

Panasonic

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

SHAPING A THRIVING FUTURE



ANNUAL REPORT 2023
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

Live Your Best

58th

ANNUAL GENERAL MEETING



Wednesday, 30 August 2023
10.00 a.m.



Meeting Platform:
[https://meeting.
boardroomlimited.my/](https://meeting.boardroomlimited.my/)

Meeting Venue:
Panasonic Manufacturing
Malaysia Berhad



Refer to pages 134 to 137
for Annual General Meeting
Information

SCAN HERE



The soft copy of Panasonic
Manufacturing Malaysia Berhad
Annual Report 2023 is available
on our website.

SHAPING A THRIVING FUTURE

An edgy and dynamic design that emanates power and confidence. The bold arcs show movement to reflect change and transformation. From raw shapes, icons develop to indicate how continuous improvements in products are continually being deployed to reinvent new possibilities.



The Annual Report 2023 is available online at pmma.my.panasonic.com

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Azman bin Mahmud
(Chairman)

Takashi Sugihara
(Managing Director)

Raja Anuar bin Raja Abu Hassan

Dato' Kaziah binti Abd Kadir

Tan Sri Hasmah binti Abdullah

Siew Pui Ling

Kwan Wai Yue

Shinichi Hayashi

Keisuke Nishida

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)

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)

CORPORATE INFORMATION

(CONT'D)

SOLICITORS	AUDITORS
<p>Shearn Delamore & Co. Shook Lin & Bok Rosli Dahlan Saravana Partnership</p>	<p>KPMG PLT</p>
REGISTRAR	REGISTERED OFFICE
<p>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</p>	<p>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</p>
PRINCIPAL BANKERS	STOCK EXCHANGE
<p>MUFG Bank (Malaysia) Berhad Malayan Banking Berhad</p>	<p>Main Market of Bursa Malaysia Securities Berhad Sector : Consumer Products & Services Sub-sector : Household Goods Stock Code : PANAMY 3719</p>



CHAIRMAN'S STATEMENT

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors of Panasonic Manufacturing Malaysia Berhad ("PMMA" or the "Company"), I am pleased to present the Annual Report and Consolidated Financial Statements of the Company for the Financial Year Ended 31st March 2023.



DATO' AZMAN BIN MAHMUD
Chairman,
Independent
Non-Executive Director



REVENUE

991.6
million



PROFIT BEFORE TAX

91.3
million

The domestic economy finally reopened following two years of pandemic-related restrictions. As COVID infections slowly declined amidst high vaccination rates achieved and with the easing of containment measures, the operations of the Company had stabilised. The nation's transition towards endemicity in the reporting year augured well for the Company as the resumption of all economic activities continued to revitalise market and economic conditions to pre-pandemic levels.

While overall economic momentum saw forward progression, many industries across the world were confronted with supply chain disruptions and rising inflation. This was compounded by the rise of geopolitical tensions (with the War in Ukraine as a main disruptor to key commodities); the subdued recovery in China, constrained by enduring COVID-19 lockdowns; and the echoes of global supply chain disruptions that still reverberated through most of the first half of 2022.

Amidst an economic background which remains challenging, the Company persevered and managed to deliver commendable performance for the financial year ended 31st March 2023. The results reflect the agility and tenacity of the Company in reinventing our business to not just survive but also thrive, thus setting the stage for sustained growth in the years ahead.

CHAIRMAN'S STATEMENT

(CONT'D)



The Company is now focused on expanding the product range of its core businesses by introducing new products and new export markets whilst actively seeking investment in new businesses.

FINANCIAL REVIEW

The Company achieved a revenue of RM991.6 million, an increase of RM122.8 million or 14.1% as compared to the previous year's revenue of RM868.8 million. This is mainly attributable to the full market reopening and recovery in this financial year and the fulfilment of backlog orders arising from the flood incident in December 2021.

Correspondingly, the Company achieved a higher combined profit before tax of RM91.3 million for the year under review, representing a significant increase of RM38.3 million or 72.2% as compared to the previous year. The increase in profitability was mainly attributable to higher revenue achieved, increase in interest income by RM5.6 million following the recent interest rate hikes and a one-off insurance claim received amounting to RM22.3 million related to the flood incident that occurred in December 2021.

FLOOD MITIGATION INITIATIVES

The Company's SA2 plant was affected by the unprecedented floods in mid-December 2021 due to the continuous heavy downpour in Klang Valley. Production operations were disrupted for quite some time as the factory was inundated by flood waters.

In response to the natural disaster, the Company has implemented various activities to mitigate damages and prevention of future recurrence.

Some of the initiatives include installation of flood barriers for low areas as well as placement of sandless sandbags at every door of the building. In July 2022, the Company had also completed the installation of a flood level indicator at the guardhouse. The Company had also moved all machineries including the electrical sub switch board to elevated platforms.

Moving forward, the Company will continue to invest in permanent structures for prevention of flood; in the form of rebuilding and strengthening the perimeter wall and installing resistant flood barrier gates. These structures should be completed within the next financial year.

I am happy to note that the insurance compensation in respect of the losses incurred during the flood has been finalised during the financial year.

CHAIRMAN'S STATEMENT

(CONT'D)

REALIGNMENT OF GLOBAL PRODUCTION BASE

As part of the realignment of global production for the Panasonic Group for cost efficiency and enhanced competitiveness, Panasonic Corporation ("PC") had notified the Company of its decision to terminate the Small Kitchen Appliances businesses effective from 31st March 2023. Recognising that the Company would be incurring substantial restructuring losses as a result of the global decision to realign its production bases, PC had agreed to bear the entire restructuring costs incurred; including staff retrenchment costs, write-off expenses of facilities by PMMA for the termination of the businesses. As such, a claim amounting to RM 14.4 million has been made to PC and this has been recognised as other operating income received during the financial year. The claims received were in relation to the first phase of products terminated; whilst the claims for the remaining products will be made within the next financial year.

NEW BUSINESS STRATEGY

The Company is now focused on expanding the product range of its core businesses by introducing new products and new export markets whilst actively seeking investment in new businesses. This is to address the loss of the contribution from the termination of the two businesses namely rice cooker products and small kitchen appliances.

The Company has identified certain water related products which is currently under the development stage and should be launched within the next financial year.

CAPITAL MANAGEMENT

As of 31 March 2023, the Company's cash and cash equivalents stood at RM482.9 million compared to RM442.7 million in the previous year. The Company 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 pay out to shareholders and to have the capability to pursue new investments.

DIVIDENDS

Despite multiple headwinds faced, the Company continues to deliver value to its shareholders. For the financial year ended 31st March 2023, the Company is pleased to propose a final dividend of 107 sen per ordinary share; an increase of 39 sen as compared to the final dividend of 68 sen paid in the previous financial year. Together with the interim single tier dividend of 15 sen per ordinary share, the total gross dividend for financial year ended 31st March 2023 will be 122 sen (FY2022: 83 sen) per ordinary share.

SUSTAINABILITY

Sustainability is ingrained in our business DNA and is clearly reflected in Panasonic's Basic Management Philosophy. As part of the Panasonic group, the Board upholds its commitment to undertake responsible manufacturing practices, focusing on sustainability and good corporate governance. The Board remains focused 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. 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 17 to 34.



CHAIRMAN'S STATEMENT

(CONT'D)

IR 4.0

To further improve productivity and overall line efficiency, the Company is utilising Industry 4.0 technologies.

Last year, we implemented Computer Maintenance Management System ("CMMS") throughout the company. The system helps the maintenance team do their jobs more effectively as well as assist management make informed decisions.

We are also making progress on our 5-year Robotics and Automation plan. Robotics has fully automated all 3D (Dangerous, Difficult, Dirty) jobs, further reducing our reliance on labour amid a labour shortage. In order to further reduce our reliance on manual labour and increase productivity, we will incorporate more robotics and automation into the assembly processes.

In Phase 1 of the Company's long-term strategy, the Internet of Things ("IoT") was successfully implemented in all Ceiling Fans Assembly Lines and Home Shower Assembly Lines last year. As part of Phase 2 of the implementation, we will expand IoT technology to our Vacuum Cleaners, Electric Fans, and Electric Irons Assembly Lines in the next reporting year.

DIRECTORATE

The Company welcomed our newly appointed members of the Board, Mr Shinichi Hayashi, who was appointed on 1 April 2023 to fill up the vacancy due to the resignation of Mr Michikazu Matsushita and the appointment of Mr Takashi Sugihara on 1 June 2023 as successor to Mr Kenji Kamada in the position of Managing Director.

The Board remains focused 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.



On behalf of the Board of Directors and management, I wish to place on record, our heartfelt gratitude to Mr Kenji Kamada for his services as Managing Director as his tenure with the Company was through the most challenging of times with the Covid outbreak, flood incident and the restructuring of businesses. His tenacity in dealing with the difficult tasks was commendable and we wish him well in his new assignment in the Panasonic Group. We also want to thank Mr Michikazu Matsushita for his services during his term as Non-Independent Non-Executive Director for all his valuable contribution these years.

NOTE OF APPRECIATION

It has been a challenging few years, not just for us but also for the global market, but we have come out of these few years stronger on a positive growth trajectory with sound fundamentals. Critical to this success has been the support of our key stakeholders, namely our employees, Board of Directors, shareholders, business partners, suppliers, financiers and, of course, the communities in which we operate.

I would like to express a heartfelt appreciation to all our stakeholders for your commitment to the Company, without which we would not be where we are today. With your continued support, we will grow our regional business onwards and upwards.

Dato' Azman Bin Mahmud
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

DEAR SHAREHOLDERS,

I am pleased to present the Management Discussion and Analysis ("MD&A") of the Company for the Financial Year Ended 31 March 2023 ("FYE 2023"). The MD&A provides insight into the Company's operations, financial performance and expectations going into the next financial year.



BUSINESS STRUCTURE

The Company operates at two factories which are located at Section 15 ("SA1 Plant") and Section 23 ("SA2 Plant"), Shah Alam, Selangor.

The Company, as an electrical home appliances manufacturer operates under two business segments, namely, the Living Appliances & Solution Company ("LASC") and Heating & Ventilation A/C Company ("HVAC") of the Lifestyle Update Business, Panasonic Corporation. Products grouped in the LASC segment are Vacuum Cleaners, Irons, Bidets, and Kitchen Appliances whilst Electric Fans, Ceiling Fans, Ventilating Fans, Dish Dryers and Home Showers are part of the HVAC segment. The kitchen appliances business was fully terminated at the end of FYE 2023.

Sales to the ASEAN region such as Thailand (3.5%), Vietnam (18.2%), the Singapore (6.7%) and other neighbouring countries represent approximately 33% of the total Company's revenue whilst domestic sales contribute approximately 33.9% of total sales. Exports to the Middle East region contribute approximately 25.2% of total revenue and the remaining sales are to other countries including Japan.



**TAKASHI
SUGIHARA**
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)



BUSINESS STRATEGY

Being a key player in the electrical goods industry, the Company aspires to widen its presence in the domestic and export markets which it trades in, especially for key products such as Ceiling Fans, Home Showers and Vacuum Cleaners. The Company will provide value to its customers in residential spaces like bathroom, living room and bedroom by developing local fit products especially for key home appliances which have high market growth potential.

