

Panasonic

Panasonic Manufacturing Malaysia Berhad (6100-K)

(Incorporated in Malaysia)

Condensed Combined Entity Statement of Comprehensive Income for the 4th Quarter Ended 31 March 2012

	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
	4th Quarter ended		Financial year ended		31.03.2012		31.03.2011	
	31.03.2012 (RM'000)	31.03.2011 (RM'000)	31.03.2012 (RM'000)	31.03.2011 (RM'000)	31.03.2012 (RM'000)	31.03.2011 (RM'000)	31.03.2012 (RM'000)	31.03.2011 (RM'000)
Revenue	157,751	150,409	825,833	761,407				
Operating expenses	(157,238)	(141,803)	(770,127)	(686,601)				
Other operating income	9,350	5,131	24,089	19,488				
Other derivative gain / (loss)	952	(56)	(1,054)	(919)				
Profit from operations	10,815	13,681	78,741	93,375				
Share of results of associated company (net of tax)	362	2,163	6,470	8,431				
Profit before taxation	11,177	15,844	85,211	101,806				
Taxation	(3,712)	(1,166)	(18,804)	(19,127)				
Profit after taxation for the period	7,465	14,678	66,407	82,679				
<u>Earnings per share</u> attributable to equity holders:								
Basic and diluted (sen)	12	24	109	136				

(The Condensed Combined Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2011)

**Condensed Combined Entity Statement of Comprehensive Income
for the 4th Quarter Ended 31 March 2012**

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	4th Quarter ended		Financial year ended	
	31.03.2012 (RM'000)	31.03.2011 (RM'000)	31.03.2012 (RM'000)	31.03.2011 (RM'000)
Profit after taxation for the period	7,465	14,678	66,407	82,679
Other comprehensive income, net of taxation	-	-	-	-
Total Comprehensive Income for the period	7,465	14,678	66,407	82,679
Profit after taxation attributable to equity holders of the Company	7,465	14,678	66,407	82,679
Total Comprehensive Income attributable to equity holders of the Company	7,465	14,678	66,407	82,679
Note: - Included in the Total Comprehensive Income for the period are the followings:				
Interest Income	3,892	3,455	15,770	12,798
Interest Expenses	N/A	N/A	N/A	N/A
Depreciation & Amortization	6,513	5,308	24,182	20,066
Provision For/Write Off of Receivables	N/A	N/A	N/A	N/A
Provision For/Write Off of Inventories	N/A	N/A	N/A	N/A
Gain/(Loss) on Disposal of Quoted and Unquoted Investment or Properties	N/A	N/A	N/A	N/A
Impairment of Assets	N/A	N/A	N/A	N/A
Gain/(Loss) on Foreign Exchange	(460)	833	(884)	4,032
Gain/(Loss) on Derivatives	952	(56)	(1,054)	(919)

N/A: Not Applicable

(The Condensed Combined Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2011)

Condensed Combined Entity Statement of Financial Position

	(Unaudited)	(Audited)
	As at 31.03.2012 (RM'000)	As at Preceding Financial Year End 31.03.2011 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	75,606	63,459
Interest in associated company	130,991	127,866
Deferred tax assets	11,757	14,757
	218,354	206,082
Current assets		
Inventories	18,293	18,789
Trade and other receivables	52,757	53,435
Tax recoverable	2,445	-
Placement of funds with related company	470,079	500,787
Cash and bank balances	323	151
Derivative financial instruments	662	1,184
	544,559	574,346
Total assets	762,913	780,428
EQUITY		
Capital and reserves attributed to equity holders		
Share capital	60,746	60,746
Retained earnings	586,966	586,620
Total equity	647,712	647,366
LIABILITIES		
Non-current liabilities		
Provision for liabilities and charges	1,396	3,367
	1,396	3,367
Current liabilities		
Trade and other payables	98,256	114,283
Taxation	-	1,452
Provision for liabilities and charges	15,003	13,946
Derivative financial instruments	546	14
	113,805	129,695
Total liabilities	115,201	133,062
Total equity and liabilities	762,913	780,428
Net assets per share (RM)	10.66	10.66

(The Condensed Combined Entity Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Company for the financial year ended 31 March 2011)

**Condensed Combined Entity Statement of Changes in Equity
For the 4th Quarter Ended 31 March 2012**

	(Unaudited)	(Unaudited)	(Unaudited)
	Attributable to equity holders		
	Share Capital	Retained Earnings	Total Equity
	(RM'000)	(RM'000)	(RM'000)
<u>Cumulative Period Ended 31 March 2011</u>			
At 1 April 2010	60,746	558,612	619,358
Total comprehensive income for the period	-	82,679	82,679
- Final dividend for the financial year ended 31 March 2010	-	(15,946)	(15,946)
- Special dividend for the financial year ended 31 March 2010	-	(31,892)	(31,892)
- Interim dividend for the financial year ended 31 March 2011	-	(6,833)	(6,833)
At 31 March 2011	60,746	586,620	647,366
<u>Cumulative Period Ended 31 March 2012</u>			
At 1 April 2011	60,746	586,620	647,366
Total comprehensive income for the period	-	66,407	66,407
Dividends:			
- Final dividend for the financial year ended 31 March 2011	-	(15,946)	(15,946)
- Special dividend for the financial year ended 31 March 2011	-	(43,281)	(43,281)
- Interim dividend for the financial year ended 31 March 2012	-	(6,834)	(6,834)
At 31 March 2012	60,746	586,966	647,712

