

Panasonic

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

Condensed Combined Entity Statement of Comprehensive Income for the 2nd Quarter Ended 30 September 2013

	(Unaudited)		(Unaudited)	
	2nd Quarter ended		Cumulative period ended	
	30.09.2013 (RM'000)	30.09.2012 (RM'000)	30.09.2013 (RM'000)	30.09.2012 (RM'000)
Revenue	241,490	225,301	460,729	434,967
Operating expenses	(221,408)	(209,654)	(426,948)	(406,387)
Other operating income	6,018	6,834	11,556	13,482
Other derivative gain / (loss)	(111)	2,729	(1,200)	1,293
Profit from operations	25,989	25,210	44,137	43,355
Share of results of associated company (net of tax)	1,157	(2,116)	3,385	2,486
Profit before taxation	27,146	23,094	47,522	45,841
Taxation	(6,241)	(5,193)	(10,595)	(9,949)
Profit after taxation for the period	20,905	17,901	36,927	35,892
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<u>Earnings per share</u> <u>attributable to equity holders:</u>				
Basic and diluted (sen)	34	29	61	59

(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 2nd Quarter Ended 30 September 2013**

	(Unaudited)		(Unaudited)	
	2 nd Quarter ended		Cumulative period ended	
	30.09.2013 (RM'000)	30.09.2012 (RM'000)	30.09.2013 (RM'000)	30.09.2012 (RM'000)
Profit after taxation for the period	20,905	17,901	36,927	35,892
Other comprehensive income, net of taxation	-	-	-	-
Total Comprehensive Income for the period	20,905	17,901	36,927	35,892
Profit after taxation attributable to equity holders of the Company	20,905	17,901	36,927	35,892
Total Comprehensive Income attributable to equity holders of the Company	20,905	17,901	36,927	35,892
Note: - Included in the Total Comprehensive Income for the period are the followings:				
Interest Income	4,252	3,959	8,353	7,801
Interest Expenses	N/A	N/A	N/A	N/A
Depreciation & Amortization	6,878	6,747	13,649	13,543
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	(47)	(619)	(1,249)	5
Gain/(Loss) on Derivatives	(111)	2,729	(1,200)	1,293

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 30.09.2013 (RM'000)	As at Preceding Financial Year End 31.03.2013 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	66,619	71,292
Interest in associated company	134,821	132,869
Deferred tax assets	15,150	14,982
	216,590	219,143
Current assets		
Inventories	23,828	21,511
Trade and other receivables	105,349	76,461
Tax recoverable	-	-
Placement of funds with related company	457,030	500,135
Cash and bank balances	553	241
Derivative financial instruments	231	150
	586,991	598,498
Total assets	803,581	817,641
EQUITY		
Capital and reserves attributed to equity holders		
Share capital	60,746	60,746
Retained earnings	565,498	607,389
Total equity	626,244	668,135
LIABILITIES		
Non-current liabilities		
Provision for liabilities and charges	335	332
	335	332
Current liabilities		
Trade and other payables	151,014	127,040
Taxation	5,951	4,788
Provision for liabilities and charges	18,235	16,825
Derivative financial instruments	1,802	521
	177,002	149,174
Total liabilities	177,337	149,506
Total equity and liabilities	803,581	817,641
Net assets per share (RM)	10.31	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 2nd Quarter Ended 30 September 2013**

	(Unaudited)	(Unaudited)	(Unaudited)
	Attributable to equity holders		
	Share Capital	Retained Earnings	Total Equity
	(RM'000)	(RM'000)	(RM'000)
<u>Cumulative Period Ended 30 September 2012</u>			
At 1 April 2012	60,746	586,966	647,712
Total comprehensive income for the period	-	35,892	35,892
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)
At 30 September 2012	60,746	575,021	635,767
<u>Cumulative Period Ended 30 September 2013</u>			
At 1 April 2013	60,746	607,389	668,135
Total comprehensive income for the period	-	36,927	36,927
Dividends:			
- Final dividend for the financial year ended 31 March 2013	-	(15,946)	(15,946)
- Special dividend for the financial year ended 31 March 2013	-	(62,872)	(62,872)
At 30 September 2013	60,746	565,498	626,244

(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
2nd Quarter Ended 30 September 2013**

	(Unaudited)	(Unaudited) (Restated)
	Period ended 30.09.2013 (RM'000)	Period ended 30.09.2012 (RM'000)
Profit after taxation	36,927	35,892
Adjustments for:		
Non Cash Flow Items	21,870	17,061
Share of results of associated company	(3,385)	(2,486)
Operating profit / (loss) before working capital changes	55,412	50,467
Changes in working capital		
Net (increase) / decrease in current assets	(31,193)	(51,302)
Net (decrease) / increase in current liabilities	23,974	34,137
Cash generated from operations	48,193	33,302
Other operating activities	(11,214)	(10,272)
Net cash flow from operating activities	36,979	23,030
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(11,148)	(10,301)
Proceeds from disposal of property, plant and equipment	1,191	(48)
Interest received	8,341	7,882
Dividend received (net)	1,433	1,433
Net cash flow from investing activities	(183)	(1,034)
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	(78,818)	(47,837)
Net cash flow from financing activity	(78,818)	(47,837)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(42,022)	(25,841)
CURRENCY TRANSLATION DIFFERENCES	(771)	(191)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD	500,376	470,402
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	457,583	444,370
<u>Cash and cash equivalents comprise:</u>		
Placement of funds with related company	457,030	444,364
Cash and bank balances	553	6
	<u>457,583</u>	<u>444,370</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 2nd Quarter Ended 30 September 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 Period Ended 30.09.2013 (RM'000)	Preceding Year Ended 31.03.2013 (RM'000)
Total retained profits of Company:		
- Realised profits	435,947	477,146
- Unrealised profits / (loss)	(3,270)	(626)
	432,677	476,520
Total share of retained profits from associated company:		
- Realised profits	136,058	134,272
- Unrealised profits / (loss)	(3,237)	(3,403)
	132,821	130,869
Total Combined Entity's retained profits	565,498	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