Our Fans and other home appliances such as Home Showers remain a preferred brand amongst consumers and occupy the top three market positions in Malaysia. The Company will continue to keep on strengthening new product line up in current business areas in order to meet market change and customer requirement and to continuously look into potential new businesses to maximise its current operational capacities.

At this point in time, the Company has identified certain water related products which is currently under the stage of product development; details of launching will be announced at a later date.

The Company continues to drive automation in manufacturing and to aim to achieve "Smart Factory" by 2030; despite challenges faced. A Smart Factory is Industry 4.0 compliant whereby all machinery and equipment are connected allowing real-time monitoring to ultimately make decisions without human involvement. We aim to transform manual processes into semi-auto and fully auto processes to mitigate heavy reliance on foreign workers especially in the 3D (Dangerous, Dirty and Difficult) environment amidst the current labour shortage and rising cost of labour.

INTRODUCTION

The domestic economy reopened as COVID infections slowly declined amidst high vaccination rates achieved, following two years of movement restrictions. With the easing of containment measures, the operations of the Company had stabilised and delivered profitable results for the current financial year.

FINANCIAL PERFORMANCE

RM MILLION	2023	2022	CHANGES %
Revenue	991.6	868.8	14.1
- Domestic	336.1	307.3	9.4
- Export	655.5	561.5	16.7
Operating expenses	(966.1)	(857.0)	12.7
Other operating income	43.1	18.5	133.0
Fair value gain/(loss) on derivative financial instruments	(0.2)	1.0	(120.0)
Results from operating activities	68.4	31.3	118.5
Finance income	13.6	7.9	72.1
Share of results of associated company (net of tax)	9.3	13.8	32.6
Profit before taxation	91.3	53.0	72.2
Taxation	(11.2)	(1.5)	646.7
Profit after taxation for the financial year	80.1	51.5	55.5

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

Revenue

The Company recorded a revenue of RM991.6 million for FYE 2023 which is higher by RM122.8 million or 14.1% as compared to the previous year's revenue of RM868.8 million. The higher revenue achieved was mainly attributable to the full market reopening and recovery in this financial year. The various mobility curbs and capacity restrictions imposed in the previous year had impacted sales and production operations. Aside from this, the fulfilment of backlog orders arising from the flood incident in December 2021 had also contributed to this year's performance.

However, the discontinuance of rice cooker business since the last financial year and the termination of kitchen appliance businesses within the current financial year had impacted the Company's overall revenue achievement.



Results from Operating Activities

Corresponding to the increase in revenue, the Company's profit from the operating activities was RM68.4 million for the year ended 31 March 2023, which represents an increase of RM37.1 million or 118.5% as compared to the previous year's profit of RM31.3 million.

The profit margin was affected to some extent by rising cost of materials which peaked during the year under review, higher labour costs attributed to the implementation of minimum wage by the Government which came into effect on 1st May 2022 and the higher utilities costs for electricity and gas following the adjustments in tariff rates during the financial year.

Included in the other operating income is the remaining insurance claims received amounting to RM22.3 million in relation to flood incident that has occurred in December 2021 and a claim from Panasonic Corporation amounting to RM 14.4 million in relation to the termination of the Kitchen Appliances business.

Profitability was affected by rising cost of materials which peaked during the year under review, higher labour costs attributed to the implementation of minimum wage by the Government which came into effect on 1st May 2022 and the rising cost of utilities such as electricity and gas following the adjustments in tariff rates during the financial year.

Insurance Claims from Flood Incident

During the previous financial year, the operational activities for SA2 plant were affected by the flood incident on 18 December 2021 and this had caused damages to both raw material inventories and certain facilities within the company's premises.

The Company had incurred substantial losses in the form of damaged inventories, facilities and the loss of sales and production during previous financial year. Partial insurance compensation for the losses amounting to RM12.1 million was recognised in previous financial year's income statement in relation to all damaged inventories, damaged facilities and business interruption.

During the current financial year, the Company had concluded the negotiation on all losses incurred during the flood. A final insurance claim amounted to RM22.3 million was fully received, mainly as compensation for the damaged facilities and claims for business interruption losses as a result of the flood.

Restructuring Costs

During the financial year under review, the Company had incurred restructuring costs amounting to approximately RM17.5 million for the termination of production of the kitchen appliances products. The termination of this business was part of the realignment of global production for the Panasonic Group; whereby multiple production sites were reduced to a centralised single site. In recognition of the substantial restructuring losses to be incurred, Panasonic Corporation has agreed to bear the entire restructuring costs incurred.

During the current financial year, the Company has received claims from Panasonic Corporation amounting to RM14.4 million; which was losses incurred for the termination of certain kitchen appliances products which had been completed by the first half of the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

As for the remaining range of kitchen appliances products which had been fully terminated by 31st March 2023; restructuring losses amounting to RM9.1 million has been included in the Income Statement. The claims from Panasonic Corporation will only be received in the following financial year due to certain verification procedures which has not been completed at the financial year end.

Finance Income

Finance Income for the year ended 31 March 2023 was recorded at RM13.6 million, which was higher by RM5.7 million or 72.1% as compared to the previous year's finance income of RM7.9 million; in line with the higher interest rates announced by Bank Negara Malaysia.

Share of Results of Associated Company

The share of results of associate company of RM9.3 million for the financial year ended 31 March 2023 was lower by RM4.5 million or 32.6% as compared to RM13.8 million in the previous year. Despite achieving higher sales, profitability of the associated company was impacted by higher marketing costs and other operational expenditures incurred during the year.

Profit Before Tax

Corresponding to the higher results from operation, the Company achieved a higher combined profit before tax of RM91.3 million for the year under review, representing a significant increase of RM38.3 million or 72.2% as compared to the previous year's results of RM53.0 million.

The higher profit before tax also stemmed from the higher interest income received. This was attributed to the multiple interest hikes as Bank Negara Malaysia throughout 2022 to 2023; to address rising headline inflation against a backdrop of continued positive growth prospects for the Malaysian economy.

However, this was partially offset by the lower share of results from associated company.



Cash balances and cash flow

The Company recorded net operating cash flow of RM89.8 million, an increase of RM59.0 million or 191.6% as compared to the previous year amount of RM30.8 million. The increase in operating cash flow was mainly due to higher profitability driven by improved revenue, higher interest income and other claims received.

Cash and cash equivalents as at 31 March 2023 amounted to RM482.9 million, after payment of dividends of RM50.4 million and payment for capital expenditures of RM17.2 million during the financial year. Cash Flow remained strong and healthy as the Company continued to generate positive cash flows from business operations.

This marked positive indications of business resilience and operating efficiencies.

Capital Expenditure

During the financial year under review, the company utilised most of the capital expenditure expenses on manufacturing facilities to achieve further operational and cost efficiencies.

The cash outflows for the purchase of capital expenditures amounted to RM17.2 million, lower by RM17.4 million as compared to previous year's capital expenditure of RM34.6 million. This include acquiring new equipment and machineries as well as continuously upgrading the existing equipment and machineries to boost efficiency and productivity. Included in last financial year's capital expenses was a one-off new building cost amounting to RM10.1 million at the SA2 plant location.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

Dividend

An interim dividend of 15 sen per ordinary share each in respect of the financial year ended 31 March 2023 was paid on 20 January 2023. Following the Company's stellar performance, the Board has also proposed a Final Dividend of 107 sen per ordinary share to be approved in the upcoming Annual General Meeting, culminating in a total of 122 sen per ordinary share or RM74.1 million for FYE 2023, a substantial increase from the previous year's total of 83 sen per ordinary share.

ANALYSIS OF PROFIT BY SEGMENT

Living Appliances and Solution (LASC)

RM MILLION	2023	2022	CHANGES %
Revenue	249.2	306.5	(18.7)
- Domestic	37.1	75.3	(50.7)
- Export	212.1	231.2	(8.3)
Profit Before Tax	22.2	3.4	552.9

The LASC products segment achieved revenue of RM249.2 million for the financial year ended 31 March 2023, lower by RM57.3 million or 18.7% as compared to the previous year's revenue of RM306.5 million. The reduction was mainly due to discontinuance of rice cooker production and subsequent closure of the kitchen appliances business.

Despite the lower revenue, the LASC product segment achieved commendable profit before tax of RM22.2 million for the financial year ended 31 March 2023, higher by RM18.8 million as compared to the previous year's profit before tax of RM3.4 million.

The higher profitability was mainly due to higher sales achievement of vacuum cleaner and electric iron products.

Under this reporting segment, the Company had incurred restructuring cost in relation to termination of kitchen appliances products amounting to approximately RM17.5 million in this financial year. In the last financial year, the restructuring cost for the range of kitchen appliances products terminated amounted to RM7.4 million.

Nevertheless, in the current financial year under review, these restructuring costs has been mitigated to a certain extent by claims received amounting to RM14.4 million. The remaining restructuring losses will be made within the next financial year.

Heating and Ventilation A/C (HVAC)

RM MILLION	2023	2022	CHANGES %
Revenue	741.5	560.9	32.2
- Domestic	299.0	231.5	29.2
- Export	442.5	329.4	34.3
Profit Before Tax	52.6	33.0	59.4

HVAC products' revenue of RM741.5 million for the financial year ended 31 March 2023 was higher by RM180.6 million or 32.2% as compared to the previous year's revenue of RM560.9 million. This segment reported higher export sales in Fan products, especially to Hong Kong, Singapore, and Middle East market destinations. In the previous year, the production of Fan products was impacted by the flood incident.

The HVAC product segment also recorded higher profit before tax of RM52.6 million for the financial year ended 31 March 2023 as compared to the profit before tax in the previous year of RM33 million, an increase of 59.4% or RM19.6 million. The higher profitability was mainly due to the insurance claims received during the current financial year.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)



OPERATION REVIEW

The Company has actively invested in expanding our existing core businesses to develop and launch new models for its key products: fans, home showers and vacuum cleaners.



HVAC PRODUCTS

1st nanoeX Ceiling Fan F-M15ME

“Purifying Your Living Space, Keeping You Safe Indoors”

In June 2022, the Company launched our first nanoeX Ceiling Fan, debuting the presence of Ceiling Fan in the Panasonic nanoeX product line up. The nanoeX is Panasonic’s unique technology which is built into a device, will release radicals in water molecules which effectively inhibits viruses, bacteria, odours and allergens bringing consumers a healthier and cleaner living environment. The nanoeX technology is widely used in other Panasonic products such as air conditioners, refrigerators, air purifiers and so on. Since last year, Panasonic has expanded the use of this technology in its ceiling fan range.

Incorporating the nanoeX technology, the Company first launched the Ceiling Fan model F-M15ME which comes with 60 inches 5-blades which brings cleaner air. In addition, the 3D design blades provide powerful air flow and are made of PPG material which is durable and long lasting. It is equipped with Direct Current (DC) motors which uses less energy, more quiet operation, lighter weight and more compact design.

