

Panasonic

Panasonic Manufacturing Malaysia Berhad (6100-K)

(Incorporated in Malaysia)

Condensed Combined Entity Statement of Comprehensive Income for the 4th Quarter Ended 31 March 2014

	(Unaudited)		(Unaudited)	
	4 th Quarter ended		Financial year ended	
	31.03.2014 (RM'000)	31.03.2013 (RM'000)	31.03.2014 (RM'000)	31.03.2013 (RM'000)
Revenue	195,513	187,695	899,211	864,645
Operating expenses	(181,981)	(177,692)	(826,444)	(797,949)
Other operating income	5,445	4,517	22,795	24,454
Other derivative gain / (loss)	1,628	(169)	533	(487)
Profit from operations	20,605	14,351	96,095	90,663
Share of results of associated company (net of tax)	4,788	1,525	9,104	4,267
Profit before taxation	25,393	15,876	105,199	94,930
Taxation	(6,473)	(1,745)	(24,414)	(19,836)
Profit after taxation for the period	18,920	14,131	80,785	75,094
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<u>Earnings per share</u> <u>attributable to equity holders:</u>				
Basic and diluted (sen)	31	23	133	124

(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 4th Quarter Ended 31 March 2014**

	(Unaudited)		(Unaudited)	
	4th Quarter ended		Financial year ended	
	31.03.2014 (RM'000)	31.03.2013 (RM'000)	31.03.2014 (RM'000)	31.03.2013 (RM'000)
Profit after taxation for the period	18,920	14,131	80,785	75,094
Other comprehensive income, net of taxation	-	-	-	-
Total Comprehensive Income for the period	18,920	14,131	80,785	75,094
Profit after taxation attributable to equity holders of the Company	18,920	14,131	80,785	75,094
Total Comprehensive Income attributable to equity holders of the Company	18,920	14,131	80,785	75,094
Note: - Included in the Total Comprehensive Income for the period are the followings:				
Interest Income	4,036	3,986	16,269	15,639
Interest Expenses	N/A	N/A	N/A	N/A
Depreciation & Amortization	6,636	6,547	27,173	26,720
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	1,313	(772)	(527)	(169)
Gain/(Loss) on Derivatives	1,628	(169)	533	(487)

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)		
	As at 31.03.2014 (RM'000)	As at Preceding Financial Year End 31.03.2013 (RM'000)
ASSETS		
Non-current assets		
Property, plant and equipment	67,555	71,292
Interest in associated company	139,266	132,869
Deferred tax assets	17,107	14,982
	223,928	219,143
Current assets		
Inventories	26,292	21,511
Trade and other receivables	60,501	76,461
Placement of funds with related company	519,647	500,135
Cash and bank balances	504	241
Derivative financial instruments	255	150
	607,199	598,498
Total assets	831,127	817,641
EQUITY		
Capital and reserves attributed to equity holders		
Share capital	60,746	60,746
Retained earnings	602,522	607,389
Total equity	663,268	668,135
LIABILITIES		
Non-current liabilities		
Provision for liabilities and charges	198	332
	198	332
Current liabilities		
Trade and other payables	139,860	127,040
Taxation	7,951	4,788
Provision for liabilities and charges	19,757	16,825
Derivative financial instruments	93	521
	167,661	149,174
Total liabilities	167,859	149,506
Total equity and liabilities	831,127	817,641
Net assets per share (RM)	10.92	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 4th Quarter Ended 31 March 2014**

	Attributable to equity holders		
	Share Capital	Retained Earnings	Total Equity
	(RM'000)	(RM'000)	(RM'000)
<u>Cumulative Period Ended 31 March 2014 (unaudited)</u>			
At 1 April 2013	60,746	607,389	668,135
Total comprehensive income for the period	-	80,785	80,785
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 March 2014	60,746	602,522	663,268
<u>Cumulative Period Ended 31 March 2013</u>			
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 2013)

**Condensed Combined Entity Cash Flow Statement for the
4th Quarter Ended 31 March 2014**

	(Unaudited)	
	Year ended 31.03.2014 (RM'000)	Year ended 31.03.2013 (RM'000)
Profit after taxation	80,785	75,094
Adjustments for:		
Non Cash Flow Items	42,416	36,545
Share of results of associated company	(9,104)	(4,267)
Operating profit / (loss) before working capital changes	114,097	107,372
Changes in working capital		
Net (increase) / decrease in current assets	10,691	(27,123)
Net (decrease) / increase in current liabilities	12,820	28,784
Cash generated from operations	137,608	109,033
Other operating activities	(27,924)	(19,425)
Net cash flow from operating activities	109,684	89,608
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(25,609)	(22,458)
Proceeds from disposal of property, plant and equipment	1,361	89
Interest received	16,225	15,572
Dividend received (net)	2,707	2,389
Net cash flow for investing activities	(5,316)	(4,408)
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	(85,652)	(54,671)
Net cash flow for financing activity	(85,652)	(54,671)
NET INCREASE IN CASH AND CASH EQUIVALENTS	18,716	30,529
CURRENCY TRANSLATION DIFFERENCES	1,059	(555)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	500,376	470,402
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	520,151	500,376
<u>Cash and cash equivalents comprise:</u>		
Placement of funds with related company	519,647	500,135
Cash and bank balances	504	241
	<u>520,151</u>	<u>500,376</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 4th Quarter Ended 31 March 2014

