

Panasonic

Panasonic Manufacturing Malaysia Berhad (6100-K)

(Incorporated in Malaysia)

Condensed Combined Entity Statement of Comprehensive Income for the 1st Quarter Ended 30 June 2013

	(Unaudited)		(Unaudited)	
	1st Quarter ended		Cumulative period ended	
	30.06.2013 (RM'000)	30.06.2012 (RM'000)	30.06.2013 (RM'000)	30.06.2012 (RM'000)
Revenue	219,239	209,666	219,239	209,666
Operating expenses	(205,540)	(196,733)	(205,540)	(196,733)
Other operating income	5,538	6,648	5,538	6,648
Other derivative gain / (loss)	(1,089)	(1,436)	(1,089)	(1,436)
Profit from operations	18,148	18,145	18,148	18,145
Share of results of associated company (net of tax)	2,228	4,602	2,228	4,602
Profit before taxation	20,376	22,747	20,376	22,747
Taxation	(4,354)	(4,756)	(4,354)	(4,756)
Profit after taxation for the period	16,022	17,991	16,022	17,991
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<u>Earnings per share</u> <u>attributable to equity holders:</u>				
Basic and diluted (sen)	26	30	26	30

(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 2013)

**Condensed Combined Entity Statement of Comprehensive Income
for the 1st Quarter Ended 30 June 2013**

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	1st Quarter ended		Cumulative period ended	
	30.06.2013 (RM'000)	30.06.2012 (RM'000)	30.06.2013 (RM'000)	30.06.2012 (RM'000)
Profit after taxation for the period	16,022	17,991	16,022	17,991
Other comprehensive income, net of taxation	-	-	-	-
Total Comprehensive Income for the period	16,022	17,991	16,022	17,991
Profit after taxation attributable to equity holders of the Company	16,022	17,991	16,022	17,991
Total Comprehensive Income attributable to equity holders of the Company	16,022	17,991	16,022	17,991
Note: - Included in the Total Comprehensive Income for the period are the followings:				
Interest Income	4,101	3,842	4,101	3,842
Interest Expenses	N/A	N/A	N/A	N/A
Depreciation & Amortization	6,771	6,796	6,771	6,796
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	(1,202)	(811)	(1,202)	(811)
Gain/(Loss) on Derivatives	(1,089)	(1,436)	(1,089)	(1,436)

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 2013)

Condensed Combined Entity Statement of Financial Position

	(Unaudited)	(Audited)
	As at 30.06.2013 (RM'000)	As at Preceding Financial Year End 31.03.2013 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	70,002	71,292
Interest in associated company	135,097	132,869
Deferred tax assets	15,311	14,982
	220,410	219,143
Current assets		
Inventories	22,335	21,511
Trade and other receivables	86,822	76,461
Tax recoverable	-	-
Placement of funds with related company	498,682	500,135
Cash and bank balances	229	241
Derivative financial instruments	148	150
	608,216	598,498
Total assets	828,626	817,641
EQUITY		
Capital and reserves attributed to equity holders		
Share capital	60,746	60,746
Retained earnings	623,411	607,389
Total equity	684,157	668,135
LIABILITIES		
Non-current liabilities		
Provision for liabilities and charges	336	332
	336	332
Current liabilities		
Trade and other payables	120,673	127,040
Taxation	4,671	4,788
Provision for liabilities and charges	17,181	16,825
Derivative financial instruments	1,608	521
	144,133	149,174
Total liabilities	144,469	149,506
Total equity and liabilities	828,626	817,641
Net assets per share (RM)	11.26	11.00

(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 2013)

**Condensed Combined Entity Statement of Changes in Equity
For the 1st Quarter Ended 30 June 2013**

	(Unaudited)	(Unaudited)	(Unaudited)
	Attributable to equity holders		
	Share Capital	Retained Earnings	Total Equity
	(RM'000)	(RM'000)	(RM'000)
<u>Quarter Ended 30 June 2012</u>			
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
<u>Quarter Ended 30 June 2013</u>			
At 1 April 2013	60,746	607,389	668,135
Total comprehensive income for the period	-	16,022	16,022
At 30 June 2013	60,746	623,411	684,157

(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 2013)

**Condensed Combined Entity Cash Flow Statement for the
1st Quarter Ended 30 June 2013**

	(Unaudited)	(Unaudited)
	Period ended 30.06.2013 (RM'000)	Period ended 30.06.2012 (RM'000)
Profit after taxation	16,022	17,991
Adjustments for:		
Non Cash Flow Items	10,229	11,389
Share of results of associated company	(2,228)	(4,602)
Operating profit / (loss) before working capital changes	24,023	24,778
Changes in working capital		
Net (increase) / decrease in current assets	(11,242)	(30,961)
Net (decrease) / increase in current liabilities	(6,367)	4,734
Cash generated from operations	6,414	(1,449)
Other operating activities	(5,603)	(4,761)
Net cash flow from operating activities	811	(6,210)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,685)	(5,591)
Proceeds from disposal of property, plant and equipment	24	21
Interest received	4,158	3,887
Dividend received (net)	-	-
Net cash flow from investing activities	(1,503)	(1,683)
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	-	-
Net cash flow from financing activity	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	(692)	(7,893)
CURRENCY TRANSLATION DIFFERENCES	(773)	(1,192)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD	500,376	470,402
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	498,911	461,317
<u>Cash and cash equivalents comprise:</u>		
Placement of funds with related company	498,682	461,128
Cash and bank balances	229	189
	<u>498,911</u>	<u>461,317</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 2013)

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Notes to the Interim Financial Statements for 1st Quarter Ended 30 June 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 2013

The audited financial statements of the Company for the year ended 31 March 2013 were prepared in accordance with MFRS. The accounting policies and methods of computation adopted by the Company in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 March 2013.

