

Panasonic

Panasonic Manufacturing Malaysia Berhad (6100-K)

(Incorporated in Malaysia)

Condensed Combined Entity Statement of Comprehensive Income for the 4th Quarter Ended 31 March 2015

	(Unaudited)		(Unaudited)	
	4 th Quarter ended		Financial year ended	
	31.03.2015 RM'000	31.03.2014 RM'000	31.03.2015 RM'000	31.03.2014 RM'000
Revenue	180,182	195,513	931,020	899,211
Operating expenses	(160,671)	(181,981)	(830,668)	(826,444)
Other operating income	7,060	5,445	24,446	22,795
Other derivative gain / (loss)	1,738	1,628	(4,300)	533
Profit from operations	28,309	20,605	120,498	96,095
Share of results of associated company (net of tax)	3,503	4,788	9,335	9,104
Profit before taxation	31,812	25,393	129,833	105,199
Taxation	(7,947)	(6,473)	(30,295)	(24,414)
Profit after taxation for the period	23,865	18,920	99,538	80,785
<hr/>				
<u>Earnings per share</u> <u>attributable to equity holders:</u>				
Basic and diluted (sen)	40	31	164	133

(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 2014)

**Condensed Combined Entity Statement of Comprehensive Income
for the 4th Quarter Ended 31 March 2015**

	(Unaudited)		(Unaudited)	
	4th Quarter ended		Financial year ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	RM'000	RM'000	RM'000	RM'000
Profit after taxation for the period	23,865	18,920	99,538	80,785
Other comprehensive income, net of taxation	-	-	-	-
Total Comprehensive Income for the period	23,865	18,920	99,538	80,785
Profit after taxation attributable to equity holders of the Company	23,865	18,920	99,538	80,785
Total Comprehensive Income attributable to equity holders of the Company	23,865	18,920	99,538	80,785

(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 2014)

Condensed Combined Entity Statement of Financial Position

	(Unaudited)	
	As at 31.03.2015 RM'000	As at Preceding Financial Year End 31.03.2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	55,858	67,555
Interest in associated company	145,416	139,266
Deferred tax assets	13,554	17,107
	214,828	223,928
Current assets		
Inventories	47,901	26,292
Trade and other receivables	64,244	60,501
Placement of funds with related company	575,033	519,647
Cash and bank balances	917	504
Derivative financial instruments	306	255
	688,401	607,199
Total assets	903,229	831,127
EQUITY		
Capital and reserves attributed to equity holders		
Share capital	60,746	60,746
Retained earnings	657,716	602,522
Total equity	718,462	663,268
LIABILITIES		
Non-current liability		
Provision for liabilities and charges	205	198
	205	198
Current liabilities		
Trade and other payables	159,094	139,860
Taxation	6,890	7,951
Provision for liabilities and charges	14,134	19,757
Derivative financial instruments	4,444	93
	184,562	167,661
Total liabilities	184,767	167,859
Total equity and liabilities	903,229	831,127
Net assets per share (RM)	11.83	10.92

(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 2014)

**Condensed Combined Entity Statement of Changes in Equity
For the 4th Quarter Ended 31 March 2015**

	Attributable to equity holders		
	Share Capital	Retained Earnings	Total Equity
	RM'000	RM'000	RM'000
<u>Cumulative Period Ended 31 March 2014</u>			
(unaudited)			
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 2015</u>			
At 1 April 2014	60,746	602,522	663,268
Total comprehensive income for the period	-	99,538	99,538
Dividends:			
- Final dividend for the financial year ended 31 March 2014	-	(21,261)	(21,261)
- Special dividend for the financial year ended 31 March 2014	-	(13,971)	(13,971)
- Interim dividend for the financial year ended 31 March 2015	-	(9,112)	(9,112)
At 31 March 2015	60,746	657,716	718,462

(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 2014)

