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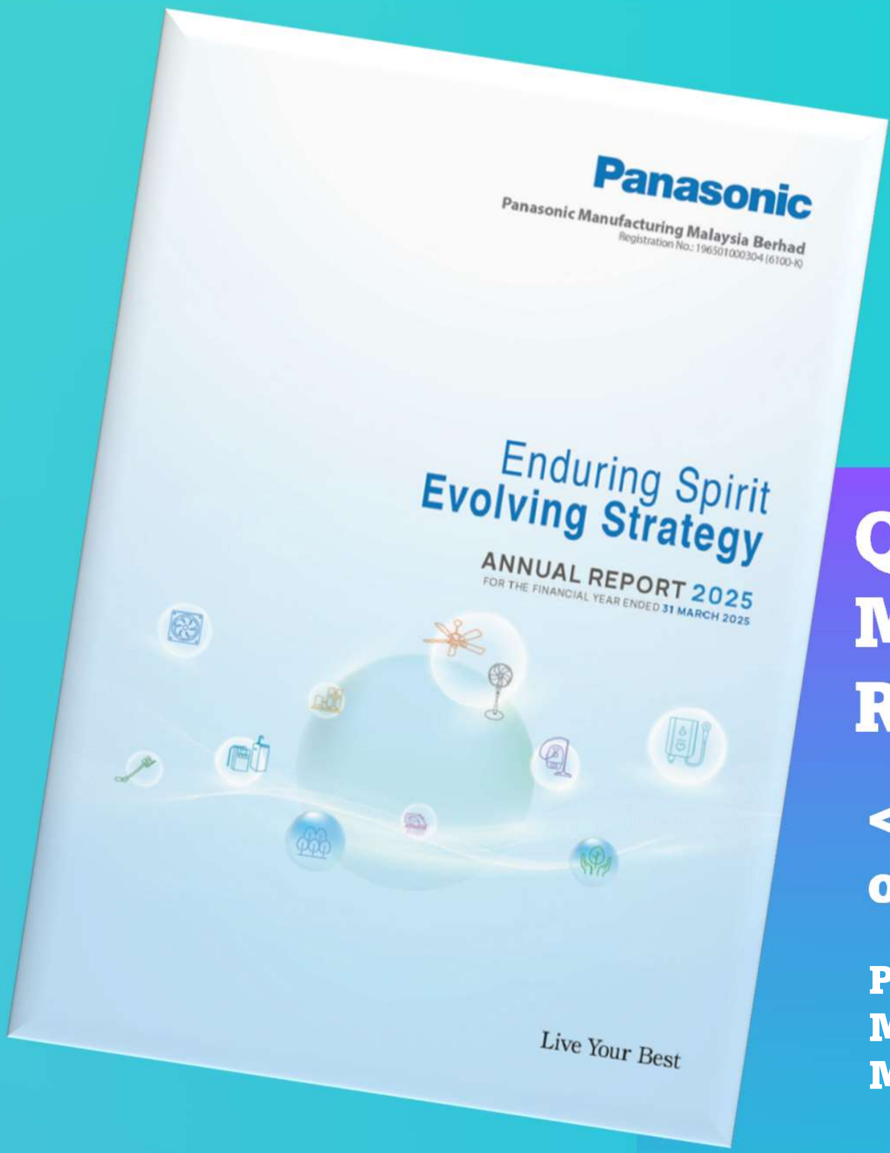

Questions raised by MSWG and Management's Response

<Questions addressed in order of presenter>

Presented by:-
Ms. Siew Pui Leng
Ms. Kwan Wai Yue

Agenda

- OPERATIONAL & FINANCIAL MATTERS
- CORPORATE GOVERNANCE MATTERS

OPERATIONAL & FINANCIAL MATTERS

PMMA - Siew

Question 1
PMMA reported revenue of RM822.8 million for the financial year ended 31 March 2025 (FYE 2025), representing a 9.2% decrease compared to the previous year. Profit before tax (PBT) also declined by 51% to RM51.9 million, primarily influenced by weaker export sales, particularly in the Middle East, and lower domestic and ASEAN demand for key products (Page 7 of the Annual Report (AR) 2025).

a) Considering the sharp decline in PBT and revenue, and given the Company's nearly six decades of experience in delivering reliable, functional, and efficient products that support everyday living (Page 2 of AR 2025), will the strategic realignment initiatives (Page 8) and the three-pillar strategic priorities framework (Page 12) deliver improvements in financial performance and reverse these declines in the short term, specifically in FYE 2026, or will it take a few years before tangible results are seen?
b) The Middle East continues to represent a key export market of PMMA, accounting for 21.6% of total sales (Page 3 of AR 2025). PMMA recorded a weaker export performance in this region in FYE 2025. What is the outlook for the Middle East market in FYE 2026, and what strategies will PMMA employ to recover the lost export sales of vacuum cleaner products due to subdued demand (Page 13 of AR 2025)?