Note 2. Realised and Unrealised Profits / Losses

	Current Quarter Ended 30.06.2013 (RM'000)	Preceding Year Ended 31.03.2013 (RM'000)
Total retained profits of Company:		
- Realised profits	492,213	477,146
- Unrealised profits / (loss)	(1,899)	(626)
	490,314	476,520
Total share of retained profits from associated company:		
- Realised profits	136,177	134,272
- Unrealised profits / (loss)	(3,080)	(3,403)
	133,097	130,869
Total Combined Entity's retained profits	623,411	607,389

Note 3. Disclosure of Audit Report Qualification

The audit report of the Company's annual financial statements for the financial year ended 31 March 2013 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 2013.

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	
	30.06.2013 RM'000	30.06.2012 RM'000	30.06.2013 RM'000	30.06.2012 RM'000
Home Appliance products	94,490	96,360	9,088	9,531
Fan products and Others	124,749	113,306	12,670	12,133
Total	219,239	209,666	21,758	21,664

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 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 30 June 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 2013.

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

Note 13. Review of Performance

1st Quarter This Year vs 1st Quarter Last Year

The Company's revenue of RM219.2 million for the current quarter ended 30 June 2013 was an increase of 4.5% or RM9.5 million as compared with the revenue of RM209.7 million registered in the previous year's corresponding quarter with higher sale of fan products in the domestic market.

However, the Company's combined profit before tax of RM20.4 million for the current quarter ended 30 June 2013 was lower by 10.1% or RM2.3 million as compared to the previous year's corresponding quarter combined profit before tax of RM22.7 million. This was mainly attributed to lower share of profits from the associated company amounting to RM 2.2 million in this quarter as compared to RM 4.6 million registered in the previous year's corresponding quarter.

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

The Company's revenue of RM219.2 million in the current quarter was an increase of 16.8% or RM31.5 million over the revenue of RM187.7 million recorded in the preceding quarter as there was continued favourable sales for fan products in the domestic market.

In line with the increase in revenue, the Company's combined profit before tax of RM20.4 million for the current quarter ended 30 June 2013 was higher by 28.3% or RM4.5 million as compared to the combined profit before tax of RM15.9 million in preceding quarter.

Note 15. Prospects and Outlook

The outlook for the export market remains challenging especially with keen competition faced in certain export markets for home appliance products. However, the shortfall in sales derived from this market is expected to be recovered by robust sales of fan products especially in the domestic market.

The Company is committed to strengthen its innovation capabilities to develop new products suited to market tastes and preferences and to improve its production efficiency to reduce overall costs of production. With these measures in place, the Company expects to deliver satisfactory results for the current 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 30.06.2013 (RM'000)	Preceding Quarter Ended 30.06.2012 (RM'000)	Cumulative Period ended 30.06.2013 (RM'000)	Cumulative Period ended 30.06.2012 (RM'000)
Taxation charge:				
- current financial year	(4,683)	(4,480)	(4,683)	(4,480)
Deferred Tax:				
- current financial year	329	(276)	329	(276)
- prior financial year	-	-	-	-
	(4,354)	(4,756)	(4,354)	(4,756)

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 30 June 2013, 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	Fair Value of Assets RM'000	Fair Value of Liabilities RM'000
<u>Less than 1 year</u> - Sell USD	59,334	0	(1,433)
<u>Less than 1 year</u> - Buy JPY	6,974	91	(23)
<u>Less than 1 year</u> - Buy SGD	542	6	0
<u>Less than 1 year</u> - Sell Euro	7,938	51	(152)
		148	(1,608)

Note 20. Material Litigation

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

Note 21. Dividends

- (a) No interim dividends have been declared or recommended for the current quarter ended 30 June 2013 (2012: Nil).
- (b) In respect of the financial year ended 31 March 2013, a final dividend of 35 sen (2012: 35 sen) per ordinary share of RM1.00 each and a special dividend of 138 sen (2012: 70 sen) per ordinary share of RM1.00 each less 25% income tax, payable on 20 September 2013 was recommended by the Directors on 30 May 2013 for approval of shareholders at the forthcoming Annual General Meeting.

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 30 June 2013 of 60,745,780 shares.

(a) Basic earnings per share

	Period Ended 30.06.2013	Period Ended 30.06.2012
Profit after taxation for the period (RM ϕ 00)	16,022	17,991
Weighted average number of ordinary shares in issue (ϕ 00)	60,746	60,746
Basic earnings per share (sen)	26	30

(b) Summary of earnings per share

	Basic (sen)	Diluted (sen)
Quarter 1	26	Not Applicable
Year-to-date	26	Not Applicable

Note 23. Commitments for Capital Expenditure

	As at 30.06.2013 (RM'000)	As at 30.06.2012 (RM'000)
Contracted	2,671	620
Not contracted	100	870
Analysed as follows: Property, plant and equipment	2,771	1,490

By Order of the Board

Leong Oi Wah
Company Secretary
21 August 2013