

Panasonic

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

REDEFINING A SUSTAINABLE FUTURE

ANNUAL REPORT 2024
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024



Live Your Best

59th

ANNUAL GENERAL MEETING



Wednesday, 28 August 2024
10.00 a.m.



Refer to pages 131 to 134
for Annual General Meeting
Information



Meeting Platform:
<https://meeting.boardroomlimited.my/>

Meeting Venue:
Panasonic Manufacturing Malaysia Berhad

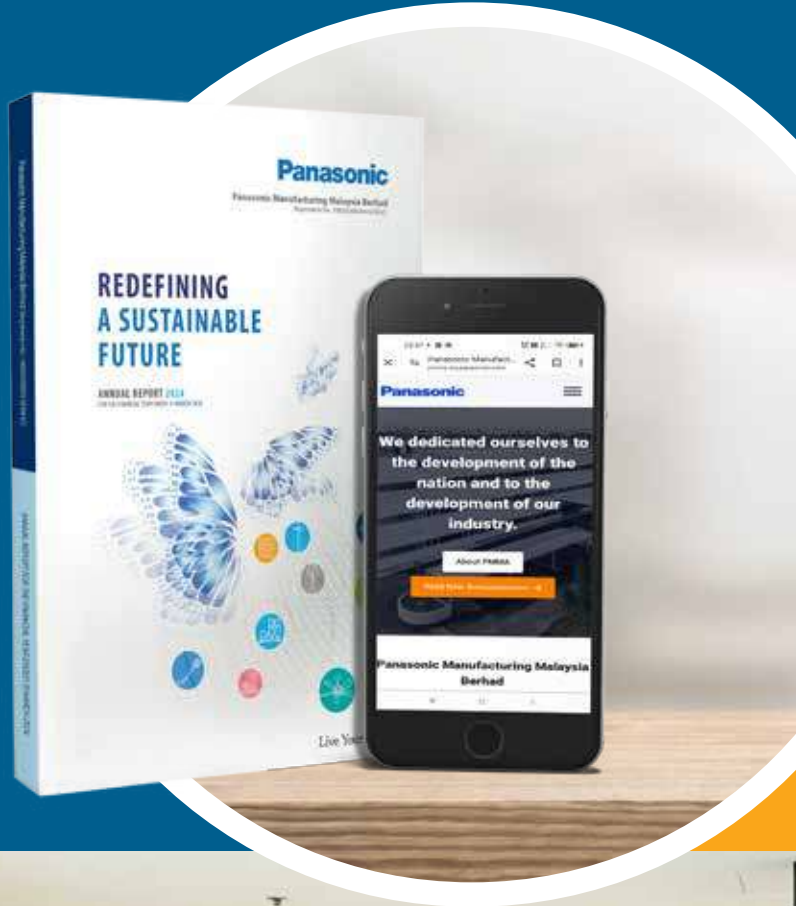
REDEFINING A SUSTAINABLE FUTURE

This ambitious theme presents a series of soaring water butterflies thriving from all angles, propelled to advance by the ripples of Panasonic's appliances. The butterflies' resulting afterimages represent accelerated growth and steady improvements in value delivery throughout the year in tandem with the expanding range of Panasonic appliances.



SCAN HERE

The soft copy of Panasonic Manufacturing Malaysia Berhad Annual Report 2024 is available on our website.



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Azman Bin Mahmud
(Chairman)

Takashi Sugihara
(Managing Director)

Tan Sri Hasmah Binti Abdullah

Dato' Kaziah Binti Abd Kadir

Raja Anuar Bin Raja Abu Hassan

Siew Pui Ling

Kwan Wai Yue

Shinichi Hayashi

Keisuke Nishida

AUDIT COMMITTEE

Raja Anuar Bin Raja Abu Hassan
(Chairman)
(Independent Non-Executive Director)

Tan Sri Hasmah Binti Abdullah
(Independent Non-Executive Director)

Dato' Kaziah Binti Abd Kadir
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

Tan Sri Hasmah Binti Abdullah
(Chairman)
(Independent Non-Executive Director)

Dato' Kaziah Binti Abd Kadir
(Independent Non-Executive Director)

Raja Anuar Bin Raja Abu Hassan
(Independent Non-Executive Director)

NOMINATION COMMITTEE

Dato' Kaziah Binti Abd Kadir
(Chairman)
(Independent Non-Executive Director)

Tan Sri Hasmah Binti Abdullah
(Independent Non-Executive Director)

Raja Anuar Bin Raja Abu Hassan
(Independent Non-Executive Director)



COMPANY SECRETARY

Leong Oi Wah
(MAICSA 7023802)

SOLICITORS

Shearn Delamore & Co
T. Thavalingam & Co
Chooi & Company

REGISTRAR

Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-7890 4700
Fax : +603-7890 4670
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PRINCIPAL BANKERS

MUFG Bank (Malaysia) Berhad
Malayan Banking Berhad

AUDITORS

KPMG PLT

REGISTERED OFFICE

No. 3, Jalan Sesiku 15/2
Section 15
Shah Alam Industrial Site
40200 Shah Alam
Selangor Darul Ehsan
Tel : +603-5891 5000
Fax : +603-5891 5101
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STOCK EXCHANGE

Main Market of Bursa Malaysia Securities Berhad

Sector : Consumer Products & Services
Sub-sector : Household Goods
Stock Code : PANAMY 3719



Dear Valued Shareholders,
On behalf of the Board of Directors of Panasonic Manufacturing Malaysia Berhad ("PMMA"),
I am pleased to present the Annual Report and Financial Statements of PMMA for the Financial Year Ended 31 March 2024 ("FYE 2024").

DATO' AZMAN BIN MAHMUD

Chairman,
Independent Non-Executive Director

CHAIRMAN'S STATEMENT



Total Profit Before Tax

RM106.7
million



Cash & Cash Equivalents

RM530.2
million



Total Revenue

RM905.7
million





The Board is pleased to propose a final dividend of 121 sen per ordinary share, representing a 14 sen increase compared to the final dividend of 107 sen paid in the preceding financial year.

While the global landscape for the year under review continues to be characterized by geopolitical and economic uncertainties, there have been positive signs of recovery and a return to normalcy in Malaysia. The home appliances market showed resilience and adaptation, shaped by technological advances and evolving consumer preferences.

In the face of these challenges, PMMA has mirrored this resilience and adaptability. Rather than dwelling on the various challenges the company faced, I would like to draw your attention instead to how PMMA dealt with these challenges in this FYE 2024 Annual Report. We navigated these headwinds with agility, flexibility, and disciplined execution in implementing our business strategies.

FINANCIAL REVIEW AND STRATEGIC RESPONSE

Resilient Financial Performance

PMMA demonstrated its tenacity and resourcefulness in capitalising on market opportunities and achieved a commendable higher combined profit before tax of RM106.7 million for the year under review. This was an increase of RM15.4 million or 16.9% compared to the preceding financial year. This improvement in profitability stemmed from lower material costs and a higher interest income of RM7.3 million following interest rate hikes.

This achievement is especially noteworthy considering the revenue for the year under review was lower by 8.7% to RM905.7 million, compared to the previous year. This was mainly due to the discontinuance of the Kitchen Appliances business and lower export sales for Fan products, especially in the Vietnam market. However, these losses were partially offset by increased Vacuum Cleaner exports in the Middle East and higher domestic Fan sales due to intensified promotions and the prolonged warmer weather conditions.

It is worth highlighting that the previous financial year's profit before tax included a one-time insurance claim of RM22.3 million related to the 2021 flood incident, which was recognized as other operating income. On a normalized basis, if excluding this non-recurring gain, the profit before tax for FYE 2024 demonstrates a commendable improvement of approximately 55% compared to the preceding fiscal year, and provides a more accurate representation of our underlying financial performance and the sustained strength of our core business activities.

Prudent Capital Management

As of 31 March 2024, PMMA's cash and cash equivalents stood at RM530.2 million, up from RM482.9 million at the close of the previous financial year. This increase is a reflection of the company's prudent financial management. PMMA is committed to maintaining a robust capital structure that provides the flexibility and resilience necessary to fund capital investments from internally generated funds, sustain stable dividend payouts to shareholders, and pursue new investments.

Stable Dividends

Given PMMA's notable performance for the FYE 2024, the Board is pleased to propose a final dividend of 121 sen per ordinary share, representing a 14 sen increase compared to the final dividend of 107 sen paid in the preceding financial year. Coupled with the interim single-tier dividend of 15 sen per ordinary share, the total gross dividend for FYE 2024 will be 136 sen per ordinary share, compared to 122 sen in FYE 2023.



CHAIRMAN'S STATEMENT

(CONT'D)



BUSINESS STRATEGY AND DEVELOPMENT

Realignment of Portfolio for Growth

PMMA's strategic focus on realigning its portfolio for sustainable growth has led to the streamlining of certain business lines and the expansion of our core products range to better cater to local market needs and preferences. This realignment for growth also optimizes the Group's overall operational efficiency.

Building on this realignment, we have strategically broadened our product development focus in response to the discontinuation of the Rice Cooker business in FYE 2022 and the subsequent termination of the Small Kitchen Appliances products in FYE 2023. This focus includes exploring innovative solutions to cater to evolving consumer needs within our core products, and also expanding into the promising water solutions market in recognition of the increasing demand for advanced water-related products.

This strategic approach has yielded positive results, with the successful launch of several innovative products in FYE 2024. These include our first cordless stick Vacuum Cleaner in targeted markets in Asia, a brand new 3-blade remote control Ceiling Fan in Malaysia, the first Reverse Osmosis Water Purifier ("ROWP") in Vietnam, Water Purification System ("WPS") in Indonesia, a new manual Water Bidet in Malaysia, and a new series of Instant Home Showers across Asia.

PMMA recently renovated its showroom, which showcases the company's commitment to innovation and customer-centricity and features an array of its bestselling products, as well as the latest advancements in our water solutions business with the WPS and the ROWP system.

This strategic approach has yielded positive results, with the successful launch of several innovative products in FYE 2024.

In line with PMMA's diversification into the water solutions business, PMMA has strengthened its partnership with Capital Distributors (S) Pte. Ltd. to launch the first KDK-branded Home Shower in the Singapore market. At the opening of our revamped showroom, senior executives from Capital Distributor (S) Pte. Ltd., which distributes KDK products in the Singapore market, signed a manufacturing agreement between the two companies.

STRENGTHENING GOVERNANCE

PMMA prioritizes ethical and transparent governance practices. We are committed to maintaining robust risk management frameworks and upholding the highest standards of integrity across our operations.

We believe that a diverse workforce, including representation at the Board level, fosters innovation and drives sustainable growth. While we have not set a formal target for female representation, we are proud that women currently hold 44% of our board seats, exceeding the 30% recommendation outlined in the revised Malaysian Code of Corporate Governance (MCCG) 2021.

CHAIRMAN'S STATEMENT

(CONT'D)

ADVANCING SUSTAINABILITY

Sustainability has always been an integral part of Panasonic Group's ethos. The Board of Directors ("Board") is committed to responsible manufacturing practices, emphasising sustainability and good corporate governance.

In response to the dynamic business environment, the Board prioritizes and drives the sustainability agenda across the company. Our firm commitment to sustainability not only supports business growth but also fosters long-term value creation for our stakeholders.

Sustainability Through Green Impact

We recognize the escalating impact of extreme climate events and are committed to playing our part in addressing this global challenge. In alignment with the Panasonic Group's long-term environmental vision, "Panasonic GREEN IMPACT", we have been implementing initiatives to reduce carbon emissions since 2019. Notably, we have completed the installation of solar panels at both our manufacturing plants in Shah Alam, and are continuing to explore and implement energy-saving measures. To further our efforts, we have recently initiated a visual energy system to monitor consumption patterns and identify areas for improvement.

Our efforts towards sustainability also include developing innovative products that promote energy efficiency and resource conservation, while minimizing environmental impact across product lifecycle. We continue to collaborate with Panasonic Appliances R & D Centre Asia Pacific Sdn. Bhd. to develop new technology and expertise in sustainable engineering. Through this partnership, innovative solutions are being developed, which will not only meet the needs of today's discerning customers but also further strengthen their trust and confidence in PMMA's approach to sustainability.

We are committed to accelerating our efforts towards achieving Net Zero CO₂ emissions and are working on our framework and plans.

Sustainability with Digital Transformation

Digital transformation efforts are key to our sustainability aspirations. By optimizing production processes, we are enhancing both efficiency and environmental responsibility. We continue to integrate Industrial Internet of Things ("IIoT"), Robotics Process Automation and Smart Robotics into our operations, which will significantly strengthen our business efficiency and competitiveness.

As of FYE 2024, we expanded IIoT technology across 94% of the assembly lines, following on from a successful Phase 1 implementation in FYE 2023. Our Production Engineering Department has digitalized 40% of essential tasks for machinery preventive maintenance and is targeting 70% by the next fiscal year. PMMA plans to continue to further invest into Industry 4.0 technologies to drive its digital transformation efforts.

I am proud of the progress we have made in integrating innovation and digitalisation into our sustainability strategy, and I extend my gratitude to our stakeholders for their continued support on this vital sustainability journey. For a more comprehensive overview of our many sustainability initiatives, please refer to the "Sustainability Report" section on pages 20 to 42.



NOTE OF APPRECIATION

PMMA's positive growth trajectory and sound fundamentals are a testament to the collective and untiring efforts, support, commitment and contribution of our key stakeholders. I am deeply grateful to the Board for their support and counsel. The Board joins me in extending our sincere appreciation to our employees, shareholders, business partners, suppliers, financiers and, of course, the communities in which we operate. Thank you for continuing to be an essential part of our success.

Dato' Azman Bin Mahmud
Chairman



Dear Shareholders,
I am pleased to present the Management Discussion and Analysis (“MD&A”) of Panasonic Manufacturing Malaysia Berhad (“PMMA”) for the Financial Year Ended 31 March 2024 (“FYE 2024”). This MD&A provides insight into PMMA’s operations, financial performance and future outlook.

TAKASHI SUGIHARA
Managing Director



NAVIGATING A DYNAMIC LANDSCAPE

Despite the complex business environment in FYE 2024, shaped by geopolitical tensions and slower global growth, PMMA remained focused on its “re-growth” strategy. This entailed developing new products, expanding our model line-up and broadening the market reach of our existing products. We also directed investments in product development to ensure new businesses were nurtured to achieve steady growth.

We remain vigilant in monitoring market dynamics and are committed to promptly addressing any issues to ensure PMMA’s continued growth and success.

MANAGEMENT DISCUSSION AND ANALYSIS





BUSINESS STRUCTURE

PMMA is an electrical home appliances manufacturer with two factories, located at Section 15 ("SA1 Plant") and Section 23 ("SA2 Plant"), in Shah Alam, Selangor. We operate under two business segments, which are the Living Appliances & Solution Company ("LASC") and the Heating & Ventilation A/C Company ("HVAC"), both of which are part of Panasonic Holdings Corporation's ("PHD") Lifestyle Update Business.

Our product portfolio within the LASC segment includes Vacuum Cleaners, Irons, Bidets, and Reverse Osmosis Water Purifier ("ROWP"). The HVAC segment comprises Electric Fans, Ceiling Fans, Ventilating Fans, Dish Dryers, Water Purification Systems (Point of Entry) and Home Showers.

Geographically, our sales are diversified across various markets in Asia. Sales to the ASEAN region, including Thailand (4%), Vietnam (14%), Singapore (7%) and other neighboring countries, represent approximately 29% of PMMA's total revenue. Domestic sales contribute approximately 38% of the total sales, while exports to the Middle East region contribute approximately 25% of the total revenue. The remaining sales come from other countries, including Japan.



BUSINESS STRATEGY

Strategic Product Development

PMMA's business strategy is centered on expanding our market position in the electrical goods industry, both in domestic and international export markets. We are leveraging our core strengths in in-house research and development (R&D), die and mold production, and parts manufacturing. Our goal is to achieve steady growth and secure profit by delivering exceptional value to our customers. This includes adapting products to cater to the unique preferences and needs of each local market in residential spaces, as well as introducing new features and variants that appeal to our discerning customers.

Our home appliances, such as Fans and Home Showers, are already preferred brands among consumers and consistently occupy the top three market positions in Malaysia. To maintain this strong position, we continue to invest in strengthening our product line-up, expanding our core product range and innovating new features to meet evolving consumer demands. In FYE 2024, we successfully launched several innovative products, including our first cordless stick Vacuum Cleaner in targeted Asian markets, and a brand new 3-blade remote control Ceiling Fan in Malaysia.

Streamlining and Diversifying for Growth

In alignment with our strategic goals, we undertook to streamline and discontinued certain business lines, such as Rice Cookers and Small Kitchen Appliances. This realignment has freed up valuable production capacity, allowing us to strategically focus on our core products, such as Ceiling Fans, Home Showers and Vacuum Cleaners, while also creating space for the development and expansion of newer product lines such as our water-related business.

As part of our ongoing growth strategy, we have been exploring and expanding into developing our water solutions business as one of our next 'Profit Pillars'. This strategic move is driven by the increasing demand for advanced water solutions, fueled by growing consumer awareness of water scarcity and the importance of clean drinking water. We are confident that our new water-related products will be well-received by the market. However, we also acknowledge that building this new business line into a significant revenue contributor will require sustained investment and effort over several years.

Driving Smart Factory Innovation

PMMA is committed to strengthening our manufacturing capability by driving automation and embracing Industry 4.0 technologies. We aim to achieve and be recognized as a "Smart Factory" by 2030. A Smart Factory, which is fully compliant with Industry 4.0 standards, will feature interconnected machinery and equipment, allowing real-time monitoring and decision-making without human intervention. We are working towards transforming manual processes into semi-automated and fully automated processes to mitigate heavy reliance on foreign workers, especially in the 3D (Dangerous, Dirty and Difficult) environment, and to address the ongoing challenges of labor shortage and rising labor costs.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)



FINANCIAL PERFORMANCE

RM MILLION	2024	2023	Changes %
Revenue	905.7	991.6	(8.7)
– Domestic	346.4	336.1	3.1
– Export	559.3	655.5	(14.7)
Operating expenses	(855.5)	(966.1)	(11.4)
Other operating income	22.8	43.1	(47.1)
Other derivative loss	(0.1)	(0.2)	(50.0)
Result from operating activities	72.9	68.4	6.6
Finance Income	20.9	13.6	53.7
Share of profit equity-accounted associate, net of tax	12.9	9.3	38.7
Profit before taxation	106.7	91.3	16.9
Taxation	(14.1)	(11.2)	25.9
Profit after taxation for the financial year	92.6	80.1	15.6

Revenue

PMMA recorded a revenue of RM905.7 million for FYE 2024, lower by 8.7% compared to FYE 2023's revenue of RM991.6 million. The decrease of RM85.9 million in revenue was mainly attributed to the discontinuance of the Kitchen Appliances business and lower export sales of Fan products, particularly from the Vietnam market. However, these losses were mitigated, to a certain extent, by increased sales of Vacuum Cleaner products, driven by higher demand in the Middle East market.

Higher domestic sales were also recorded for Fan products following the intensified year-end 2023 promotional activities and festive season. Prolonged warmer weather in Malaysia was a contributive factor to the increase in sales.

Results from Operating Activities

Despite the lower revenue recorded, PMMA achieved higher results from operating activities of RM72.9 million in FYE 2024. This was an increase of RM4.5 million or 6.6% compared to the operating profit of RM68.4 million in FYE 2023.

The profit margin for FYE 2024 was favorably impacted to some extent by lower costs of materials compared to the preceding year, as major raw material prices, such as resin, copper, aluminium and steel, stabilized.

Excluding a one-time insurance claim of RM22.3 million received for a 2021 flood incident and recognized as other operating income in FYE 2023, the profit before tax for FYE 2024 shows a significant improvement of approximately 55% compared to the preceding fiscal year.

Restructuring Costs

Following the discontinuation of the Small Kitchen Appliances businesses as of 31 March 2023, as previously reported, Panasonic Holdings Corporation ("PHD") agreed to absorb all associated restructuring costs for this exercise.

As such, in FYE 2023, PMMA received compensation of RM14.4 million from PHD, which covered the initial phase of the product discontinuation. In September 2023, PMMA received an additional RM11.9 million for the remaining products, which has been duly recognized as other operating income received in FYE 2024.

Finance Income

Finance income for FYE 2024 was recorded at RM20.9 million, which was higher by RM7.3 million or 53.7% compared to the preceding year's finance income of RM13.6 million. This growth aligns with the higher interest rates announced by Bank Negara Malaysia.

The weighted average fixed deposit rate from Panasonic Financial Centre (Malaysia) Sdn. Bhd. (PFI) increased from 2.87% in 2023 to 3.80% in 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

Share of Results of Associated Company

The share of results from our associated company for FYE 2024 saw a substantial increase, reaching RM12.9 million. This represents a rise of RM3.6 million or 38.7% compared to RM9.3 million in the preceding fiscal year. The higher profitability recorded by our associated company was mainly due to lower marketing costs and other operational expenditures incurred during the year.

Profit Before Tax

In line with the improved operating results, PMMA achieved a higher combined profit before tax of RM106.7 million in FYE 2024, representing an increase of RM15.4 million or 16.9% compared to the preceding year's RM91.3 million.

The increase in profit before tax was also supported by the higher interest income received as interest rates stabilized during the financial year and a higher share of results from our associated company.

Cash Balances and Cash Flow

PMMA's net operating cash flow for FYE 2024 reached RM121.7 million, a notable increase of RM31.9 million or 35.5% compared to RM89.8 million in the preceding financial year. The increase in operating cash flow was mainly fueled by higher profitability.

As of 31 March 2024, cash and cash equivalents stood at RM530.2 million, after dividend payments of RM74.1 million and capital expenditures of RM24.7 million in FYE 2024. This highlights the continued strength and health of our cash flow generated from resilient business operations and operational efficiencies.

Capital Expenditure

During FYE 2024, PMMA allocated a significant portion of its capital expenditure to expenses relating to enhancing its manufacturing facilities and driving operational and cost efficiencies.

Total capital expenditure amounted to RM24.7 million, higher by RM7.5 million than the preceding year's RM17.2 million. This expenditure was directed towards acquiring new equipment and machinery as well as continuously upgrading the existing equipment and machinery to boost efficiency and productivity.



Dividend

In FYE 2024, PMMA paid an interim dividend of 15 sen per ordinary share on 19 January 2024. Following PMMA's notable performance, the Board of Directors ("Board") has proposed a Final Dividend of 121 sen per ordinary share to be approved in the upcoming Annual General Meeting ("AGM"). This would bring the total dividend payout for the year to 136 sen per ordinary share, or RM82.6 million, a substantial increase from the preceding year's total of 122 sen per ordinary share.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)



ANALYSIS OF PROFIT BY SEGMENT

Living Appliances and Solution ("LASC")

RM MILLION	2024	2023	Changes %
Revenue	194.5	249.2	(22.0)
– Domestic	24.0	37.1	(35.3)
– Export	170.5	212.1	(19.6)
Profit before taxation	24.7	22.2	(11.3)

The LASC products segment recorded revenue of RM194.5 million for FYE 2024, which was lower by RM54.7 million or 22% compared to the revenue of RM249.2 million recorded in the preceding year. The reduction was mainly due to the discontinuance of the Kitchen Appliances business. However, this decline was partially offset by increased export sales of Vacuum Cleaner products to the Middle East market.

Despite lower revenue, the LASC product segment achieved a commendable profit before tax of RM24.7 million in FYE 2024, higher by RM2.5 million compared to the preceding year's profit before tax of RM22.2 million. The higher profitability was mainly driven by higher sales of Vacuum Cleaner products.

Notably, the preceding year's profitability included restructuring costs for Kitchen Appliances products, which were partially mitigated by claims received in relation to the losses incurred.

Heating and Ventilation A/C ("HVAC")

RM MILLION	2024	2023	Changes %
Revenue	707.3	741.5	(4.6)
– Domestic	321.3	299.0	7.5
– Export	386.0	442.5	(12.8)
Profit before taxation	47.4	52.6	(9.9)

The HVAC product segment generated revenue of RM707.3 million for FYE 2024, which was lower by RM34.2 million or 4.6% compared to the preceding year's revenue of RM741.5 million.

Correspondingly, the HVAC product segment recorded a lower profit before tax of RM47.4 million for FYE 2024, a 9.9% decrease or RM5.2 million compared to RM52.6 million in the preceding financial year.

Without taking into consideration the insurance claim received in FYE 2023, profit from operations for this segment was higher by approximately 49%, mainly due to lower material costs and an increase in selling price for certain Fan products.



OPERATIONAL REVIEW

In FYE 2024, PMMA responded to evolving consumer demands by expanding its business line, introducing new products and enhancing existing products to cater to customers. This included widening its production capabilities to include water solutions-related products as part of its business line expansion, in addition to its conventional home appliance production.

Diversifying Into Water-related Business Line

PMMA further expanded its presence in the water solutions business by introducing a range of innovative water-related products. Building upon the success of our existing home shower product line, we leveraged our manufacturing expertise and market knowledge to introduce specialized purification systems tailored for the Indonesian and Vietnamese markets. This strategic expansion broadens PMMA's product portfolio and positions us to capitalize on the growing market for water-related solutions.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

New Water Purifying Solutions

REVERSE OSMOSIS WATER PURIFIER ("ROWP")

In November 2023, PMMA strategically entered the growing Vietnam market for water purification solutions with the launch of our first-ever Reverse Osmosis Water Purifier ("ROWP"). This strategic move aligns with the increasing demand for clean and safe drinking water in Vietnam. The rapid rise in demand for ROWP presents a significant growth opportunity for PMMA in this burgeoning market.

The Panasonic ROWP meets the stringent Japan Quality Standards to deliver exceptional water quality by eliminating 99.9% of bacteria through its reverse osmosis ("RO") filter. Its long-lasting RO cartridge, with an extended lifespan of at least 24 months, reduces the frequency and cost of replacing the RO cartridge. The post-filters also come with additional minerals in water, which are beneficial to health and further enhance the product's value proposition.

We are confident that the ROWP, with its attractive design, durability and high water quality, will resonate with our customers and cater to their different needs and preferences.

This launch is the first step in our ambitious plans to expand the ROWP business with a new lineup of models and features to meet the needs and demand in different markets.



TK-CA813



FP-15AM1

Building on the successful launch of ROWP water solutions in Vietnam, PMMA also launched a new Water Purification System ("WPS") in Indonesia in April 2024. With many areas in Indonesia lacking developed water infrastructure and relying on well water with high iron content, this product is designed to address the pain points of turbidity, smell, and discoloration of clothes caused by iron in the water.

The new WPS, equipped with Panasonic's unique technology, is designed to remove iron from water and efficiently removes iron comparing to conventional methods. Its compact design, backwash capability, and compatibility with various pumps make it a versatile solution for Indonesian households.

With a low penetration rate of existing purification systems due to high costs, our competitively priced WPS is poised to tap into a significant market opportunity and improve the quality of life for many Indonesians.

WATER PURIFICATION SYSTEM ("WPS")

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

Expanding Water Heating Home Shower Series

INSTANT HOME SHOWER SERIES (V & W series)

In January 2024, PMMA launched two new Instant Home Shower series (V & W series) in key Asian markets. These products align with our strategy to offer a wider range of stylish and technologically advanced offerings. This launch not only strengthens our current position in the market but also creates the opportunity for further innovation and expansion within the home water heating category.

The V and W Instant Home Shower series feature a minimalist design with a single control knob for switching on and off, as well as controls the temperature. While the sleek aesthetics appeal to modern consumers, safety remains paramount. The Panasonic home shower offers 9 safety features, such as water resistance, heat resistance, shock resistance, and heat and burn resistance. The incorporation of Ag+ crystal material in the shower head provides an added layer of protection against bacterial growth for hygiene and well-being.



DH-3VL1PW

Expansion of Current Products Category

We continued to expand and enhance our existing range of products with features and innovations that cater to evolving customers' needs.

CEILING FAN

In October 2023, PMMA launched a brand new 3-Blade Remote Control Ceiling Fan in the Malaysian market. The design of this new Ceiling Fan series was informed by market findings that show a growing demographic of consumers who prefer sleek, minimalist designs and smart home features.

This new Ceiling Fan series showcases Panasonic's innovative blade design for enhanced strength, as well as a user-friendly 3-speed remote controller with Sleep Mode and Off Timer for added simplicity and ease of use.

To cater to diverse consumer preferences, Panasonic offers a pipe-type ceiling fan, while KDK provides both pipe-type and canopy-type options. All of these options come with optional pipe lengths to accommodate varying ceiling heights, ensuring versatility and adaptability.

Safety remains a top priority for PMMA. All our Ceiling Fans are equipped with Panasonic's comprehensive safety features, including Safety Wire, Cut-off Safety Switch and Blade Safety Plate, to prevent accidental falls and ensure the well-being of our customers.

We are looking to expand this 3-Blade Remote Control Ceiling Fan to the export market in the near future.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

STICK VACUUM

In October 2023, PMMA launched its first-ever Cordless Stick Vacuum Cleaner in several Asian markets, including Malaysia, Vietnam, Singapore, the Philippines and Indonesia, as well as New Zealand and the Middle East. This innovative product, informed by market insights, addresses the growing demand for lightweight, powerful and convenient cleaning solutions.

This lightweight 1.6 kg model boasts a powerful 70W powerful suction and a Cyclone mechanism that effectively separates dust from the air. The fully washable, easy-to-clean Dust Box, combined with a 6-layer filtration system and EPA11 filter, ensures that the air exhaust is clean. These features address consumer concerns about air quality and ease of maintenance.

A unique feature of this vacuum cleaner is Panasonic's V-shaped brush, which is designed to collect dirt and dust efficiently. The brush includes two types of bristle ends, making it versatile to clean any flooring material. The high-torque motor in the nozzle head allows for powerful brush rotation and movement for a deep and thorough clean, and the unique front nozzle structure enables thorough cleaning close to walls.

PMMA's future plans include expanding the stick-type Vacuum Cleaner models with new features to cater to varied consumer needs and reflect its strategy to align product developments closely with consumer feedback and evolving market trends.



MC-SBM20

MANUAL BIDET



DL-AR15D

DL-AR15R

In January 2024, PMMA launched its new Manual Water Bidet (AR15 series) in the Malaysian market, catering to the growing consumer interest in hygiene and personal care solutions.

The AR15 series incorporates features aimed at enhancing convenience, comfort and functionality with adjustable water volume. The AR15 has a soft-closing function, dual self-cleaning nozzles for both family and feminine hygiene, and an intuitive icon-based control panel. Recognizing the importance of convenience for users, the AR15 is designed for easy installation and maintenance, requiring no electricity and featuring a one-button removal for easy cleaning purposes.

We anticipate further expansion in the bidet business with the new line-up of models to address the unique needs of different markets.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

Enhancing Customer Experience

To better serve our customers, we renovated our showroom to feature our core products and new offerings. The updated space features a wide range of Home Shower and Ceiling Fan models, as well as our newly launched Stick Vacuum Cleaner. The revamped showroom also showcases our innovative Water Purification System ("WPS") for the Indonesian market, and the recently launched Reverse Osmosis Water Purifier ("ROWP") for the Vietnamese market.

The modernized showroom enables customers to directly experience our diverse product offerings, including core products and recent innovations.



DIGITAL TRANSFORMATION FOR EFFICIENCY AND SUSTAINABILITY

PMMA is embracing digital transformation as a key strategy to enhance operational efficiency and drive sustainability. We are integrating innovative technologies to improve resource utilization, optimize manufacturing processes, and minimize our environmental footprint. This comprehensive approach includes a range of energy-saving measures for continuous improvement and supports our goal of becoming a competitive and progressive "Smart Factory" by 2030.

Implementing Industry 4.0 Technologies

Industry 4.0 is transforming the traditional manufacturing landscape by converging information technology (IT) and operational technology (OT) to create a cyber-physical environment. By integrating Industry 4.0 technologies, such as the Industrial Internet of Things ("IIoT"), we can create more efficient and sustainable production processes. To further this commitment, we will continue to invest in Industry 4.0 technologies.

In FYE 2024, we expanded IIoT technology to our Vacuum Cleaners, Electric Fans, Ventilating Fans and Electric Irons Assembly Lines, building upon our successful Phase 1 implementation in the Home Shower and Ceiling Fan lines in the preceding financial year. With this expansion, 94% of PMMA's Assembly Lines are now IIoT-enabled, facilitating real-time production monitoring and data-driven decision-making with actionable insights. This also enables interoperability with Production Planning and Material Preparation to improve end-to-end production processes. Our next phase is focused on extending the technology into the more complex Parts Manufacturing Lines, which may present more challenging conditions for integrating smart sensors into machinery for real-time monitoring and paving the way for future predictive maintenance capabilities.

Streamlining through Digitization and Automation

The preventive maintenance tasks digitization initiative has been implemented across the organization by the Production Engineering Department through the Computerized Maintenance Management System (CMMS). This system enables us to proactively identify and streamline routine servicing tasks according to a set schedule. The workflow involves identifying, planning, scheduling, dispatching, executing, and completing maintenance tasks based on best practices. PMMA has established 40% of essential machinery preventive maintenance tasks in FYE 2024, and is aiming to achieve 70% in the next financial year. This structured and proactive approach helps to reduce the risk of parts failure, minimize overall costs, optimize field technician scheduling, ensure efficient asset management, and minimize downtime.

As part of our 5-year Robotics and Automation plan, we are focused on improving efficiency, reducing costs, and increasing competitiveness. In FYE 2024, PMMA achieved a 36% Automation Rate. This progress is attributed to advancements in auto packaging, auto screwing, auto deburring, laser marking, and pick-and-place robotics development. These changes have significantly reduced our reliance on labor, especially during times of workforce challenges. To adapt to the new automated systems, workers are being trained to equip themselves with the knowledge to configure, maintain, operate, and repair smart machines and robots as part of the manufacturing processes.



SA1 Plant Solar Panel System

Focusing on Energy Management

In addition to these technological advancements, we have continued with energy management efforts, which included installing solar panels on the rooftops of our SA2 plant and new building, with additional installations completed in SA1 in 2024. The new SA2 building also features energy-saving Air Conditioning and Mechanical Ventilation ("ACMV") systems and Variable Refrigerant Flow ("VRF") air conditioning facilities.

In collaboration with an expert from PHD Japan, PMMA conducted an Energy-Saving Diagnosis, leading to the adoption of several energy-saving implementations. These include installing sensors and timers on powder coating lines in the SA1 and SA2 plants, reducing the opening areas of melting furnaces at die-cast facilities to prevent heat loss, and gradually replacing traditional lighting with LED bulbs. We have also regulated temperatures in meeting areas for optimal energy efficiency and have recently begun implementing a visual energy system in SA2 to monitor and optimize energy consumption.

COMMITMENT TO FLOOD MITIGATION

In response to the devastating flood in December 2021, PMMA has taken steps to protect its SA2 Plant in Shah Alam from future flood risks. Temporary solutions, including flood barriers and the elevation of critical equipment, were implemented immediately following the incident.



SA2 Flood Mitigation Perimeter Wall

In June 2023, PMMA launched a major flood mitigation project, constructing a 924-meter perimeter wall around the SA2 facility. Completed in October 2023, this wall features six drain water collection pits equipped with six pumps to manage excess water, as well as six drain discharge water barriers to prevent flood water from entering the SA2 Plant premises. Two water level sensors have also been installed at the main entrance and the area close to the riverbank, which will automatically trigger the pumps when necessary.

PMMA remains committed to further strengthening its flood defenses. In the coming financial year, we plan to invest in installing resistant flood barrier gates to ensure the continued resilience of our operations against the threat of flooding.

ANTICIPATED RISKS AND MITIGATION

The dynamic nature of our operating environment presents risks to the business. While we remain optimistic about our growth prospects, we are cognizant of the need to proactively address potential risks and uncertainties.

Geopolitical risks due to escalating tensions between countries could disrupt supply chains and create economic instability. To mitigate this risk, we are diversifying our supplier base and exploring alternative sourcing options to ensure continuity of operations.

Rising inflation rates could increase our input costs and erode our profit margins. To address this, we are implementing cost optimization measures across our operations and negotiating favorable terms with suppliers.

A slowdown in global economic growth could impact demand for our products. To mitigate this risk, we are focusing on strengthening our presence in high-growth markets, diversifying our product portfolio including expanding our new water business lines, and investing in innovation to strengthen our revenue streams.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

BUSINESS OUTLOOK

The Malaysian economy demonstrated resilience in the first quarter of 2024, growing by 4.2% 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.

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

Against this dynamic environment, we will continue to intensify our efforts to strengthen our venture into new product categories, particularly in the water-related businesses. The successful introductions and enhancements of our water-related products, including the ROWP, WSP and the Instant Home Shower series, are significant steps in this direction. Building on this momentum, we will be closely monitoring market trends and consumer demands to identify further opportunities for expansion within this category.

At the same time, we will be looking at continuing our strategic expansion of our current product lineup, such as Ceiling Fans and Vacuum Cleaners, and diversifying our existing product lines into new sales channels to maintain business competitiveness.

