
Company Secretaries  
19 November 2009