Answer 1 :

a) On Financial Performance & Recovery (Q1):
FYE2025 was a challenging year, but our recovery plan is already in motion. Our strategic realignment focuses on three pillars: strengthening our core products, improving cost efficiency through automation, and forming smart partnerships.
However, the strategic realignment initiatives takes time to be rolled out; and therefore, we expect to see signs of improvement by Building sustainable, long-term growth will continue to be our focus over the next two to three years.

b) On the Middle East Market (Q1):
The Middle East remains a key focus. To revive sales, we are introducing new products designed for the region, such as tank-type vacuum cleaners. At the same time, to offset the decline in sales from this market, we are strengthening distributor relationships, enhancing cost competitiveness through partnerships, and expanding the sales of these products in other sales channel and regions.

OPERATIONAL & FINANCIAL MATTERS

Panasonic

PMMA - Siew

Question 2

In Malaysia, the home appliances sector remained fiercely competitive. PMMA, like many established players, faced an influx of lower-cost imports, particularly from China, which drove price competition and market fragmentation (Page 11 of AR 2025).

How does PMMA intend to address this with an action plan to combat aggressive pricing through lower-cost imports by players from China?

Answer 2

The Malaysian home appliances sector remains highly competitive, with increasing inflows of lower-cost imports from China.
PMMA's approach is not to engage in pure price competition, but instead to combine cost efficiency with product differentiation.
Our action plan includes:

Differentiation through Technology: Leveraging Panasonic's strengths in areas like nanoe, water purification, and energy-saving DC motor technology to offer value-added features that imports typically cannot match.
Cost Optimization: Driving automation and IoT in manufacturing to reduce labor dependency and improve productivity, ensuring our products remain competitively priced.
Partnerships & Sourcing: Selectively collaborating with suppliers, including from China, to optimize our supply chain and expand product offerings without compromising quality.

Brand Trust: Reinforcing Panasonic's reputation for reliability, safety, and after-sales service — areas where lower-cost imports often fall short.
By combining innovation, efficiency, and trust, PMMA is confident of sustaining its competitive edge despite aggressive market pricing.

OPERATIONAL & FINANCIAL MATTERS

Panasonic

PMMA - Kwan

Question 3

PMMA's other operating expenses increased 181% or RM9.1 million from RM5.1 million in FYE 2024 to RM14.2 million in FYE 2025 (Page 86 of AR 2025).

Can the Company provide a detailed breakdown of this RM9.1 million increase, and please explain why this type of expense saw a significant rise in FYE 2025?

Answer 3

The increase is mainly attributed to foreign exchange losses incurred during the year amounting to RM 9.9 million in FYE 2025. During FYE 2024, forex gain amounting to RM 4.9 million is accounted for under Other Operating Income.

OPERATIONAL & FINANCIAL MATTERS

PMMA - Kwan

Question 4

Dividend & Capital Allocation

PMMA has maintained an uninterrupted dividend payout since 1969 (Page 130 of AR 2025).

With dividends cut from 136 sen per share in FYE 2024 to 62 sen per share in FYE 2025 despite maintaining RM475.1 million in cash (Pages 48 & 85 of AR 2025) and considering the absence of a formal dividend policy, what framework will the Board adopt going forward, and how will capital be allocated between growth investments, dividends, and maintaining financial flexibility?

Answer 4

Even though the Company does not adopt a formal dividend policy,; however, for the past 7 years since 2018; the Company has been steadily paying dividends based on 100% of the Company's Profit After Taxation.

Moving forward, the practise will remain the same; as funds will be required for development of new businesses / products and investments in automation for operational efficiency.

PMMA - Kwan

Question 5

Resolution 4 is seeking shareholders' approval for the payment of Directors' fees and meeting attendance allowance not exceeding RM750,000 in respect of the financial year ending 31 March 2026 (Page 131 of AR 2025).

a) Could the Company provide a detailed breakdown distinguishing between directors' fees and meeting attendance allowances within this RM750,000?

b) Would the Company consider adopting separate resolutions for directors' fees and meeting attendance allowances in future AGMs, as this practice can enhance transparency and allow shareholders more granular voting decisions?

Answer 5

a) The directors' fees and meeting attendance allowance payable to the Independent Directors for the new financial year will be the same as paid in the financial year ended 31 March 2025. The Board had proposed that the fees remain unchanged from the previous year, taking into consideration the decline in the company's financial performance. The quantum sought from the shareholders this year is higher than the previous year to allow for the flexibility of paying additional allowances, if warranted.

b) As the fees and benefits are payable only to the Independent Directors, the Company views that the current practice of a single resolution will not affect the voting decision. Nonetheless, the Company appreciates MSWG's call for transparency and will in future notice of meetings seeking shareholders' approval for such payment, provide a detailed breakdown of the fees and meeting allowances.

Thank you !

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