

Panasonic

Panasonic Manufacturing Malaysia Berhad

Registration No. 196501000304 (6100-K)

(Incorporated in Malaysia)

Condensed Combined Entity Statement of Comprehensive Income for the Financial Year Ended 31 March 2024

	(Unaudited)		(Unaudited)	
	4th Quarter Ended		12 Months Ended	
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Revenue	207,477	195,533	905,685	991,628
Operating expenses	(201,670)	(199,236)	(855,524)	(966,145)
Other operating income	4,338	3,966	22,769	43,130
Other derivative gain/(loss)	(1,025)	(88)	(57)	(179)
Result from operating activities	9,120	175	72,873	68,434
Finance cost	-	-	(1)	(3)
Finance Income	5,389	4,863	20,910	13,605
Share of profit equity-accounted associate, net of tax	5,953	824	12,875	9,302
Profit before taxation	20,462	5,862	106,657	91,338
Taxation	(2,880)	1,489	(14,011)	(11,206)
Profit after taxation for the period	17,582	7,351	92,646	80,132
Earning per share attributable to equity holders:				
Basic (sen)	<u>29</u>	<u>12</u>	<u>153</u>	<u>132</u>

(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 2023)

**Condensed Combined Entity Statement of Comprehensive Income
 for the Financial Year Ended 31 March 2024**

	(Unaudited)		(Unaudited)	
	4th Quarter ended		12 Months ended	
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Profit after taxation for the period	17,582	7,351	92,646	80,132
Other comprehensive income, net of taxation	-	-	-	-
Total Comprehensive income for the period	17,582	7,351	92,646	80,132
Profit after taxation attributable to equity holders of the Company	17,582	7,351	92,646	80,132
Total Comprehensive income attributable to equity holders of the Company	17,582	7,351	92,646	80,132

(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 2023)

Condensed Combined Entity Statement of Financial Position

	(Unaudited)	(Audited)
	As at 31.03.2024 RM'000	As at Preceding Financial Year End 31.03.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	134,987	134,557
Right-of-use assets	5,456	5,577
Intangible assets	420	1,372
Investment in associate	130,865	121,175
Deferred tax assets	1,068	2,676
	272,796	265,357
Current assets		
Inventories	52,133	70,053
Trade and other receivables	89,292	96,456
Current tax assets	-	7,450
Placement of funds with related company	529,177	482,525
Cash and bank balances	1,015	372
Derivative financial assets	-	-
	671,617	656,856
Total assets	944,413	922,213
EQUITY		
Capital and reserves attributed to equity holders		
Share capital	60,746	60,746
Retained earnings	752,716	734,180
Total equity	813,462	794,926
LIABILITIES		
Non-current liabilities		
Provision for liabilities and charges	637	417
Non-current lease payable	-	10
	637	427
Current liabilities		
Trade and other payables	125,120	122,335
Taxation	1,210	-
Lease liabilities	10	40
Provision for liabilities and charges	3,875	4,443
Derivative financial liabilities	99	42
	130,314	126,860
Total liabilities	130,951	127,287
Total equity and liabilities	944,413	922,213
Net assets per share (RM)	13.39	13.09

(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 2023)

**Condensed Combined Entity Statement of Changes in Equity
for the Financial Year Ended 31 March 2024**

	Attributable to equity holders		
	Share Capital	Retained Earnings	Total Equity
	RM'000	RM'000	RM'000
<u>Financial Year Ended 31 March 2023</u>			
At 1 April 2022	60,746	704,467	765,213
Total comprehensive income for the period	-	80,132	80,132
Dividends:			
- Final dividend for the financial year ended 31 Mar 2022		(41,307)	(41,307)
- Interim dividend for the financial year ended 31 March 2023	-	(9,112)	(9,112)
At 31 March 2023	60,746	734,180	794,926
<u>Financial Year Ended 31 March 2024</u>			
At 1 April 2023	60,746	734,180	794,926
Total comprehensive income for the period	-	92,646	92,646
Dividends:			
- Final dividend for the financial year ended 31 Mar 2023		(64,998)	(64,998)
- Interim dividend for the financial year ended 31 March 2024		(9,112)	(9,112)
At 31 March 2024	60,746	752,716	813,462

