



Panasonic

Panasonic Manufacturing Malaysia Berhad

(Registration No.: 196501000304 (6100-K))

BUILDING RESILIENCE FOR A BETTER TOMORROW

Annual Report 2021

For the financial year ended 31 March 2021

A Better Life, A Better World

56th ANNUAL GENERAL MEETING



Monday, 30 August 2021
2.00 p.m.



Meeting Platform:
<https://meeting.boardroomlimited.my/>
Meeting Venue:
Panasonic Manufacturing Malaysia Berhad



Refer to pages 143 to 145
for Annual General Meeting Information



The soft copy of Panasonic
Manufacturing Malaysia Berhad
Annual Report 2021 is
available on our website.

TABLE OF

01 CORPORATE OVERVIEW

- 3 Corporate Information
- 4 Chairman's Statement
- 8 Management Discussion & Analysis
- 18 Increase in Shareholders' Wealth
- 19 Sustainability Reporting



02 BUSINESS REVIEW

- 41 Five-Year Financial Summary
- 42 Financial Highlights
- 42 Financial Calendar
- 43 Share Performance
- 44 Five-Year Trend

CONTENTS

03

GOVERNANCE

- 46 Board of Directors' Profile
- 51 Strategic Management Committee Members' Profile
- 55 Corporate Governance Overview Statement
- 66 Nomination Committee Report
- 68 Audit Committee Report
- 71 Statement on Risk Management and Internal Control
- 74 Additional Compliance Information

04

FINANCIAL STATEMENTS

- 76 Directors' Report
- 80 Statement of Financial Position
- 81 Statement of Profit or Loss and Other Comprehensive Income
- 82 Statement of Changes in Equity
- 83 Statement of Cash Flows
- 85 Notes to the Financial Statements
- 132 Statement by Directors
- 132 Statutory Declaration
- 133 Independent Auditors' Report



05

ADDITIONAL INFORMATION

- 138 List of Properties Owned by the Company
- 139 Statistics on Shareholdings
- 142 History of Dividend Payment
- 143 Notice of 56th Annual General Meeting

Form of Proxy



Kitchen Appliances

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Asmat bin Kamaludin (Chairman)

Kenji Kamada (Managing Director)

Raja Anuar bin Raja Abu Hassan

Tan Sri Hasmah binti Abdullah

Dato' Kaziah binti Abd Kadir

Dato' Azman bin Mahmud

Cheng Chee Chung

Shigeru Dono

Siew Pui Ling

Kwan Wai Yue

AUDIT COMMITTEE

Raja Anuar bin Raja Abu Hassan
(Chairman)

(Independent Non-Executive Director)

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

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

Dato' Azman bin Mahmud
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

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

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

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

NOMINATION COMMITTEE

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

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

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

COMPANY SECRETARY

Leong Oi Wah
(MAICSA 7023802)

SOLICITORS

Shook Lin & Bok

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
Email : BSR.Helpdesk@boardroomlimited.com

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
Email : ir.pmma@my.panasonic.com

STOCK EXCHANGE

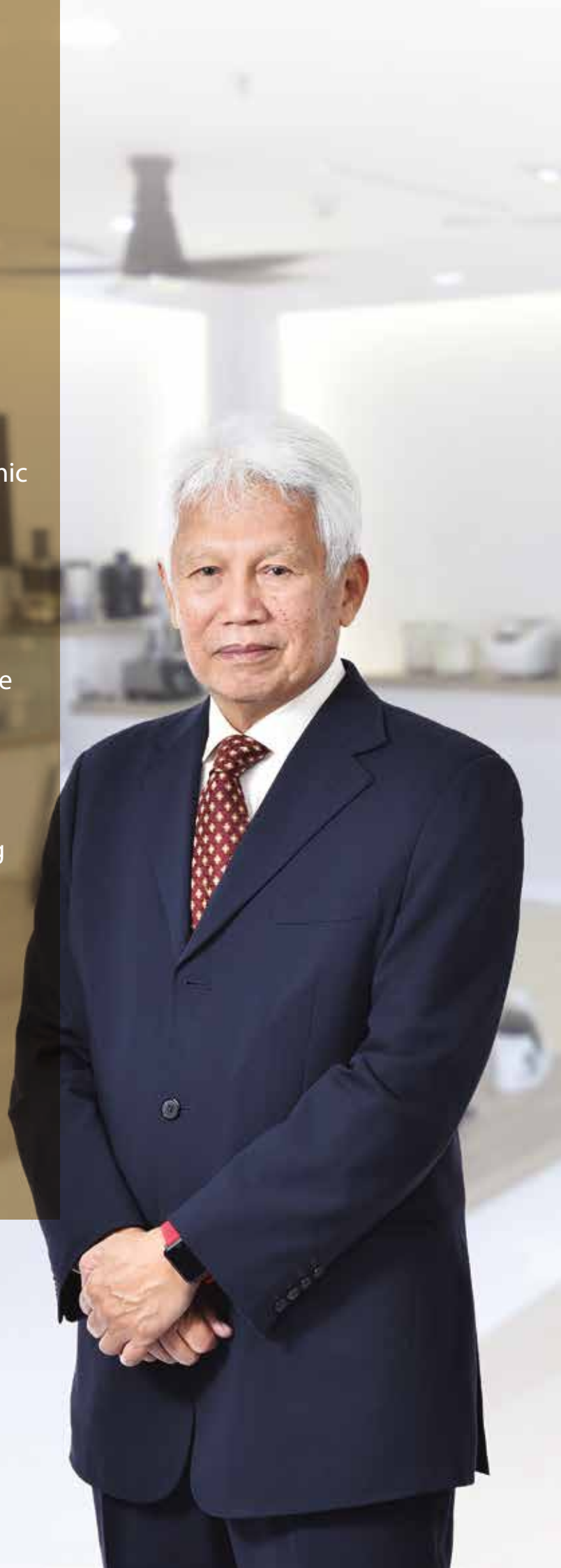
Main Market of Bursa Malaysia Securities Berhad
Sector : Consumer Products & Services
Sub-sector : Household Goods
Stock Code : PANAMY 3719

Dear Shareholders,

Even at the commencement of the financial year ended 31 March 2021, the Company faced unprecedented challenges with the COVID-19 pandemic impacting almost all countries worldwide and overwhelming their respective economies.

The Company responded quickly with extra focus on initiatives to ensure the safety and health of its employees and thus preserve operational continuity.

In anticipation of a slow but promising economic recovery, the Company remained agile and disciplined in implementing its corporate strategies designed to weather this very difficult and challenging scenario.



TAN SRI ASMAT BIN KAMALUDIN
Chairman, Senior Independent Non-Executive Director

CHAIRMAN'S STATEMENT



Revenue
RM974.6
million



Profit before tax
RM135.1
million

FINANCIAL REVIEW

Despite the many hurdles faced arising from the global pandemic and resulting the socio-economic and political repercussions COVID-19 brought in its wake, the Company demonstrated remarkable resilience throughout the financial year under review with a positive performance.

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of the Company for the financial year ended 31 March 2021.

The Company achieved a revenue of RM974.6 million, a decrease of RM77.4 million or 7.4% as compared to the previous year's revenue, due to the lower production and lower sales brought about by the prolonged effect of various lockdown measures implemented by the Government to curb the spread of COVID-19 pandemic. An increase in the export sales to the Middle East market alleviated to some extent, the difficult selling condition.

Correspondingly, the Company achieved a lower combined profit before tax of RM135.1 million for the year ended 31 March 2021, representing a decrease of RM6.1 million or 4.3% as compared to the previous year's results. The overall profitability was enhanced arising from a better profit contribution amounting to RM20.3 million by the associate company in the current financial year, compared to a loss of RM0.3 million in the previous financial year from the associate company.

MANAGING BUSINESS OPERATIONS IN THE FACE OF THE COVID-19 PANDEMIC

While regularisation of businesses has started, given the magnitude of the impact that the COVID-19 pandemic has had, the Company is bound to redefine its workplace norms across the operation units even after the risk of infection fades.

The Company took all the necessary precautions to manage the risk of exposure to the employees and thus, reduced the risk of transmission at the workplace. Some key initiatives taken by the Company include implementing strict standard operating procedures ("SOPs") in compliance with the relevant regulatory requirements.

CHAIRMAN'S STATEMENT

(CONTINUED)

In its efforts of prioritising the safety and health of all employees, the Company remained disciplined in implementing its strict SOPs; enforcing social distancing at the workplace and factory, wearing of face masks and constant sanitisation of work areas. The strict SOPs were also enforced and closely monitored at hostels provided to the company's workforce.

The Company effectively put in place work-from-home policies for the administrative and support teams. In line with the implementation of work from home ("WFH"), most internal meetings, as well as those with customers, suppliers and other external parties, are conducted via virtual platforms. The Company also deployed a wide range of digital facilities to facilitate effective WFH and platforms like Microsoft Teams to ensure employees remain in constant contact and are kept abreast of latest developments.

CAPITAL MANAGEMENT

As of 31 March 2021, the Company's cash and cash equivalents stood at RM524 million compared to RM578 million in 2020. The Group continues to maintain a conservative capital structure to have the flexibility and resilience to utilise internally generated funds for capital investments, sustain a stable dividend payout to shareholders and to have the capability to pursue new investments.

DIVIDENDS

Despite the lower financial results, the Company is pleased to propose a final dividend of 148 sen (FY2020:183 sen) per ordinary share for the financial year ended 31 March 2021 for shareholders' approval at the forthcoming Annual General Meeting.



OUR ESTABLISHMENT OF THE MANUFACTURING CAPABILITY DEVELOPMENT DEPARTMENT TO SPEARHEAD DIGITALISATION OF BUSINESS AS PART OF INDUSTRY 4.0 INITIATIVES, WILL TRANSFORM THE COMPANY THROUGH INDUSTRIAL INTERNET OF THINGS ("IIOT"), ROBOTICS PROCESS AUTOMATION ("RPA") AND SMART ROBOTICS, IN ORDER TO STRENGTHEN BUSINESS COMPETITIVENESS.

SUSTAINABILITY

The Board upholds its commitment to undertake responsible manufacturing practices, focusing on sustainability and good corporate governance. In this connection, I am pleased with the continuous focus in meeting the ever changing business environment and our strong commitment towards action taken to ensure continuous sustainability efforts alongside our pursuit for business growth and creating long-term value for our stakeholders, in terms of sustainable living and advanced technological innovation. The Company through collaboration with Panasonic Appliances R & D Centre Asia Pacific Sdn. Bhd. (PAPRADAP) is developing new technology and expertise in sustainable engineering in order to deliver innovative solutions which will definitely improve our customers' trust and confidence towards our business approach. Our establishment of the Manufacturing Capability Development Department to spearhead digitalisation of business as part of Industry 4.0 initiatives, will transform the Company through Industrial Internet of Things ("IIOT"), Robotics Process Automation ("RPA") and Smart Robotics, in order to strengthen business competitiveness. Various actions such as structured training and development programme for Production Engineering Personnel, development of Information Sharing Platform and Innovative Meeting Platform are in our plans to drive the digital transformation culture.

I am pleased with the progress made and grateful to our stakeholders for their support on this important sustainability journey. More information on our many Sustainability initiatives is covered under the "Sustainability Report" section from pages 19 to 40.

CHAIRMAN'S STATEMENT

(CONTINUED)



DIRECTORATE

I would like to place on record the Board's appreciation to Mr Toyokatsu Okamoto who recently retired on 31 March 2021. His loyal and dedicated contributions to the Board as Managing Director over the last 4.5 years is much appreciated. In his place I take great pleasure in welcoming Mr Kenji Kamada to the Panasonic Manufacturing Malaysia Board as our new Managing Director on 1 April 2021.

I also welcome our new Independent Non-Executive Director, Dato' Azman Bin Mahmud who joined the Board on the 15 April 2021.

ACKNOWLEDGEMENTS

In a year where our people and our business partners were tested to the limit of their abilities, I am grateful that everyone remained courageous and committed to address the challenges that beset the industry and particularly the Company.

I would like to express my appreciation to all our investors, shareholders, business partners, suppliers and customers for your trust in the Company's ability to deliver; to the Board of Directors for their sound advisory and guidance offered during this difficult time as all industries undergo great change.

I would also like to thank the management team for demonstrating excellent crisis management during this challenging time and finally, to all employees for the unwavering trust, continuous support and loyalty to the Company.

FAREWELL MESSAGE

Almost twenty years have passed since I joined the Board of Panasonic Manufacturing Malaysia in 2001 as Independent Director and had the confidence of the Board to helm the position of Chairman since my appointment. With the call of regulators to limit the tenure of independent directors on the Board, I feel that now is the right time to pass the responsibility for the Company into new hands at the forthcoming 56th Annual General Meeting.

In connection with this, I would like to express my sincere thanks to you, our valued shareholders, Board of Directors, the Strategic Management Committee and Employees of Panasonic Manufacturing Malaysia for the support, trust, and confidence which you have given to me over the years as Chairman of our Company. It has certainly been a great honour and privilege for me to serve this esteemed Company. The Company's achievements in the past two decades is my pride. I wish all shareholders, employees, business partners and not least my fellow colleagues on the Board of Directors and the entire management team, all the best for a successful future.

Tan Sri Asmat bin Kamaludin
Chairman

Dear Shareholders,

I am pleased to present the Management Discussion and Analysis (MD&A) of the Company for the financial year ended 31 March 2021. The MD&A provides insight into the Company's operations, financial performance and expectations going into 2022.



MANAGEMENT DISCUSSION AND ANALYSIS



BUSINESS STRUCTURE

The Company operates two factories, which are located at Section 15 ("SA1 Plant") and Section 23 ("SA2 Plant"), Shah Alam, Selangor. The Company, as an electrical appliances manufacturer, has a noteworthy portfolio whereby it manufactures a total of 11 products under two business divisions; namely Appliances and Life Solutions. These two business divisions are an integral part of the seven major business divisions under Panasonic Corporation, Japan.

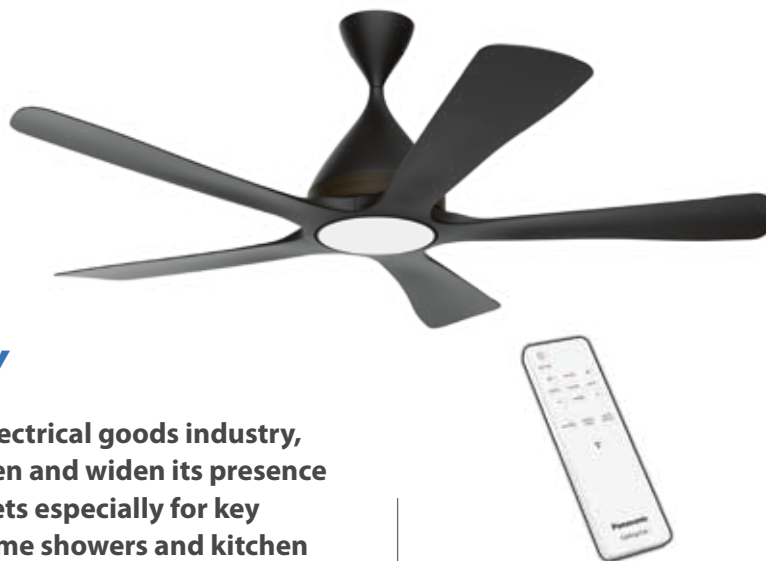
Products in the Appliances segment are Home Shower, Vacuum Cleaner, Iron, Bidet, Rice Cooker and Kitchen Appliances; whilst products under the Life Solutions segment are Electric Fan, Ceiling Fan, Ventilating Fan and Dish Dryers.

Sales to the ASEAN region such as Thailand (4%), Vietnam (19%), Singapore (6%) and other neighbouring countries represent approximately 33% of the Company's total revenue. Domestic sales contributes approximately 35%, whilst exports to the Middle East region contribute approximately 22% of total revenue, whilst the sales to other countries (including Japan) make up the balance.



BUSINESS STRATEGY

Being a dominant player in the electrical goods industry, the Company aspires to strengthen and widen its presence in the domestic and export markets especially for key products such as Ceiling Fans, home showers and kitchen appliances.



The Company will continue to provide value to its customers within the context of residential spaces e.g. bathroom, kitchen, living room and bedroom, by developing local fit products. Focus will be on essential products which have high market growth potential.

Panasonic fans and other home appliances such as home showers and kitchen appliances is a preferred brand amongst consumers and occupy the top three market positions in Malaysia.

To remain competitive amidst rising costs of labour, and labour shortages, especially in the 3D (Dirty, Difficult, Dangerous) environment, the Company will continue with its drive for automation in manufacturing processes with the aim of achieving "Smart Factory" status by 2030. Progress of this initiative will be explained further in the Operations Review.

INTRODUCTION

2020 was a pivotal year for the Company whereby the unprecedented COVID-19 pandemic combined with increased economic uncertainties, had tested the Company's resilience.

Despite the challenging environment encountered in the weight of the various containment measures implemented in the various markets where the Company has a presence, the Company delivered a commendable performance for the financial year ended 31 March 2021.

FINANCIAL PERFORMANCE

RM Million	2021	2020	Changes %
Revenue	974.6	1,052.0	(7.4)
- Domestic	344.0	426.6	(19.4)
- Export	630.6	625.4	+0.8
Operating expenses	(876.4)	(942.8)	(7.0)
Other operating income	6.2	14.1	(56.0)
Fair value gain/ (loss) on derivative financial instruments	0.2	(1.9)	+110.5
Results from operating activities	104.6	121.4	(13.8)
Finance income	10.2	20.1	(49.3)
Share of results of associated company (net of tax)	20.3	(0.3)	+6866.7
Profit before taxation	135.1	141.2	(4.3)
Taxation	(18.6)	(24.2)	(23.1)
Profit after taxation for the financial year	116.5	117.0	(0.4)

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

Revenue

The Company recorded a revenue of RM975 million for the financial year, which was a decrease of RM77.4 million or 7.4% as compared to the previous year's revenue of RM1.052 billion. The reduction in revenue was attributed to lower production volume and subsequently sales, arising from the complete shutdown of the plant due to the implementation of the first Movement Control Order (MCO) for the initial period 18 March 2020 until early May 2020 as well as the intermittent closures for sanitisation activities during the financial year.

In addition, domestic sales contracted by 19% as compared to the previous year due to the implementation of various movement restrictions by the Malaysian government throughout the financial year; which in turn affected the sales of installation products such as Ceiling Fans and Home Showers.

Sales were also lower in other ASEAN markets such as Brunei, Thailand, and the Philippines due to the prolonged effect of various lockdown measures implemented by the various governments in this region to curb the spread of the COVID-19 pandemic.

The reduction was mitigated, to a certain extent, by the increase in the export sales to the Middle East market which had expanded by 10% over the previous year's sales.

Results from Operating Activities

Correspondingly, the Company's profit from the operating activities was RM104.6 million for the year ended 31 March 2021, which represented a decrease of RM16.8 million or 13.8% as compared to the previous year's profit of RM121.4 million. The lower profit was attributed mainly to the lower revenue, but was mitigated to a certain extent by the reduction in sales obliged promotional expenses and other operating expenses.

In addition, other operating income was lower by RM7.9 million for the financial year ended 31 March 2021; mainly due to foreign exchange differences. Due to the strengthening of Ringgit Malaysia against the US Dollars during the year, the Company incurred foreign exchange losses of RM 4.3 million.

Finance Income

Finance Income for the year ended 31 March 2021 was recorded at RM10.2 million, which was lower by RM9.9 million or 49% as compared to the previous year's finance income of RM20.1 million. The reduction was due to the lower amount of deposits placed as funds were utilised for payment of dividends and capital expenditure during the year. The other contributing factor was the lower interest rates as it fell from approximately 3.0% in April 2020 to 2.2% in March 2021. Bank Negara Malaysia had cut its key interest rates to weather the pandemic.

Share of Results of Associated Company

The share of results of associate company of RM20.3 million for the financial year ended 31 March 2021 was significantly higher by RM20.6 million as compared to a loss of RM0.3 million in the previous year. The higher share of results from the associate company was mainly attributed to lower sales promotional and advertising expenses incurred as these activities could not be carried out as planned due to the various movement restrictions implemented by the Malaysian government throughout the year.

Profit Before Tax

On the back of lower revenue and lower finance income, the Company achieved a lower combined profit before tax of RM135.1 million for the year ended 31 March 2021, representing a decrease of RM6.1 million or 4.3% as compared to the previous year's results of RM141.2 million. Although results at the combined entity level were affected by lower finance income, it was mitigated to a certain extent by the better profit contribution by the associate company.

Key Balance Sheet Matters

The Company's cash flows remained strong with net operating cash flow remaining stable at RM95.6 million despite the disruptions and impact caused by the pandemic. Cash and cash equivalents as at 31 March 2021 stood at RM523.9 million, after payment of dividends of RM120.3 million and payment for capital expenditure amounting to RM42.7 million during the year.

ANALYSIS OF PROFIT BY SEGMENT

Appliances Products

RM Million	2021	2020	Changes %
Revenue	480.1	508.1	(5.5)
- Domestic	117.7	152.0	(22.6)
- Export	362.4	356.1	+1.8
Profit Before Tax	73.7	67.1	+9.8

The Appliances business segment achieved a revenue of RM480.1 million for the financial year ended 31 March 2021 which was lower by RM28.0 million or 5.5% as compared to the previous year's revenue of RM508.1 million. Analysing the sales by geographical location, domestic sales were seen to be most impacted; by a reduction of approximately 23% against previous year's domestic sales. Nevertheless, exports sales remained strong, as it was higher by 1.8% as compared to the previous year's export sales, with the Middle East markets being the main contributor.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

Despite the lower revenue, this business segment's profit before tax of RM73.7 million for the year ended 31 March 2021 was higher by 9.8% or RM6.6 million as compared to the previous year's profit before tax of RM67.1 million. The profits were derived from lower sales promotion and other operating expenses incurred coupled with a favourable product mix. This business segment had continued its focus on operational efficiency by being prudent in its expenses.

Fan Products

RM Million	2021	2020	Changes %
Revenue	494.3	543.9	(9.1)
- Domestic	226.3	274.6	(17.6)
- Export	268.0	269.3	(0.5)
Profit Before Tax	53.3	66.7	(20.1)

A lower revenue was reported by the Fan products business segment in the current financial year due to the impact of the COVID-19 pandemic and MCO. The revenue of RM494.3 million for the financial year ended 31 March 2021 for this business segment was lower by RM49.6 million or 9.1% as compared to the previous year's revenue of RM543.9 million. For this segment, the revenue achieved in both domestic and export markets were lower compared to the previous year. Domestic sales registered a contraction of 17.6% due to the prolonged lockdown measures in Malaysia; whilst export sales were marginally lower by 0.5%.

In line with lower revenue, this business segment recorded a lower profit before tax of RM53.3 million for the year ended 31 March 2021, a decrease of 20.1% or RM13.4 million as compared to the profit before tax registered in the previous year amounting to RM66.7 million; mainly attributed to lower sales and unfavourable product mix.



OPERATION REVIEW

The uncertain market conditions and disruptions caused by the COVID-19 pandemic did not prevent the Company from continuing to produce quality products for consumers. In line with latest advances in technology premised on cutting edge concepts, the Company has taken the initiative to produce and design a new series of Fan products with embedded remote control functions using mobile applications; namely the Wifan series which was developed based on the Internet of Things ("IoT") technology. In addition to that, the Company had launched a new Multi Point Water Heater model to be marketed in Thailand and the Philippines. The Company will also be focusing its efforts in penetrating the Indonesian market with the Storage Water Heater.

FAN PRODUCTS

Wifan Series

The Wifan series (Wifi Ceiling Fan), launched in the Malaysia market in December last year and offers 4 variant models with the state-of-art new blade design for users' optimum comfort.

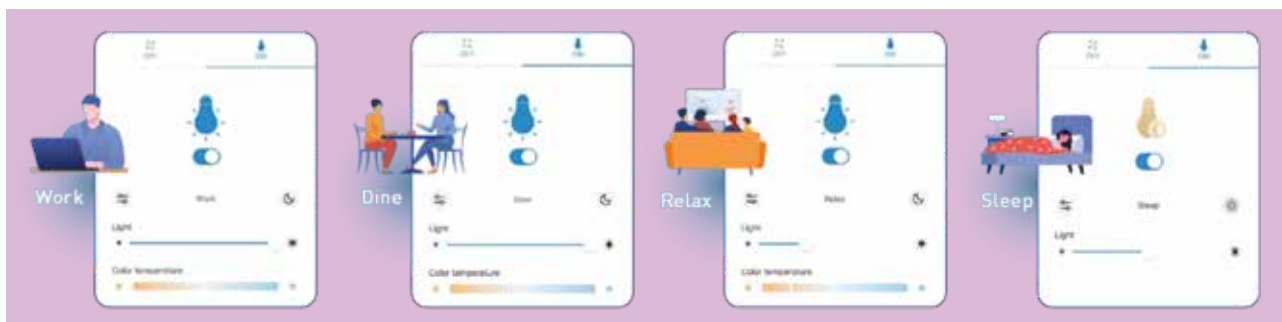


MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

WIFAN - The Wifi Ceiling Fan

The Wifi Ceiling Fan is equipped with a mobile application remote control, which enables users to conveniently control their fan through their mobile devices.

Two out of the four Wifi Ceiling Fan models have LED lighting incorporated as it helps in adjusting the color temperature and save almost 85% of energy as compared to the incandescent bulb. The longer lifespan of the LED lights also makes it more convenient for users as there is lesser frequency to change the lights and provides savings over a longer period. The LED light is also environmentally friendly and sophisticated whereby it offers 4 pre-set light settings that suit the users' daily activities such as work, eat, rest and sleep.



