

# Panasonic

## Panasonic Manufacturing Malaysia Berhad (6100-K)

(Incorporated in Malaysia)

### Condensed Combined Entity Statement of Comprehensive Income for the 4<sup>th</sup> Quarter Ended 31 March 2013

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	4 <sup>th</sup> Quarter ended		Financial year ended	
	31.03.2013 (RM'000)	31.03.2012 (RM'000)	31.03.2013 (RM'000)	31.03.2012 (RM'000)
Revenue	187,695	157,751	864,645	825,833
Operating expenses	(177,692)	(153,162)	(797,949)	(770,127)
Other operating income	4,517	5,274	24,454	24,089
Other derivative gain / (loss)	(169)	952	(487)	(1,054)
Profit from operations	14,351	10,815	90,663	78,741
Share of results of associated company (net of tax)	1,525	362	4,267	6,470
Profit before taxation	15,876	11,177	94,930	85,211
Taxation	(1,745)	(3,712)	(19,836)	(18,804)
<b>Profit after taxation for the period</b>	<b>14,131</b>	<b>7,465</b>	<b>75,094</b>	<b>66,407</b>
<hr/>				
<u>Earnings per share</u> <u>attributable to equity holders:</u>				
Basic and diluted (sen)	23	12	124	109

(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 4<sup>th</sup> Quarter Ended 31 March 2013**

	(Unaudited)	(Unaudited) (Restated)	(Unaudited)	(Unaudited) (Restated)
	4th Quarter ended		Financial year ended	
	31.03.2013 (RM'000)	31.03.2012 (RM'000)	31.03.2013 (RM'000)	31.03.2012 (RM'000)
<b>Profit after taxation for the period</b>	14,131	7,465	75,094	66,407
Other comprehensive income, net of taxation	-	-	-	-
<b>Total Comprehensive Income for the period</b>	14,131	7,465	75,094	66,407
<b>Profit after taxation attributable to equity holders of the Company</b>	14,131	7,465	75,094	66,407
<b>Total Comprehensive Income attributable to equity holders of the Company</b>	14,131	7,465	75,094	66,407
<b>Note: - Included in the Total Comprehensive Income for the period are the followings:</b>				
Interest Income	3,986	3,892	15,639	15,770
Interest Expenses	N/A	N/A	N/A	N/A
Depreciation & Amortization	6,547	6,513	26,720	24,182
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	(772)	(460)	(169)	(884)
Gain/(Loss) on Derivatives	(169)	952	(487)	(1,054)

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)
	<b>As at 31.03.2013 (RM'000)</b>	<b>As at Preceding Financial Year End 31.03.2012 (RM'000)</b>	<b>As at 01.04.2011 (RM'000)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	71,292	75,606	63,459
Interest in associated company	132,869	130,991	127,866
Deferred tax assets	14,982	11,757	14,757
	<u>219,143</u>	<u>218,354</u>	<u>206,082</u>
<b>Current assets</b>			
Inventories	21,511	18,293	18,789
Trade and other receivables	76,461	52,757	53,435
Tax recoverable	0	2,445	-
Placement of funds with related company	500,135	470,079	500,787
Cash and bank balances	241	323	151
Derivative financial instruments	150	662	1,184
	<u>598,498</u>	<u>544,559</u>	<u>574,346</u>
<b>Total assets</b>	<u>817,641</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	607,389	586,966	586,620
Total equity	<u>668,135</u>	<u>647,712</u>	<u>647,366</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provision for liabilities and charges	332	1,396	3,367
	<u>332</u>	<u>1,396</u>	<u>3,367</u>
<b>Current liabilities</b>			
Trade and other payables	127,040	98,256	114,283
Taxation	4,788	-	1,452
Provision for liabilities and charges	16,825	15,003	13,946
Derivative financial instruments	521	546	14
	<u>149,174</u>	<u>113,805</u>	<u>129,695</u>
Total liabilities	<u>149,506</u>	<u>115,201</u>	<u>133,062</u>
Total equity and liabilities	<u>817,641</u>	<u>762,913</u>	<u>780,428</u>
Net assets per share (RM)	<u>11.00</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 4<sup>th</sup> Quarter Ended 31 March 2013**

	(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>Cumulative Period Ended 31 March 2012</u></b>			
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
<b><u>Cumulative Period Ended 31 March 2013</u></b>			
At 1 April 2012	60,746	586,966	647,712
Total comprehensive income for the period	-	75,094	75,094
Dividends:			
- Final dividend for the financial year ended 31 March 2012	-	(15,946)	(15,946)
- Special dividend for the financial year ended 31 March 2012	-	(31,891)	(31,891)
- Interim dividend for the financial year ended 31 March 2013	-	(6,834)	(6,834)
At 31 March 2013	60,746	607,389	668,135