(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 2023)

**Condensed Combined Entity Cash Flow Statement
For the Financial Year Ended 31 March 2024**

	(Unaudited)	
	Year ended 31.03.2024 RM'000	Year ended 31.03.2023 RM'000
Profit after taxation	92,646	80,132
Adjustments for:		
Non cash flow items	24,645	32,485
Share of profit equity-accounted associate, net of tax	(12,875)	(9,302)
Operating profit before working capital changes	104,416	103,315
Changes in working capital		
Net decrease in current assets	24,041	26,195
Net increase/(decrease) in current liabilities	3,109	(23,440)
Cash generated from operations	131,566	106,070
Other operating activities	(9,892)	(16,282)
Net cash flow from operating activities	121,674	89,788
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(24,602)	(16,982)
Purchase of intangible asset	(116)	(265)
Proceeds from disposal of property, plant and equipment	394	1,382
Interest received	20,910	13,605
Dividend received (net)	3,185	3,185
Net cash flow from Investing activities	(229)	925
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(74,110)	(50,419)
Repayment of lease liabilities	(40)	(62)
Net cash flow from financing activities	(74,150)	(50,481)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	47,295	40,232
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD	482,897	442,665
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD	530,192	482,897
<u>Cash and cash equivalents comprise:</u>		
Placement of funds with related company	529,177	482,525
Cash and bank balances	1,015	372
	<u>530,192</u>	<u>482,897</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 2023)

Panasonic

Panasonic Manufacturing Malaysia Berhad
Registration No. 196501000304 (6100-K)
(Incorporated in Malaysia)

Notes to the Interim Financial Statements for Financial Year Ended 31 March 2024

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 2023.

The audited financial statements of the Company for the year ended 31 March 2023 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 2023.

Note 2. Disclosure of Audit Report Qualification

The audit report of the Company’s annual financial statements for the financial year ended 31 March 2023 was not qualified.

Note 3. 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 markets.

Note 4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

Note 5. 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 6. 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 7. Dividends Declared / Paid

The amount of dividend on ordinary shares paid by the Company since 31 March 2023 were as follows:

<u>Final Dividend paid</u>	RM'000
Final dividend (107 sen per ordinary share)	64,998
 <u>Interim Dividend paid</u>	
Interim dividend (15 sen per ordinary share)	9,112
Total	<u><u>74,110</u></u>

Note 8. Segmental Reporting

Analysis of the Company's segment information is as follows:

	Revenue for the 12 Months ended		Profit before tax for the 12 Months ended	
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Living Appliances and Solutions Company ("LASC") products	194,531	249,152	24,713	22,174
Heating & Ventilation A/C Company ("HVAC") products	707,343	741,538	47,385	52,609
Total	901,874	990,690	72,098	74,783
Other unallocated revenue and income	3,811	938	21,684	7,253
Share of profit from equity-accounted associate, net of tax	-	-	12,875	9,302
Total	905,685	991,628	106,657	91,338

Revenue information based on geographical location is as follows:

	Revenue for the 12 Months ended	
	31.03.2024 RM'000	31.03.2023 RM'000
Malaysia	346,402	336,107
Japan	16,824	18,436
Asia (excluding Malaysia and Japan)	285,426	353,854
Europe	2,855	6,288
Middle East	222,503	249,796
Others	31,675	27,147
Total	905,685	991,628

Note 9. Valuation of Property, Plant and Equipment

There was no valuation of property, plant, and equipment for the period under review.

Note 10. Significant Post Balance Sheet Events

In the interval between 31 March 2024 and the date of this announcement, there has not been 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 quarter ended 31 March 2024 in respect of which this announcement is made.

