

Panasonic

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

Condensed Combined Entity Statement of Comprehensive Income for the 3rd Quarter Ended 31 December 2013

	(Unaudited)		(Unaudited)	
	3rd Quarter ended		Cumulative period ended	
	31.12.2013 (RM'000)	31.12.2012 (RM'000)	31.12.2013 (RM'000)	31.12.2012 (RM'000)
Revenue	242,969	241,984	703,698	676,950
Operating expenses	(217,515)	(213,871)	(644,463)	(620,257)
Other operating income	5,794	6,455	17,350	19,937
Other derivative gain / (loss)	105	(1,611)	(1,095)	(318)
Profit from operations	31,353	32,957	75,490	76,312
Share of results of associated company (net of tax)	931	256	4,316	2,742
Profit before taxation	32,284	33,213	79,806	79,054
Taxation	(7,346)	(8,142)	(17,941)	(18,091)
Profit after taxation for the period	24,938	25,071	61,865	60,963
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<u>Earnings per share</u> <u>attributable to equity holders:</u>				
Basic and diluted (sen)	41	41	102	100

(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 3rd Quarter Ended 31 December 2013**

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	3rd Quarter ended		Cumulative period ended	
	31.12.2013 (RM'000)	31.12.2012 (RM'000)	31.12.2013 (RM'000)	31.12.2012 (RM'000)
Profit after taxation for the period	24,938	25,071	61,865	60,963
Other comprehensive income, net of taxation	-	-	-	-
Total Comprehensive Income for the period	24,938	25,071	61,865	60,963
Profit after taxation attributable to equity holders of the Company	24,938	25,071	61,865	60,963
Total Comprehensive Income attributable to equity holders of the Company	24,938	25,071	61,865	60,963
Note: - Included in the Total Comprehensive Income for the period are the followings:				
Interest Income	3,880	3,852	12,233	11,653
Interest Expenses	N/A	N/A	N/A	N/A
Depreciation & Amortization	6,888	6,631	20,537	20,173
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	(591)	598	(1,840)	603
Gain/(Loss) on Derivatives	105	(1,611)	(1,095)	(318)

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 31.12.2013 (RM'000)	As at Preceding Financial Year End 31.03.2013 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	66,621	71,292
Interest in associated company	135,752	132,869
Deferred tax assets	14,683	14,982
	217,056	219,143
Current assets		
Inventories	25,884	21,511
Trade and other receivables	85,437	76,461
Tax recoverable	-	-
Placement of funds with related company	479,960	500,135
Cash and bank balances	661	241
Derivative financial instruments	74	150
	592,016	598,498
Total assets	809,072	817,641
EQUITY		
Capital and reserves attributed to equity holders		
Share capital	60,746	60,746
Retained earnings	583,602	607,389
Total equity	644,348	668,135
LIABILITIES		
Non-current liabilities		
Provision for liabilities and charges	335	332
	335	332
Current liabilities		
Trade and other payables	140,222	127,040
Taxation	3,855	4,788
Provision for liabilities and charges	18,772	16,825
Derivative financial instruments	1,540	521
	164,389	149,174
Total liabilities	164,724	149,506
Total equity and liabilities	809,072	817,641
Net assets per share (RM)	10.61	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 3rd Quarter Ended 31 December 2013**

	(Unaudited)	(Unaudited)	(Unaudited)
	Attributable to equity holders		
	Share Capital	Retained Earnings	Total Equity
	(RM'000)	(RM'000)	(RM'000)
<u>Cumulative Period Ended 31 December 2012</u>			
At 1 April 2012	60,746	586,966	647,712
Total comprehensive income for the period	-	60,963	60,963
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	-	-	-
At 31 December 2012	60,746	600,092	660,838
<u>Cumulative Period Ended 31 December 2013</u>			
At 1 April 2013	60,746	607,389	668,135
Total comprehensive income for the period	-	61,865	61,865
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)
- Interim dividend for the financial year ended 31 March 2014	-	(6,834)	(6,834)
At 31 December 2013	60,746	583,602	644,348

(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
3rd Quarter Ended 31 December 2013**

	(Unaudited)	(Unaudited) (Restated)
	Period ended 31.12.2013 (RM'000)	Period ended 31.12.2012 (RM'000)
Profit after taxation	61,865	60,963
Adjustments for:		
Non Cash Flow Items	33,195	29,885
Share of results of associated company	(4,316)	(2,742)
Operating profit / (loss) before working capital changes	90,744	88,106
Changes in working capital		
Net (increase) / decrease in current assets	(13,486)	(41,769)
Net (decrease) / increase in current liabilities	13,182	24,913
Cash generated from operations	90,440	71,250
Other operating activities	(20,926)	(13,754)
Net cash flow from operating activities	69,514	57,496
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(18,039)	(14,748)
Proceeds from disposal of property, plant and equipment	1,221	36
Interest received	12,370	11,673
Dividend received (net)	1,433	1,433
Net cash flow from investing activities	(3,015)	(1,606)
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	(85,652)	(47,837)
Net cash flow from financing activity	(85,652)	(47,837)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(19,153)	8,053
CURRENCY TRANSLATION DIFFERENCES	(602)	(447)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD	500,376	470,402
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	480,621	478,008
<u>Cash and cash equivalents comprise:</u>		
Placement of funds with related company	479,960	477,717
Cash and bank balances	661	291
	<u>480,621</u>	<u>478,008</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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Panasonic Manufacturing Malaysia Berhad (6100-K) (Incorporated in Malaysia)