The model comes with LCD remote control with 9 speed control. Additional features of this model such as 1/f Yuragi, also known as natural breeze function, Econavi function, Sleep Timer and On-Off Timer.

F-M15ME comes with Panasonic comprehensive safety features such as safety wire, cut off safety switch and safety plate.

With the successful launching of this model last year, the Company will continue to increase the product line-up with nanoeX features. A smaller version with 56 inches 4-Blades model has been launched in the Malaysia and Vietnam markets on April 2023 and July 2023 respectively.



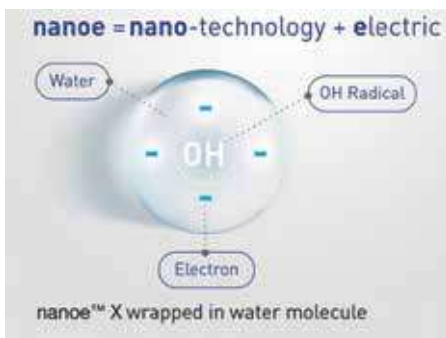
F-M15ME (Malaysia)



F-M14ME (Malaysia)



F-60FEN (Vietnam)



MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

Competitive DC model – F-M14FE

In line with Panasonic Green Impact policy, the Company continues to develop and expand more Ceiling Fan with DC motors which are more environment friendly and energy saving. Current DC model series are priced on the higher side. With the introduction of F-M14FE, a new DC model in Dec 2022 which features a more competitive pricing, the Company targets to produce more environmentally friendly products at very competitive prices.

This model is uniquely designed based on a clean and spatial fit design, with sleek continuous pipe and canopy and modern lighting. It is also comes with a longer, optional pipe for higher ceiling.

Named as Aura2 series, this model comes with remote control with 5 speed control, featuring 1/f Yuragi, which provides fluctuating pattern to generate a gentle breeze, Sleep Timer and On-Off Timer. It is also equipped with Panasonic comprehensive safety features such as safety wire, cut off safety switch and safety hanger.

With the successful launch in December 2022, we continued to develop and launch a derivative model with 5 Blade in July 2023.



F-M14FE

Additional line up for Baby Fan – F-M12DE

After launching the first generation of Baby Fan, a compact model with 48 inches blades in 2011, Panasonic continued to expand the small size ceiling fan series in the domestic market by launching a new baby fan with hook in May 2022. Different from the first generation which uses a ball joint installation method, F-M12DE comes with hook type hanging structure for easy installation.

The F-M12DE model also comes with white finishing and silver spray ring on the deco cover which is designed to have a simple & clean feature that can simply immerse to any environment. It has 3 durable PPG

blades to generate maximum air delivery with minimal noise, light weight and rust proof. It is equipped with Sleep Timer and On-Off Timer function and comes with Panasonic comprehensive safety features such as safety wire, cut off safety switch and safety plate and current fuse.



F-M12DE

U series Instant Home Shower

In FYE2023, Panasonic launched the U series, a premium range of Instant Home Shower with simple architectural and minimalist concept which fits perfectly in a modern bathroom. This series was launched simultaneously in several Asia markets including Malaysia, Thailand, Vietnam and Cambodia. To date, sales of 47,593 sets have been achieved.

U series Home Shower models comes with different specifications catered to different markets including LCD and Analog type, DC pump and No pump category and power selection of up to 4.8kW for the Vietnam and Thailand markets.

The LCD model is incorporated with U Memory and U-Mode. U Memory allows up to 3 personalised memory settings for family members to select their preferred shower temperature. U-mode includes different shower selection mode of Cool Down, Warm Up and Hot & Cool that gives refreshing, relaxing and healthy shower experiences.



Moreover, designed with customer's safety in mind, our Panasonic Home Shower unit includes the reliable 9 Safety Points with protection features against water splashes, fire and electric shock. The One Push ON/OFF switch will turn off both main power and water supply at the same time for users' safety and convenient.

In summary, Panasonic U Series Home Shower's safety and hygienic features makes shower time worry-free for users.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)



LASC PRODUCTS

Bagless Canister Vacuum Cleaner – MC-CL600 Series

In FYE 2023, Panasonic launched the new series of canister models CL600 in Asia and Middle East markets. The CL600 is a new series of Bagless type vacuum cleaner to replace the old series CL500 and CL700 with 5 new models with 2.2L capacity and input power from 1600W to 2200W.

Panasonic CL600 includes various types of attachment that allows consumers to vacuum different spaces for a hygienic and tidy space. The dust box is easy to remove and has been designed to ensure consumers will not have contact with the dust collected. It can be washed entirely with water for cleanliness.

Different models come with different filtration layers. The CL600 model has up to 7-layer filtration system with HEPA that can capture small particles such as allergens, irritants and pollutants, thus clean air is emitted from the exhaust.

THE FOURTH INDUSTRIAL REVOLUTION

The Company continues to adopt Industry 4.0 technologies to address our manufacturing pain points and further improve on productivity and overall line efficiency.

As part of the Company's long-term strategy to stay competitive and sustainable, the Internet of Things ("IoT") was implemented successfully in Phase 1 for all Ceiling Fans Assembly Lines and Home Shower Assembly Lines last year. This has enabled us to achieve real-time data collections and provide insights for effective operational management to achieve an increase of overall line efficiency ("OLE") by 10%.

Moving forward we will be expanding the IoT technology into our Vacuum Cleaners, Electric Fans and Electric Irons Assembly Lines in the next reporting year, which will then complete Phase 2 of the implementation.

The Company continues to make in-road in our 5-year Robotics and Automation plan. All jobs which under the 3D (Dangerous, Difficult and Dirty) have been fully automated with robotics, further reducing our reliance on labour amidst a shortage of workers.

We will be incorporating more robotics & automation into the assembly processes to further reduce our reliance on manual labour as well as increase overall productivity. The Company's mid-term objective is to achieve an automation rate of 50% from the current rate of 30%. To achieve a satisfactory rate of automation, the Company needs further investment in modifying legacy machines and to build a competent team to manage automated machines independently with minimal reliance on external service providers.

We have also successfully implemented the Computer Maintenance Management System ("CMMS") company-wide last year. The CMMS acts as a repository of information or data related to repair maintenance concept, spare parts management, assets management and planning method.

The management system has enabled our maintenance teams to improve work efficiency by 20% and better manage equipment spare parts inventory. The CMMS also facilitated us to establish a foundation for preventive maintenance and effective assets management.

BUSINESS OUTLOOK

Given the uncertainties in both macro and micro economies, triggered by geopolitical concerns, inflation and rate hikes, the Company is actively managing the supply chain and material cost challenges, and will continue to focus on cost optimisation exercises and efforts to improve operational efficiency while expanding our business.

Despite the economic concerns, the private sector continues to be the key driving factor for economic growth, contributing a substantial percentage of Malaysia's GDP, with domestic demand expected to rise by 5.6% in 2023. With the expectation of a moderate 4-5% overall GDP increase for Malaysia, we are expecting to see that the market will continue to normalise with Covid-19 being treated now as an endemic and consumers settling into their normal routines prior to the 2020 lockdowns.

In light of the challenging global landscape in 2023, we remain cautious on the Company's growth prospects as market uncertainty continues. Nevertheless, we are optimistic that our market position as a reliable brand will remain strong, thus we will continue to stand resilient against the upcoming risks and challenges and at the same time explore new business opportunities.

IN APPRECIATION

It has been a challenging season since the pandemic hit, but we have come out of it these few years stronger on a positive growth trajectory with sound fundamentals. As we look to the future, I wish to take this opportunity to express the appreciation of the Board and Management to our employees. Their contribution during the financial year were instrumental in helping the Group overcome the challenges and obstacles faced during this unprecedented time. In the same vein, I wish to extend our gratitude to our stakeholders, business associates, customers, regulators and relevant authorities for their steadfast support to the Group. I hope that you will continue to walk with us as we strive to grow together, onwards and upwards.

INCREASE IN SHAREHOLDERS' WEALTH

As at 31 March 2023, the issued and paid-up capital of the Company is RM60,745,780 divided into 60,745,780 ordinary shares of RM1.00 each. Details of changes in the issued and paid-up share capital of the Company and cumulative number of shares held by a shareholder with an initial investment of 1,000 shares is shown below:

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

As tabulated below, if a shareholder had bought 1,000 shares in the Company when it was listed in 1966, and assuming the shareholder had subscribed for rights issue of 350 shares in 1975 and did not sell any of the Company's shares till to-date, he would be holding a total of 19,384 shares (inclusive of 18,034 bonus shares) worth RM364,419 based on the market price of RM18.8 as at 12 June 2023. In addition, he would have received a total gross cash dividends of RM630,688 with a capital outlay of RM1,350 only. The dividends received/receivable and the appreciation in value translates to a remarkable compound annual growth rate of 12.94% 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 (12 June 2023)	RM	18.80
Total value of shares held	RM	364,419
Cumulative gross cash dividends received/receivable (1966 - 2023)	RM	630,688
Total Wealth of a shareholder since Initial Investment	RM	995,107

SUSTAINABILITY REPORTING

ABOUT THIS REPORT

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

Panasonic Manufacturing Malaysia Berhad ("PMMA" or "Company") is committed towards bolstering our efforts towards sustainable development with an ethical business practice. Continuing with this commitment, our Company is pleased to present the sixth (6th) Sustainability Report ("Report") that summarises the Company's material matters, current state of sustainability performance and our strategic efforts in managing Economic, Environmental and Social ("EES") pillars.

Scope of Reporting

The scope of this report includes Panasonic Manufacturing Malaysia Berhad and all reporting boundaries in Malaysia, covering all pillars of the Company's businesses and stakeholders.

Reporting Period

This Sustainability Report covers a 12-month reporting period from 1st April 2022 to 31st March 2023, unless stated otherwise. Where relevant, comparative data from previous years are provided to track year-on-year progress.

Frameworks Applied

Sustainability information is prepared by applying a reporting standard or framework pursuant to the relevant Malaysian regulations and requirements. The Company has opted to use the Global Reporting Initiative ("GRI") Standards, in the core option thereof, taking into account the scope of this standard, its recognition and universality,

in addition to meeting all Main Market Listing Requirements ("MMLR") as set out by Bursa Malaysia Securities Berhad ("Bursa Securities"), and the Malaysian Code of Corporate Governance ("MCCG") as set out by the Securities Commissions Malaysia, along with all laws and regulations that apply. In compliance with the GRI Standards our reporting principles covering these (4) aspects:



Scope and Boundaries

The scope of this report is within the businesses owned and operated by PMMA in Malaysia. We focus on the material issues identified through internal materiality assessment. The report illustrates in detail 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 Governance

PMMA operates in line with Panasonic Holdings Corporation policies and we are committed towards embracing sustainability practices. Our Board of Directors are responsible for implementing the sustainability strategy and its role in long-term sustainable development plan. The Board in partnership with the Strategic Management Committee are committed to oversee sustainability performance.