Note 11. Contingent Liabilities

There were no contingent liabilities since the last financial year ended 31 March 2023.

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

Note 12. Review of Performance

(a) 4th Quarter This Year vs 4th Quarter Previous Year

	4th Quarter Ended		Change	12 Months Ended		Change
	31.03.2024 RM'000	31.03.2023 RM'000	%	31.03.2024 RM'000	31.03.2023 RM'000	%
Revenue	207,477	195,533	+6.1%	905,685	991,628	(8.7%)
Profit before taxation	20,462	5,862	+249.1%	106,657	91,338	+16.8%

The Company's revenue of RM207.5 million for the current quarter ended 31 March 2024 was higher by 6.1% or RM12.0 million as compared with the revenue of RM195.5 million registered in the previous year's corresponding quarter.

The higher revenue in current quarter was attributed to:

- a) higher export sales for Fan products, mainly in:
 - i. Middle East market in conjunction with Ramadan festive season sales;
 - ii. Latin America market as dealers replenish their depleted market inventory;
 - iii. Asean countries particularly Singapore market as a result of the warmer weather due to climate change phenomenon;
- b) and increase in export sales seen in Vacuum Cleaner products for the Middle East market following higher market demand.

In line with the higher revenue, the Company recorded a combined profit before tax of RM20.5 million for the current quarter under review, which was significantly higher by 249% or RM14.6 million as compared to the profit before tax of RM5.9 million in the previous year's corresponding quarter. Profit improvement was mainly attributable to higher revenue achieved, lower material costs incurred and higher share of profit from the associated company.

Review by Segment

Living Appliances and Solutions Company (LASC)

Revenue for the LASC products segment decreased marginally by approximately 0.7% as compared to previous year's corresponding quarter. The reduction was mainly attributed to the discontinuance of the Kitchen Appliances business but cushioned to a certain extent, by higher export sales in Vacuum Cleaner to the Middle East markets.

Correspondingly, the LASC products segment recorded a profit before tax of RM5.2 million for the current quarter under review; which was higher by RM5.5 million as compared with the loss before tax of RM0.3 million registered in the previous year's corresponding quarter.

The higher profitability was mainly attributed to higher sales achievement of the Vacuum Cleaner products. In the previous year's corresponding quarter, the profitability had been impacted by the restructuring costs for the termination of the Kitchen Appliances products.

Heating & Ventilation A/C Company (HVAC)

Revenue for the HVAC products segment grew by approximately 8% as compared to previous year's corresponding quarter, mainly attributed to higher export sales of Fan products mainly in Middle East, Latin America and Singapore markets.

With the improved revenue, the HVAC products segment recorded profit before tax of RM9.1 million, which was higher by RM6.5million as compared to the profit before tax of RM2.6 million registered in the previous year's corresponding quarter. The higher revenue achieved and lower material cost incurred during the quarter under review contributed to the profit improvement.

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

The Company's revenue of RM905.7 million for the financial year ended 31 March 2024 was lower by RM85.9 million or 8.7% as compared to the previous year's revenue of RM991.6 million.

The lower revenue recorded in the current financial year was mainly attributed to:

- a) discontinuance of the kitchen appliances business since the end of the last financial year; and
- b) lower export sales were seen in Fan products, mainly in the Vietnam market as demand slowed down in this country.

This was mitigated, to a certain extent, by an increase in export sales for Vacuum Cleaner products especially in the Middle East market following higher market demand and higher domestic sales achieved for Fan products due to the intensified promotional activities held during year end and festive seasons, coupled with increased demand arising from the prolonged warmer weather in the country.

Despite the lower revenue recorded, the Company achieved a commendable combined profit before tax of RM106.7 million for the financial year ended 31 March 2024, representing an increase of RM15.4 million or 16.9% as compared to the profit before tax of RM91.3 million in the previous year.

Included in the previous year's combined profit before tax was an insurance claim received for the flood incident amounting to RM22.3 million recognized as other operating income and if excluded, the profit before tax for current financial year under review would be an improvement of approximately 55% compared to last year.