(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 2011)

**Condensed Combined Entity Cash Flow Statement for the
4th Quarter Ended 31 March 2012**

	(Unaudited)	(Audited)
	Year ended 31.03.2012 (RM'000)	Year ended 31.03.2011 (RM'000)
Profit after taxation	66,407	82,679
Adjustments for:		
Non Cash Flow Items	31,402	28,557
Share of results of associated company	(6,470)	(8,431)
Operating profit / (loss) before working capital changes	91,339	102,805
Changes in working capital		
Net (increase) / decrease in current assets	2,719	(6,673)
Net (decrease) / increase in current liabilities	(16,085)	(2,092)
Cash generated from operations	77,973	94,040
Other operating activities	(25,044)	(27,940)
Net cash flow from operating activities	52,929	66,100
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(36,422)	(21,920)
Proceeds from disposal of property, plant and equipment	181	136
Interest received	15,684	13,059
Dividend received (net)	3,344	2,389
Net cash flow from investing activities	(17,213)	(6,336)
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	(66,061)	(54,671)
Net cash flow from financing activity	(66,061)	(54,671)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(30,345)	5,093
CURRENCY TRANSLATION DIFFERENCES	(191)	(157)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD	500,938	496,002
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	470,402	500,938
<u>Cash and cash equivalents comprise:</u>		
Placement of funds with related company	470,079	500,787
Cash and bank balances	323	151
	<u>470,402</u>	<u>500,938</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 2011)

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Notes to the Interim Financial Statements for 4th Quarter Ended 31 March 2012

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 2011. 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 2011.

Note 2. Realised and Unrealised Profits / Losses

	Current Year Ended 31.03.2012 (RM'000)	Preceding Year Ended 31.03.2011 (RM'000)
Total retained profits of Company:		
- Realised profits	460,072	459,808
- Unrealised profits / (loss)	(2,097)	946
	457,975	460,754
Total share of retained profits from associated company:		
- Realised profits	131,815	129,450
- Unrealised profits / (loss)	(2,824)	(3,584)
	128,991	125,866
Total Combined Entity's retained profits	586,966	586,620

Note 3. Disclosure of Audit Report Qualification

The audit report of the Company's annual financial statements for the financial year ended 31 March 2011 was not qualified.

Note 4. 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 5. Unusual Item

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

Note 6. 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 7. 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 reporting date.

Note 8. Dividends Declared / Paid

The amount of dividends on ordinary shares paid by the Company since 31 March 2011 were as follows:

<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 (95 sen per ordinary share of RM1.00 less 25% income tax)	43,281
<u>Interim Dividends paid</u>	
Interim dividend (15 sen per ordinary share of RM1.00 less 25% income tax)	6,834
Total	<u>66,061</u>

Note 9. Segmental Reporting

Analysis of the Company's segment information is as follows:

	Revenue for the year ended		Profit before tax for the year ended	
	31.03.2012 RM'000	31.03.2011 RM'000	31.03.2012 RM'000	31.03.2011 RM'000
Home Appliance products	415,931	438,498	51,463	50,273
Fan products	409,902	322,909	30,598	46,957
Total	825,833	761,407	82,061	97,230

Other unallocated expenses	(3,320)	(3,855)
Share of results of associated company (net of tax)	6,470	8,431
Profit before taxation	<u>85,211</u>	<u>101,806</u>

Note 10. Valuation of Property, Plant and Equipment

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

Note 11. Significant Post Balance Sheet Events

There has not arisen in the interval between 31 March 2012 and the date of this announcement, any item, transaction or event of a material or unusual nature in the opinion of the Directors that is likely to affect substantially the result of the operations of the Company for the period ended 31 March 2012 in respect of which this announcement is made.

Note 12. Contingent Liabilities

There were no contingent liabilities since the last financial year ended 31 March 2011.

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

Note 13. Review of Performance

(a) 4th Quarter This Year vs 4th Quarter Last Year

The Company achieved revenue of RM157.8 million for the current quarter ended 31 March 2012, an increase of 4.9% or RM7.3 million as compared with the revenue of RM150.4 million registered in the previous year's corresponding quarter.