PMMA has made commendable progress in leveraging technology within its manufacturing facilities to improve productivity and increase efficiency. Our ongoing investment in automation and the development of a "Smart Factory" will enhance our operational efficiency, reduce costs, and improve our competitiveness. This will enable us to better adapt to changing market conditions and meet the evolving needs of our customers.

We remain committed to continuous improvement by implementing cost-reduction measures to reduce overall production costs and improve profitability.

With these strategic measures firmly in place, PMMA is well-positioned to navigate the challenges ahead. We believe our agility and resilience will stand us in good stead to achieve positive results for the financial year ending 31 March 2025.

IN APPRECIATION

The achievements of PMMA in FYE 2024 are a reflection of the collective efforts of our dedicated team and the steadfast support of our valued stakeholders.

I extend my deepest gratitude to the Chairman and the Board of Directors for their invaluable guidance and support. To our employees, thank you for your hard work and commitment, which are fundamental to PMMA's resilience and success.

To our shareholders, business associates, customers, regulators and relevant authorities, your continued trust and collaboration are greatly appreciated. We remain committed to delivering long-term value to all our stakeholders. Please continue to walk with us as we embark on the next chapter of our journey, to grow stronger and more resilient than ever.



INCREASE IN SHAREHOLDERS' WEALTH

As at 31 March 2024, the issued and paid-up capital of the Company is RM60,745,780 divided into 60,745,780 ordinary shares of RM1.00 each. Details of changes in the issued and paid-up share capital of the Company and cumulative number of shares held by a shareholder with an initial investment of 1,000 shares is shown below:

Financial Year/ Period	No. of shares allotted	Descriptions	Total issued and paid-up capital (RM)	New shares issued to a shareholder	Cumulative number of shares held by a shareholder	Cost of Investment (RM)
12/1966	1,500,000	Issue of shares before listing	1,500,000	Nil	Nil	N/A
12/1966	1,500,000	Initial Public Offer	3,000,000	1,000	1,000	1,000
12/1975	6,000,000	– Bonus Issue of 2 for 1	9,000,000	2,000		Nil
	1,050,000	– Rights Issue of 35 for 100 @ RM1.00	10,050,000	350	3,350	350
	450,000	– Private Placement to Bumiputera Investors under New Economic Policy	10,500,000	Nil		N/A
12/1980	2,625,000	Bonus Issue of 1 for 4	13,125,000	838	4,188	Nil
12/1982	6,562,500	Bonus Issue of 1 for 2	19,687,500	2,094	6,282	Nil
3/1987	1,968,750	Bonus Issue of 1 for 10	21,656,250	628	6,910	Nil
3/1993	10,828,125	Bonus Issue of 1 for 2	32,484,375	3,455	10,365	Nil
3/1998	3,248,437	Bonus Issue of 1 for 10	35,732,812	1,037	11,402	Nil
3/2003	25,012,968	Bonus Issue of 7 for 10	60,745,780	7,982	19,384	Nil

As tabulated below, if a shareholder had bought 1,000 shares in the Company when it was listed in 1966, and assuming the shareholder had subscribed for rights issue of 350 shares in 1975 and did not sell any of the Company's shares till to-date, he would be holding a total of 19,384 shares (inclusive of 18,034 bonus shares) worth RM395,821 based on the market price of RM20.42 as at 10 June 2024. In addition, he would have received a total gross cash dividend of RM657,050 with a capital outlay of RM1,350 only. The dividends received/receivable and the appreciation in value translates to a remarkable compound annual growth rate of 12.81% on nominal value basis.

Initial Investment of a shareholder

Initial capital outlay (1966)	RM	1,000
Rights issue subscription (1975)	RM	350
Total Capital Outlay	RM	1,350

Wealth of a shareholder in long term

Initial investment (1966)	Unit	1,000
Rights issue shares subscribed (1975)	Unit	350
Total bonus shares received (1975 – 2003)	Unit	18,034
Total number of shares held	Unit	19,384
Closing market price per share (10 June 2024)	RM	20.42
Total value of shares held	RM	395,821
Cumulative gross cash dividends received/receivable (1966 – 2024)	RM	657,050
Total Wealth of a shareholder since Initial Investment	RM	1,052,871

SUSTAINABILITY REPORTING

ABOUT THIS REPORT

Panasonic Holdings Corporation's Basic Management Philosophy is based on the concept of "company as a public entity of society." This has formed the foundation of all our business activities. As a responsible corporation, we are committed to upholding responsible management and sustainable development in our day-to-day business operations.

Panasonic Manufacturing Malaysia Berhad ("PMMA", "the Company", or "our") is committed towards bolstering our efforts towards sustainable development. Continuing with this commitment, our Company is pleased to present its seventh (7th) Sustainability Report ("Report") that summarizes the Company's material matters, current state of sustainability performance and our strategic efforts in managing our material Economic, Environmental, Social, and Governance ("EESG") pillars, in the manner prescribed by Bursa Malaysia Main Market Listing Rules ("MMLR").

Scope of Reporting

This sustainability report covers Panasonic Manufacturing Malaysia Berhad within our business sector for the financial year ending March 31, 2024 ("FYE 2024", "the year", and "reporting period"). Unless mentioned otherwise, this report excludes associate. The basis for this exclusion is that we do not have any operational control over these entities.

Where relevant, we also include data from previous years to track year on year progress and to provide additional context. This report addresses our response to the 14 material sustainability matters which impacts our business and our ability to deliver value to all our stakeholders.

Reporting Framework

This statement has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and with reference to Bursa Malaysia's Sustainability Reporting Guide ("BSRG"). The BSRG is guided by the Global Reporting Initiative ("GRI") Standards and serves as the basis for the reporting framework of this statement.

In compliance with the standards above, our reporting principles covers the four aspects presented below:



Stakeholder Inclusiveness

Identifying key internal and external Stakeholders to obtain a holistic picture of how we perform in Economic, Environmental, and Social matters

Sustainability Context

Presenting our performance in the wider context of sustainability

Materiality

Identifying and prioritising the key sustainability issues that our Company encounters

Completeness

Reporting all sustainability topics that are relevant to our Company and influence our stakeholders

Assurance Statement

Information in this report has not been assured by our internal audit function or any other independent assurance provider.

The Board of Directors ("BOD") through management will assess the necessity to obtain limited assurance on selected information disclosed in the report through engagement with key stakeholders such as lenders, investors, and customers.



We welcome and appreciate stakeholder feedback on our Sustainability Report and any of the issues discussed herein. Queries, comments, and suggestions regarding the content of this Report.

For further details, you may contact:



ir.pmma@my.panasonic.com



+603 5891 5000



SUSTAINABILITY REPORTING

(Cont'd)

Sustainability Governance

PMMA operates in line with Panasonic Holdings Corporation policies and is committed towards embracing sustainability practices. Our Board of Directors sets the sustainability strategy of PMMA and oversees the implementation and the formulation, of a long-term sustainable development plan. The Board in partnership with the Strategic Management Committee is committed to overseeing sustainability performance.

The roles and responsibilities of the Strategic Management Committee are listed in the diagram below:







Stakeholder Engagement

We actively listen to, engage with, and communicate with our stakeholders to understand the impact of our business on various EESG matters. Through this ongoing dialogue, we assess our contribution to sustainable development and identify areas for improvement, all guided by our sustainability-related policies. Valuable information and feedback from stakeholders play a pivotal role in highlighting key areas where enhancements can be made.

The GRI Standards defines "Stakeholders" as:



- Entities or individuals that can reasonably be expected to be significantly affected by the reporting organisation's activities, products, or services; or
- Whose actions can be reasonably expected to affect the organisation to implement its strategies or achieve its objectives. This includes, but is not limited to, entities or individuals whose rights under law or international conventions provide them with legitimate claims vis-à-vis the organisation.

In the management of Sustainability, the Company adheres to globally established standards, such as the GRI Standards, to identify and engage with stakeholders. The insights gained from these engagements are integral to fortifying our sustainability efforts on a global scale.

Stakeholders	Mode of Engagement	Frequency of Engagement	Concerns
 Media	<ul style="list-style-type: none"> • Media events • Advertising agent 	<ul style="list-style-type: none"> • As needed • As needed 	<ul style="list-style-type: none"> • Mechanisms and policies in place to curb corruption • Stable and strong procurement practices • Adopt using recycled raw material for making products • Carbon emissions management and evaluation • Employee appreciation and benefits • Employee engagement and satisfaction • Foreign labor management • Occupational health and safety management and policies • Health and safety of products • Data security protection
 Investors	<ul style="list-style-type: none"> • Annual general meeting • Briefing/meeting • Extraordinary general meeting • Electronic communication 	<ul style="list-style-type: none"> • Annually • 2 times a year • As needed • As needed 	
 Suppliers	<ul style="list-style-type: none"> • Supplier audit • Policy announcement • Supplier Performance Evaluation • Supplier Improvement Plan Presentation 	<ul style="list-style-type: none"> • Annually • Annually • Monthly • Monthly 	
 Regulators	<ul style="list-style-type: none"> • Income tax filing • Annual return • SST reporting • Electronic communication 	<ul style="list-style-type: none"> • Annually • Annually • Bi-monthly • As needed 	

SUSTAINABILITY REPORTING

(CONT'D)

Stakeholders	Mode of Engagement	Frequency of Engagement	Concerns
Employees 	<ul style="list-style-type: none"> Monthly payroll Management meetings Staff appraisals Training and product knowledge briefing General Morning Assembly Employees Opinion Survey A Better Dialogue 	<ul style="list-style-type: none"> Monthly Bi-weekly Annually As needed <ul style="list-style-type: none"> Monthly <ul style="list-style-type: none"> Annually <ul style="list-style-type: none"> As needed 	<ul style="list-style-type: none"> Mechanisms and policies in place to curb corruption Stable and strong procurement practices Adopt using recycled raw material for making products Carbon emissions management and evaluation Employee appreciation and benefits Employee engagement and satisfaction Foreign labor management Occupational health and safety management and policies Health and safety of products Data security protection
Local Communities 	<ul style="list-style-type: none"> Corporate Social Responsibility (CSR) programs 	<ul style="list-style-type: none"> As needed 	

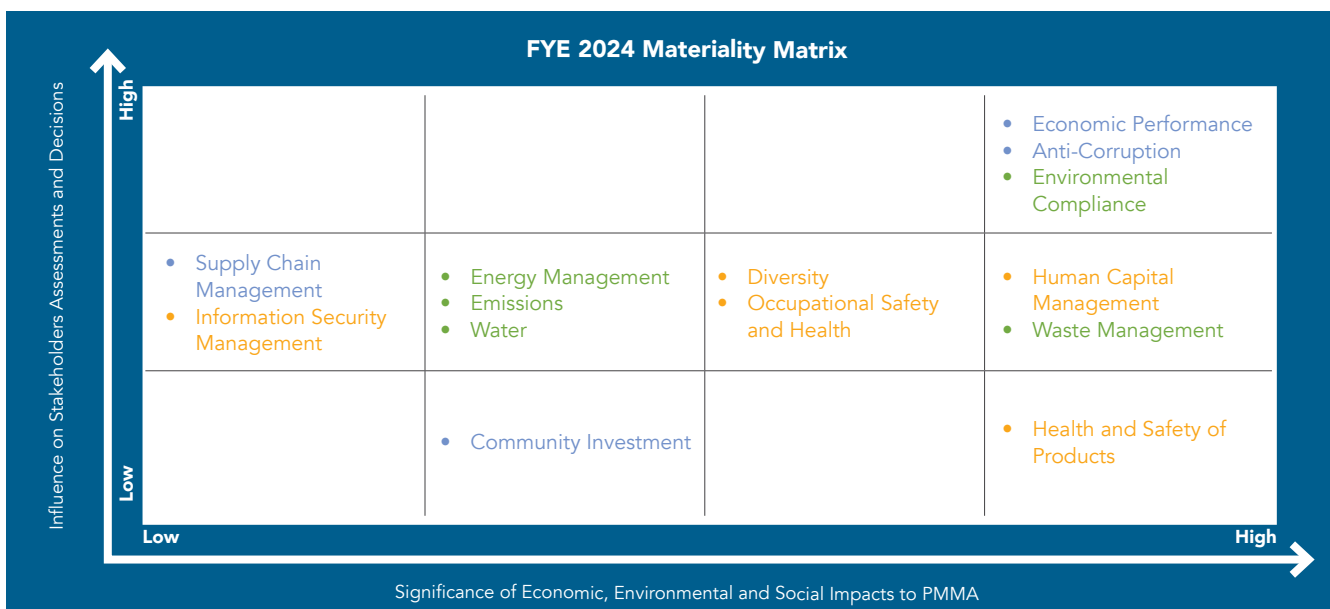
Material Sustainability Matters

In our journey towards greater responsibility and sustainability, we recognize the importance of focusing and allocating resources to address the sustainability matters that are most relevant to us. Our approach involves a Materiality Analysis based on the Materiality and Completeness Reporting Principles outlined in the GRI Standards.

In accordance with the Materiality Principle, our report encompasses the topics that capture the significant economic, environmental, and social impacts of our organisation or substantially influence the assessments and decisions of our stakeholders ("Material Topics"). The determination of materiality is grounded in the analysis of the Company's internal documents and processes in the years leading up to 2024.




As part of our ongoing risk assessment, we regularly review sustainability-related risks to ensure that we continue to address the most critical sustainability concerns. The materiality matrix, representing the significance of these topics, has received approval from the Board of Directors of PMMA and is presented in the table below.

For the financial year ended 31 March 2024, the following Material Topics were identified as being the most significant to PMMA and our stakeholders:



SUSTAINABILITY REPORTING

(CONT'D)

Category	#	Material Topics	GRI Index	Material Disclosures
 Economic	1	Economic Performance	201-1	Direct economic value generated and distributed
	2	Community Investment	201-1	Total amount invested in the community where the target beneficiaries are external
	3	Anti-Corruption	205-1	Percentage of operations assessed for corruption related risks
			205-2	Percentage of employees that have received training on anti-corruption by employee category
			205-3	Confirmed incidents of corruption and action taken
4	Supply Chain Management	204-1	Proportion of spending on local suppliers	
 Environment	5	Environmental Compliance	307-1	Compliance with environmental laws and regulations
	6	Energy Management	302-1	Total energy consumption within the organisation in Gigajoules (GJ).
	7	Emissions	305-1	i. Scope 1 emissions in tonnes of CO ₂ e
			305-2	ii. Scope 2 emissions in tonnes of CO ₂ e
	8	Water	303-3	i. Water withdrawal
303-4			ii. Water discharge	
303-5			iii. Water consumption	
9	Waste Management	306-3	Total waste generated and a breakdown of:	
		306-4 306-5	i. Total waste diverted from disposal ii. Total waste directed to disposal	
 Social	10	Occupational Health and Safety	403-9	Number of work-related fatalities
				Lost time incident rate
			403-5	Number of employees trained on health and safety standards
	11	Health and Safety of Products	416-1	Assessment of the health and safety impacts of product and service categories
	12	Information Security Management	418-1	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data
	13	Diversity	405-1	Percentage of employees by gender and age for each employee category
				Percentage of directors by gender and age
14	Human Capital Management	404	Total hours of training by employee category	
		401	Percentage of employees that are contractors or temporary staff	
		401-1	Total number of employee turnover by employee category	
		N/A	Foreign Labour Management	
		N/A	Number of substantiated complaints concerning human rights violations	

SUSTAINABILITY REPORTING
(CONT'D)



ECONOMIC



Economic Value Generated
RM941 million



Operating Expenses
RM805 million



Salary & Benefits
RM130 million

Economic Performance

Our financial growth is important for us to continue pursuing our business aspirations. We are consistently striving towards the achievement of our goals and targets in the realm of economic performance while upholding our commitment to sustainable operations and the highest professional standards. This is essential to further strengthen the trust and confidence of our diverse stakeholders.

During the fiscal year, we generated a Direct Economic Value of RM941 mil which represents the total economic value generated. Whilst a total of RM935 mil represents the direct economic value distributed. Direct economic value generated and distributed is a metric that indicates the wealth that we create through our operations and the subsequent allocation of our revenue by stakeholder group, as per the following table:

RM('Million)	FYE 2024	FYE 2023
Economic Value Generated	941⁽²⁾⁽³⁾	1,015⁽¹⁾⁽²⁾
Economic Value Distributed, which consists of:	935	1,035
• Payment to Vendors	722	827
• Payment to Employees (e.g., wages, benefits)	130⁽⁴⁾	147 ⁽⁴⁾
• Payment to Capital Providers (e.g., dividend/interest paid to investors)	74	50
• Payment to Government (e.g., taxes and permits)	9	11
Economic Value Retained	6	(20)

^{1.} Excludes insurance claims received amounting to RM22.3 mil in relation to flood incident that has occurred in December 2021
^{2.} Excludes claims from Panasonic Holdings Corporation amounting to RM11.9 mil (FYE 2024) and RM14.4 mil (FYE 2023) respectively, in relation to the termination of the Kitchen Appliances business.
^{3.} Includes RM4.9 mil in Foreign Exchange Gains.
^{4.} Includes payment of RM5.0 mil (FYE 2024) and RM10.9 mil (FYE 2023) for Mutual Separation Scheme.

We believe that key success factors in delivering economic value to our stakeholders lies in ensuring customer satisfaction, by delivering quality product and service to our customers. Our demonstrated ability to generate value, even in challenging business environments, is a testament to our commitment to meeting the quality standards expected by our customers.



SUSTAINABILITY REPORTING

(CONT'D)



Community Investment

In order to encourage employees and their families to actively engage in environmental activities at home and in their local communities, Panasonic introduced the Panasonic Eco Relay in 2008. This initiative, where business sites around the world plan and implement local environmental activities with their employees, was renamed the Panasonic Eco Relay for Sustainable Earth in 2010 to reflect Panasonic's commitment to intergenerational environmental stewardship.

In FYE 2024, PMMA participated in the Panasonic Recycle Day organized by Panasonic in Malaysia under the Panasonic Eco Relay for Sustainable Earth campaign. The Recycle Day event encouraged participants to collect clothes, fabrics, books, plastic containers, glass products, and used cooking oil. Usable clothes and books were donated to those in need, while other items were disassembled into basic materials for repurposing into new products. These activities aimed to raise awareness about the importance of waste reduction and segregation, contributing to a sustainable living environment and striving towards zero waste while simultaneously providing to those in need.



In addition, PMMA has also contributed RM7,000 in FYE 2023 to the Selangor and Federal Territory Association for the Mentally Handicapped (SAMH), a non-profit organization that provides education and training to mentally handicapped children and adults, helping them reach their maximum potential.

	FYE 2024	FYE 2023
Total amount invested in external community (RM)	0	7,000
The total number of individuals who benefited	0	450

Moving forward, we aim to enhance community investment as a strategic tool to strengthen our brand in the community in which we operate, build better relationships with relevant stakeholders, and invest in environmental-related causes, rather than focusing solely on social causes.

Anti-Corruption

In our pursuit of creating value for both shareholders and stakeholders, we consistently uphold a foundation of governance and integrity. We firmly believe that maintaining strong business ethics and governance practices over the long term serves to mitigate overall risks across the organization, while simultaneously enhancing our credibility and brand value.

PMMA has adopted the Panasonic Holdings Corporation Code of Conduct ("CoEC"). This CoEC sets out "Our Commitments" (the commitments that all Panasonic Group companies must fulfill) for us to conduct our business activities to the highest standards of ethics and compliance, embodying our Basic Business Philosophy.

In addition, Panasonic Holdings Corporation has also implemented the Employee Clean Business Undertaking in 2012 to discourage employees from engaging in bribery and unethical business dealings. All PMMA employees including temporary and foreign employees are required to sign the Employee Clean Business Undertaking annually. As such in FYE 2024, a total of 1,810 employees signed the undertaking.

Since 2020, PMMA has fully adopted Panasonic's Anti-Bribery and Anti-Corruption Compliance framework, Leadership, Education, Assessment of Risk, Processes and Surveillance (L.E.A.P.S) which is in line with the T.R.U.S.T. principles introduced by the Malaysian Anti-Corruption Commission (MACC) Guideline on Adequate Procedures. The framework serves as a preventive tool to help the Company's Board of Directors, employees, and business partners recognize, detect, and avoid potential corrupt practices.

SUSTAINABILITY REPORTING

(CONT'D)

Principle 1 – Leadership



As part of the Top Management's commitment towards promoting a culture of integrity within PMMA, the Company has assigned the Compliance team to be responsible for all anti-corruption matters. Management has established and provided employees with information and access to the latest Anti-Bribery Anti-Corruption ("ABAC") Rules and Policy information. Management communicates to employees about zero tolerance for bribery and corruption. Management provides a channel for employees to report actual or suspected wrongdoing without fear of retaliation.

Principle 2 – Education



PMMA communicates regularly on the anti-corruption Policies and Procedures within the Company through various channels comprising among others, physical training, emails, etc. The Policies and Procedures are made available to employees and Stakeholders via Intranet and Company's website. The communication within the Company in creating awareness training on Anti-Bribery Anti-Corruption is done on a yearly basis. For FYE 2024, the training was completed in March 2024. The results of the e-learning and offline training on the CoEC that was conducted from November 2023 to March 2024 are as below:

Employee Category	FYE 2024
Senior Management	100%
Management	100%
Executives	100%
Non-Executives	98.3%

Principle 3 – Assessment of Risks



Corruption risk has been identified as one of the PMMA's key risks and incorporated as part of an Enterprise-Wide Risk Management (ERM). Corruption risk assessment shall be conducted annually and when there is a change in law or circumstance of the business. Risk Assessment exercise was conducted by external consultant in April 2023.

Principle 4 – Process and Control



PMMA has appropriate policies, adequate financial and non-financial controls, and processes in place to address the risks of bribery and corruption. We have also established procedures for conducting due diligence on external parties during the decision-making process for sourcing, selection, engagement or renewal of supplier/customer and potential employment candidates prior entering into a formal relationship.

Principle 5 – Surveillance



PMMA Compliance Team is responsible for all compliance matters and conducts regular review and monitoring on compliance related matters. The key controls and procedures for anti-bribery and anti-corruption ("ABAC") management are in place within PMMA. Quarterly Compliance Meetings involving the Senior Management are conducted to report and discuss compliance related matter. We also encourage all employees, business partners, and stakeholders to raise any concerns of wrongdoing in a confidential and secured manner through the whistleblowing channels. It has been made available to our employees and stakeholders via PMMA intranet and website, respectively. Investigations are conducted for any incidents reported to determine the validity of the allegations and action will be taken if deemed necessary. PMMA will continue to prohibit any form of corruption or any act leading to misconduct of business. We will be sensitive to and shall abide by laws and regulations and social ethics that govern the offer of benefits of any kind, including gifts, meals, and entertainment to gain unfair business advantage. In the same manner, we will not accept personal benefits from any of our stakeholders in return for unfair business advantage.



As a testament to our vigilance, we are pleased to announce that there were no confirmed incidents of corruption reported in the past two years.

SUSTAINABILITY REPORTING

(CONT'D)

Communication – Anti Corruption Policy and Panasonic Global Compliance Hotline (“EARS”)

Communication – Anti Corruption Policy Public Accessibility

Policies and procedures such as the Code of Conduct, APAC Region Anti-Bribery and Anti-Corruption Rules (Rules for Clean Business Dealings in Southeast Asia and Oceania), and are published in PMMA's intranet and website, which is accessible to all the employees and Stakeholders. Links from the website for the relevant Policies are as follows:



Anti-bribery and Corruption Rules:

<https://pmma.my.panasonic.com/wp-content/uploads/APAC-Regional-ABC-Rules-wef-1-August-2019.pdf>

Whistleblowing Policy:

<https://pmma.my.panasonic.com/whistle-blowing-policy/>



Code of Conduct:

<https://pmma.my.panasonic.com/wp-content/uploads/code-of-conduct.pdf>

Panasonic Global Compliance Hotline (EARS)

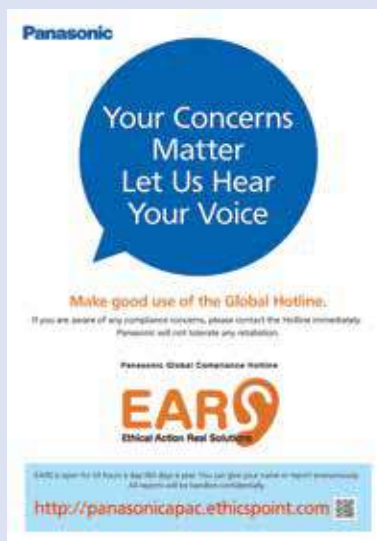
Panasonic is committed to complying with all applicable laws and regulations in the countries where it operates. It is important to report any potential violations of the Code of Ethics & Compliance so that the matter can be investigated, and corrective measures implemented if necessary.

In August 2018, the Panasonic implemented EARS, a global compliance hotline system designed to receive reports and concerns (“Whistleblower Reports”) from all employees. The EARS reporting platform is available on the Panasonic Global website.

Employees may also choose to make Whistleblower Reports through consultations with their supervisors or relevant functional departments such as HR.

The platform is operated independently by a third-party professional vendor called “NAVEX” and management ensures that:

- Whistleblowing Reports can be made on an anonymous basis.
- Whistleblowing Reports are strictly confidential.
- Retaliation is prohibited.



SUSTAINABILITY REPORTING

(CONT'D)

Supply Chain Management

As a company that globally establishes partnerships with suppliers, we acknowledge our responsibility as a conscientious corporate entity. We understand our pivotal role in delivering the functionality and value our customers expect. This is achieved through the cultivation of trust-based relationships, rigorous research, and robust supply chain support.

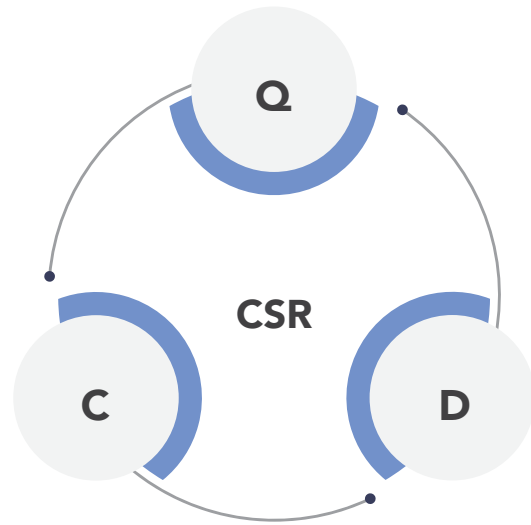
The stability and effectiveness of our procurement processes represent a fundamental aspect of our commitment at PMMA. Our mission is centred around making meaningful contributions to society by delivering the highest quality products. This, in turn, allows us to consistently provide our customers with our products at competitive prices, all while maintaining our unwavering dedication to quality standards.

We are resolute in our commitment to source materials efficiently, adhering to environmental requirements, upholding quality standards, and ensuring timely and cost-effective delivery. Our Central Procurement Department plays a vital role in guaranteeing that our practices align with regulations that can impact profitability, deliverable quality, environmental considerations, and our commitment to Corporate Social Responsibility ("CSR").

In response to the growing global emphasis on social responsibility in procurement, we are actively striving to ensure that our business engagements involve suppliers who not only offer top-quality materials with cutting-edge technology but also prioritize their social responsibilities. These responsibilities encompass clean procurement, green procurement, regulatory compliance, information security, human rights, and occupational health and safety.

As such, PMMA firmly believes in the promotion of CSR within our procurement departments. We recognize the critical importance of conducting periodic management reviews to uphold these standards. Prior to engaging a new supplier, we conduct a systematic supplier assessment based on various aspects, including quality, delivery, cost, environmental considerations, and CSR. To raise awareness and enhance operational performance, we provide supplier training and conduct regular audits focusing on quality, Restriction of Hazardous Substances ("RoHS"), and CSR. Furthermore, we perform an Annual Supplier evaluation that assesses quality, cost, delivery, and service ("QCDS").

In June 2023, we hosted the PMMA Supplier Policy Announcement Meeting to further enrich communication and strengthen the relationship between our organisation and supply chain management.



QCD are Equally Important with Fulfilling CSR

Compliance
 An enterprise that fails to practise CSR procurement will be neglected by society today

Clean Procurement
 > Practicing ethical conduct and correct transactions

Green Procurement
 > Resource conservation/recycling
 > Elimination of prohibited substances

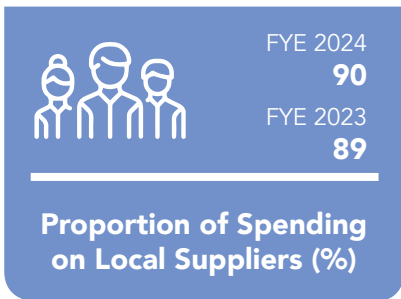
Compliance
 > Compliance with laws and social rules
 > Dealing with the TRADE COMPLIANCES

Information Security
 > An absolute condition for joint development and participating in design

Human Rights, Labour, Safety/Hygiene
 > Addressing the issues of conflict minerals

SUSTAINABILITY REPORTING (CONT'D)

Additionally, we actively support local suppliers in our procurement practices, provided that they meet our stringent criteria for pricing, quality, performance, and ethical standards. In FYE 2024, local suppliers constituted 90% of our total suppliers. Furthermore, we have developed an additional 3 new local suppliers this year.



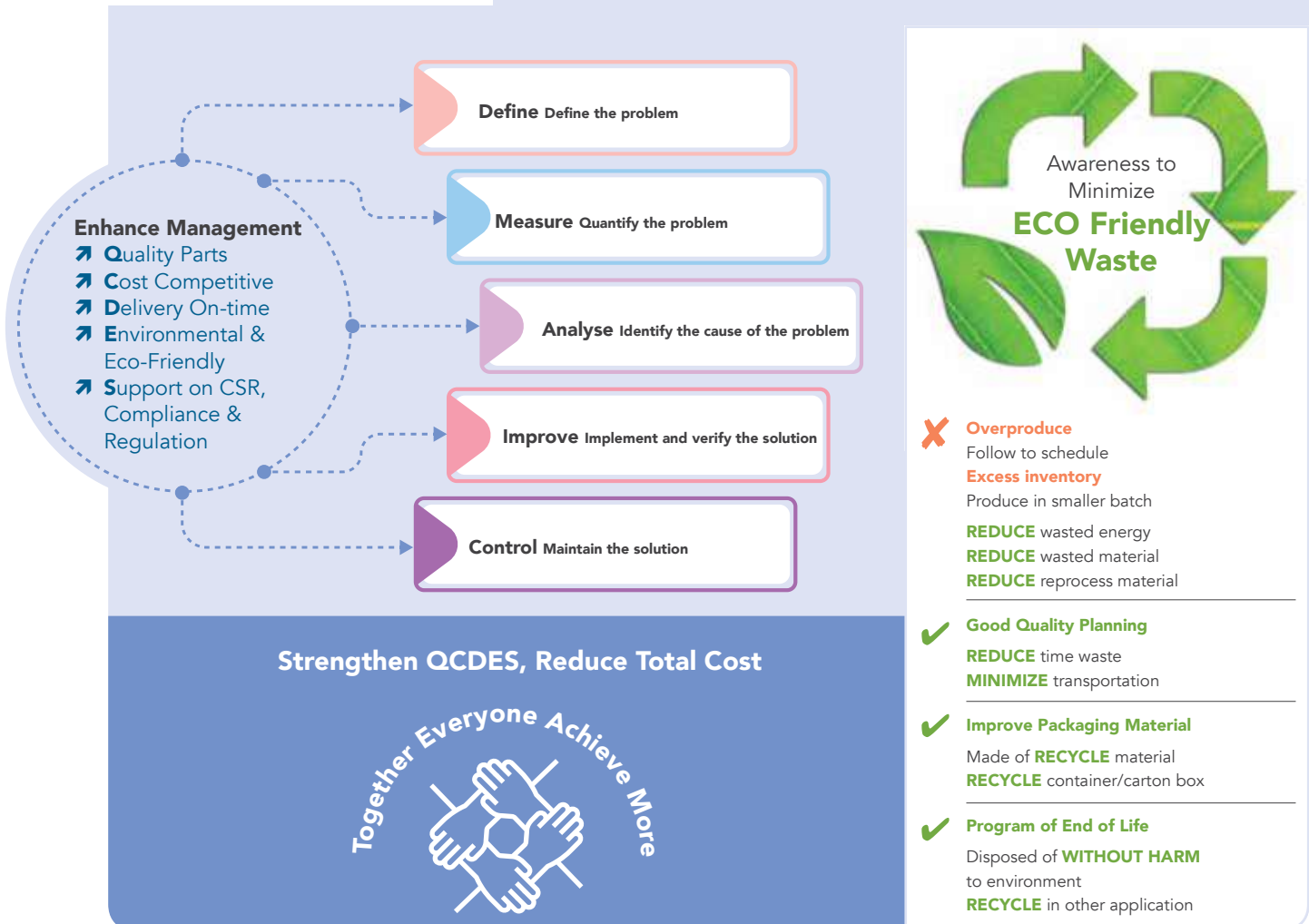
Certain raw materials or parts supplied by local suppliers are procured from overseas.

PMMA's Suppliers Quality Improvement Activities

Panasonic's corporate-wide Quality Policy emphasizes its commitment to "truly serving customers by providing products and services that continuously meet and satisfy their needs and those of society." Customers are the core factor of the company, and ensuring high product quality is essential to maintaining trust in our brand. We extend our focus on quality to our suppliers, spreading Panasonic's quality approach to enhance their overall quality management and produce high-quality parts.

Our Incoming Quality Control ("IQC") team leads the continuous monitoring of supplier improvement activities. In FYE 2024, key activities included conducting audits to strengthen supplier process control and prevent defect leaks. The supplier quality audit focuses on five areas: document control, process control, corrective, and preventive action, incoming material control, and ongoing quality system and management.

Regular quality meetings and reviews were implemented to assess the effectiveness of countermeasures and share relevant improvement ideas horizontally with our suppliers. We also conducted on-site confirmations of improvement actions and provided education through on-the-job training.



SUSTAINABILITY REPORTING
(CONT'D)

ENVIRONMENT



Total Energy Consumption
108,118
GJ
(4.1% lower than FY2023)



Total GHG Emissions
14,829
(tCO₂e)
(2.4% lower than FY2023)



Total Waste Generated
7,486
metric tonnes
(4.8% lower than FY2023)



Both of our manufacturing factories, SA1 and SA2 in Shah Alam, have received ISO 14001:2015 Environmental Management System (“EMS”) certification, reflecting our commitment to promoting environmental stewardship within our business. For this certification serves as a testament of our efforts in complying with the environmental requirements and conserving the environment.

We manage our compliance with environmental laws, regulations, standards, and other requirements through continuous internal and external audits. For this reporting year, we are proud to report zero cases of environmental non-compliance and did not receive any significant fines or sanctions for non-compliance with environmental legislation across the reporting regulations and requirements.

Environmental Compliance

We have established an Environmental Policy to ensure PMMA’s business complies with all applicable environmental laws and regulations in Malaysia. To implement this policy effectively, we have formed the PMMA Environmental Facilities Committee (“EFC”) which periodically reviews the environmental performance of our factories. We have also appointed the Environment Management Department Team Leader as the company’s Environment Management Representative (“EMR”) to ensure compliance with all environmental-related requirements. The EMR is also responsible for preparing and submitting PMMA’s monthly environmental performance reports to Panasonic Holdings Corporation.

Energy Management and Emissions

Panasonic has embarked on a commitment to minimize our carbon footprint through various environmental initiatives formulated through the Panasonic Environment Vision 2050. This long-term vision, established by Panasonic Holdings Corporation since 2017, aims to achieve a sustainable and safe society with clean energy and more comfortable lifestyle. In alignment with this vision, PMMA established a Zero Carbon Emission Project Team in September 2022. The team engaged an expert from the Japan Environment Promotion Department to conduct an Energy Saving Diagnosis to generate new ideas in support of PMMA’s energy-saving efforts.

Energy Efficiency

As part of our ongoing efforts, we have collaborated with Panasonic Life Solution and Panasonic Malaysia Sdn. Bhd. to successfully install solar panels on the rooftop of our existing SA2 plant building in July 2020, as well as on the rooftop of the new SA2 building in November 2022. We continued these efforts in 2023 by identifying suitable locations for additional solar panel installations in SA1 and completed the installations in January 2024 to further promote energy saving activities.

Furthermore, in the new SA2 building, we have installed Air Conditioning and Mechanical Ventilation (“ACMV”) Systems and Variable Refrigerant Flow (“VRF”) Air Conditioning Facilities to reduce energy consumption while achieving cost savings.

SUSTAINABILITY REPORTING

(CONT'D)

Energy Consumption

During the reporting period, we continued to track our energy consumption by source. The Company's total energy consumption is 108,118 Gigajoules, whereby a significant portion is from purchased electricity.

