

# Panasonic

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

### Condensed Combined Entity Statement of Comprehensive Income for the 1<sup>st</sup> Quarter Ended 30 June 2012

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Restated)		(Restated)
	1st Quarter ended		Cumulative period ended	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	209,666	221,816	209,666	221,816
Operating expenses	(196,733)	(206,669)	(196,733)	(206,669)
Other operating income	6,648	7,338	6,648	7,338
Other derivative gain / (loss)	(1,436)	(663)	(1,436)	(663)
Profit from operations	18,145	21,822	18,145	21,822
Share of results of associated company (net of tax)	4,602	2,438	4,602	2,438
Profit before taxation	22,747	24,260	22,747	24,260
Taxation	(4,756)	(5,445)	(4,756)	(5,445)
<b>Profit after taxation for the period</b>	<b>17,991</b>	<b>18,815</b>	<b>17,991</b>	<b>18,815</b>
<u>Earnings per share attributable to equity holders:</u>				
Basic and diluted (sen)	30	31	30	31

(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 2012)

**Condensed Combined Entity Statement of Comprehensive Income  
for the 1<sup>st</sup> Quarter Ended 30 June 2012**

	(Unaudited)		(Unaudited)	
	1st Quarter ended		Cumulative period ended	
	30.06.2012 (RM'000)	30.06.2011 (RM'000) (Restated)	30.06.2012 (RM'000)	30.06.2011 (RM'000) (Restated)
<b>Profit after taxation for the period</b>	17,991	18,815	17,991	18,815
Other comprehensive income, net of taxation	-	-	-	-
<b>Total Comprehensive Income for the period</b>	17,991	18,815	17,991	18,815
<b>Profit after taxation attributable to equity holders of the Company</b>	17,991	18,815	17,991	18,815
<b>Total Comprehensive Income attributable to equity holders of the Company</b>	17,991	18,815	17,991	18,815
<b>Note: - Included in the Total Comprehensive Income for the period are the followings:</b>				
Interest Income	3,842	3,844	3,842	3,844
Interest Expenses	N/A	N/A	N/A	N/A
Depreciation & Amortization	6,796	5,429	6,796	5,429
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	624	1,003	624	1,003
Gain/(Loss) on Derivatives	(1,436)	(663)	(1,436)	(663)

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 2012)

**Condensed Combined Entity Statement of Financial Position**

	(Unaudited)	(Audited)	(Audited)
	As at 30.06.2012 (RM'000)	As at Preceding Financial Year End 31.03.2012 (RM'000)	As at 01.04.2011 (RM'000)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	74,401	75,606	63,459
Interest in associated company	135,593	130,991	127,866
Deferred tax assets	11,480	11,757	14,757
	<u>221,474</u>	<u>218,354</u>	<u>206,082</u>
<b>Current assets</b>			
Inventories	21,710	18,293	18,789
Trade and other receivables	80,256	52,757	53,435
Tax recoverable	1,966	2,445	-
Placement of funds with related company	461,128	470,079	500,787
Cash and bank balances	189	323	151
Derivative financial instruments	265	662	1,184
	<u>565,514</u>	<u>544,559</u>	<u>574,346</u>
<b>Total assets</b>	<u>786,988</u>	<u>762,913</u>	<u>780,428</u>
<b>EQUITY</b>			
Capital and reserves attributed to equity holders			
Share capital	60,746	60,746	60,746
Retained earnings	604,957	586,966	586,620
Total equity	<u>665,703</u>	<u>647,712</u>	<u>647,366</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provision for liabilities and charges	1,196	1,396	3,367
	<u>1,196</u>	<u>1,396</u>	<u>3,367</u>
<b>Current liabilities</b>			
Trade and other payables	102,990	98,256	114,283
Taxation	-	-	1,452
Provision for liabilities and charges	15,514	15,003	13,946
Derivative financial instruments	1,585	546	14
	<u>120,089</u>	<u>113,805</u>	<u>129,695</u>
<b>Total liabilities</b>	<u>121,285</u>	<u>115,201</u>	<u>133,062</u>
<b>Total equity and liabilities</b>	<u>786,988</u>	<u>762,913</u>	<u>780,428</u>
<b>Net assets per share (RM)</b>	<u>10.96</u>	<u>10.66</u>	<u>10.66</u>

(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 2012)