Notes to the Interim Financial Statements for 3rd Quarter Ended 31 December 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 31.12.2013 (RM'000)	Preceding Year Ended 31.03.2013 (RM'000)
Total retained profits of Company:		
- Realised profits	453,893	477,146
- Unrealised profits / (loss)	(4,043)	(626)
	449,850	476,520
Total share of retained profits from associated company:		
- Realised profits	136,922	134,272
- Unrealised profits / (loss)	(3,170)	(3,403)
	133,752	130,869
Total Combined Entity's retained profits	583,602	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 amount of dividends on ordinary shares paid by the Company since 31 March 2013 were as follows:

<u>Final and Special Dividends paid</u>	RM000
Final dividend (35sen per ordinary share of RM1.00 less 25% income tax)	15,946
Special dividend (138sen per ordinary share of RM1.00 less 25% income tax)	62,872
<u>Interim Dividends paid</u>	
Interim dividend (15 sen per ordinary share of RM1.00 less 25% income tax)	6,834
Total	<u>85,652</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	
	31.12.2013 RM000	31.12.2012 RM000	31.12.2013 RM000	31.12.2012 RM000
Home Appliance products	342,936	353,107	43,936	45,509
Fan products and Others	360,762	323,843	40,563	35,415
Total	703,698	676,950	84,499	80,924

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 December 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 December 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) 3rd Quarter This Year vs 3rd Quarter Last Year

The Company's revenue of RM243.0 million for the current quarter ended 31 December 2013 was an increase of 0.4% or RM1.0 million as compared with the revenue of RM242.0 million registered in the previous year's corresponding quarter.

The Company's combined profit before tax of RM32.3 million for the current quarter ended 31 December 2013 was lower by 2.7% or RM0.9 million as compared to the previous year's corresponding quarter combined profit before tax of RM33.2 million.

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

The Company's revenue of RM704.0 million for the nine months ended 31 December 2013, was an increase of RM27.0 million or 4.0% as compared to the previous year's corresponding period of RM677.0 million; mainly contributed by increase in sales of fan products in both the domestic and export markets.

Correspondingly, the Company's combined profit before tax of RM79.8 million for the nine months ended 31 December 2013 was higher by 0.9% or RM0.7 million as compared to the previous year's corresponding period combined profit before tax of RM79.1 million.

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

The Company's revenue of RM243.0 million in the current quarter was an increase of 0.6% or RM1.5 million over the revenue of RM241.5 million recorded in the preceding quarter.

In line with the increase in revenue, the Company's combined profit before tax of RM32.3 million for the current quarter ended 31 December 2013 was higher by 19.2% or RM5.2 million as compared to the combined profit before tax of RM27.1 million in preceding quarter.

Note 15. Prospects and Outlook

The market outlook remains challenging amidst uncertainties in the global economic environment. However, the Company expects the improved sales achieved in the year to date to continue into the last quarter of this financial year.

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 31.12.2013 (RM'000)	Preceding Quarter Ended 31.12.2012 (RM'000)	Cumulative Period ended 31.12.2013 (RM'000)	Cumulative Period ended 31.12.2012 (RM'000)
Taxation charge:				
- current financial year	(6,879)	(7,897)	(17,642)	(17,287)
Deferred Tax:				
- current financial year	(467)	(245)	(299)	(804)
- prior financial year	-	-	-	-
	(7,346)	(8,142)	(17,941)	(18,091)

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 December 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	68,897	69	(1,090)
Less than 1 year - Buy JPY	3,603	0	(169)
Less than 1 year - Buy SGD	485	5	0
Less than 1 year - Sell Euro	5,748	0	(281)
		74	(1,540)

Note 20. Material Litigation

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

Note 21. Dividends

The Board is not recommending any dividend for the quarter under review.

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 December 2013 of 60,745,780 shares.

(a) Basic earnings per share

	Period Ended 31.12.2013	Period Ended 31.12.2012
Profit after taxation for the period (RM ϕ 00)	61,865	60,963
Weighted average number of ordinary shares in issue (ϕ 00)	60,746	60,746
Basic earnings per share (sen)	102	100

(b) Summary of earnings per share

	Basic (sen)	Diluted (sen)
Quarter 1	27	Not Applicable
Quarter 2	34	Not Applicable
Quarter 3	41	Not Applicable
Year-to-date	102	Not Applicable

Note 23. Commitments for Capital Expenditure

	As at 31.12.2013 (RM'000)	As at 31.12.2012 (RM'000)
Contracted	2,587	5,020
Not contracted	83	668
Analysed as follows: Property, plant and equipment	2,670	5,688

By Order of the Board

Leong Oi Wah
Company Secretary
26 February 2014