Energy Sources	FYE 2024 (GJ)	FYE 2023 (GJ)
Purchased Electricity	74,281	77,275
Solar Panels	8,921	7,106
Fuel Consumption – Diesel	1,444	1,689
Fuel Consumption – Natural Gas	23,472	26,617
Total	108,118	112,687

1. Total electricity purchased in kWh equivalent is 20,633,723 (kWh to GJ conversion factor of 0.0036).
2. Total electricity generated by solar panels in kWh equivalent is 2,477,969 kWh to GJ conversion factor of 0.0036).
3. The energy conversion factor used for diesel litre consumption is derived from the UK Government GHG Conversion Factors for Company Reporting 2023 and 2021 based on petrol/diesel which is 100% mineral.
4. The energy conversion factor used for natural gas (m³) consumption is derived from UK Carbon Trust Energy and Carbon Conversions 2023 Update.

Carbon Emissions

Currently, our approach to reducing carbon emissions focuses on the adoption of green technology, particularly the installation of solar panels. These panels generate renewable and cleaner energy, thereby reducing our dependency on energy from the national grid, which is generated from fossil fuels.

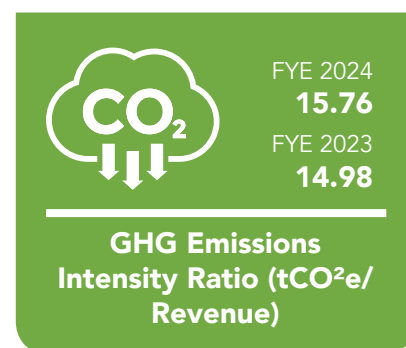
The breakdown of our emission profile is as follows:

Emission Type	FYE 2024 (tCO ₂ e)	FYE 2023 (tCO ₂ e)
Direct GHG Emission (Scope 1)	1,309	1,488
Indirect GHG Emission (Scope 2)	13,520	13,712
Total GHG Emissions	14,829	15,200

1. Scope 1 emissions are direct greenhouse gas ("GHG") emissions that occur from sources that are owned or controlled by the Company. Emission Conversion factor for Scope 1 is derived from the UK Government GHG Conversion Factors for Company Reporting 2023, 2022, and 2021, based on petrol/diesel which are 100% mineral oil.
2. Scope 2 emissions are indirect GHG emissions arising from the generation of purchased electricity consumed by the Company. Emission Conversion factor for Scope 2 is derived from the CDM Electricity Baseline for 2017 by Malaysian Green Technology Corporation, using Combined Margin (C.M) emission factor of 0.585 tCO₂e /MWh.
3. We have not begun tracking Scope 3 for the reporting year.

On top of that, we have been monitoring our GHG emissions intensity. Over the past 19 years, we have successfully reduced more than 21.40% of CO₂ index (tonnes CO₂ emission/RM1 million production value), from 20.05 in 2005 to 15.76 in 2024.

The table below depicts PMMA's GHG emissions intensity ratio for the past two years:



Our GHG emissions intensity ratio is calculated based on GHG emissions (in metric tonnes) divided by revenue (in RM million).

Water

Discharged Water

PMMA is cognisant of the potential pollutants that may originate from our manufacturing operations and their potential impact on the waterways in the areas where we operate, especially untreated wastewater. Understanding the detrimental effects that wastewater contaminants can have on the ecosystems of downstream water bodies, we are dedicated to employing suitable methods for treating and removing wastewater from our project sites before discharge. This commitment reflects our responsible environmental stewardship and aims to mitigate any adverse consequences on local ecosystems and water quality.

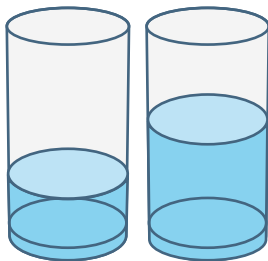
SUSTAINABILITY REPORTING

(CONT'D)

We managed to discharge 39 megalitres of wastewater in FYE 2024. The wastewater is treated in full compliance with the Environmental Quality Act 1974. There were no significant spills into water sources, and we maintained strict adherence to water quality standards and regulations, with no instances of non-compliance.

Total Water Discharged (Megalitres/ML)

FYE 2024 39 ML **FYE 2023** 50 ML



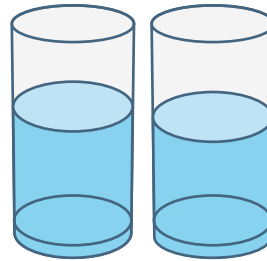
Water Consumption

We primarily source our water from local municipal water supply systems. It is predominantly used in our manufacturing processes and in support areas within our buildings. Despite our water consumption, we are mindful that it does not significantly impact water availability in the regions where we operate, and there is currently no immediate water scarcity at our manufacturing sites.

During the year, PMMA's total water usage across our operations increased to 233 megalitres, representing an increase of 4% compared to the previous year. The significant increase in water consumption can be attributed to the addition of new facilities and the corresponding rise in business activity during the reporting period.

Total Water Consumption (Megalitres/ML)

FYE 2024 233 ML **FYE 2023** 224 ML



Water Withdrawn – Water Discharged = Water Consumption

Waste Management

PMMA is aware that waste production is inevitable during our production processes. Therefore, we work continuously to reduce waste generated by our factories and increase the volume of valuable materials and resources recycled. We also ensure compliance with Malaysia's National Solid Waste Management Policy and adhere strictly to the waste storage and disposal regulations in accordance with the Environmental Quality Act 1974.

The table below illustrates the breakdown of the waste directed to disposal and waste that was diverted from disposal during the reporting period.

Category	FYE 2024 (Metric Tonne)	FYE 2023 (Metric Tonne)
Waste directed to disposal	887	1,047
Waste diverted from disposal	6,599	6,819
Total Waste Generated	7,486	7,866

Waste Directed to Disposal

Aligned with our commitment to environmental preservation, PMMA prioritizes the management and appropriate disposal of scheduled waste produced by our manufacturing operations. Given the nature of our activities, a significant portion of the hazardous waste generated includes metal sludges, used oils, used paints, and contaminated containers, gloves, and rags. In addition to hazardous waste, our operations also produce non-hazardous waste, primarily consisting of domestic waste.

In compliance with local waste regulations, we have engaged licensed external disposal service contractors to collect and dispose of waste from our production processes through stringent processes at approved facilities. Furthermore, our Environment Team consisting of trained competent personnel, conducts routine inspections across our facilities to ensure proper storage and labelling of hazardous waste in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005.



SUSTAINABILITY REPORTING

(CONT'D)

The table below showcases the total hazardous and non-hazardous waste which was disposed for the year:

Waste Directed to Disposal (Metric Tonne)					
FYE	SW Code*	Type of Scheduled Waste	Hazardous Waste Generated	Total Hazardous Waste Generated	Total Non-Hazardous Waste Generated
2024	SW 104	84	500	387	887
	SW 110	7			
	SW 204	64			
	SW 305	3			
	SW 306	4			
	SW 307	60			
	SW 322	7			
	SW 401	100			
	SW 408	1			
	SW 410	15			
	SW 417	1			
	SW 418	134			
	SW 422	20			
2023	SW 104	86	609	438	1,047
	SW 110	3			
	SW 204	85			
	SW 206	21			
	SW 305	17			
	SW 306	6			
	SW 307	64			
	SW 401	193			
	SW 410	15			
	SW 418	115			
	SW 422	4			

* Scheduled Waste Code

- SW 104: Dust, slag, dross, or ash containing heavy metals excluding slag from iron and steel factory.
- SW 110: Waste from electrical and electronic assemblies containing components such as accumulators, mercury-switches, glass from cathode-ray tubes and other activated glass polychlorinated biphenyl-capacitators or contaminated with heavy metals.
- SW 204: Sludges containing one or several metals.
- SW 206: Spent inorganic acids.
- SW 305: Spent lubricating oil.
- SW 306: Spent hydraulic oil.
- SW 307: Spent mineral oil-water emulsion.
- SW 322: Waste of non-halogenated organic solvents.
- SW 401: Spent alkalis containing heavy metals.
- SW 408: Contaminated soil, debris, or matter resulting from cleaning-up of a spill of chemical, mineral oil, or scheduled wastes.
- SW 410: Rags, plastics, papers, or filters contaminated with scheduled wastes.
- SW 417: Wastes of inks, paints, pigments, lacquer, dye, or varnish.
- SW 418: Discarded or off-specification inks, paints, pigments, lacquer, dye, or varnish products containing organic solvents.
- SW 422: A mixture of scheduled and non-scheduled wastes.

SUSTAINABILITY REPORTING

(CONT'D)

Waste Diverted from Disposal

In accordance with the Panasonic Green Plan 2018, PMMA's sustainability initiatives focus on implementing resource recycling in our processes to conserve natural resources and enhance product cost-effectiveness by reducing raw material costs. Since 2020, we have been utilising recycled Polybutene Terephthalate ("PBT") and Polypropylene ("PP") resins for selected components of our Fan Products, such as electric fans and ceiling fan components. Similarly, in the previous year, we introduced recycled Acrylonitrile Butadiene Styrene ("ABS") and PP resins for components of our Vacuum Cleaner products. However, the planned use of recycled PP materials in our Vacuum Cleaners was postponed due to quality issues. Corrective measures are currently underway, and we anticipate the resumption of recycled PP material usage in the forthcoming reporting year. Additionally, we have incorporated the use of recycled aluminium for parts of our Electric Irons to further conserve environmental resources and achieve raw material cost savings.

To ensure that the adoption of recycled raw materials does not compromise the quality of our products, PMMA's Quality Control Department works with Panasonic Appliances R&D Asia Pacific Sdn. Bhd. ("PAPRADAP") to continually monitor and verify that the recycled raw materials comply with material specifications and meet product quality standards. Regular audits of supplier factories and compliance with the Restriction of Hazardous Substances ("ROHS") are conducted to ensure that suppliers meet all relevant Panasonic regulations and standards, without any compromise on product quality or performance.

Through the Panasonic Green Impact 2024 ("GIP2024"), Panasonic Holdings Corporation targets the use of recycled resin to be 90kt by 2025. To realize this goal, we have established partnerships with new recycled resin manufacturers and initiated research and development projects with them.

For the reporting year, the Company managed to divert 6,599 tonnes of waste. A breakdown of the waste that was recycled, reused, or repurposed is as listed below:

Diverted Waste	FYE 2024 (Metric Tonne)	FYE 2023 (Metric Tonne)
Paper	515	620
Plastic	692	711
Metal Scraps	5,319	5,282
Electrical Items	8	3
Aluminium	65	203
Total	6,599	6,819



SUSTAINABILITY REPORTING

(CONT'D)



SOCIAL



LTIR
0.87%
Zero Work Related Fatalities

Zero Substantiated Complaints on Breaches in Customer Privacy or Loss of Customer Data

Occupational Safety and Health

In order to be a responsible and sustainable employer, PMMA prioritizes the health and well-being of all our employees. We have developed our own localized Occupational Safety and Health ("OSH") Policy, which underscores our firm dedication to occupational safety and health concerns. This Policy is complemented by detailed Standard Operating Procedures ("SOPs") for activities across our manufacturing plants, establishing a robust framework for activities across our manufacturing plants, and a robust framework for our OSH governance. Additionally, we have adopted rigorous control SOPs from Panasonic Holdings Corporation's OSH Activity Guideline for critical activities. Since 2013, our established OSH Management System has further fortified our efforts in upholding the Policy and SOPs.

PMMA adheres to the Occupational Safety and Health Management System ISO45001:2018, ensuring a safe and healthy workplace for our employees, contractors, and visitors. By identifying and managing all risk factors and mitigating their adverse effects on individuals' physical, mental, and cognitive well-being, we aspire to cultivate greater hazard awareness, reduce risks, enhance workplace health and safety, and ultimately aim for zero injury incidents in the years ahead.

Our Safety and Health Committee ("SHC") comprises employee representatives from all organisational levels, including top management, executives, and frontline workers, as required by law. Led by our Managing Director, the joint management-worker SHC meets quarterly to discuss OSH management systems and evaluations. The committee investigates hazard prevention measures, root causes of occupational accidents and diseases, recurrence prevention measures, employee health issues, and health promotion measures. We have established internal and external feedback mechanisms, with all feedback reviewed by management representatives and reported to top management. Any necessary investigations and actions are taken within a 14-day period. The SHC collaborates with the Human Resources Department to organize OSH-related programs, including internal and external training. Additionally, we conduct annual Hazard Identification, Risk Assessment, and Determining Control ("HIRADC") reviews with department members, allocating adequate annual budgets for OSH training and development.

To continuously enhance our processes, we conduct annual internal and external OSH audits, including cross-reference audits at the group level locally and from the Business Division in Japan. Various key initiatives, such as safety inspections of new machines, daily OSH procedures, and safety trainings, are mandatory in PMMA's day-to-day operations. We remain fully committed to promoting OSH practices throughout our business.

Work-Related Fatalities and Loss Time Incidents

In line with our target to achieve zero accidents, PMMA has embarked on various safety and health initiatives, namely emphasising on machine safety through safety inspection of machine safety through safety inspection of machines prior to installation at PMMA and upon installation as well.

During the reporting period, PMMA is proud to report that there were **ZERO** incidents of work-related fatalities.



FYE 2024
Nil
FYE 2023
1

Number of Work-Related Fatalities

SUSTAINABILITY REPORTING

(CONT'D)

On the other hand, the Loss Time Incident Rate (“LTIR”) for the current reporting year stands at 0.87%.

	FYE 2024	FYE 2023
Number of Bodily Injuries (Loss Time Injuries)	15	13
Total number of hours worked	3,453,341	3,369,492
Loss Time Incident Rate (“LTIR”) (%)	0.87	0.75

1. Loss time incident rate refers to the loss of productivity associated with accidents or injury arising out of or in the course of work.
2. The standardized value used to compute the LTIR is 200,000, which is total amount of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks (100x40x50=200,000)

Furthermore, at PMMA, we prioritize the health and safety of our employees above all else. Given that we are a manufacturing company engaged in high-risk and high-skilled work with machinery, it is paramount for us to guarantee the safety of our workforce. To achieve this, we provide our employees with specific knowledge and safety trainings necessary for operating within our facilities. This proactive approach ensures that our employees are well-equipped to manage potential risks and operate machinery safely, thereby minimising the likelihood of accidents or injuries. In FYE 2024, a total of 1,139 employees participated in the health and safety trainings.



Ensuring Health and Safety of Our Products

PMMA upholds the rigorous safety standards set forth by Panasonic Holdings Corporation and complies with all relevant local government regulations to ensure that our products are safe and reliable, thereby minimising the risk of liability claims. During the product design and development phase, every new model undergoes thorough

safety checks and performance assessments, with results promptly reported to top management for review. We prioritize food sanitation tests for components that come into contact with food to guarantee that our products pose no health hazards. In the event of safety concerns arising in the market, we embrace a “Bad News First” culture, swiftly reporting issues to the Managing Director to facilitate timely decision-making. Internal and external audits, including those conducted by SIRIM and authorized certification bodies, further scrutinize the effectiveness of our processes in ensuring product safety.

To mitigate market defective losses, PMMA supplies standby replacement parts to our sales department for prompt sample return and investigation. We conduct comprehensive root cause analysis to address issues at their source and implement corrective measures to prevent recurrence. Our continuous improvement efforts extend to refining our design review processes for new model development, ensuring that we consistently deliver top-quality products to our customers. In FYE 2024, PMMA successfully reduced its market defective ratio, reflecting our ongoing commitment to product excellence and customer satisfaction. Moving forward, we remain steadfast in our dedication to the absolute safety of our customers, adhering unwaveringly to stringent safety standards and fostering a culture of quality compliance throughout our organisation.

Information Security Management

PMMA’s Information Security Management (“ISM”) System comprises three main elements: Integrity, Availability, and Confidentiality. We are dedicated to safeguarding these elements of the Company’s Confidential Information against internal and external threats or risks. Through these efforts, information security will increase public confidence and further enhance our corporate value to sustain the Company’s growth. PMMA strives to integrate Information Security Management into all business functions. It is crucial to ensure there are no data leaks or tampering. PMMA is committed to effectively managing and protecting information security through the implementation of organisational, technological, and physical security management policies.

In the age of digital transformation, cybersecurity is a core focus on PMMA’s operations. Cybersecurity can help prevent data breaches, identity theft, and other types of cybercrime. Organisations must have strong cybersecurity measures in place to protect their data and customers against cyber risks. We categorize cyber risks into three categories: people, network, and system. Several potential issues within each category, along with mitigating actions, were identified to ensure effective information security management.

SUSTAINABILITY REPORTING

(CONT'D)

	People	Network	System
Issues	<ol style="list-style-type: none"> Insufficient awareness from employee Unable to judge malicious email 	<ol style="list-style-type: none"> Insufficient control of unauthorized access Insufficient protection of factory production system 	<ol style="list-style-type: none"> Insufficient protection of local servers Lack of professional skills at each company
Actions	<ol style="list-style-type: none"> Cyber Security Education Endpoint Security – device hardening 	<ol style="list-style-type: none"> Strengthen network security design Implement network monitoring to detect cyber attack 	<ol style="list-style-type: none"> Ensure Business Cyber Security Plan (BCP) Enhance server security management

Continuous awareness education and training are provided to all employees to enhance their understanding of information security and cultivate a workplace culture that is highly sensitive to information security risks. This is crucial for controlling and preventing accidents and ensuring ongoing compliance with the Information Security Management System ISO 27001:2013. This year, 100% of our employees with email access enrolled in the "Online Panasonic Security & Compliance e-Learning" course. ISM training is also conducted for all new joiners during their onboard orientation, with 99% participation recorded as of March 31, 2024.

We are pleased to announce that during the reporting period, no substantiated complaints were received from regulatory or official bodies regarding breaches of customer privacy or losses of customer data.



FYE 2024
None
FYE 2023
1 Incident

Number of Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data

Diversity and Equal Opportunity

In October 2021, Panasonic Holdings Corporation updated its "Global Diversity Policy" to foster diversity and inclusivity among employees. This commitment is reflected in our hiring and promotion processes, where candidates are selected solely based on their job performance and competency, without regard to factors such as age, gender, race, or religion. At PMMA, we uphold the principles of equal opportunity and pay, maintaining a zero-tolerance stance against discrimination. We strive to cultivate workplaces that are free from discrimination based on various factors including race, gender, ethnicity, religion, age, disability, sexual orientation, gender identity or expression, political opinion, or any other status protected by law.

Employee Diversity

The following is the representation of our workforce diversity by gender. We continue to be a male reliant workforce in delivering our business.

Employee Breakdown by Gender Group	FYE 2024 (%)		FYE 2023 (%)	
	Male	Female	Male	Female
Senior Management	79	21	77	23
Middle Management	67	33	67	33
Executive	55	45	53	47
Non-Executive	71	29	71	29
Overall Composition	69	31	70	30



Annual Machinery and Factory Inspection

SUSTAINABILITY REPORTING

(CONT'D)

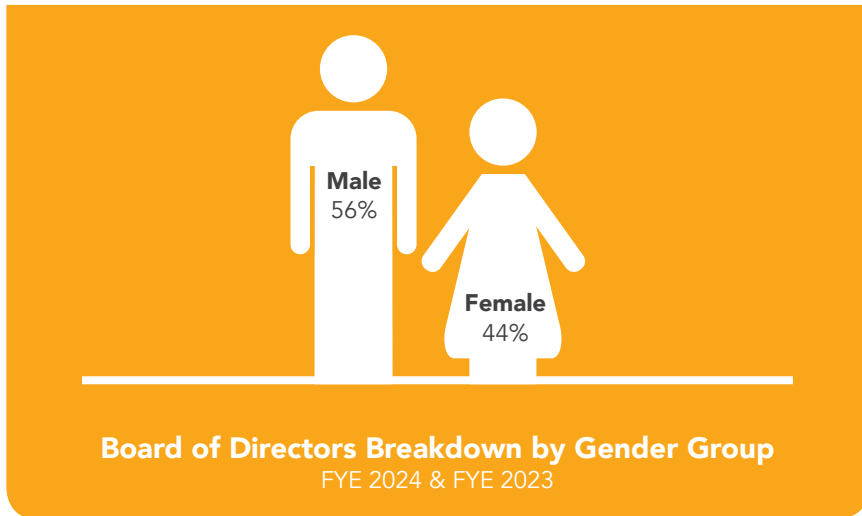
With respect to age diversity, the breakdown of employee categories by age group is as listed below.

Employee Breakdown by Age Group	FYE 2024 (%)			FYE 2023 (%)		
	<30	30-50	>50	<30	30-50	>50
Senior Management	Nil	28	72	Nil	39	61
Middle Management	Nil	51	49	Nil	60	40
Executive	29	56	15	24	60	15
Non-Executive	48	43	10	50	42	8
Overall Composition	44	44	12	46	44	10

We do not have outcome-based targets with respect to gender or age diversity but remain committed in promoting a merit-based and healthy work environment that encourages productivity.

Board Diversity

With respect to board diversity, currently 4 out of 9 current board members are female which represents 40% of total board composition. Currently, the Board has not adopted any female representation target as part of its diversity policy.



In terms of age diversity of the board members, currently all of our board members are of age 50 and above.

Board Member Breakdown by Age Group

Board of Directors Breakdown by Age Group	FYE 2024 (%)			FYE 2023 (%)		
	<30	30-50	>50	<30	30-50	>50
	Nil	Nil	100	Nil	Nil	100

Human Capital Management

When recruiting employees, PMMA prioritizes the protection of fundamental human rights and ensures that our recruitment practices align with the employment laws and regulations of Malaysia. As a labour-focused organisation, our workforce is vital to our business performance. Employees serve as the lifeblood of our operations, playing a key role in executing the Company's corporate strategies. Therefore, it is imperative for us to create a fair and healthy working environment for all employees and to continually develop our human resources to actively engage in our global business environment.



Chemical Spillage Training and Drill

SUSTAINABILITY REPORTING

(CONT'D)



Fire Extinguisher Training

Training and Education

We are committed to the development of all our employees at PMMA, recognising them as our most valuable asset. To empower them in facing the challenges of our industry, we conduct on-the-job training ("OJT") for all production staff, including foreign workers, facilitated by our in-house trainers. Additionally, we offer tailored technical and management training programs to address the specific needs of each employee. Upholding a culture of continuous learning and growth, we strongly advocate for upskilling workforce. Consequently, we have designed a range of career development initiatives aimed at fostering the professional growth of our employees in tandem with the Company's growth.

Our comprehensive training regimen encompasses both technical and non-technical aspects to ensure our employees acquire the skills and knowledge necessary to excel in our industry. In the fiscal year ending 2024, we achieved a total of 14,128 training hours.



Fire Fighting Training



Annual Audiometric Screening



First Aid Training

SUSTAINABILITY REPORTING

(CONT'D)

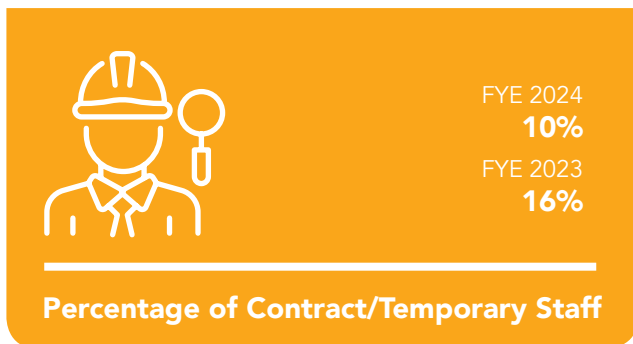
Employee Category	FYE 2024 (Hours)	FYE 2023 (Hours)
Senior Management	897	407
Middle Management	2,697	1,610
Executive	4,079	3,004
Non-Executive	6,455	5,259
Total	14,128	10,280

The data above only accounts for PMMA's permanent staff.

We believe that providing employee with development trainings enables us to enhance the knowledge and individual skills of our existing workforce while also attracting and retaining new talents in the right positions. Moving forward, we are committed to nurturing the next generation of Panasonic leaders through a structured global talent management framework. Our Executive Development Training programs are specifically designed to inspire, motivate, and enlighten executive candidates with fresh ideas and innovative thinking, fostering mindset changes necessary to thrive in our rapidly evolving environment. These initiatives aim to cultivate the future leaders who will drive Panasonic forward into a new era of success.

Utilization of contractors/temporary staff

During the year, 10% of our employees are contract/temporary staff. The company employs a number of contract/temporary staff as it allows for flexibility and cost control needed to adapt to changing market conditions and production requirements.



However, PMMA recognizes the importance of ensuring that these temporary workers are treated fairly, receive appropriate compensation and benefits, and have a positive working experience. This is crucial for maintaining a productive and motivated workforce.

Employee turnover

Below is a breakdown of the number of employee turnover by employee category for our permanent staff. We try to minimize turnover among business-critical and high-performing employees through continuous employee engagement to identify areas for improvement.

Employee Category (Permanent Staff)	Number of Employee Turnover	
	FYE 2024	FYE 2023
Senior Management	2	0
Middle Management	4	5
Executive	20	17
Non-Executive	427	465
Total	453	487

1. Employee turnover refers to employees who leave the company voluntarily or due to dismissal, retirement, or death in service.
2. The data above excludes seconded staff and expats.

Employee benefits

At PMMA, we prioritize fair compensation for our employees, ensuring compliance with the Minimum Wages Order. In addition to fair remuneration, we strive to cultivate a supportive and positive work environment. Consequently, we go above and beyond legal mandates by offering comprehensive employee benefits such as life insurance, healthcare check-ups, housing loans, retirement plans, and more. Regular audits are conducted to verify adherence to our employment systems and procedures, ensuring compliance with all relevant laws and regulations. In the current reporting year, we have fully complied with all applicable Employment Laws and Regulations.

The diagram below illustrates the employee benefits offered by PMMA to our permanent employees:



SUSTAINABILITY REPORTING

(CONT'D)

Employee Engagement and Satisfaction

PMMA actively participates in the Panasonic Employee Opinion Survey ("EOS"), an annual initiative funded by Panasonic Holdings Corporation and is facilitated by an independent consulting firm. The survey ensures anonymity, allowing employees to candidly share their feedback, needs, and concerns. The primary goal is to obtain insights to gradually develop improvement measures aimed at enhancing the employee working experience and overall organizational performance.

Employees respond to a series of questions covering 15 key dimensions aimed at identifying areas for improvement and bolstering PMMA's reputation as an employer of choice. In the latest survey conducted in 2023, four themes emerged as particularly favourable: Clear & Promising Direction, Safety at Work, Quality & Customer Focus, and Compliance. Notably, the survey revealed an uptick in overall ratings, attributed to the clarity in business direction articulated by our Managing Director. This clarity instilled confidence among employees and contributed to the survey's improved performance.

The results of the EOS are then circulated to respective group managers, who will collaborate with their teams to develop actionable plans addressing identified issues and leveraging collective insights for continuous improvement.

A Better Dialogue

To thrive in an ever-evolving landscape, the individual strengths of each employee are indispensable. It is imperative for us to foster an environment where every employee is encouraged to push their limits and develop in their own unique way. Panasonic embraces this ethos through the implementation of "A Better Dialogue" rooted in our Basic Business Philosophy, aimed at fostering new value creation. This initiative enhances the quality and frequency of dialogues between employees and managers, thereby boosting both individual and organisational performance.

Throughout this year, we have sustained face-to-face dialogues between Group Managers and their team members, particularly the Management Staff. These sessions facilitate open discussions centred on the employees' future aspirations and their contributions to the company's growth. Managers provide tailored support to each employee, empowering them to evolve and embrace new challenges along their professional journey.

EOS Result

For financial year ended
31 March 2024



FAV 89%
Clear &
Promising
Direction



FAV 89%
Safety at Work



FAV 86%
Quality &
Customer
Focus



FAV 86%
Compliance

For financial year ended
31 March 2023



FAV 85%
Quality &
Customer
Focus



FAV 85%
Employee
Enablement



FAV 81%
Clear &
Promising
Direction



Road Safety Talk

SUSTAINABILITY REPORTING

(CONT'D)

Employee labour rights

In fiscal year 2016, the Panasonic Holdings Corporation established its Global Human Rights and Labour Policies to provide detailed provisions on respect for human rights. PMMA has aligned with this ethos by adopting the Panasonic Group of Companies in Malaysia Policy on the Responsible Recruitment and Employment of Foreign Migrant Workers. This mandatory policy ensures adherence to the Malaysia Policy on Responsible Recruitment and Management of Migrant Workers, as well as Malaysian laws, during the recruitment process of foreign migrant workers.

PMMA has made a commitment to refrain from charging foreign migrant workers any recruitment fees or related costs, and this principle is explicitly stated in our contracts with recruitment agencies. Before appointing any recruitment agency, PMMA conducts thorough due diligence. Once selected, foreign migrant workers receive a standard template employment contract in English, translated into their native languages for clarity on their terms and conditions. They are also briefed on their rights regarding voluntary termination policies, without any penalties or salary deductions, as PMMA covers the full cost of repatriation.

In accordance with Malaysian law, PMMA does not retain any personal documents of foreign workers but may collect passports for permit renewal purposes. Wages paid adhere to all local wage laws, including those related to minimum wages, overtime allowances, and fringe benefits. We have implemented an overtime consent form requirement for those working beyond stipulated hours or on rest days.

Additionally, PMMA ensures a workplace free from harsh or inhumane treatment and upholds the freedom of foreign workers to join associations or unions as per local laws. Adequate and safe accommodations are provided, with regular inspections conducted by both hostel management and PMMA representatives to ensure cleanliness and facility maintenance. Initiatives to reduce reliance on foreign workers include terminating contracts for problematic workers and promptly repatriating those found unsuitable during medical screenings.

Substantiated Complaints

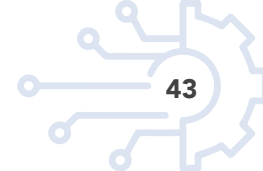
During the reporting year, PMMA received 2 substantiated complaints from regulatory or official bodies regarding violations of human rights concerning our workers. PMMA has taken immediate actions to address the issues and to ensure that similar incidents do not occur in the future.



CONCLUSION

Driving strong sustainability is crucial for a business to not only survive but also thrive in today's world. Sustainability ensures continual value creation, benefitting the broader value chain and all relevant stakeholders. At PMMA, we consistently take initiative to expand upon our sustainability achievements, believing that we can always do more to embed and strengthen meaningful ESG development in our business and operations. The growing strength of our ESG agenda ensures that PMMA remains on course to chart a robust ESG landscape.

We are incredibly proud of the hard work and dedication of our employees who have enabled us to make progress on our sustainability journey. Moving forward, we will continue to enhance our corporate governance and sustainability management practices in response to evolving regulatory requirements and increasing public expectations.



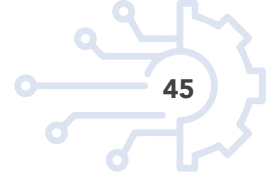
BURSA MALAYSIA'S COMMON INDICATORS

Indicator	Measurement Unit	2024
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive	Percentage	98.30
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	90.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	108,118.00
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	1,309.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	13,520.00
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	233.000000
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	7,486.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	6,599.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	887.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.87
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,139
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

BURSA MALAYSIA'S COMMON INDICATORS

(CONT'D)

Indicator	Measurement Unit	2024
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	28.00
Senior Management Above 50	Percentage	72.00
Middle Management Under 30	Percentage	0.00
Middle Management Between 30-50	Percentage	51.00
Middle Management Above 50	Percentage	49.00
Executive Under 30	Percentage	29.00
Executive Between 30-50	Percentage	56.00
Executive Above 50	Percentage	15.00
Non-executive Under 30	Percentage	48.00
Non-executive Between 30-50	Percentage	43.00
Non-executive Above 50	Percentage	10.00
Gender Group by Employee Category		
Senior Management Male	Percentage	79.00
Senior Management Female	Percentage	21.00
Middle Management Male	Percentage	67.00
Middle Management Female	Percentage	33.00
Executive Male	Percentage	55.00
Executive Female	Percentage	45.00
Non-executive Male	Percentage	71.00
Non-executive Female	Percentage	29.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	56.00
Female	Percentage	44.00
Under 30	Percentage	0.00
Between 30-50	Percentage	0.00
Above 50	Percentage	100.00
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	3,594
Executive	Hours	4,097
Non-executive	Hours	6,455
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	10.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	6
Executive	Number	20
Non-executive	Number	427
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0



FIVE-YEAR FINANCIAL SUMMARY

FINANCIAL YEAR ENDED 31 MARCH

Financial Data		2020	2021	2022	2023	2024
Revenue	RM'000	1,051,980	974,558	868,776	991,628	905,685
Profit before taxation	RM'000	141,227	135,151	53,037	91,338	106,657
Profit after taxation	RM'000	116,989	116,454	51,511	80,132	92,646
Gross dividends paid/proposed	RM'000	120,277	99,016	50,419	74,110	82,614
Net dividends paid/proposed	RM'000	120,277	99,016	50,419	74,110	82,614
Total assets	RM'000	976,742	972,580	917,782	922,213	944,413
Share capital	RM'000	60,746	60,746	60,746	60,746	60,746
Shareholders' funds	RM'000	816,541	812,718	765,213	794,926	813,462
Financial Ratios						
Return on shareholders' funds	%	14.3	14.3	6.7	10.1	11.4
Earnings per share	sen	193	192	85	132	153
Net assets per share	RM	13.44	13.38	12.60	13.09	13.39
Dividend rate (gross)	sen	198	163	83	122	136

FINANCIAL HIGHLIGHTS

Financial Data		Year Ended 31 March 2024	Year Ended 31 March 2023
Revenue	RM'000	905,685	991,628
Profit before taxation	RM'000	106,657	91,338
Profit after taxation	RM'000	92,646	80,132
Percentage of revenue	%	10.2	8.1
Return on shareholders' funds	%	11.4	10.1
Earnings per share	sen	153	132
Dividend rate	sen	136	122
Shareholders' funds	RM'000	813,462	794,926
Net assets per share	RM	13.39	13.09
Total assets	RM'000	944,413	922,213
Capital expenditure	RM'000	24,718	17,247

FINANCIAL CALENDAR

INVESTOR MEETING

14 MARCH 2024

PROPOSED FINAL DIVIDEND

Notice of Dividend Entitlement
30 May 2024

Entitlement Date
06 September 2024

Payment Date
20 September 2024

INTERIM DIVIDEND

Notice of Dividend Entitlement
29 November 2023

Entitlement Date
20 December 2023

Payment Date
19 January 2024

59TH ANNUAL GENERAL MEETING

28 August 2024

ISSUANCE OF ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

31 July 2024

ANNOUNCEMENT OF RESULTS

1Q
21 August 2023

2Q
29 November 2023

3Q
28 February 2024

4Q
30 May 2024

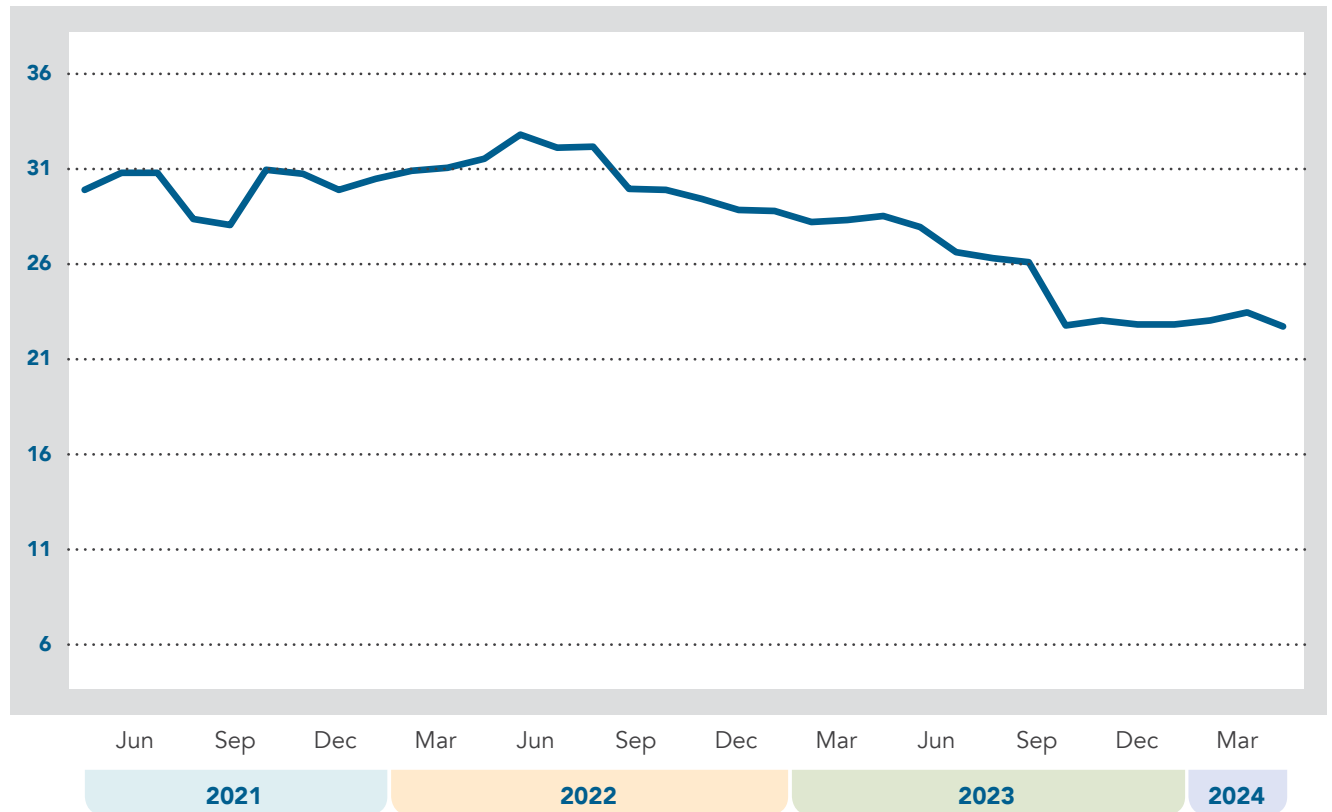
FINANCIAL YEAR ENDED

31 March 2024



SHARE PERFORMANCE

CLOSING SHARE PRICE (RM)