In addition to this, the Wifi Ceiling Fan series are well equipped with 1/f Yuragi function which provides a fluctuating pattern to generate a gentle breeze, which will give users a peaceful and comfortable feeling.

The Wifi Ceiling Fan comes with a reverse function. This function rotates the Ceiling Fan in a clockwise mode and draws cool air upwards and circulates the air around the room for an even air flow and comfortable temperature. The reverse function complements the functions of an air conditioner and helps to maximise the effectiveness of the air conditioner.



Amongst other features incorporated into these Wifi Ceiling Fan series are the Time Scheduling function, Grouping function (to control up to 8 Ceiling Fan with one operation) and Sleep Mode function. The Sleep mode function will create an optimal sleeping environment and enhances energy saving.

The Company's Research and Development (R&D) technical team has successfully developed the revolutionary new generation of DC (Direct Current) motor which is more compact, lighter, uses less energy as compared to AC motor (Alternative Current).

In addition to all the special features, safety has always been the Company's top priority. These Wifi Ceiling fan series are enhanced with Intelligent Motor Drive System (IMDS) which can detect Motor and Blade Faults to prevent any mishap conditions.

Expanding the Export Markets

The Company is aggressively expanding its Fan export markets, and Vietnam is one of the fastest growing market in the ASEAN region. For the year under review, the Company developed and launched 3 new Ceiling Fan models and one 50cm Wall Fan model for the Vietnam market.

The company has also developed 3 new Wall Fan models for the Thailand market and 2 Ceiling Fan models for the Myanmar market. The Company has also expanded the new model line-up for the Middle East market with the introduction of 2 new Ceiling Fan models to Iraq and Sri Lanka and penetrated into the Ecuador market with 1 Ceiling Fan model.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

APPLIANCES PRODUCTS

To expand the Home Shower products line-up, the Company had launched in 2020 the new Multi Point Water Heater, with the intention to penetrate the Thailand and Philippines markets. Apart from that, the Company also took the initiative to expand the Storage Water Heater new models to the Indonesia market.

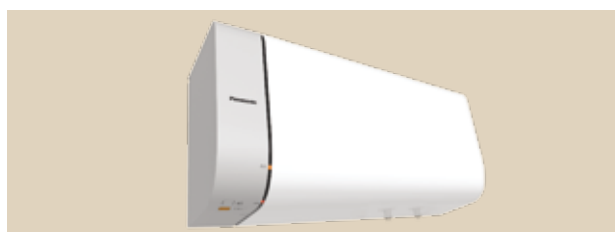
Panasonic Multi Point Water Heater



DH-6SM1 is a new model of Multi-point Water Heater launched in Thailand and the Philippines in 2020. It comes with a compact design, making it more space saving. More importantly, it allows the consumer to fix more than one outlet point to a single heater unit which is convenient and cost saving.

Customer's safety will always be a priority and therefore this product was designed with reliable protection features against water splashes. The UL-94-V0 Classification Material is self-extinguishing and non-flammable for its external casing (Front Plate/Back Plate). It will prevent fire from spreading and the Built-In Leakage Breaker (ELB) acts as a safety device that detects power leakage to prevent electric shock. In addition to that, the auto thermal cut-off and Manual reset thermostat are equipped for added peace of mind showering experience.

Storage Water Heater



The Company has further expanded its market on the Storage Water Heater to Indonesia in the year 2020. Three new models have been introduced namely; DH-15HCMRW, DH-30HCDRW and DH-30HCMRW which come with 2 capacity which are 15L with 350W and 30L with 500W heating power.

This Storage Water Heater retains almost all the same features as the previous models. In addition to that, it has been designed with a Built-In Leakage Breaker (ELB) to act as a safety device that detects power leakage in order to prevent electric shock.

NEW BUILDING AT SA2 WITH GREEN TECHNOLOGY

The construction of the three-storey factory building at SA2 Plant was completed in April 2021. This new factory building with energy saving facilities such as Variable Refrigerant Flow (VRF), Air conditioning and Mechanical Ventilation Airflow System (ACMV) will contribute 389,000 kWh/year or 43% of energy saving. The Company expects that the new building will only be fully operational in the second quarter of financial year 2021 as there may be delays encountered in obtaining clearance from the relevant government authorities, with the current movement restrictions in place.

The new building will be utilized to increase the in-house production of injection parts to further strengthen the Company's in-house manufacturing capability. The installation of new injection machines is expected to increase up to 39% in-house manufacturing capacity particularly for fan injected parts, as compared to 9 % before the installation of additional injection machines.

The new building is also equipped with the new robotic Auto spray facilities, and this will improve the overall quality process especially in terms of consistency, speed and safety. With the setup of this facility, the Company will be able to bring in-house some of the parts which are currently being outsourced to external parties thereby reducing the cost of production.



The new three-storey factory building at SA2 Plant

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)



Solar Panels installed at SA2 Plant

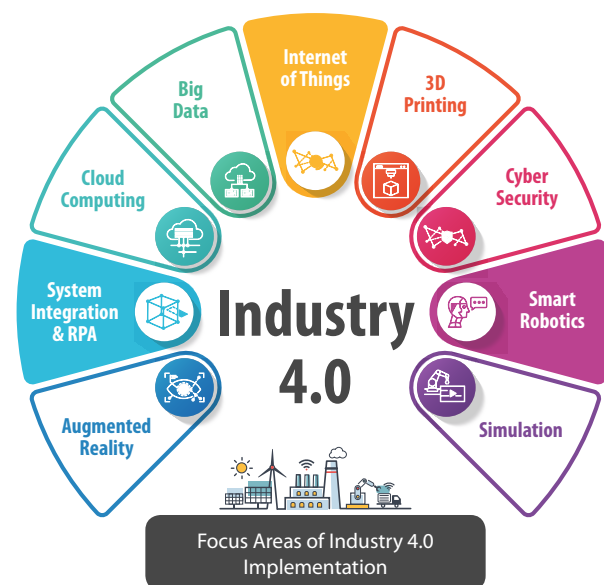
SOLAR PANELS

The installation of solar panels on the rooftop of the existing SA2 plant buildings was completed in July 2020. The Company was able to generate approximately 1,807.5 MWh solar energy for the year ended 31 March 2021 which contributed to 12.4% of energy saving whilst reducing the emission of CO₂ by approximately 1,247.2-ton. In addition, the Company was able to enjoy a lower effective tax rate of 1.6% as a result of the tax incentives enjoyed for the installation of the green equipment.

The Company intends to expand the installation of solar panels to other areas with the success of this initiative. Plans are underway to identify suitable areas for installation and to make submission to relevant authorities to fully utilize the Green Investment Tax Incentives granted by the government. The Company will continuously promote energy saving activities in line with Panasonic Corporation's vision towards zero emission of CO₂.

EMBRACING INDUSTRY 4.0

The Company continues its journey into Digital Transformation of Industry 4.0, with the main objective of elevating the Company towards a Smart Factory by the year 2030.



Its digital transformation started by incorporating Smart Robotics in certain manufacturing processes and has continuously expanded the use of robots into more labour intensive processes. Moving forward, the Company started to focus on another area of Industry 4.0; which is on the Industrial Internet of Things ("IIoT") and Computerized Maintenance Management System ("CMMS").

The IIoT is a platform that provides high level of synergies between the 4M in the manufacturing industry; man, machine, material and method, which translates into high data visibility for the management to make informed decisions in their daily operations. It also enhances the capability of the Company to prepare strategic planning and actions to achieve the best practical solutions in every operational issue.

The CMMS is a software application comprised of baseline modules that support basic maintenance functions of asset management, work management, preventive maintenance and spare parts management. Planning and scheduling of maintenance jobs can be performed more effectively with the use of the CMMS application. Apart from that, CMMS helps to provide historical data which enables management to develop strategies in ensuring minimum downtime on equipment functions.

- Purchase Catalog
- Purchase History
- Link to Work Request
- Cost Center

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

MANAGING COVID-19

While the entire industry grappled with the unprecedented challenges, the Company's immediate concern was on managing the risk of exposure to the employees and thus reduce the risk of transmission at the workplace. When the Company was given the green light to operate at the end of the first MCO in May 2021, the Company had made extensive changes to the working environment to ensure that all employees adhere to the Standard Operating Procedures ("SOPs") enforced by the authorities to safeguard health and safety of all workers.

These changes included the establishment of an emergency response plan team that will manage matters related to the COVID-19 pandemic. Since the beginning of the pandemic outbreak, the Company had implemented various measures such as the enforcement of social distancing in the office and at the production line by placing partitions, compulsory daily temperature check, wearing of mask and gloves as well as placing of hand sanitisers throughout the plants. The Company also implemented compulsory Check-in with the MySejahtera Application at all entry points for all employees and visitors, and conducted regular disinfection activities at the end of shift working hours.

Other key initiatives taken by the Company include activating work-from-home structures to reduce the number of staff at the workplace and preparing adequate platforms that ensure the successful implementation of work-from-home arrangements. Digital facilities such as laptops, VPN connectivity and online meeting platforms were enabled to ensure all staff are connected whether they are based at home or in the office.

The Company has taken the initiative to conduct a mandatory swab test screening for all employees in December 2020 following a small outbreak of positive COVID-19 cases which was reported at the SA2 Plant. As a result, a total of 116 employees which consists of management, non-management, Japanese expatriate and foreign workers were found positive of COVID-19 for both SA1 Plant and SA2 Plant. The results had been reported to District Health Office and Ministry of Health and the Company has been advised to shut its operations for a period of 7 days to contain the spread of the virus and to engage a sanitisation team to conduct total sanitisation of both factories and offices. Subsequent to that incident, the Company intensified the precautionary measures to curb the spread of the virus amongst its workers.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)



The Company will conduct close contact tracing, and identified close contacts will undergo home quarantine following the recommendation of the health authorities. For foreign workers, similar preventive measures were implemented such as hostel disinfection, workers temperature check before boarding the bus, the Mysejahtera check-in as well as maintaining social distance in the bus. This is also done in support of the government's effort to curb the rising rate of infections for employees who are required to work.

BUSINESS OUTLOOK

The Global economy has shown signs of recovery with improved trade activities recorded and improved economic data.

The Malaysian economy contracted by 0.5% for the first quarter of 2021 (4Q'20, contraction of 3.4%) based on the latest statistics released by Bank Negara Malaysia, despite the implementation of MCO 2.0 during the quarter. The rollout of the vaccination programme for COVID-19 which started in February 2021 is expected to facilitate the eventual resumption of economic activity. However, the recent resurgences in COVID-19 cases

and the implementation of stricter lockdown measures since the month of June 2021 will have an impact on domestic demand in the near term. In addition, the declaration of the enhanced movement control order in various districts in the state of Selangor for two weeks in the month of July 2021 will result in the closure of the Company's operations; thus affecting both the manufacture and sales of its products.

The Company opines that the next financial year will continue to be challenging as long as the COVID-19 pandemic is not effectively controlled. The threat of a possible outbreak, effects of the containment measures implemented coupled with the rising cost of raw materials such as resin, copper and other metals, may have an adverse impact on the Company's sales and profitability.

Nevertheless, the Company stands resilient against the upcoming risks and challenges and is also well-positioned to harness opportunities for a strong rebound.

Going into the financial year ending 31 March 2022 the Company will focus more on its digital transformation under industry 4.0 as a key enabler for the Company's business operations. The Company will also further strengthen its business strategy and remain vigilant in monitoring the economic recovery.

HEARTFELT APPRECIATION

Finally, on behalf of the Management and Board of Directors, I wish to place on record our special thanks and appreciation to the outgoing Chairman YBhg. Tan Sri Asmat bin Kamaludin, who is retiring after a period of 20 years on the Board at the forthcoming 56th Annual General Meeting. Many milestones have been reached during the past two decades, amongst others revenue which crossed the RM1.0 billion mark in 2016 and was maintained at that level for last five years, achieving and maintaining a strong financial liquidity position of eight times the share capital in the past 10 years and establishing a stable dividend payout ratio over the last few years. Tan Sri Asmat's contributions to the Company's success during this period and strong support to the Management have been invaluable and we wish him all the best on a happy and healthy retirement.

INCREASE IN SHAREHOLDERS' WEALTH

As at 31 March 2021, the issued and paid-up capital of the Company is RM60,745,780 divided into 60,745,780 ordinary shares. 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 RM637,734 based on the market price of RM32.90 as at 8 June 2021. In addition, he would have received a total gross cash dividends of RM590,951 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 13.9% 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 (8 June 2021)	RM	32.90
Total value of shares held	RM	637,734
Cumulative gross cash dividends received/receivable (1969 - 2021)	RM	590,951
Total Wealth of a shareholder since Initial Investment	RM	1,228,685

SUSTAINABILITY REPORTING

ABOUT THIS REPORT

Scope of Reporting

This Panasonic Manufacturing Malaysia Berhad ("PMMA" or the "Company") Sustainability Report is the fourth edition of PMMA's sustainability performance disclosures. We hope to maintain positive development in our sustainability journey and achieve the set milestones in line with our global vision and mission.

Panasonic Corporation Management Philosophy's basic concept of the "company as a public entity of society" has formed the foundation of all our business activities. We are continuously committed to promote sustainability management in our business activities for the betterment of society.

Our sustainability approach focuses on key material aspects of Economic, Environment and Social (EES). These aspects are influenced by the way we manage and operate our daily operations. Thorough analyses are done and suitable management approaches are developed and implement to best serve our stakeholders, safeguard the environment and encourage long-term business growth.

With these aspirations in mind, we are proud to present to you, our esteemed and valued stakeholders, PMMA's Fourth Sustainability Report which covers the overall sustainability approach, information concerning the Company's initiatives and annual activities. The reporting on our sustainability initiatives does not only gives us an opportunity to showcase our progress and performance, but also to address the expectations and concerns of our stakeholders.

Our Reporting Approach

This sustainability report was prepared in accordance with the guidelines issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements relating to Sustainability Statement in Annual Reports and with reference to the Sustainability Reporting framework and guidelines provided by the Global Reporting Initiative (GRI) Standards. The content of this report based on the reporting principles as defined by GRI Standards demonstrates our commitment towards embracing sustainable practices. The reporting principles include:



The material references included in this report are as stated below:



Reporting Period

This report covers the overall sustainability performance and business progress of PMMA for the period starting from 1 April 2020 to 31 March 2021 (unless indicated otherwise). Sustainability remains a key pillar of our business strategy, hence we are committed to publish our sustainability key performance and progress through our annual sustainability report.

Scope and Boundaries

The scope of this report is within the business owned and operated by PMMA in Malaysia. The report illustrates how we address the material issues identified through the internal materiality assessment process in a detailed manner in line with our efforts to create value in areas that are relevant to the Company.

Sustainability across Supply Chain

As a way of upholding sustainable practices across its supply chain, PMMA embeds its sustainability strategies across its supply chain establishing symbiotic collaboration with external stakeholders, e.g. vendors.

SUSTAINABILITY REPORTING

(CONTINUED)

Sustainability Governance

Our Board of Directors is responsible for the sustainability matter and its role in long-term sustainable development plan. The Board in partnership with the Strategic Management Committee are committed to oversee sustainability performance.

Strategic Management Committee's Roles and Responsibilities



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

Feedback

For further details, you may contact:

Email: ir.pmma@my.panasonic.com

Telephone: +603 5891 5000

HIGHLIGHTS OF FINANCIAL YEAR ENDED 31 MARCH 2021



ECONOMIC



Revenue
Approximately
RM975 million



Distributed
RM138 million
on Employees **Salary** and **Benefits**



Zero
Cases of Corruption



ENVIRONMENT



ISO14001:2015
Certified for all PMMA Plants



More than 40%
Reduction of CO₂ compared to 2005



Zero
Cases of Environmental
Non-Compliance



SOCIAL



ISO45001:2018
Certified for all PMMA Plants



5%
Worker Representation in the
Health & Safety Committee



0.79
Injury Rate*

* For further details, kindly refer to Page 33

SUSTAINABILITY REPORTING

(CONTINUED)

BOARD STATEMENT

PMMA as one of the key economic growth leaders for Malaysia, contributes to the nation's export earnings and is committed to align sustainability strategy in our business activities across all aspects of our operation. We are proud to be part of the nation's drive towards sustainable economic growth by cultivating local talent and incorporating them as part of the national supply chain.

This is our fourth consecutive year of reporting PMMA's sustainability performance disclosures. It affirms our strong commitment towards our pursuit for long-term sustainable business growth.

The Company opines that the coming years will continue to be challenging as long as the COVID-19 pandemic is not effectively controlled. Nevertheless, the Company will continue to be vigilant by ensuring that all Standard Operating Procedures ("SOPs") to curb the spread of COVID-19 are followed and complied with. Ensuring the health and safety of all employees is the Company's utmost priorities now, so that business activities may be carried on as usual. To further strengthen its manufacturing capabilities, the Company will forge ahead with its digitalisation and automation plans. With these measures in place, the Company will be able to meet any challenges ahead with agility and resilience. The Company will continue its journey into Digital Transformation of Industry 4.0 to achieve "Smart Factory" by 2030.

This year's Sustainability Report was prepared in accordance with the guidelines issued by Bursa Malaysia's Main Market Listing Requirements and in reference to the Sustainability Reporting framework and guidelines provided by GRI Standards, as we continue to align our sustainability efforts with global standards. We hope to support both National Sustainability Goals and the global sustainability agenda, United Nations Sustainability Development Goals (SDGs). We strive to align our initiatives and plans towards common goals beyond our business growth that is the betterment of society and enriching the lives of all stakeholders.

Moving forward, it is important for PMMA to continuously engage with our stakeholders to understand better their expectations and concerns on the EES material issues since these disclosures are very vital for our shareholders' rational decision making. PMMA is committed to embrace the real meaning of sustainability by revisiting and including aspects of sustainability in our current policies and practices. We trust you will find this Sustainability Report informative, representing a fair and balanced view of our position and operation performance on identified sustainability material matters.

Thank you.

The Board









SUSTAINABILITY REPORTING

(CONTINUED)

STAKEHOLDER ENGAGEMENT

In our sustainability journey, it is crucial for us to develop sustainability strategies and identify material issues that are of great importance to our stakeholders who are impacted or influenced by our business activities. Thus, to move forward and create shared value with all, we continuously pursue engagement with our stakeholders through various platforms. These efforts have helped us to better understand stakeholder's concerns or expectations and gathered their insightful feedback on economic, environmental and social issues.

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 	
Investors 	<ul style="list-style-type: none"> Annual general meeting Briefing/meeting Extraordinary general meeting Electronic communication 	<ul style="list-style-type: none"> Annually 3 times a year 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
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 	<ul style="list-style-type: none"> Employee appreciation and benefits Employee engagement and satisfaction Foreign labour management Occupational health and safety management and policies Health and safety of products Data security protection
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 	
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 Monthly Annually As needed 	
Local Communities 	<ul style="list-style-type: none"> Corporate Social Responsibility (CSR) programme 	<ul style="list-style-type: none"> As needed 	

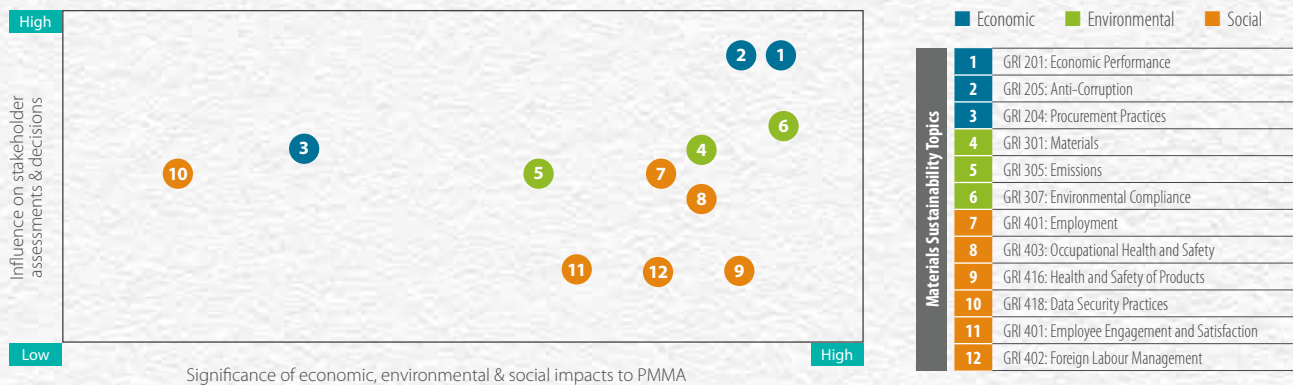
The table above illustrates the list of stakeholders we engaged with to identify key material disclosures which include our mode and frequency of engagement. Due to the COVID-19 pandemic, not all engagements were carried out as per the mode of engagement. However, PMMA, kept connected with stakeholders throughout the year, whilst complying and maintaining SOPs during this pandemic.

SUSTAINABILITY REPORTING

(CONTINUED)

MATERIALITY

We have engaged with our stakeholders through various mediums and platforms. As part of PMMA continuous sustainability, we have revisited relevant sustainability matters outlined last year. We conducted discussions with our key internal stakeholders to understand their perspective on material matters to PMMA for this year's reporting. The material issues that shape our strategies and business decision-making are not limited to the Company's financial performance alone but also EES impact. Through the discussion, we have identified 12 material aspects as of high importance and shortlisted those disclosures into a matrix. This materiality matrix showcases the material disclosures based on its unique influence on the stakeholders and EES impact on the organisation. The materiality matrix was approved by the Board of Directors of PMMA and can be seen in the table below.



Material Topics				
Category	#	Material Topics	GRI Index	Material Disclosures
Economic 	1	Economic Performance	GRI 201-1	Direct economic value generated and distributed
	2	Anti-Corruption	GRI 205-1	Communication and training about anti-corruption policies and procedures
	3	Procurement Practices	GRI 204-1	Proportion of spending on local suppliers
Environment 	4	Materials	GRI 301-1	Materials used by weight or volume
	5	Emissions	GRI 305-5	Reduction of Greenhouse Gas (GHG) emissions
	6	Environmental Compliance	GRI 307-1	Non-compliance with environmental laws and regulations
Social 	7	Employment	GRI 401-1	New employee hires and employee turnover
			GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or particular employees
	8	Occupational Health and Safety	GRI 403-1	Workers' representation in formal joint management-worker health and safety committees
			GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities
	9	Health and Safety of Products	GRI 416-1	Assessment of the health and safety impacts of product and service categories
	10	Data Security Practices	GRI 418	Data Privacy
	11	Employee Engagement and Satisfaction	GRI 401	Employment
	12	Foreign Labour Management	GRI 402	Labour/Management Relations

SUSTAINABILITY REPORTING

(CONTINUED)



ECONOMIC

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED: GRI 201-1

Economic performance is a crucial part of PMMA's business and sustainable business practices are part of our sustainability strategy. We strive to align our sustainability strategy to our economic performance contribution in Malaysia. We believe success goes beyond revenue and profits, where we actively engage and cultivate local talent and suppliers while contributing to the local market's economic performance. This has resulted in PMMA making the employees' salary and benefits a key priority that is an integral part of our business's sustainability.



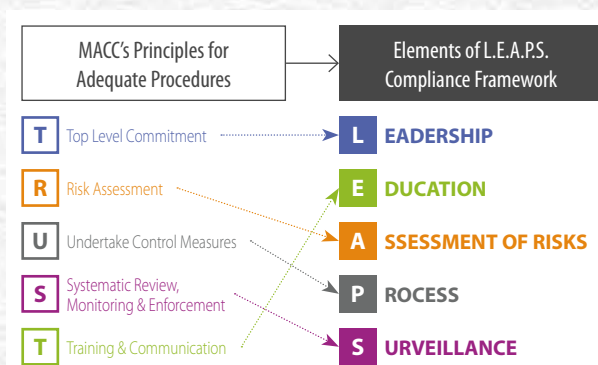
ANTI-CORRUPTION: GRI 205-1

PMMA has adopted and operate based on the Panasonic Corporation Code of Conduct whereby a clear set of rules for compliance with the law and corporate ethics is embodied. We strive to achieve thorough adherence to these rules, with the aim of promoting fair operating practices as a public entity and to realise a sustainable society.

Since our business is dependent on our customers and other stakeholders, we strive to fulfil our social responsibilities. In addition to listening to stakeholders' opinions, we conduct our business activities transparently to be accountable. We must continue to be fair, truthful, honest and quick in taking action to comply with our social responsibilities.

PMMA is mutually committed to its customers and vendors towards clean and fair business dealing, demonstrating our genuine effort to achieve our corporate vision. Hence, all PMMA employees including temporary and foreign workers are required to sign the Clean Business Dealing Agreement (CBDA) annually as assurance not to engage in bribery, dishonest and fraudulent conduct and disclose any potential conflict of interest.

This reporting year, the Leadership, Education, Assessment of Risk, Processes and Surveillance (L.E.A.P.S) Compliance Framework designed by Panasonic Corporation has been the blueprint to build and continuously strengthen compliance programmes in PMMA. The L.E.A.P.S Compliance Framework is currently designed for Anti-Bribery and Anti-Corruption (ABAC) compliance. This is not only timely but crucial because of the new Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act which recently came into force on 1 June 2020. Companies and their senior management are now liable if an associated person of the company commits an act of bribery for business advantage. A robust compliance program comprising adequate procedures is a defense against corporate liability.



SUSTAINABILITY REPORTING

(CONTINUED)



Principle 1 – Leadership

PMMA's Top Management established a culture of integrity and compliance through communication with internal and external parties and established anti-corruption rules and policies as well as reporting channels. Management has established and provided employees with information and access to the latest ABAC Rules. Management continually communicates to employees about zero tolerance for bribery and corruption. A channel for employees to report actual or suspected wrongdoing without fear of retaliation is provided.