**Condensed Combined Entity Statement of Changes in Equity**  
**For the 1<sup>st</sup> Quarter Ended 30 June 2012**

	(Unaudited)	(Unaudited)	(Unaudited)
	<b>Attributable to equity holders</b>		
	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
	(RM'000)	(RM'000)	(RM'000)
<b><u>Quarter Ended 30 June 2011</u></b>			
At 1 April 2011	60,746	586,620	647,366
Total comprehensive income for the period	-	18,815	18,815
At 30 June 2011	60,746	605,435	666,181
<b><u>Quarter Ended 30 June 2012</u></b>			
At 1 April 2012	60,746	586,966	647,712
Total comprehensive income for the period	-	17,991	17,991
At 30 June 2012	60,746	604,957	665,703

(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 2012)

**Condensed Combined Entity Cash Flow Statement for the  
1<sup>st</sup> Quarter Ended 30 June 2012**

	(Unaudited)	(Unaudited)
	Period ended 30.06.2012 (RM'000)	Period ended 30.06.2011 (RM'000)
<b>Profit after taxation</b>	17,991	18,815
<b>Adjustments for:</b>		
Non Cash Flow Items	11,389	8,633
Share of results of associated company	(4,602)	(2,438)
<b>Operating profit / (loss) before working capital changes</b>	24,778	25,010
<b>Changes in working capital</b>		
Net (increase) / decrease in current assets	(30,961)	(25,373)
Net (decrease) / increase in current liabilities	4,734	(2,673)
<b>Cash generated from operations</b>	(1,449)	(3,036)
Other operating activities	(4,761)	(6,976)
<b>Net cash flow from operating activities</b>	(6,210)	(10,012)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(5,591)	(6,386)
Proceeds from disposal of property, plant and equipment	21	-
Interest received	3,887	3,895
Dividend received (net)	-	-
<b>Net cash flow from investing activities</b>	(1,683)	(2,491)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Dividends paid	-	-
<b>Net cash flow from financing activity</b>	-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(7,893)	(12,503)
<b>CURRENCY TRANSLATION DIFFERENCES</b>	(1,192)	499
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD</b>	470,402	500,938
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD</b>	461,317	488,934
<b>Cash and cash equivalents comprise:</b>		
Placement of funds with related company	461,128	488,913
Cash and bank balances	189	21
	<u>461,317</u>	<u>488,934</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 2012)

# Panasonic

## Panasonic Manufacturing Malaysia Berhad (6100-K)

(Incorporated in Malaysia)

### Notes to the Interim Financial Statements for 1<sup>st</sup> Quarter Ended 30 June 2012

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

This interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 and Appendix 9B 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 2012.

In compliant with MFRS, "MFRS 1 – First-time Adoption of Malaysian Financial Reporting Standards" has been applied in this interim report. The transition from FRS to MFRS does not have any significant impact to the financial report.

The audited financial statements of the Company for the year ended 31 March 2012 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted in the most recent annual audited financial statements of the Company for the financial year ended 31 March 2012.

#### Note 2. Realised and Unrealised Profits / Losses

	Current Quarter Ended 30.06.2012 (RM'000)	Preceding Year Ended 31.03.2012 (RM'000)
Total retained profits of Company:		
- Realised profits	474,347	460,072
- Unrealised profits / (loss)	(2,983)	(2,097)
	471,364	457,975
Total share of retained profits from associated company:		
- Realised profits	132,569	131,815
- Unrealised profits / (loss)	1,024	(2,824)
	133,593	128,991
Total Combined Entity's retained profits	604,957	586,966

#### Note 3. Disclosure of Audit Report Qualification

The audit report of the Company's annual financial statements for the financial year ended 31 March 2012 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**

There was no dividend declared or paid in the current quarter ended 30 June 2012.

#### **Note 9. Segmental Reporting**

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

	Revenue for the period ended		Profit before tax for the period ended	
	30.06.2012 RM'000	30.06.2011 RM'000	30.06.2012 RM'000	30.06.2011 RM'000
Home Appliance products	96,360	103,902	9,531	11,334
Fan products	113,306	117,914	12,133	9,317
Total	209,666	221,816	21,664	20,651

#### **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 30 June 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 30 June 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 2012.