SUSTAINABILITY REPORTING

(CONT'D)


Strategic Management Committee Roles & 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 2023

ECONOMIC

Revenue of
RM992 million

Distributed
RM136 million
on employees
salary & benefits

Zero cases
of corruption

Total dividend
RM74.1 million



ENVIRONMENTAL

ISO14001:2015
Certified for all PMMA
Plants

More than
36%
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

0.77%
Injury Rate



SUSTAINABILITY REPORTING

(CONT'D)



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 industries and incorporating them as part of the national supply chain.

At PMMA, we believe that sustainability and economic performance are not mutually exclusive. Both elements influence and support each other in achieving long-term business growth and sustainability, and as such, we place equal emphasis on these matters. It is our firm belief that our business must serve a purpose beyond financial success.

There is a growing trend of sustainability demands by all stakeholders which cannot be ignored. Environmental, social and governance ("ESG") is fast gaining traction due to its intertwining nature that combines risk management for businesses in terms of operations, supply chain, and social imperative and the way it positively impacts the business and its sustainability over the long term. In supporting the nation's ESG agenda, businesses have a large role to play to move the needle in sustainability. The challenge for us now is to ensure that ESG is not just about required reporting but overall understanding and adoption through our practices.

The purpose of this Report is to communicate our sustainability journey in honouring our commitment to managing the ESG issues that matter to our stakeholders and details our performance in these areas. The Report has been prepared according to the Global Reporting Initiatives (GRI) standards and Bursa Malaysia's Sustainability Reporting Guide. 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

(CONT'D)







STAKEHOLDER ENGAGEMENT

We listen, engage, and communicate with our Stakeholders to understand the impact of our business on and by the various EES matters. These impacts indicate our contribution to sustainable development and areas of improvement, guided by sustainability-related policies. Information and feedback are solicited from our stakeholders to highlight areas of improvement.

The Global Reporting Initiative (GRI) Standards defines "Stakeholders" as:

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

In the management of Sustainability, the Company follows globally established standards such as the GRI Standards to identify and engage with Stakeholders, and use the results of these engagements to manage Sustainability on a stronger footing:

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

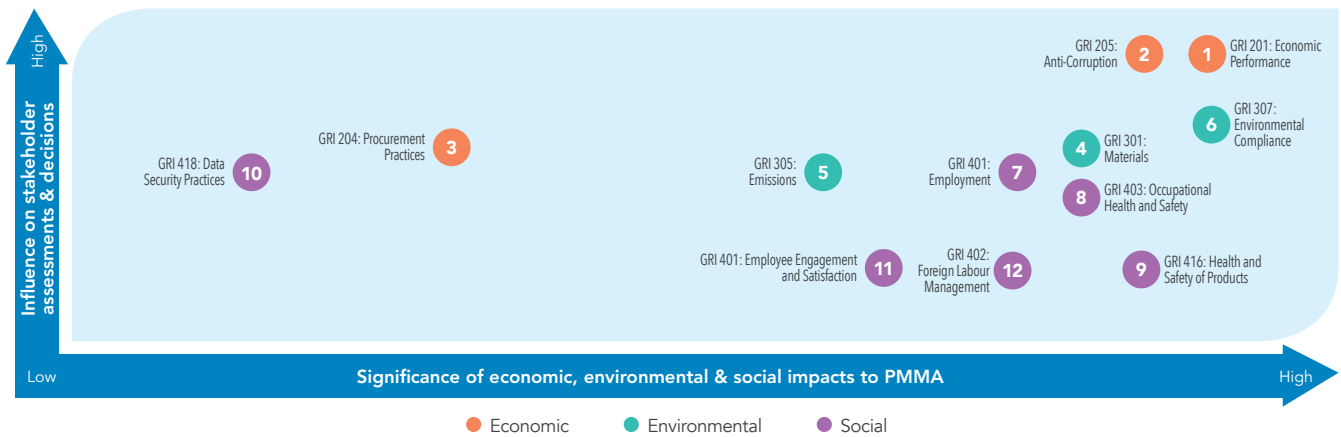
SUSTAINABILITY REPORTING

(CONT'D)

MATERIALITY

In the journey to be a more responsible and sustainable Company, we need to focus and channel our resources on sustainability matters that matter to us most. Materiality Analysis is based on the Materiality and Completeness Reporting Principles of the GRI Standards. As per the Materiality Principle, the report covers topics (“Material Topics”) that reflect the reporting organisation’s significant economic, environmental, and social impacts; or substantively influence the assessments and decisions of stakeholders. Materiality was determined from analysis of the Company’s internal documents and processes in the years prior to 2023. As part of our risk assessment, we periodically review sustainability related risks to ensure that we continue to address the key sustainability concerns. The materiality matrix was approved by the Board of Directors of PMMA and can be seen in the table below.

For financial year ending 31 March 2023, the following Material Topics were identified as being the most significant to PMMA and our stakeholders:



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) emission
	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	Training and Education	GRI 404-1	Average hours of training per year per employee
			GRI 404-2	Programs for upgrading employees’ skills and transition assistance program
	9	Diversity and Equal Opportunity	GRI 405-1	Diversity of governance bodies and employees
	10	Occupational Health and Safety	GRI 403-1	Worker’s 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
	11	Health and Safety of Products	GRI 416-1	Assessment of the health and safety impacts of product and service categories
12	Data Security Practices	GRI 418	Data Privacy	
13	Employee Engagement and Satisfaction	GRI 401	Employment	
14	Foreign Labour Management	GRI 402	Labor/Management Relations	

SUSTAINABILITY REPORTING

(CONT'D)



ECONOMIC

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED: GRI 201-1

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



Revenue
RM992 million



Operating Expenses
RM966 million



Salary & Benefits
RM136 million

Note: Please refer to the Annual Report pages 74 to 78 for detailed Economic Performance figures.

ANTI-CORRUPTION: GRI 205-1

In striving to create value for our shareholders and stakeholders, we have been maintaining our foundation of governance and integrity. We believe that in the long run, having good business ethics and good governance reduces overall risks throughout the organisation, and increases our credibility and brand value.

PMMA has adopted and operates based on the Panasonic Holdings Corporation Code of Conduct whereby a clear set of rules for compliance with the law and corporate ethics is embodied. This Code of Conduct provides guidelines on ethical issues one may face during the course of business, and the standards of behaviour expected of all employees of the Company.

On 1 April 2022, Panasonic Holdings Corporation has restated the Code of Conduct and renamed it as "Panasonic Group Code of Ethics & Compliance" ("CoEC"). This CoEC sets out "Our Commitments" (the commitments that each Panasonic Group company must fulfil) and "My Commitments" (the commitments that all Panasonic members must fulfil) for us to conduct our business activities with the highest standards of ethics and compliance, embodying our Basic Business Philosophy. PMMA has adopted the CoEC in August 2022.

Panasonic Holdings Corporation has implemented the Clean Business Dealing Agreement ("CBDA") in 2012 to prevent employees from engaging in bribery and unethical business dealings. All PMMA employees including temporary and foreign workers are required to sign an undertaking of CBDA annually. As such, in November 2022, a total of 1,970 employees had signed the CBDA.

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



SUSTAINABILITY REPORTING (CONT'D)

Principle 1 – Leadership



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

Principle 2 – Education



PMMA communicates regularly on the anti-corruption Policies and Procedures within the Company through various channels comprising among others, physical training, emails, etc. The Policies and Procedures are made available to employees and Stakeholders via Intranet and Company’s Website. The communication within the Company in creating awareness on anti-corruption policies are further enhanced via an awareness training on Anti-Bribery Anti-Corruption done on a yearly basis. For FY2022, the training was completed in July 2022. The results of the e-Learning and off-line training on the CoEC that was conducted from November 2022 to March 2023 are as below:

Panasonic CoEC Training (as of March 2023)

PC users	99%
Non-PC users	99%

Principle 3 – Assessment of Risks



Corruption risk has been identified as one of the PMMA’s key risk and incorporated as part of an Enterprise-Wide Risk Management (ERM). Corruption risk assessment shall be conducted annually and when there is a change in law or circumstance of the business. Risk Assessment exercise was conducted by external consultant in May 2022.

Principle 4 – Process and Control



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

Principle 5 – Surveillance



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

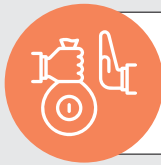
As a result of this commitment and with the support of all stakeholders, we have recorded zero cases of non-compliance relating to corruption in the reporting year.

SUSTAINABILITY REPORTING

(CONT'D)

Communication – Anti Corruption Policy Public Accessibility

Policies and procedures such as 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 the PMMA's intranet and website, which is accessible to all the employees and Stakeholders. Links from the website for the relevant Policies are as follows:



Anti-bribery and corruption rules - <http://pmma.panasonic.com.my/wpcontent/uploads/APAC-Regional-ABC-Rules-wef-1-August-2019.pdf>

Whistleblowing policy - <http://pmma.panasonic.com.my/about-panasonic/aboutpmma/whistle-blowing-policy/>



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

Whistleblowing Mechanism

PMMA established the Whistleblowing Policy and has a whistleblowing channel made available to the employee and stakeholders via its intranet and 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 <http://panasonicapac.ethicspoint.com>
 - 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.

STOP corruption!

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.

ZERO
Cases of Corruption

Panasonic

Your Concerns Matter
Let Us Hear Your Voice

Make good use of the Global Hotline.

If you are aware of any compliance concerns, please contact the Hotline immediately. Panasonic will not tolerate any retaliation.

Panasonic Global Compliance Hotline

EARS
Ethical Action Real Solutions

EARS is open for 24 hours a day/365 days a year. You can give your name or report anonymously. All reports will be handled confidentially.

<http://panasonicapac.ethicspoint.com>
1-800-81-8923



SUSTAINABILITY REPORTING

(CONT'D)

PMMA'S PROCUREMENT PRACTICE: GRI 204-1

As a company that globally establishes partnerships with suppliers and as a responsible corporate citizen, we recognise our role to create the functions and values our customers demand based on relationships of mutual trust and through diligent studies and supporting from vibrant supply chain.

Stable and strong procurement practices are integral component of PMMA in fulfilling our mission towards contributing to society through the best quality of products. This allows us to consistently deliver our products to our customers at a reasonable price without compromising our ability to conform with quality standards. We are committed to ensure we 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, 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.

As such, PMMA considers the promotion of CSR in procurement departments to be crucial and recognise the need to conduct periodic management reviews. Prior to engaging a new supplier, a systematic supplier assessment is conducted based on quality, delivery, cost, environment as well as CSR aspect. We carry out supplier training and regular supplier audit (Quality, Restriction of Hazardous Substances [RoHS] and CSR) continuously to increase awareness and strengthen the operation performance. We also conducted Annual Supplier evaluation in quality, cost, delivery and service ("QCDS") aspects. In August 2022, we hosted the PMMA Supplier Policy Announcement Meeting to further enhance the communication between our organisation and supply chain management.