Principle 2 – Education

PMMA conducts training and regular communication of anti-corruption policy (including consequences of non-compliance) within the Company through various channels comprising among others, physical training, emails, etc. The Policies and Procedures are made available to employees via intranet and Company's website and available to external stakeholders via the website. The communication within the Company in creating awareness on PMMA's non-tolerance towards corruption is further enhanced via e-learning and e-survey.



Principle 3 – Assessment of Risks

PMMA has performed a gap analysis review in relation to the Company's current processes and procedures as compared with the Guidelines on Adequate Procedures and also engaged a Legal Consultant to conduct a regulatory audit specifically on conformance with the requirements under the MACC Act 2009. An Enterprise-Wide Risk Management ("ERM") framework is in place where a Risk Register has been maintained and corruption risk has been identified as one of the key risks. Corruption risk assessment is conducted annually and when there is a change in law or circumstance of the business.



Principle 4 – Process and Control

PMMA has put in place appropriate policies, controls and processes to address risks of bribery and corruption. PMMA has adequate financial and non-financial controls to address bribery and corruption risks and established procedures for conducting due diligence on external parties in the decision-making process for sourcing, selection, engagement and renewal of supplier or customer and potential employment candidates.



Principle 5 – Surveillance

PMMA's Compliance Team carries out regular monitoring, audit and reviews of its compliance programme to assess performance, efficiency and effectiveness of the anti-corruption programme and ensure programme is enforced. Compliance Meetings involving the Senior Management are conducted quarterly to report and discuss compliance related matters. PMMA has established appropriate channels to report violations via the Whistleblowing Policy, which includes an anonymous communication channel for all employees, business partners and stakeholders to voice out their concerns in a confidential and secured manner. It has been shared in the Digital Workspace and PMMA's website, emailed to all employees as well as announced in the General Morning Assembly. We have established processes to ensure all whistleblowing letters or emails are adequately addressed. An internal team has been formed to carry out thorough investigations and external party will be engaged, if deemed necessary. The results of the investigation will be reported to the Whistleblowing Governance Group which comprise members of the Audit Committee of the Company and the Managing Director of the Company.

We are strongly committed to ensure our business activities are carried out in a clean, fair and transparent manner and we will not engage in bribery of any kind. 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 giving an unfair business advantage. As a result of this commitment and with the support of all stakeholders, we have recorded zero cases of non-compliance relating to corruption in the reporting year.

SUSTAINABILITY REPORTING

(CONTINUED)

WHISTLEBLOWING MECHANISM

PMMA established the Whistleblowing Policy and has a whistleblowing channel made available to the employee and stakeholders via its intranet and/or website.

- Whistleblowing Reports can be made on an anonymous basis
- Employees and Stakeholders can make Whistleblowing Reports through any of the following channels:
 - (a) Letter - there are two (2) letter boxes placed at PMMA's premises, SA1 and SA2 respectively;
 - (b) Online submission to Panasonic Global via <https://secure.ethicspoint.eu/domain/media/en/gui/104773/index.html>;
 - (c) Electronic email to compliance_pmma@my.panasonic.com; and
 - (d) Global Hotline to Panasonic Global at 1-800-81-8923. The "Global Hotline Poster" is available within PMMA's premises to raise employees' awareness.



COMMUNICATION – ANTI CORRUPTION POLICY PUBLIC ACCESSIBILITY

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

- (a) Anti-Bribery and Corruption Rules - <http://pmma.panasonic.com.my/wpcontent/uploads/APAC-Regional-ABC-Rules-wef-1-August-2019.pdf>;
- (b) Whistleblowing Policy - <http://pmma.panasonic.com.my/about-panasonic/aboutpmma/whistle-blowing-policy/>;
- (c) Code of Conduct - <http://pmma.panasonic.com.my/wp-content/uploads/code-ofconduct.pdf>.



SUSTAINABILITY REPORTING

(CONTINUED)

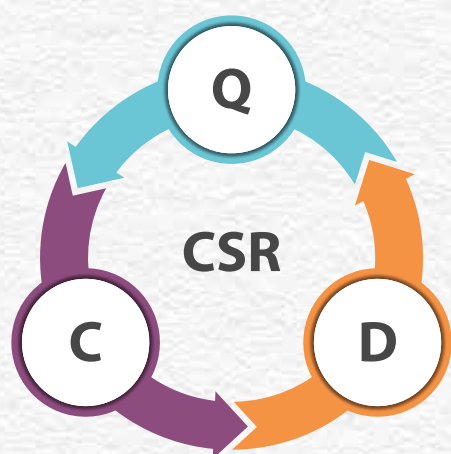
PMMA'S PROCUREMENT PRACTICE: GRI 204-1

PMMA's mission is to contribute to society through our products. To continue supplying our products to our customers in the market at reasonable prices, we need stable and strong procurement practices in order to procure materials in the best cost scales, conform to environmental requirements, meeting quality standards, on time delivery at competitive cost. Our Central Procurement Department is responsible to ensure our practices comply with regulations which can impact profitability, quality of deliverables, environment and Corporate Social Responsibility ("CSR") matters.

With the global demand for social responsibility in procurement which includes consideration for the environment and human rights, satisfactory labor conditions, and fair trade, we are working to ensure that we conduct our business with suppliers who not only provide good quality materials with advanced technology but also honours their social responsibilities including clean procurement, green procurement, compliance, information security, human rights, occupational health and safety. PMMA considers the promotion of CSR in procurement departments to be crucial and recognise the need to conduct periodic management reviews. Furthermore, we conduct regular evaluations of supplier initiatives related to CSR in addition to evaluations related to standards for evaluating quality, cost, delivery and service (QCDS).

Prior to the engagement of a new supplier, a systematic supplier assessment is conducted based on quality, delivery, cost, environment and CSR aspect. We carry out supplier training and supplier audit continuously to ensure all suppliers comply with PMMA's directions and requirements.

We engaged actively in supporting local suppliers in our procurement practices. Local suppliers constitute 79 % of our total suppliers. This year, we have on-board another 3 new local suppliers.



**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
- Has been dealing with the TRADE COMPLIANCES

Information Security

- An absolute condition for joint development and participating in design

Human Rights, Labor, Safety/Hygiene

- Addressing the issues of conflict minerals

Become a CSR - conscious company

Trade with companies that practice CSR

SUSTAINABILITY REPORTING

(CONTINUED)

PMMA'S SUPPLIERS QUALITY IMPROVEMENT ACTIVITIES: GRI 204-1

Panasonic's corporate-wide Quality Policy is unique in its statement that the company will "truly serve customers by way of providing products and services that continuously meet and satisfy the needs of customers and society." We truly understand that customers' satisfaction to be intimately tied to product quality improvement. Good product quality makes a trusted brand. Product qualities jeopardise if any poor-quality parts are used. We aim to thoroughly spread Panasonic's quality approach among suppliers to enhance supplier's total quality management and produce high quality parts.

This year, we continue with joint activities to ensure our suppliers sufficiently meet PMMA's product quality standards and requirements. Due to COVID-19 pandemic, most of the activities were carried out on a virtual platform. We work together with suppliers and provide continuous guidance through frequent audits and trainings to strengthen supplier's process control and to minimise defects.

Our Incoming Quality Control (IQC) team takes lead to continuous monitoring through weekly idea meetings and quarterly reviews to ensure countermeasure effectiveness and horizontally spread the effective improvement ideas to all other suppliers.

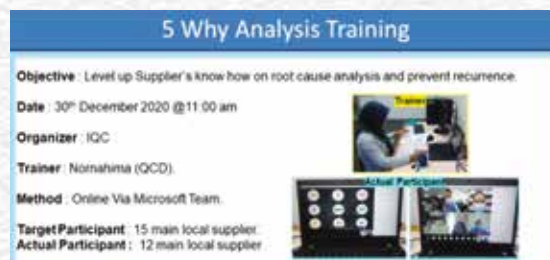
FY2020 PMMA supplier joint activities



Supplier Audit focus on 5 Areas as illustrated above



Online Audit



Online 5 Why Analysis Training



Quarterly Online Review Meeting

SUSTAINABILITY REPORTING

(CONTINUED)



ENVIRONMENT

RECYCLED MATERIAL: GRI 301-1

PMMA as a pioneer electrical home appliances manufacturer in Malaysia is committed to ensure that our management and business activities are appropriate for “a public entity of society” and we will continue to implement this management philosophy and consistently strive to achieve a balance between profitability and environmental sustainability in the areas which we operate.

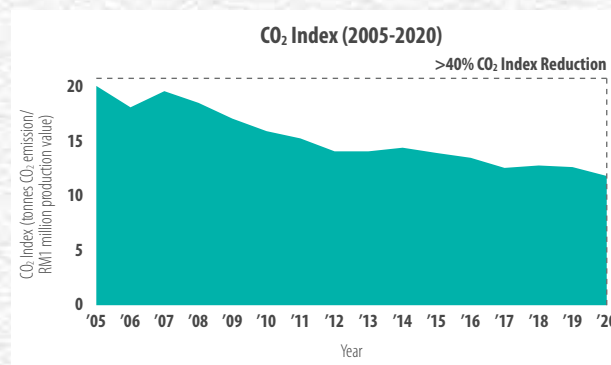
One of our sustainability initiative is for our business to adopt recycling in our processes to conserve environmental resources and contribute to improve the bottom line of our product through raw material cost saving. Beginning of this year we have been using recycled Polybutylene Terephthalate (“PBT”) and Polypropylene (“PP”) resins for our selected Fan Product parts mass production namely electric fan and ceiling fan components. PMMA’s Quality Control Department and Panasonic Appliances R&D Asia Pacific Sdn. Bhd. (“PAPRADAP”) are responsible to monitor and confirm that the recycled raw material resins comply with material specification and meet product quality standards. We conducted supplier factory and Restriction of Hazardous Substances (“RoHS”) audit to ensure the supplier meet all relevant Panasonic regulations and standards requirements. PMMA is committed to continuously deliver excellent product to our valued customers, be assured no compromise on product quality or its performance at any time.

CARBON EMISSIONS: GRI 305-5

Panasonic formulated the Panasonic Environment Vision 2050 in 2017 which aims for building societies based on clean energy and more comfortable lifestyles that will bring “A better life” and “Sustainable global environment” compatibly. Moving forward, Panasonic created Green Plan 2021 for the period from the fiscal year 2020 to 2022 focusing on “energy” and “resources” which are the materiality to address to realize Environment Vision 2050. In line with this direction, PMMA has embarked on a major commitment to minimise our carbon footprint through various environmental initiatives.

Over the past 15 years, we have successfully reduced more than 40% in CO₂ index (tonnes CO₂ emission/RM1 million production value), from 20.05 in 2005 to 11.83 in 2020. As part of our continuous effort, we now focus on increasing the use of renewable energy. We have collaborated with Panasonic Life Solution to successfully install solar panels at our existing SA 2 plant building roof and commissioned in July 2020. This year, we are expanding to install solar panels at our SA 1 plant’s car park and at SA 2 plant’s new production building rooftop. In addition, we are adopting the Air Conditioning and Mechanical Ventilation (ACMV) System and install the Variable Refrigerant Flow (VRF) Air Conditioning Facilities for high energy efficiency and a better environment at the SA2 plant’s new

building. In the coming years, we will continue to promote and adopt the best sustainability practices in energy and carbon reduction management and aim towards realizing Panasonic Corporation’s vision of zero CO₂ emissions factory.



ENVIRONMENTAL COMPLIANCE: GRI 307-1

At PMMA, we recognise the importance of protecting the environment where we operate. We are vigilant and we remain committed towards minimising the impact of our operations to the environment. It’s our constant endeavour to ensure PMMA’s business complies with all applicable environmental laws and regulations in Malaysia through our established Environmental Policy. Our Environmental Facilities Committee (EFC) is responsible to conduct periodical monitoring and reviews of environmental performance at our manufacturing factories. Our Environment Management Department Team Leader as the appointed company’s Environment Management Representative (EMR) takes the lead to ensure all environmental-related requirements are met and prepare PMMA’s monthly environmental performance reports for submission to Panasonic Corporation.

One remarkable effort was proven with the certification of ISO 14001:2015 Environmental Management System (EMS) of both of our manufacturing factories SA 1 and SA 2 in Shah Alam. While we are fully committed to promote environmental stewardship within our business continuously, this certification is a testament to 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 audits and external audits annually. This reporting year, with zero cases of environmental non-compliance, we did not receive any fines or sanctions for non-compliance with environmental legislation across the reporting regulations and requirements.



SUSTAINABILITY REPORTING

(CONTINUED)



SOCIAL

EMPLOYMENT: GRI 401-1, GRI 401-2

When recruiting employees, the Company adopts a perspective of protecting fundamental human rights and engages in recruitment activities that comply with employment laws and regulations. PMMA as a labor-oriented organisation acknowledges the importance of putting our people first as the workforce is a crucial asset for our business performance. It is essential for us to keep developing human resources that can actively participate in our global business environment.

We are committed to develop all our 2,146¹ employees through training and equip them with appropriate skills to enhance their ability in confronting business challenges. On-the-job training (OJT) is conducted for all production staff including foreign workers by an in-house trainer. In addition, based on each employees' training needs we continuously provide technical and management training programmes that are dedicated to shape better career development for our employees in PMMA.

The list below provides examples of technical and management training programmes undertaken by employees in 2020.

Technical and Management Training Programmes	
(a) Panasonic Global E Learning Platform	<ul style="list-style-type: none"> Global Common Core Knowledge (GCCCK) Product Analysis Centre
(b) General Training	<ul style="list-style-type: none"> Basic Management Philosophy/Compliance/ISM ISO Training Occupational, Safety, Health & Environment Soft skill and personal development
(c) Management & Executive Development	<ul style="list-style-type: none"> Functional training (Human Resource, Information Technology, Sales, Finance, Procurement and etc) Digital Marketing & Microsoft Office
(d) Technical Training	<ul style="list-style-type: none"> Manufacturing Innovation (A Next)/IR 4.0/Robotics Panasonic Technical College (Long Term Japan Training) Engineering/Manufacturing Engineering Quality Management
(e) High Potential Training	<ul style="list-style-type: none"> Strategic Global Manager Programme (SGMP) Accelerated Management Development Programme (AMDP) Executive Development Seminar (EDS)

We believe that it is essential to create an organisation culture in which all individual employees can fully deploy their talents regardless of age, gender or nationality. Thus, we regard the promotion of diversity as a crucial part of our business strategy, providing a broad range of opportunities for anyone with ability and ambition, and actively strive to create a rewarding work environment. This is also apparent in our recruitment processes, appraisals and promotion exercises to provide equal opportunity and a fair working environment for everyone in the Company. As we believe our success lies in every employee, we strive to attract, train and retain the right talents in the right position. This is attained through talent development and the provision of a fair and safe working environment in the Company. In addition, we reward our employees' success and achievements with appropriate remuneration and benefits.

Moving forward, we aspire to develop the next generation of Panasonic leaders through the structured global talent management framework. The Executive Development Training, through specially designed customised programmes that prod, inspire, motivate and enlighten executive candidates with fresh ideas, innovative ways of thinking, mindset change, deeper awareness of self, others and of the rapidly changing environment will develop the next generation of Panasonic leaders. With exposure to deeper insights in business strategy and trends, candidates develop strategic and critical thinking skills through traditional and action learning, interactions and discussions with academics from top class universities and professional expert trainers with deep industry experience, as well as peer learning through project work, sharing and discussions with like-minded colleagues from diverse backgrounds across Panasonic Group.

¹ This includes total number of permanent, temporary, outsource and foreign employees at PMMA during the reporting year.

Permanent Employee Statistics for Financial Year Ended 31 March 2021[^]

In total, 74.5% of PMMA's **new permanent non-executive employees** account for those under the age of 30. Our new permanent non-executive employees are mainly male due to the nature of our manufacturing operation, whereby the percentage for males is higher with 74.5%. As for the new **permanent executives**, 100% hired were also from the the age of under 30 group and new male hired was 60%. Overall, PMMA saw an average turnover rate of 6.0% for **permanent non-executive employees** and 9.3% for **permanent executive employees** during the reporting year¹.



Executive Employees

Total
270

SUSTAINABILITY REPORTING

(CONTINUED)

Rate of new employee hired at end of March 2021

Rate of new employee hires by age	Male	Female	Total
Under 30 years old	6	4	10 (100%)
30-50 years old	0	0	0
Over 50 years old	0	0	0
Total	6 (60%)	4	10

Rate of employee turnover at end of March 2021

Rate of new turnover hires by age	Male	Female	Total
Under 30 years old	5	1	6
30-50 years old	6	6	12
Over 50 years old	6	1	7
Total	17	8	25 (9.3%)



Non-Executive Employees

Total
980

Rate of new employee hired at end of March 2021

Rate of new employee hires by age	Male	Female	Total
Under 30 years old	25	13	38 (74.5%)
30-50 years old	13	0	13 (25.5%)
Over 50 years old	0	0	0
Total	38 (74.5%)	13	51

Rate of employee turnover at end of March 2021

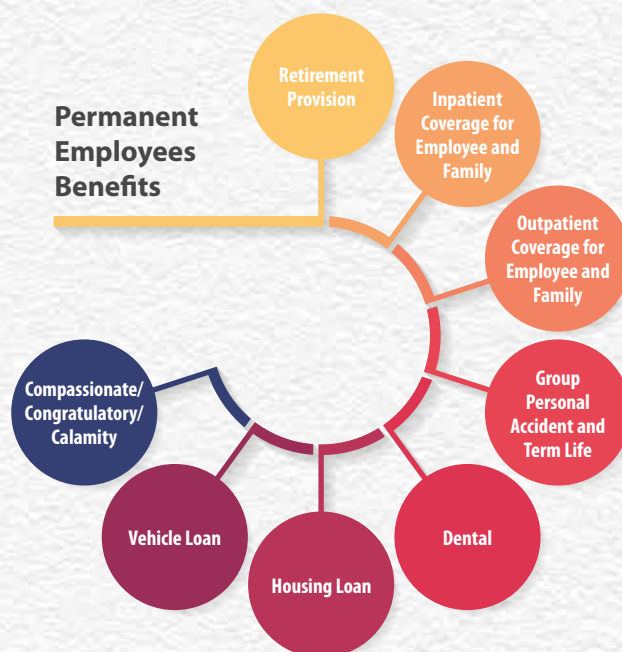
Rate of new turnover hires by age	Male	Female	Total
Under 30 years old	12	7	19
30-50 years old	10	9	19
Over 50 years old	17	4	21
Total	39	20	59 (6.0%)

[^] The employee statistics does not include PMMA's temporary, outsource and foreign employees at PMMA during the reporting year.

Permanent Employee Benefits

PMMA acknowledges the importance of our employee's welfare. We aim to provide our employees with a conducive and good working environment. Hence, PMMA works to meet and surpass all legal requirements regarding employee benefits, including offering life insurance, healthcare checks, housing loans, retirement provision and more. PMMA continuously undertakes periodic audits to check adherence to all our systems and procedures in relation to employment. For this reporting year, we comply with all relevant Employment Laws and Regulation.

The following are the benefits we provide to our permanent employees.



Permanent non-executive employees' benefits are governed by the Collective Agreement while the benefits for permanent executive employees are governed by the Terms and Conditions of Employment for Management Staff. Both have almost an identical list of benefits with several differences in terms of entitlement.

EMPLOYEE ENGAGEMENT AND SATISFACTION: GRI 401

Panasonic believes in "individuals and an organisation in constant evolution" as an engine of growth. We believe that it is crucial to combine the individual strength of each employee to fully realize the potential of the organisation. Therefore, to accomplish this, Panasonic strives to create an organisation that is open and broad-minded. Putting this belief into action, surveys of employees' opinions were carried out.

SUSTAINABILITY REPORTING

(CONTINUED)

PMMA participated annually in the Panasonic Employee Opinion Survey (EOS). This survey is handled by an independent consulting firm partnering with Panasonic and all replies were obtained anonymously. The purpose of this survey is to understand the state, needs and issues of our employees and find opportunities to create more value for them working at Panasonic. Issues identified in this survey are factored into an action plan. Our permanent employees can express their opinion on a set of questions relating to common themes of selected dimension on what need to do to make Panasonic the company of choice to work for.

To recap, our year 2019 EOS action plan is back on track after MCO in June this year, throughout the year, respective department heads had shared EOS results and taken actions to mitigate or strengthen the engagement and enablement issues from the collective voices.

In year 2020, the survey was conducted in December 2020 and the result shows an improvement compared to the 2019 results.

EOS result for 2019



EOS result for 2020



The three most favourable scoring themes remain the same as the previous year where our employees feel most positive of Clear & Promising Direction, Quality & Customer Focus and Employee Enablement. Hence, we will continuously take necessary actions for the betterment of the Company and employees' benefits as well, ensuring the Company and employees grow together.

A BETTER DIALOGUE: GRI 401

To continue contributing and responding in a rapidly changing world, the strength of each employee is vital. Panasonic approach is to create new value through **A Better Dialogue** based on our Basic Business Philosophy focusing on the employee-manager relationship. Improving both the quality and quantity of employee-manager dialogue is important for realising the contribution that results from each employee growing and taking on new challenges.

This year, at PMMA, we continue with dialogue between Group Manager and their team members (Management Staffs). Free and open discussion to discover where the employee wants to be in the future and look at the employee's contribution and performance towards the Company's growth. Managers continue to provide appropriate support for each employee to grow and take on new challenges. We will strive to foster mutual understanding and trust through effective communication on an employee initiative basis for improving employee and the Company's performance.

FOREIGN LABOUR MANAGEMENT: GRI 402

PMMA has adopted the Panasonic Group of Companies in Malaysia Policy on the Responsible Recruitment and Employment of Foreign Migrant Workers ("Foreign Worker Policy in Malaysia") which was established in April 2020 which covers recruitment of foreign migrant workers.

The Panasonic Code of Conduct expressly states that "we must respect human rights and do our best to understand, acknowledge and respect the diverse cultures, religions, mind-sets, laws and regulations of people in the different countries and regions where we conduct business". In April 2015, Panasonic Corporation complemented the Code of Conduct by setting its Global Human Rights and Labor Policies. Panasonic Group Companies in Malaysia that includes PMMA has adopted the Foreign Worker Policy in Malaysia as an intermediate step towards adoption of the full provisions of the Panasonic Global Human Rights and Labor Policies. By implementing the said policy, Panasonic Group of Companies in Malaysia have agreed to closely align their approaches and to work together as one group.

SUSTAINABILITY REPORTING

(CONTINUED)

PMMA has consented not to charge nor allow Recruitment Agencies to charge foreign migrant workers any recruitment fees or costs related to their employment. Upon selection, all foreign migrant workers shall be provided with the standard template employment contract of Panasonic Group Companies in Malaysia in English and translated into the workers' native languages. Wages paid complies with all applicable local wage laws, including laws relating to minimum wages, overtime allowances and any fringe benefits required by law and/or contract. We have provided a workplace that is free of any form of harsh, abusive, or inhumane treatment and provided safe, adequate and decent accommodations.

OCCUPATIONAL SAFETY AND HEALTH: GRI 403-1, GRI 403-2

PMMA acknowledges the importance of putting our people first. Our Occupational Safety and Health (OSH) management is to promote a comfortable and safe workplace for all our employees. It is PMMA's policy to prevent injuries and ill-health hazards in all work environments and managed through risk management programme, improve productivity & employee morale as well as comply with relevant legal and other requirements. The Company has conducted briefings to increase employees awareness on the importance of occupational safety and health knowledge, safe work environment and compliance to relevant legal requirements as well as management of this risk level.

PMMA has its own localised OSH Policy which aims to achieve high standards of OSH across every aspect of our business. This policy is supported with detailed SOPs for activities in our manufacturing plants and lays the foundation for our OSH governance framework. Besides having our own SOPs, we also adopt stringent SOPs from Panasonic Corporation's OSH Activity Guideline. The OSH Management System that has been established since the year 2013 has further enhanced our established policy and SOPs. In line with our OSH policy, various initiatives such as safety inspection of new machines, daily OSH procedures and safety trainings have been implemented and made compulsory in PMMA's business operation.

Our Safety and Health Committee is headed by our Managing Director and comprises employee representatives from all levels as per the legal requirements including top management, executives and on-the-ground workers. The joint management-worker Health and Safety Committee consists of approximately 5% representatives from on-the-ground workers. This Committee is responsible to investigate and discuss employee hazard prevention measures, root causes of occupational accidents, measures for recurrence prevention, prevention measures for employees' health issues, as well

as employee health maintenance and promotion measures. We conduct monthly review meetings with our Managing Director, who is responsible for driving the discussion on OSH management systems and evaluation. This Committee is also responsible for organising initiatives related to OSH that includes internal and external training. The budget has been approved and allocated accordingly for OSH training and developments. We have established an internal or external feedback or complaint mechanism to review all feedbacks by the management representative and reported to the top management. Any feedback or complaints will be investigated and an action plan will be formulated within 14 days.

In order to maintain our occupational safety and health efforts and to continuously improve them, we have annual internal and external audits. Cross reference audits have also been conducted at group level locally and from Business Divisions of Japan. We are fully committed to continuously promote OSH practices within our business. As a result, we have been certified with ISO 45001:2018 Occupational Health and Safety Management since January 2020. This certification is testament of our efforts in complying with the relevant legal requirements and creating a safe working environment. Through a structured management system, PMMA aspires to instill better awareness of hazards and reduced risk, improve health and safety in the workplace and aim for zero rates of injury in the coming years.