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

### **Note 13. Review of Performance**

#### **1<sup>st</sup> Quarter This Year vs 1<sup>st</sup> Quarter Last Year**

The Company's revenue of RM209.7 million for the current quarter ended 30 June 2012 was a decrease of 5.5% or RM12.1 million as compared with the revenue of RM221.8 million registered in the previous year's corresponding quarter.

The decrease in revenue is mainly seen in the Home Appliance products segment; which reduced by 7.2% from RM103.9 million to RM96.4 million due to certain trade sanctions faced in the Iranian market. However, the impact has been mitigated by the transfer of sales and manufacture of meat grinders from Japan to Malaysia which commenced in the current financial year.

In line with the reduction in revenue, the Company's combined profit before tax of RM 22.7 million for the current quarter ended 30 June 2012 was lower by 6.6% or RM1.6 million as compared to the previous year's corresponding quarter combined profit before tax of RM24.3 million. Included in the Company's combined profit before tax was a share of gain of the associated company amounting to RM4.6 million as compared to a gain of RM2.4 million recorded in the previous year's corresponding quarter.

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

The Company's revenue of RM209.7 million in the current quarter was an increase of 32.9% or RM51.9 million over the revenue of RM157.8 million recorded in the preceding quarter contributed mainly by increased sales in the domestic market.

The Company was able to achieve a higher combined profit before taxation for the current quarter ended 30 June 2012 of RM22.7 million, which was an increase of 102.7% or RM11.5 million; as compared to the combined profit before taxation of RM11.2 million reported in the preceding quarter. Included in the Company's combined profit before tax was a share of profits of the associated company amounting to RM4.6 million as compared to a share of RM0.4 million profits recorded in the preceding quarter.

### **Note 15. Prospects and Outlook**

The outlook for the current financial year will be challenging due to the prevailing financial crisis in the Euro zone. In addition, certain trade sanctions imposed on the Iranian market will have an impact on sales to the Middle East region. However, the commencement of the transfer of sales and manufacture of meat grinders from Japan to Malaysia in this financial year will contribute to additional export revenue.

The Company will continue to optimize its cost efficiencies and enhance its business processes to deliver satisfactory performance for this financial year.

### **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 30.06.2012 (RM'000)	Preceding Quarter Ended 30.06.2011 (RM'000)	Cumulative Period ended 30.06.2012 (RM'000)	Cumulative Period ended 30.06.2011 (RM'000)
Taxation charge:				
- current financial year	(4,480)	(5,465)	(4,480)	(5,465)
Deferred Tax:				
- current financial year	(276)	20	(276)	20
- prior financial year	-	-	-	-
	(4,756)	(5,445)	(4,756)	(5,445)

**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 30 June 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
<u>Less than 1 year</u> - Sell USD	49,997	(1,585)
<u>Less than 1 year</u> - Buy JPY	5,902	236
<u>Less than 1 year</u> - Buy SGD	759	15
<u>Less than 1 year</u> - Buy USD	961	14
		(1,320)

## Note 22. Material Litigation

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

## Note 23. Dividends

- (a) No interim dividends have been declared or recommended for the current quarter ended 30 June 2012 (2011: Nil).
- (b) In respect of the financial year ended 31 March 2012, a final dividend of 35 sen (2011: 35 sen) per ordinary share of RM1.00 each and a special dividend of 70 sen (2011: 95 sen) per ordinary share of RM1.00 each less 25% income tax, payable on 6 September 2012 was recommended by the Directors on 26 June 2012 for approval of shareholders at the forthcoming Annual General Meeting.

## 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 30 June 2012 of 60,745,780 shares.

### (a) Basic earnings per share

	Period Ended 30.06.2012	Period Ended 30.06.2011
Profit after taxation for the period (RM'000)	17,991	18,815
Weighted average number of ordinary shares in issue ('000)	60,746	60,746
Basic earnings per share (sen)	30	31

### (b) Summary of earnings per share

	Basic (sen)	Diluted (sen)
Quarter 1	30	Not Applicable
Year-to-date	30	Not Applicable

## Note 25. Commitments for Capital Expenditure

	As at 30.06.2012 (RM'000)	As at 30.06.2011 (RM'000)
Contracted	620	1,656
Not contracted	870	-
Analysed as follows: Property, plant and equipment	1,490	1,656

## By Order of the Board

Leong Oi Wah  
Company Secretary  
15 August 2012