(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  
4<sup>th</sup> Quarter Ended 31 March 2013**

	(Unaudited)	(Audited)
	<b>Year ended 31.03.2013 (RM'000)</b>	<b>Year ended 31.03.2012 (RM'000)</b>
<b>Profit after taxation</b>	75,094	66,407
<b>Adjustments for:</b>		
Non Cash Flow Items	36,545	31,402
Share of results of associated company	(4,267)	(6,470)
<b>Operating profit / (loss) before working capital changes</b>	107,372	91,339
<b>Changes in working capital</b>		
Net (increase) / decrease in current assets	(26,322)	2,719
Net (decrease) / increase in current liabilities	24,540	(16,085)
<b>Cash generated from operations</b>	105,590	77,973
Other operating activities	(20,221)	(25,044)
<b>Net cash flow from operating activities</b>	85,369	52,929
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(18,219)	(36,422)
Proceeds from disposal of property, plant and equipment	89	181
Interest received	15,572	15,684
Dividend received (net)	2,389	3,344
<b>Net cash flow for investing activities</b>	(169)	(17,213)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Dividends paid	(54,671)	(66,061)
<b>Net cash flow for financing activity</b>	(54,671)	(66,061)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	30,529	(30,345)
<b>CURRENCY TRANSLATION DIFFERENCES</b>	(555)	(191)
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR</b>	470,402	500,938
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR</b>	500,376	470,402
<u>Cash and cash equivalents comprise:</u>		
Placement of funds with related company	500,135	470,079
Cash and bank balances	241	323
	<u>500,376</u>	<u>470,402</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 4<sup>th</sup> Quarter Ended 31 March 2013

#### 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 compliance 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 Year Ended 31.03.2013 (RM'000)	Preceding Year Ended 31.03.2012 (RM'000)
Total retained profits of Company:		
- Realised profits	477,146	460,072
- Unrealised profits / (loss)	(626)	(2,097)
	476,520	457,975
Total share of retained profits from associated company:		
- Realised profits	134,272	131,815
- Unrealised profits / (loss)	(3,403)	(2,824)
	130,869	128,991
Total Combined Entity's retained profits	607,389	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 issuance 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 2012 were as follows:

<u>Final and Special Dividends paid</u>	RM000
Final dividend (35 sen per ordinary share of RM1.00 less 25% income tax)	15,946
Special dividend (70 sen per ordinary share of RM1.00 less 25% income tax)	31,891
<u>Interim Dividends paid</u>	
Interim dividend (15 sen per ordinary share of RM1.00 less 25% income tax)	6,834
Total	<u><u>54,671</u></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	
	31.03.2013 RM'000	31.03.2012 RM'000	31.03.2013 RM'000	31.03.2012 RM'000
Home Appliance products	439,928	415,931	55,792	51,463
Fan products and Others	424,717	409,902	42,799	30,598
Total	864,645	825,833	98,591	82,061

Both segments of the Home Appliance and Fan products share the same Group performance trend as elaborated in Note 13.

## 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 2013 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 2013 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

### (a) 4<sup>th</sup> Quarter This Year vs 4<sup>th</sup> Quarter Last Year

The Company achieved revenue of RM187.7 million for the current quarter ended 31 March 2013, an increase of 18.9% or RM29.9 million as compared with the revenue of RM157.8 million registered in the previous year's corresponding quarter.

In line with the increase in revenue, the Company's combined profit before tax of RM15.9 million for the current quarter ended 31 March 2013 was higher by 42% or RM4.7 million as compared to the previous year's corresponding quarter combined profit before tax of RM11.2 million.



## **(b) Current Year to Date vs Last Year to Date**

The Company achieved a record revenue of RM864.6 million for the year ended 31 March 2013. This represents an increase of RM38.8 million or 4.7% as compared to the previous year's revenue of RM825.8 million. The main contributing factor was the improvement in sales performance in the domestic market and additional sales derived from the transfer of manufacture and sales of meat grinders from Japan to Malaysia.

With the improvement in revenue, the Company was able to achieve a combined profit before tax of RM94.9 million for the year ended 31 March 2013; which was higher by 11.4% or RM9.7 million as compared to the previous year's combined profit before tax of RM85.2 million.

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

The Company's revenue of RM187.7 million in the current quarter; however, was a decrease of 22.4% or RM54.3 million lower than the revenue of RM242.0 million recorded in the preceding quarter mainly due to higher festive season sales derived in the third quarter.