Total number of lost workdays due to reported injuries & occupational diseases	Total number of injury cases	Injury rate
15.5	14	0.79

Note: The above is based on 3,538,710 hours worked.

The total number of lost workdays refers to the total number of days where workers are unable to perform their usual work because of occupational disease/accident/injury (which in this case does not include MC, hospitalisation leaves due to other causes).

The injury rate refers to the total number of injury cases x 200,000/the total number of hours worked in a year (The factor of 200,000 results from 50 working weeks for 40 working hours per 100 employees. The rate obtained using this formula relates to the number of employees and not number of hours).



SUSTAINABILITY REPORTING (CONTINUED)

Occupational Safety and Health Activities



Hearing Conversation Training



Annual Local Exhaust Ventilation (LEV) Inspection



First Aid Training



Annual Audiometric Test



Safety & Health Committee Training



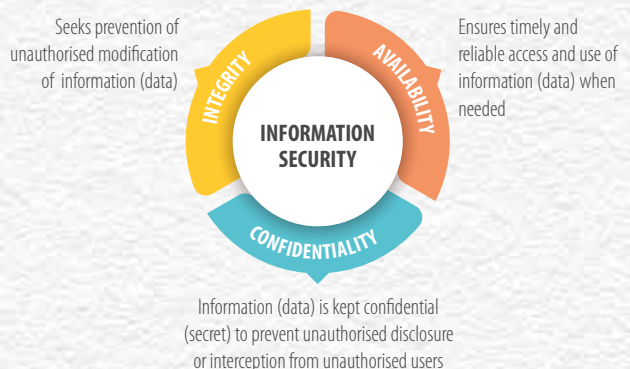
ISO 45001 Internal Auditors Training

ENSURING HEALTH AND SAFETY OF OUR PRODUCTS: GRI 416-1

It is PMMA's utmost priority to ensure products delivered to market are safe for consumers through-out product life due to the trust put on the brand name. PMMA adheres to the Panasonic Corporation Safety Standard in addition to regulatory requirements assuring products developed and marketed are safe thus limiting the extent of liability claims. Every new model goes through stringent construction and performance checks from the safety aspect and is reported to Top Management during the development stage. We have adopted a 'Bad news First' culture by establishing immediate reporting to Managing Director for safety issues in the market to ensure quick information gathering and decision making. We have a target of 'Zero Product Safety issue' in the market, in terms of harm to consumer and property damage. Food sanitation tests are made compulsory for parts in-contact with food ensuring no health hazard from the material used. Various product and system audits, from domestic certification body, SIRIM and from external parties by respective country's authorised certification body create a platform for check and balance of PMMA's approach on ensuring health and safety of our products. No customer health or safety concern issues occurred from both current and new products in the market for the reporting year.

PMMA'S INFORMATION SECURITY MANAGEMENT (ISM) SYSTEM: GRI 418

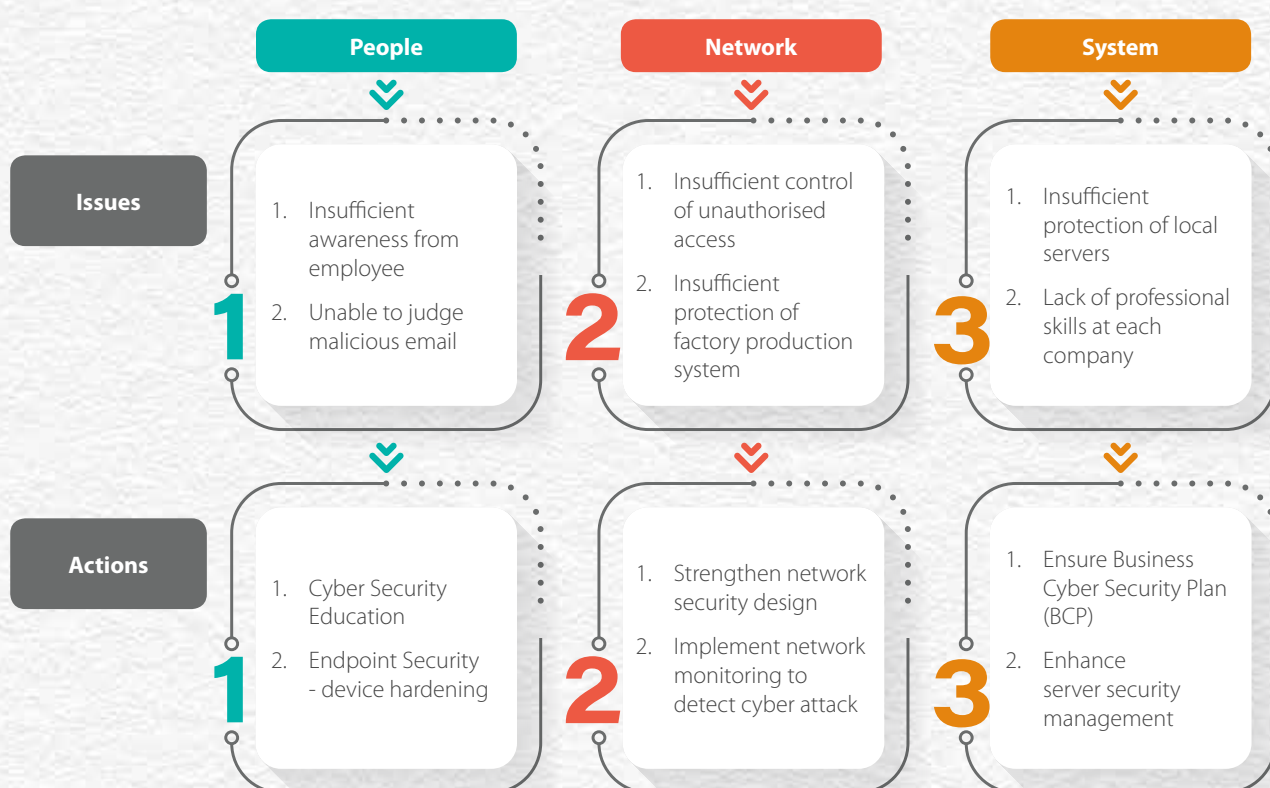
PMMA is aware of the importance of protecting the Confidentiality, Integrity and Availability of the Company's Confidential Information against internal and external threats or risks. To prevent data leaks and data tampering, PMMA is committed to ensure and manage information security through the implementation of organisational, technological and physical security management policies. Through such efforts, information security heightens public confidence and further enhances our corporate value to sustain the growth of the Company.



SUSTAINABILITY REPORTING

(CONTINUED)

In the age of digital transformation, we believe cybersecurity should be a core emphasis of PMMA's operations. Cyber-attack can cause major damage to our business. To avoid cyber threats, we need to manage cyber risk diligently. Following this, we categorise cyber risk into three categories: people, network and system. Several potential issues within each category alongside mitigating actions were identified to ensure effective information security management.



Awareness education and training are continuously provided to all employees to raise employee's awareness and knowledge about information security and to cultivate a workplace culture that is highly sensitive to information security risks to control and prevent accidents and ensure continuous compliance with the Information Security Management System ISO 27001:2013. We have conducted AP Domain ISM Educational Programme and completed ISM e-test for our employees.

IT Security Enhancement activities successfully implemented during the reporting year include:

- PCTM Software Management Utilisation by selected Department to avoid information leakage for important information (Prevention of security breaches by employees with access rights)

- SA2 Plant Factory Network Security Firewall in April 2020

- Endpoint Security Enhancement (EDR) for Unknown Malware Virus Protection

- Software APT for inbound mails and conduct APT Email Attack Drill Exercise for Cyber Security Attack protection

SUSTAINABILITY REPORTING

(CONTINUED)

PANDEMIC OUTBREAK – COVID-19

This year was a challenging year as far as the employees' health, working environment and safety are concerned. PMMA responded swiftly to the COVID-19 pandemic. PMMA established an emergency response plan team outlining key personnel of the organisation with clear roles and responsibilities. We have implemented SOPs in compliance with the Ministry of International Trade and Industry (MITI), Ministry of Health (MOH) and Department of Occupational Safety and Health (DOSH) guidelines. We are committed to ensure all SOPs to curb the spread of COVID-19 are followed and complied with.

After a year, the threat of the COVID-19 pandemic is very much still there. The Malaysian Government started the rollout of the vaccination programme for COVID-19 in February 2021 and is expected to facilitate the eventual resumption of economic activity. However, the recent resurgences in COVID-19 cases have triggered the Malaysian Government to announce the implementation of Movement Control Order (MCO) 3.0. As such, efforts to control the spread of the virus, including social distancing and frequent sanitisation will still be essential in our day-to-day lives.

Since the beginning of the pandemic outbreak, we have implemented various measures such as daily temperature check, wearing of gloves, MySejahtera check-in, hand sanitizers placed throughout the plant, regular disinfection activity carried out at end of each shift at workplace and partition installed in the canteen, production line and at the office. Similar activities were also implemented at foreign workers' hostel such as disinfection, workers temperature check before boarding the bus, MySejahtera check-in and maintaining social distance in the bus. In December 2020, the Company arranged for mandatory swab testing at our premises for all our employees. In addition, as part of the Company's preventive measures, any employees who have symptoms or are identified as close contacts to COVID-19 infected persons are immediately sent for swab tests and to undergo home quarantine, if necessary. The Company's Safety team works closely with the local district health office to enhance the operating procedures to curb the spread of the virus amongst its employees. During the MCO and Conditional Movement Control Order (CMCO) periods, we have embraced a new norm working style, "Work From Home" (WFH) for our management staffs who are not involved in production operation.

As a result of the strict SOPs and precautionary guideline being implemented and followed accordingly throughout the year, Company was able to operate safely and efficiently under the new norm with minimal disruption to the business due to the COVID-19 pandemic. With all these measures in place and strictly followed, the Company will be able to operate safely and efficiently under the new norm.

COVID -19 Standard Operation Procedure at PMMA's Factory



Temperature Check at PMMA Entrance



MySejahtera check-in



Social Distancing –
Production Line Partition



Social Distancing –
Office Table Partition



Mandatory Swab Test for all employees on 19 December 2020

SUSTAINABILITY REPORTING

(CONTINUED)



Daily Workplace Disinfection



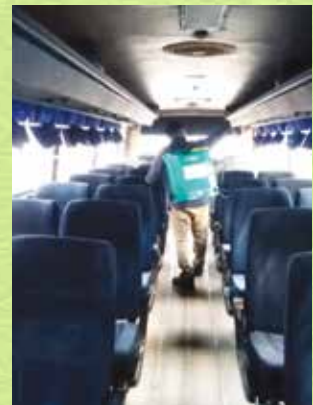
Social Distancing –
Canteen Table Partition



COVID-19 Standard Operation Procedures at Foreign Workers Hostel



Hostel room disinfection



Bus disinfection



Temperature check before boarding bus



MySejahtera check in



Bus seating social distancing

SUSTAINABILITY REPORTING

(CONTINUED)

GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosures	Page Reference
ORGANISATIONAL PROFILE		
GRI 102-1	Name of the organisation	Cover Page
GRI 102-2	Activities, brands, products and services	8-17
GRI 102-3	Location of headquarters	3
GRI 102-4	Location of operations	8
GRI 102-5	Ownership and legal form	3,85
GRI 102-6	Markets served	4,9
GRI 102-7	Scale of the organisation	4,9
GRI 102-8	Information on employees and other workers	30-31
GRI 102-9	Supply chain	19,27
GRI 102-10	Significant changes to organisation and its supply chain	-
GRI 102-11	Precautionary Principle or approach	34
GRI 102-12	External initiatives	-
GRI 102-13	Membership of associations	-
STRATEGY		
GRI 102-14	Statement from senior decision-maker	5,21
ETHICS AND INTEGRITY		
GRI 102-16	Values, principles, standards and norms of behaviour	55-65
GOVERNANCE		
GRI 102-18	Governance Structure	55
STAKEHOLDER ENGAGEMENT		
GRI 102-40	List of stakeholder groups	22
GRI 102-41	Collective bargaining agreements	-
GRI 102-42	Identifying and selecting stakeholders	22
GRI 102-43	Approach to stakeholder engagement	22
GRI 102-44	Key topics and concerns raised	22
REPORTING PRACTISE		
GRI 102-45	Entities included in the consolidated financial statements	85
GRI 102-46	Defining report content and topic Boundaries	19
GRI 102-47	List of material topics	23
GRI 102-48	Restatements of information	-
GRI 102-49	Changes in reporting	19
GRI 102-50	Reporting period	19
GRI 102-51	Date of the most recent report	19
GRI 102-52	Reporting cycle	19
GRI 102-53	Contact point of questions regarding the report	20
GRI 102-54	Claims of reporting in accordance with the GRI Standards	In reference
GRI 102-55	GRI content index	38-40
GRI 102-56	External assurance	-

SUSTAINABILITY REPORTING

(CONTINUED)

GRI STANDARDS CONTENT INDEX (continued)

GRI Standards	Disclosures	Page Reference
TOPIC: ECONOMIC PERFORMANCE		
GRI 103-1	Explanation of the material topic and its Boundary	24
GRI 103-2	The management approach and its components	24
GRI 103-3	Evaluation of the management approach	24,41
GRI 201-1	Direct economic value generated and distributed	24
TOPIC: ANTI-CORRUPTION		
GRI 103-1	Explanation of the material topic and its Boundary	24
GRI 103-2	The management approach and its components	24
GRI 103-3	Evaluation of the management approach	24
GRI 205-2	Communication and training about anti-corruption Policies and procedures	24,25
TOPIC: PROCUREMENT PRACTICES		
GRI 103-1	Explanation of the material topic and its Boundary	27
GRI 103-2	The management approach and its components	27
GRI 103-3	Evaluation of the management approach	27
GRI 204-1	Proportion of spending on local supplier	27
TOPIC: MATERIALS		
GRI 103-1	Explanation of the material topic and its Boundary	29
GRI 103-2	The management approach and its components	29
GRI 103-3	Evaluation of the management approach	29
GRI 301-1	Materials used by weight or volume	29
TOPIC: EMISSIONS		
GRI 103-1	Explanation of the material topic and its Boundary	29
GRI 103-2	The management approach and its components	29
GRI 103-3	Evaluation of the management approach	29
GRI 305-5	Reduction of GHG emissions	29
TOPIC: ENVIRONMENTAL COMPLIANCE		
GRI 103-1	Explanation of the material topic and its Boundary	29
GRI 103-2	The management approach and its components	29
GRI 103-3	Evaluation of the management approach	29
GRI 307-1	Non-compliance with environmental laws and regulations	29
TOPIC : EMPLOYMENT		
GRI 103 -1	Explanation of the material topic and its Boundary	30
GRI 103 -1	The management approach and its components	30-31
GRI 103-3	Evaluation of the management approach	30-31
GRI 401-1	New employee hires and employee turnover	30-31
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or particular employees	31

SUSTAINABILITY REPORTING

(CONTINUED)

GRI STANDARDS CONTENT INDEX (continued)

GRI Standards	Disclosures	Page Reference
TOPIC: EMPLOYEE ENGAGEMENT AND SATISFACTION		
GRI 103-1	Explanation of the material topic and its Boundary	31-32
GRI 103-2	The management approach and its components	31-32
GRI 103-3	Evaluation of the management approach	32
GRI 401	Employment	32
TOPIC: FOREIGN LABOUR MANAGEMENT		
GRI 103-1	Explanation of the material topic and its Boundary	32-33
GRI 103-2	The management approach and its components	32-33
GRI 103-3	Evaluation of the management approach	32-33
GRI 402	Labour Management Relations	32-33
TOPIC: OCCUPATIONAL HEALTH AND SAFETY		
GRI 103-1	Explanation of the material topic and its Boundary	33-34
GRI 103-2	The management approach and its components	33-34
GRI 103-3	Evaluation of the management approach	33-34
GRI 403-1	Workers representation in formal joint management-worker health and safety committees	33
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	33
TOPIC: HEALTH AND SAFETY OF PRODUCTS		
GRI 103-1	Explanation of the material topic and its Boundary	34
GRI 103-2	The management approach and its components	34
GRI 103-3	Evaluation of the management approach	34
GRI 416-1	Assessment of the health and safety impacts of product and service category	34
TOPIC: DATA SECURITY PRACTICES		
GRI 103-1	Explanation of the material topic and its Boundary	34-35
GRI 103-2	The management approach and its components	34-35
GRI 103-3	Evaluation of the management approach	34-35
GRI 418	Data Privacy	34-35

FIVE-YEAR FINANCIAL SUMMARY

FINANCIAL YEAR ENDED 31 MARCH

		2021	2020	2019	2018	2017
Financial Data						
Revenue	RM'000	974,558	1,051,980	1,127,886	1,199,120	1,122,964
Profit before taxation	RM'000	135,151	141,227	131,310	166,312	158,099
Profit after taxation	RM'000	116,454	116,989	105,752	131,025	127,118
Gross dividends paid/proposed	RM'000	99,016	120,277	137,286	150,650	71,073
Net dividends paid/proposed	RM'000	99,016	120,277	137,286	150,650	71,073
Total assets	RM'000	972,580	976,742	1,009,729	1,071,194	1,005,444
Share capital	RM'000	60,746	60,746	60,746	60,746	60,746
Shareholders' funds	RM'000	812,718	816,541	836,838	881,736	821,784
Financial Ratios						
Return on shareholders' funds	%	14.3	14.3	12.6	14.9	15.5
Earnings per share	Sen	192	193	174	216	209
Net assets per share	RM	13.38	13.44	13.78	14.52	13.53
Dividend rate (gross)	%	163	198	226	248	117

FINANCIAL HIGHLIGHTS

FINANCIAL DATA		YEAR ENDED 31 MARCH 2021	YEAR ENDED 31 MARCH 2020
Revenue	RM'000	974,558	1,051,980
Profit before taxation	RM'000	135,151	141,227
Profit after taxation	RM'000	116,454	116,989
Percentage of revenue	%	11.9	11.1
Return on shareholders' funds	%	14.3	14.3
Earnings per share	sen	192	193
Dividend rate	sen	163	198
Shareholders' funds	RM'000	812,718	816,541
Net assets per share	RM	13.38	13.44
Total assets	RM'000	972,580	976,742
Capital expenditure	RM'000	42,652	50,438

FINANCIAL CALENDAR

FINANCIAL YEAR ENDED 31 March 2021	ANNOUNCEMENT OF RESULTS First Quarter 21 August 2020 Second Quarter 30 November 2020 Third Quarter 22 February 2021 Fourth Quarter/Annual 28 May 2021	ISSUANCE OF 2021 ANNUAL REPORT AND FINANCIAL STATEMENTS 30 July 2021	56TH ANNUAL GENERAL MEETING 30 August 2021
	INTERIM DIVIDEND Notice of Dividend Entitlement 30 November 2020 Entitlement Date 23 December 2020 Payment Date 22 January 2021	PROPOSED FINAL AND SPECIAL DIVIDENDS Notice of Dividend Entitlement 28 May 2021 Entitlement Date 9 September 2021 Payment Date 23 September 2021	INVESTOR MEETING First Meeting 11 June 2020 Second Meeting 19 August 2020 Third Meeting 13 January 2021

SHARE PERFORMANCE

CLOSING SHARE PRICE (RM)



	2020										2021	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	32.68	31.98	31.70	32.00	31.80	31.74	28.88	31.20	32.30	30.80	30.58	31.36
Lowest (RM)	25.80	30.30	28.50	30.00	30.50	27.88	28.04	28.00	30.50	29.40	29.84	30.28
Closing Share Price (RM)	31.50	30.62	30.00	30.90	30.90	28.42	28.12	31.06	30.80	30.00	30.56	31.00
Lots Traded (100 shares)	3,261	1,198	4,542	8,683	4,438	6,961	1,708	2,092	2,216	1,815	2,515	1,208

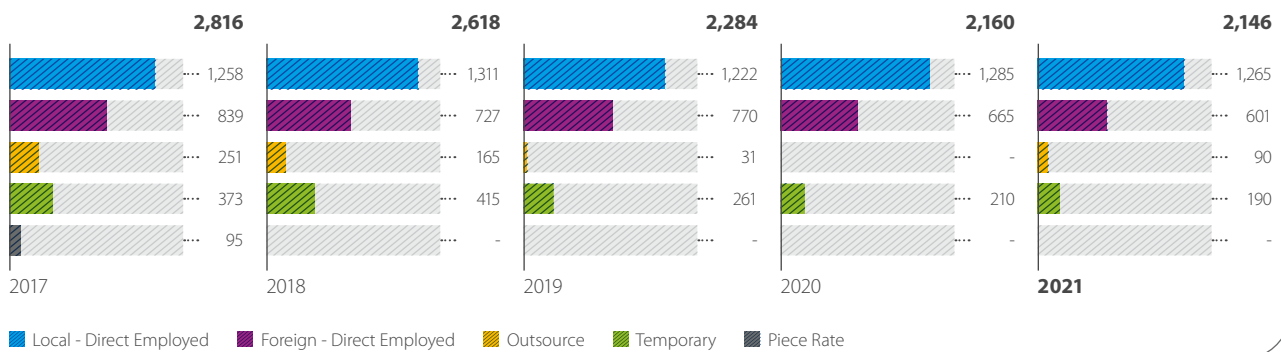
	2019										2020	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	38.30	38.80	39.90	40.60	41.02	41.20	38.20	38.10	39.92	37.00	34.60	33.00
Lowest (RM)	37.20	37.52	38.00	39.34	39.54	37.50	37.42	37.00	36.80	34.52	30.74	22.82
Closing Share Price (RM)	37.82	38.32	39.40	40.00	40.98	37.80	37.68	37.08	37.00	34.60	33.36	26.88
Lots Traded (100 shares)	1,578	705	2,505	2,608	1,350	6,166	4,580	1,514	7,207	6,911	3,207	6,025

	2018										2019	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	35.12	40.00	38.88	38.84	41.90	40.40	39.18	38.60	38.10	38.40	39.00	38.48
Lowest (RM)	33.50	30.00	35.60	36.50	38.84	37.40	37.28	37.52	37.40	37.42	37.60	37.10
Closing Share Price (RM)	35.00	38.00	37.34	38.78	40.00	38.56	38.06	38.00	37.68	38.00	38.10	37.70
Lots Traded (100 shares)	4,684	6,766	3,577	5,239	9,049	3,936	7,281	12,186	6,680	2,486	3,545	9,290

FIVE-YEAR TREND

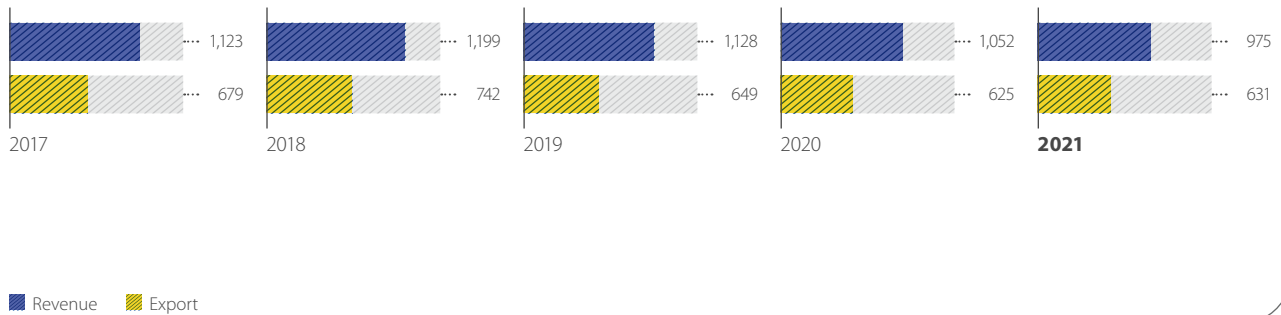
EMPLOYMENT

(Number of Persons)



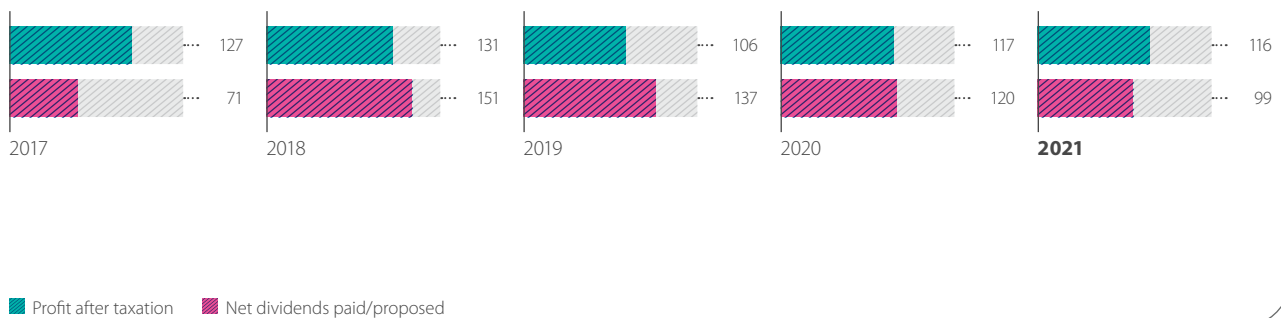
REVENUE/EXPORT

(RM million)



PROFIT AFTER TAXATION/ NET DIVIDENDS PAID/PROPOSED

(RM million)

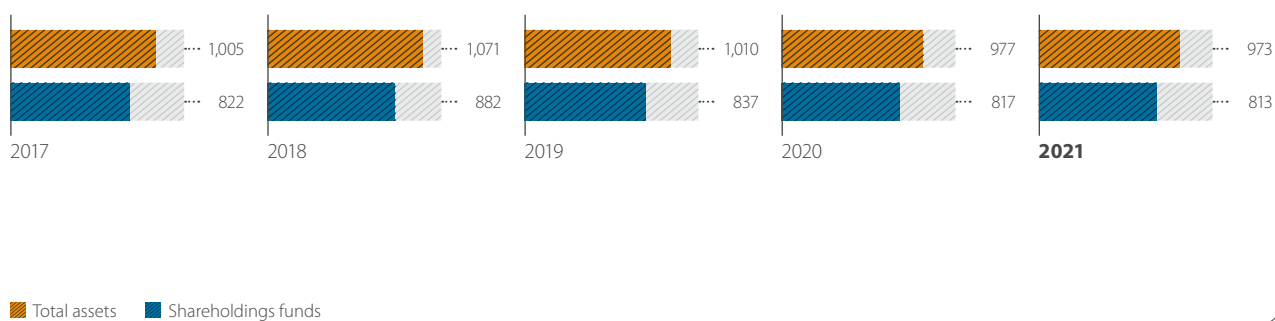


FIVE-YEAR TREND

(CONTINUED)

TOTAL ASSETS/ SHAREHOLDINGS FUNDS

(RM million)



NET ASSETS PER SHARE

(RM)



EARNINGS PER SHARE

(Sen)



BOARD OF DIRECTORS' PROFILE



**TAN SRI ASMAT
BIN KAMALUDIN**

**Chairman,
Senior Independent
Non-Executive Director**

Date of Appointment:
29 August 2001

Age: **77**

Nationality: **Malaysian**
Gender: **Male**

Tan Sri Asmat obtained a Bachelor of Arts (Hons) Degree in Economics from the University of Malaya in 1966 and subsequently obtained a Diploma in European Economic Integration from the University of Amsterdam in 1970.