2023										2024		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	22.90	22.74	22.30	20.00	20.06	21.20	19.02	17.80	17.90	18.00	17.86	17.90
Lowest (RM)	22.90	22.70	22.00	19.90	19.98	20.96	18.90	17.60	17.86	17.90	17.80	17.80
Closing Share Price (RM)	22.90	22.72	22.00	20.00	20.02	20.96	18.92	17.70	17.90	17.90	17.84	17.86
Lots Traded (100 shares)	5,600	2,600	22,700	10,300	16,100	7,900	11,700	73,000	2,100	21,300	24,400	21,700

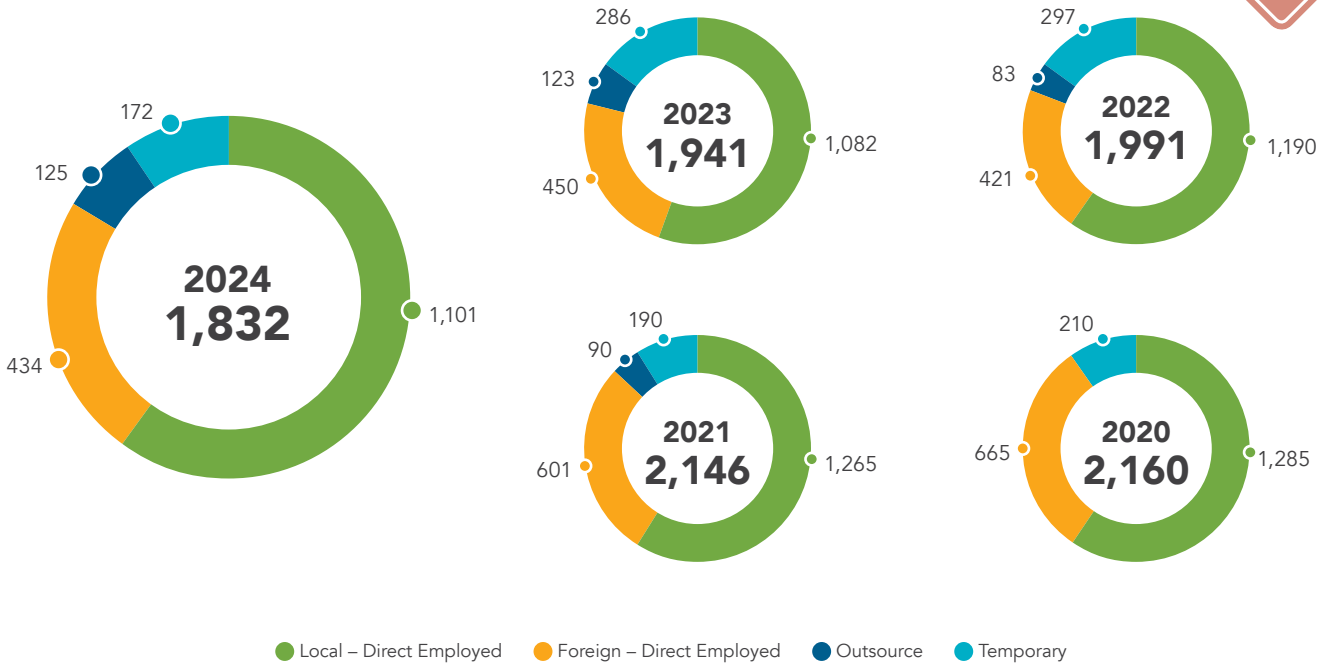
2022										2023		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	29.40	28.86	27.92	26.70	27.20	26.98	23.20	23.16	24.16	23.50	26.10	23.60
Lowest (RM)	28.38	27.98	26.40	25.56	26.00	22.50	22.10	22.50	22.80	22.50	22.96	22.60
Closing Share Price (RM)	28.60	28.02	26.70	26.38	26.18	22.82	23.10	22.90	22.90	23.08	23.50	22.80
Lots Traded (100 shares)	760	1,018	1,049	499	1,348	2,130	585	448	1,893	1,298	3,352	1,418

2021										2022		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	31.70	31.60	33.40	32.98	32.80	32.70	30.30	30.26	29.70	29.80	28.88	28.78
Lowest (RM)	31.00	31.00	32.00	32.00	32.14	30.00	29.88	29.50	28.90	28.80	28.26	27.30
Closing Share Price (RM)	31.14	31.60	32.88	32.22	32.26	30.02	30.00	29.50	28.90	28.88	28.30	28.40
Lots Traded (100 shares)	822	533	3,266	866	1,854	2,588	1,631	922	878	745	1,249	933

FIVE-YEAR TREND

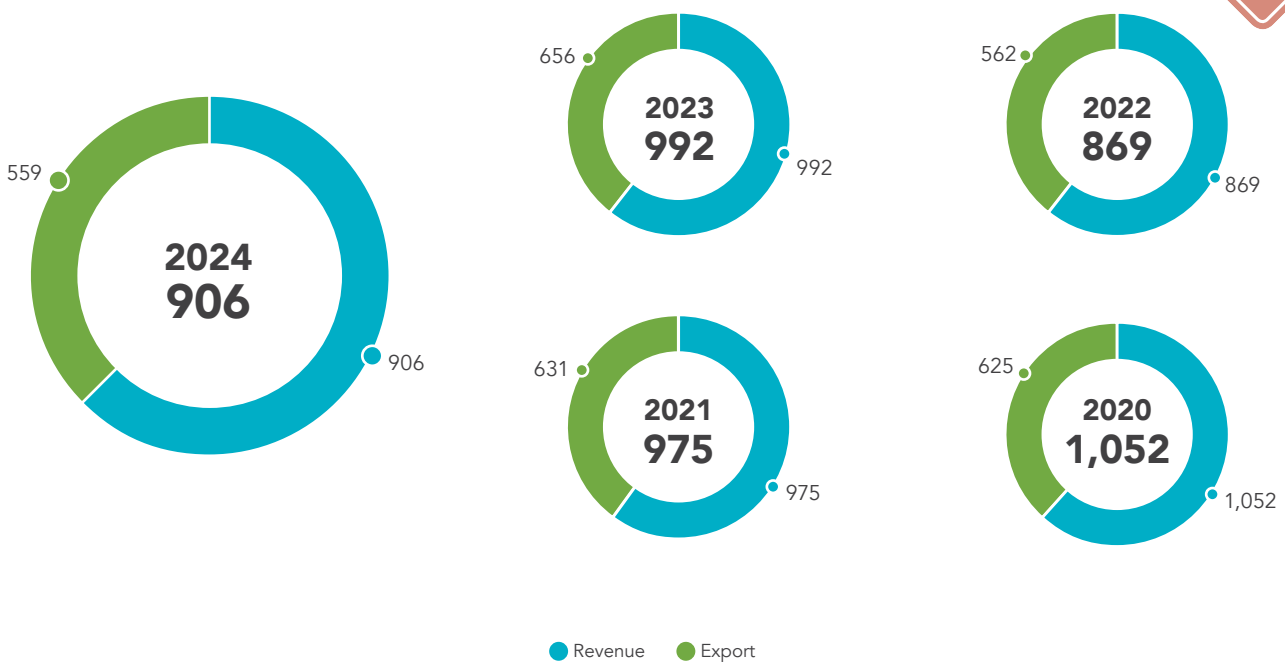
EMPLOYMENT

(Number of Persons)



REVENUE/EXPORT

(RM million)

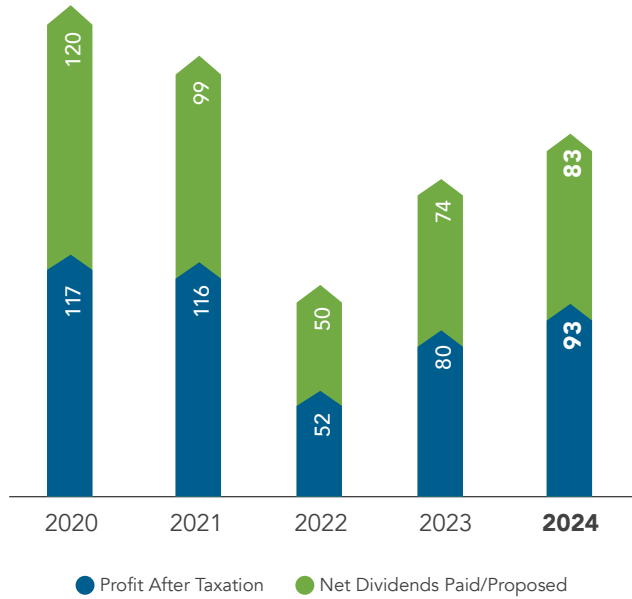


FIVE-YEAR TREND

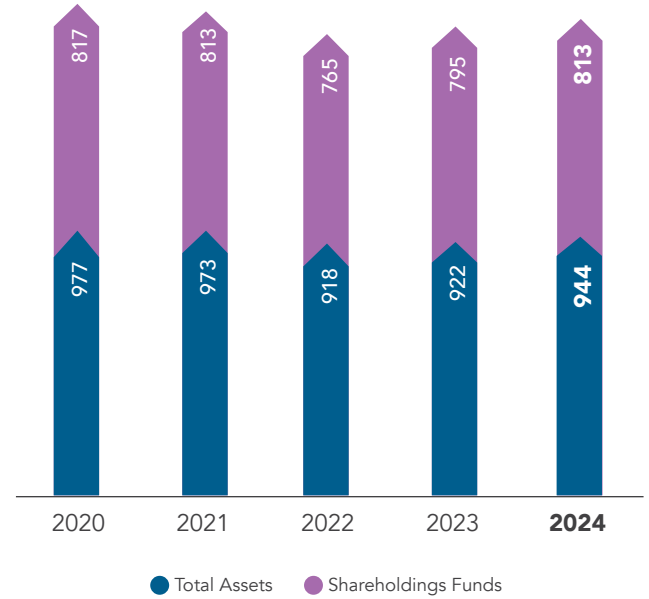
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PROFIT AFTER TAXATION/
NET DIVIDENDS PAID/PROPOSED

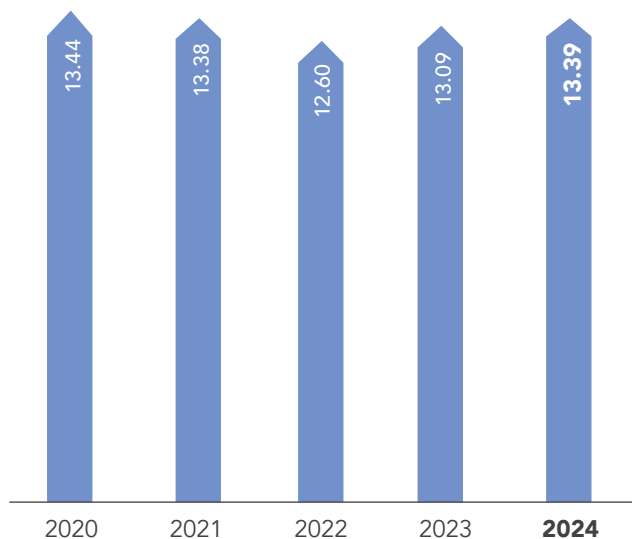
(RM million)

TOTAL ASSETS/
SHAREHOLDINGS FUNDS

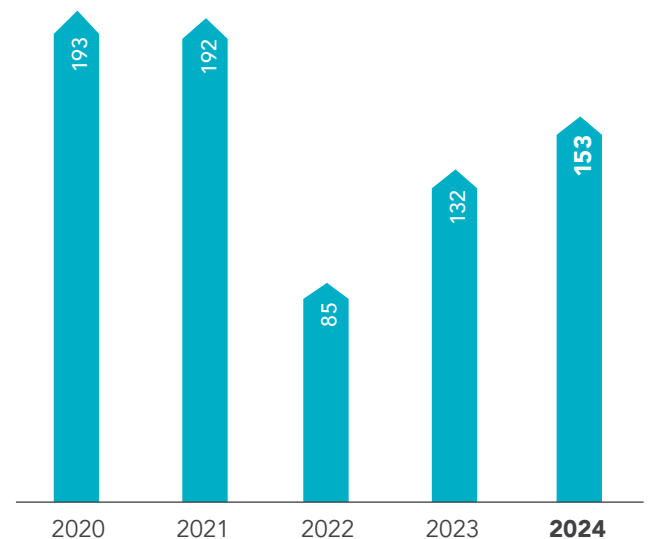
(RM million)

NET ASSETS
PER SHARE

(RM)

EARNINGS
PER SHARE

(sen)



BOARD OF DIRECTORS' PROFILE



Date of Appointment:
15 April 2021



Date of Appointment:
1 June 2023

DATO' AZMAN BIN MAHMUD

Chairman, Independent Non-Executive Director

TAKASHI SUGIHARA

Managing Director

Malaysian

63

Male

Japanese

59

Male

Dato' Azman was appointed an Independent Non-Executive Director on 15 April 2021. He graduated with a Bachelor's Degree in Engineering from University Putra Malaysia.

After having served with the Malaysian Investment Development Authority (MIDA) for over three decades, Dato' Azman Mahmud ended his tenure there as the Chief Executive Officer. He had the enviable responsibility to drive investments into the country and lead the team in advising, formulating and recommending strategies, policies, investment and industry development programmes in the manufacturing and services sectors to the government of Malaysia. In his former role as CEO of MIDA, he was also pivotal in attracting foreign investments into the country, in addition to being instrumental in driving domestic investments in various industries and sectors.

He was appointed as Chairman of Exim Bank, a government-owned development financial institution from the term October 2021 – September 2023. He holds Chairmanship positions on several boards of companies which include Panasonic Malaysia Sdn Bhd, SME Aerospace Sdn Bhd, Scientex Lestari Sdn Bhd, Privasia Technology Bhd and Cnergiz Bhd. He is also an Independent Non-Executive Director of GDEX Bhd and Texchem Resources Bhd.

In addition, he is a board member of companies within the Panasonic Group of Companies Malaysia, Akademi Transformasi Asnaf Perlis Sdn Bhd (a subsidiary of Majlis Agama Islam Perlis) and Kulim Technology Park Corporation (a high technology industrial park developer under SEDC of Kedah). He is also an investment panel member for Penjana Kapital (an entity established by the Ministry of Finance in July 2020).

Dato' Azman has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He attended all the Board Meetings held during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

Mr Sugihara was appointed a Director and Managing Director of the Company on 1 June 2023. He was graduated from Hitotsubashi University, Japan with a Degree in Law.

Mr Sugihara has more than 35 years of working experience with the Panasonic Holdings Corporation Group ("Panasonic"). He joined the Corporate Planning Department of Panasonic in 1988 and has been involved with Strategic Business Planning, taking up various assignments of planning, sales and marketing in America from 1999 to 2005. He was then assigned as General Manager to the Procurement Department, Telecom Company of Panasonic Communications (Malaysia) Sdn Bhd for the period 2005 to 2008.

He returned to Japan in April 2008 and was involved with corporate planning for a number of divisions within the Panasonic Group. He was appointed as Director, Corporate Planning division of the Heating & Ventilation AC Company before his assignment to Panasonic Manufacturing Malaysia Berhad.

Mr Sugihara has no shareholdings in the Company and its associated company. He holds 115 common shares of Panasonic Holdings Corporation ("PHD"), the ultimate holding company of Panasonic Manufacturing Malaysia Berhad. He also has no family relationship with any Director and/or major shareholder of the Company. He attended all the Board Meetings during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

He is a Board representative of Panasonic Holdings Corporation ("PHD"), a major shareholder of the Company, which presents a conflict of interest in view of the recurrent related party transactions between PHD Group and the Company where he is involved in management decision making of contracts with PHD Group. The Company has and will continue to address this conflict of interest situation by seeking the approval of the shareholders to enter into the recurrent related party transactions with PHD Group and Mr Sugihara will abstain from all Board deliberations and voting on matters related to this.



BOARD OF DIRECTORS' PROFILE (CONT'D)



Date of Appointment:
1 January 2017



Date of Appointment:
3 September 2019

RAJA ANUAR BIN RAJA ABU HASSAN

Independent Non-Executive Director

DATO' KAZIAH BINTI ABD KADIR

Independent Non-Executive Director

Malaysian

69

Male

Malaysian

74

Female

YM Raja Anuar was appointed an Independent Non-Executive Director of the Company on 1 January 2017. He is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of the Company. He is a Fellow of the Association of Chartered Certified Accountants (FCCA), a member of the Malaysian Institute of Certified Public Accountants (MICPA) and the Institute of Internal Auditors. He is also a Chartered Accountant of the Malaysian Institute of Accountants.

During his career, YM Raja Anuar held senior positions in finance and internal audit in several public listed companies in the financial services, manufacturing, telecommunications and plantations industries. YM Raja Anuar's previous experiences also include being on the board of several other public listed companies.

YM Raja Anuar has no shareholdings in the Company and its associate company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He attended all the Board Meetings held during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

Dato' Kaziah was appointed an Independent Non-Executive Director of the Company on 3 September 2019. She is the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company. Dato' Kaziah graduated with a Bachelor Degree in Arts (Economics) from University of Malaya.

Dato' Kaziah served the Malaysian Industrial Development Authority (MIDA) since 1975 and her last position was the Deputy Director General I from 2003 until her retirement in 2008. During her tenure with MIDA, she was the Chairperson of the ASEAN Investment Coordinating Committee on Investment for the term 2006/2007 and was a member of the Malaysian Logistic Council and the Malaysian Services Development Council from 2006 until 2008.

She is currently an advisor to Pricewaterhouse Coopers Taxation Services Sdn Bhd, a position which she has held since July 2008. Previously, she was an advisor of Investor Relations, Investment Management Division of East Coast Economic Region Development Council from 2009 to 2019.

Dato' Kaziah is an Independent Non-Executive Director on the Board of the Malaysian Industrial Development Finance Berhad and MIDF Amanah Investment Bank Berhad.

Dato' Kaziah has no shareholdings in the Company and its associated company. She also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. She attended all of the Board Meetings held during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

BOARD OF DIRECTORS' PROFILE

(CONT'D)



Date of Appointment:
2 October 2013



Date of Appointment:
1 March 2018

TAN SRI HASMAH BINTI ABDULLAH

Independent Non-Executive Director

KWAN WAI YUE

Executive Director

Malaysian

73

Female

Malaysian

56

Female

Tan Sri Hasmah was appointed an Independent Non-Executive Director of the Company on 2 October 2013. She is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. Tan Sri Hasmah graduated with a Bachelor of Arts (Honours) from University of Malaya. She is also a Fellow of the Chartered Tax Institute of Malaysia.

Tan Sri Hasmah binti Abdullah had a distinguished career spanning over 38 years and was the former Chief Executive Officer of the Malaysian Inland Revenue Board (IRB) and Director General of IRB from 19 October 2006 to 7 January 2011. At IRB, she led the Malaysian delegation to various international conferences and represented Malaysia on the Management Committee of the Commonwealth Association of Tax Administrators in London from 2007 to 2009. Under her leadership, IRB was awarded the inaugural Prime Minister's Innovation Award in 2009 in recognition of the vast improvements and innovations introduced to the tax-paying public. She has been a Tax Advisor to PricewaterhouseCoopers Malaysia (2011-2013) and a Commission Member of Securities Commission of Malaysia (2011-2018). On 12 September 2018, Tan Sri Hasmah was appointed as the Chairperson of the Tax Reform Committee.

Tan Sri Hasmah was formerly an Independent Non-Executive Director of UMW Holdings Berhad. She is currently a trustee of Dana Amal Jariah, Yayasan Allammiyah and Alzheimer Disease Foundation Malaysia. She is also an Executive Council member of the Selangor and Federal Territory Association for the Mentally Handicapped.

Tan Sri Hasmah has no shareholdings in the Company and its associated company. She also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. She attended all the Board Meetings held during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

Ms Kwan was appointed the Executive Director of the Company on 1 March 2018.

Ms Kwan graduated with a Bachelor of Accounting from University of Malaya. Upon graduation, Ms Kwan joined a Big-4 audit firm in Malaysia as an Audit Assistant in 1992 and was promoted to Audit Senior two years later. The portfolios of client which she audited included large multinational companies and local corporations. She is also a member of the Malaysian Institute of Accountants.

In 1995, Ms Kwan joined a food manufacturing-based public listed company as an Accountant and in 2000, was promoted to a Financial Controller. Her role as Financial Controller involved overseeing the accounts department, preparation of financial reports, overseeing all tax and regulatory/compliance issues as well as contributing to decisions regarding financial strategy.

Ms Kwan joined Panasonic Manufacturing Malaysia Berhad in 2007 as the Assistant General Manager of Finance Department taking charge of accounting and financial reporting. She was promoted to General Manager in 2009 and her scope of duties expanded to cover overall financial management, treasury and company secretarial functions. In 2013, following her exemplary leadership in strengthening the internal control processes, the Company promoted her to Assistant Director of Finance. In 2015, her scope of work was expanded to overseeing the Legal & Compliance department. She is currently been tasked to oversee the operations of the Information System Department.

Ms Kwan has no shareholdings in the Company and its associated company. She also has no family relationship with any Director and/or major shareholder of the Company. She attended all the Board meetings held during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

She is a Board representative of Panasonic Holdings Corporation ("PHD"), a major shareholder of the Company, which presents a conflict of interest in view of the recurrent related party transactions between PHD Group and the Company where she is involved in management decision making of contracts with PHD Group. The Company has and will continue to address this conflict of interest situation by seeking the approval of the shareholders to enter into the recurrent related party transactions with PHD Group and Ms Kwan will abstain from all Board deliberations and voting on matters related to this.

BOARD OF DIRECTORS' PROFILE

(CONT'D)



Date of Appointment:
4 August 2014



Date of Appointment:
1 April 2023

SIEW PUI LING
Executive Director

SHINICHI HAYASHI
Non-Independent Non-Executive Director

Malaysian

60

Female

Ms Siew Pui Ling is the Executive Director since 4 August 2014. She was graduated from Asia University of Tokyo with a Bachelor Degree of Business Administration Management.

Ms Siew Pui Ling joined the Company in 1991 and has more than 25 years of experience in Sales and Marketing. Prior to this, she was designated as Departmental Head for Logistic, Product Planning and Industrial Design. In 2008, she has merged Product Planning and Marketing Department as Sales Department. Prior to this, she established Voice of Customer Research' team ("VOCR") to further strengthen Product Planning Operation. Ms Siew was appointed as an Assistant Director in year 2012 and currently, she is responsible for Sales & Marketing, Logistic and Product Planning functions of the Company. Starting from April 2017, her portfolio has expanded to include Human Resource Department. She is currently the Senior Division Executive for Sales and Human Resource Division.

Ms Siew Pui Ling holds 100 shares in the Company but has no shareholdings in the associated company. She also has no family relationship with any Director and/or major shareholder of the Company. She attended all the Board Meetings held during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

She is a Board representative of Panasonic Holdings Corporation ("PHD"), a major shareholder of the Company, which presents a conflict of interest in view of the recurrent related party transactions between PHD Group and the Company where she is involved in management decision making of contracts with PHD Group. The Company has and will continue to address this conflict of interest situation by seeking the approval of the shareholders to enter into the recurrent related party transactions with PHD Group and Ms Siew will abstain from all Board deliberations and voting on matters related to this.

Japanese

60

Male

Mr Shinichi Hayashi ("Mr Hayashi") was appointed a Non-Independent Non-Executive Director of the Company on 1 April 2023. He was graduated from the School of Engineering Osaka University, Japan.

Mr Hayashi has over 35 years of working experience within the Panasonic Organization. He joined Matsushita Electric Industrial Co., Ltd (now known as Panasonic Holdings Corporation, Japan ("PHD")) in April 1988 in the Metal Material Group, under the Corporate International Trade Division. In 2006 he was promoted to be President of Matsushita Techno Trading Co.,Ltd., a subsidiary of Matsushita Electric Industrial Co.,Ltd.

Mr Hayashi has since held various directorial and managerial positions across different divisions of the organization. He was appointed as Director of the Procurement Centre of PHD in April 2011 followed by his appointment as the Managing Director for Panasonic Asia Pacific Procurement Management Center, which is a Malaysian subsidiary of PHD. He was assigned to an international posting in January 2016 as the President of Panasonic Manufacturing Philippines.

In April 2019, Mr Hayashi returned to Japan and was appointed as Director of Beauty Personal Care Division. In October 2021, Mr Hayashi held the position as Executive Vice President of the Living Appliances and Solutions Company of 3 consecutive years. He presently oversees the Corporate Planning, Asian Multi Products Manufacturing Company, Housing Appliance Business & Procurement Strategy.

Mr Hayashi has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company. He attended all the Board Meetings held during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

He is a Board representative of PHD, a major shareholder of the Company, which presents a conflict of interest in view of the recurrent related party transactions between PHD Group and the Company where he is involved in management decision making of contracts with PHD Group. The Company has and will continue to address this conflict of interest situation by seeking the approval of the shareholders to enter into the recurrent related party transactions with PHD Group and Mr Hayashi will abstain from all Board deliberations and voting on matters related to this.

BOARD OF DIRECTORS' PROFILE

(CONT'D)



Date of Appointment:
1 April 2022

KEISUKE NISHIDA

Non-Independent Non-Executive Director

Japanese

50

Male

Mr Nishida was appointed a Non-Independent Non-Executive Director of the Company on 1 April 2022. Mr Nishida graduated with a Bachelor of Laws from Tohoku University, Japan.

Mr Nishida joined Matsushita Electric Industrial Co., Ltd (now known as Panasonic Holdings Corporation ("PHD")) in Japan in February 1998 as an Overseas Trainee and was posted to Brazil to work in the sales company there. After a year, he was assigned back to Japan and was responsible for the Home AV division for the Russia, Middle East & Africa markets. From April 2004 to March 2006, he was responsible for the Imaging division for Russia, Middle East & Africa and from April 2006 to February 2008 he covered Asia/Oceania market.

In March 2008, he was transferred to Panasonic UK as its Marketing General Manager for AV category. He returned to Japan in March 2014 to head the Overseas Sales Marketing of Audio in Consumer Marketing division in charge of Global market except Europe. In March 2019, he was assigned to UK as Marketing Director responsible for product marketing, brand communication and planning of consumer electronics business. In July 2021, Mr Nishida was assigned to Panasonic Malaysia Sdn Bhd and held the position of Deputy Managing Director. He was promoted to his current position as Managing Director of Panasonic Malaysia Sdn Bhd in April 2022.

Mr Nishida has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company. He attended all the Board Meetings during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

He is a Board representative of Panasonic Holdings Corporation ("PHD"), a major shareholder of the Company, which presents a conflict of interest in view of the recurrent related party transactions between PHD Group and the Company where he is involved in management decision making of contracts with PHD Group. The Company has and will continue to address this conflict of interest situation by seeking the approval of the shareholders to enter into the recurrent related party transactions with PHD Group and Mr Nishida will abstain from all Board deliberations and voting on matters related to this.

STRATEGIC MANAGEMENT COMMITTEE MEMBERS'S PROFILE



Date of Appointment:
1 June 2023

TAKASHI SUGIHARA
Director and Managing Director



Date of Appointment:
1 March 2018

KWAN WAI YUE
Executive Director

Japanese

59

Male

Mr Sugihara was appointed a Director and Managing Director of the Company on 1 June 2023.

Mr Sugihara was graduated from Hitotsubashi University, Japan with a Degree in Law and has more than 35 years of working experience with the Panasonic Holdings Corporation Group ("Panasonic"). He joined the Corporate Planning Department of Panasonic in 1988 and has been involved with Strategic Business Planning, taking up various assignments of planning, sales and marketing in America from 1999 to 2005. He was then assigned as General Manager to the Procurement Department, Telecom Company of Panasonic Communications (Malaysia) Sdn Bhd for the period 2005 to 2008.

He returned to Japan in April 2008 and was involved with corporate planning for a number of divisions within the Panasonic Group. He held was appointed as Director, Corporate Planning division of the Heating & Ventilation AC Company before his assignment to Panasonic Manufacturing Malaysia Berhad.

Mr Sugihara has no shareholdings in the Company and its associated company. He holds 115 common shares of Panasonic Holdings Corporation ("PHD"), the ultimate holding company of Panasonic Manufacturing Malaysia Berhad. He also has no family relationship with any Director and/or major shareholder of the Company. He has no convictions for any offences within the past 5 years, other than traffic offences, if any.

He is a Board representative of Panasonic Holdings Corporation ("PHD"), a major shareholder of the Company, which presents a conflict of interest in view of the recurrent related party transactions between PHD Group and the Company where he is involved in management decision making of contracts with PHD Group. The Company has and will continue to address this conflict of interest situation by seeking the approval of the shareholders to enter into the recurrent related party transactions with PHD Group and Mr Sugihara will abstain from all Board deliberations and voting on matters related to this.

Malaysian

56

Female

Ms Kwan was appointed the Executive Director of the Company on 1 March 2018.

Ms Kwan graduated with a Bachelor of Accounting from University of Malaya. Upon graduation, Ms Kwan joined a Big-4 audit firm in Malaysia as an Audit Assistant in 1992 and was promoted to Audit Senior two years later. The portfolios of client which she audited included large multinational companies and local corporations. She is also a member of the Malaysian Institute of Accountants.

In 1995, Ms Kwan joined a food manufacturing-based public listed company as an Accountant and in 2000, was promoted to a Financial Controller. Her role as Financial Controller involved overseeing the accounts department, preparation of financial reports, overseeing all tax and regulatory/ compliance issues as well as contributing to decisions regarding financial strategy.

Ms Kwan joined Panasonic Manufacturing Malaysia Berhad in 2007 as the Assistant General Manager of Finance Department taking charge of accounting and financial reporting. She was promoted to General Manager in 2009 and her scope of duties expanded to cover overall financial management, treasury and company secretarial functions. In 2013, following her exemplary leadership in strengthening the internal control processes, the Company promoted her to Assistant Director of Finance. In 2015, her scope of work was expanded to overseeing the Legal & Compliance department. She is currently been tasked to oversee the operations of the Information System Department.

Ms Kwan has no shareholdings in the Company and its associated company. She also has no family relationship with any Director and/or major shareholder of the Company. She has no convictions for any offences within the past 5 years, other than traffic offences, if any.

She is a Board representative of Panasonic Holdings Corporation ("PHD"), a major shareholder of the Company, which presents a conflict of interest in view of the recurrent related party transactions between PHD Group and the Company where she is involved in management decision making of contracts with PHD Group. The Company has and will continue to address this conflict of interest situation by seeking the approval of the shareholders to enter into the recurrent related party transactions with PHD Group and Ms Kwan will abstain from all Board deliberations and voting on matters related to this.

STRATEGIC MANAGEMENT COMMITTEE MEMBERS'S PROFILE

(CONT'D)



Date of Appointment:
4 August 2014

SIEW PUI LING
Executive Director



Date of Appointment:
1 March 2018

YUTAKA MORI
Director

Malaysian

60

Female

Ms Siew Pui Ling is the Executive Director since 4 August 2014. She was graduated from Asia University of Tokyo with a Bachelor Degree of Business Administration Management.

Ms Siew Pui Ling joined the Company in 1991 and has more than 25 years of experience in Sales and Marketing. Prior to this, she was assigned to Departmental Head for Logistic, Product Planning and Industrial Design. In 2008, she has merged Product Planning and Marketing Department as Sales Department. Prior to this, she established Voice of Customer Research' team ("VOCR") to further strengthen Product Planning Operation. Ms Siew was appointed as an Assistant Director in year 2012 and currently, she is responsible for Sales & Marketing, Logistic and Product Planning functions of the Company. Starting from April 2017, her portfolio has expanded to include Human Resource Department. She is currently the Senior Division Executive for Sales and Human Resource Division.

Ms Siew Pui Ling holds 100 shares in the Company but has no shareholdings in the associated company. She also has no family relationship with any Director and/or major shareholder of the Company. She has no convictions for any offences within the past 5 years, other than traffic offences, if any.

She is a Board representative of Panasonic Holdings Corporation ("PHD"), a major shareholder of the Company, which presents a conflict of interest in view of the recurrent related party transactions between PHD Group and the Company where she is involved in management decision making of contracts with PHD Group. The Company has and will continue to address this conflict of interest situation by seeking the approval of the shareholders to enter into the recurrent related party transactions with PHD Group and Ms Siew will abstain from all Board deliberations and voting on matters related to this.

Japanese

53

Male

Mr Yutaka Mori was appointed the Director of the Company on 5 February 2021. He graduated from Department of Mechanical Engineering, Faculty of Engineering, Kansai University, Japan.

Mr Yutaka Mori joined Matsushita Seiko Co., Ltd. ("MSC") in April 1995 as a Technical Staff with Air Purifier Section, Engineering Department, Osaka Division and was promoted as an Assistant Manager in Air Purifier Team, Engineering Department, IAQ Business Unit. He was later assigned as a Team Leader.

Mr Mori was transferred to the Engineering Department, R&D center, Panasonic Ecology Systems Guangdong Co., Ltd. ("PESEGD") in April 2012 and was appointed as a General Manager.

Upon his return to Japan in 2016, Mr Mori was posted to Panasonic Ecology Systems Co., Ltd. ("PES") in 2016 and assigned as a Project Leader of Cost Planning Management Project, IAQ Business Unit. In 2018, he was appointed as the General Manager of Cost Promotion Section, IAQ Business Unit prior to joining the Company.

Mr Mori has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company. He has no convictions for any offences within the past 5 years, other than traffic offences, if any.

He is also an officer of Panasonic Holdings Corporation ("PHD"), a major shareholder of the Company, which presents a conflict of interest in view of the recurrent related party transactions between PHD Group and the Company where he is involved in management decision making of contracts with PHD Group. The Company has and will continue to address this conflict of interest situation by seeking the approval of the shareholders to enter into the recurrent related party transactions with PHD Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

COMMITMENT FROM THE BOARD

The Board of Directors of the Company ("the Board") remains committed in maintaining the highest standards of corporate governance within the Company and adhering to the principles and best practices of corporate governance, through observing and practising the core values of the Malaysian Code on Corporate Governance 2021 (the "Code"), Panasonic Group Code of Ethics & Compliance and Panasonic Basic Business Philosophy (available at <https://www.panasonic.com/global/corporate/management/code-of-conduct/scope.html>). The commitment from the top paves the way for the Management and all employees to ensure the Company's businesses and affairs are effectively managed in the best interest of all stakeholders.

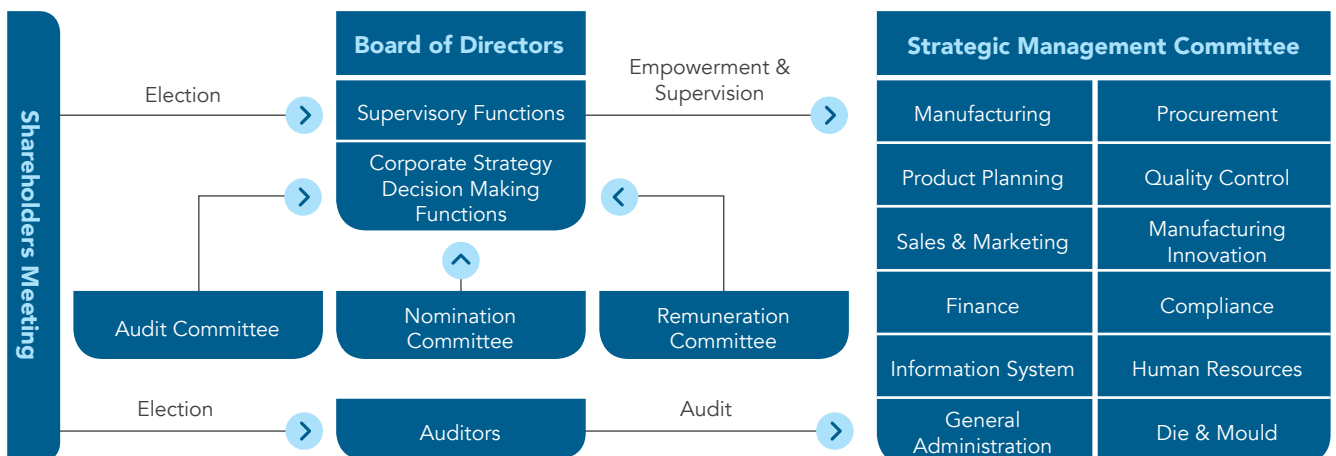
This Corporate Governance Overview Statement sets out the principle features of the Company's corporate governance approach, summary of corporate governance practices during the financial year ended 31 March 2024 ("FY2024") as well as key focus areas and future priorities in relation to corporate governance. The Board is pleased to present this statement and explain how the Company has applied the three (3) principles set out in the MCCG:

- Board leadership and effectiveness;
- Effective audit and risk management; and
- Integrity in corporate reporting and meaningful relationship with stakeholders.