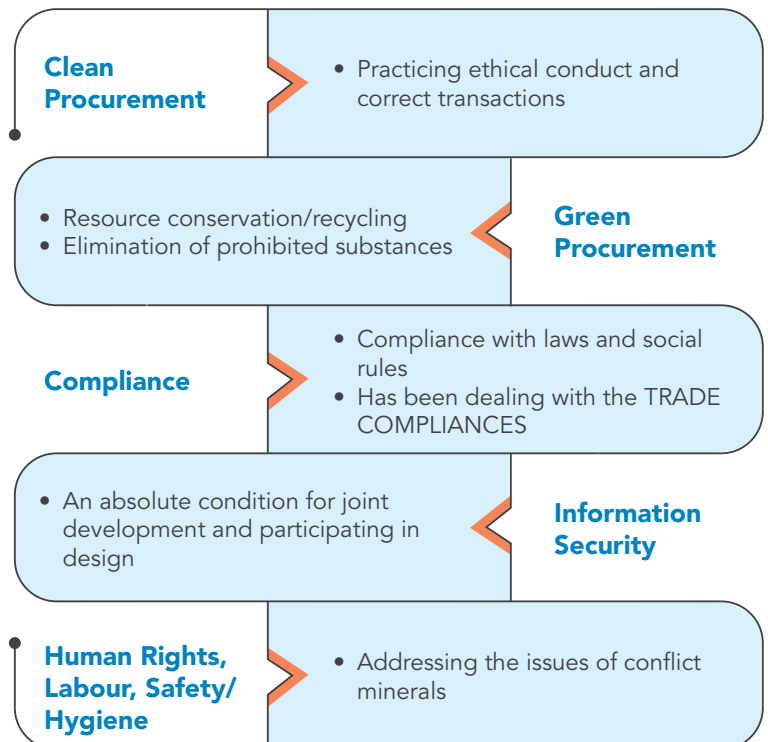
In addition, we actively engaged in supporting local suppliers in our procurement practices. Local suppliers constitute 80% of our total suppliers. This year, we have developed another 3 new local suppliers.



QCD are Equally Important with Fulfilling CSR

Compliance

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



SUSTAINABILITY REPORTING

(CONT'D)

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

Panasonic's corporate-wide Quality Policy states 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." The customer is the central factor in every company and it is vital for us to produce good product quality to ensure that we are a trusted brand. We extend our attention to our supplier's quality and we spread Panasonic's quality approach among suppliers to improve the supplier's overall quality management and produce high quality parts.

Our Incoming Quality Control (IQC) team takes lead for continuous monitoring of supplier's improvement activities. Some of the main activities that were carried out in FY2023 includes performing audits to strengthen supplier's process control to prevent defects leak-out. Supplier quality audit focuses on 5 areas namely document control, process control, corrective and prevention action, incoming material control and ongoing as well as quality system and management.

Regular quality meeting and reviews were implemented to verify the effectiveness of countermeasure taken and horizontally spread the relevant improvement ideas to our suppliers. We also conducted on-site confirmation on improvement action and education through on-the-job training.

Central Procurement Goal

- Quality Parts**
- Cost Competitive**
- Delivery On-time**
- Environmental & Eco-Friendly**
- Support on CSR, Compliance & Regulation**

Enhance Management

AWARENESS OF MINIMIZE ECO Friendly Waste

<p>Overproduce</p> <ul style="list-style-type: none"> • Follow to schedule <p>Excess inventory</p> <ul style="list-style-type: none"> • Produce in smaller batch <p>Defect products</p> <ul style="list-style-type: none"> • Follow to specification 	<p>REDUCE wasted energy</p> <p>REDUCE wasted material</p> <p>REDUCE reprocess material</p> <p>REDUCE scrap</p>
<p>Good Quality Planning</p> <ul style="list-style-type: none"> • Avoid production delay 	<p>REDUCE time waste</p> <p>MINIMIZE transportation</p>
<p>Improve Packaging Material</p>	<p>Made of RECYCLE material</p> <p>RECYCLE container/carton box</p>
<p>Program of End of Life</p>	<p>Disposed of WITHOUT HARM to environment</p> <p>RECYCLE in other application</p>

Strengthen QCDES, reduce total cost

Together Everyone Achieve More

FY2023 Joint Activities





ENVIRONMENTAL

RECYCLED MATERIAL: GRI 301-1

In line with Panasonic Green Plan 2018, our sustainability initiatives are to adopt resources recycling in our processes to preserve natural resources and to improve product costing through raw material cost reduction. We started using recycled Polybutylene Terephthalate (PBT) and Polypropylene ("PP") resins for our selected Fan Products parts production namely, electric fan and ceiling fan components since 2020. Last year, we introduced recycled Acrylonitrile Butadiene Styrene (ABS) and PP resins for Vacuum Cleaner products components production. However, the use of recycled PP materials in our Vacuum Cleaners was not carried out as planned due to quality issues. Currently, counter measures are in progress and usage of the recycled PP material will resume in the next reporting year.

In addition to the above efforts, we have incorporated usage of recycle aluminium for Electric Iron parts in our efforts to conserve environmental resources and raw material cost savings.

To ensure the usage of recycled raw materials does not affect our ability to deliver excellent quality products to our customer, PMMA's Quality Control Department works with Panasonic Appliances R&D Asia Pacific Sdn. Bhd. (PAPRADAP) to continuously monitor and confirm the recycled raw materials resins comply with material specifications and meet product quality standards. Regular supplier factory and Restriction of Hazardous Substance (ROHS) audit conducted to ensure the supplier meet all relevant Panasonic regulations and standards requirements and there is no compromise on product quality or its performance at any time.

Through Panasonic Green IMPACT 2024 (GIP2024), Panasonic Holdings Corporation targets for the use of recycled resin to be 90kt by 2025. In order to achieve this, we have established partnership with new recycle resin makers and have started on research and development with them.

CARBON EMISSIONS: GRI 305-5

Panasonic has embarked on a commitment to minimise our carbon footprint through various environmental initiatives formulated through the Panasonic Environment Vision 2050. This long-term vision formulated by Panasonic Holdings Corporation since 2017, is aimed to attain a sustainable and safe society with clean energy and more comfortable lifestyle. In line with this, PMMA has established a Zero Carbon Emission Project Team in September 2022. The team has engaged an expert from the Japan

Environment Promotion Department to conduct an Energy Saving Diagnosis to generate new ideas in support of PMMA's energy saving activities.

Over the past 17 years, we have successfully reduced more than 36% of CO₂ index (tonnes CO₂ emission/RM1 million production value), from 20.05 in 2005 to 12.85 in 2022. As our continuous effort, we have collaborated with Panasonic Life Solution and Panasonic Malaysia Sdn. Bhd. to successfully installed solar panels at our existing SA2 plant building roof top in July 2020 and SA2 new building roof top in November 2022. We will continue to identify suitable locations for more solar panel installations in both SA1 and SA2 plants moving forward to continuously promote energy saving activities.

At SA2 new building, we have also adopted Air Conditioning and Mechanical Ventilation (ACMV) System and Variable Refrigerant Flow (VRF) Air Conditioning Facilities for high energy efficiency and better environment.

ENVIRONMENTAL COMPLIANCE: GRI 307-1

PMMA commits to using energy more efficiently and wherever feasible, adopt green technology, which is essential for combating climate change and for lowering the Company's overall environmental impacts. We have established an Environmental Policy to ensure PMMA's business complies with all applicable environmental laws and regulations in Malaysia. In implementing the policy, we have constituted PMMA Environmental Facilities Committee (EFC) which periodically reviews the environmental performance of the factories and appointed the Environment Management Department Team Leader as the company's Environment Management Representative ("EMR") to ensure all environmental-related requirements are complied with. In addition, EMR is responsible for preparing and submitting PMMA's monthly environmental performance reports to Panasonic Holdings Corporation.

Both of our manufacturing factories, SA1 and SA2 in Shah Alam have received ISO 14001:2015 Environmental Management System (EMS) certification due to our commitment towards promoting environmental stewardship within our business. This certification is the testament of our efforts in complying with the environmental requirements and conserving the environment.

We manage our compliance in environmental laws, regulations, standards and other requirements through continuous internal and external audits. This reporting year, with zero case of environmental non-compliance, we did not receive any significant fines or sanctions for non-compliance with environmental legislation across the reporting regulations and requirements.

SUSTAINABILITY REPORTING

(CONT'D)



SOCIAL

EMPLOYMENT: GRI 401-1, GRI 401-2

When recruiting employees, PMMA adopts a perspective of protecting fundamental human rights and engages in recruitment activities that comply with employment laws and regulations of Malaysia. As a labor-oriented organisation, workforce is a crucial asset for our business performance. Our employees are the life force that sustains the business as they are the key element in the execution of the Company's corporate strategies. Hence, it is essential for us to provide a fair and healthy working environment for every employee and continuously developing human resources that can actively participate in our global business environment.

In total, 83% 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, with the percentage of 78%. As for our new permanent executives, 87% hired were from the age of under 30 group whereby 52% of them are male. Overall, PMMA saw an average turnover rate of 6% for permanent non-executive employees and 12.8% for permanent executive employees during the reporting year.



EXECUTIVE EMPLOYEE

Total
204

Rate of new employee hire at end of March 2023

Age	Male	Female	Total
Under 30	9	11	20 (87%)
30-50	3	0	3
Over 50	0	0	0
Total	12 (52%)	11	23

Rate of employee turnover at end of March 2023

Age	Male	Female	Total
Under 30	5	7	12
30-50	8	5	13
Over 50	2	0	2
Total	15	12	27 (12.8%)

Note: The above employee turnover had excluded contract staffs, MSS, death and retired.



NON-EXECUTIVE EMPLOYEE

Total
865

Rate of new employee hire at end of March 2023

Age	Male	Female	Total
Under 30	12	3	15 (83%)
30-50	1	1	2 (11%)
Over 50	1	0	1
Total	14 (78%)	4	18

Rate of employee turnover at end of March 2023

Age	Male	Female	Total
Under 30	31	9	40
30-50	11	4	15
Over 50	0	0	0
Total	42	13	55 (6.0%)

Note: The above employee turnover had excluded contract staffs, MSS, death and retired.

As part of our recruitment activities to fulfil manpower needs and with the support of the Malaysian Investment Development Authority (MIDA), PMMA approached one of the largest juvenile schools in Malaysia, Sekolah Tunas Bakti, Sungai Besi, KL for a collaboration which will be beneficial to both parties ("Program"). This Program aimed to enhance the learning process and development of the selected students prior to their release and at the same time provide additional workforce to PMMA.

PMMA signed a Memorandum of Understanding (MOU) with the Department of Social Welfare, who represented Sekolah Tunas Bakti, Sungai Besi, KL in this Program.