**Condensed Combined Entity Cash Flow Statement for the
4th Quarter Ended 31 March 2015**

	(Unaudited)	
	Year ended 31.03.2015 RM'000	Year ended 31.03.2014 RM'000
Profit after taxation	99,538	80,785
Adjustments for:		
Non Cash Flow Items	38,293	42,416
Share of results of associated company	(9,335)	(9,104)
Operating profit before working capital changes	128,496	114,097
Changes in working capital		
Net (increase) / decrease in current assets	(24,965)	10,691
Net increase in current liabilities	19,234	12,820
Cash generated from operations	122,765	137,608
Other operating activities	(31,153)	(27,924)
Net cash flow from operating activities	91,612	109,684
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(15,340)	(25,609)
Proceeds from disposal of property, plant and equipment	108	1,361
Interest received	18,886	16,225
Dividend received (net)	3,185	2,707
Net cash flow from investing activities	6,839	(5,316)
CASH FLOWS FROM FINANCING ACTIVITY		
Dividends paid	(44,344)	(85,652)
Net cash flow from financing activity	(44,344)	(85,652)
NET INCREASE IN CASH AND CASH EQUIVALENTS	54,107	18,716
CURRENCY TRANSLATION DIFFERENCES	1,692	1,059
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD	520,151	500,376
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	575,950	520,151
<u>Cash and cash equivalents comprise:</u>		
Placement of funds with related company	575,033	519,647
Cash and bank balances	917	504
	<u>575,950</u>	<u>520,151</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 2014)

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Notes to the Interim Financial Statements for 4th Quarter Ended 31 March 2015

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 2014.

The audited financial statements of the Company for the year ended 31 March 2014 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 2014.

Note 2. Realised and Unrealised Profits / Losses

	Current Year Ended 31.03.2015 RM'000	Preceding Year Ended 31.03.2014 RM'000
Total retained profits of Company:		
- Realised profits	517,130	465,173
- Unrealised (loss) / profits	(2,830)	83
	514,300	465,256
Total share of retained profits from associated company:		
- Realised profits	146,405	141,155
- Unrealised loss	(2,989)	(3,889)
	143,416	137,266
Total Combined Entity's retained profits	657,716	602,522

Note 3. Disclosure of Audit Report Qualification

The audit report of the Company's annual financial statements for the financial year ended 31 March 2014 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 2014 were as follows:

<u>Final and Special Dividends paid</u>	RM000
Final dividend (35 sen per ordinary share of RM1.00)	21,261
Special dividend (23 sen per ordinary share of RM1.00)	13,971
<u>Interim Dividends paid</u>	
Interim dividend (15 sen per ordinary share of RM1.00)	9,112
Total	<u><u>44,344</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	
	31.03.2015 RM000	31.03.2014 RM000	31.03.2015 RM000	31.03.2014 RM000
Home Appliance products	456,575	440,177	72,371	55,888
Fan products and Others	474,445	459,034	55,507	47,614
Total	931,020	899,211	127,878	103,502

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 2015 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 2015 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 2014.

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 RM180.2 million for the current quarter ended 31 March 2015 was lower by 7.8% or RM15.3 million as compared with the revenue of RM195.5 million registered in the previous year's corresponding quarter.

The lower revenue achieved was due to weaker sales in the domestic markets for both Home Appliances and Fan products. This is mainly attributed to lower demand from sales companies and dealers as they minimized inventory levels prior to the implementation of the Goods and Service Tax (GST).

Whilst the revenue was lower, the Company's combined profit before tax of RM31.8 million for the current quarter ended 31 March 2015 was higher by 25.2% or RM6.4 million as compared to the previous year's corresponding quarter combined profit before tax of RM25.4 million. The improved profitability was due to higher interest income earned and lower operational cost incurred in this quarter.

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

For this financial year, the Company achieved another new record with a high revenue of RM931.0 million for the year ended 31 March 2015, an increase of RM31.8 million or 3.5% as compared to the previous year ended 31 March 2014 of RM899.2 million.

The growth in revenue was led by stronger sales in the domestic and export markets for both Home Appliance products and Fan products. Sales of Home Appliances products grew by approximately 3.7% as compared to the previous year. There was higher export of home showers to the neighbouring countries of Thailand, Vietnam and Philippines.

Fan sales grew by approximately 3.6% as compared to the previous year. The improvement in sales was mainly seen in the ceiling fans due to the aggressive promotional activities to increase the market share in the domestic market. Project sales in the Middle East countries coupled with the market expansion to the Latin America region also led to the higher export sales of the ceiling fans.

In line with the higher revenue, the Company's combined profit before tax of RM129.8 million for the year ended 31 March 2015 rose by 23.4% or RM24.6 million; as compared to the combined profit before tax of RM105.2 million in the previous year ended 31 March 2014.