This Corporate Governance Overview Statement should also be read in tandem with other statements in the Annual Report, namely Statement on Risk Management and Internal Control, Audit Committee Report, Nomination Committee Report and the Sustainability Report.

The Code does provide that if the Board finds that it is unable to implement any of the Code's practices, the Board should apply a suitable alternative practice to meet the Intended Outcome. In this respect, the Company has provided forthcoming and appreciable explanations for the departures from the said practices. The explanations on the departures are supplemented with a description on the alternative measures that seek to achieve the Intended Outcome of the departed Practices, measures that the Company has taken or intends to take to adopt the departed Practices as well as the timeframe for adoption of the departed Practices. Further details on the application of each individual Practice of the Code are available in the Corporate Governance Report.

The diagram below describes the governance framework of the Company, showing the relationship between the shareholders and the Board.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

Board's Role, Duties and Responsibilities

The Board takes full responsibility for the oversight and overall performance of the Company and provides leadership, championing good governance and ethical practices throughout the Company. The Board carries out its role within a framework of prudent and effective controls which enables risk to be appropriately assessed and managed. The Board sets the strategic direction, ensuring that the necessary resources are in place for the Company to meet its objectives and deliver sustainable performance.

The Directors of the Board are selected on a diversity of experience which directly benefits the operation of the Board as well as on the criteria of proven skill and ability in their particular field of endeavour. The full biography of each Board member is provided on pages 50 to 54.

The Board owes the fiduciary duties to the Company and, while discharging its duties and responsibilities, shall individually and collectively exercise reasonable care, skill and diligence at all times.

The Board adopts strategic and business plans aligned to ensure obligations to all stakeholders are met. The Board fulfils its oversight responsibility for financial and operational results, legal-ethical compliance and risk management. The Board is also responsible for reviewing the adequacy and integrity of the Company's internal controls systems and management information systems and ensuring that investor relations and succession planning program are implemented.

There is a clear separation of duties and responsibilities of the Chairman and the Managing Director to ensure a balance of power and authority. The difference in the roles of Chairman and Managing Director provides a clear segregation of responsibility and accountability.

The Board will review and ensure that any appointment, resignation/termination of Directors, Company Secretary and Auditors are duly executed and documented.

In furtherance of their duties, the Directors have full and unrestricted access to any information pertaining to the Company, the advice and services of the Company Secretary. Independent professional or other advice is also made available to Directors at the Company's expense and in accordance with decision of the Board as a whole should such advice is required.

Nevertheless, to ensure accountability, the Board has an overall responsibility for the proper conduct of the Company's business and the Board Charter sets out the respective roles and responsibilities of the Board and the management and is available on the Company's website. The Board Charter is to be reviewed annually in November each year or as and when required to take consideration the needs of the Company as well as development in rules, regulations and laws which may have an impact on the discharge of Board's duties and responsibilities. The Board Charter was last reviewed by the Board on 29 November 2023 and no revisions were made.

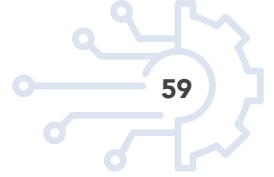
On time commitment, the Board is satisfied with the level of commitment given by each Director in fulfilling their roles as Director of the Company. Each Director is expected to commit sufficient time to attend all Board and Committee meetings, AGM/EGM, Directors' training, discussion with Management of the Company and meetings with stakeholders of the Company. All the Directors attended the Annual General Meeting of the Company held on 30 August 2023 where the Chairman, Managing Director and Executive Directors provided responses to the queries raised by the shareholders. Pursuant to Paragraph 15.06 of the Listing Requirements, a Director must not hold directorships of more than 5 public listed companies. None of the Directors have exceeded the limit while members of the Board were expected to notify the Chairman prior to their acceptance of any new directorship in another public listed company.

Schedule of matters reserved to the Board

The Board reserves full decision-making powers, amongst others, on the following matters (save to the extent that the Board resolves that determination and/or approval of any such matter shall be delegated to the Committees of the Board of Management):

- Conflict of interest issues relating to a substantial shareholder or a Director;
- Material acquisitions and disposals of undertakings and properties not in the ordinary course of business;
- Material investments in capital projects;
- Annual budgets (including major capital commitments);
- Material corporate or financial exercise/ restructuring;
- Declaration of Dividend and Directors' Fee and Benefits; and
- Annual and interim results.

The Board is free to alter the matters reserved for its decision, subject to the limitations imposed by the Constitution of the Company and the applicable law.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

Board Size, Leadership and Competencies

For FY2024, the Board had 9 members comprising of 4 Independent Non-Executive Directors (including the Chairman), a Managing Director, 2 Executive Directors and 2 Non-Independent Non-Executive Directors. The composition of the Board meets the criteria on one-third independent directorship as set out in the Main Market Listing Requirements and fairly reflects the investment by minority shareholders through Independent Directors. The current Board Composition it does not comply with Practice 5.2 of the Code where at least half the Board is to comprise of independent directors.

Currently, five (5) of the Directors on the Company's Board are representatives of Panasonic Holdings Corporation ("Panasonic"), to enable the latter to implement its policy and strategy for the Panasonic Group as a whole.

The Company appreciates the spirit of the Code where the Board is encouraged to incorporate the new dimensions of a composition of majority independent directors into the decision-making processes. The Company has maintained the ratio of Independent Directors to Non-Independent Directors of 4 : 5 since the financial year ended 31 March 2019. The Board has continually reviewed this alternative practice to achieve the intended outcome for board decisions to be made objectively in the best interest of the Company. Directors who have interest in contracts with the Company do not participate in the discussion and they abstain from voting. In the past years, all decisions of the Board were reached without dissent after thorough deliberation. As such, the Board views that all the decisions made despite the 4 : 5 ratio continues to meet the intended outcome taking into account diverse prospective and insights.

The Board leads the Company within a framework of prudent and effective controls. The Board comprises of members from various professions with individual personalized quality, expertise, skills and relevant market and industry knowledge and ensures at all times that necessary financial and human resources are in place for the Company to meet its strategic objectives.

The Independent Non-Executive Directors act independently from Management and do not participate in the Company's business dealings to ensure that they handle any conflict of interest situation and all proceedings of the Board effectively through a system of independent checks and balances.

Presently the number of Non-Executive Directors are more than the Executive Directors. This to ensure that the Executive Directors do not dominate the Board's decision making. This composition also allows for more effective oversight of management even though the independent non-executive directors do not form majority of the Board.

The Company is a subsidiary of Panasonic, a multinational company listed on the Tokyo Stock Exchange and the Nagoya Stock Exchange which has, since its establishment, operated its business under its business philosophy, "contributing to the progress and development of society and the well-being of people worldwide through its business activities". Also, Panasonic believes it is important to increase corporate value by fulfilling accountability through dialogue with various stakeholders such as shareholders and customers, making effort to execute transparent business activities, and swiftly conducting business activities with fairness and honesty based on its basic philosophy of "a company is a public entity of society".

The members of the Board with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Company's business and direction. Taking into account the scope and nature of its operations, the Board believes that its present composition represents an appropriate balance of Executive and Non-Executive Directors to achieve the promotion of shareholder interests and effective governance of the business, and yet allow for effective decision making.

For the Independent Non-executive Directors of the Company, the Board views that they have the vast experience in a diverse range of business to provide constructive opinion and exercise independent judgement. As the Company is a Panasonic controlled subsidiary, the Company's Executive Directors are rotated among the companies in the Panasonic Group in enhancement of their career development. As there are changes in the members of the Executive Board every 2-3 years, the Company views that there should be stability in the members of the Independent Non-executive Directors to ensure that the Company's culture, conduct and philosophy are maintained or enhanced by the new executive members.

The Chairman of the Board, Dato' Azman Mahmud, is the Senior Independent Non-Executive Director to whom concerns relating to the Company may be conveyed by the Directors, shareholders and other stakeholders.

The Company has included a policy on diversity of gender, ethnicity and age and has maintained more than 30% women directors since the financial year ended 31 March 2019. The appointment of Tan Sri Hasmah Binti Abdullah, Ms Siew Pui Ling, Ms Kwan Wai Yue and Dato' Kaziah Binti Abd Kadir as Directors reflects that the Board recognizes the value of female members of the Board. The women directors presently form 40% of the Board. The age of the Directors range from 50 to 74 as the Board believes that this creates an environment where each generation brings different skills, experience and talents to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

Conduct of Meetings

The Board met four (4) times during the financial year under review to approve, amongst others, the quarterly and annual financial results, business strategies and business plans, to review business performance of the Company and to ensure that the proper internal control systems are in place. Board and Board Committees meeting papers accompanying notes and explanations for agenda items were sent to the Directors at least 7 days before the meeting. Time is allocated for Directors to raise other matters not covered by the formal agenda.

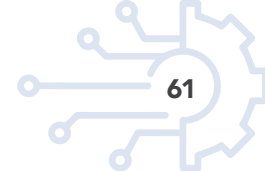
The summary of attendance of the Directors in office at the Board Meetings held during the financial year ended 31 March 2024 was as follows:

Name of Director	Meeting Attendance	% of Attendance
Dato' Azman Mahmud	4/4	100
Takashi Sugihara (appointed on 1 June 2023)	3/3	100
Raja Anuar bin Raja Abu Hassan	4/4	100
Tan Sri Hasmah Binti Abdullah	4/4	100
Siew Pui Ling	4/4	100
Keisuke Nishida	4/4	100
Kwan Wai Yue	4/4	100
Shinichi Hayashi (appointed on 1 April 2023)	4/4	100
Dato' Kaziah Binti Abd Kadir	4/4	100
Kenji Kamada (resigned on 1 June 2023)	1/1	100

All proceedings, deliberations and conclusions of the Board Meetings are clearly recorded in the minutes of meetings, confirmed and signed as correct record by the Chairman of the Meeting.

The Board also exercises control on routine matters that require the Board's approval through the circulation of Directors' Resolutions in writing as allowed under the Company's Constitution.

Minutes of each Board and Board Committees Meeting are circulated to the members of the Board/Committee as soon as practicable for perusal prior to confirmation of the minutes at the following meetings.



CORPORATE GOVERNANCE OVERVIEW STATEMENT^(CONT'D)

Directors' Continuing Education

All Directors are scheduled to attend the Mandatory Accreditation Programme as required under the Main Market Listing Requirements within the timeframe allowed under the Main Market Listing Requirements. Newly appointed Directors also undergo a formal orientation and education program including factory visits guided by other Executive Directors and senior management.

During the financial year, the following Directors have also attended the following additional trainings, conferences, seminars and briefings relevant to their functional duties:

Name of Director	Training Attended	Date
Dato' Azman Mahmud	> QRD Program - Series 1 - Board Risk Oversight Best Practices: A Strategic Approach	22.5.2023
	> Reporting on Sustainability	30.5.2023
	> DFI Green Finance Forum: Empowering DFIs to Bridge Funding Gaps and Drive Economic and Climate Resilience	23.6.2023
	> QRD Program: Risk Appetite, Risk Tolerance and Risk Maturity Frameworks	18.7.2023
	> Disclosure on Conflict of Interest	21.8.2023
	> Roadmap on Automation	21.8.2023
	> Upholding Financial Integrity – Anti Money Laundering & Ethics Awareness Program	13.9.2023
	> Bursa Malaysia Corruption and Bribery	27.12.2023
	> Mandatory Accreditation Programme II	6.3.2024 – 7.3.2024
Takashi Sugihara	> Mandatory Accreditation Programme I	31.5.2023 – 2.6.2023
	> Disclosure on Conflict of Interest	21.8.2023
	> Roadmap on Automation	21.8.2023
	> Mandatory Accreditation Programme II	26.9.2023 – 27.9.2023
Raja Anuar bin Raja Abu Hassan	> Reporting on Sustainability	30.5.2023
	> Sustainability Statement Analysis Requirements for Listed Companies	20.7.2023
	> Disclosure on Conflict of Interest	21.8.2023
	> Roadmap on Automation	21.8.2023
	> Mandatory Accreditation Programme II	26.2.2024 – 27.2.2024
Tan Sri Hasmah Binti Abdullah	> Reporting on Sustainability	30.5. 2023
	> National Tax Conference 2023	1.8.2023 – 2.8.2023
	> Disclosure on Conflict of Interest	21.8.2023
	> Roadmap on Automation	21.8.2023
Siew Pui Ling	> Reporting on Sustainability	30.5. 2023
	> Disclosure on Conflict of Interest	21.8.2023
	> Roadmap on Automation	21.8.2023
	> Fraud Prevention training	30.10.2023
	> FY2023 APAC' HR Conference	1.11.2023 - 2.11.2023
	> FY2023 Asia Logistic conference	21.11.2023
	> MEF Industrial Relations Conference 2023 – "The Future of Work".	22.11.2023 - 23.11.2023
	> Top Management Team building – "RE-ENERGISED & REVITALISED".	10.02.2024 - 11.02.2024
	> Mandatory Accreditation Programme II	6.3.2024 – 7.3.2024
> Sexual Harassment Awareness	30.03.2024	
Keisuke Nishida	> Reporting on Sustainability	30.5. 2023
	> Disclosure on Conflict of Interest	21.8.2023
	> Roadmap on Automation	21.8.2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

Name of Director	Training Attended	Date
Kwan Wai Yue	> A Dialogue with Bursa Malaysia – FTSE4GOOD ESG Rating for All PLCs	14.4.2023
	> Reporting on Sustainability	30.5.2023
	> 29 th APAC Accounting Conference (KL)	18.8.2023
	> Disclosure on Conflict of Interest	21.8.2023
	> Roadmap on Automation	21.8.2023
	> Compliance Training for Senior Management in APAC	26.9.2023
	> Management of Cyber Risk	3.10.2023 & 25.10.2023
	> Fraud Prevention Training (LAS Legal)	30.10.2023
	> SMBC 2024 Global Economic Outlook	11.3.2024
Shinichi Hayashi	> Mandatory Accreditation Programme I	31.5.2023 – 2.6.2023
	> Reporting on Sustainability	30.5.2023
	> Disclosure on Conflict of Interest	21.8.2023
	> Roadmap on Automation	21.8.2023
Dato' Kaziah Binti Abd Kadir	> Reporting on Sustainability	30.5.2023
	> Global Board of Directors Transformation Masterclass	30.5.2023 & 1.6.2023
	> SRI 2023 – Revving Up the race for Sustainability	21.6.2023 – 22.6.2023
	> MIDF Green Conference 2023	15.6.2023
	> Asia Pacific Board Leadership Centre Webinar: 2023 Board and Audit Committee Priorities	6.7.2023
	> Disclosure on Conflict of Interest	21.8.2023
	> Roadmap on Automation	21.8.2023
	> IERP® Global Conference 2023	22.8.2023 – 23.8.2023
	> Mandatory Accreditation Programme II	6.3.2024 – 7.3.2024

Sustainability

The Company operates in line with Panasonic Holdings Corporation policy and is committed towards embracing sustainability practices. The Board of Directors are responsible for implementing sustainability strategy and its role in building long term sustainability development plan. The Board, in partnership with the members of the senior management team forming the Strategic Management Committee, are committed to oversee sustainability performance.

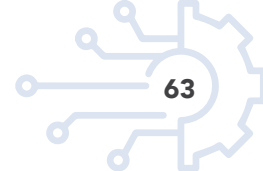
The Strategic Management Committee's roles and responsibilities are:

- Responsible for sustainable business policies and practices
- Facilitate and support operating divisions to meet sustainability goals
- Monitor and act on related risks report on progress

Every year the Company engages with its employees and stakeholders through range of platforms with the aim of hearing and understanding their concerns and expectations on economic, environment and social matters. As a way of upholding sustainable practices across its supply chain, the Company embeds its sustainability strategies across its supply chain establishing symbiotic collaboration with external stakeholders, e.g. vendors.

The Board has sufficient understanding and knowledge of the sustainability issues that are relevant to the Company and its business and to discharge its role effectively. The Group had prioritized and focused on sustainability journey in business operations and areas relevant to them following the emergence of the pandemic and climate-related issues that elevated sustainability importance and increased scrutiny on how it manages and responds to the immediate impact of the crisis. The materiality assessment in financial year ended 31 March 2024 reflects the changes to the business and the external environment.

The material issues that shape the strategies and business decision making are not limited to the Company's financial performance alone but also Economic, Environmental and Social (EES) Impact. Through the review by the senior management, 14 material aspects were identified as high importance and those disclosures were derived into a matrix. The materiality matrix showcases the material disclosures based on its unique influence on the stakeholders and EES impact to the Company.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

BOARD COMMITTEES

The Board has established several Board Committees whose compositions and terms of reference are drawn up in accordance with the best practices prescribed by the Code. The functions as well as authority delegated to the Board Committees are clearly defined in their terms of reference.

The Board Committees of the Company consist of the Audit Committee, Nomination Committee and Remuneration Committee. The Chairman of the respective Board Committees reports the outcome of the Board Committee Meetings to the Board, and if required, further deliberations are made at Board level.

Audit Committee

The Audit Committee provides independent review of the Company's financial results and internal control system to ensure compliance with the statutory and accounting policy disclosures requirements and to maintain a sound system of internal control. A full Audit Committee Report enumerating its membership, terms of reference and summary of activities is set out on pages 71 to 73 of the Annual Report. The terms of reference of the Audit Committee can be viewed on the Company's website.

On a formal assessment on the performance and effectiveness of the Audit Committee and its members in FY2024, the Board with the exception of the Directors who are also Audit Committee members were generally satisfied that the size of the Audit Committee is large enough to perform the duties as defined and its judgment is not impaired as they are sufficiently independent from management. The Audit Committee members have also fulfilled the requirements in terms of roles and responsibilities and in their relationship with External Auditors and Internal Auditors.

In the assessment, the Board finds the Chairman of the Audit Committee has the strength, personality and tact dealing with Directors, Internal and External Auditors. In addition, the Chairman of the Audit Committee was found to be experienced and effective in conducting meetings. With the Audit Committee meeting usually held a couple of days before the Board meeting, the Chairman of the Audit Committee will provide the Board with a written summary of the salient discussions held at the Audit Committee for reference and brief on the findings and recommendations.

The Board has retained the position of the Chairman of the Audit Committee and its members for the next financial term.

Nomination Committee

The Nomination Committee membership comprises entirely of Independent Non-Executive Directors, as follows:

No.	Name	Designation
1.	Dato' Kaziah Binti Abd Kadir (Chairman)	Independent Non-Executive Director
2.	Tan Sri Hasmah Binti Abdullah (Member)	Independent Non-Executive Director
3.	Raja Anuar bin Raja Abu Hassan (Member)	Independent Non-Executive Director

The Nomination Committee is entitled to the services of the Company Secretary who would ensure that all appointments are properly made upon obtaining all necessary information from the Directors. All the assessments and evaluations carried out during the year were properly documented and minuted by the Company Secretary. The terms of reference of the Nomination Committee is also available on the Company's website.

Further details on the duties and activities of the Nomination Committee are set out in the Nomination Committee Report.

Re-election of Directors

In accordance with the Company's Constitution, all Directors appointed by the Board are subject to retirement and re-election by shareholders at the first opportunity after their appointment. It also provides that at least one-third of the remaining Directors including the Managing Director, are subject to retirement by rotation at each AGM. All Directors shall retire from office at least once in every 3 years and shall be eligible for re-election.

Each year, the Nomination Committee assesses the experience, competence, integrity and capability of each Director who wishes to continue his office before making recommendation to the Board. The Nomination Committee has at its meeting on 25 May 2023 evaluated the performance and recommended the re-election of Raja Anuar Bin Raja Abu Hassan, Ms Kwan Wai Yue, Mr Shinichi Hayashi and Mr Takashi Sugihara.

Remuneration Committee

The Remuneration Committee comprises of the following members, the majority of whom are Independent Directors:

No.	Name	Designation
1.	Tan Sri Hasmah Binti Abdullah (Chairman)	Independent Non-Executive Director
2.	Raja Anuar Bin Raja Abu Hassan (Member)	Independent Non-Executive Director
3.	Dato' Kaziah Binti Abd Kadir (Member)	Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

At a meeting held on 24 May 2023, the Remuneration Committee made a recommendation to the Board for payment of Directors' fees not exceeding RM650,000 in aggregate for FY2024 to the Independent Non-Executive Directors and meeting allowance of RM1,500 per meeting attended. It was approved by the shareholders at the AGM held on 30 August 2023.

The meeting allowance is paid on attendance of the Independent Non-Executive Director at the meetings of the Board/Committees. The Directors' Fees in respect of FY2024 was paid quarterly in arrears:

No.	Details of Remuneration	Date of Payment
1.	Directors' fees for 1 st quarter ended 30 June 2023	End September 2023
2.	Directors' fees for 2 nd quarter ended 30 September 2023	End October 2023
3.	Directors' fees for 3 rd quarter ended 31 December 2023	End January 2024
4.	Directors' fees for 4 th quarter ended 31 Mar 2024	End April 2024

In case any Independent Non-Executive Director who does not serve the Company for a continuous full year of services, the Directors' fees shall be adjusted proportionately from date of appointment or up to date of resignation/cessation of office of Director, as the case may be.

Directors' Remuneration

The details of the remuneration of the Directors of the Company for FY2024 are as follows:

Descriptions	Executive Director (RM)	Non-Executive Director (RM)	Total (RM)
Fees	–	546,437	546,437
Meeting allowance	–	61,500	61,500
Salary and other remuneration	2,362,906	–	2,362,906
Benefits-in-kind (BIK)	85,594	–	85,594
Total	2,448,500	607,937	3,056,437
Total (excluding BIK)	2,362,906	607,937	2,970,843

The remuneration package of the Independent Non-Executive Directors including the Independent Non-Executive Chairman was determined by linking their remuneration to the time commitment of each Director and whether the Directors take on additional responsibilities such as chairmanship or membership of the Board committees or Senior Independent Non-Executive Director and is a matter of the Board as a whole. The Independent Non-Executive Directors who have an interest do not participate in discussions on their remuneration.

The Remuneration Committee members were also briefed on the basis of determination of remuneration package applied to the Executive Directors and Strategic Management Committee of the Company, which comprised of basic salary, annual adjustment, performance incentive, bonus and benefit-in-kind. The Company takes cognizance that the compensation packages of the Japanese Executive Directors appointed by Panasonic are subject to the global compensation practices of the worldwide Panasonic Group of Companies and deliberates only on the compensation packages of the Malaysian Executive Directors. Nevertheless, the Board views that the compensation packages of the Japanese Executive Directors are fair considering their expatriate position and their job scope.

The bonus of the Malaysian Executive Directors are linked to a combination of the operating profit and cash at hand position against the Business Plan and against the previous financial year results, whilst the increment is based on the Company's overall performance and consumer performance index.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

Details of Directors' remuneration for FY2024 are set out as below:

(i) Independent Non-Executive Directors

Director	Fee (RM)	Meeting Allowances (RM)	Total (RM)
Dato' Kaziah Abd Kadir	124,384	18,000	142,384
Tan Sri Hasmah Binti Abdullah	124,384	18,000	142,384
Raja Anuar bin Raja Abu Hassan	127,629	18,000	145,629
Dato' Azman Mahmud	170,040	7,500	177,540

(ii) Executive Directors

Director	Salaries and Emoluments (RM)	Bonus (RM)	Benefits-in-kind (RM)	Total (RM)
Takashi Sugihara (appointed on 01.06.2023)	586,585	183,657	74,758	845,000*
Kenji Kamada (resigned on 31.05.2023)	339,226	–	21,796	361,022*
Siew Pui Ling	585,732	128,315	–	714,047
Kwan Wai Yue	587,281	128,893	–	716,174

* 20% of the remuneration is charged out to a related company for services rendered.

The Company, Directors and officers have jointly contributed to Directors and Officers Elite Insurance Policy since 2002. However, the said insurance policy does not indemnify a Director or officer for any offence or conviction involving negligence, fraud, dishonesty or breach of duty or trust.

In line with a more comprehensive disclosure of corporate remuneration structure in the form of the Managing Director's pay gap ratio and to promote corporate transparency the mean and median employee remuneration for FY2024 is disclosed below:

Managing Director	RM
Annual Pay	949,397
Employee	RM
Mean Pay	64,934
Median Pay	44,821
Lowest Total Pay	19,170
Highest Total Pay	727,166

Company Secretary

The Board is supported by a qualified Company Secretary and all Directors have unlimited direct access to the professional advice and services of the Company Secretaries as well as access to all information within the Company whether as a full board or in their individual capacity.

The roles and responsibilities of the Company Secretary are as follows:

- i. attend and ensure that all meetings are properly convened and the proceedings of all meetings including pertinent issues, substance of inquiries and responses, suggestions and proposals are duly recorded and minuted;
- ii. provide support to the Chairman to ensure the effective functioning of the Board and assists the Chairman in preparation of conduct of meetings;
- iii. update and advise the Board on Board procedures and ensure that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and all matters associated with the maintenance of the Board or otherwise required for its efficient operation;
- iv. ensure proper upkeep of statutory registers and records of the Company; and
- v. advise the Board on compliance of statutory and regulatory requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

The Audit Committee plays a key role in a Company's governance structure. To be better positioned to rigorously challenge and probe the Management on the Company's financial reporting process, internal controls, risk management and governance, the Audit Committee should be independent in its judgment. The Company has since the set-up of the Audit Committee appointed a different Director from the Chairman of the Board. This is to ensure that the Board's objective review of the Audit Committee's findings and recommendations are not impaired. The Chairman of the Audit Committee is responsible for ensuring the overall effectiveness and independence of the Committee. All the members of the Audit Committee are Independent Non-Executive Directors.

The Chairman of the Audit Committee is a Chartered Accountant and the other members have the appropriate level of knowledge, skills, experience to discharge the Audit Committee's responsibilities effectively.

The Company has in the past not appointed any former key audit partner and will formalize a policy statement in the Board Charter to observe a cooling-off period of at least two years before any former key audit partner is appointed as a member of the Board.

The Audit Committee has policies and procedures to annually assess the suitability, objectivity and independence of the external auditor. The annual assessment is made on:

- Level of service, independence and level of non-audit services rendered by them;
- Quality and scope of the planning of the audit;
- Quality and timeliness of reports furnished to the Audit Committee;
- Level of understanding demonstrated of the Company's business; and
- Communication with the Audit Committee about new and applicable accounting practices and auditing standards and the impact to the Company's financial statements.

The Company had in place a policy on non-audit services provided by External Auditors. For engagement of external auditor to perform non-audit service, the Audit Committee has to be satisfied that the provision of such services does not impair the auditor's objectivity, judgement or independence. The Audit Committee ensures that the fees chargeable for non-audit services are reasonable before recommending the proposed engagement to the Board of Directors for consideration and approval.

Financial Reporting

The Board as a whole is responsible for the accuracy and integrity of the Company's financial reporting. The Board, with assistance of the Audit Committee which provides a more specialized oversight of the financial reporting process, scrutinizes all quarterly results and annual statutory financial statements prior to official release to regulatory authorities and shareholders.

Directors' Responsibility Statement

The Board is required by the Companies Act 2016 to ensure that the financial statements of the Company represent a true and fair view of the state of affairs of the Company and that they are prepared in accordance with the applicable approved accounting standards in Malaysia, by applying appropriate accounting policies consistently and making prudent and reasonable judgments and estimates. Independent opinions and reports by External Auditors have added credibility to financial statements released by the Company.

The Board has a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Risk Management and Internal Control Framework

The Board, with the assistance of the Audit Committee, continues to review its risk management and internal control processes and procedures to ensure as far as possible, that it maintains adequate levels of protection over its assets and the shareholders' investments. The features of the Company's risk management and internal control framework, the adequacy and effectiveness of this framework is detailed out in the Statement on Risk Management and Internal Control is set out on pages 74 to 76 of the Annual Report.

Relationship with Internal and External Auditors

The Board has established a transparent relationship with the Company's External Auditors and Internal Auditors via the Audit Committee who has explicit authority to communicate directly with them.

The External Auditors are working closely with the Internal Auditors and Tax Consultants, without compromising their independence. Their liaison with the Internal Auditors would be in accordance with International Standards on Auditing (ISA) No. 610: "Considering the Work of Internal Auditing", with the main objective of avoiding duplication of efforts to maximize audit effectiveness and efficiency. The External Auditors will continue to review Internal Audit reports and discuss findings with the Internal Auditors.

In accordance with the principles set out in ISA No. 260 "Communicating of Audit Matters with Those Charged with Governance", the External Auditors have brought to the Board's attention through the Audit Committee, all the significant accounting, auditing, taxation, internal accounting systems and process control and other related matters that arise from the audit of the financial statements of the Company. Audit Committee Members meet with the External Auditors twice a year without presence of management to discuss on key concerns and obtain feedback relating to the Company's affairs.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

Whistleblowing Policy and Anti-Bribery & Corruption Rules

The Company advocates openness and transparency in its commitment to the highest standard of integrity and accountability. The Whistleblowing Policy aims to establish a robust, transparent and accountable communication channel for Employees and Stakeholders of the Company to voice their concerns in an effective, responsible and secured manner when they become aware of actual or potential wrongdoings and enables the Company to take swift, fair and effective corrective actions to comply with the social and corporate responsibilities and maintain the support and trust of Employees and Stakeholders.

Employees and Stakeholders have the option to make whistleblowing reports in strict confidence through any of the following channels:

Reporting Mode	Contact Details
Letter	Panasonic Manufacturing Malaysia Berhad 3, Jalan Sesiku 15/2, 40200 Shah Alam, Selangor Attention: Whistleblowing Committee
Online Submission	Whistleblowing Report Form http://pmma.panasonic.com.my http://panasonicapac.ethicspoint.com
Electronic mail	compliance_pmma@my.panasonic.com
Global Hotline	NAVEX Global (24 hours, 365 days) 1-800-81-8923

Confidentiality of all matters raised and the identity of the whistleblower are protected under this policy.

PMMA is guided by the APAC Region Anti-Bribery & Corruption Rules and have appropriate Policies and Procedures in place outlining the responsibilities and rules of Clean Business Dealings for the Board, employees, Trade and Non-Trade Suppliers. This includes conducting due diligence on any relevant parties or personnel such as Board members, employees, suppliers prior to entering into any formal relationship.

PRINCIPLE C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Relationship with Shareholders and Investors

The communication of clear, relevant and comprehensive information which is timely and readily accessible by all stakeholders is important to shareholders and investors for informed investment decision making. The Board acknowledges that integrated reporting goes beyond the current reporting as it is to be a clear, concise, integrated story that explains how all of the Company's resources create value. The articulation of the Company's strategy, performance and governance together with deliberation of prospects surrounding the business of the Company would have to make through the connectivity of information. As the concept of value is highly subjective, the Company will need to first establish parameters for the materiality determination process and set the reporting boundary of the various operating and functional units to determine the disclosures required.

For the time being, the Board views that the financial, governance and business review reports that have been included in the Annual Report 2024 provides sufficient information flow to the various stakeholders. The current means of communication with shareholders and investors are as follows:

a. Investor Relations

In line with the Main Market Listing Requirements, effort was made to improve the investor relations via the enhancement of the Company's website to allow the direct and easy access by the shareholders, investors and members of public to the Company's announcements, quarterly results, Annual Reports, Circulars to Shareholders etc released through Bursa Link and corporate videos presented to the shareholders during the AGM.

The Chairman, Executive Directors and/or Management held meetings with major shareholders, fund managers and investment analysts, at their request to enable them to gain a better understanding of the Company's business and operational activities to make informed investment decisions. Nevertheless, information is disseminated in strict adherence to the corporate disclosure requirements of Bursa Malaysia Securities Berhad.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

b. Annual General Meeting

For the financial year ended 31 March 2023, the Company issued the notice of AGM on 31 July 2023 and held the AGM on 30 August 2023, provided the shareholders with more than 28 days notice. All the Directors attended the 2023 AGM. The Managing Director also provided shareholders with a slide presentation on the Company's financial performance and operations. The questions submitted in advance by the Minority Shareholders' Watch Group were also presented for the shareholders information and the answers were given in a slide presentation.

An active communication session was held with individual shareholders, proxies and corporate representatives who raised questions and concerns at the AGM. All resolutions put to the vote of the AGM were voted on by poll.

The Chairman and Managing Director are delegated with the authority to speak on behalf of the Company to members of the Press. A press statement was released to the Media after the conclusion of the AGM.

This Statement is made in accordance with the resolution of the Board of Directors dated 30 May 2024.

NOMINATION COMMITTEE REPORT

The Board of Directors of the Company ("the Board") is pleased to present the Nomination Committee Report for the financial year ended 31 March 2024 ("FY2024").

COMPOSITION AND ATTENDANCE AT MEETING

The composition of the Nomination Committee comprises entirely of Independent Non-Executive Directors and their attendance at the meeting held in FY2024 is as follows:

No.	Name of Nomination Committee Member	No. of Meetings Attended
1.	Dato' Kaziah Binti Abd Kadir (Chairman)	1/1
2.	Tan Sri Hasmah Binti Abdullah (Member)	1/1
3.	Raja Anuar bin Raja Abu Hassan (Member)	1/1

The Nomination Committee has written terms of reference dealing with its authority and duties which includes the selection and assessment of directors.

FUNCTIONS

The key functions of the Nomination Committee include the following:

- Review and recommend to the Board for approval the following appointments:
 - Members of the Board;
 - Members of the Board Committees;
 - Members of the Strategic Management Committee;
 - Senior Independent Non-Executive Director; and
 - Managing Director
- Annually review the Board's required mix of skills, experience and other qualities, including core competencies, which the Non-Executive Directors should bring to the Board;
- Annually assess the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director; and
- Review the performance of the Malaysian members of the Strategic Management Committee for approving the renewal of their service contracts, which involve their appointment, replacement or removal.

ACTIVITIES OF THE NOMINATION COMMITTEE

During the FY2024, the Nomination Committee, in discharging its functions and duties, carried out the following activities: -

- reviewed the mix of skill and experience and other qualities of the Board;
- assessed the effectiveness of the Board as a whole, the Board committees and the Directors;
- discussed and recommended the appointment of new director and re-election of retiring Directors;

Evaluation of Performance, Mix of Skills, Experience and Qualities

Based on the current position and practices of the Company, the Nomination Committee upon its review on 23 May 2024 was satisfied that the Board and Board Committees structure, size, composition, mix of skills and qualities of the Directors in the financial year ended 31 March 2024 were appropriate.

The Company appreciates the spirit of the Malaysian Code on Corporate Governance where the Board is encouraged to have at least half of its Board members to comprise of Independent Directors more effective oversight of Management. Presently the number of Non-Executive Directors are more than the Executive Directors and the Chairman is an Independent Director. This is to ensure that the Executive Directors do not dominate the Board's decision making. This composition also allows for both effective and efficient oversight of Management even though the independent non-executive directors do not form half of the Board.

The Nomination Committee also conducted a formal assessment of performance and effectiveness of the Board, the Board Committees and the individual Directors internally facilitated by the Company Secretary. As a post-evaluation process, the Company Secretary had summarized the results of evaluation and reported to the Directors allowing them to know their standing and the Board was encouraged to take actions on the outcome of evaluation by recommending remedial measures on areas that need improvements. From the annual assessment, the Nomination Committee was satisfied that all the Executive, Non-Executive and Independent Directors on the Board possess sufficient qualification to remain on the Board and there were no remedial measures that were required.

NOMINATION COMMITTEE REPORT

(CONT'D)

Save for the Nomination Committee members who are also a member of the Board and have abstained from assessing their own individual performance as Director of the Company, each of the Nomination Committee Members view that all the Directors have good personal attributes and possess sufficient experience and knowledge in various fields that are vital to the Company's industry. On the Board evaluation, the Committee agreed that all the Directors have discharged their stewardship duties and responsibilities towards the Company as a Director effectively. In general, the Board and Board Committees were functioning effectively as a whole having indicated a high level of compliance and integrity.

Re-election and Re-appointment

In accordance with the Company's Constitution, all Directors appointed by the Board are subject to retirement and re-election by shareholders at the first opportunity after their appointment. It also provides that at least one-third of the remaining Directors including the Managing Director, are subject to retirement by rotation at each Annual General Meeting ("AGM"). All Directors shall retire from office at least once in every 3 years and shall be eligible for re-election.

The Nomination Committee has at its meeting on 23 May 2024 evaluated the performance of the retiring Directors who are standing for re-election pursuant to Article 100 of the Company's Constitution at the forthcoming Annual General Meeting. The Nomination Committee recommended their re-election to the Board to table the resolutions for their re-election to the shareholders for approval.