The improvement in profitability was attributable mainly due to: -

- a) Generally lower material costs as compared to the preceding year's corresponding period with stabilization of major raw material prices ; and
- b) Higher interest income of RM7.3 million following recent interest rate hikes.

There was also a higher share of profit from the associate company amounting to RM12.9 million recorded in the current year as compared to RM9.3 million in the preceding year. Despite achieving lower sales, profitability of the associate was contributed by lower marketing costs and other operational expenditures incurred during the year.

LASC product segment's profit before tax of RM24.7 million for the financial year ended 31 March 2024 was higher by RM2.5 million as compared to the previous year's profit before tax of RM22.2 million. The higher profitability was mainly contributed from higher sales achievement of the Vacuum Cleaner products and favorable foreign exchange. Previous year's profitability included restructuring costs incurred for kitchen appliances products which was mitigated partially by claims received in relation to the losses incurred.

HVAC product segment recorded lower profit before tax of RM47.4 million for the financial year ended 31 March 2024 as compared to the profit before tax in the previous year of RM52.6 million, which was lower by 10% or RM5.2 million. Without taking into consideration the insurance claim received in the previous year, profit from operations for this segment was higher by approximately 49%, mainly due to lower material costs and increase in selling price for certain fan products.

Note 13. Material Changes in Quarterly Results Compared to Preceding Quarter

	Current	Preceding	Difference	
	4th Quarter 31.03.2024 RM'000	3rd Quarter 31.12.2023 RM'000	RM'000	%
Revenue	207,477	233,547	(26,070)	(11.2%)
Operating expenses	(201,670)	(218,659)	+16,989	+7.8%
Other operating income	4,338	1,586	+2,752	+173.5%
Others:				
- Fair value (loss)/gain on derivative financial instruments	(1,025)	1,690	(2,715)	(160.7%)
Results from operating activities	9,120	18,164	(9,044)	(49.8%)
Finance cost	-	-	-	-
Finance income	5,389	5,228	+161	+3.1%
Share of results of associated company (net of tax)	5,953	(338)	+6,291	+1,861.2%
Profit before taxation	20,462	23,054	(2,592)	(11.2%)

The Company's revenue of RM207.5 million in the current quarter was lower by 11.1% or RM26.0 million as compared to a revenue of RM233.5 million recorded in the preceding quarter. The decrease was mainly due to lower sales from Home Shower products which was seasonally higher in the preceding quarter.

The Company recorded a combined profit before taxation of RM20.5 million for the current quarter ended 31 March 2024, representing a decrease of RM2.6 million or 11.3% as compared to the preceding quarter's profit before taxation of RM23.1 million. The lower profitability was mainly due to lower revenue achieved, partially mitigated by higher share of profit from the associate.

Note 14. Prospects and Outlook

The Malaysian economy continued to grow by 4.2% in the first quarter of 2024 as reported in the Bank Negara Malaysia (BNM) Quarterly Report (4Q 2023: 2.9%). The growth was mainly driven by stronger private consumption, improvement in net exports, higher tourism spending and stronger investment activities.

Global economy is expected to remain sustained in 2024, supported by moderate global inflation, resilient labor markets and a rebound in global trade. However, the growth outlook faces downside risks from geopolitical tensions, higher-than-expected inflation, and a sharp tightening in financial market conditions.

In view of the above, for the financial year ending 31st March 2025, the business environment is likely to remain volatile. Nevertheless, the Company will continue to intensify its efforts to produce new products (water related businesses) and expand its current products line-up in order to maintain its business competitiveness. The Company has made further progress in the utilization of technology in its manufacturing facilities to improve productivity and increase efficiency whilst continuing to implement cost reduction measures to reduce overall costs of production and to improve profitability.

With these measures in place, the Company will strive to meet these challenges ahead with agility and resilience.