The profit before tax for the Home Appliance products segment of RM72.4 million for the year ended 31 March 2015 was higher by 29.5% or RM16.5 million as compared to the previous year's corresponding period profit before tax of RM55.9 million. The profit before tax for the Fan products and Others segment of RM55.5 million for the year ended 31 March 2015 was higher by 16.6% or RM7.9 million as compared to the previous year ended profit before tax of RM47.6 million.

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

The Company's revenue of RM180.2 million in the current quarter was lower by 28.3% or RM71.0 million over the revenue of RM251.2 million recorded in the preceding quarter.

On the back of the lower revenue, the Company's profit from operations of RM28.3 million for the current quarter decreased by 11.8% or RM3.8 million as compared to profit from operations of RM32.1 million in the preceding quarter. Correspondingly, the Company's combined profit before tax of RM31.8 million in the quarter under review was also lower by 6.2% or RM2.1 million as compared to the combined profit before tax of RM33.9 million in preceding quarter.

Note 15. Prospects and Outlook

The Malaysian economy is expected to remain on a steady growth path as domestic demand will remain the key driver of growth. The Company expects stable recovery and gain sales momentum post GST implementation.

The Company's export revenue for certain appliances may be impacted in the next financial year as a result of stiff competition faced from other European brands in Russia. In addition, lower oil revenue is also likely to impact export sales to the Middle East market.

The Company remains cautiously optimistic and will continue to leverage on its operational efficiency and strengthen its innovation capabilities to reduce overall costs of production. With these measures in place, the Company is committed to deliver satisfactory results for the financial year ending 31st March 2016.

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 31.03.2015 RM'000	Preceding Quarter Ended 31.03.2014 RM'000	Cumulative Year Ended 31.03.2015 RM'000	Cumulative Year Ended 31.03.2014 RM'000
Taxation charge:				
- current financial year	(2,714)	(8,582)	(26,418)	(26,224)
- prior financial year	(324)	(315)	(324)	(315)
	(3,038)	(8,897)	(26,742)	(26,539)
Deferred Tax:				
- current financial year	(5,432)	3,169	(4,076)	2,870
- prior financial year	523	(745)	523	(745)
	(4,909)	2,424	(3,553)	2,125
	(7,947)	(6,473)	(30,295)	(24,414)
Effective income tax rate	25.0%		23.3%	

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 fluctuation in foreign currency exchange rates.

As at 31 March 2015, 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	80,041	0	(4,444)
<u>Less than 1 year</u> - Buy JPY	4,992	118	0
<u>Less than 1 year</u> - Buy SGD	666	15	0
<u>Less than 1 year</u> - Sell Euro	3,735	173	0
		306	(4,444)

Note 20. Material Litigation

There were no material litigations pending on 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 2015 of 60,745,780 shares.

(a) Basic earnings per share

	Year Ended 31.03.2015	Year Ended 31.03.2014
Profit after taxation for the period (RM000)	99,538	80,785
Weighted average number of ordinary shares in issue (000)	60,746	60,746
Basic earnings per share (sen)	164	133

(b) Summary of earnings per share

	Basic (sen)	Diluted (sen)
Quarter 1	38	Not Applicable
Quarter 2	43	Not Applicable
Quarter 3	43	Not Applicable
Quarter 4	40	Not Applicable
Year-to-date	164	Not Applicable

Note 23. Commitments for Capital Expenditure

	As at 31.03.2015 RM'000	As at 31.03.2014 RM'000
Contracted	2,057	2,318
Not contracted	0	357
	2,057	2,675
Analysed as follows: Property, plant and equipment	2,057	2,675

Note 24. Notes to the Condensed Combined Statement of Comprehensive Income

Included in the Total Comprehensive Income for the period are the following:

	4th Quarter ended		Cumulative year ended	
	31.03.2015 RM000	31.03.2014 RM000	31.03.2015 RM000	31.03.2014 RM000
Interest Income	5,196	4,036	19,273	16,269
Interest Expenses	-	N/A	-	N/A
Depreciation & Amortization	6,260	6,636	25,433	27,173
Provision For/Write Off of Receivables	-	-	-	-
Provision For/Write Off of Inventories	-	-	-	-
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	641	1,313	(2,071)	(527)
Gain/(Loss) on Derivatives	1,738	1,628	(4,300)	533

* N/A: Not Applicable to the Combined Entity

By Order of the Board

Leong Oi Wah
Company Secretary
27 May 2015