The following dividends were paid out on 20 September 2013 to shareholders registered in the Record of Depositors at the close of business on 9 September 2013:

<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 (138 sen per ordinary share of RM1.00 less 25% income tax)	62,872
Total	<u>78,818</u>

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	
	30.09.2013 RM000	30.09.2012 RM000	30.09.2013 RM000	30.09.2012 RM000
Home Appliance products	212,471	214,803	25,000	23,782
Fan products and Others	248,258	220,164	25,296	22,459
Total	460,729	434,967	50,296	46,241

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 September 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 September 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

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

The Company's revenue of RM241.5 million for the current quarter ended 30 September 2013 was an increase of 7.2% or RM16.2 million as compared with the revenue of RM225.3 million registered in the previous year's corresponding quarter.

Revenue from Fan products rose by 13% as compared to the previous year's corresponding period mainly due to improved sales especially in the domestic sector.

In line with the increase in revenue, the Company's combined profit before tax of RM27.1 million for the current quarter ended 30 September 2013 was higher by 17.3% or RM4 million as compared to the previous year's corresponding quarter combined profit before tax of RM23.1 million as there was a positive share of results from the associated company of RM1.2 million compared to a loss of RM2.1 million in the preceding year's corresponding quarter.

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

The Company's revenue of RM460.7 million for the half year ended 30 September 2013, was an increase of RM25.7 million or 5.9% as compared to the previous year's corresponding period of RM435 million with stronger fan product sales that more than covered the slower sales of home appliance products.

The Company's combined profit before tax of RM47.5 million for the half year ended 30 September 2013 was higher by 3.7% or RM1.7 million; as compared to the previous year's corresponding period combined profit before tax of RM45.8 million consequent to the higher operating efficiencies and better performance of the associated company.

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

The Company's revenue of RM241.5 million in the current quarter was an increase of 10.2% or RM22.3 million over the revenue of RM219.2 million recorded in the preceding quarter with higher sale of home appliance products.

In line with the increase in revenue, the Company's combined profit before tax of RM27.1 million for the current quarter ended 30 September 2013 was higher by 32.8% or RM6.7 million as compared to the combined profit before tax of RM20.4 million in preceding quarter.

Note 15. Prospects and Outlook

The market outlook remains challenging amidst uncertainties in the global economic environment. However, the export market for home appliance products has shown certain recovery especially in Thailand and the Middle East region. The sales of fan products are expected to continue to increase until the end of the third quarter.

The Company will remain focused on optimizing its cost efficiencies and enhance its business processes to deliver satisfactory results 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 30.09.2013 (RM'000)	Preceding Quarter Ended 30.09.2012 (RM'000)	Cumulative Period ended 30.09.2013 (RM'000)	Cumulative Period ended 30.09.2012 (RM'000)
Taxation charge:				
- current financial year	(6,080)	(4,910)	(10,763)	(9,390)
Deferred Tax:				
- current financial year	(161)	(283)	168	(559)
- prior financial year	-	-	-	-
	(6,241)	(5,193)	(10,595)	(9,949)

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 September 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
Less than 1 year - Sell USD	78,410	33	(1,407)
Less than 1 year - Buy JPY	6,892	184	0
Less than 1 year - Buy SGD	521	14	0
Less than 1 year - Sell Euro	7,964	0	(395)
		231	(1,802)

Note 20. Material Litigation

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

Note 21. Dividends

- An interim dividend of 15 sen per ordinary share of RM1.00 less 25% income tax for the financial year ending 31 March 2014 has been declared by the Directors on 28 November 2013 for payment on 27 December 2013 based on the entitlement date of 20 December 2013.
- The interim dividend paid for the previous financial year ended 31 March 2013 amounted to 15 sen per ordinary share of RM1.00 less 25% income tax.
- Total dividend for the current financial year ending 31 March 2014 is interim dividend of 15 sen per ordinary share of RM1.00 less 25% income tax.

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 September 2013 of 60,745,780 shares.

- Basic earnings per share

	Period Ended 30.09.2013	Period Ended 30.09.2012
Profit after taxation for the period (RM'000)	36,927	35,892
Weighted average number of ordinary shares in issue (000)	60,746	60,746
Basic earnings per share (sen)	61	59

(b) Summary of earnings per share

	Basic (sen)	Diluted (sen)
Quarter 1	27	Not Applicable
Quarter 2	34	Not Applicable
Year-to-date	61	Not Applicable

Note 23. Commitments for Capital Expenditure

	As at 30.09.2013 (RM'000)	As at 30.09.2012 (RM'000)
Contracted	3,430	2,429
Not contracted	0	634
Analysed as follows: Property, plant and equipment	3,430	3,063

By Order of the Board

Leong Oi Wah
Company Secretary
28 November 2013