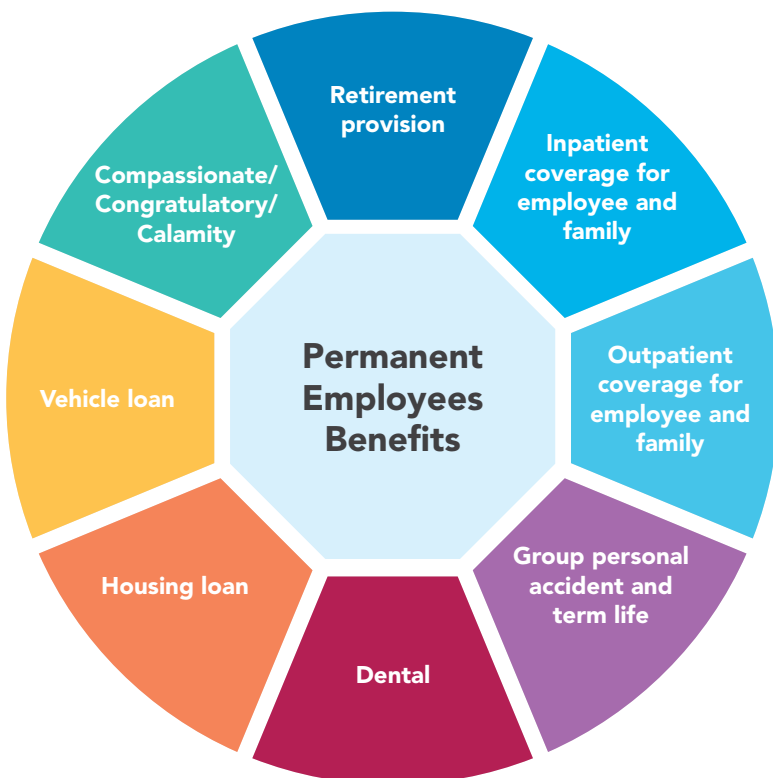
After a strict filtering process, students who fulfilled the criteria set by PMMA were offered the opportunity to gain real-life working experience in our manufacturing factory and will have the chances of rehiring after their release.

The first group consisting of 10 students were placed at SA1 in March 2022 followed by the second group consisting of 12 students were placed at SA2 in June 2022. Trainings were provided by PMMA to all qualified students prior to their commencement of work and monetary benefits such as salary were also paid to the respective students. PMMA recognised the discipline and good attendance of all qualified students.

PMMA has also made this Program as part of PMMA's CSR activities.

Permanent Employee Benefits

At PMMA, we ensure our employees are compensated fairly and we are in compliance with the Minimum Wages Order. In addition to fair remuneration, 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.

FOREIGN LABOUR MANAGEMENT: GRI 402

In fiscal year 2016, the Panasonic Holdings Corporation established its Global Human Rights and Labour Policies to provide detailed provisions on respect for human rights. PMMA has also adopted the Panasonic Group of Companies in Malaysia Policy on the Responsible Recruitment and Employment of Foreign Migrant Workers which is a mandatory policy to ensure compliance with the Malaysia Policy on Responsible Recruitment and Management of Migrant Workers and Malaysian law when recruiting the foreign migrant workers.

PMMA has consented not to charge nor allow Recruitment Agencies to charge foreign migrant workers any recruitment fees or costs related to their employment and the same has been incorporated into our contract signed with the Recruitment Agencies. We perform our due diligence on the Recruitment Agencies before any appointment. Upon selection, all foreign migrant workers shall be provided with the standard template employment contract of Panasonic Group Companies in English and translated into the workers' native languages to ensure they understand their employment terms and conditions. All foreign workers have been clearly briefed for their rights on the voluntarily termination policy before the end of contract. There will be no penalty or any salary deduction as PMMA is bearing the total cost of their repatriation.

In compliance with Malaysian law, PMMA will not hold any of foreign workers personal documents. However, PMMA will collect passports for processing of renewal permits purposes.

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 implemented an overtime consent form requirement for those that need to work overtime for more than 4 hours or on Rest Day (Sunday).

SUSTAINABILITY REPORTING

(CONT'D)

We have provided a workplace that is free of any form of harsh, abusive, or inhumane treatment. Foreign workers are free to join any association of union in accordance with the local law. We have provided safe, adequate and decent accommodations for foreign workers. We work closely with our Hostel Management to ensure the accommodations are well maintained. The warden does bi-weekly inspections on the hostel to ensure that the cleanliness and the facilities are well maintained. PMMA's representative will also conduct inspection on the condition of the hostel.

PMMA has taken several initiatives to reduce the number of foreign workers by terminating contracts for problematic workers, review the disciplinary records (poor attendance, poor performance, etc.) and arrange for immediate repatriation of foreign workers who found unsuitable during FOMEMA medical screening, in accordance with Malaysia Immigration law.

During the financial year ended 31 March 2023, PMMA has had 95 new Foreign Worker Hiring.

TRAINING AND EDUCATION: GRI 404

We prioritise the health and safety of our employees at PMMA. As a manufacturer, we conduct high-risk and high skilled work with machineries. Therefore, it is important for us to ensure the safety of our employees by equipping them with specific knowledge and safety awareness in operating within our facilities.

We are committed to develop all our employees through training and equip them with appropriate skills to enhance their ability in confronting business challenges. We conduct On-the-job training (OJT) for all production staffs including foreign workers, by in-house trainers. We continuously provide technical and management training programme based on each employee training needs. We are also strong advocates of upskilling our employees. As an organisation that expands through consistent learning and adaption, we design various career development programmes to encourage our employees to grow together with the Company.

This year, PMMA have achieved 13,906 hours of total employees training hours, surpassing our target of 7,728 hours whereby average training hours per employee is 10 hours. The list below provides the examples of the training programs undertaken by employees in financial year ended 31 March 2023.

- Functional Training: Quality Management, Occupational, Safety, Health & Environment
- Technical Training: Manufacturing Engineering
- Management Training: Management & Human Resource
- General Training: Basic Management Philosophy, Compliance Training

We believe in the importance of employee development training to enhance the knowledge and individual skills of our existing employees and to attract and retain new talents in the right position. 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 inspire, motivate and enlighten executive candidates with fresh ideas, innovative thinking, mindset changes 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 industrial experience, as well as peer learning through project work, sharing and discussions with like-minded colleagues from diverse backgrounds across Panasonic.

DIVERSITY AND EQUAL OPPORTUNITY: GRI 405

In October 2021, Panasonic Holdings Corporation revised the "Global Diversity Policy" to promote diversity and inclusiveness among our employees. This is exemplified in our hiring and promotion process, where candidates are selected based on their job performance and competency level. We strive to empower all employees regardless of their age, gender, race, or religion.

PMMA is committed to the principles of equal opportunity and equal pay and maintains a zero-tolerance policy on discrimination. The Company works to ensure our workplaces are free from discrimination on the basis of race, gender, colour, national or social origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression, political opinion or any other status protected by applicable law.

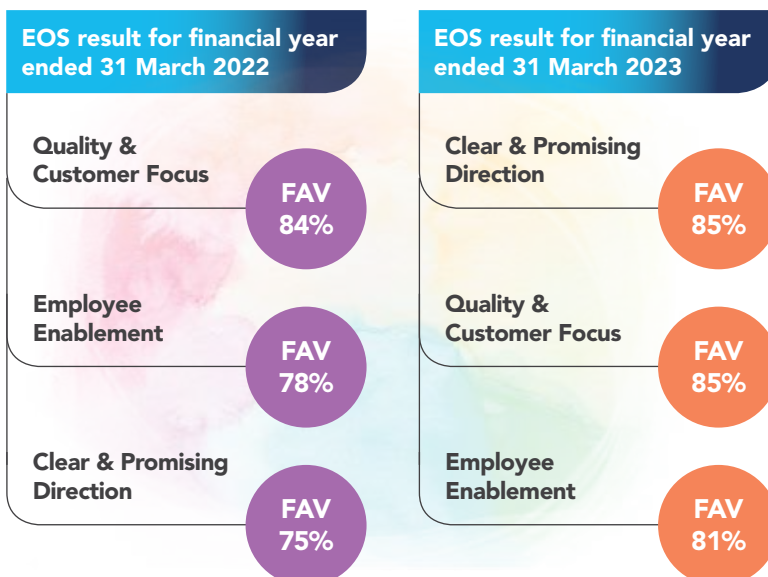
Percentage of female employee and diversity by age

Subject	Financial year ended 31 March 2021	Financial year ended 31 March 2022	Financial year ended 31 March 2023
Total Permanent Employees	1,480	1,442	1,336
Diversity by gender			
• Female employee	32%	33%	33%
• Female in Managerial Position	32%	31%	34%
Diversity by age			
• Under 30	39%	36%	44%
• 30-50	44%	47%	42%
• Over 50	17%	17%	14%

EMPLOYEE ENGAGEMENT AND SATISFACTION: GRI 401

PMMA participates in the Panasonic Employee Opinion Survey (“EOS”) which is conducted annually. This survey is funded by Panasonic Holdings Corporation and handled by an independent consulting firm partnering with Panasonic; therefore, all replies are 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. Through the survey, we gradually develop improvement measures to be integrated into future plans for the betterment of company and employees benefits as well, ensuring the entire organisation grows together.

Our employees are able to express their opinion on a set of questions relating to common themes of 15 selected dimensions on what needs to be done to make Panasonic the company of choice to work for. This year, the survey was conducted in November 2022 and the result of the three most favourable scoring themes which our employees feel most positive are as tabled below:



The three most favorable scoring themes remained as per previous year; which was Quality & Customer Focus, Employee Enablement and Clear & Promising Direction. The EOS result for this financial year have shown an improvement in its overall ratings due to clear business direction announced by our Managing Director and thus strengthened the confidence of the employees and enhanced the EOS’ overall performance. As previous years the EOS results will be shared by respective Group Managers with their team and continuously plan actions to mitigate and strengthen the issues through collective wisdom.

A BETTER DIALOGUE: GRI 401

To continue contributing and responding in a rapidly changing world, the strength of each employee is vital. We need to become a company that encourages each employee to challenge themselves and grow in their own way. Panasonic approach is by implementing A Better Dialogue based on our Basic Business Philosophy for creation of the new value. This will increase the quality and quantity of the employee-manager dialogue, thus improving both employee’s and the Company’s performance.

This year, we continued with the face-to-face dialogue between Group Manager and their team members (Management Staff). It is a free and open discussion focusing on where the employee wants to be in future as well as the employee’s contribution and performance towards company’s growth. Managers continue to provide appropriate support for each employee as they grow and take on new challenges.

SUSTAINABILITY REPORTING

(CONT'D)

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

In order to be a responsible and sustainable employer, the PMMA commits to safeguarding the health and well-being of all our employees. PMMA has its own localised Occupational Safety and Health ("OSH") Policy ("Policy") that details our strong commitment to occupational safety and health matters. This Policy is supported with detailed Standard Operating Procedures ("SOPs") for activities in our manufacturing plants, laying a solid foundation for our OSH governance framework. In addition to our own SOPs, we have also adopted stringent control SOPs from Panasonic Holdings Corporation's OSH Activity Guideline for some of our critical activities. Our OSH Management System that has been established since the year 2013 has further enhanced our efforts in sustaining the Policy and SOPs.

PMMA complies to Occupational Safety and Health Management System ISO 45001:2018 by providing a safe and healthy workplace for our employees, contractors and visitors by identifying and controlling all risk factors and mitigating adverse effects on the physical, mental and cognitive condition of a person. Through a structured management system, PMMA aspires to instil better awareness of hazards and reduced risk, improve health and safety in the workplace and aim for zero rate of injury in the coming years.