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 Year Ended 31.03.2014 (RM'000)	Preceding Year Ended 31.03.2013 (RM'000)
Total retained profits of Company:		
- Realised profits	465,173	477,146
- Unrealised profits / (loss)	83	(626)
	465,256	476,520
Total share of retained profits from associated company:		
- Realised profits	141,155	134,272
- Unrealised profits / (loss)	(3,889)	(3,403)
	137,266	130,869
Total Combined Entity’s retained profits	602,522	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 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 2013 were as follows:

<u>Final and Special Dividends paid</u>	RM'000
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
<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 year ended		Profit before tax for the year ended	
	31.03.2014 RM'000	31.03.2013 RM'000	31.03.2014 RM'000	31.03.2013 RM'000
Home Appliance products	440,177	439,928	55,888	55,792
Fan products and Others	459,034	424,717	47,614	42,799
Total	899,211	864,645	103,502	98,591

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 2014 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 2014 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) 4th Quarter This Year vs 4th Quarter Last Year

The Company's revenue of RM195.5 million for the current quarter ended 31 March 2014 was an increase of 4.2% or RM7.8 million as compared with the revenue of RM187.7 million registered in the previous year's corresponding quarter as the Company achieved better sales of its home appliance products.

The Company's combined profit before tax of RM25.4 million for the current quarter ended 31 March 2014 was higher by 59.7% or RM9.5 million as compared to the previous year's corresponding quarter combined profit before tax of RM15.9 million. The higher profit was attributable to the higher revenue achieved and higher share of results of associated company.

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

The Company achieved a new record revenue of RM899.2 million for the year ended 31 March 2014. This represents an increase of RM34.6 million or 4.0% as compared to the previous year's revenue of RM864.6 million; mainly contributed by increase in sales of fan products in both the domestic and export markets.

With the improvement in revenue and higher share of results of associated company, the Company was able to achieve a combined profit before tax of RM105.2 million for the year ended 31 March 2014; which was higher by 10.9% or RM10.3 million as compared to the previous year's combined profit before tax of RM94.9 million.

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

The Company's revenue of RM195.5 million for the current quarter ended 31 March 2014 was lower by 19.5% or RM47.5 million as compared with the revenue of RM243.0 million registered in the preceding quarter mainly due to higher festive seasons sales in the third quarter.

On the back of the lower revenue, the Company's combined profit before tax of RM25.4 million for the current quarter ended 31 March 2014 decreased by 21.4% or RM6.9 million as compared to the preceding quarter combined profit before tax of RM32.3 million.

Note 15. Prospects and Outlook

The Company expects the current business environment to be increasingly competitive in both domestic and export markets. Nevertheless, 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 to deliver satisfactory performance for the financial year ending 31 March 2015.

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 31.03.2014 (RM'000)	Preceding Quarter Ended 31.03.2013 (RM'000)	Cumulative Period ended 31.03.2014 (RM'000)	Cumulative Period ended 31.03.2013 (RM'000)
Taxation charge:				
- current financial year	(8,582)	(5,774)	(26,224)	(23,061)
- prior financial year	(315)	-	(315)	-
	(8,897)	(5,774)	(26,539)	(23,061)
Deferred Tax:				
- current financial year	3,169	3,518	2,870	2,714
- prior financial year	(745)	511	(745)	511
	2,424	4,029	2,125	3,225
	(6,473)	(1,745)	(24,414)	(19,836)

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 2014, 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	46,054	248	0
<u>Less than 1 year</u> - Buy JPY	3,662	0	(50)
<u>Less than 1 year</u> - Buy SGD	553	0	(1)
<u>Less than 1 year</u> - Sell Euro	6,727	7	(42)
		255	(93)

Note 20. Material Litigation

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

Note 21. Dividends

The Board will make a decision on the final dividend at a later date.

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 2014 of 60,745,780 shares.

(a) Basic earnings per share

	Year Ended 31.03.2014	Year Ended 31.03.2013
Profit after taxation for the year (RM'000)	80,785	75,094
Weighted average number of ordinary shares in issue ('000)	60,746	60,746
Basic earnings per share (sen)	133	124

(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
Quarter 4	31	Not Applicable
Year-to-date	133	Not Applicable

Note 23. Commitments for Capital Expenditure

	As at 31.03.2014 (RM'000)	As at 31.03.2013 (RM'000)
Contracted	2,318	4,897
Not contracted	357	0
	2,675	4,897
Analysed as follows:		
Property, plant and equipment	2,675	4,897

By Order of the Board

Leong Oi Wah
Company Secretary
30 May 2014