He had a distinguished career with the Ministry of International Trade and Industry, Malaysia ("MITI") for 35 years until his retirement as Secretary-General in January 2001. Tan Sri Asmat also had wide exposure in both domestic and international trade sectors whilst at MITI. He had served as Economic Counsellor for Malaysia in Brussels and worked with international bodies such as ASEAN, WTO and APEC and was actively involved in national organisations such as Johor Corporation, SMIDEC and MATRADE. In 2008, he was appointed by MITI to represent Malaysia as Governor on the Governing Board of The Economic Research Institute for ASEAN and East Asia a position he held for six years.

Currently, Tan Sri Asmat is the Group Chairman of Compugates Holdings Berhad and a Non-Executive Vice-Chairman of YTL Cement Berhad. He also sits on the Board of JACTIM Foundation and Air Asia X Berhad.

Tan Sri Asmat 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 four out of five 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.



KENJI KAMADA
Managing Director

Date of Appointment:
1 April 2021

Age: **56**

Nationality: **Japanese**
Gender: **Male**

Mr Kamada graduated with a Master's Degree in Mechanical Engineering from Kobe University, Japan. Mr Kamada joined Matsushita Electric Works Company, Ltd. (now known as Panasonic Electric Works Co., Ltd.), an affiliated company of Matsushita Electric Industrial Co., Ltd. (now known as Panasonic Corporation, Japan) ("PC") in Japan in April 1990 as an Engineer. In June 2000, Mr Kamada was promoted as the Manager of the Research & Development department of the Beauty Care Products Division and subsequently as the divisions General Manager in April 2007. In April 2009, Mr Kamada was transferred to Panasonic Electric Works (Thailand) Co., Ltd. as a Director of the Home Appliances Division until January 2012 where he was then assigned to Panasonic Manufacturing (Thailand) Co., Ltd. with the same role. He returned to Japan in January 2014 and was appointed as the General Manager of the Beauty Living Product Business Division, Appliances Company of PC. Mr Kamada was assigned to Panasonic Appliances Company of China as the General Manager of

Business Planning Department in June 2015. Since November 2016, Mr Kamada was the Managing Director of Panasonic Appliances (Thailand) Co., Ltd. and Panasonic Appliances R&D Center (Thailand) Co., Ltd., the Thai subsidiaries of PC. He held this position until his appointment to Panasonic Manufacturing Malaysia Berhad.

Mr Kamada holds 1,178 shares of Panasonic Corporation, the ultimate holding company of the Company but has no shareholdings in the Company and the 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 did not attend any Board Meetings during the financial year as he was appointed to the Board only recently and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

BOARD OF DIRECTORS' PROFILE

(CONTINUED)

RAJA ANUAR BIN RAJA ABU HASSAN

**Independent
Non-Executive Director**

Date of Appointment:

1 January 2017

Age: **66**

Nationality: **Malaysian**

Gender: **Male**

YM Raja Anuar 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 since his appointment to the Board and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

DATO' KAZIAH BINTI ABD KADIR

**Independent
Non-Executive Director**

Date of Appointment:

3 September 2019

Age: **71**

Nationality: **Malaysian**

Gender: **Female**

Dato' Kaziah 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's Degree in Arts (Economics) from University of Malaya.

Dato' Kaziah has vast experience in various government policies on the manufacturing sector and services related to manufacturing, operational and development works on the service industry promoted under the Third Industrial Master Plan (IMP3) and investment measures for Malaysia within ASEAN, APEC, ASEM and WTO.

She started her career as an Assessment Officer at the Department of Inland Revenue. She then joined Malaysian Investment Development Authority ("MIDA") and gathered more than 30 years experience there holding various positions including as Economist of Evaluation and Regional Affairs Division, Deputy Director of Resource-based Industries Division, Deputy Director of Industrial Promotion Division and Director of Strategic Planning and International Cooperation Division. She held the position of Deputy Director General I from 2003 until her retirement on 1 April 2008.

During her tenure with MIDA, she was the Chairperson of the ASEAN Investment Coordinating Committee on Investment for the term 2006/2007

and a member of the Malaysian Logistic Council and the Malaysian Services Development Council from 2006 until 2008.

Following her retirement from public service, she served as an advisor to the Investment Management Division of the East Coast Economic Region Development Council from March 2009 until February 2019 and contributed to a project to enhance the ECER incentive package and formulated the standard operating procedures for incentive application and evaluation. She is also Advisor to Pricewaterhouse Coopers Taxation Services Sdn. Bhd. appointed since 2008 assisting on industrial policies and tax incentives.

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

(CONTINUED)



**TAN SRI HASMAH
BINTI ABDULLAH**

**Independent
Non-Executive Director**

Date of Appointment:
2 October 2013
Age: **70**
Nationality: **Malaysian**
Gender: **Female**

Tan Sri Hasmah 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 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.

Tan Sri Hasmah had led the Malaysian delegation to several international conferences such as the Commonwealth Association of Tax Administrators Conference, the Study Group on Asian Tax Administrators and Research (SGATAR) Conference, the Association of Tax Administrators of Islamic Countries (ATAIC) Conference, International Tax Dialogue (ITD) and Reference Group of Commissioners Conference.

During her leadership at IRB, vast improvements and policy changes to the service delivery system were introduced in the IRB, in particular, refunds, which were made faster with the use of electronic filing. For the improvements and innovations that had impacted positively on the taxpaying public,

the IRB was awarded the inaugural Prime Minister's Innovation Award in 2009. Tan Sri Hasmah was also a Tax Advisor to PricewaterhouseCoopers Malaysia for the period 1 July 2011 to 30 September 2013 and a Commission Member of Securities Commission Malaysia from 10 March 2011 until 31 December 2018.

On 12 September 2018 until February 2020, she was appointed the Chairperson of the Tax Reform Committee set up by the Minister of Finance to look into reforms of the Malaysian tax system. She is currently an Independent Non-Executive Director of UMW Holdings Berhad.

Tan Sri Hasmah also sits on a few non-governmental organisations, namely on Executive Council member of the Selangor and Federal Territory Association for the Mentally Handicapped, Board of Trustees of Dana Amal Jariah, Yayasan Allamiyah and since 30 April 2018, the Alzheimer Disease Foundation Malaysia.

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 four out of five 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' AZMAN
BIN MAHMUD**

**Independent
Non-Executive Director**

Date of Appointment:
15 April 2021
Age: **60**
Nationality: **Malaysian**
Gender: **Male**

Dato' Azman graduated with a Bachelor's Degree in Engineering from University Putra Malaysia. He has also attended several Leadership Development programmes conducted by Harvard Business School, Harvard Kennedy School, INSEAD France, General Electric Management, Research and Development, Crotonville New York and the Temasek Foundation International Asia Leader's Connect Singapore.

Dato' Azman was the former Chief Executive Officer ("CEO") of the Malaysian Investment Development Authority ("MIDA") having served in various positions across many divisions within MIDA since year 1989 until his retirement on 1 April 2021. During his tenure with MIDA, he also served in overseas posting. As CEO of MIDA, he led MIDA in driving the investment agenda of Malaysia to achieve national investment targets from 2014 till March 2021. He also led the transformation of MIDA towards a world-class Investment Promotion Agency.

Dato' Azman has held various other Board positions and has been a member of various government agencies and special task force related to development of businesses and investments. He is currently the Chairman of UPM Holdings Sdn. Bhd.,

a wholly owned company by Universiti Putra Malaysia held since May 2019 and a Director of the Malaysia Petroleum Resources Corporation, an agency under the Economic Planning Unit of the Prime Minister Department held since 2014. He was appointed an investment panel member of Penjana Kapital established by the Ministry of Finance on July 2020. He has been a Board member of Kulim Technology Park Corporation, the developer and manager of Kulim Hi-Tech Park since March 2014. He was recently appointed to the Board of Invest Sabah, an investment promotion agency for the state of Sabah on March 2021.

Dato' Azman is an Independent Non-Executive Director on the Board of Privasia Technology Berhad and GDex Berhad.

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 did not attend any Board Meetings during the financial year as he was appointed to the Board only recently and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

BOARD OF DIRECTORS' PROFILE

(CONTINUED)



SHIGERU DONO

**Non-Independent
Non- Executive Director**

Date of Appointment:

19 July 2019

Age: **59**

Nationality: **Japanese**

Gender: **Male**

Mr Dono graduated from Kyoto University in Engineering Science.

Mr Dono joined Matsushita Electric Works Company (now known as Panasonic Corporation ("PC")) in Japan in April 1986. In June 2000 Mr Dono was promoted as the Manager of the Corporate Research & Development Center and in April 2006, he rose to the rank of Assistant Director of the Appliances Business Division.

Thereafter, he held senior management position in various manufacturing, procurement and innovation business units. In April 2015, Mr Dono was promoted to the position of Managing Officer, Appliances Company and was put in charge of planning and execution and in 2017 took charge of the Food Retail & Commercial Equipment Business.

In April 2019, Mr Dono was appointed the Executive Officer of PC. He is also the Vice President of Appliance Company and the Director of Kitchen Appliances Business Division of PC.

Mr Dono holds 2,965 shares of Panasonic Corporation, the ultimate holding company of the Company but has no shareholdings in the Company and the 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.



KWAN WAI YUE

Executive Director

Date of Appointment:

1 March 2018

Age: **53**

Nationality: **Malaysian**

Gender: **Female**

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 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.

BOARD OF DIRECTORS' PROFILE

(CONTINUED)



SIEW PUI LING
Executive Director

Date of Appointment:
4 August 2014
Age: **57**
Nationality: **Malaysian**
Gender: **Female**

Ms Siew Pui Ling graduated from Asia University of Tokyo with a Bachelor's 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 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.



CHENG CHEE CHUNG
Non-Independent
Non- Executive Director

Date of Appointment:
1 April 2015
Age: **55**
Nationality: **Malaysian**
Gender: **Male**

Mr Cheng graduated with a Bachelor's Degree in Economics from University of Malaya.

Mr Cheng joined Matsushita Industrial Corporation Sdn. Bhd. ("MAICO") (now known as Panasonic Appliances Air-Conditioning Malaysia Sdn. Bhd. ("PAPAMY")) in November 1989 under the Personnel Section. In October 1994, he was transferred to Domestic Sales Department, before being promoted to Assistant Manager of Domestic Sales in July 1995. In June 1998, he was promoted to Manager, International Marketing of Global Customer Satisfaction Matsushita Air Conditioning Corporation Sdn. Bhd. (now known as PAPAMY). He was then transferred to Domestic Sales Department of MAICO in March 2000 before being promoted to Assistant General Manager, Domestic Sales Department in June 2001.

Mr Cheng was transferred to Panasonic Malaysia Sdn. Bhd. ("PM") under Air Conditioning Division in October 2004. In December 2006, he was transferred to Home Appliances ("HA") division of PM before being promoted as General Manager, HA Division

in April 2007. In April 2009, he was then promoted to Associate Director, Consumer Product Marketing. A year later he was promoted to the position of Director, Consumer Product Sales Division. With more than 20 years of sales experience, PM recognised his capability and promoted him to Deputy Managing Director in April 2013. He assumed the position of Managing Director of PM on 1 April 2015. Whilst he still holds this position, his scope of work now also includes regional oversight with his appointment as the Managing Director of Panasonic Management Malaysia Sdn. Bhd. on 4 January 2016.

Mr Cheng 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 four out of five Board Meetings held during the financial year and has no convictions for any offences within the past 10 years, other than traffic offences, if any.

STRATEGIC MANAGEMENT COMMITTEE MEMBERS' PROFILE



KENJI KAMADA
Aged 56. Japanese.

Mr Kamada was appointed the Managing Director of the Company on 1 April 2021. Mr Kamada graduated with a Master's Degree in Mechanical Engineering from Kobe University, Japan.

Mr Kamada joined Matsushita Electric Works Company, Ltd. (now known as Panasonic Electric Works Co., Ltd.), an affiliated company of Matsushita Electric Industrial Co., Ltd. (now known as Panasonic Corporation, Japan) ("PC") in Japan in April 1990 as an Engineer. In June 2000, Mr Kamada was promoted as the Manager of the Research & Development department of the Beauty Care Products Division and subsequently as the divisions General Manager in April 2007. In April 2009, Mr Kamada was transferred to Panasonic Electric Works (Thailand) Co., Ltd. as a Director of the Home Appliances Division until January 2012 where he was then assigned to Panasonic Manufacturing (Thailand) Co., Ltd. with the same role. He returned to Japan in January 2014 and was appointed as the General Manager of the Beauty Living Product Business Division, Appliances Company of PC. Mr Kamada was assigned to Panasonic Appliances Company of China as the General Manager of Business Planning Department in June 2015. Since November 2016, Mr Kamada was the Managing Director of Panasonic Appliances (Thailand) Co., Ltd. and Panasonic Appliances R&D Center (Thailand) Co., Ltd., the Thai subsidiaries of PC. He held this position until his appointment to Panasonic Manufacturing Malaysia Berhad.

Mr Kamada holds 1,178 shares of Panasonic Corporation, the ultimate holding company of the Company but has no shareholdings in the Company and the 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 has no convictions for any offences within the past 5 years, other than traffic offences, if any.



SIEW PUI LING
Aged 57. Malaysian.

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

Ms Siew 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's 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 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 nor any conflict of interest with the Company. She has no convictions for any offences within the past 5 years, other than traffic offences, if any.

STRATEGIC MANAGEMENT COMMITTEE MEMBERS' PROFILE

(CONTINUED)



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 nor any conflict of interest with the Company. She has no convictions for any offences within the past 5 years, other than traffic offences, if any.



Mr Sumitani was appointed the Director of the Company on 1 April 2019. He graduated with a Bachelor's Degree from National Institute of Technology, Akashi College, Japan (Mechanical Engineering), Hyogo, Japan.

Mr Sumitani joined Matsushita Electrical Industrial Co., Ltd. ("MEI") in 1991. After an extensive corporate training programme, he was assigned to the Production Engineering Section, Fuku Plant, Kitchen Appliances Division, Corporate Home Appliances.

In July 1994, Mr Sumitani was assigned to Production Engineering Section, Kobe Plant, Kitchen Appliances Division as a Production Engineer. Mr Sumitani was promoted to the Manager of Production Engineering Section, Kobe Plant of MEI in 2007. In 2013, he was appointed as Manager of Parts and Devices Manufacturing Section, Kobe Plant, Panasonic Corporation ("PC"). In 2015, he was assigned as Manager of Factory Planning Section, and was promoted to Plant Superintendent in April 2016 of Kobe plant.

In 2018, Mr Sumitani was assigned to Kitchen Appliances Business Division, PC as the Chief Manufacturing Officer (CMO) prior to joining the Company.

Mr Sumitani 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 has no convictions for any offences within the past 5 years, other than traffic offences, if any.

STRATEGIC MANAGEMENT COMMITTEE MEMBERS' PROFILE

(CONTINUED)



YUTAKA MORI
Aged 50. Japanese.

Mr 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. ("PESESGD") 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 nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years, other than traffic offences, if any.



**MOHAMAD ZAIDDI
BIN MUHAMAD ZAIN**
Aged 51. Malaysian.

Mr Zaidi was appointed the Assistant Director of the Company on 1 April 2016. He graduated with a Bachelor of Electrical & Electronic Information Engineering from University of Nagasaki, Japan in 1994.

Mr Zaidi joined the Company as Junior Executive of Gas Cooker/Engineering department in 1994. In 2002, he was promoted as Assistant Manager of Housing Product Department.

In 2005, Mr Zaidi was assigned as the Section Chief of Customer Satisfaction Section, Quality Assurance Department. Subsequently, in 2006 he was appointed as the Department Chief of Factory Engineering Department of appliances products. In 2008, he was assigned as Team Leader of Product Development Engineering Department for Home Shower new model development.

In 2016, Mr Zaidi was promoted to Assistant Director and was assigned to the factory operation management. Currently, he is responsible for kitchen appliances, home shower and electric iron.

Mr Zaidi 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 has no convictions for any offences within the past 5 years, other than traffic offences, if any.

STRATEGIC MANAGEMENT COMMITTEE MEMBERS' PROFILE

(CONTINUED)



Mr Goh was appointed the Assistant Director of the Company on 1 April 2013. He graduated with Certificate in Mechanical Engineering from Polytechnic Sultan Haji Ahmad Shah, Kuantan, Pahang in 1987.

Mr Goh joined the Company in 1988 as a Technician and had since held various positions in the Rice Cooker Department from 1988 to 1995. In 1995, he was assigned as Senior Executive of Rice Cooker Department. Thereafter, in 2001 he was promoted to Assistant Manager of R&D Centre for Home Appliance.

In 2003, Mr Goh was appointed as Manager of Rice Cooker Department. Subsequently, he was assigned as the Assistant General Manager of Rice Cooker Department in 2007. He was the Project Leader of Oracle System from 2009 until 2012 prior his appointment as a Group Manager of Product Development Engineering Department for appliance products.

In 2016, Mr Goh was assigned to the factory operation management of the Company and is responsible for kitchen appliances and electric iron. In 2020, he was assigned to Life Solutions Division as Division Executive.

Mr Goh holds 100 shares in the Company but has no shareholdings in the 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 has no convictions for any offences within the past 5 years, other than traffic offences, if any.



Mr Wong was appointed the Assistant Director of the Company on 1 April 2012. He graduated with Certificate in Radio & Television Engineering from the Technical Training Institute Kuala Lumpur in 1977.

Mr Wong joined the Company in 1978 as a Production Staff with Colour TV department and was promoted as a Technician in Production Engineering. He was later assigned a supervisory role in the TV Assembly section.

Mr Wong attended the Matsushita Oversea Training Centre in Japan and was trained in Manufacturing Engineering and Plant Management. He was also an active unionist for 10 years in the Electrical Industry Workers Union before being promoted to a management position in 1989.

In 2001 to 2008, he was assigned the Manager for Dry Battery Business, responsible for Factory operations and OEM customer service and support. He was later appointed as the General Manager for Kitchen Appliances Department in 2009.

In 2013 he was promoted to Assistant Director and was responsible for Appliances Division, business growth and expansion.

Mr Wong was later appointed the Division Executive for Panasonic Life Solutions Division in 2015, responsible for Manufacturing of Electric Fan products. In 2020, he was assigned as Division Executive of Manufacturing Capability Development, responsible for the promotions of Industry 4.0 and the company's Digital Transformation Programme.

Mr Wong holds 100 shares in the Company but has no shareholdings in the 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 has no convictions for any offences within the past 5 years, other than traffic offences, if any.

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 2017 (the "Code"), Panasonic Code of Conduct 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 2021 ("FY2021") as well as key focus areas and future priorities in relation to corporate governance. The detailed application of the Company's corporate governance practices vis-à-vis the Code is set out in the Corporate Governance Report that is available on the Company's website, www.pmma.panasonic.com.my. The Board is pleased to present this statement and explain how the Company has applied the three (3) principles set out in the MCGG:-

- 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.

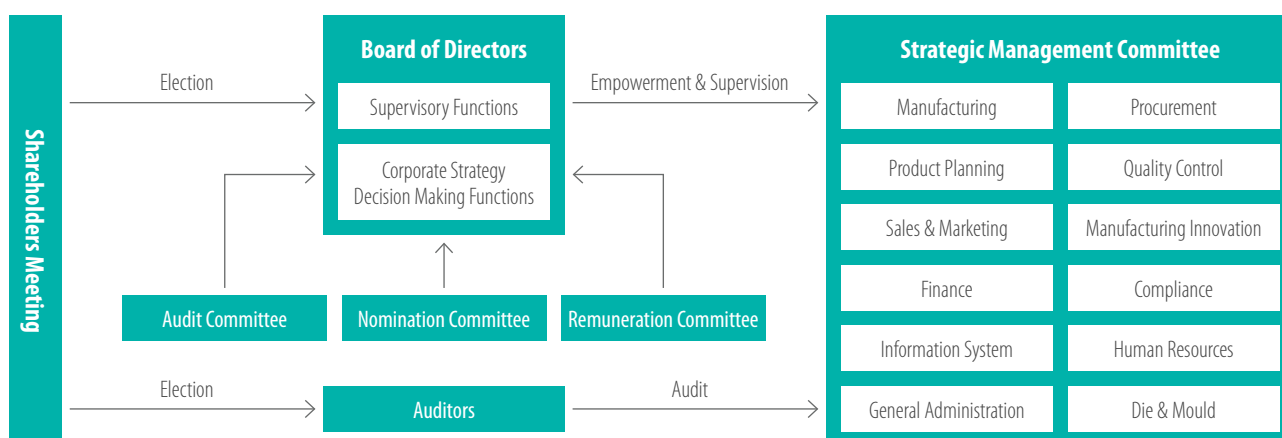
The Company has applied all the Practices encapsulated in the Code for the financial year ended 31 March 2021 except for:

- Practice 4.1 (Majority Independent Directors)
- Practice 4.2 (Two-tier shareholder voting process to retain an Independent Director who has served for more than 12 years);
- Practice 7.2 (Disclosure of the top five Senior Management personnel's remuneration on a named basis in bands of RM50,000); and
- Practice 11.2 (Adoption of integrated reporting).

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.

Diagram of Corporate Governance Structure:



CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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 46 to 50.

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 programme 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 30 November 2020.

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. 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

(CONTINUED)

Board Size, Leadership and Competencies

For FY2021, 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. Subsequent to the year end, the Company has appointed an additional Independent Director.

Currently, five (5) of the Directors on the Company's Board are representatives of PC, to enable the latter to implement its policy and strategy for the PC Group as a whole. The current ratio of Independent Directors to Non-Independent Directors are 5 : 5.

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. To this extent, the Company has improved on the ratio of Independent Directors to Non-Independent Directors from 4 : 7 to 4 : 5 since the financial year ended 31 March 2019 eventhough it was earlier targeted to be achieved by the financial year ending 31 March 2020. The earlier achievement of the 4 : 5 ratio reflects the earnestness of the Company to advance nearer to the intended application of the Code. The Board has reviewed this alternative practice to achieve the intended outcome for board decisions to be made objectively in the best interest of the Company 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 personalised 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 eventhough the Independent Non-Executive Directors do not form majority of the Board.

The Company is a subsidiary of Panasonic Corporation ("PC"), 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, PC 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.

The Independent Non-Executive Chairman, Tan Sri Asmat bin Kamaludin has served on the Board for a cumulative term of more than twelve (12) years. Notwithstanding the Practice 4.2 of the Code that limits the tenure of the Independent Directors to 9 years, the Board views that a Director's independence cannot be determined arbitrarily with reference to a set period of time. Nevertheless, the Board has agreed to set a limit for the tenure of independent directors to not exceed 12 years and to be implemented after the financial year ended 31 March 2021. As such, Tan Sri Asmat's tenure as independent director will cease at the forthcoming Annual General Meeting ("AGM") on 30 August 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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 Corporation controlled subsidiary, the Company's Executive Directors are rotated among the companies in the Panasonic Corporation 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, Tan Sri Asmat 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 although the Company had set the target to have at least 30% women directors within 5 years, i.e. by financial year ending 31 March 2023. The Company had achieved this target in 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 recognises the value of female members of the Board. The women directors presently form 40% of the Board. The age of the Directors range from 53 to 77 as the Board believes that this creates an environment where each generation brings different skills, experience and talents to the Board.

Conduct of Meetings

The Board met five (5) 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 2021 was as follows:

Name of Director	Meeting Attendance	% of Attendance
Tan Sri Asmat bin Kamaludin	4/5	80
Toyokatsu Okamoto (resigned on 31 March 2021)	5/5	100
Raja Anuar bin Raja Abu Hassan	5/5	100
Tan Sri Hasmah binti Abdullah	4/5	80
Siew Pui Ling	5/5	100
Cheng Chee Chung	4/5	80
Kwan Wai Yue	5/5	100
Shigeru Dono	5/5	100
Dato' Kaziah binti Abd Kadir	5/5	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.