Correspondingly, the Company achieved a lower combined profit before taxation for the current quarter ended 31 March 2013 of RM15.9 million, a decrease of 52.1% or RM17.3 million; as compared to the combined profit before taxation of RM33.2 million reported in the preceding quarter.

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

The domestic market is expected to remain stable given Malaysia's strong fundamentals to spur domestic demand. However, the outlook for the export market remains challenging especially with keen competition faced in certain export markets for home appliance products. In addition, the current strengthening of the Ringgit Malaysia against the US Dollars will also pose a challenge for the Company's export sales which are mainly denominated in the US Dollars.

The Company will work closely with sales companies especially in the affected export markets to regain its product positioning in the market. The Company will continue to strengthen its innovation capabilities to develop new products suited to market taste and preference and to improve its production efficiency to reduce overall costs of production. With these measures in place, the Company expects to deliver satisfactory performance for the financial year ending 31 March 2014.

### **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**

	<b>Current Quarter Ended 31.03.2013 (RM'000)</b>	<b>Preceding Quarter Ended 31.03.2012 (RM'000)</b>	<b>Cumulative Period ended 31.03.2013 (RM'000)</b>	<b>Cumulative Period ended 31.03.2012 (RM'000)</b>
Taxation charge:				
- current financial year	(5,774)	(866)	(23,061)	(15,804)
Deferred Tax:				
- current financial year	3,518	(2,125)	2,714	(2,279)
- prior financial year	511	(721)	511	(721)
	(1,745)	(3,712)	(19,836)	(18,804)

**Note 18. Corporate Proposals**

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

**Note 19. 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 2013, the details of derivative financial instruments outstanding measured at fair values together with their corresponding contract / notional values are as follows:-

<b>Type of Derivatives</b>	<b>Contract / Notional Value RM'000</b>	<b>Fair Value of Assets RM'000</b>	<b>Fair Value of Liabilities RM'000</b>
<u>Less than 1 year</u> - Sell USD	38,366	11	(153)
<u>Less than 1 year</u> - Buy JPY	4,447	0	(366)
<u>Less than 1 year</u> - Buy SGD	431	0	(2)
<u>Less than 1 year</u> - Sell Euro	5,533	139	0
		150	(521)

**Note 20. Material Litigation**

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

**Note 21. Dividends**

- (a) In respect of the financial year ended 31 March 2013, a final dividend of 35 sen per ordinary share of RM1.00 and a special dividend of 138 sen per ordinary share of RM1.00, less income tax, were proposed by the Directors on 30 May 2013:
- (i) The final and special dividends shall be payable on 20 September 2013.
- (ii) Entitlement to the dividends:
- A Depositor shall qualify for entitlement to the dividend in respect of:
- Shares transferred into the Depositors Securities Account before 4.00 p.m. on 9 September 2013 in respect of ordinary transfers.
  - Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.
- (b) The final and special dividends for the previous financial year ended 31 March 2012 amounted to 105 sen per ordinary share of RM1.00, less income tax was paid on 6 September 2012.
- (c) Total dividends for the current financial year ended 31 March 2013 are:
- (i) Interim dividend of 15 sen per ordinary share of RM1.00, less income tax paid on 10 January 2013
- (ii) Final and special dividends of 173 sen per ordinary share of RM1.00, less income tax, payable on 20 September 2013.

**Note 22. 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 2013 of 60,745,780 shares.

- (a) Basic earnings per share

	<b>Year Ended 31.03.2013</b>	<b>Year Ended 31.03.2012</b>
Profit after taxation for the year (RM $\phi$ 00)	75,094	66,407
Weighted average number of ordinary shares in issue ( $\phi$ 00)	60,746	60,746
Basic earnings per share (sen)	124	109

- (b) Summary of earnings per share

	<b>Basic (sen)</b>	<b>Diluted (sen)</b>
Quarter 1	30	Not Applicable
Quarter 2	29	Not Applicable
Quarter 3	42	Not Applicable
Quarter 4	23	Not Applicable
Year-to-date	124	Not Applicable

**Note 23. Commitments for Capital Expenditure**

	<b>As at 31.03.2013 (RM'000)</b>	<b>As at 31.03.2012 (RM'000)</b>
Contracted	4,897	4,646
Not contracted	0	566
	4,897	5,212
Analysed as follows:		
Property, plant and equipment	4,897	5,212

**By Order of the Board**

Leong Oi Wah  
Company Secretary  
30 May 2013