Our Safety and Health Committee ("SHC") comprises employee representatives from all levels as per the legal requirement including top management, executives and on-the-ground workers. The joint management-worker SHC consists of approximately 5% representative from on-the-ground workers. The SHC is led by our Managing Director, who is responsible for driving the discussion on OSH management systems and evaluation. We conduct quarterly SHC meeting with Managing Director. The SHC is responsible to investigate and discuss on hazard prevention measures, root causes of occupational accidents and diseases, measures for recurrence prevention, prevention measures for employees' health issues, as well as employee health maintenance and promotion measures. Internal and external feedback or complain mechanism has been established and all feedbacks will be reviewed by the management representative and reported to the top management. Any feedback or complaints will be investigated and if required, action will be taken accordingly within 14 days period. The SHC collaborate with Human Resources Department in organising programs related to OSH that includes internal and external training. We also conduct annual Hazard Identification, Risk Assessment and Determining Control (HIRADC) review with department members. Adequate annual budget was allocated accordingly for OSH training and developments.

To continuously strengthen our processes, we have annual internal and external audits on OSH practices. We are also subject to cross reference audits at group level locally and from Business Division in Japan. In line with our OSH policy, various key initiatives have been made compulsory in PMMA's day-to-day operation namely safety inspection of new machines, daily OSH procedures and safety trainings. We are fully committed to continuously promote OSH practices within our business.



FINANCIAL YEAR ENDED
31 MARCH 2023

Lost workdays

32 days

No. of injury cases

13 cases

12 minor, 1 major

Injury rate

0.77%

Note: The above is based on 3,369,492 hours worked.

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

As a responsible and sustainable employer, PMMA also aims in creating a safe working culture among its employees via various awareness activities, effective communication, and trainings.

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).



Fire Drill



Local Exhaust Ventilation (LEV) Monitoring



Medical Surveillance for Wastewater Treatment Plant



New Forklift Drivers Training



Chemical Spillage Training



Desk Top Drilling Machine and Bench Machine Training

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

PMMA adheres to the Panasonic Holdings Corporation Safety Standard in addition to the local Government Authority requirements assuring products developed and marketed are safe thus limiting extent of liability claims. During Products Design and Development stage, all new models go through stringent construction and performance check from safety aspect and check results reported to Top Management. Food sanitation test, for example, are compulsory for parts in contact with food to assure no health hazard arising from the materials used in our products. As for products safety issues in the market, we have adopted 'Bad News First' culture whereby immediate reporting to Managing Director for quick information gathering and decision-making for next course of action. In addition, various internal and external (SIRIM and respective country's authorised certification body) audits are conducted to further examine the effectiveness of PMMA's processes and procedures in safeguarding health and safety of our products.



Overhead Travelling Crane (OTC) Operator Training

In our efforts to reduce the market defective loss, PMMA provides standby replacement parts to our sales department as quick follow up action in order to return defect samples towards prompt investigation and improvement. Aside from this, we also perform improvement actions through a thorough investigation to identify the root cause. As such, we would be able to prevent reoccurrence of the issues. The Company strives to continuously level up our design review process of new model development to ensure we deliver the best to our customers. In FY2023, PMMA had reduced the market defective ratio.



Fire Fighting Training

Moving forward, PMMA will strictly continue with our commitment towards absolute safety for each and every one of our customers who trust and buy the Panasonic brand. In order to achieve this, we adhere to stringent safety standards. Quality compliance is our highest priority and has been fostered into our corporate culture towards product and services rendered.



Legal Compliance Activity (Noise)

SUSTAINABILITY REPORTING

(CONT'D)

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

PMMA's Information Security Management (ISM) System consists of three main elements, Integrity, Availability and Confidentiality. We are committed to safeguard these elements of the Company's Confidential Information against internal and external threats or risks. Through such efforts, information security will heighten public confidence and further enhance our corporate value to sustain the growth of the Company. PMMA strive to incorporate Information Security Management into all business function. It is highly vital to ensure no data leaks or data tempering. PMMA are committed to adequately manage and protect the information security through the implementation of organisational, technological, and physical security management policies.

In this digital transformation age, cyber security is the core emphasis of PMMA's operations. Cyber security can help to prevent data breaches, identity theft, and other types of cybercrime. Organisations must have strong cybersecurity measures to protect their data and customers.

We categorised cyber risk into three categories: people, network, and system. Several potential issues within each category alongside with mitigating actions were identified to ensure effective information security management.

	People	Network	System
Issues	<ol style="list-style-type: none"> 1. Insufficient awareness from employee 2. Unable to judge malicious email 	<ol style="list-style-type: none"> 1. Insufficient control of unauthorised access 2. Insufficient protection of factory production system 	<ol style="list-style-type: none"> 1. Insufficient protection of local servers 2. Lack of professional skills at each company
Actions	<ol style="list-style-type: none"> 1. Cyber Security Education 2. Endpoint Security - device hardening 	<ol style="list-style-type: none"> 1. Strengthen network security design 2. Implement network monitoring to detect cyber attack 	<ol style="list-style-type: none"> 1. Ensure Business Cyber Security Plan (BCP) 2. Enhance server 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. This year, 100% of our employees with email access enrolled for the "On-line Panasonic Security & Compliance e-Learning" course. ISM training for all new joiner during their onboard orientation has been the ongoing activities and 100% participation recorded as at 31 March 2023.

This reporting year, there is one ISM incident and one ISM event occurred in PMMA.

With the recent incident and event, the ISM Working Committee have incorporated improvement plans to sustain the company's credibility and competitiveness.

The Committee has shared the Information Security Management Panasonic Social Media and Erroneous Email Guidelines during our General Morning Assembly and management meeting to raise awareness of information security and assert the rules to ensure that information is used safely and effectively to be able to provide services that is indispensable to our customers.

Additionally in January 2023, Panasonic Holdings Corporation had launched a Global Employees Training (KnowBe4) e-Learning Platform to raise Employees IT Security Awareness within the Panasonic Group.

CONCLUSION

Driving strong sustainability is crucial for a business to survive and thrive in this day and age as sustainability assures that continual value creation occurs which ultimately benefits the bigger value chain as well as all the relevant stakeholders involved. At PMMA, we constantly take the initiative to expand upon our sustainability highlights and achievements as we believe we can always do more to embed and strengthen meaningful ESG development in our businesses and operations. The ever-growing strength of our ESG agenda ensures that PMMA remains on course to chart a robust ESG landscape.

We are incredibly proud of the hard work and dedication of our employees for enabling us to make progress on our sustainability journey. Moving forward, we will continue to enhance our corporate governance and sustainability management practices in response to the latest developments in regulatory requirements and growing public expectations.

FIVE-YEAR FINANCIAL SUMMARY

FINANCIAL YEAR ENDED 31 MARCH		2019	2020	2021	2022	2023
Financial Data						
Revenue	RM'000	1,127,886	1,051,980	974,558	868,776	991,628
Profit before taxation	RM'000	131,310	141,227	135,151	53,037	91,338
Profit after taxation	RM'000	105,752	116,989	116,454	51,511	80,132
Gross dividends paid/proposed	RM'000	137,286	120,277	99,016	50,419	74,110
Net dividends paid/proposed	RM'000	137,286	120,277	99,016	50,419	74,110
Total assets	RM'000	1,009,729	976,742	972,580	917,782	922,213
Share capital	RM'000	60,746	60,746	60,746	60,746	60,746
Shareholders' funds	RM'000	836,838	816,541	812,718	765,213	794,926
Financial Ratios						
Return on shareholders' funds	%	12.6	14.3	14.3	6.7	10.1
Earnings per share	sen	174	193	192	85	132
Net assets per share	RM	13.78	13.44	13.38	12.60	13.09
Dividend rate (gross)	sen	226	198	163	83	122



FINANCIAL HIGHLIGHTS

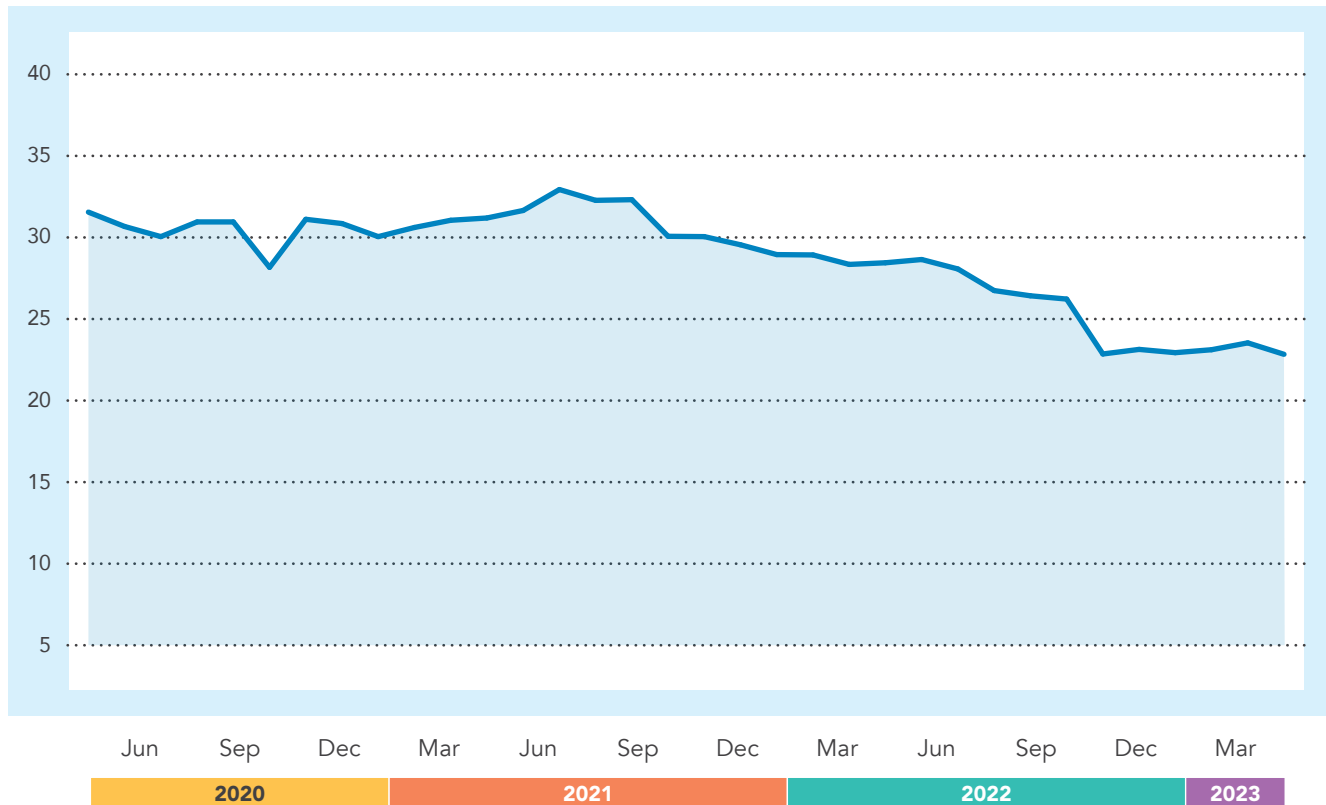
FINANCIAL DATA		YEAR ENDED 31 MARCH 2023	YEAR ENDED 31 MARCH 2022
Revenue	RM'000	991,628	868,776
Profit before taxation	RM'000	91,338	53,037
Profit after taxation	RM'000	80,132	51,511
Percentage of revenue	%	8.1	5.9
Return on shareholders' funds	%	10.1	6.7
Earnings per share	sen	132	85
Dividend rate	sen	122	83
Shareholders' funds	RM'000	794,926	765,213
Net assets per share	RM	13.09	12.60
Total assets	RM'000	922,213	917,782
Capital expenditure	RM'000	17,247	34,617