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 programme including factory visits guided by other Executive Directors and senior management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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

No.	Continuing Education Programme Attended	Date
1.	Tan Sri Asmat bin Kamaludin • Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries	21 August 2020
2.	Toyokatsu Okamoto • FY2020 PAPMAP Regional Policy Meeting • Kitchen Appliances Business Division Policy Meeting • Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries • BP2021 PAPMAP Policy Meeting • ACBU Global Meeting • PWC National Budget • Anti-Bribery – Section 17A Corporate Liability & Adequate Procedures • FY2020 Asia Manufacturing MD Meeting	2 June 2020 9 June 2020 21 August 2020 2 October 2020 22 October 2020 24 November 2020 2 December 2020 3 February 2021
3.	Tan Sri Hasmah binti Abdullah • National Tax Conference 2020 • Progressive Board Review & Directors Global Masterclass Seminar • PowerTalk Global Series • The Regenerative Business of the Future • Digital Leadership and Communication During Turbulent Times	25 to 26 August 2020 22 to 23 September 2020 7 to 11 December 2020 7 December 2020 8 December 2020
4.	Siew Pui Ling • ADOPT OR ABORT? Top 5 Strategies for Board Directors to Implement AI • Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries	25 June 2020 21 August 2020
5.	Cheng Chee Chung • APAC FY2020 Policy Announcement Meeting • FY2020 Panasonic Appliances Marketing Asia Pacific Regional Policy Meeting • FY2020 Airon Product Meeting • FY2020 AV Product Meeting • FY2020 Major Appliances Product Meeting	27 May 2020 2 June 2020 16 July 2020 17 July 2020 27 August 2020
6.	Raja Anuar bin Raja Abu Hassan • MIA Webinar Series: Post-MCO: CFO's Duties in Crisis Management • Webinar on Building & Reporting a Culture of Integrity • Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries • How to be an Effective NED in a Disruptive World • Webinar Series: Audit Committee Conference 2021	9 July 2020 14 July 2020 21 August 2020 21 September 2020 15 to 16 March 2021
7.	Kwan Wai Yue • A New Reality Webinar Series I Asia Pacific after COVID-19 • Reviving the economy through PENJANA: Unpacking the key tax measures that empower businesses and the Rakyat • Virtual Board Meetings: In an Era of Social Distancing Boards • Deloitte SEA Webinars JSG Series - Digital Operation Transformation – Automation and Continuous Monitoring • Deloitte SEA Webinars JSG Series - Smart Work Transformation and Cyber Risk Management • Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries • Strategic Future C- suite Leadership Foresight in the AGE of AI	10 June 2020 16 June 2020 26 June 2020 22 July 2020 28 July 2020 21 August 2020 30 September 2020

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

No.	Continuing Education Programme Attended	Date
8.	Shigeru Dono <ul style="list-style-type: none"> Kitchen Appliances Business Division Policy Meeting Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries 	9 June 2020 21 August 2020
9.	Dato' Kaziah binti Abd Kadir <ul style="list-style-type: none"> Webinar: Business Disruptions - Priorities for Boards live Panel Webinar Surviving & Embracing Malaysia's New Normal Paradigm Shift: Director's and Shareholder's Duties and Liabilities in a Crisis Assessing Financial Risks During Business Uncertainty Video-Conference: Staying Ahead with Data Analytics Webinar: Directors & Officers Liability Insurance - Presentation by Ernest Teng, Berkley Insurance Asia Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries Virtual Classroom: How to be an Effective NED in a Disruptive World KPMG's CEO Webinar Series - Captains' Forum: Transformation towards recovery (Session 1: Financial Resilience) Video-conference: Talk By Dr. Steven Cochrane On Economic Outlook On Malaysia: Threats To Economic Recovery KPMG's CEO Webinar Series - Captains' Forum: Transformation towards recovery (Session 3: Technology and Data) Audit Committee Institute Virtual Roundtable 2020 ESG perspective: Managing Recovery and Resilience Virtual Classroom: Post-Budget PowerTalk - Prosperity, Recovery, Resilience PNB Knowledge Sharing Initiatives Forum 2020 PNB YTI Memorial Lecture Cybersecurity Landscape and Awareness for MIDF Board of Directors and Senior Management programme ESG in the new normal: A corporation's lens Islamic Finance For Board of Directors Programme ("IF4BOD") (Compulsory Programme) Webinar-E-vite: Sustainable Finance: Making Better Financial Decisions 	19 June 2020 24 June 2020 1 July 2020 14 July 2020 18 August 2020 21 August 2020 21 August 2020 21 September 2020 25 September 2020 6 October 2020 16 October 2020 12 November 2020 18 November 2020 26 November 2020 2 December 2020 18 January 2021 17 March 2021 7 to 8 April 2021 9 April 2021

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 68 to 70 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 FY2021, 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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 2021 evaluated the performance and recommended the re-election of Mr Cheng Chee Chung, Ms Kwan Wai Yue, Mr Kenji Kamada and Dato' Azman Bin Mahmud.

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

At a meeting held on 18 June 2020, the Remuneration Committee made a recommendation to the Board for payment of Directors' fees not exceeding RM600,000 in aggregate for FY2021 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 26 August 2020.

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 FY2021 was paid quarterly in arrears:

No.	Details of remuneration	Date of payment
1.	Directors' fees for 1st quarter ended 30 June 2020	4 September 2020
2.	Directors' fees for 2nd quarter ended 30 September 2020	2 October 2020
3.	Directors' fees for 3rd quarter ended 31 December 2020	12 January 2021
4.	Directors' fees for 4th quarter ended 31 Mar 2021	2 April 2021

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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 cognisance that the compensation packages of the Japanese Executive Directors appointed by Panasonic Corporation 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.

Directors' Remuneration

The details of the remuneration of the Directors of the Company for the FY2021 are as follows:

Descriptions	Executive Director (RM)	Non-Executive Director (RM)	Total (RM)
Fees	-	487,044	487,044
Meeting allowance	-	69,900	69,900
Salary and other remuneration	2,124,199	-	2,124,199
Benefits-in-kind (BIK)	38,780	-	38,780
Total	2,162,979	556,944	2,719,923
Total (excluding BIK)	2,124,199	556,944	2,681,143

Details of Directors' remuneration for FY2021 are set out as below:

(i) Independent Non-Executive Directors and Non-Independent Non-Executive Directors

Director	Fees (RM)	Meeting allowances (RM)	Total (RM)
Tan Sri Asmat bin Kamaludin	145,522	7,770	153,292
Raja Anuar bin Raja Abu Hassan	116,100	21,000	137,100
Tan Sri Hasmah binti Abdullah	112,711	19,500	132,211
Dato' Kaziah binti Abd Kadir	112,711	21,630	134,341
Cheng Chee Chung	-	-	-
Shigeru Dono	-	-	-
Dato' Azman bin Mahmud	-	-	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

(ii) Executive Directors

Director	Salaries and Emoluments (RM)	Bonus (RM)	Benefits-in-kind (RM)	Total (RM)
Toyokatsu Okamoto (Resigned on 31 March 2021)	721,384	169,381	38,480	929,246
Siew Pui Ling	520,044	95,631	300	615,974
Kwan Wai Yue	521,696	96,063	-	617,759
Kenji Kamada (Appointed on 1 April 2021)	-	-	-	-

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 FY2021 is disclosed below:

Managing Director	RM
Annual Pay	929,246

Employee	RM
Mean Pay	62,750
Median Pay	50,340
Lowest Total Pay	28,840
Highest Total Pay	908,745

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 Secretary 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) provides 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.

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 formalise 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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 specialised oversight of the financial reporting process, scrutinises 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 71 to 73 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 maximise audit effectiveness and efficiency. The External Auditors will continue to review all 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

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 2021 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.

(b) Annual General Meeting

For the financial year ended 31 March 2020, the Company issued the notice of AGM on 28 July 2020 and held the AGM on 26 August 2020, provided the shareholders with more than 28 days notice. All the Directors, save for Mr Cheng Chee Chung who was on medical leave attended the 2020 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 28 May 2021.

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 2021 ("FY2021").

COMPOSITION AND ATTENDANCE AT MEETING

The composition of the Nomination Committee comprise entirely of Independent Non-Executive Directors and their attendance at meeting held in FY2021 are as follows:

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

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.

The Nomination Committee met twice during the FY 2021.

ACTIVITIES OF THE NOMINATION COMMITTEE

During the FY2021, 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 directors and re-election of retiring Directors; and
- reviewed the appointment of an Independent Non-Executive Director and the Managing Director.

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 25 May 2021 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 2021 were appropriate. 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 appreciates the spirit of the Malaysian Code on Corporate Governance where the Board is encouraged to incorporate the new dimensions of a composition of majority independent directors into the decision-making processes. To this extent, the Company has improved the ratio of Independent Directors to Non-Independent Directors from 4 : 7 to 4 : 5 in the financial year ended 31 March 2019, in its earnestness to advance nearer to the intended application of the Code and this was maintained in FY2021. Subsequent to the financial year end, the ratio was improved to 5 : 5 with the appointment of Dato' Azman Bin Mahmud, an Independent Director.

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 summarised 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

(CONTINUED)

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 25 May 2021 evaluated the performance of Mr Cheng Chee Chung and Ms Kwan Wai Yue who are standing for re-election pursuant to Article 100 as well as Mr Kenji Kamada and Dato' Azman bin Mahmud who were appointed during the financial year and are standing for re-election pursuant to Article 105 of the Company's Constitution at the forthcoming Annual General Meeting. The Nomination Committee recommended their re-election to the Board to table the resolution 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.

Tan Sri Asmat bin Kamaludin has served on the Board as an Independent Director for more than 12 years. The Board had earlier agreed to set a limit for the tenure of Independent Directors not to exceed 12 years which will be implemented after the financial year ended 31 March 2021. As such Tan Sri Asmat's tenure as Independent Director will cease the forthcoming Annual General Meeting.

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 2021.

COMPOSITION

The composition of the Audit Committee comprise 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 2021 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

The current Audit Committee comprises of 3 Independent Non-Executive Directors. 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 the Main Market Listing Requirements and Practice Note 13, which requires at least 1 Member of the Audit Committee to be a qualified accountant.

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 2021. The Managing Director, Executive Director, External Auditors and/or Internal Auditors were invited to attend the Audit Committee Meetings. The discussion of each meeting was tabled to and noted by the Board. The Chairman of Audit Committee reports on the main findings and 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

1. To review the quarterly results and annual audited financial statements of the Company, focusing particularly on:
 - (a) changes in or implementation of major accounting policies and practices;
 - (b) Significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
 - (c) compliance with accounting standards and other legal requirements; and
 - (d) the going concern assumption.
2. 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;

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 minimise losses and maximise opportunities;
4. To consider and approve the Annual Internal Audit Plan and programme 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;

AUDIT COMMITTEE REPORT

(CONTINUED)

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; and
16. To carry out such other functions as may be directed by the Board.

The Terms of Reference of the Audit Committee can be viewed on the Company's website.

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

In line with the terms of reference 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 2020 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 2020 and the Annual Audit Plan for the financial year ended 31 March 2021 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 and on the SAP migration) of the External Auditors for the financial year ended 31 March 2020 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 Internal Audit Reports on SAP System Implementation, Related Party Transaction, Pandemic Readiness, Quality Control Management for Home Appliances Division and Trade Purchases: Goods Receiving, Payments and Claim Back for Home Appliances Division 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. Reviewed the Enterprise Risk Management report.

AUDIT COMMITTEE REPORT

(CONTINUED)

Compliance

1. Reviewed the state of internal control of the Company and extent of compliance with the established policies, procedures and statutory requirements.
2. 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 2020.

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 approval/ratification.
3. Reviewed the summary of the non-mandated RRPT and recommended to the Board for approval/ratification.

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 interest 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 not assessed by the Audit Committee in financial year ended 31 March 2020 as BDO was appointed on 26 February 2020 where the Audit Committee had assessed their competency prior to their engagement.

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 18 June 2020. The audits were executed based on a risk-based approach and the audit outcome 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 2021, the following areas were audited and its results were reported to the Audit Committee:

Internal Audit Area	Internal Auditor's Opinion
SAP System Implementation*	Satisfactory
Related Party Transaction	Some improvements were required
Pandemic Readiness	Improvements were required
Quality Control Management for Home Appliances Division	Improvements were required
Trade Purchases: Goods Receiving, Payments and Claim Back for Home Appliances Division	Improvements were required

Note: * audited by Deloitte Risk Advisory Sdn. Bhd.

BDO will conduct a follow-up review 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 action are reported to the AC on quarterly basis.

The professional fees incurred for the Internal Audit function in respect of the financial year ended 31 March 2021 amounted to RM103,498.

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 recognises 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 minimise 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 internal policies, procedures and the Internal Control – Integrated Framework issued by COSO (The Committee of Sponsoring Organisations of the Treadway Commission).

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 2021 ("FY2021"), BDO had executed the following internal audit works:

- (1) Conducted reviews and assessments based on FY2021 annual audit plans which was approved by the Audit Committee at the 1st meeting of FY2021 covering the areas of:
 - i. Related Party Transactions Review
 - ii. Pandemic Readiness
 - iii. Quality Control Management for Home Appliances
 - iv. Trade Purchases: Goods Receiving, Payments and Claim-Back Management for Life Solutions Division
- (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.

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

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.

- The risk management function is coordinated by BDO, who assists the Board to oversee the overall management of principal areas of risks of the Company.

- The Audit Committee is briefed annually by BDO on the Company's Risk Management Programme and its activities in the Audit Committee meeting.

- 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 and "Cost Buster" 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.

- 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.

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.

• 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONTINUED)

- 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 taken charge by the Environment Management Department, ISO 45001 Occupational Health and Safety Management 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 Company'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 FY2021, 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 interest.

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 RM233,000 and RM10,000, respectively. There was an additional fee for the increased audit scope for the significant component, Panasonic Malaysia Sdn. Bhd. (RM20,000).

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

76	Directors' Report
80	Statement of Financial Position
81	Statement of Profit or Loss and Other Comprehensive Income
82	Statement of Changes in Equity
83	Statement of Cash Flows
85	Notes to the Financial Statements
132	Statement by Directors
132	Statutory Declaration
133	Independent Auditors' Report

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the manufacture and sale of electrical home appliances and related components whilst the principal activities of the associated company are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

ULTIMATE HOLDING COMPANY

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

RESULTS

	RM'000
Profit for the year attributable to owners of the Company	116,454

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 2020:
 - a final ordinary dividend of 183 sen per ordinary share totalling RM111,164,777 declared on 28 May 2020 and paid on 25 September 2020.
- (ii) In respect of the financial year ended 31 March 2021:
 - an interim single tier dividend of 15 sen per ordinary share totalling RM9,111,867 declared on 25 November 2020 and paid on 22 January 2021.

The final dividend recommended by the Directors in respect of the financial year ended 31 March 2021 of 148 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 RM89,903,754.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021
(CONTINUED)

DIRECTORS OF THE COMPANY

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

Tan Sri Asmat bin Kamaludin	
Tan Sri Hasmah binti Abdullah	
Siew Pui Ling	
Cheng Chee Chung	
Raja Anuar bin Raja Abu Hassan	
Kwan Wai Yue	
Dato' Kaziah binti Abd Kadir	
Shigeru Dono	
Kenji Kamada	(Appointed on 1 April 2021)
Dato' Azman bin Mahmud	(Appointed on 15 April 2021)
Toyokatsu Okamoto	(Resigned on 1 April 2021)

In accordance with Article 100 of the Company's Constitution, Tan Sri Asmat bin Kamaludin, Mr Cheng Chee Chung and Ms Kwan Wai Yue will retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election. Mr Kenji Kamada and Dato' Azman bin Mahmud will retire pursuant to Article 105 of the Company's Constitution at the forthcoming Annual General Meeting and being eligible, offered 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 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 1.4.2020	Bought	Sold	At 31.3.2021
Siew Pui Ling				
- Direct Interest	100	-	-	100
Ultimate Holding Company				
- Panasonic Corporation				
	Number of common stock			
	At 1.4.2020	Bought	Sold	At 31.3.2021
Toyokatsu Okamoto				
- Direct Interest	3,700	800	-	4,500
Shigeru Dono				
- Direct Interest	-	2,965	-	2,965

None of the other Directors holding office at 31 March 2021 had any interest in the shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021
(CONTINUED)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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 or 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. 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) all known bad debts have been written off and adequate provision 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 the amount written off for bad debts or the amount of the provision for doubtful debts in the Company inadequate to any substantial extent, 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 2021
(CONTINUED)

OTHER STATUTORY INFORMATION (continued)

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 2021 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 is disclosed in Note 16 to the financial statements.

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

Tan Sri Asmat bin Kamaludin

Director

Kenji Kamada

Director

Kuala Lumpur

Date: 28 May 2021

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Note	2021 RM'000	2020 RM'000
Assets			
Property, plant and equipment	3	138,175	127,306
Right-of-use assets	4	5,889	6,109
Intangible assets	5	5,538	7,687
Interest in associated company	6	113,971	96,872
Deferred tax assets	7	11,213	12,871
Total non-current assets		274,786	250,845
Inventories	8	69,632	73,164
Trade and other receivables	9	104,218	74,927
Derivative financial assets	10	10	94
Cash and cash equivalents	11	523,934	577,712
Total current assets		697,794	725,897
Total assets		972,580	976,742
Equity			
Share capital	12	60,746	60,746
Retained earnings		751,972	755,795
Total equity		812,718	816,541
Liabilities			
Provision for liabilities and charges	13	597	540
Lease liabilities		112	203
Total non-current liabilities		709	743
Trade and other payables	14	148,601	136,714
Provision for liabilities and charges	13	5,548	11,592
Derivative financial liabilities	10	866	1,157
Lease liabilities		83	127
Taxation		4,055	9,868
Total current liabilities		159,153	159,458
Total liabilities		159,862	160,201
Total equity and liabilities		972,580	976,742

The notes on pages 85 to 131 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 RM'000	2020 RM'000
Revenue	15	974,558	1,051,980
Cost of sales		(792,445)	(851,976)
Gross profit		182,113	200,004
Other operating income		6,410	14,116
Distribution and marketing cost		(38,778)	(53,228)
Administrative expenses		(35,621)	(35,847)
Other operating expenses		(9,535)	(3,635)
Results from operating activities		104,589	121,410
Finance cost		(9)	(9)
Finance income		10,287	20,119
Share of results of associated company (net of tax)	6	20,284	(293)
Profit before tax	16	135,151	141,227
Tax expense	17	(18,697)	(24,238)
Profit for the year and total comprehensive income for the year		116,454	116,989
Basic earnings per ordinary share (sen)	18	192	193

The notes on pages 85 to 131 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Note	Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 April 2019		60,746	776,092	836,838
Total profit and comprehensive income for the year		-	116,989	116,989
Contributions by and distributions to owners of the Company				
Dividends				
- Final dividend for the financial year ended 31 March 2019	19	-	(128,174)	(128,174)
- Interim dividend for the financial year ended 31 March 2020	19	-	(9,112)	(9,112)
Total transactions with owners of the Company		-	(137,286)	(137,286)
At 31 March 2020/1 April 2020		60,746	755,795	816,541
Total profit and comprehensive income for the year		-	116,454	116,454
Contributions by and distributions to owners of the Company				
Dividends				
- Final dividend for the financial year ended 31 March 2020	19	-	(111,165)	(111,165)
- Interim dividend for the financial year ended 31 March 2021	19	-	(9,112)	(9,112)
Total transactions with owners of the Company		-	(120,277)	(120,277)
At 31 March 2021		60,746	751,972	812,718

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	2021 RM'000	2020 RM'000
Cash flows from operating activities		
Profit before tax	135,151	141,227
Adjustments for:		
Property, plant and equipment		
- depreciation	29,589	30,521
- write-off	373	131
- gain on disposal	(126)	(196)
- impairment loss	1,622	-
Right-of-use assets		
- depreciation	201	175
Amortisation of intangible asset	2,263	1,313
Movement in provision of liabilities and charges	2,822	9,024
Interest income	(10,287)	(20,119)
Finance cost for lease liabilities	9	9
Share of results of associated company	(20,284)	293
Net unrealised foreign exchange gain	(3,796)	(3,414)
Fair value loss on derivative financial instruments	(207)	1,849
Operating profit before changes in working capital	137,330	160,813
Changes in working capital:		
Inventories	3,532	(23,584)
Trade and other receivables	(24,773)	34,703
Trade and other payables	11,165	(27,235)
Cash generated from operations	127,254	144,697
Tax paid	(22,852)	(23,640)
Interest paid	(9)	(9)
Rework and recall cost paid	(1,463)	(1,304)
Warranty paid	(778)	(772)
Employee welfare scheme/Mutual separation scheme paid	(3,948)	(413)
Retirement gratuity scheme paid	-	(5)
Foreign worker recruitment fee paid	(2,620)	-
Net cash generated from operating activities	95,584	118,554

The notes on pages 85 to 131 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021
(CONTINUED)

	2021 RM'000	2020 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(42,538)	(45,221)
Purchase of intangible asset	(114)	(5,217)
Proceeds from disposal of property, plant and equipment	211	352
Interest received	10,287	20,119
Dividends received	3,185	3,185
Net cash used in investing activities	(28,969)	(26,782)
Cash flows from financing activities		
Dividends paid	(120,277)	(137,286)
Payment of lease liabilities	(116)	(86)
Net cash used in financing activities	(120,393)	(137,372)
Net decrease in cash and cash equivalents	(53,778)	(45,600)
Cash and cash equivalents at 1 April	577,712	623,312
Cash and cash equivalents at 31 March	523,934	577,712

Cash outflows for leases as a lessee

	Note	2021 RM'000	2020 RM'000
Included in net cash from operating activities			
Payment relating to short-term leases	16	1,259	1,378
Payment relating to low-value leases	16	26	23
Interest paid in relation to lease liabilities	16	9	9
Included in net cash from financing activities			
Payment of lease liabilities		116	86
Total cash outflows for leases		1,410	1,496

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

	At 1 April 2019 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Termination of contract RM'000	At 31 March 2020/ 1 April 2021 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Termination of contract RM'000	At 31 March 2021 RM'000
Lease liabilities	-	(86)	416	-	330	(116)	-	(19)	195

The notes on pages 85 to 131 are an integral part of these financial statements.

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 2021 comprise the Company and the Company's interest in its associated company.

The Company is principally engaged in the manufacture and sale of electrical home appliances and related components whilst the principal activities of the associated company are as stated in Note 6 to the financial statements.

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 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 28 May 2021.

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"), International Financial Reporting Standards ("IFRS") 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 June 2020

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

1. BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*

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 2021 for the amendment that is effective for annual periods beginning on or after 1 June 2020.
- from the annual period beginning on 1 April 2021 for those amendments that are effective for annual periods beginning on or after 1 January 2021.
- from the annual period beginning on 1 April 2021 for those amendments that are effective for annual periods beginning on or after 1 April 2021.
- from the annual period beginning on 1 April 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for Amendments to MFRS 1, Amendments to MFRS 3 and Amendments to MFRS 141 which are not applicable to the Company.
- from the annual period beginning on 1 April 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 which is not applicable to the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, unless otherwise stated in Note 2.

(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 Notes 2(k) and 13.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Company, unless otherwise stated.

(a) Basis of consolidation

(i) Associates

Associates are entities, including unincorporated entities, in which the Company has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transactions costs. The financial statements include the Company's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Company, from the date that significant influence commences until the date that significant influence ceases.

When the Company's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the associate.

When the Company ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when the equity method is discontinued is recognised in profit or loss.

When the Company's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(ii) Transactions eliminated

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Company's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified to subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(i)(i)) where the effective interest rate is applied to amortised cost.

(b) Fair value through profit or loss

All financial assets not measured at amortised cost as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is designated and effective hedging instrument). On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduced an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to impairment assessment (see Note 2(i)(i)).

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- (a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- (b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Company's key management personnel; or
- (c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Company recognises the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(d) Property, plant and equipment

(i) Recognition and measurement

Construction work-in-progress is measured at cost. Other items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the Company's accounting policy on borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" or "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is de-recognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component are depreciated separately.

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. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

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

• Buildings	2 ½% - 5%
• Plant and machinery	10% - 50%
• Furniture, fittings, structures and equipment	5% - 20%
• Motor vehicles	25%

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

(e) Leases

Current financial year

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Company is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses their incremental borrowing rate as the discount rate.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Leases (continued)

Current financial year (continued)

(ii) Recognition and initial measurement (continued)

As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

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 as an expense on a straight-line basis over the lease-term.

(iii) Subsequent measurement

As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment in Note 2(d)(iii). In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(f) Intangible assets

(i) Other intangible assets

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

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Intangible assets (continued)

(iii) Amortisation

Other intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

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

- | | |
|-------------------------|-----|
| • Software and licenses | 25% |
|-------------------------|-----|

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(g) Inventories

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.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investment which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Company in the management of their short-term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(i) Impairment

(i) Financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Company measures loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information, where available.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment (continued)

(i) Financial assets (continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

The Company estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that 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 amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery amounts due.

(ii) Other assets

The carrying amount of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amount of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Company's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Provision for rework and recall cost

The Company recognises at the reporting date the estimated liability on all expenditure for the rework and recall cost due to parts quality problem or safety issues arising from usage of the products.

The provision, in anticipation of the risk of potential occurrence of certain events based on past experiences, is calculated based on management's best estimate of the expenditure expected to be incurred over the historical claim ratio and quantity produced over a specified period of time.

The amount of provision of rework and recall expenditure will be charged to profit or loss and any unutilised portions of the provision are reviewed annually and retained based on the risks and obligation specific to that particular product. Where the Company's assessment reveals that there are no further risks associated with a product, the provision would be fully reversed. These provisions are recognised in line with the Panasonic group's global quality policy.