Directors' Independence

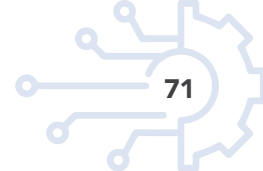
Consistent with the recommendation of the Code, the Nomination Committee undertook the independence assessment taking into account the Independent Directors' self-declaration on their compliance with the independence criteria under the Listing Requirements and the ability of the Independent Director to continue bringing independent and objective judgement to the Board deliberations. The Nomination Committee notes that there are no reasons that have come to their attention that the independence status of the Independent Directors is affected.

Retention of Tan Sri Hasmah Binti Abdullah as Independent Non-Executive Director

The shareholders at the last Annual General Meeting of the Company held on 30 August 2023 approved the retention of Tan Sri Hasmah Binti Abdullah as Independent Non-Executive Director of the Company as she has exceeded the term of nine (9) years.

The Nomination Committee, with the abstention of Tan Sri Hasmah had assessed her independence at its meetings held on 23 May 2024 and recommended to the Board for her continuation as an Independent Non-Executive Director based on the following justifications:

- a. She has met the independence guidelines as set out in Chapter 1 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- b. She provides a check and balance and brings an element of objectivity to the Board of Directors.
- c. She continues to be scrupulously independent in his thinking and in her effectiveness as constructive challenger of the Managing Director and Executive Directors.
- d. She actively participated in board discussion and provided an independent voice on the Board.



AUDIT COMMITTEE REPORT

The Board of Directors of the Company (“the Board”) is pleased to present the Audit Committee Report for the financial year ended 31 March 2024.

COMPOSITION

The composition of the Audit Committee comprises only of Independent Non-Executive Directors. The members of the Audit Committee and records of attendance of each member at Audit Committee meetings held during the financial year ended 31 March 2024 are as follows:

No.	Name of Audit Committee Member	No. of Meetings Attended
1.	Raja Anuar Bin Raja Abu Hassan (Chairman) (Independent Non-Executive Director)	4/4
2.	Tan Sri Hasmah Binti Abdullah (Member) (Independent Non-Executive Director)	4/4
3.	Dato’ Kaziah Binti Abd Kadir (Member) (Independent Non-Executive Director)	4/4

All of the Independent Non-Executive Directors satisfy the test of independence under Bursa Malaysia Securities Berhad’s Main Market Listing Requirements (MMLR). The composition of the Audit Committee meets the requirements of paragraph 15.09(1)(a) and (b) of the MMLR and Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance 2021.

The Chairman of the Audit Committee, Raja Anuar bin Raja Abu Hassan is a Member of the Malaysian Institute of Accountants and hence, the Company is in compliance with paragraph 15.09(1)(c) of the MMLR, which requires at least one (1) Member of the Audit Committee to be a qualified accountant.

The Board reviews the terms of office of the Audit Committee members and assesses the performance of the Audit Committee and its members through an annual Board Committee effectiveness evaluation. The Board is satisfied that the Audit Committee and its members discharged their functions, duties and responsibilities in accordance with the Terms of Reference (TOR) which is available on the Company’s website.

CONDUCT OF MEETINGS

The Audit Committee meets on a quarterly basis. There were four (4) Audit Committee Meetings during the financial year ended 31 March 2024. The Managing Director, Executive Directors and relevant responsible Management members were invited to the meetings to facilitate direct communication and provide clarification on audit issues and the Company’s operations. The Internal Auditors and External Auditors attended the meetings to present their respective reports. The discussion of each meeting was tabled to and noted by the Board. The Chairman of Audit Committee reports on the main findings raised by the External Auditors and significant concerns raised by the Internal Auditors in the respective quarterly presentations, as well as the deliberations of the Audit Committee Meeting to the Board.

DUTIES AND RESPONSIBILITIES

In fulfilling its primary objectives, the Audit Committee shall undertake the following duties and responsibilities and report the same to the Board for approval:

Financial Reporting and Compliance

- To review the quarterly results and annual audited financial statements of the Company, focusing particularly on:
 - changes in or implementation of major accounting policies and practices;
 - significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
 - compliance with accounting standards and other legal requirements; and
 - the going concern assumption.
- To review any related party transaction and conflict of interest situation that may arise within the Company, including any transaction, procedure or course of conduct that raises question of management’s integrity;

AUDIT COMMITTEE REPORT

(CONT'D)

Risk Management and Internal Audit

3. To consider and approve Annual Risk Management Plan and be satisfied that the methodology employed allows the identification, analysis, assessment, monitoring and communication of risks in a regular manner that will allow the Company to minimize losses and minimize opportunities;
4. To consider and approve the Annual Internal Audit Plan and program and be satisfied as to the adequacy of coverage and audit methodologies employed;
5. To ensure that the system of internal control is soundly in place, effectively administered and regularly monitored and to review the extent of compliance with established internal policies, standards, plans and procedures;
6. To review and approve the reports on internal audit and risk management and to ensure that appropriate actions are taken on the recommendations of the internal audit and risk management functions;
7. To recommend to the Board steps to improve the system of internal control derived from the findings of the Internal Auditors and External Auditors and from the consultations from the Audit Committee itself;
8. To review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
9. To review the scope of the internal audit function to ensure it is sufficient enough to be able to provide relevant assurance on the adequacy and operating effectiveness of the Company's governance risk and control processes as promulgated by the Statement of Risk Management and Internal Controls;
10. To review any appraisal or assessment of the performance and to approve any appointment, resignation or termination of the outsourced Internal Auditor service provider;

Statutory and Non-Statutory Audit

11. To review and discuss with the External Auditors, prior to the commencement of audit, the audit plan which states the nature and scope of the audit;
12. To review any matters concerning the appointment and re-appointment, audit fees and any questions of resignation, dismissal or removal of the External Auditors;
13. To review factors related to the independence and objectivity of External Auditors and their services including non-statutory audit services;
14. To discuss on findings, problems and reservations arising from the interim and final statutory audits, External Auditors' Audit Committee Report and any matters the External Auditors may wish to discuss as well as to review the extent of cooperation and assistance given by the employees of the Company to the External Auditors;

Other Matters

15. To review the Statement of Risk Management and Internal Control and to prepare the Audit Committee Report for the Board's approval prior to inclusion in the Annual Report;
16. To carry out such other functions as may be directed by the Board.

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

In line with the TOR of the Audit Committee, the following activities were carried out by the Audit Committee during the financial year under review:

Financial Reporting

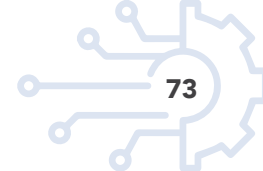
1. Reviewed the unaudited quarterly results and performance of the Company and recommended to the Board for approval.
2. Reviewed the draft Statutory Financial Statements of the Company for the financial year ended 31 March 2023 and recommended to the Board for approval.

External Audit

1. Discussed the External Auditors' Report to the Audit Committee for the financial year ended 31 March 2023 and the Annual Audit Plan for the financial year ended 31 March 2024 that were presented to the Audit Committee.
2. Held meetings with the External Auditors without Management's presence twice during the year to obtain feedback on the state of internal controls.
3. Reviewed the audit and non-audit fees (review of the Statement of Risk Management and Internal Control) of the External Auditors for the financial year ended 31 March 2023 and recommended to the Board for approval.
4. Assessed the independence, performance and competency of the External Auditors.
5. Made recommendation to the Board on the re-appointment of the External Auditors.

Internal Audit

1. Approved the Annual Internal Audit Plan.
2. Reviewed the Internal Audit Reports with recommendations by the Internal Auditors, Management's response and follow-up actions taken by the Management and monitoring the same with the Internal Auditors.
3. Assessed the performance and competency of the Internal Auditors.
4. Reviewed the Enterprise Risk Management report.



AUDIT COMMITTEE REPORT

(CONT'D)

Compliance

1. Reviewed the state of internal control of the Company and extent of compliance with the established policies, procedures and statutory requirements.
2. Monitored the amount spent on entertainment, donations, offerings and gift.
3. Reviewed and monitored the reports received in the whistleblowing channels and actions taken.
4. Reviewed the Statement on Risk Management & Internal Control and Audit Committee Report prior to the Board's approval for inclusion in the Company's Annual Report 2023.

Related Party Transactions

1. Reviewed the draft circular to shareholders in relation to recurrent related party transactions of a revenue or trading nature (RRPT) and recommended to the Board for approval.
2. Reviewed the quarterly summary of RRPT and recommended to the Board for ratification.
3. Reviewed the summary of the non-mandated RRPT and recommended to the Board for ratification.

The Audit Committee is responsible for overseeing the implementation of the Whistleblower Policy and Procedures for the employees and external parties. During the year, there were four (4) complaints received via the whistleblowing channel. Arising from internal reviews, the Management had taken the necessary steps to reach out to the complainants and to address the complaints made.

INTERNAL AUDIT FUNCTION

The Internal Audit function is outsourced to, BDO Governance Advisory Sdn. Bhd. ("BDO"), an independent consulting firm whose main role is to undertake independent and systematic review of the system of internal controls so as to provide independent assurance on the adequacy and effectiveness of risk management, internal controls and governance process of the Company. BDO has no line of responsibility or authority over any operational or administrative function and is independent of the activities it audits.

BDO adopts an international methodology, which is in compliance with the Institute of Internal Auditors' International Professional Practices Framework ("IPPF"), Code of Ethics and risk based internal auditing guidance. The independence of BDO is reviewed on a yearly basis. BDO is required to declare if any conflict of interests exist where an annual confirmation is sought from them that all of their staff on the job are free from any relationships or conflict of interest with the Company which could impair their objectivity. BDO had confirmed to the Audit Committee on their independence and there is no conflict of interest. The performance and competency of BDO was assessed and the Audit Committee found the services rendered to be satisfactory.

The Internal Audit Plan was developed together with BDO on an annual basis based on the entity wide risk assessment. The Internal Audit Plan was presented and approved by the Audit Committee on 24 May 2023. The audits were executed based on a risk-based approach and the audit outcomes were communicated to the Audit Committee during the quarterly reporting.

BDO's deliverables covers the areas concerning governance, risk management and internal control processes highlighting the causes, findings, weaknesses, recommendation and management's corrective action plan, if any. For the financial year ended 31 March 2024, the following areas were audited and its results were reported to the Audit Committee:

Internal Audit Area	Internal Auditor's Opinion
Human Resources Management	Improvements are required
Safety, Health and Environment ("SHE") Compliance within PMMA	Improvements are required
Inventory Management for Heating, Ventilation and Air-Conditioning ("HVAC") – Total Fan and Home Shower	Improvements are required
Culture Survey	Satisfactory

BDO conducted follow-up reviews with Management on all agreed corrective actions on audit issues to ascertain if Management has resolved the concern on the key risks and weaknesses identified during the internal audit on a timely basis. The status of corrective actions were reported to the AC during every quarter.

The professional fees incurred for the Internal Audit function in respect of the financial year ended 31 March 2024 amounted to RM117,000.00.

The following internal audit activities were carried out by the Internal Auditors during the financial year under review:

1. Formulation of and agreement with the Audit Committee on the risk-based internal audit plan that is consistent with the Company's objectives and goals.
2. Conducted various internal audit engagements in accordance with the audit plan.
3. Conducted follow-up on issues raised to ensure key findings raised in the internal audit reports were addressed accordingly.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In accordance with Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors ("Board") of listed companies is required to include in their annual report, a "statement about the state of internal control of the listed issuer as a company". The Malaysian Code on Corporate Governance issued by Securities Commission Malaysia requires the Board to establish a sound risk management framework and internal control system. The Board is pleased to provide the following statement that is prepared in accordance with the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" endorsed by Bursa Securities which outlines the nature and scope of the risk management and internal control of the Company during the financial year under review.

BOARD RESPONSIBILITIES

The Board recognizes the importance of sound risk management practices and internal controls to safeguard shareholders' investments and the Company's assets. The Board affirms its overall responsibility for the Company's system of risk management and internal control which includes the establishment of an appropriate control environment and framework, as well as reviewing and monitoring its adequacy and integrity. The Board is responsible for determining the nature and extent of the risks that the Company is willing to take to achieve its objectives, whilst in parallel maintaining sound risk management and systems of internal control.

The Board tasks Management to identify and assess the risks faced by the Company, and thereafter design, implement and monitor appropriate internal controls to mitigate and control those risks. There are inherent limitations to any system of risk management and internal control and the system is designed to manage and minimize impact rather than completely eliminate risks that may affect the achievement of the Company's business objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The system of internal control covers, inter alia, financial, operational and compliance controls and risk management procedures.

KEY PROCESSES OF THE SYSTEM OF INTERNAL CONTROL

The Audit Committee is supported by external service providers, BDO Governance Advisory Sdn. Bhd. ("BDO") and they report their audit plans and review reports directly to the Audit Committee.

The activities of the internal audit are guided by the Annual Audit Plan approved by the Audit Committee. The internal audit plan was developed based on the information provided by Management through the Risk Register, as well as areas of concern deemed important by Audit Committee and/or Management.

The internal audits were undertaken to provide independent assessments on the adequacy, efficiency and effectiveness of the internal control systems to manage risk exposures of the Company. BDO adopts risk-based approach in executing the planning, reviews and assessments, steered by BDO's internal audit methodology, which is in line with the Institute of Internal Auditors' International Professional Practices Framework ("IPPF").

The Audit Committee had full access to the services and advice of the internal auditors and received reports on all audits that were performed.

During the financial year ended 31 March 2024 ("FY2024"), BDO had executed the following internal audit works:

1. Conducted reviews and assessments based on FY2024 annual audit plans which was approved by the Audit Committee at the 1st meeting of FY2024 covering the areas of:
 - i. Quality Control Management in Plant 2 ("SA2")
 - ii. Human Resources Management
 - iii. Health, Safety and Environment Compliance Within Panasonic Manufacturing Malaysia Berhad ("PMMA")
 - iiii. Culture Survey
 - v. Inventory Management for Heating, Ventilation and Air-Conditioning ("HVAC") – Total Fan and Home Shower
2. Conducted follow-up with the Management on agreed corrective action items taken on outstanding audit issues to ensure key risks and weaknesses were addressed effectively and timely, where the status of implementation of the said agreed corrective action items are reported to the Audit Committee on a quarterly basis.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

The resulting reports from BDO, including the findings, recommendations and Management's responses, were presented to the Audit Committee on a quarterly basis. The Management is responsible to ensure that necessary agreed corrective action items are taken and resolved within the required timeframe.

Other elements of internal control system:

1. Organisation structure

The Company has an established organisation structure with clear defined lines of authority, responsibility and accountability to meet its business strategies and objectives within a reasonable control environment.

2. Delegation of Authority

The Company has established Financial Authority Limits for approving capital expenditure and non-capital expenditure. Major capital investments, acquisitions and disposals exceeding a certain threshold require Board Approval.

3. Annual Business Plans and Budgets

Operating plans and budgets are prepared by the respective Heads of Departments on an annual basis and presented to the Board for deliberation and approval. Actual performance against budget is monitored by the Board.

4. Monitoring by Strategic Management Committee

Regular management and operation meetings are conducted by the Strategic Management Committee covering financial and operational performance.

5. Monitoring by the Board

Board meetings are held periodically with a formal agenda on matters for discussion. The Board is kept updated on the Company's activities and operations regularly.

6. Panasonic Code of Conduct

The Company clearly defines its basic policy on information in the "Panasonic Code of Conduct", the guideline for putting the Group's Basic Business Philosophy into practice.

- Company's Enterprise Risk Management Objectives
 - Preserve the safety and health of its employees.
 - Ensure the continuity of its supply to consumers and customers at all times.
 - Protect its assets and reputation.
 - Ensure that the Company's operations do not impact negatively on the community in which it operates and the environment.
 - Protect the interests of all stakeholders.
 - Promote an effective risk awareness culture where risk management is an integral aspect of the Company's management systems.
 - Ensure compliance with all applicable statutory and legal requirements
- The risk management function is coordinated by BDO, who assists the Audit Committee in updating the risk register to reflect the changes in rating, status of controls and action plan annually.
- The Compliance Committee that has been established to promote strong self-check system to ensure compliance is top priority in the Company's business activities also ensures that information is shared across all divisions and all levels in a timely manner.
- The Strategic Management Committee that has been established with appropriate powers to ensure effective management and supervision of the Company's core areas of business operations. Its function includes review of registration of new suppliers, investment/expenditure by the Company exceeding stipulated amount and to review any changes in the Company's policy and procedures. Its members comprise of Assistant Directors and above. It acts as a control before the Company's Managing Director provides his final approval.
- Other internal committees include the Information Security Management Working Committee, Quality Committee, Safety & Health and Fire Prevention Committee.
- The Company's business units monitor and explain performance against key performance Indexes on a monthly basis at the monthly operation meetings, factory management review meetings and quality assurance meetings attended by the Directors and Senior Management of the Company. Comprehensive monthly financial and management reports are prepared for effective monitoring and decision making. The monitoring of performance variances are followed up and management actions are taken to rectify any deviations on a timely and effective manner.

ENTERPRISE RISK MANAGEMENT PROCESS

Risk management is firmly embedded in the Company's management system as Management firmly believes that risk management is critical for the Company's sustainability and the enhancement of shareholder's value.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

- Accounting and other manuals are in place towards ensuring that the recordings of financial transactions are complete and accurate.
- Standard operating procedure ("SOP") manual sets out policies and procedures for day to day operations to be carried out. Periodic reviews are performed to ensure that the SOP remains current, relevant and aligned with evolving business environment and operational needs.
- The Anti-Bribery and Anti-Corruption Policy sets out the policies and procedures on the Company's commitment to conduct its business with high standards of ethics and integrity. The Company adopts a "zero-tolerance" approach towards bribery and corruption by any of the employees or by business partners working on behalf, including suppliers, agents or contractors. In addition, periodic reviews and discussions are held to ensure such risks are mitigated.
- Whistleblowing Policy provides an avenue for employees and external parties to report actual or suspected malpractice, misconduct or violations of the Company's policies and regulations in a safe and confidential manner.

The Company applies the ISO 14001 Environment Management System which is taken charge by the Environment Management Department, ISO 45001 Occupational Health and Safety Management System with oversight by Safety and Health Department, ISO 27001 Information Security Management System with the Information Security Department in charge and ISO 9001 Quality Management Systems taken charge by Quality Control Department.

RELATED PARTY TRANSACTIONS (RPTs)/ RECURRENT RELATED PARTY TRANSACTIONS (RRPTs)

The Company has established the Guidelines and Procedures on RPTs and RRPTs (collectively, the Guideline) to promote continuous awareness and provide consistent approach to all RPTs and RRPTs situations. The said Guideline requires the use of various processes to ensure that RPTs/RRPTs are conducted on an arm's length basis, which is consistent with the Company's normal business practices and policies, and will not be to the detriment of the Group's minority shareholders.

The Guideline aims to provide guidance under which certain transactions and situations must be reviewed and endorsed by the various approving authority of the Company in compliance with the Listing Requirements.

The Guideline also prescribes the processes required to identify, evaluate, approve, monitor and report RPTs/RRPTs. Such processes include identification and screening of transactions, negotiation of transaction and approval/mandate mechanism, monitoring and reporting principles, and renewal or changes in the terms or termination of such transactions. In principle, the said Guideline sets forth the following:

- All sourcing and sales of the Company's products, general merchandise and shared facilities shall be based on market negotiated pricing terms and conditions and/or pricing formulas and the terms are not more favourable to the related party than those generally applied to a third party, in order to ensure that the transactions are on an arm's length basis.
- Database is maintained to capture the list of related parties and RPTs/RRPTs which have been entered into.
- If a Director or a related party has an interest in a transaction, he or she will abstain from any deliberation and decision making at the Board in respect of such transaction.
- All RPTs will be reviewed by the Audit Committee prior to the approval by either the Board or Shareholders. All RPTs and RRPTs will be reported to the Audit Committee on a quarterly basis.

Overall, during FY2024, the Company had processes in place to assess that RPTs/RRPTs were fairly concluded on prevailing market rate/prices, had been carried out at arm's length basis and normal commercial terms/conditions, applicable industry norms and not detrimental to the interest of the Company and its minority shareholders.

CONCLUSION

For the financial year under review and up to the date of issuance of the financial statements for inclusion in the annual report, the Managing Director and Finance Director have provided written assurance to the Board stating that the Company's risk management and internal control systems have operated adequately and effectively, in all material aspects, to safeguard shareholders' interests and the Company's assets.

The Board is satisfied that there are sound and sufficient controls in place that have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's annual report. No weaknesses in internal control that have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's annual report were noted.

The Board's review however does not encompass the system of internal control of its associated company, Panasonic Malaysia Sdn. Bhd. ("PM"), as it does not have direct control over their operations. Notwithstanding the above, the Company's interest is served through representation on the Board of PM and receipt and review of management accounts, reports on quarterly basis, the key performance of PM and the general market environment. Such initiatives provide the Board with vital information on the activities of PM and safeguarding of the Company's interests.



ADDITIONAL COMPLIANCE INFORMATION

The following information is presented in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad:

1. Utilisation of Proceeds raised from Corporate Proposal

Not applicable.

2. Audit and Non-Audit Fees

For the financial year under review, the audit and non-audit fees incurred by the Company payable to the External Auditors, KPMG PLT were RM223,000 and RM10,000, respectively.

The non-audit fees incurred were for the review on the Statement of Risk Management and Internal Control, (RM10,000).

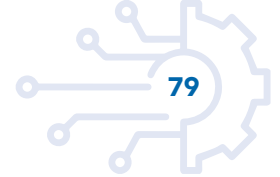
3. Material Contracts

Other than the recurrent related party transactions, there were no material contracts of the Company, involving Directors' and major shareholders' interests, entered into since the end of the previous financial year or still subsisting at the end of the financial year under review.

FINANCIAL STATEMENTS

2024

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 March 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the manufacture and sale of electrical home appliances and related components. There has been no significant change in the nature of these activities during the financial year.

ULTIMATE HOLDING CORPORATION

The Directors regard Panasonic Holdings Corporation, a corporation incorporated in Japan, as the ultimate holding corporation during the financial year and until the date of this report.

RESULTS

	RM'000
Profit for the year attributable to owners of the Company	92,646

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review other than as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the amount of dividends paid by the Company were as follows:

- i) In respect of the financial year ended 31 March 2023:
 - a final ordinary dividend of 107 sen per ordinary share totalling RM64,997,985 declared on 31 May 2023 and paid on 22 September 2023.
- ii) In respect of the financial year ended 31 March 2024:
 - an interim single tier dividend of 15 sen per ordinary share totalling RM9,111,867 declared on 30 November 2023 and paid on 19 January 2024.

The final dividend recommended by the Directors in respect of the financial year ended 31 March 2024 of 121 sen per ordinary share will be tabled for the approval of the shareholders at the forthcoming Annual General Meeting. Based on the issued and paid-up capital of the Company as at the date of this report, the final dividend would amount to approximately RM73,502,394.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

(CONT'D)

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Tan Sri Hasmah binti Abdullah	
Siew Pui Ling	
Raja Anuar bin Raja Abu Hassan	
Kwan Wai Yue	
Dato' Kaziah binti Abdul Kadir	
Dato' Azman bin Mahmud	
Keisuke Nishida	
Shinichi Hayashi	(Appointed on 1 April 2023)
Takashi Sugihara	(Appointed on 1 June 2023)
Kenji Kamada	(Resigned on 31 May 2023)

In accordance with Article 100 of the Company's Constitution, Dato' Kaziah binti Abdul Kadir, Dato' Azman bin Mahmud and Keisuke Nishida retire by rotation at the forthcoming Annual General Meeting, and being eligible, offers themselves for re-election.

DIRECTORS' INTERESTS

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

Company	Number of ordinary shares			
	At 1.4.2023	Bought	Sold	At 31.3.2024
Siew Pui Ling - Direct Interest	100	-	-	100
Ultimate Holding Corporation - Panasonic Holdings Corporation		Number of ordinary shares		
	At date of appointment	Bought	Sold	At 31.3.2024
Takashi Sugihara - Direct Interest	-	115	-	115

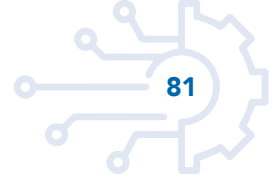
None of the other Directors holding office at 31 March 2024 had any interest in the shares and options over shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year,

i) no Director of the Company has received nor become entitled to receive any benefit (other than those shown below):

	From the Company RM'000
Directors of the Company:	
Fees and allowances	608
Remuneration	2,363
Estimated money value of any other benefits	86
	3,057



DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024
(CONT'D)

DIRECTORS' BENEFITS (cont'd)

- ii) no Director of the Company has received nor become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which Director is a member, or with a Company in which the Director has a substantial interest, other than certain Directors received fixed salary of a full-time employee of related corporations.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

There were no issue of shares and debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage given to Directors and Officers of the Company pursuant to the Directors and Officers Liability Insurance was RM20,000,000. The insurance premium paid by the Company is RM71,500.

There was no indemnity given to or insurance effected for auditors of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) there are no bad debts to be written off and no provision needs to be made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render it necessary to write-off any bad debts or provide for any doubtful debts, or
- ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Company misleading.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

(CONT'D)

OTHER STATUTORY INFORMATION (cont'd)

At the date of this report, there does not exist:

- i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Company for the financial year ended 31 March 2024 has not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Company during the financial year is RM223,000. Details of auditors' remuneration are set out in Note 18 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Dato' Azman bin Mahmud

Director

Takashi Sugihara

Director

Shah Alam

Date: 30 May 2024

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Note	2024 RM'000	2023 RM'000
Assets			
Property, plant and equipment	3	134,987	134,557
Right-of-use assets	4	5,456	5,577
Intangible assets	5	420	1,372
Investment in associate	6	130,865	121,175
Deferred tax assets	7	1,068	2,676
Total non-current assets		272,796	265,357
Inventories	8	52,133	70,053
Trade and other receivables	9	89,292	96,456
Current tax assets		-	7,450
Cash and cash equivalents	10	530,192	482,897
Total current assets		671,617	656,856
Total assets		944,413	922,213
Equity			
Share capital	11	60,746	60,746
Retained earnings		752,716	734,180
Total equity		813,462	794,926
Liabilities			
Provision for liabilities and charges	12	637	417
Lease liabilities		-	10
Total non-current liabilities		637	427
Trade and other payables	13	125,120	122,335
Provision for liabilities and charges	12	3,875	4,443
Derivative financial liabilities	14	99	42
Lease liabilities		10	40
Current tax liabilities		1,210	-
Total current liabilities		130,314	126,860
Total liabilities		130,951	127,287
Total equity and liabilities		944,413	922,213

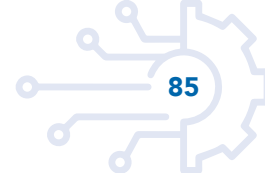
The notes on pages 88 to 121 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 RM'000	2023 RM'000
Revenue	15	905,685	991,628
Cost of sales		(766,419)	(874,383)
Gross profit		139,266	117,245
Other operating income		22,769	43,130
Distribution and marketing cost		(44,178)	(40,376)
Administrative expenses		(39,927)	(39,364)
Other operating expenses		(5,057)	(12,201)
Results from operating activities		72,873	68,434
Finance costs	16	(1)	(3)
Finance income	17	20,910	13,605
Share of profit equity-accounted associate, net of tax	6	12,875	9,302
Profit before tax	18	106,657	91,338
Tax expense	19	(14,011)	(11,206)
Profit and total comprehensive income for the year		92,646	80,132
Basic earnings per ordinary share (sen)	20	153	132

The notes on pages 88 to 121 are an integral part of these financial statements.



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

	Note	Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 April 2022		60,746	704,467	765,213
Total profit and comprehensive income for the year		-	80,132	80,132
Contributions by and distributions to owners of the Company				
Dividends				
- Final dividend for the financial year ended 31 March 2022	21	-	(41,307)	(41,307)
- Interim dividend for the financial year ended 31 March 2023	21	-	(9,112)	(9,112)
Total transactions with owners of the Company		-	(50,419)	(50,419)
At 31 March 2023/1 April 2023		60,746	734,180	794,926
Total profit and comprehensive income for the year		-	92,646	92,646
Contributions by and distributions to owners of the Company				
Dividends				
- Final dividend for the financial year ended 31 March 2023	21	-	(64,998)	(64,998)
- Interim dividend for the financial year ended 31 March 2024	21	-	(9,112)	(9,112)
Total transactions with owners of the Company		-	(74,110)	(74,110)
At 31 March 2024		60,746	752,716	813,462

Note 11

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 RM'000	2023 RM'000
Cash flows from operating activities			
Profit before tax		106,657	91,338
Adjustments for:			
Property, plant and equipment			
- depreciation	3	24,082	25,337
- write-off	3	738	522
- gain on disposal	18	(392)	(947)
- impairment loss	3	33	673
- reversal of impairment loss	3	(683)	(797)
Depreciation of right-of-use assets	4	121	145
Amortisation of intangible assets	5	1,068	2,350
Provision of liabilities and charges	12	5,778	9,317
Unwinding of discount	12	22	89
Interest income	17	(20,910)	(13,605)
Finance cost for lease liabilities	16	1	3
Share of profit equity-accounted associate, net tax	6	(12,875)	(9,302)
Net unrealised foreign exchange loss/(gain)	18	719	(1,987)
Fair value loss on derivative financial instruments	18	57	179
Operating profit before changes in working capital		104,416	103,315
Changes in working capital:			
Inventories		17,920	19,752
Trade and other receivables		6,121	6,443
Trade and other payables		3,109	(23,440)
Movement in provision of liabilities and charges		(6,148)	(11,468)
Cash generated from operations		125,418	94,602
Tax paid		(3,743)	(4,811)
Interest paid		(1)	(3)
Net cash generated from operating activities		121,674	89,788
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(24,602)	(16,982)
Purchase of intangible assets	5	(116)	(265)
Proceeds from disposal of property, plant and equipment		394	1,382
Interest received	17	20,910	13,605
Dividends received	6	3,185	3,185
Net cash generated (used in)/from investing activities		(229)	925



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024
(CONT'D)

	Note	2024 RM'000	2023 RM'000
Cash flows from financing activities			
Dividends paid		(74,110)	(50,419)
Payment of lease liabilities		(40)	(62)
Net cash used in financing activities		(74,150)	(50,481)
Net increase in cash and cash equivalents		47,295	40,232
Cash and cash equivalents at 1 April 2023/2022		482,897	442,665
Cash and cash equivalents at 31 March	10	530,192	482,897

Cash outflows for leases as a lessee

	Note	2024 RM'000	2023 RM'000
Included in net cash from operating activities			
Payment relating to short-term leases	18	1,118	1,250
Payment relating to low-value assets	18	38	38
Interest paid in relation to lease liabilities	16	1	3
Included in net cash from financing activities			
Payment of lease liabilities		40	62
Total cash outflows for leases		1,197	1,353

Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 April 2022 RM'000	Net changes from financing cash flows RM'000	At 31 March 2023/ 1 April 2023 RM'000	Net changes from financing cash flows RM'000	At 31 March 2024 RM'000
Lease liabilities	112	(62)	50	(40)	10

NOTES TO THE FINANCIAL STATEMENTS

Panasonic Manufacturing Malaysia Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the registered office and principal place of business of the Company is as follows:

Registered office/Principal place of business

No. 3, Jalan Sesiku 15/2
Section 15, Shah Alam Industrial Site
40200 Shah Alam
Selangor Darul Ehsan

The financial statements of the Company for the financial year ended 31 March 2024 comprise the Company and the Company's interest in its associate.

The Company is principally engaged in the manufacture and sale of electrical home appliances and related components.

The immediate holding company during the financial year was Panasonic Management Malaysia Sdn. Bhd., incorporated in Malaysia. The ultimate holding corporation during the financial year was Panasonic Holdings Corporation, a corporation incorporated in Japan and listed on the Tokyo Stock Exchange and Nagoya Stock Exchange.

These financial statements were authorised for issue by the Board of Directors on 30 May 2024.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, amendments and interpretations of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Company plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 April 2024 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2024; and
- from the annual period beginning on 1 April 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the abovementioned accounting standards, interpretations or amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Company.



NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

1. BASIS OF PREPARATION (cont'd)

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, unless otherwise stated.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions based on historical experience and other factors, including expectations of future events that are deemed reasonable are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 8 – Inventories
- Note 12 – Provision for liabilities and charges

2. CHANGES IN MATERIAL ACCOUNTING POLICIES

2.1 Global minimum top-up tax

The Company has adopted the amendments to MFRS 112, *Income Taxes – International Tax Reform – Pillar Two Model Rules* upon their release on 2 June 2023. The amendments provide a temporary mandatory relief from deferred tax accounting for the top-up tax, which is effective immediately.

Since the newly enacted tax legislation in Malaysia will only come into effect in year 2025, there is no current tax impact for the current financial year ended 31 March 2024.

2.2 Material accounting policy information

The Company also adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 April 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Company's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT

	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings, structures and equipment RM'000	Motor vehicles RM'000	Work-in- progress RM'000	Total RM'000
Cost						
At 1 April 2022	129,686	358,148	66,022	6,699	2,497	563,052
Additions	-	9,110	1,970	943	4,959	16,982
Reclassification of asset	-	22	(22)	-	-	-
Transfers	-	1,897	124	-	(2,021)	-
Disposals	-	(7,860)	(484)	(1,012)	(150)	(9,506)
Write-off	-	(18,397)	(1,279)	(12)	-	(19,688)
At 31 March 2023/1 April 2023	129,686	342,920	66,331	6,618	5,285	550,840
Additions	-	16,973	4,367	477	2,785	24,602
Transfers	-	3,564	1,567	-	(5,131)	-
Disposals	-	(4,143)	(437)	(24)	-	(4,604)
Write-off	-	(26,176)	(1,450)	-	-	(27,626)
At 31 March 2024	129,686	333,138	70,378	7,071	2,939	543,212
Accumulated depreciation and impairment loss						
At 1 April 2022						
Accumulated depreciation	54,403	308,605	50,221	5,271	-	418,500
Accumulated impairment loss	-	789	18	-	-	807
	54,403	309,394	50,239	5,271	-	419,307
Depreciation for the year	2,238	18,992	3,388	719	-	25,337
Impairment loss	-	671	2	-	-	673
Reversal of impairment loss	-	(779)	(18)	-	-	(797)
Disposals	-	(7,745)	(469)	(857)	-	(9,071)
Write-off	-	(17,981)	(1,174)	(11)	-	(19,166)
At 31 March 2023/1 April 2023						
Accumulated depreciation	56,641	301,871	51,966	5,122	-	415,600
Accumulated impairment loss	-	681	2	-	-	683
	56,641	302,552	51,968	5,122	-	416,283
Depreciation for the year	2,225	17,924	3,265	668	-	24,082
Impairment loss	-	33	-	-	-	33
Reversal of impairment loss	-	(681)	(2)	-	-	(683)
Disposals	-	(4,142)	(436)	(24)	-	(4,602)
Write-off	-	(25,477)	(1,411)	-	-	(26,888)
At 31 March 2024						
Accumulated depreciation	58,866	290,176	53,384	5,766	-	408,192
Accumulated impairment loss	-	33	-	-	-	33
	58,866	290,209	53,384	5,766	-	408,225
Carrying amounts						
At 1 April 2022	75,283	48,754	15,783	1,428	2,497	143,745
At 31 March 2023/1 April 2023	73,045	40,368	14,363	1,496	5,285	134,557
At 31 March 2024	70,820	42,929	16,994	1,305	2,939	134,987

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

3.1 Property, plant and equipment subject to operating lease

The Company leases some of its property, plant and equipment to a related company. The lease contains an initial non-cancellable period of 1 year. Subsequent renewal is negotiated with the lessee.

The Company generally does not require a financial guarantee on the lease arrangement. This lease does not include residual value guarantees.

The following is recognised in profit or loss:

	2024 RM'000	2023 RM'000
Lease income	2,749	2,882

3.2 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The annual rates representing the estimated useful lives for the current and comparative periods are as follows:

• Buildings	2½% - 5%
• Plant and machinery	10% - 50%
• Furniture, fittings, structures and equipment	5% - 20%
• Motor vehicles	25%

4. RIGHT-OF-USE ASSETS

	Leasehold land RM'000	Buildings RM'000	Machine and equipment RM'000	Total RM'000
Cost				
At 1 April 2022	7,566	137	187	7,890
Derecognition	-	(137)	-	(137)
At 31 March 2023/1 April 2023/31 March 2024	7,566	-	187	7,753
Depreciation				
At 1 April 2022	1,951	114	103	2,168
Charge for the year	85	23	37	145
Derecognition	-	(137)	-	(137)
At 31 March 2023/1 April 2023	2,036	-	140	2,176
Charge for the year	84	-	37	121
At 31 March 2024	2,120	-	177	2,297

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

4. RIGHT-OF-USE ASSETS (cont'd)

	Leasehold land RM'000	Buildings RM'000	Machine and equipment RM'000	Total RM'000
Carrying amounts				
At 1 April 2022	5,615	23	84	5,722
At 31 March 2022/1 April 2023	5,530	-	47	5,577
At 31 March 2024	5,446	-	10	5,456

The Company leases expatriates' accommodation and photocopy machines that ran between 2 years and 5 years (2023: 2 years and 5 years). Lease payments for these assets remain constant throughout their lease terms.