However, the Company's combined profit before tax of RM11.2 million for the current quarter ended 31 March 2012 was lower by 29.1% or RM4.6 million as compared to the previous year's corresponding quarter combined profit before tax of RM15.8 million. Included in the Company's combined profit before tax was a share of gain of the associated company amounting to RM 0.4 million as compared to a gain of RM 2.2 million recorded in the previous year's corresponding quarter.

(b) Current Year-to-Date vs Last Year-to-Date

The Company registered revenue of RM825.8 million for the year ended 31 March 2012, an increase of RM64.4 million or 8.5% as compared to the previous year's revenue of RM761.4 million. The higher revenue was mainly due to the full impact of the transfer of manufacture and sales of ceiling fan for the global market from China to Malaysia in the current financial year.

In the revenue by segment for the financial year, revenue for the Fan Product segment increased by 26.9% against the previous financial year mainly due to the transfer of certain ceiling fan models from China to Malaysia. However, revenue for the Home Appliances Product segment reduced by 5.1% against the previous financial year; affected mainly by the lower export sales to the Middle East region as a result of the political instability in that region.

The Company's combined profit before tax of RM85.2 million for the year ended 31 March 2012 was lower by 16.3% or RM16.6 million; as compared to the previous year's combined profit before tax of RM101.8 million. The Company also derived operating income amounting to RM5.8 million from the provision of manufacturing innovation services to Panasonic Corporation's Corporate Manufacturing Innovation Division in the current financial year.

Overall profitability of the Company has been affected by the Fan Product segment which saw a reduction from RM46.9 million in the previous year to RM30.6 million in the current financial year due to price competitiveness for the export models in the Middle East region.

Note 14. Material Changes in Quarterly Results Compared to Preceding Quarter

The Company's revenue of RM157.8 million in the current quarter was a decrease of 29.4% or RM65.6 million over the higher festive season revenue of RM223.4 million recorded in the preceding quarter.

Correspondingly, the Company's combined profit before taxation for the current quarter ended 31 March 2012 of RM11.2 million was lower by 56.9% or RM14.8 million; as compared to the combined profit before taxation of RM26.0 million reported in the preceding quarter.

Note 15. Prospects and Outlook

The outlook for the financial year ending 31st March 2013 will be challenging due to financial crisis in the Euro zone and the uncertain political situation in the Middle East. These factors may have an impact on consumer spending in both overseas and local markets.

The Company, however, will continue to focus on its strategies to strengthen its innovation capabilities and to improve its production efficiency to reduce overall costs of production.

Note 16. 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 17. Taxation

	Current Quarter Ended 31.03.2012 (RM'000)	Preceding Quarter Ended 31.03.2011 (RM'000)	Cumulative Period ended 31.03.2012 (RM'000)	Cumulative Period ended 31.03.2011 (RM'000)
Taxation charge:				
- current financial year	(866)	(1,706)	(15,804)	(19,135)
Deferred Tax:				
- current financial year	(2,125)	(1,013)	(2,279)	(1,545)
- prior financial year	(721)	1,553	(721)	1,553
	(3,712)	(1,166)	(18,804)	(19,127)

Note 18. Sale of Unquoted Investments and/or Properties

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

Note 19. Purchase/Disposal of Quoted Securities

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

Note 20. Corporate Proposals

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

Note 21. Derivatives

Derivative financial instruments 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 31 March 2012, the details of derivative financial instruments outstanding measured at fair values together with their corresponding contract / notional values are as follows:-

Type of Derivatives	Contract / Notional Value RM'000	Net Fair Value of Assets / (Liabilities) RM'000
Less than 1 year - Sell USD	56,647	661
Less than 1 year - Buy JPY	7,738	(544)
Less than 1 year - Buy SGD	882	1
Less than 1 year - Buy EUR	54	(2)
		116

Note 22. Material Litigation

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

Note 23. Dividends

The Board will make an announcement on the dividend at a later date.

Note 24. 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 31 March 2012 of 60,745,780 shares.

(a) Basic earnings per share

	Year Ended 31.03.2012	Year Ended 31.03.2011
Profit after taxation for the year (RM'000)	66,407	82,679
Weighted average number of ordinary shares in issue ('000)	60,746	60,746
Basic earnings per share (sen)	109	136

(b) Summary of earnings per share

	Basic (sen)	Diluted (sen)
Quarter 1	31	Not Applicable
Quarter 2	33	Not Applicable
Quarter 3	33	Not Applicable
Quarter 4	12	Not Applicable
Year-to-date	109	Not Applicable

Note 25. Commitments for Capital Expenditure

	As at 31.03.2012 (RM'000)	As at 31.03.2011 (RM'000)
Contracted	4,646	7,564
Not contracted	566	112
	5,212	7,676
Analysed as follows:		
Property, plant and equipment	5,212	7,676

By Order of the Board

Leong Oi Wah
Company Secretary
30 May 2012