(ii) Provision for warranty

Existing products

The Company applies judgement and recognises the estimated liability on all products still under warranty at the reporting date. This provision is calculated based on a pre-determined percentage on annual sales of the products for a period of one year. The amount of provision of warranty claims will be charged to profit or loss and any unutilised portion of the warranty provision will be written back to profit or loss in the following financial year. Sales of parts are exempted from any warranty provision. For products which have exceeded the warranty period, the Company will undertake to inspect, repair or replace the parts at an appropriate cost.

Discontinued products

The provision for warranty on discontinued products is computed based on historical warranty data over the remaining expected warranty term. The amount of provision of warranty claims will be charged to profit or loss and any unutilised portion of the warranty provision is reviewed annually and retained based on the risks and obligation specific to that particular product. These provisions are recognised in line with the Panasonic group's global quality policy.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statement of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(m) Revenue and other income

(i) Goods sold

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Company transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Company performs;
- (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(n) Finance income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(o) Research and development

Research and development expenditure is recognised as an expense except that costs incurred on development projects are recognised as development assets to the extent that such expenditure is expected to generate future economic benefits. Development costs initially recognised as expenses are not recognised as an asset in a subsequent financial years. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- (i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (ii) management intends to complete the intangible asset and use or sell it;
- (iii) there is an ability to use or sell the intangible asset;
- (iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;
- (v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- (vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Equity instruments

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(q) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

(r) Earnings per ordinary share

The Company presents basic earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(s) Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Executive Director of the Company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

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 2019	84,750	341,776	55,421	6,625	8,567	497,139
Additions	8,403	9,811	491	961	25,555	45,221
Transfers	2,880	4,471	88	-	(7,439)	-
Transfer to intangible asset	-	-	-	-	(3,783)	(3,783)
Disposals	-	(1,026)	-	(682)	-	(1,708)
Write-offs	(495)	(3,933)	(543)	-	-	(4,971)
At 31 March 2020/1 April 2020	95,538	351,099	55,457	6,904	22,900	531,898
Additions	-	13,342	2,887	437	25,872	42,538
Transfers	-	4,341	5,710	-	(10,051)	-
Disposals	-	(2,938)	(133)	(767)	-	(3,838)
Write-offs	-	(14,623)	(2,103)	(3)	-	(16,729)
At 31 March 2021	95,538	351,221	61,818	6,571	38,721	553,869

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

	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
Accumulated depreciation and impairment loss						
At 1 April 2019						
Accumulated depreciation	50,173	281,456	43,896	4,938	-	380,463
Depreciation for the year	1,309	25,444	3,107	661	-	30,521
Disposals	-	(922)	-	(630)	-	(1,552)
Write-offs	(495)	(3,929)	(416)	-	-	(4,840)
At 31 March 2020/1 April 2020						
Accumulated depreciation	50,987	302,049	46,587	4,969	-	404,592
Depreciation for the year	1,391	24,506	3,102	590	-	29,589
Impairment loss	-	1,490	132	-	-	1,622
Disposals	-	(2,938)	(133)	(682)	-	(3,753)
Write-offs	-	(14,572)	(1,781)	(3)	-	(16,356)
At 31 March 2021						
Accumulated depreciation	52,378	309,045	47,775	4,874	-	414,072
Accumulated impairment loss	-	1,490	132	-	-	1,622
	52,378	310,535	47,907	4,874	-	415,694
Carrying amounts						
At 1 April 2019	34,577	60,320	11,525	1,687	8,567	116,676
At 31 March 2020/1 April 2020	44,551	49,050	8,870	1,935	22,900	127,306
At 31 March 2021	43,160	40,686	13,911	1,697	38,721	138,175

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

4. RIGHT-OF-USE ASSETS

	Leasehold land RM'000	Buildings RM'000	Machine and equipment RM'000	Total RM'000
Cost				
At 1 April 2019	7,566	-	-	7,566
Additions	-	229	187	416
At 31 March 2020/1 April 2020	7,566	229	187	7,982
Derecognition	-	(92)	-	(92)
At 31 March 2021	7,566	137	187	7,890
Depreciation				
At 1 April 2019	1,698	-	-	1,698
Charge for the year	85	62	28	175
At 31 March 2020/1 April 2020	1,783	62	28	1,873
Charge for the year	84	80	37	201
Derecognition	-	(73)	-	(73)
At 31 March 2021	1,867	69	65	2,001
Carrying amounts				
At 1 April 2019	5,868	-	-	5,868
At 31 March 2019/1 April 2020	5,783	167	159	6,109
At 31 March 2021	5,699	68	122	5,889

The Company has a 99 years leasehold land which was reclassified as right-of-use asset as at 1 April 2019 from property, plant and equipment at the initial application of MFRS 16, Leases. The Company leases expatriates accommodation and photocopy machines that ran between 2 years and 5 years (2020: 2 years and 5 years). Lease payments for these assets remain constant throughout their lease terms.

4.1 Extension options

The lease of buildings contains extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. The extension options held are exercisable only by the Company and not by the lessor. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

4. RIGHT-OF-USE ASSETS (continued)

4.1 Extension options (continued)

	Lease liabilities recognised (discounted) RM'000	Potential future lease payments not included in lease liabilities (discounted) RM'000
Buildings	47	-

4.2 Significant judgements and assumptions in relation to lease

The Company assessed at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Company consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Company also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Company first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

5. INTANGIBLE ASSETS

	Software and licenses RM'000
Cost	
At 1 April 2019	-
Transfer from work-in-progress	3,783
Additions	5,217
At 31 March 2020/1 April 2020	9,000
Additions	114
At 31 March 2021	9,114
Amortisation	
At 1 April 2019	-
Amortisation for the year	1,313
At 31 March 2020/1 April 2020	1,313
Amortisation for the year	2,263
At 31 March 2021	3,576

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

5. INTANGIBLE ASSETS (continued)

	Software and licenses RM'000
Carrying amounts	
At 1 April 2019	-
At 31 March 2020/1 April 2020	7,687
At 31 March 2021	5,538

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.

6. INTEREST IN ASSOCIATED COMPANY

	2021 RM'000	2020 RM'000
At cost		
Unquoted shares	2,000	2,000
Share of post-acquisition reserves	111,971	94,872
Interest in associated company	113,971	96,872

Set out below is the associate of the Company as at 31 March 2021, 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	Nature of the relationship	Effective ownership interest and voting interest	
			2021	2020
Panasonic Malaysia Sdn. Bhd.	Malaysia	Associate	40%	40%

The Company holds a 40% (2020: 40%) equity interest in its associated company, Panasonic Malaysia Sdn. Bhd., a company incorporated in Malaysia. The principal activities of the associated company 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.

The investment in associated company 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 associated company.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6. INTEREST IN ASSOCIATED COMPANY (continued)

(a) Summarised financial information for associated company

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 associated company:

	2021 RM'000	2020 RM'000
<u>Current</u>		
Cash and cash equivalent	329,252	233,780
Other current assets (excluding cash)	210,646	223,609
Total current assets	539,898	457,389
Other current liabilities (including trade payables)	(307,349)	(260,543)
Total current liabilities	(307,349)	(260,543)
<u>Non-current</u>		
Assets	84,245	86,798
Liabilities	(31,648)	(37,646)
Net assets	285,146	245,998

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

	2021 RM'000	2020 RM'000
Revenue	1,275,357	1,350,780
Other operating income	17,949	37,115
Finished goods and spare parts purchased/utilised	(923,116)	(1,063,014)
Operating expenses	(275,447)	(308,684)
Depreciation of property, plant and equipment	(3,258)	(3,431)
Depreciation of right-of-use assets	(8,354)	(7,539)
Amortisation of intangible assets	(1,717)	(2,135)
Other operating expenses	(23,531)	(4,114)
Profit/(loss) from operations	57,883	(1,022)
Finance costs	(1,421)	(1,569)
Profit/(loss) before taxation	56,462	(2,591)
Taxation	(9,349)	2,168
Net profit/(loss) and total comprehensive income for the financial year	47,113	(423)
Gross dividends received from associate	3,185	3,185

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6. INTEREST IN ASSOCIATED COMPANY (continued)

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

	2021 RM'000	2020 RM'000
Company's share of net assets	114,059	98,399
Elimination of unrealised profits	(88)	(1,527)
Carrying amount in the statement of financial position	113,971	96,872

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

	2021 RM'000	2020 RM'000
Company's share of net profit/(loss) and total comprehensive income/(expense)	20,284	(293)

(d) Other information

	2021 RM'000	2020 RM'000
Cash dividends received by the Company	3,185	3,185

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:

	2021 RM'000	2020 RM'000
At 1 April 2020/2019	12,871	7,780
(Charged)/Credited to profit or loss		
- property, plant and equipment	73	344
- provisions	(932)	4,761
- others	(799)	(14)
	(1,658)	5,091
At 31 March 2021/2020	11,213	12,871

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

7. DEFERRED TAX ASSETS (continued)

Recognised deferred tax assets

Deferred tax assets are attributable to the following:

	Assets		Liabilities		Net	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Property, plant and equipment	2,097	2,024	-	-	2,097	2,024
Provisions	10,027	10,959	-	-	10,027	10,959
Others	-	-	(911)	(112)	(911)	(112)
Net tax assets/(liabilities)	12,124	12,983	(911)	(112)	11,213	12,871

Movement in temporary differences during the year

	At 1.4.2019 RM'000	Recognised in profit or loss (Note 17) RM'000	At 31.3.2020/ 1.4.2020 RM'000	Recognised in profit or loss (Note 17) RM'000	At 31.3.2021 RM'000
Property, plant and equipment	1,680	344	2,024	73	2,097
Provisions	6,198	4,761	10,959	(932)	10,027
Others	(98)	(14)	(112)	(799)	(911)
	7,780	5,091	12,871	(1,658)	11,213

8. INVENTORIES

	2021 RM'000	2020 RM'000
Raw materials	36,031	48,627
Work in progress	3,642	7,024
Finished goods	29,942	17,465
Consumable stores	17	48
	69,632	73,164
Recognised in profit or loss:		
Inventories recognised as cost of sales	790,965	851,650
Write-down to net realisable value	2,051	571
Reversal of write-down	(571)	(245)

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

9. TRADE AND OTHER RECEIVABLES

	2021 RM'000	2020 RM'000
Trade receivables	385	2,349
Amount due from ultimate holding corporation	667	819
Amount due from associated company	22,893	18,699
Amounts due from related companies	73,375	43,462
	97,320	65,329
Other receivables	2,452	5,809
Deposits	1,190	957
Prepayments	3,256	2,832
	104,218	74,927

Credit terms given to trade receivables ranged from 30 to 60 days (2020: 30 to 60 days).

The balances due from ultimate holding corporation, associated company and related companies are in respect of trading transactions which are unsecured, interest free and have repayment terms ranging from 30 to 60 days (2020: 30 to 60 days) except for the amounts of RM2,384,000 (2020: RM1,927,000) 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 associated company 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 associated company, amounts due from related companies, other receivables and deposits are as follows:

	2021 RM'000	2020 RM'000
Ringgit Malaysia	38,514	35,956
United States Dollar	59,135	33,280
Japanese Yen	2,423	2,574
Euro	890	285
	100,962	72,095

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

10. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	Nominal value	Assets RM'000	Liabilities RM'000
2021			
Non-hedging derivatives			
Derivatives at fair value through profit or loss	USD10,129,000	-	(777)
	YEN109,000,000	-	(89)
	SGD76,000	2	-
	EUR220,700	8	-
		10	(866)
2020			
Non-hedging derivatives			
Derivatives at fair value through profit or loss	USD14,125,000	-	(1,148)
	YEN106,000,000	94	-
	SGD72,000	-	(1)
	EUR158,300	-	(8)
		94	(1,157)

Non-hedging derivatives

The Company uses forward currency contracts to manage transaction exposures. These contracts are not designated as cash flow or fair value hedges.

Foreign currency forward contracts

Foreign currency forward 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 foreign currency forward contracts to mitigate foreign exchange risk of highly probable forecasted transactions, such as anticipated future export sales, purchases of equipment and raw materials, as well as payment on services and other related expenditure.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

11. CASH AND CASH EQUIVALENTS

	2021 RM'000	2020 RM'000
Fixed deposits	380,000	435,000
Cash and bank balances	143,934	142,712
	523,934	577,712

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

	2021 RM'000	2020 RM'000
Ringgit Malaysia	406,595	447,774
United States Dollar	114,352	126,093
Japanese Yen	2,891	3,628
Euro	96	176
Singapore Dollar	-	11
Pound Sterling	-	30
	523,934	577,712

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

	2021 RM'000	2020 RM'000
- A1/A3	750	807
- Non-rated*	523,169	576,900
	523,919	577,707
Cash on hand	15	5
	523,934	577,712

* 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 profiles of Panasonic Corporation, the ultimate holding corporation of Panasonic Financial Centre (Malaysia) Sdn. Bhd. is rated Baa1 based on Moody's rating agency.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

11. CASH AND CASH EQUIVALENTS (continued)

(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:

	2021 %	2020 %
Ringgit Malaysia	2.34	3.61

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

	2021	2020
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..

12. SHARE CAPITAL

	Amount 2021 RM'000	Number of shares 2021 '000	Amount 2020 RM'000	Number of shares 2020 '000
Ordinary shares, issued and fully paid:				
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

(CONTINUED)

13. 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 2019	2,555	2,191	413	443	-	5,602
Charged to profit or loss (Note 16)	5,795	823	1,191	198	1,113	9,120
Utilised during the financial year	(1,304)	(772)	(413)	(5)	-	(2,494)
Present value adjustments	-	-	-	(96)	-	(96)
At 31 March 2020/1 April 2020	7,046	2,242	1,191	540	1,113	12,132
Charged to profit or loss (Note 16)	(3,804)	447	4,042	136	2,080	2,901
Utilised during the financial year	(1,463)	(778)	(3,948)	-	(2,620)	(8,809)
Present value adjustments	-	-	-	(79)	-	(79)
At 31 March 2021	1,779	1,911	1,285	597	573	6,145
2020						
Current	7,046	2,242	1,191	-	1,113	11,592
Non-current	-	-	-	540	-	540
	7,046	2,242	1,191	540	1,113	12,132
2021						
Current	1,779	1,911	1,285	-	573	5,548
Non-current	-	-	-	597	-	597
	1,779	1,911	1,285	597	573	6,145

(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 actual sales. 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 are expected to accept the offer.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

13. PROVISION FOR LIABILITIES AND CHARGES (continued)

(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 RM1,000 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 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.

14. TRADE AND OTHER PAYABLES

	2021 RM'000	2020 RM'000
Trade payables and accruals	100,876	95,388
Employee benefits	15,486	17,327
Amount due to ultimate holding corporation	1,846	1,509
Amount due to associated company	1,649	2,136
Amounts due to related companies	28,744	20,354
	148,601	136,714

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

	2021 RM'000	2020 RM'000
Ringgit Malaysia	114,500	110,951
United States Dollar	29,327	21,639
Japanese Yen	3,603	3,239
Thailand Baht	227	9
Singapore Dollar	266	447
Chinese Yuan	673	399
Others	5	30
	148,601	136,714

Credit terms of trade payables vary from 30 to 60 days (2020: 30 to 60 days).

The balances due to ultimate holding corporation, associated company and related companies are in respect of trading transactions and are unsecured, interest free and have repayment terms of 30 to 60 days (2020: 30 to 60 days) except for the amounts of RM9,625,000 (2020: RM6,803,000) which are in respect of non-trading transactions that are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

15. REVENUE

	Note	2021 RM'000	2020 RM'000
Revenue from contracts with customers			
- sales of goods	15.2	974,558	1,051,980

15.1 Disaggregation of revenue

	2021 RM'000	2020 RM'000
Major products lines		
Home appliances	480,067	508,099
Fan products	494,329	543,881
Dies and mould	162	-
	974,558	1,051,980

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 30 to 90 days (2020: 30 to 90 days). Assurance warranties of 1 year are given to customers.

16. PROFIT BEFORE TAX

	Note	2021 RM'000	2020 RM'000
Profit before tax is arrived at after charging/(crediting):			
Auditors' remuneration:			
- fees for statutory audit		233	213
- fees for audit related services		10	55
Directors' remuneration	25(e)	2,681	2,568
Amortisation of intangible assets	5	2,263	1,313
Property, plant and equipment:			
- depreciation	3	29,589	30,521
- write-off	3	373	131
- gain on disposal	3	(126)	(196)
- impairment loss	3	1,622	-
Depreciation of right-of-use assets	4	201	175
Staff costs:			
- salaries, bonus and other employee benefits		126,907	128,457
- defined contribution retirement plan		11,224	10,791
		138,131	139,248

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

16. PROFIT BEFORE TAX (continued)

	Note	2021 RM'000	2020 RM'000
Technical assistance fees		28,203	30,278
Research expenses		28,470	32,177
Fair value (gain)/loss on derivative financial instruments		(207)	1,849
Foreign exchange:			
- net realised loss/(gain)		8,125	(4,264)
- net unrealised gain		(3,796)	(3,414)
Provision of liabilities and charges	13	2,901	9,120
Interest income		(10,287)	(20,119)
Expenses arising from leases:			
Finance cost of lease liabilities		9	9
Expenses relating to short-term lease		1,259	1,378
Expenses relating to low value lease		26	23

17. TAX EXPENSE

	2021 RM'000	2020 RM'000
Current tax expense		
- current year	16,403	29,398
- under/(over) provision in prior year	636	(69)
	17,039	29,329
Deferred tax expense		
- origination and reversal of temporary differences	1,046	(2,486)
- over provision in prior year	612	(2,605)
	18,697	24,238
Reconciliation of tax expense		
Profit before tax	135,151	141,227
Tax at Malaysian tax rate of 24%	32,436	33,894
Tax effect of		
- (profit not taxable)/expenses not deductible	(4,953)	210
- tax incentives	(10,034)	(7,192)
- under/(over) provision of current tax expense in prior year	636	(69)
- over provision of deferred tax in prior year	612	(2,605)
	18,697	24,238

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

18. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2021 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	2021	2020
Net profit for the financial year attributable to equity holders (RM'000)	116,454	116,989
Weighted average number of ordinary shares in issue during the financial year ('000)	60,746	60,746
Basic earnings per share (sen)	192	193

19. DIVIDENDS

Dividends recognised by the Company are as follows:

	Sen per share	Total amount RM'000	Date of payment
2021			
Interim single tier dividend 2021			
- Interim single tier dividend	15	9,112	22 January 2021
Final single tier dividend 2020			
- Final single tier dividend	183	111,165	25 September 2020
2020			
Interim single tier dividend 2020			
- Interim single tier dividend	15	9,112	22 January 2020
Final single tier dividend 2019			
- Final single tier dividend	211	128,174	25 September 2019

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 2021	148	89,904

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

20. 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 2021 is as follows:

	Home appliance products		Fan products		Consolidated	
	2021	2020	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	480,067	508,099	494,329	543,881	974,396	1,051,980
Interest income	6,239	9,817	4,957	8,258	11,196	18,075
Depreciation	(7,491)	(8,695)	(16,580)	(16,617)	(24,071)	(25,312)
Profit before taxation	73,714	67,117	53,290	66,658	127,004	133,775
Cash and cash equivalents	265,650	261,505	177,854	190,630	443,504	452,135
Inventories	29,422	38,202	40,195	34,914	69,617	73,116

Revenue of approximately RM972mil (2020: RM1,047mil) within both segments are derived from the Panasonic group of companies as disclosed in Note 25 to the financial statements.

	2021	2020
	RM'000	RM'000
Profit before taxation		
Total profit before taxation of the operating segments	127,004	133,775
Other unallocated (expense)/income	(12,137)	7,745
Share of results of associated company (net of tax)	20,284	(293)
Total profit before taxation based on the statement of profit or loss and other comprehensive income	135,151	141,227
Cash and cash equivalents		
Total cash and cash equivalents of the operating segments	443,505	452,135
Other unallocated cash and cash equivalents	80,429	125,577
Total cash and cash equivalents based on the statement of financial position	523,934	577,712
Inventories		
Total inventories of the operating segments	69,617	73,116
Other unallocated inventories	15	48
Total inventories based on the statement of financial position	69,632	73,164

All property, plant and equipment are located in Malaysia.

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

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

20. OPERATING SEGMENTS (continued)

Geographical information

Revenue information based on geographical location is as follows:

	2021 RM'000	2020 RM'000
Malaysia	344,012	426,569
Japan	40,198	39,859
Asia (excluding Malaysia and Japan)	343,958	356,529
Europe	6,767	3,758
Middle East	216,814	198,058
Others	22,809	27,207
	974,558	1,051,980

Major customers

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

	Revenue		Segment
	2021 RM'000	2020 RM'000	
- Panasonic Logistic Asia Pacific	376,252	362,626	Home appliance and fan products
- Panasonic Malaysia Sdn. Bhd.	219,403	281,900	Home appliance and fan products
- Panasonic Life Solutions (Hong Kong) Co. Ltd.	240,259	243,288	Home appliance and fan products
- KDK Fans (M) Sdn. Bhd.	123,091	143,515	Fan products

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

21. FINANCIAL INSTRUMENTS

21.1 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	Total RM'000
2021				
Financial assets				
Trade and other receivables excluding prepayments	100,962	100,962	-	100,962
Derivative financial instruments	10	-	10	10
Cash and cash equivalents	523,934	523,934	-	523,934
	624,906	624,896	10	624,906
Financial liabilities				
Trade and other payables	(148,601)	(148,601)	-	(148,601)
Derivative financial instruments	(866)	-	(866)	(866)
	(149,467)	(148,601)	(866)	(149,467)
2020				
Financial assets				
Trade and other receivables excluding prepayments	72,095	72,095	-	72,095
Derivative financial instruments	94	-	94	94
Cash and cash equivalents	577,712	577,712	-	577,712
	649,901	649,807	94	649,901
Financial liabilities				
Trade and other payables	(136,714)	(136,714)	-	(136,714)
Derivative financial instruments	(1,157)	-	(1,157)	(1,157)
	(137,871)	(136,714)	(1,157)	(137,871)

21.2 Net gains and losses arising from financial instruments

	2021 RM'000	2020 RM'000
Net gains/(losses) on:		
Financial assets measured at amortised cost	4,402	27,395
Financial liabilities measured at amortised cost	1,763	(1,448)
	6,165	25,947

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

21. FINANCIAL INSTRUMENTS (continued)

21.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

21.4 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. In addition, credit risks are also controlled as majority of the Company's derivative financial instruments are placed or transacted with Panasonic Financial Centre (Malaysia) Sdn. Bhd., a company incorporated in Malaysia, which is a related company of the Company. The likelihood of non-performance by the related company is remote on the basis of their financial strength.

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 ECLs 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.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 March 2021 which are grouped together as they are expected to have similar risk nature.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

21. FINANCIAL INSTRUMENTS (continued)

21.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2021			
Current (not past due)	94,936	-	94,936
2020			
Current (not past due)	63,402	-	63,402

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 associated company, amount 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.

	2021 RM'000	2020 RM'000
Group 1	-	-
Group 2	94,936	63,402

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

Group 2 - Customers with no history of default and who have been with the Group 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, bank balances and derivative financial instruments 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

(CONTINUED)

21. FINANCIAL INSTRUMENTS (continued)

21.5 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 maintaining 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	More than 5 years RM'000
2021							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	148,601	-	148,601	148,601	-	-	-
Lease liabilities	195	3.49	205	89	65	51	-
<i>Derivative financial liabilities/(assets)</i>							
Forward exchange contracts							
(gross settled):	856						
Outflow	-	-	38,832	38,832	-	-	-
Inflow	-	-	(37,976)	(37,976)	-	-	-
	149,652		149,662	149,546	65	51	-
2020							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	136,714	-	136,714	136,714	-	-	-
Lease liabilities	330	3.49	349	137	97	115	-
<i>Derivative financial liabilities/(assets)</i>							
Forward exchange contracts							
(gross settled):	1,063						
Outflow	-	-	57,218	57,218	-	-	-
Inflow	-	-	(56,155)	(56,155)	-	-	-
	138,107		138,126	137,914	97	115	-

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

21. FINANCIAL INSTRUMENTS (continued)

21.6 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.

21.6.1 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"), Singapore Dollar ("SGD"), Euro, Chinese Yuan ("CNY") and Thai Baht ("THB").

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, SGD, Euro, CNY and THB had changed against Ringgit Malaysia by a reasonable possible change as of 31 March 2021 of 7.65% (2020: 2.73%) 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).

	2021		2020	
	Strengthen RM'000	Weaken RM'000	Strengthen RM'000	Weaken RM'000
United States Dollar	11,028	(11,028)	3,747	(3,747)
Japanese Yen	129	(129)	79	(79)
Singapore Dollar	(20)	20	(12)	12
Euro	75	(75)	12	(12)
Chinese Yuan	(51)	51	(11)	11
Thai Baht	(17)	17	-	-

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

21. FINANCIAL INSTRUMENTS (continued)

21.6 Market risk (continued)

21.6.2 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..

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:

	2021 RM'000	2020 RM'000
Fixed rate instruments		
Financial assets	380,000	435,000

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.

21.7 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.

It was not practicable to estimate the fair value of the Company's investment in unquoted shares due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

21. FINANCIAL INSTRUMENTS (continued)

21.7 Fair value information (continued)

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
2021					
Financial asset					
Derivative financial instruments:					
- forward foreign currency exchange contracts	-	10	-	10	10
Financial liability					
Derivative financial instruments:					
- forward foreign currency exchange contracts	-	(866)	-	(866)	(866)
2020					
Financial asset					
Derivative financial instruments:					
- forward foreign currency exchange contracts	-	94	-	94	94
Financial liability					
Derivative financial instruments:					
- forward foreign currency exchange contracts	-	(1,157)	-	(1,157)	(1,157)

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).