4.1 Material accounting policy information

(a) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Recognition exemption

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5. INTANGIBLE ASSETS

	Software and licenses RM'000	Work-in- progress RM'000	Total RM'000
Cost			
At 1 April 2022	9,349	-	9,349
Additions	-	265	265
At 31 March 2023/1 April 2023	9,349	265	9,614
Additions	116	-	116
Transfers	265	(265)	-
At 31 March 2024	9,730	-	9,730
Amortisation			
At 1 April 2022	5,892	-	5,892
Amortisation for the year	2,350	-	2,350
At 31 March 2023/1 April 2023	8,242	-	8,242
Amortisation for the year	1,068	-	1,068
At 31 March 2024	9,310	-	9,310
Carrying amounts			
At 1 April 2022	3,457	-	3,457
At 31 March 2023/1 April 2023	1,107	265	1,372
At 31 March 2024	420	-	420

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

5. INTANGIBLE ASSETS (cont'd)

The software and licenses relates to the development cost for the Company's SAP global standard template ("SGST") system. This is to align with the Panasonic group business division's direction with the primary aim of standardising across its global entities and to enhance efficiency and optimal manufacturing management capabilities for future growth and agility to respond to market changes.

5.1 Material accounting policy information

(a) Recognition and measurement

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(b) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods are as follows:

- Software and licenses 25%

6. INVESTMENT IN AN ASSOCIATE

	2024 RM'000	2023 RM'000
At cost		
Unquoted shares	2,000	2,000
Share of post-acquisition reserves	128,865	119,175
Investment in an associate	130,865	121,175

Set out below is the associate of the Company as at 31 March 2024, and the associate has share capital consisting solely of ordinary shares, which are held directly by the Company.

Name of entity	Principal place of business/ Country of incorporation	Effective ownership interest and voting interest	
		2024	2023
Panasonic Malaysia Sdn. Bhd.	Malaysia	40%	40%

Nature of the relationship

The Company holds a 40% (2023: 40%) equity interest in its associate, Panasonic Malaysia Sdn. Bhd., a company incorporated in Malaysia. The principal activities of the associate consist of:

- 1) sales of consumer electronic products, system solution products, life solutions products and energy products under the brand name Panasonic;
- 2) provision of liaison office services and coordination of Panasonic group shared services and advisory including human resources strategic management, information technology innovation, government and public relations related matters; and
- 3) provision of management support services on corporate planning and execution of business strategy covering sales, marketing promotion and design of Panasonic brand products within or outside Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

6. INVESTMENT IN AN ASSOCIATE (cont'd)

(a) Summarised financial information for associate

Set out below are the summarised financial information of Panasonic Malaysia Sdn. Bhd. which are accounted for using the equity method.

(i) Summarised statement of financial position of the associate:

	2024	2023
	RM'000	RM'000
<u>Current</u>		
Cash and cash equivalent	349,877	351,528
Other current assets (excluding cash)	225,530	224,309
Total current assets	575,407	575,837
Other current liabilities (including trade payables)	(284,775)	(347,660)
Total current liabilities	(284,775)	(347,660)
<u>Non-current</u>		
Assets	72,980	84,904
Liabilities	(34,362)	(9,089)
Net assets	329,250	303,992

(ii) Summarised statement of profit or loss and other comprehensive income of the associate:

	2024	2023
	RM'000	RM'000
Revenue	1,387,988	1,416,715
Cost of revenue	(1,021,879)	(1,030,178)
Gross profit	366,109	386,537
General and administrative expenses	(170,826)	(194,598)
Reversal of impairment loss on trade and other receivables, net	410	2,905
Selling and distribution expenses	(128,706)	(129,395)
Other operating expenses	(51,022)	(52,015)
Other operating income	16,580	16,604
Profit from operations	32,545	30,038
Finance income	10,111	7,834
Finance costs	(1,093)	(1,047)
Profit before taxation	41,563	36,825
Taxation	(8,342)	(12,196)
Net profit and total comprehensive income for the financial year	33,221	24,629
Gross dividends received by the Company	3,185	3,185



NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

6. INVESTMENT IN AN ASSOCIATE (cont'd)

(b) Reconciliation of net assets to carrying amount as at 31 March

	2024 RM'000	2023 RM'000
Company's share of net assets	131,700	121,597
Elimination of unrealised profits	(835)	(422)
Carrying amount in the statement of financial position	130,865	121,175

(c) Company's share of results for the year ended 31 March

	2024 RM'000	2023 RM'000
Company's share of net profit and total comprehensive income	12,875	9,302

(d) Other information

	2024 RM'000	2023 RM'000
Dividend received by the Company	3,185	3,185

6.1 Material accounting policy information

The investment in an associate over which the Company has significant influence (but no control over its operations) is accounted for using the equity method. The investment is initially recognised at cost and adjustment thereafter to include the Company's share of post-acquisition distributable and non-distributable reserves of the associate.

7. DEFERRED TAX ASSETS

Deferred tax assets and liabilities are set off when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position.

Deferred tax assets and liabilities are attributable to the following:

	2024 RM'000	2023 RM'000
Property, plant and equipment	(5,263)	(5,004)
Provisions	6,323	7,753
Others	8	(73)
Net tax assets	1,068	2,676

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

7. DEFERRED TAX ASSETS (cont'd)

Movement in temporary differences during the year

	At 1 April 2022 RM'000	Recognised in profit or loss (Note 19) RM'000	At 31 March 2023/ 1 April 2023 RM'000	Recognised in profit or loss (Note 19) RM'000	At 31 March 2024 RM'000
Property, plant and equipment	783	(5,787)	(5,004)	(259)	(5,263)
Provisions	9,929	(2,176)	7,753	(1,430)	6,323
Others	43	(116)	(73)	81	8
	10,755	(8,079)	2,676	(1,608)	1,068

8. INVENTORIES

	2024 RM'000	2023 RM'000
Raw materials	28,230	42,213
Work-in-progress	5,040	3,752
Finished goods	18,603	24,045
Consumable stores	260	43
	52,133	70,053
Recognised in profit or loss:		
Inventories recognised as cost of sales	766,142	870,200
Write-down to realisable value	498	326
Write-off of inventories	105	3,938
Reversal of write-down	(326)	(81)

The write-off of inventories includes write-off of unutilised inventories arising from termination of certain products lines amounting to nil (2023: RM3,833,000).

The review of the allowance for slow-moving inventories and write-down of inventories to net realisable value are made periodically by the management on damaged, obsolete and slow-moving inventories. Slow-moving inventories may be due to items that are generally not fast moving such as phasing out of older models or inventories that are no longer saleable and replacement parts for the upkeep of the products sold. These reviews require judgement and estimates and possible changes in these estimates could result in revisions to the valuation of inventories.

8.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

9. TRADE AND OTHER RECEIVABLES

	2024 RM'000	2023 RM'000
Trade receivables	1,517	582
Amount due from ultimate holding corporation	466	481
Amount due from associate company	14,466	16,451
Amounts due from related companies	66,052	72,699
	82,501	90,213
Other receivables	1,661	1,863
Deposits	931	917
Prepayments	4,199	3,463
	89,292	96,456

Credit terms given to trade receivables ranged from 30 to 60 days (2023: 30 to 60 days).

The balances due from ultimate holding corporation, associate and related companies are in respect of trading transactions which are unsecured, interest free and have repayment terms ranging from 15 to 45 days (2023: 30 to 60 days) except for the amounts of RM3,429,000 (2023: RM3,175,000) which are in respect of non-trading transactions that are unsecured, interest free and repayable on demand.

The trade and other receivable balances, amount due from ultimate holding corporation, amount due from associate and amounts due from related companies are within the stipulated credit period and there were no past due balances.

The currency exposure profile of trade receivables, amount due from ultimate holding corporation, amount due from associate, amounts due from related companies, other receivables and deposits are as follows:

	2024 RM'000	2023 RM'000
Ringgit Malaysia	42,854	38,033
United States Dollar	41,012	52,154
Japanese Yen	1,227	2,806
	85,093	92,993

10. CASH AND CASH EQUIVALENTS

	2024 RM'000	2023 RM'000
Fixed deposits	375,000	320,000
Cash and bank balances	155,192	162,897
	530,192	482,897

The currency exposure profile of cash and cash equivalents is as follows:

	2024 RM'000	2023 RM'000
Ringgit Malaysia	417,479	378,224
United States Dollar	102,359	102,265
Japanese Yen	9,978	1,139
Euro	376	1,258
Singapore Dollar	-	11
	530,192	482,897

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

10. CASH AND CASH EQUIVALENTS (cont'd)

Credit rating profiles of banks in which the deposits, cash and bank balances have been placed are as follows:

	2024 RM'000	2023 RM'000
- A3	1,009	350
- Non-rated*	529,177	482,526
	530,186	482,876
Cash on hand	6	21
	530,192	482,897

* The fixed deposits, cash and bank balances are the funds placed with a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd. which is not rated. The credit rating profile of Panasonic Holdings Corporation, the ultimate holding corporation of Panasonic Financial Centre (Malaysia) Sdn. Bhd. is rated Baa1 based on Moody's rating agency.

a) Fixed deposits

The fixed deposits are the placement of funds with a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd..

The weighted average interest rates of fixed deposits that were effective for the financial year are as follows:

	2024 %	2023 %
Ringgit Malaysia	3.80	2.87

The average maturity days of placement of funds with a related company is as follows:

	2024	2023
Ringgit Malaysia	90 days	90 days

The placement of funds in other currencies is on a daily call basis.

b) Cash and bank balances

Bank balances are deposits held on call with banks and a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd..

11. SHARE CAPITAL

	Number of shares '000	Amount 2024 RM'000	Number of shares '000	Amount 2023 RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 April/31 March	60,746	60,746	60,746	60,746

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

12. PROVISION FOR LIABILITIES AND CHARGES

	Rework and recall cost RM'000	Warranty RM'000	Employee welfare scheme/ Mutual separation scheme RM'000	Retirement gratuity scheme RM'000	Foreign workers recruitment fees RM'000	Total RM'000
At 1 April 2022	1,029	1,594	3,328	594	377	6,922
Charged to profit or loss (Note 18)	(307)	(332)	10,411	(78)	(377)	9,317
Utilised during the financial year	(130)	(373)	(10,845)	(120)	-	(11,468)
Unwinding of discount	-	-	-	89	-	89
At 31 March 2023/1 April 2023	592	889	2,894	485	-	4,860
Charged to profit or loss (Note 18)	(19)	935	4,589	273	-	5,778
Utilised during the financial year	(104)	(953)	(5,021)	(70)	-	(6,148)
Unwinding of discount	-	-	-	22	-	22
At 31 March 2024	469	871	2,462	710	-	4,512
2023						
Current	592	889	2,894	68	-	4,443
Non-current	-	-	-	417	-	417
	592	889	2,894	485	-	4,860
2024						
Current	469	871	2,462	73	-	3,875
Non-current	-	-	-	637	-	637
	469	871	2,462	710	-	4,512

a) Rework and recall cost

As part of its quality control initiative, the Company has made a provision for rework and recall cost for certain products and undertake to inspect, repair or replace items that are found not performing up to the Company's quality standards, if any. A provision has been recognised at the financial year based on management's best estimate of the expenditure.

b) Warranty

The Company recognises the estimated liability on all products still under warranty at the reporting date. This provision is calculated based on historical claim ratio of the products for a period of one year. For products which have exceeded the warranty period, the Company will undertake to inspect, repair or replace the parts at an appropriate cost.

c) Employee welfare scheme/Mutual separation scheme

Employee welfare scheme and mutual separation scheme are schemes announced during the financial year to encourage voluntary redundancy. The total provision made as at year end is measured based on the number of employees who have accepted the offer.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

12. PROVISION FOR LIABILITIES AND CHARGES (cont'd)

d) Retirement gratuity scheme

The Company provides retirement gratuity for employees who have been in employment for a certain number of years. Upon official retirement, the employees shall receive a lump sum payment of RM5,000 per person as recognition of their service contribution to the Company. A provision has been recognised at the financial year end for expected gratuity payments based on the number of staff eligible under this scheme.

e) Foreign workers recruitment fees

As part of the Panasonic Holdings Corporation's global initiatives to increase corporate responsibilities towards foreign workers employed, the Company provides reimbursement of recruitment fees to existing and newly hired foreign workers. A provision has been recognised at the financial year end for the expected payments to the number of workers who are eligible.

13. TRADE AND OTHER PAYABLES

	2024	2023
	RM'000	RM'000
Trade payables and accruals	80,088	81,575
Employee benefits	12,892	13,373
Amount due to ultimate holding corporation	52	91
Amount due to associate	2,163	899
Amounts due to related companies	29,925	26,397
	125,120	122,335

The currency exposure profile of trade payables and accruals, employee benefits, amounts due to ultimate holding corporation, associate and related companies are as follows:

	2024	2023
	RM'000	RM'000
Ringgit Malaysia	91,532	95,612
United States Dollar	27,942	22,856
Japanese Yen	3,278	3,831
Thai Baht	2,258	-
Singapore Dollar	110	14
Euro	-	22
	125,120	122,335

Credit terms of trade payables vary from 30 to 60 days (2023: 30 to 60 days).

The amounts due to ultimate holding corporation, associate and related companies are in respect of trading transactions, unsecured and interest free except for RM12,835,000 (2023: RM8,588,000) which are in respect of non-trading transactions that are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

14. DERIVATIVE FINANCIAL LIABILITIES

	Nominal value	Liabilities RM'000
2024		
Non-hedging derivatives		
Derivatives at fair value through profit or loss	USD3,000,000	(98)
	SGD4,000	(1)
		(99)
2023		
Non-hedging derivatives		
Derivatives at fair value through profit or loss	USD12,000,000	(27)
	YEN170,000,000	(14)
	SGD10,000	(1)
		(42)

Forward exchange contracts

Forward exchange contracts are entered into by the Company in currencies other than Ringgit Malaysia to manage exposure to fluctuations in foreign currency exchange rates on specific transactions. In general, the Company's policy is to enter into forward exchange 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.

These contracts are not designated as cash flow or fair value hedges.

15. REVENUE

	Note	2024 RM'000	2023 RM'000
Revenue from contracts with customers			
- sales of goods	15.2	905,685	991,628

15.1 Disaggregation of revenue

	2024 RM'000	2023 RM'000
Major products lines		
Living appliances and solutions	194,531	249,152
Heating and ventilation A/C	707,343	741,538
Dies and mould & others	3,811	938
	905,685	991,628

15.2 Sales of goods

Revenue is recognised when control of the goods or services is transferred to the customer. The performance obligation is satisfied at a point in time and the customers are required to pay within the agreed credit terms, ranging between 15 to 45 days (2023: 30 to 60 days). Assurance warranties of 1 year are given to customers.

NOTES TO THE FINANCIAL STATEMENTS

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16. FINANCE COSTS

	2024 RM'000	2023 RM'000
Interest expense on lease liabilities	1	3

17. FINANCE INCOME

	2024 RM'000	2023 RM'000
Interest income from fixed deposits	20,910	13,605

18. PROFIT BEFORE TAX

	Note	2024 RM'000	2023 RM'000
Profit before tax is arrived at after charging/(crediting):			
Auditors' remuneration:			
- fees for statutory audit		223	223
- fees for audit related services		10	10
Directors' remuneration	26(e)	2,971	2,375
Direct material cost		562,202	665,767
Amortisation of intangible assets	5	1,068	2,350
Property, plant and equipment:			
- depreciation	3	24,082	25,337
- Loss on write-off	3	738	522
- gain on disposal		(392)	(947)
- impairment loss	3	33	673
- reversal of impairment loss	3	(683)	(797)
Depreciation of right-of-use assets	4	121	145
Staff costs:			
- salaries, bonus and other employee benefits		113,964	124,222
- defined contribution retirement plan		11,403	11,586
		125,367	135,808
Technical assistance fees		24,300	26,401
Research expenses		26,589	20,562
Fair value loss on derivative financial instruments		57	179
Foreign exchange:			
- net realised (gain)/loss		(5,644)	3,055
- net unrealised loss/(gain)		719	(1,987)
Provision of liabilities and charges	12	5,778	9,317
Insurance compensation income		-	(22,299)
Reimbursement of losses arising from product termination		(11,894)	(14,371)
Expenses arising from leases:			
Expenses relating to short-term lease		1,118	1,250
Expenses relating to low-value assets		38	38

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

19. TAX EXPENSE

	2024 RM'000	2023 RM'000
Current tax expense		
- current year	12,561	5,029
- over provision in prior year	(158)	(1,902)
	12,403	3,127
Deferred tax expense		
- origination and reversal of temporary differences	1,779	8,810
- over provision of deferred tax benefit in prior year	(171)	(731)
	1,608	8,079
	14,011	11,206
Reconciliation of tax expense		
Profit before tax	106,657	91,338
Tax at Malaysian tax rate of 24%	25,598	21,921
Tax effect of:		
- non-deductible expense	1,274	1,728
- profit not taxable	(4,502)	(3,311)
- tax incentives	(8,030)	(6,499)
- over provision of current tax expense in prior year	(158)	(1,902)
- over provision of deferred tax benefit in prior year	(171)	(731)
	14,011	11,206

20. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2024 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	2024	2023
Net profit for the financial year attributable to equity holders (RM'000)	92,646	80,132
Weighted average number of ordinary shares in issue during the financial year ('000)	60,746	60,746
Basic earnings per share (sen)	153	132

Diluted earnings per ordinary shares

The Company has no dilution in its earnings per ordinary share at 31 March 2024 and 31 March 2023.

NOTES TO THE FINANCIAL STATEMENTS

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21. DIVIDENDS

Dividends recognised by the Company are as follows:

	Sen per share	Total amount RM'000	Date of payment
2024			
Interim single tier dividend 2024			
- Interim single tier dividend	15	9,112	19 January 2024
<hr/>			
Final single tier dividend 2023			
- Final single tier dividend	107	64,998	22 September 2023
<hr/>			
2023			
Interim single tier dividend 2023			
- Interim single tier dividend	15	9,112	20 January 2023
<hr/>			
Final single tier dividend 2022			
- Final single tier dividend	68	41,307	23 September 2022

After the end of the reporting period, the following dividends were proposed by the Directors. These dividends will be recognised in subsequent financial period upon approval by the owners of the Company.

	Sen per share	Total amount RM'000
Final single tier dividend 2024	121	73,502

22. OPERATING SEGMENTS

Management has determined the operating segments based on the information reviewed by the Chief Operating Decision-maker ("CODM") for the purposes of allocating resources and assessing performance. The CODM considers the business from product perspective and assesses the performance of the operating segments based on a measure of profit before taxation as included in the internal management reports. Segment profit before taxation is used to measure performance as management believes that such information is the most relevant in evaluating the results of the operating segments within the Company.

The segment information provided to the CODM for the operating segments for the financial year ended 31 March 2024 is as follows:

	Living appliances and solutions		Heating and ventilation A/C		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	194,531	249,152	707,343	741,538	901,874	990,690
Interest income	1,655	1,819	6,370	5,109	8,025	6,928
Depreciation	(3,611)	(3,358)	(14,003)	(14,096)	(17,614)	(17,454)
Profit before taxation	24,713	22,174	47,385	52,609	72,098	74,783
Segment assets	105,352	141,370	415,533	422,930	520,885	564,300
Segment liabilities	(19,136)	(27,574)	(77,637)	(78,253)	(96,773)	(105,827)
Cash and cash equivalents	79,262	102,596	270,732	260,871	349,994	363,467
Inventories	9,623	12,892	42,170	56,691	51,793	69,583

Revenue of approximately RM902mil (2023: RM991mil) within both segments are derived from the Panasonic group of companies as disclosed in Note 26 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. OPERATING SEGMENTS (cont'd)

	2024 RM'000	2023 RM'000
Revenue		
Total revenue of the operating segments	901,874	990,690
Other unallocated revenue	3,811	938
Total revenue based on the statement of profit or loss and other comprehensive income	905,685	991,628
Profit before taxation		
Total profit before taxation of the operating segments	72,098	74,783
Other unallocated income, net	21,684	7,253
Share of results of associate, net of tax	12,875	9,302
Total profit before taxation based on the statement of profit or loss and other comprehensive income	106,657	91,338
Segment assets		
Total segment assets of the operating segments	520,885	564,300
Other unallocated segment assets	292,663	236,738
Investment in an associate	130,865	121,175
Total segment assets based on the statement of financial position	944,413	922,213
Segment liabilities		
Total segment liabilities of the operating segments	96,773	105,827
Other unallocated segment liabilities	34,178	21,460
Total segment liabilities based on the statement of financial position	130,951	127,287
Cash and cash equivalents		
Total cash and cash equivalents of the operating segments	349,994	363,467
Other unallocated cash and cash equivalents	180,198	119,430
Total cash and cash equivalents based on the statement of financial position	530,192	482,897
Inventories		
Total inventories of the operating segments	51,793	69,583
Other unallocated inventories	340	470
Total inventories based on the statement of financial position	52,133	70,053

The amounts provided to the CODM are measured in a manner consistent with that of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. OPERATING SEGMENTS (cont'd)

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of the goods delivered. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include investment in associate and deferred tax assets.

	Revenue	
	2024 RM'000	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
	905,685	991,628

Non-current assets

All property, plant and equipment, intangible assets and right-of-use assets are located in Malaysia.

Major customers

The following are major customers with revenue equal or more than 10% of the Company's total revenue:

	Revenue		Segment
	2024 RM'000	2023 RM'000	
Panasonic Malaysia Sdn. Bhd.	205,743	206,706	Living appliances and solutions and heating and ventilation A/C
Panasonic Ecology Systems (Hong Kong) Co., Ltd.	204,763	224,879	Living appliances and solutions and heating and ventilation A/C
KDK Fans (M) Sdn. Bhd.	139,513	128,147	Heating and ventilation A/C
Panasonic Consumer Marketing Asia Pacific	132,706	-	Living appliances and solutions and heating and ventilation A/C
Panasonic Marketing Middle East and Africa Fze	125,957	-	Living appliances and solutions and heating and ventilation A/C
Panasonic Trading and Logistics Asia Pacific ("PTLAP") (formerly known as Panasonic Logistics Asia Pacific ("PLAP"))	1,922	321,941	Living appliances and solutions and heating and ventilation A/C

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

23. FINANCIAL INSTRUMENTS

23.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Fair value through profit or loss - Designated upon initial recognition ("FVTPL"); and
(b) Amortised cost ("AC")

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
2024			
Financial assets			
Trade and other receivables, excluding prepayments	85,093	85,093	-
Cash and cash equivalents	530,192	530,192	-
	615,285	615,285	-
Financial liabilities			
Trade and other payables	(125,120)	(125,120)	-
Derivative financial instruments	(99)	-	(99)
	(125,219)	(125,120)	(99)
2023			
Financial assets			
Trade and other receivables, excluding prepayments	92,993	92,993	-
Cash and cash equivalents	482,897	482,897	-
	575,890	575,890	-
Financial liabilities			
Trade and other payables	(122,335)	(122,335)	-
Derivative financial instruments	(42)	-	(42)
	(122,377)	(122,335)	(42)

23.2 Net gains and losses arising from financial instruments

	2024 RM'000	2023 RM'000
Net gains/(losses) on:		
Financial assets at fair value through profit or loss	14	(182)
Financial liabilities at fair value through profit or loss	(71)	3
Financial assets measured at amortised cost	30,280	19,924
Financial liabilities measured at amortised cost	(4,445)	(7,387)
	25,778	12,358

23.3 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

23. FINANCIAL INSTRUMENTS (cont'd)

23.4 Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from its receivables from customers, and deposits with related company.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management monitors the exposure to credit risk on an ongoing basis. Credit evaluations are required to be performed on new customers.

Credit risks are controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised by monitoring receivables regularly. At each reporting date, the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amount of credit impaired trade receivables is written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to write-off. Nevertheless, trade receivables that is written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

The Company does not require collateral in respect of receivables and considers the risk of material loss from non-performance on the part of counter-parties to be negligible.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Company manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 days. The Company's debt recovery process is above 180 days past due after credit term, the Company will start to initiate a structured debt recovery process which is monitored by the treasury team.

The Company uses an allowance matrix to measure expected credit losses ("ECL") of trade receivables. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past two years. The Company also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Company's view of economic conditions over the expected lives of the receivables. Nevertheless, the Company believes that these factors are immaterial for the purpose of impairment calculation for the year.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

23. FINANCIAL INSTRUMENTS (cont'd)**23.4 Credit risk** (cont'd)**Trade receivables** (cont'd)*Recognition and measurement of impairment loss* (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 March 2024 which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2024			
Current (not past due)	79,072	-	79,072
2023			
Current (not past due)	87,038	-	87,038

No impairment loss has been made on these amounts as the Company is closely monitoring these receivables and are confident of their eventual recovery.

The credit quality of the trade receivables, amount due from associate and amounts due from related companies that are not past due and not impaired can be assessed by reference to historical analysis of the period of time for which they have been the Company's customers.

	2024 RM'000	2023 RM'000
Group 1	12,245	-
Group 2	66,827	87,038
	79,072	87,038

Group 1 - Customers with no history of default and who have been with the Company of less than 1 year.

Group 2 - Customers with no history of default and who have been with the Company of more than 1 year.

The fair value of the trade receivables approximates their carrying value. Hence, the impact of discounting is not significant.

Deposits with related company*Risk management objectives, policies and processes for managing the risk*

The Company's cash and cash equivalents are deposited with related company. Majority of the Company's deposits and bank balances are placed or transacted with Panasonic Financial Centre (Malaysia) Sdn. Bhd., a company incorporated in Malaysia, which is a related company of the Company.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk is represented by the carrying amounts of cash and cash equivalents in the statement of financial position. Management does not expect any counterparty to fail to meet its obligations in respect of these deposits.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

23. FINANCIAL INSTRUMENTS (cont'd)

23.5 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet the obligations as and when they fall due. The Company manages its liquidity risk with the view to maintain a healthy level of cash and cash equivalents appropriate to the operating environment and expected cash flows of the Company.

The primary tool for monitoring liquidity is the statement of cash flows of the Company. All investments must therefore be authorised and be within the planned investment budget prior to any confirmation to invest. Purchases of merchandise for the stocks-in-trade are reviewed, analysed and subsequent inventory holdings must be within the limits as stipulated in the approved Business Plan. All liquid cash are deposited in short-term time deposits with Panasonic Financial Centre (Malaysia) Sdn. Bhd., a company incorporated in Malaysia, which is a related company of the Company.

Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
2024						
<i>Non-derivative financial liabilities</i>						
Trade and other payables	125,120	-	125,120	125,120	-	-
Lease liabilities	10	3.49	10	10	-	-
<i>Derivative financial liabilities</i>						
Forward exchange contracts (gross settled):						
Outflow	-	-	14,150	14,150	-	-
Inflow	-	-	(14,051)	(14,051)	-	-
	125,229		125,229	125,229	-	-
2023						
<i>Non-derivative financial liabilities</i>						
Trade and other payables	122,335	-	122,335	122,335	-	-
Lease liabilities	50	3.49	51	41	10	-
<i>Derivative financial liabilities</i>						
Forward exchange contracts (gross settled):						
Outflow	-	-	47,100	47,100	-	-
Inflow	-	-	(47,058)	(47,058)	-	-
	122,427		122,428	122,418	10	-

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

23. FINANCIAL INSTRUMENTS (cont'd)

23.6 Market risk

Market risk is the risk that changes in market prices such as interest rates and foreign exchange rates will affect the Company's financial position or cash flows.

23.6.1 Currency risk

Risk management objectives, policies and processes for managing the risk

The Company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the Ringgit Malaysia ("RM"). The currencies that give rise to this risk are primarily United States Dollar ("USD"), Japanese Yen ("JPY"), Thai Baht ("THB"), Euro and Singapore Dollar ("SGD").

The Company uses derivative financial instruments such as foreign exchange contracts to cover certain exposures. It does not trade in financial instruments. Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company uses forward contracts which are transacted with a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd. to mitigate foreign exchange risk of highly probable forecasted transactions, such as anticipated future export sales, purchase of equipment and raw materials, as well as payment of services and other related expenditures.

The Company's currency exposure is disclosed in the respective notes for all items of financial assets and liabilities.

Currency risk sensitivity analysis

The following table demonstrates the sensitivity of the USD, JPY, THB, Euro and SGD had changed against Ringgit Malaysia by a reasonable possible change as of 31 March 2024 of 7.4% (2023: 11.19%) respectively with all other variables including tax rate being held constant, post-tax profit of the Company would have been changed as a result of foreign exchange gains/(losses).

	2024		2023	
	Strengthen RM'000	Weaken RM'000	Strengthen RM'000	Weaken RM'000
United States Dollar	8,549	(8,549)	14,719	(14,719)
Japanese Yen	597	(597)	13	(13)
Thai Baht	(167)	167	-	-
Euro	28	(28)	139	(139)
Singapore Dollar	(8)	8	(1)	1

23.6.2 Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Company's deposits placed with a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd..

Risk management objectives, policies and processes for managing the risk

The Company's surplus funds are placed as short-term deposits with a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd..

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

23. FINANCIAL INSTRUMENTS (cont'd)

23.6 Market risk (cont'd)

23.6.2 Interest rate risk (cont'd)

Exposure to interest rate risk

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2024 RM'000	2023 RM'000
Fixed rate instruments		
Financial assets	375,000	320,000

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

23.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these instruments. Accordingly, the fair values and fair value hierarchy levels have not been presented for these instruments.

The table below analyses financial instruments carried at fair value.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
2024					
Financial liability					
Derivative financial instruments:					
- forward exchange contracts	-	(99)	-	(99)	(99)
2023					
Financial liability					
Derivative financial instruments:					
- forward exchange contracts	-	(42)	-	(42)	(42)

Level 2 fair value

Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

23.8 Material accounting policy information

The Company applies trade date accounting for regular way purchase or sale of financial assets.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

24. CAPITAL MANAGEMENT

The Company's objectives when managing capital is to maintain an optimal capital structure and safeguard the Company's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as profit and total comprehensive income for the year divided by total shareholders' equity. The return on capital ratio at 31 March 2024 and at 31 March 2023 were as follows:

	2024 RM'000	2023 RM'000
Profit and total comprehensive income for the year	92,646	80,132
Total equity	813,462	794,926
Return on capital ratio (%)	11.39	10.08

There were no changes in the Company's approach to capital management during the year.

25. CAPITAL AND OTHER COMMITMENTS

	2024 RM'000	2023 RM'000
Approved by the Board but not provided for in the financial statements:		
- Contracted	5,919	11,669
- Not contracted	-	297
Analysed as follows:		
- Property, plant and equipment	5,919	11,966

26. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel includes all the Directors of the Company and certain members of senior management of the Company.

The Company has related party relationship with its holding corporations, significant investors, subsidiaries and associates of related to its holding corporation and key management personnel.

(a) Associate and ultimate holding corporation

The associate is Panasonic Malaysia Sdn. Bhd., a company incorporated in Malaysia. The ultimate holding corporation is Panasonic Holdings Corporation, a corporation incorporated in Japan.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

26. RELATED PARTIES (cont'd)

Identity of related parties (cont'd)

(b) Related party relationships

Related party	Relationship
Panasonic Holdings Corporation ("PHD")	Ultimate holding corporation
Panasonic Management Malaysia Sdn. Bhd. ("PMAM")	Immediate holding company
Panasonic Malaysia Sdn. Bhd. ("PM")	Associate company
Panasonic Corporation ("PC")	Subsidiary of PHD
KDK Fans (M) Sdn. Bhd. ("KDK")	Subsidiary of PHD
Panasonic Financial Centre (Malaysia) Sdn. Bhd. ("PFI(MY)")	Subsidiary of PHD
Panasonic Asia Pacific Pte. Ltd. ("PA")	Subsidiary of PHD
Panasonic Ecology Systems Co., Ltd. ("PES")	Subsidiary of PHD
Panasonic Ecology Systems (Thailand) Co., Ltd. ("PESTH")	Subsidiary of PHD
P.T. Panasonic Manufacturing Indonesia ("PMI")	Subsidiary of PHD
Panasonic A.P. Sales (Thailand) Co., Ltd. ("PAT")	Subsidiary of PHD
Panasonic Home Appliance India Co., Ltd. ("PHAI")	Subsidiary of PHD
Panasonic Vietnam Co., Ltd. ("PV")	Subsidiary of PHD
Panasonic Energy Malaysia Sdn. Bhd. ("PECMY")	Subsidiary of PHD
Panasonic Marketing Sales Taiwan Co.	Subsidiary of PHD
Panasonic Hong Kong Co., Ltd. ("PHK")	Subsidiary of PHD
Panasonic Industrial Devices Automation Controls Sales Asia Pacific ("PIDACSAP")	Subsidiary of PHD
Panasonic Ecology Systems (Hong Kong) Co., Ltd. ("PESHK")	Subsidiary of PHD
Panasonic Appliances (Thailand) Co., Ltd. ("PAPTH")	Subsidiary of PHD
Panasonic Electric Works Co., Ltd.	Subsidiary of PHD
Panasonic Electronic Works (Asia Pacific) Pte. Ltd.	Subsidiary of PHD
Panasonic Industrial Devices Semiconductor Asia Pte. Ltd.	Subsidiary of PHD
Panasonic Holdings Corporation's Corporate Manufacturing Innovation Division ("CIMD")	Subsidiary of PHD
Panasonic Systems Asia Pacific ("PSY")	Subsidiary of PHD
Panasonic Marketing Middle East and Africa FZE ("PMMAF")	Subsidiary of PHD
Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd. ("PAPRADAP")	Subsidiary of PHD



NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

26. RELATED PARTIES (cont'd)

Identity of related parties (cont'd)

(b) Related party relationships (cont'd)

Related party	Relationship
Panasonic Singapore ("PSP")	Subsidiary of PHD
Panasonic AVC Networks Johor (M) Sdn. Bhd. ("PAVCJM")	Subsidiary of PHD
Panasonic AVC Networks KL (M) Sdn. Bhd. ("PAVCCKM")	Subsidiary of PHD
Panasonic Appliances Foundry Malaysia Sdn. Bhd. ("PAPFMT")	Subsidiary of PHD
Panasonic Appliances Refrigeration Devices Malaysia Sdn. Bhd. ("PAPRDMY")	Subsidiary of PHD
Panasonic System Networks (M) Sdn. Bhd. ("PSNM")	Subsidiary of PHD
Panasonic Liquid Crystal Display Malaysia Sdn. Bhd. ("PLDM")	Subsidiary of PHD
Panasonic Appliances Air-Conditioning Malaysia Sdn. Bhd. ("PAPAMY")	Subsidiary of PHD
Panasonic Procurement Malaysia Sdn. Bhd. ("PPMY")	Subsidiary of PHD
Panasonic Trading and Logistics Asia Pacific ("PTLAP") (formerly known as Panasonic Logistics Asia Pacific ("PLAP"))	Subsidiary of PHD
Panasonic Production Engineering Co., Ltd. ("PSD")	Subsidiary of PHD
Panasonic Solutions (Thailand) Co., Ltd. ("PSTH")	Subsidiary of PHD
Panasonic Industrial Devices Vietnam Co., Ltd. ("PIDVN")	Subsidiary of PHD
Panasonic Electric Works Vietnam Co., Ltd. ("PLSVN")	Subsidiary of PHD
Panasonic Operational Excellence Co., Ltd. ("PEX")	Subsidiary of PHD
Panasonic Insurance Service Malaysia Sdn. Bhd. ("PISM")	Subsidiary of PHD
Panasonic Consumer Marketing Asia Pacific ("PCMAP")	Subsidiary of PHD
Panasonic Marketing CIS OY ("PMCIS")	Subsidiary of PHD
Panasonic Life Solutions India Private Limited ("PLSIND")	Subsidiary of PHD
PT Panasonic Gobel Life Solutions Manufacturing Indonesia	Subsidiary of PHD
PT Panasonic Gobel Indonesia	Subsidiary of PHD
Panasonic Industrial Devices Philippines Corporation	Subsidiary of PHD
Panasonic Automotive Systems Asia Pacific Co., Ltd.	Subsidiary of PHD

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

26. RELATED PARTIES (cont'd)

Identity of related parties (cont'd)