Note 15. 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 16. Taxation

	Current Quarter Ended 31.03.2024 RM'000	Preceding Year's Quarter Ended 31.03.2023 RM'000	12 Months ended 31.03.2024 RM'000	12 Months ended 31.03.2023 RM'000
Taxation over provision /(charge):				
- current financial year	(757)	2,243	(12,561)	(5,029)
- prior financial year	158	1,902	158	1,902
Deferred Tax expense:				
- origination and reversal of temporary differences	(2,468)	(3,387)	(1,795)	(8,810)
- over/(under) provision of deferred tax benefit in prior year	187	731	187	731
	(2,880)	1,489	(14,011)	(11,206)
Effective income tax rate	14.1	(25.4%)	13.1%	12.3%

The Company's effective income tax rate was lower than the statutory tax rate of 24% mainly due to certain tax incentives enjoyed for promotion of export, double deduction from R&D expenses and coupled with the special reinvestment allowances (RA).

Note 17. Corporate Proposals

There were no corporate proposals announced but not completed as at the date of the issuance of this interim financial report.

Note 18. 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.

In general, the Company's policy is to enter into foreign currency forward contracts to mitigate foreign exchange risk of highly probable forecasted transactions, such as anticipated future export sales, purchases of equipment and raw materials, as well as payment on services and other related expenditure. There is no change to the Company's policy in managing these derivatives since the previous financial year.

As at 31 March 2024, 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	14,164	-	(98)
<u>Less than 1 year</u> - Buy JPY	-	-	-
<u>Less than 1 year</u> - Buy SGD	14	-	(1)
<u>Less than 1 year</u> - Sell Euro	-	-	-
		-	(99)

Note 19. Material Litigation

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

Note 20. Dividends

- a) In respect of the financial year ended 31 March 2024, the Board has proposed for shareholders' approval at the forthcoming Annual General Meeting, a final dividend of 121 sen per ordinary share for the financial year ended 31 March 2024 payable on 20 September 2024 to the shareholders registered in the Record of Depositors on the entitlement date of 6 September 2024.
- b) The final dividend for the previous financial year ended 31 March 2023 amounted to 107 sen per ordinary share was paid on 22 September 2023.

- c) Total dividends for the current financial year ended 31 March 2024 are:
- (i) Interim dividend of 15 sen per ordinary share paid on 19 January 2024
 - (ii) Proposed Final dividend of 121 sen per ordinary share.

Note 21. 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 2024 of 60,745,780 shares.

- (a) Basic earnings per share

	12 Months ended 31.03.2024	12 Months ended 31.03.2023
Profit after taxation for the period (RM'000)	92,646	80,132
Weighted average number of ordinary shares in issue (RM'000)	60,746	60,746
Basic earnings per share (sen)	153	132

- (b) Summary of earnings per share

	Basic (sen)	Diluted (sen)
Quarter 1	34	Not Applicable
Quarter 2	54	Not Applicable
Quarter 3	36	Not Applicable
Quarter 4	29	Not Applicable
Year-to-date	153	Not Applicable

Note 22. Commitments for Capital Expenditure

Analyzed as follows: Property, plant and equipment	As at 31.03.2024 RM'000	As at 31.03.2023 RM'000
Contracted	5,919	11,669
Not contracted	-	297
Total	5,919	11,966

Note 23. Notes to the Condensed Combined Statement of Comprehensive Income

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

	4th Quarter ended		12 Months ended	
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Interest Income	5,389	4,863	20,910	13,605
Interest Expenses	-	-	-	-
Depreciation & Amortization	6,269	6,600	25,271	27,832
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 Loss of Assets	N/A	N/A	N/A	N/A
Gain/(Loss) on Foreign Exchange	2,899	(47)	4,924	(1,068)
(Loss)/Gain on Derivatives	(1,025)	(88)	(57)	(179)

* N/A: Not Applicable to the Combined Entity

By Order of the Board

Leong Oi Wah
 Company Secretary
 30 May 2024