22. 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 results from operating activities divided by total shareholders' equity.

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

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

23. CAPITAL AND OTHER COMMITMENTS

	2021 RM'000	2020 RM'000
Approved by the Board but not provided for in the financial statements:		
- Contracted	26,801	41,137
- Not contracted	-	229
	26,801	41,366
Analysed as follows:		
- Property, plant and equipment	26,801	41,366

24. CONTINGENCY

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	2021 RM'000	2020 RM'000
Contingent liabilities not considered remote		
<i>Litigation</i>		
The Company is defending an action brought by its sub-contractor from Malaysia. While liability is not admitted, if defence against the action is unsuccessful, then claims and legal costs could amount to RM9,582,000. Based on legal advice, the Directors do not expect the outcome of the action to have a material effect on the Company's financial position.	9,582	-

In the Directors' opinion, disclosure of any further information about the above matter would be prejudicial to the interests of the Company.

25. 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 corporation, significant investors, subsidiaries and associates related to its holding corporation and key management personnel.

- (a) Associated company and ultimate holding corporation

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

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

25. RELATED PARTIES (continued)

Identity of related parties (continued)

(b) Related party relationships

Related party	Relationship
Panasonic Corporation ("PC")	Ultimate holding corporation
Panasonic Management Malaysia Sdn. Bhd. ("PMAM")	Immediate holding company
Panasonic Malaysia Sdn. Bhd. ("PM")	Associated company
KDK Fans (M) Sdn. Bhd. ("KDK")	Subsidiary of PC
Panasonic Financial Centre (Malaysia) Sdn. Bhd. ("PFI(MY)")	Subsidiary of PC
Panasonic Asia Pacific Pte. Ltd. ("PA")	Subsidiary of PC
Panasonic Ecology Systems Co. Ltd. ("PES")	Subsidiary of PC
Panasonic Ecology Systems (Thailand) Co. Ltd. ("PESTH")	Subsidiary of PC
P.T. Panasonic Manufacturing Indonesia ("PMI")	Subsidiary of PC
Panasonic A.P. Sales (Thailand) Co. Ltd. ("PAT")	Subsidiary of PC
Panasonic Home Appliance India Co. Ltd. ("PHAI")	Subsidiary of PC
Panasonic Vietnam Co. Ltd. ("PV")	Subsidiary of PC
Panasonic Energy Malaysia Sdn. Bhd. ("PECMY")	Subsidiary of PC
Panasonic Marketing Sales Taiwan Co.	Subsidiary of PC
Panasonic Hong Kong Co. Ltd. ("PHK")	Subsidiary of PC
Panasonic Industrial Devices Automation Controls Sales Asia Pacific ("PIDACSAP")	Subsidiary of PC
Panasonic Life Solutions (Hong Kong) Co. Ltd. ("PLSHK")	Subsidiary of PC
Panasonic Appliances (Thailand) Co. Ltd. ("PAPTH")	Subsidiary of PC
Panasonic Electric Works Co. Ltd.	Subsidiary of PC
Panasonic Electronic Works (Asia Pacific) Pte. Ltd.	Subsidiary of PC
Panasonic Industrial Devices Semiconductor Asia Pte. Ltd.	Subsidiary of PC
Panasonic Corporation's Corporate Manufacturing Innovation Division ("CIMD")	Subsidiary of PC
Panasonic Systems Asia Pacific ("PSY")	Subsidiary of PC
Panasonic Marketing Middle East and Africa FZE ("PMMAF")	Subsidiary of PC
Panasonic Singapore ("PSP")	Subsidiary of PC
Panasonic AVC Networks Johor (M) Sdn. Bhd. ("PAVCJM")	Subsidiary of PC
Panasonic AVC Networks KL (M) Sdn. Bhd. ("PAVCKM")	Subsidiary of PC
Panasonic Appliances Foundry Malaysia Sdn. Bhd. ("PAPFMT")	Subsidiary of PC
Panasonic Appliances Refrigeration Devices Malaysia Sdn. Bhd. ("PAPRDMY")	Subsidiary of PC
Panasonic System Networks (M) Sdn. Bhd. ("PSNM")	Subsidiary of PC
Panasonic Liquid Crystal Display Malaysia Sdn. Bhd. ("PLDM")	Subsidiary of PC
Panasonic Appliances Air-Conditioning Malaysia Sdn. Bhd. ("PAPAMY")	Subsidiary of PC
Panasonic (CIS) OY ("PMCIS")	Subsidiary of PC
Panasonic Procurement Malaysia Sdn. Bhd. ("PPMY")	Subsidiary of PC
Panasonic Logistics Asia Pacific ("PLAP")	Subsidiary of PC
Panasonic Production Engineering Co. Ltd. ("PSD")	Subsidiary of PC
Panasonic Life Solutions Sales (Thailand) Co. Ltd.	Subsidiary of PC

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

25. RELATED PARTIES (continued)

Identity of related parties (continued)

(c) Significant related party transactions

	2021 RM'000	2020 RM'000
(i) Sales of products and related components to related parties:		
- Panasonic Logistic Asia Pacific	373,983	360,529
- Panasonic Malaysia Sdn. Bhd.	217,199	279,744
- KDK Fans (M) Sdn. Bhd.	122,682	143,220
- Panasonic Life Solutions (Hong Kong) Co. Ltd.	239,872	242,796
- Panasonic Procurement Malaysia Sdn. Bhd.	4,653	6,650
- P.T. Panasonic Manufacturing Indonesia	7,405	9,338
- Panasonic Ecology System (Thailand) Co. Ltd.	-	32
- Panasonic Life Solutions Sales (Thailand) Co. Ltd.	395	-
- Panasonic Appliances R&D Asia Pacific Sdn. Bhd.	648	13
(ii) Sales of service parts to related parties:		
- Panasonic Malaysia Sdn. Bhd.	2,204	2,155
- Panasonic Logistic Asia Pacific	2,268	2,097
- KDK Fans (M) Sdn. Bhd.	409	294
- P.T. Panasonic Manufacturing Indonesia	1	-
- Panasonic Life Solutions (Hong Kong) Co. Ltd.	387	493
(iii) Rental for lease office to related parties:		
- Panasonic Appliances R&D Asia Pacific Sdn. Bhd.	3,101	3,130
(iv) Provision of services for Accounting & Treasury, HR services, and IT support services to related parties:		
- Panasonic Appliances R&D Asia Pacific Sdn. Bhd.	202	104
(v) Purchase of parts, components and raw materials from related parties:		
- Panasonic Procurement Malaysia Sdn. Bhd.	201,663	227,295
- Panasonic Corporation	11,073	14,728
- Panasonic Life Solutions (Hong Kong) Co. Ltd.	18,662	25,737
- Panasonic Industrial Devices Malaysia Sdn. Bhd.	9	19
- Panasonic Industrial Devices Singapore Pte. Ltd.	294	556
- Panasonic Industrial Devices Semiconductor Asia Pte. Ltd.	11	268
- P.T. Panasonic Manufacturing Indonesia	292	491
- Panasonic Hong Kong Co., Ltd.	12	198
- Panasonic Ecology System (Thailand) Co. Ltd.	479	450
- Panasonic System Networks Malaysia	3,461	-
- Panasonic Ecology Systems Co.,Ltd.	4	-
(vi) Technical assistance fee paid and payable to related parties:		
- Panasonic Corporation	13,745	14,520
- Panasonic Ecology Systems Co. Ltd.	14,458	15,757

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

25. RELATED PARTIES (continued)

Identity of related parties (continued)

(c) Significant related party transactions (continued)

	2021 RM'000	2020 RM'000
(vii) Interest income received and receivable from a related party: - Panasonic Financial Centre (Malaysia) Sdn. Bhd.	10,287	20,119
(viii) Sales promotion, warranty claims and/or service expenses paid and payable to related parties: - Panasonic Malaysia Sdn. Bhd.	3,919	4,020
- Panasonic A.P. Sales (Thailand) Co. Ltd.	1,215	612
- Panasonic Corporation	1,633	(332)
- KDK Fans (M) Sdn. Bhd.	1,535	1,668
- Panasonic Vietnam Co. Ltd.	-	804
- PT Panasonic Gobel Indonesia	732	-
- Other related companies	1,097	307
(ix) Research and development expenditure paid and payable to related parties: - Panasonic Corporation	46	258
- Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd.	25,291	27,874
(x) Brand license fee paid and payable to related parties: - Panasonic Ecology Systems Co. Ltd.	2,245	2,362
(xi) IT annual maintenance and support fees payable to related parties: - Panasonic Asia Pacific Pte. Ltd. (Oracle System Project)	-	238
- Panasonic Corporation	1,803	3,040
- Panasonic Procurement Malaysia Sdn. Bhd.	1,007	894
(xii) Purchase of fixed assets from related parties: - Panasonic Corporation	1	295
- Panasonic Life Solutions Malaysia Sdn. Bhd.	7,950	-
- Other related companies	467	599
(xiii) Manufacturing innovation services received and receivable from a related party: - Panasonic Corporation's Corporate Manufacturing Innovation Division	2,430	2,511
(xiv) Service fees paid and payable to related parties: - Panasonic Asia Pacific Pte Ltd	590	2,593
- Panasonic Management Malaysia Sdn. Bhd.	745	1,176
- Other related companies	1,686	1,362
(xv) Repair fee paid and payable to related parties: - Other related companies	249	358

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

25. RELATED PARTIES (continued)

Identity of related parties (continued)

(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:

	2021 RM'000	2020 RM'000
Amount due to:		
- Panasonic Corporation	1,845	1,509
- Panasonic Malaysia Sdn. Bhd.	1,649	2,136
- Panasonic Procurement Malaysia Sdn. Bhd.	19,223	14,227
- Panasonic Vietnam Co. Ltd.	-	-
- Panasonic Life Solutions (Hong Kong) Co. Ltd.	2,225	1,850
- Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd.	3,246	3,025
- Panasonic A.P. Sales (Thailand) Co. Ltd.	227	13
- Other related companies	3,824	1,239
	32,239	23,999
Amount due from:		
- Panasonic Corporation	667	819
- Panasonic Malaysia Sdn. Bhd.	22,893	18,699
- Panasonic Logistic Asia Pacific	25,096	8,518
- Panasonic Life Solutions (Hong Kong) Co. Ltd.	35,948	23,956
- KDK Fans (M) Sdn. Bhd.	10,196	7,928
- Panasonic Financial Centre (Malaysia) Sdn. Bhd.	955	1,724
- Other related companies	1,180	1,336
	96,935	62,980

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

25. RELATED PARTIES (continued)

Identity of related parties (continued)

(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:

	2021 RM'000	2020 RM'000
Directors' fees and meeting allowance	557	540
Salaries, allowance, bonus and other remuneration	13,646	15,238
Defined contribution retirement plan	655	665
	14,858	16,443

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

	2021 RM'000	2020 RM'000
Non-Executive Directors:		
- fees	487	464
- others	70	76
Executive Directors:		
- salaries, bonus and other remuneration	1,963	1,878
- defined contribution retirement plan	161	150
	2,681	2,568

The estimated monetary value of benefits provided to Executive Directors during the financial year amounted to RM38,779 (2020: RM66,795).

The estimated monetary value of benefits provided to Executive Directors and other members of key management personnel during the financial year amounted to RM631,301 (2020: RM792,988).

Included in key management personnel compensation is the Executive Directors' remuneration of RM2,124,200 (2020: RM2,027,661).

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

26. 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 2021

	2021 RM'000	2020 RM'000
Assets		
Property, plant and equipment	138,175	127,306
Right-of-use assets	5,889	6,109
Intangible assets	5,538	7,687
Interest in associated company	2,000	2,000
Deferred tax assets	11,213	12,871
Total non-current assets	162,815	155,973
Inventories	69,632	73,164
Trade and other receivables	104,218	74,927
Derivative financial assets	10	94
Cash and cash equivalents	523,934	577,712
Total current assets	697,794	725,897
Total assets	860,609	881,870
Equity		
Share capital	60,746	60,746
Retained earnings	640,001	660,923
Total equity	700,747	721,669
Liabilities		
Provision for liabilities and charges	597	540
Lease liabilities	112	203
Total non-current liabilities	709	743
Trade and other payables	148,601	136,714
Provision for liabilities and charges	5,548	11,592
Derivative financial liabilities	866	1,157
Lease liabilities	83	127
Taxation	4,055	9,868
Total current liabilities	159,153	159,458
Total liabilities	159,862	160,201
Total equity and liabilities	860,609	881,870

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

26. SUPPLEMENTARY INFORMATION (continued)

(ii) Statement of profit or loss and other comprehensive income for the year ended 31 March 2021

	2021 RM'000	2020 RM'000
Revenue	974,558	1,051,980
Cost of sales	(792,445)	(851,976)
Gross profit	182,113	200,004
Other operating income	6,410	14,116
Dividend income	3,185	3,185
Distribution and marketing cost	(38,778)	(53,228)
Administrative expenses	(35,621)	(35,847)
Other operating expenses	(9,535)	(3,635)
Results from operating activities	107,774	124,595
Finance costs	(9)	(9)
Finance income	10,287	20,119
Profit before tax	118,052	144,705
Tax expense	(18,697)	(24,238)
Profit for the year and total comprehensive income for the year	99,355	120,467
Basic earnings per ordinary share (sen)	164	198

(iii) Statement of changes in equity for the year ended 31 March 2021

	Note	Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 April 2019		60,746	677,742	738,488
Total profit and comprehensive income for the year		-	120,467	120,467
Contributions by and distributions to owners of the Company				
Dividends				
- Final dividend for the financial year ended 31 March 2019	19	-	(128,174)	(128,174)
- Interim dividend for the financial year ended 31 March 2020	19	-	(9,112)	(9,112)
Total transactions with owners of the Company		-	(137,286)	(137,286)
At 31 March 2020/1 April 2020		60,746	660,923	721,669
Total profit and comprehensive income for the year		-	99,355	99,355
Contributions by and distributions to owners of the Company				
Dividends				
- Final dividend for the financial year ended 31 March 2020	19	-	(111,165)	(111,165)
- Interim dividend for the financial year ended 31 March 2021	19	-	(9,112)	(9,112)
Total transactions with owners of the Company		-	(120,277)	(120,277)
At 31 March 2021		60,746	640,001	700,747

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 80 to 131 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards 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 2021 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:

Tan Sri Asmat bin Kamaludin
Director

Kenji Kamada
Director

Kuala Lumpur
Date: 28 May 2021

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 80 to 131 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 28 May 2021.

Kwan Wai Yue

Before me:

Lawrence Low
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 2021, 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 a summary of significant accounting policies, as set out on pages 80 to 131.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 2(g) and Note 8 – Inventories.

The key audit matter

The Company held significant inventory balances as at 31 March 2021 of RM69,632,000. There is a risk over the valuation of inventories due to possible slow moving and obsolete inventories. Slow moving inventories may be due to items that are generally not fast moving such as replacement parts for the upkeep of the products sold. Obsolete inventories may be due to phasing out of older models or inventories that are no longer saleable. The valuation of inventories is a key audit matter because of the judgement involved in assessing the level of inventory allowance required.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC MANUFACTURING MALAYSIA BERHAD
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Key Audit Matters (continued)

i) Carrying amount of inventories (continued)

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 and tested the appropriateness of the costing of inventories.
- We tested net realisable values to the selling prices.
- We compared the cost of the different lines of inventory against net realisable value, to determine if the carrying amount of inventory was overstated.

ii) Provision for liabilities and charges

Refer to Note 2(k)(i) – Provision for rework and recall cost, Note 2(k)(ii) – Provision for warranty and Note 13 – Provision for liabilities and charges.

The key audit matter

As of 31 March 2021, the Company recorded provision for warranty of RM1,911,000. The Company has exercised judgement in making these provisions in respect of the warranty obligations arising from the sale of goods.

A provision for rework cost and recall cost of RM1,670,000 and RM109,000 respectively were recorded based on management's best estimate of the expenditure for certain products to inspect, repair or replace items that are found not performing to the Company's quality standards.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We obtained an understanding of the provision processes and evaluated the design and implementation of controls over liability and charges account.
- We evaluated the appropriateness of the Company's processes, evaluated and tested the assumptions used in the determination of the provisions and tested the validity of the data used in the calculations by comparing it to the actual warranty claims in prior years and the rework cost per unit incurred.
- We evaluated the appropriateness of the Company's key inputs to evaluate the provision for recall and tested the validity of the data used in the calculation of the provision.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC MANUFACTURING MALAYSIA BERHAD
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

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, International Financial Reporting 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC MANUFACTURING MALAYSIA BERHAD
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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.
- 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC MANUFACTURING MALAYSIA BERHAD
(CONTINUED)

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

Petaling Jaya

Date: 28 May 2021

Mok Wan Kong

Approval Number: 02877/12/2022 J
Chartered Accountant

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		137
			92 years	25-Jun-1973		44
			84 years	29-Sep-1981		213
			(Expires in the year 2065)			
	Factory and administrative office				8 - 55	2,258
	SA1 New administrative building				2 - 3	34,860
No. 9 Jalan Pelabur 23/1 Section 23 40300 Shah Alam Selangor Darul Ehsan	Land	17.1	Leasehold, 99 years	11-Apr-1991		5,305
			(Expires in the year 2090)			
	Factory and administrative office				2 - 26	6,042

STATISTICS ON SHAREHOLDINGS

AS AT 30 JUNE 2021

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	1,097	17.07	17,177	0.03
100 - 1,000	3,470	53.99	1,591,632	2.62
1,001 - 10,000	1,598	24.86	5,110,567	8.41
10,001 - 100,000	228	3.55	6,003,242	9.88
100,001 to 3,037,288 (less than 5% of issued shares)	31	0.48	8,291,245	13.65
3,037,289 and above (5% and above of issued shares)	3	0.05	39,731,917	65.41
Total	6,427	100.00	60,745,780	100.00

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	Direct Interest	No. of Shares		%
			%	Deemed Interest	
1	Tan Sri Asmat bin Kamaludin	0	0.00	0	0.00
2	Kenji Kamada*	0	0.00	0	0.00
3	Tan Sri Hasmah binti Abdullah	0	0.00	0	0.00
4	Siew Pui Ling	100	0.00	0	0.00
5	Cheng Chee Chung	0	0.00	0	0.00
6	Raja Anuar bin Raja Abu Hassan	0	0.00	0	0.00
7	Kwan Wai Yue	0	0.00	0	0.00
8	Shigeru Dono#	0	0.00	0	0.00
9	Dato' Kaziah binti Abd Kadir	0	0.00	0	0.00

* holds 1,178 common shares in Panasonic Corporation, the ultimate holding company of the Company.

holds 2,965 common shares in Panasonic 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	8,289,046	13.65	-	-
6	Kumpulan Wang Persaraan (Diperbadankan)	3,462,800	5.70	-	-

STATISTICS ON SHAREHOLDINGS

AS AT 30 JUNE 2021
(CONTINUED)

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	7,445,246	12.26
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	3,462,800	5.70
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)	1,103,305	1.82
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	503,900	0.83
7	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	418,100	0.69
8	MAYOON SDN BHD	360,000	0.59
9	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	303,277	0.50
10	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR YEO KOK GEE (19359)	300,478	0.50
11	SHEN & SONS SDN BHD	272,000	0.45
12	HO HAN SENG	265,000	0.44
13	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	259,700	0.43
14	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR YEO GEOK CHOO (19003)	241,538	0.40
15	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (F TEMPLETON)	233,300	0.38
16	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY INCOME FUND	220,400	0.36
17	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR TAI TAK SECURITIES PTE LTD (1442)	209,000	0.34
18	LAI YAN YONG	194,000	0.32
19	CHONG YEAN FONG	189,600	0.31
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)	187,800	0.31

STATISTICS ON SHAREHOLDINGS

AS AT 30 JUNE 2021

(CONTINUED)

30 LARGEST SHAREHOLDERS (continued)

No.	Name of Shareholders	No. of Shares	%
21	CHONG KAH MIN	184,146	0.30
22	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED OP)	160,000	0.26
23	DB (MALAYSIA) NOMINEED (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG CONSUMER PRODUCTS SECTOR FUND	145,000	0.24
24	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR TAN MUI KOON (1496)	139,998	0.23
25	SAW KHAY CHEE	136,850	0.23
26	CHONG KAH YUNG	132,825	0.22
27	RHB NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILIP SECURITIES PTE. LTD. (A/C CLIENTS)	124,500	0.21
28	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PARTICIPATING FUND	121,400	0.20
29	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK KIM ENG SECURITIES PTE LTD FOR CHIA NGEN LEE CAROL	108,000	0.18
30	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDEND FUND BOARD (ARIM)	106,600	0.18
Total		47,612,382	78.40

HISTORY OF DIVIDEND PAYMENT

FINANCIAL YEAR/PERIOD	PAID-UP CAPITAL (RM)	CASH DIVIDEND RATE			STOCK DIVIDEND RATE	TOTAL DIVIDEND RATE	GROSS CASH DIVIDEND (RM)	TAX RATE			TAXATION AMOUNT (RM)	NET CASH DIVIDEND (RM)
		INTERIM	FINAL	SPECIAL				INTERIM	FINAL	SPECIAL		
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)							1,851,818,166				245,392,385	1,606,425,781

NOTICE OF 56TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 56th Annual General Meeting of the Company will be held entirely on a fully virtual basis through live streaming and online remote voting from the meeting venue at No. 3 Jalan Sesiku 15/2, Section 15, Shah Alam Industrial Site, 40200 Shah Alam, Selangor Darul Ehsan ("Meeting Venue") on Monday, 30 August 2021 at 2.00 p.m. for the following purposes:

AGENDA

As Ordinary Business:

1. To receive the Statutory Financial Statements for the financial year ended 31 March 2021 together with the Reports of the Directors and Auditors thereon.
2. To declare a final single tier dividend of 148 sen per ordinary share for the financial year ended 31 March 2021. **(Resolution 1)**
3. To re-elect the following Directors who are retiring in accordance with the Company's Constitution:
 - a. Cheng Chee Chung (Article 100) **(Resolution 2)**
 - b. Kwan Wai Yue (Article 100) **(Resolution 3)**
 - c. Kenji Kamada (Article 105) **(Resolution 4)**
 - d. Dato' Azman Bin Mahmud (Article 105) **(Resolution 5)**
4. To approve the payment of Directors' fees and meeting attendance allowance not exceeding RM920,000 in respect of the financial year ending 31 March 2022. **(Resolution 6)**
5. To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

As Special Business:

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

6. **Proposed Renewal and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/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 and new 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 30 July 2021. **(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 30 July 2021. **(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 30 July 2021. **(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 30 July 2021. **(Resolution 11)**

NOTICE OF 56TH ANNUAL GENERAL MEETING (CONTINUED)

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 148 sen per ordinary share for the financial year ended 31 March 2021, will be paid on 23 September 2021 to depositors registered in the Record of Depositors and Register of Members at the close of business on 9 September 2021.

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 9 September 2021 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
30 July 2021

NOTICE OF 56TH ANNUAL GENERAL MEETING

(CONTINUED)

VIRTUAL AGM

1. The 56th 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 <https://meeting.boardroomlimited.my/>. Please follow the procedures provided in the Administrative Details for the 56th AGM in order to register, participate and vote remotely.
2. The meeting venue of the 56th 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 56th 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://investor.boardroomlimited.com/> 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 20 August 2021 shall be regarded as Members of the Company entitled to attend the 56th Annual General Meeting or appoint a proxy to attend and vote on his behalf.

Notes on Resolutions 2 to 5

For the purpose of determining the eligibility of the Directors to stand for re-election at the 56th AGM, the Board through its Nomination Committee had assessed Mr Cheng Chee Chung, Ms Kwan Wai Yue, Mr Kenji Kamada and Dato' Azman Bin Mahmud (collectively "the Retiring Directors"). Mr Cheng Chee Chung and Ms Kwan Wai Yue 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 their independent judgement on matters brought for Board discussion and they have always acted in the best interest of the Company as a whole.

The Board also agreed to recommend the re-election of Mr Kenji Kamada and Dato' Azman Bin Mahmud who were appointed to the Board recently to fill the casual vacancies on the Board. They are due for retirement at the 56th AGM of the Company pursuant to Article 105 of the Company's Constitution and they are eligible for re-election. Based on their wealth of experience and the skills that they can bring to the Company, the Board views that their re-election would bring benefits to the Company.

Based on the above, the Board supports the re-election of the Retiring Directors.

Explanatory Note to Special Business:

Resolutions 8 to 11

Please refer to the Circular to Shareholders dated 30 July 2021 for further information.

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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 56th Annual General Meeting ("AGM") of the Company to be held fully virtual at No. 3 Jalan Sesiku 15/2, Section 15, Shah Alam Industrial Site, 40200 Shah Alam, Selangor Darul Ehsan ("Meeting Venue") on Monday, 30 August 2021 at 2.00 p.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 148 sen per ordinary share.		
2.	Re-election of Cheng Chee Chung		
3.	Re-election of Kwan Wai Yue		
4.	Re-election of Kenji Kamada		
5.	Re-election of Dato' Azman Bin Mahmud		
6.	Approval of the payment of Directors' fees and benefits.		
7.	Re-appointment of Auditors.		
Special Business			
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, equipments 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 _____ 2021

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 56th AGM entirely via remote participation and electronic voting facilities. Kindly refer to the Administrative Details for the 56th AGM for more information.
2. The only venue involved is the Meeting 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 Meeting Venue on the day of the AGM.
3. As the 56th AGM will be conducted as a fully 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, 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.
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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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pmma.panasonic.com.my

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



Tel: +603-5891 5000



Fax: +603-5891 5101



Email: ir.pmma@my.panasonic.com