(c) Significant related party transactions

	2024 RM'000	2023 RM'000
(i) Sales of products and related components to related parties:		
- Panasonic Trading and Logistics Asia Pacific ("PTLAP") (formerly known as Panasonic Logistics Asia Pacific ("PLAP"))	-	319,361
- Panasonic Malaysia Sdn. Bhd.	203,335	204,648
- KDK Fans (M) Sdn. Bhd.	138,975	127,697
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	204,150	224,358
- Panasonic Electric Works Vietnam Co., Ltd.	56,594	78,501
- Panasonic Procurement Malaysia Sdn. Bhd.	9,149	8,509
- P.T. Panasonic Manufacturing Indonesia	12,185	11,117
- Panasonic Solutions (Thailand) Co., Ltd.	93	331
- Panasonic Appliances R&D Asia Pacific Sdn. Bhd.	854	535
- Panasonic Corporation	1,191	2,958
- Panasonic Ecology Systems Co., Ltd.	5,942	6,351
- Panasonic Vietnam Co., Ltd.	-	284
- Panasonic Marketing Middle East and Africa FZE	125,957	-
- Panasonic Consumer Marketing Asia Pacific	132,706	-
- Panasonic Marketing CIS OY	2,243	-
- Panasonic Hong Kong Co., Ltd.	1,627	-
- Panasonic Life Solutions India Private Limited	2,349	-
(ii) Sales of service parts to related parties:		
- Panasonic Malaysia Sdn. Bhd.	2,408	2,058
- Panasonic Trading and Logistics Asia Pacific ("PTLAP") (formerly known as Panasonic Logistics Asia Pacific ("PLAP"))	1,922	2,580
- KDK Fans (M) Sdn. Bhd.	538	450
- P.T. Panasonic Manufacturing Indonesia	1	3
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	613	521
- Panasonic Procurement Malaysia Sdn. Bhd.	-	4
- Panasonic Solutions (Thailand) Co., Ltd.	-	2
- Panasonic Ecology Systems Co., Ltd.	109	-
(iii) Sales of die and moulds to related parties:		
- Panasonic Electric Works Vietnam Co., Ltd.	1,806	247
- Panasonic Production Engineering Co., Ltd.	458	199
- Panasonic Automotive Systems Asia Pacific Co., Ltd.	-	182
- Panasonic Industrial Devices Philippines Corporation	162	-
(iv) Rental for lease office to a related party:		
- Panasonic Appliances R&D Asia Pacific Sdn. Bhd.	2,582	2,715
- Panasonic Insurance Service Malaysia Sdn. Bhd.	26	26
- Panasonic Financial Centre (Malaysia) Sdn. Bhd.	141	141
(v) Provision of services for Accounting & Treasury, HR services, and IT support services to a related party:		
- Panasonic Appliances R&D Asia Pacific Sdn. Bhd.	224	203

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

26. RELATED PARTIES (cont'd)

Identity of related parties (cont'd)

(c) Significant related party transactions (cont'd)

	2024 RM'000	2023 RM'000
(vi) Technical assistance fee paid and payable to related parties:		
- Panasonic Corporation	9,724	11,322
- Panasonic Ecology Systems Co., Ltd.	14,576	15,079
(vii) Interest income received and receivable from a related party:		
- Panasonic Financial Centre (Malaysia) Sdn. Bhd.	20,910	13,605
(viii) Purchase of parts, components and raw materials from related parties:		
- Panasonic Procurement Malaysia Sdn. Bhd.	203,933	227,841
- Panasonic Operational Excellence Co., Ltd.	7,377	8,539
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	4,837	23,772
- Panasonic Industrial Devices Singapore Pte. Ltd.	-	34
- P.T. Panasonic Manufacturing Indonesia	561	397
- Panasonic Hong Kong Co., Ltd.	-	24
- Panasonic Ecology System (Thailand) Co., Ltd.	76	570
- Panasonic System Networks (M) Sdn. Bhd.	22,555	21,613
- Panasonic Ecology Systems Co., Ltd.	3	-
- Panasonic Life Solutions India Pvt	-	7
- Panasonic Electric Works Vietnam Co., Ltd.	422	5
- PT Panasonic Gobel Life Solutions Manufacturing Indonesia	428	-
(ix) Sales promotion, warranty claims and/or service expenses paid and payable to related parties:		
- Panasonic Malaysia Sdn. Bhd.	2,215	1,333
- Panasonic A.P. Sales (Thailand) Co., Ltd.	-	2,158
- Panasonic Corporation	950	1,243
- KDK Fans (M) Sdn. Bhd.	1,555	1,286
- PT Panasonic Gobel Indonesia	707	921
- Panasonic Solutions (Thailand) Co., Ltd.	2,826	-
- Panasonic Singapore	554	-
- Other related companies	743	688
(x) Research and development expenditure paid and payable to related parties:		
- Panasonic Holdings Corporation	-	21
- Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd.	25,915	22,788
- Other related companies	674	501
(xi) Brand license fee paid and payable to a related party:		
- Panasonic Ecology Systems Co., Ltd.	2,365	2,432
(xii) IT annual maintenance and support fees payable to related parties:		
- Panasonic Corporation	2,719	1,669
- Panasonic Operational Excellence Co., Ltd.	1,606	1,527
- Panasonic Procurement Malaysia Sdn. Bhd.	828	717

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

26. RELATED PARTIES (cont'd)

Identity of related parties (cont'd)

(c) Significant related party transactions (cont'd)

	2024 RM'000	2023 RM'000
(xiii) Purchase of fixed assets from related parties:		
- Panasonic Malaysia Sdn. Bhd.	1,645	1,069
- PT Panasonic Gobel Indonesia	1,583	-
- Other related companies	288	29
(xiv) Manufacturing innovation services received and receivable from a related party:		
- Panasonic Holdings Corporation's Corporate Manufacturing Innovation Division	2,201	2,201
(xv) Service fees paid and payable to related parties:		
- Panasonic Asia Pacific Pte. Ltd.	606	605
- Panasonic Management Malaysia Sdn. Bhd.	864	713
- Other related companies	723	679
(xvi) Repair fee paid and payable to related parties:		
- Other related companies	200	113
(xvii) Bonded warehouse rental paid and payable to a related party:		
- Panasonic Procurement Malaysia Sdn. Bhd.	267	364

(d) Significant outstanding related party balances

Significant outstanding balances at reporting date arising from trade and non-trade transactions with related parties during the financial year are as follows:

	2024 RM'000	2023 RM'000
Amount due from:		
- Panasonic Holdings Corporation	466	481
- Panasonic Corporation	289	2,050
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	29,297	31,084
- KDK Fans (M) Sdn. Bhd.	17,994	15,836
- Panasonic Malaysia Sdn. Bhd.	14,466	16,451
- Panasonic Marketing Middle East and Africa FZE	7,627	-
- Panasonic Consumer Marketing Asia Pacific	4,618	-
- Panasonic Financial Centre (Malaysia) Sdn. Bhd.	1,765	1,743
- Panasonic Electric Works Vietnam Co., Ltd.	1,764	1,021
- Panasonic Procurement Malaysia Sdn. Bhd.	625	648
- Panasonic Ecology Systems Co., Ltd.	531	328
- Panasonic Trading and Logistics Asia Pacific (formerly known as Panasonic Logistics Asia Pacific)	112	17,666
- Panasonic Appliances R&D Asia Pacific Sdn. Bhd.	269	587
- P.T. Panasonic Manufacturing Indonesia	136	1,406
- Other related companies	1,025	330
	80,984	89,631

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

26. RELATED PARTIES (cont'd)

Identity of related parties (cont'd)

(d) Significant outstanding related party balances (cont'd)

Significant outstanding balances at reporting date arising from trade and non-trade transactions with related parties during the financial year are as follows: (cont'd)

	2024 RM'000	2023 RM'000
Amount due to:		
- Panasonic Holdings Corporation	52	91
- Panasonic Corporation	590	1,069
- Panasonic Procurement Malaysia Sdn. Bhd.	17,100	13,753
- Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd.	4,702	4,729
- Panasonic Solutions (Thailand) Co., Ltd.	2,258	-
- Panasonic Malaysia Sdn. Bhd.	2,163	899
- Panasonic System Networks (M) Sdn. Bhd.	1,870	1,992
- Panasonic Operational Excellence Co., Ltd.	673	716
- PT Panasonic Gobel Indonesia	565	-
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	6	2,637
- Other related companies	2,161	1,501
	32,140	27,387

(e) Key management personnel compensation

The aggregate amounts of remuneration received or receivable by Directors and other members of key management personnel of the Company during the financial year are as follows:

	2024 RM'000	2023 RM'000
Directors' fees and meeting allowance	608	579
Salaries, allowance, bonus and other remuneration	11,993	14,314
Defined contribution retirement plan	668	817
	13,269	15,710

The aggregate amounts of emoluments receivable by Directors during the financial year are as follows:

	2024 RM'000	2023 RM'000
Non-Executive Directors:		
- fees	546	517
- others	62	62
Executive Directors:		
- salaries, bonus and other remuneration	2,175	1,629
- defined contribution retirement plan	188	167
	2,971	2,375

The estimated monetary value of benefits provided to Executive Directors during the financial year amounted to RM85,594 (2023: RM55,511).

The estimated monetary value of benefits provided to Executive Directors and other members of key management personnel during the financial year amounted to RM749,998 (2023: RM680,915).

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

27. SUPPLEMENTARY INFORMATION

The Company adopted Amendments to MFRS 127, Equity Method in Separate Financial Statements in financial year ended 31 March 2018. With the adoption of MFRS 127, Equity Method in Separate Financial Statements, the investment in associate is accounted for in the Company's financial statements using equity method less any impairment losses, unless it is classified as held for sales or distribution.

For additional information purposes, enclosed below are the Company's financial information before the results of the investment in associate:

(i) Statement of financial position as at 31 March 2024

	2024 RM'000	2023 RM'000
Assets		
Property, plant and equipment	134,987	134,557
Right-of-use assets	5,456	5,577
Intangible assets	420	1,372
Investment in an associate	2,000	2,000
Deferred tax assets	1,068	2,676
Total non-current assets	143,931	146,182
Inventories	52,133	70,053
Trade and other receivables	89,292	96,456
Current tax assets	-	7,450
Cash and cash equivalents	530,192	482,897
Total current assets	671,617	656,856
Total assets	815,548	803,038
Equity		
Share capital	60,746	60,746
Retained earnings	623,851	615,005
Total equity	684,597	675,751
Liabilities		
Provision for liabilities and charges	637	417
Lease liabilities	-	10
Total non-current liabilities	637	427
Trade and other payables	125,120	122,335
Provision for liabilities and charges	3,875	4,443
Derivative financial liabilities	99	42
Lease liabilities	10	40
Current tax liabilities	1,210	-
Total current liabilities	130,314	126,860
Total liabilities	130,951	127,287
Total equity and liabilities	815,548	803,038

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

27. SUPPLEMENTARY INFORMATION (cont'd)

(ii) Statement of profit or loss and other comprehensive income for the year ended 31 March 2024

	2024 RM'000	2023 RM'000
Revenue	905,685	991,628
Cost of sales	(766,419)	(874,383)
Gross profit	139,266	117,245
Other operating income	22,769	43,130
Dividend income	3,185	3,185
Distribution and marketing cost	(44,178)	(40,376)
Administrative expenses	(39,927)	(39,364)
Other operating expenses	(5,057)	(12,201)
Results from operating activities	76,058	71,619
Finance costs	(1)	(3)
Finance income	20,910	13,605
Profit before tax	96,967	85,221
Tax expense	(14,011)	(11,206)
Profit and total comprehensive income for the year	82,956	74,015

(iii) Statement of changes in equity for the year ended 31 March 2024

	Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 April 2022	60,746	591,409	652,155
Total profit and comprehensive income for the year	-	74,015	74,015
<i>Contributions by and distributions to owners of the Company</i>			
Dividends			
- Final dividend for the financial year ended 31 March 2022	-	(41,307)	(41,307)
- Interim dividend for the financial year ended 31 March 2023	-	(9,112)	(9,112)
Total transactions with owners of the Company	-	(50,419)	(50,419)
At 31 March 2023/1 April 2023	60,746	615,005	675,751
Total profit and comprehensive income for the year	-	82,956	82,956
<i>Contributions by and distributions to owners of the Company</i>			
Dividends			
- Final dividend for the financial year ended 31 March 2023	-	(64,998)	(64,998)
- Interim dividend for the financial year ended 31 March 2024	-	(9,112)	(9,112)
Total transactions with owners of the Company	-	(74,110)	(74,110)
At 31 March 2024	60,746	623,851	684,597

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 83 to 121 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2024 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Dato' Azman bin Mahmud

Director

Takashi Sugihara

Director

Shah Alam

Date: 30 May 2024

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Kwan Wai Yue, the Director primarily responsible for the financial management of Panasonic Manufacturing Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 83 to 121 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Kwan Wai Yue, MIA CA 10188, at Petaling Jaya in the State of Selangor on 30 May 2024.

Kwan Wai Yue

Before me:

Najmi Dawami Bin Abdul Hamid

Pesuruhjaya Sumpah

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC MANUFACTURING MALAYSIA BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Panasonic Manufacturing Malaysia Berhad, which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 83 to 121.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

i) Carrying amount of inventories

Refer to Note 8 – Inventories.

The key audit matter

The Company held significant inventory balances as at 31 March 2024 of RM52,133,000. There is a risk over the valuation of inventories due to possible slow-moving inventories. Slow-moving inventories may be due to items that are generally not fast moving such as phasing out of older models or inventories that are no longer saleable and replacement parts for the upkeep of the products sold. The valuation of inventories is a key audit matter because of the judgement involved in assessing the level of inventory allowance required.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We tested the design and implementation of controls over the identification of slow-moving inventories and obtained an understanding of the Company's process for measuring the amount of write-down required.
- We tested the net realisable values of inventories by comparing the carrying amount of selected samples of inventories against selling prices, to determine if the carrying amount of inventory was overstated.
- We assessed the adequacy and appropriateness of the basis of allowance for slow-moving inventories in accordance with the Company's policies.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC MANUFACTURING MALAYSIA BERHAD

(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatements therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

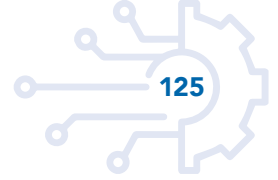
In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC MANUFACTURING MALAYSIA BERHAD
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements of the Company. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Ooi Eng Siong
Approval Number: 03240/02/2026 J
Chartered Accountant

Petaling Jaya
Date: 30 May 2024

LIST OF PROPERTIES OWNED BY THE COMPANY

Location	Description	Land Area (Acres)	Tenure	Date of Acquisition	Approximate Age of Buildings (Years)	Net Book Value (RM'000)
No. 3 Jalan Sesiku 15/2 Section 15 Shah Alam Industrial Site 40200 Shah Alam Selangor Darul Ehsan	Land	14.4	Leasehold, 99 years	6-Jul-1966		127
			92 years	25-Jun-1973		41
			84 years	29-Sep-1981		203
			(Expires in the year 2065)			
	Factory and administrative office				11 - 58	1,444
	SA1 New administrative building				5 - 6	32,100
No. 9 Jalan Pelabur 23/1 Section 23 40300 Shah Alam Selangor Darul Ehsan	Land	17.1	Leasehold, 99 years	11-Apr-1991		5,075
			(Expires in the year 2090)			
	Factory and administrative office				16 - 29	141
	SA2 New 3 Storey Factory & Office Buidling				3 - 5	37,135

STATISTICS ON SHAREHOLDINGS

AS AT 28 JUNE 2024

SHARE CAPITAL

Issued and Fully Paid-up Capital	: RM60,745,780.00
Class of Shares	: Ordinary Shares
Voting Rights	: 1 vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	1,145	16.57	16,477	0.03
100 - 1,000	3,756	54.36	1,758,234	2.89
1,001 - 10,000	1,751	25.34	5,512,169	9.07
10,001 - 100,000	223	3.23	5,815,623	9.57
100,001 to 3,037,288 (less than 5% of issued shares)	31	0.45	8,326,260	13.71
3,037,289 and above (5% and above of issued shares)	3	0.04	39,317,017	64.72
Total	6,909	100.00	60,745,780	100.00

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	Direct Interest	No. of Shares		
			%	Deemed Interest	%
1	Dato' Azman Bin Mahmud	0	0.00	0	0.00
2	Tan Sri Hasmah Binti Abdullah	0	0.00	0	0.00
3	Siew Pui Ling	100	0.00	0	0.00
4	Raja Anuar bin Raja Abu Hassan	0	0.00	0	0.00
5	Kwan Wai Yue	0	0.00	0	0.00
6	Dato' Kaziah Binti Abd Kadir	0	0.00	0	0.00
7	Keisuke Nishida	0	0.00	0	0.00
8	Shinichi Hayashi	0	0.00	0	0.00
9	Takashi Sugihara*	0	0.00	0	0.00

* holds 115 common shares in Panasonic Holdings Corporation, the ultimate holding company of the Company.

SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	Direct Interest	No. of Shares		
			%	Deemed Interest	%
1	Panasonic Management Malaysia Sdn Bhd	28,823,871	47.45	-	-
2	Panasonic Corporation	-	-	28,823,871	47.45
3	Panasonic Holding (Netherlands) B.V.	-	-	28,823,871	47.45
4	Panasonic Asia Pacific Pte. Ltd	-	-	28,823,871	47.45
5	Employees Provident Fund Board	6,274,546	10.33	-	-
4	Kumpulan Wang Persaraan (Diperbadankan)	3,462,800	5.70	-	-

STATISTICS ON SHAREHOLDINGS

AS AT 28 JUNE 2024
(CONT'D)

30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	PANASONIC MANAGEMENT MALAYSIA SDN. BHD.	28,823,871	47.45
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	6,017,746	9.91
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	3,517,246	5.79
4	CHINCHOO INVESTMENT SDN. BERHAD	1,259,748	2.07
5	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	1,106,505	1.82
6	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	436,900	0.72
7	HO HAN SENG	410,000	0.68
8	MAYOON SDN BHD	360,000	0.59
9	CARTABAN NOMINEES (TEMPATAN) SDN BHD PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	358,500	0.59
10	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR YEO KOK GEE (19359)	310,478	0.51
11	SHEN & SONS SDN BHD	272,000	0.45
12	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR YEO GEOK CHOO (19003)	241,538	0.40
13	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	240,292	0.40
14	CHONG KAH MIN	214,146	0.35
15	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR TAI TAK SECURITIES PTE LTD (1442)	209,000	0.34
16	LAW KIANG	197,000	0.32
17	CHONG KAH YUNG	162,825	0.27
18	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (F TEMPLETON)	139,300	0.23
19	NG ENG HIAM PLANTATIONS SDN BHD	137,100	0.23
20	SAW KHAY CHEE	136,850	0.23



STATISTICS ON SHAREHOLDINGS

AS AT 28 JUNE 2024
(CONT'D)

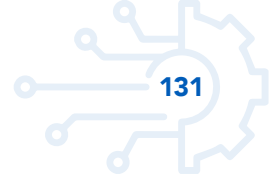
30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
21	RHB NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE. LTD. (A/C CLIENTS)	124,000	0.20
22	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ARIM)	116,600	0.19
23	PLATIGOLD SDN BHD	115,000	0.19
24	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK SECURITIES PTE LTD FOR CHIA GHEN LEE CAROL	108,000	0.18
25	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	105,700	0.17
26	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE. LTD. (CLIENT ACCOUNT)	103,280	0.17
27	SAW KOK ENG	102,400	0.17
28	LAI YAN YONG	100,000	0.17
29	TEOH JUN SEONG	97,000	0.16
30	CHONG YOON SHIN	90,000	0.15
		45,613,025	75.09

HISTORY OF DIVIDEND PAYMENT

Financial Year/ Period	Paid-Up Capital (RM)	Cash Dividend Rate			Stock Dividend Rate	Total Dividend Rate	Gross Cash Dividend (RM)	TaxRate			Taxation Amount (RM)	Net Cash Dividend (RM)
		Interim	Final	Special				Interim	Final	Special		
3/2024	60,745,780	15%	121%	0%	-	136%	82,614,261	S/T	S/T	S/T	-	82,614,261
3/2023	60,745,780	15%	107%	0%	-	122%	74,109,852	S/T	S/T	S/T	-	74,109,852
3/2022	60,745,780	15%	68%	0%	-	83%	50,418,997	S/T	S/T	S/T	-	50,418,997
3/2021	60,745,780	15%	148%	0%	-	163%	99,015,621	S/T	S/T	S/T	-	99,015,621
3/2020	60,745,780	15%	183%	0%	-	198%	120,276,644	S/T	S/T	S/T	-	120,276,644
3/2019	60,745,780	15%	211%	0%	-	226%	137,285,463	S/T	S/T	S/T	-	137,285,463
3/2018	60,745,780	15%	133%	100%	-	248%	150,649,534	S/T	S/T	S/T	-	150,649,534
3/2017	60,745,780	15%	102%	0%	-	117%	71,072,563	S/T	S/T	S/T	-	71,072,563
3/2016	60,745,780	15%	124%	0%	-	139%	84,436,634	S/T	S/T	S/T	-	84,436,634
3/2015	60,745,780	15%	35%	92%	-	142%	86,259,008	S/T	S/T	S/T	-	86,259,008
3/2014	60,745,780	15%	35%	23%	-	73%	44,344,419	25%	S/T	S/T	2,277,967	42,066,452
3/2013	60,745,780	15%	35%	138%	-	188%	114,202,066	25%	25%	25%	28,550,516	85,651,550
3/2012	60,745,780	15%	35%	70%	-	120%	72,894,936	25%	25%	25%	18,223,734	54,671,202
3/2011	60,745,780	15%	35%	95%	-	145%	88,081,381	25%	25%	25%	22,020,345	66,061,036
3/2010	60,745,780	15%	35%	70%	-	120%	72,894,936	25%	25%	25%	18,223,734	54,671,202
3/2009	60,745,780	15%	35%	55%	-	105%	63,783,069	25%	25%	25%	15,945,767	47,837,302
3/2008	60,745,780	15%	35%	65%	-	115%	69,857,647	T/E	25%	25%	15,186,445	54,671,202
3/2007	60,745,780	15%	35%	65%	-	115%	69,857,647	T/E	T/E	T/E	T/E	69,857,647
3/2006	60,745,780	15%	35%	65%	-	115%	69,857,647	28%	T/E	T/E	2,551,323	67,306,324
3/2005	60,745,780	15%	35%	150%	-	200%	121,491,560	28%	28%	28%	34,017,637	87,473,923
3/2004	60,745,780	15%	35%	10%	-	60%	36,447,468	28%	28%	28%	10,205,291	26,242,177
3/2003	60,745,780	10%	40%	-	70%	120%	30,372,890	28%	28%	-	8,504,409	21,868,481
3/2002	35,732,812	15%	35%	-	-	50%	17,866,406	28%	28%	-	5,002,593	12,863,813
3/2001	35,732,812	15%	35%	-	-	50%	17,866,406	T/E	28%	-	3,501,815	14,364,591
3/2000	35,732,812	15%	35%	-	-	50%	17,866,406	T/E	T/E	-	T/E	17,866,406
3/1999	35,732,812	15%	35%	-	-	50%	17,866,406	28%	T/E	-	1,500,778	16,365,628
3/1998	35,732,812	15%	35%	-	10%	60%	17,866,406	28%	28%	-	5,002,593	12,863,813
3/1997	32,484,375	10%	40%	20%	-	70%	22,739,063	30%	30%	30%	6,821,719	15,917,344
3/1996	32,484,375	10%	40%	-	-	50%	16,242,188	30%	30%	-	4,872,656	11,369,532
3/1995	32,484,375	10%	30%	-	-	40%	12,993,750	30%	30%	-	3,898,125	9,095,625
3/1994	32,484,375	10%	30%	-	-	40%	12,993,750	32%	32%	-	4,158,000	8,835,750
3/1993	32,484,375	10%	30%	-	50%	90%	12,993,750	34%	34%	-	4,417,875	8,575,875
3/1992	21,656,250	-	40%	-	-	40%	8,662,500	-	35%	-	3,031,875	5,630,625
3/1991	21,656,250	-	40%	-	-	40%	8,662,500	-	35%	-	3,031,875	5,630,625
3/1990	21,656,250	-	35%	-	-	35%	7,579,688	-	35%	-	2,652,891	4,926,797
3/1989	21,656,250	-	25%	-	-	25%	5,414,063	-	35%	-	1,894,922	3,519,141
3/1988	21,656,250	-	25%	-	-	25%	5,414,063	-	40%	-	2,165,625	3,248,438
3/1987	21,656,250	-	25%	-	10%	35%	5,414,063	-	40%	-	2,165,625	3,248,438
12/1985	19,687,500	-	25%	-	-	25%	4,921,875	-	40%	-	1,968,750	2,953,125
12/1984	19,687,500	-	35%	-	-	35%	6,890,625	-	40%	-	2,756,250	4,134,375
12/1983	19,687,500	-	35%	-	-	35%	6,890,625	-	40%	-	2,756,250	4,134,375
12/1982	19,687,500	-	20%	-	50%	70%	3,937,500	-	40%	-	1,575,000	2,362,500
12/1981	13,125,000	-	20%	-	-	20%	2,625,000	-	40%	-	1,050,000	1,575,000
12/1980	13,125,000	-	20%	-	25%	45%	2,625,000	-	40%	-	1,050,000	1,575,000
12/1979	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12/1978	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12/1977	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12/1976	10,500,000	-	15%	5%	-	20%	2,100,000	-	40%	40%	840,000	1,260,000
12/1975	10,500,000	-	15%	-	200%	215%	1,575,000	-	40%	-	630,000	945,000
12/1974	3,000,000	-	15%	-	-	15%	450,000	-	40%	-	180,000	270,000
12/1973	3,000,000	-	15%	-	-	15%	450,000	-	40%	-	180,000	270,000
12/1972	3,000,000	-	12%	5%	-	17%	510,000	-	T/E	40%	60,000	450,000
12/1971	3,000,000	-	12%	-	-	12%	360,000	-	T/E	-	T/E	360,000
12/1970	3,000,000	-	12%	-	-	12%	360,000	-	T/E	-	T/E	360,000
12/1969	3,000,000	-	10%	-	-	10%	300,000	-	T/E	-	T/E	300,000
12/1968	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
12/1967	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
12/1966	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
Total (Since Date of Incorporation)							2,058,961,276				245,392,385	1,813,568,891

T/E - Tax-Exempt
S/T - Single-Tier



NOTICE OF 59TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 59th Annual General Meeting of the Company will be held fully virtual at No. 3 Jalan Sesiku 15/2, Section 15, Shah Alam Industrial Site, 40200 Shah Alam, Selangor Darul Ehsan ("Broadcast Venue") on Wednesday, 28 August 2024 at 10.00 a.m. and conducted entirely through live streaming from the Broadcast Venue for the following purposes:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Statutory Financial Statements for the financial year ended 31 March 2024 together with the Reports of the Directors and Auditors thereon.
2. To declare a final single tier dividend of 121 sen per ordinary share for the financial year ended 31 March 2024. **(Resolution 1)**
3. To re-elect the following Directors who are retiring pursuant to Article 100 of the Company's Constitution:
 - a. Dato' Kaziah binti Abd Kadir **(Resolution 2)**
 - b. Dato' Azman bin Mahmud **(Resolution 3)**
 - c. Keisuke Nishida **(Resolution 4)**
4. To approve the payment of Directors' fees and meeting attendance allowance not exceeding RM650,000 in respect of the financial year ending 31 March 2025. **(Resolution 5)**
5. To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

As Special Business:

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

6. **Continuation in office as Independent Non-Executive Director** **(Resolution 7)**
 "THAT approval be and is hereby given to Tan Sri Hasmah Binti Abdullah to continue to act as an Independent Non-Executive Director of the Company who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years."
7. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"THAT subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company to renew the existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate") for the Company to enter into the following recurrent related party transactions:

 - (i) Sales and purchase of products, raw material and component parts, tools, equipment or machinery with Panasonic Corporation Group of Companies as specified in Section 2 of the Circular to Shareholders dated 31 July 2024. **(Resolution 8)**
 - (ii) Payment of fees to and receipt of fees from Panasonic Corporation Group of Companies as specified in Section 2 of the Circular to Shareholders dated 31 July 2024. **(Resolution 9)**
 - (iii) Placement of cash deposits with Panasonic Financial Centre (Malaysia) Sdn Bhd as specified in Section 2 of the Circular to Shareholders dated 31 July 2024. **(Resolution 10)**
 - (iv) Other financial transaction services with Panasonic Financial Centre (Malaysia) Sdn Bhd as specified in Section 2 of the Circular to Shareholders dated 31 July 2024. **(Resolution 11)**

NOTICE OF 59TH ANNUAL GENERAL MEETING

(CONT'D)

THAT the Proposed Shareholders' Mandate is subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;
- (b) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year where the aggregate value is equal to or exceeds the applicable prescribed threshold under the Listing Requirements and/or the relevant Practice Notes; and
- (c) annual renewal and such approval shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is to be held pursuant to Section 340 of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340 of the Companies Act 2016), whichever is earlier.

AND THAT the Directors be and are hereby authorised to complete and execute all such acts and things (including such documents as may be required) to give effect to the transactions contemplated and/or authorised by these Ordinary Resolutions."

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that a final single tier dividend of 121 sen per ordinary share for the financial year ended 31 March 2024, will be paid on 20 September 2024 to depositors registered in the Record of Depositors and Register of Members at the close of business on 6 September 2024.

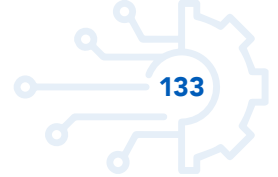
A Depositor shall qualify for entitlement to the dividend only in respect of:

- (a) Shares deposited into the Depositor's Securities Account before 4.30 p.m. on 6 September 2024 in respect of transfers.
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Leong Oi Wah
SSM Practicing Certificate No. : 201908000717
(MAICSA 7023802)
Company Secretary

Shah Alam
31 July 2024



NOTICE OF 59TH ANNUAL GENERAL MEETING

(CONT'D)

VIRTUAL AGM

1. The 59th AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting facilities which are available on Boardroom Share Registrars Sdn Bhd's website at Boardroom Smart Investor Online Portal at www.boardroomlimited.my. Please follow the procedures provided in the Administrative Details for the 59th AGM in order to register, participate and vote remotely.
2. The broadcast venue of the 59th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the 59th AGM is to inform shareholders where the electronic AGM production and streaming would be conducted from. No shareholder(s)/proxy(ies) from the public will be physically present at the meeting venue.

PROXY NOTES

1. A Member entitled to attend and vote is entitled to appoint 1 proxy but not more than 2 proxies to attend and vote instead of him and the Member shall specify the proportion of his shareholdings to be represented by each proxy. When a Member is an exempt authorised nominee, there is no limit to the number of proxies which it may appoint.
2. The instrument appointing a proxy or proxies in the case of an individual shall be signed by the appointer or by his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under Common Seal or under the hand of the officer or attorney duly authorised.
3. The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the holding of the meeting or any adjournment thereof. Alternatively, the instrument appointing a proxy can be deposited electronically (for individual shareholders only) through the Share Registrar's website, Boardroom Smart Investor Online Portal at <https://www.boardroomlimited.my/> or via email to bsr.helpdesk@boardroomlimited.com before the Form of Proxy lodgement cut-off time as mentioned above.
4. Depositors who appear in the Record of Depositors as at 21 August 2024 shall be regarded as Members of the Company entitled to attend the 59th Annual General Meeting or appoint a proxy to attend and vote on his behalf.

NOTICE OF 59TH ANNUAL GENERAL MEETING

(CONT'D)

Notes on Resolutions 2 to 4

For the purpose of determining the eligibility of the Directors to stand for re-election at the 59th AGM, the Board through its Nomination Committee had assessed Dato' Kaziah binti Abd Kadir, Dato' Azman bin Mahmud and Mr Keisuke Nishida (collectively "the Retiring Directors"). They were assessed on their performance and understanding of the Group's business. Their active participation at the Board meetings showed that they were prepared and were effective in the discharge of their responsibilities. No circumstances have arisen in the past year to impair the independent judgement of Dato' Kaziah binti Abd Kadir and Dato' Azman bin Mahmud on matters brought for Board discussion and they have always acted in the best interest of the Company as a whole.

Based on the above, the Board supports the re-election of the Retiring Directors.

Explanatory Note to Special Business:

Resolution 7

Tan Sri Hasmah Binti Abdullah has served as Independent Non-Executive Director of the Company since 2 October 2013 and at the last Annual General Meeting of the Company on 30 August 2023, the shareholders approved her retention as Independent Non-Executive Director of the Company for a new term until the forthcoming Annual General Meeting. The Board intends to retain her as an independent director and the Company is proposing the resolution for her retention for another term.

The Nomination Committee and the Board have assessed her independence at its meetings held on 23 May 2024 and have recommended that she continue to act as an Independent Non-Executive Director of the Company based on the following justifications:

- (a) She has met the independence guidelines as set out in Chapter 1 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- (b) She provides a check and balance and brings an element of objectivity to the Board of Directors.
- (c) She continues to be scrupulously independent in his thinking and in her effectiveness as constructive challenger of the Managing Director and Executive Directors.
- (d) She actively participated in board discussion and provided an independent voice on the Board and the Board has determined that Tan Sri Hasmah bin Abdullah is able to bring independent and objective judgements to the Board as a whole and strongly recommend her continuation in office as an Independent Non-Executive Director of the Company

Resolutions 8 to 11

Please refer to the Circular to Shareholders dated 31 July 2024 for further information.

FORM OF PROXY

Panasonic Manufacturing Malaysia Berhad

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

CDS Account No.

I/We, _____

*NRIC No./Company No./Passport No. _____ of _____

_____ being a Member of

Panasonic Manufacturing Malaysia Berhad hereby appoint _____

Email address _____ Mobile No. _____

*and/or failing him/her _____

Email address _____ Mobile No. _____

or failing him/her *the Chairman of the Meeting as my/our proxy/proxies to vote on my/our behalf at the 59th Annual General Meeting ("AGM") of the Company to be held virtually at No. 3 Jalan Sesiku 15/2, Section 15, Shah Alam Industrial Site, 40200 Shah Alam, Selangor Darul Ehsan ("Broadcast Venue") on Wednesday, 28 August 2024 at 10.00 a.m. and at any adjournment thereof. My/our proxy/proxies is/are to vote as indicated below:

Resolutions	Ordinary Business	For	Against
1.	Declaration of a final single tier dividend of 121 sen per ordinary share.		
2.	Re-election of Dato' Kaziah binti Abd Kadir.		
3.	Re-election of Dato' Azman bin Mahmud.		
4.	Re-election of Keisuke Nishida.		
5.	Approval of the payment of Directors' fees and benefits.		
6.	Re-appointment of Auditors.		
Special Business			
7.	Retention of Tan Sri Hasmah Binti Abdullah as Independent Non-Executive Director.		
8.	Approval for Recurrent Related Party Transactions ("RRPT") - Sales of products, sales of tools and equipment, purchase of parts, components, raw materials, purchase of equipment, promotion expenses, warranty claims and/or service expenses and purchase of machinery, equipment and tools.		
9.	Approval for RRPT - Payment and receipt of fees.		
10.	Approval for RRPT - Placement of cash deposits and other treasury services.		
11.	Approval for RRPT - Other treasury services.		

(Please indicate with an "X" in the appropriate box against the resolutions on how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

The proportion of my/our shareholding to be represented by my/our proxy/proxies is as follows:

First named proxy _____ %
Second named proxy _____ %
_____ 100%

In case of a vote taken by show of hands, the first named proxy shall vote on my/our behalf.

Signed this _____ day of _____ 2024

Signature/Common Seal of Shareholder

* Strike out whichever is not applicable.

Notes:

1. As part of the initiatives to curb the spread of Coronavirus Disease 2019 (Covid-19), the Company will conduct the 59th AGM entirely via remote participation and electronic voting facilities. Kindly refer to the attached Administrative Details for the 59th AGM for more information.
2. The only venue involved is the Broadcast Venue for the compliance with Section 327(2) of the Companies Act 2016 that the Chairman of the Meeting shall be present at the main venue of the AGM. No Shareholders/Proxies/Corporate Representatives from the public should be physically present nor admitted at the Broadcast Venue on the day of the AGM.
3. As the 59th AGM will be conducted as a virtual meeting, a member who is not able to participate in the AGM is encouraged to appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.
4. A Member entitled to attend and vote is entitled to appoint 1 proxy but not more than 2 proxies to attend and vote instead of him and the Member shall specify the proportion of his shareholdings to be represented by each proxy. When a Member is an exempt authorised nominee, there is no limit to the number of proxies which it may appoint.
5. The instrument appointing a proxy or proxies in the case of an individual shall be signed by the appointer or by his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under Common Seal or under the hand of the officer or attorney duly authorised. The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd), 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the holding of the meeting or any adjournment thereof. Alternatively, the instrument appointing a proxy can be deposited electronically (for individual shareholders only) through the Share Registrar's website, Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> or via email to bsr.helpdesk@boardroomlimited.com before the form of proxy lodgement cut-off time as mentioned above.
6. Depositors who appear in the Record of Depositors as at 21 August 2024 shall be regarded as Members of the Company entitled to attend the 59th Annual General Meeting or appoint a proxy/proxies to attend and vote on his behalf.

* Strike out whichever is not applicable.

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AFFIX STAMP

**The Share Registrar
Panasonic Manufacturing Malaysia Berhad**

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya, Selangor Darul Ehsan

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

No 3, Jalan Sesiku 15/2, Section 15, Shah Alam Industrial Site, 40200 Shah Alam, Selangor Darul Ehsan, Malaysia.

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