FINANCIAL CALENDAR

INVESTOR MEETING	1st meeting 28 July 2022		2nd meeting 30 March 2023	
PROPOSED FINAL DIVIDENDS	Notice of Dividend Entitlement 30 May 2023	Entitlement Date 8 September 2023	Payment Date 22 September 2023	
INTERIM DIVIDEND	Notice of Dividend Entitlement 30 November 2022	Entitlement Date 21 December 2022	Payment Date 20 January 2023	
58TH ANNUAL GENERAL MEETING	30 August 2023			
ISSUANCE OF ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2023	31 July 2023			
ANNOUNCEMENT OF RESULTS	1Q 22 August 2022	2Q 30 November 2022	3Q 28 February 2023	4Q 30 May 2023
FINANCIAL YEAR ENDED	31 March 2023			

SHARE PERFORMANCE

CLOSING SHARE PRICE (RM)



	2022										2023	
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Highest (RM)	29.40	28.86	27.92	26.70	27.20	26.98	23.20	23.16	24.16	23.50	26.10	23.60
Lowest (RM)	28.38	27.98	26.40	25.56	26.00	22.50	22.10	22.50	22.80	22.50	22.96	22.60
Closing Share Price (RM)	28.60	28.02	26.70	26.38	26.18	22.82	23.10	22.90	22.90	23.08	23.50	22.80
Lots Traded (100 shares)	760	1,018	1,049	499	1,348	2,130	585	448	1,893	1,298	3,352	1,418

	2021									2022		
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Highest (RM)	31.70	31.60	33.40	32.98	32.80	32.70	30.30	30.26	29.70	29.80	28.88	28.78
Lowest (RM)	31.00	31.00	32.00	32.00	32.14	30.00	29.88	29.50	28.90	28.80	28.26	27.30
Closing Share Price (RM)	31.14	31.60	32.88	32.22	32.26	30.02	30.00	29.50	28.90	28.88	28.30	28.40
Lots Traded (100 shares)	822	533	3,266	866	1,854	2,588	1,631	922	878	745	1,249	933

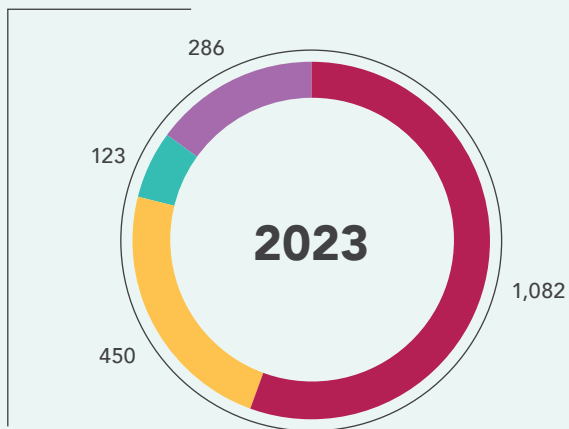
	2020										2021	
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Highest (RM)	32.68	31.98	31.70	32.00	31.80	31.74	28.88	31.20	32.30	30.80	30.58	31.36
Lowest (RM)	25.80	30.30	28.50	30.00	30.50	27.88	28.04	28.00	30.50	29.40	29.84	30.28
Closing Share Price (RM)	31.50	30.62	30.00	30.90	30.90	28.42	28.12	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

FIVE-YEAR TREND

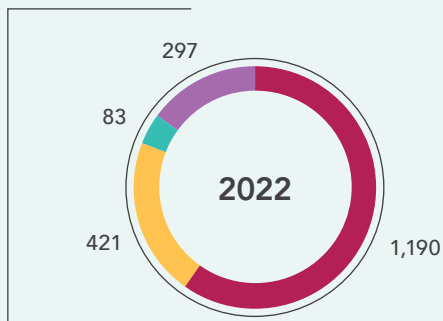


EMPLOYMENT (Number of Persons)

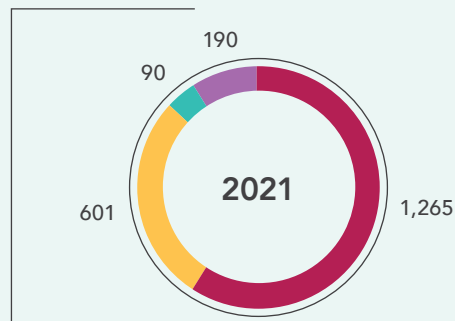
1,941



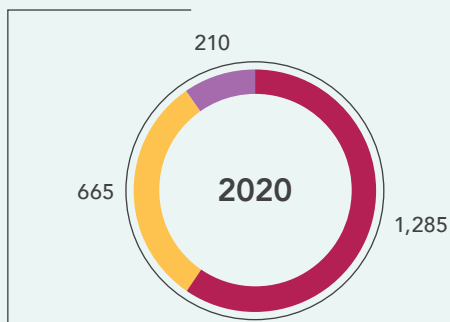
1,991



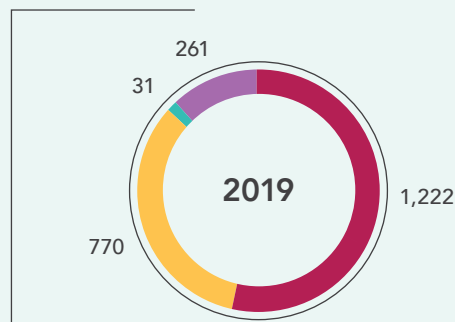
2,146



2,160



2,284



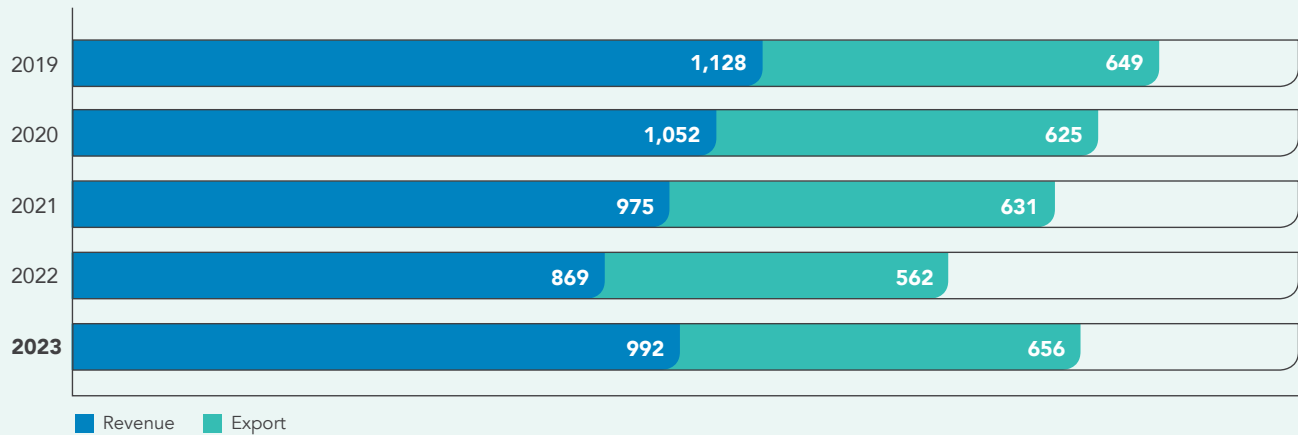
■ Local - Direct Employed
 ■ Foreign - Direct Employed
 ■ Outsource
 ■ Temporary

FIVE-YEAR TREND

(CONT'D)



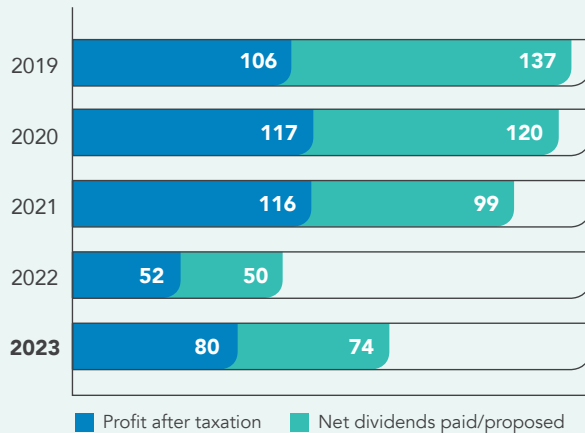
REVENUE/EXPORT (RM million)



■ Revenue ■ Export



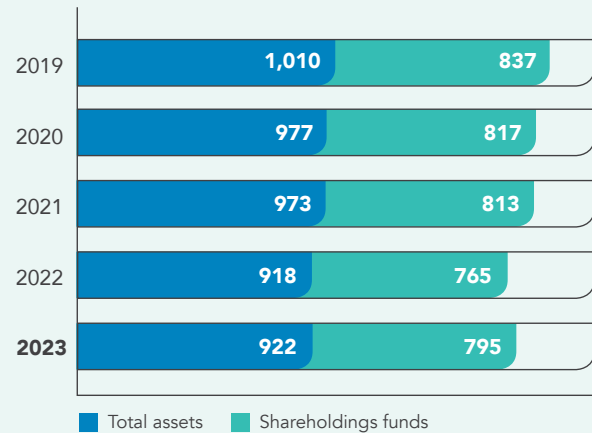
PROFIT AFTER TAXATION/NET DIVIDENDS PAID/PROPOSED (RM million)



■ Profit after taxation ■ Net dividends paid/proposed



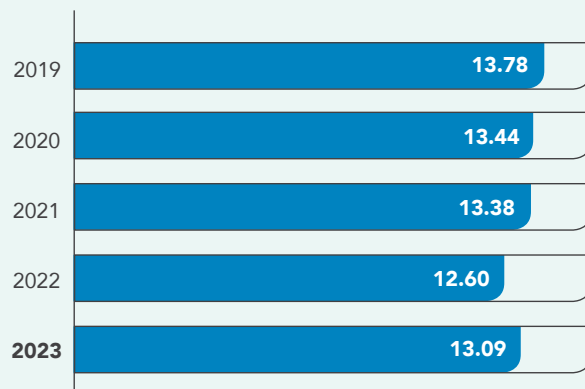
TOTAL ASSETS/ SHAREHOLDINGS FUNDS (RM million)



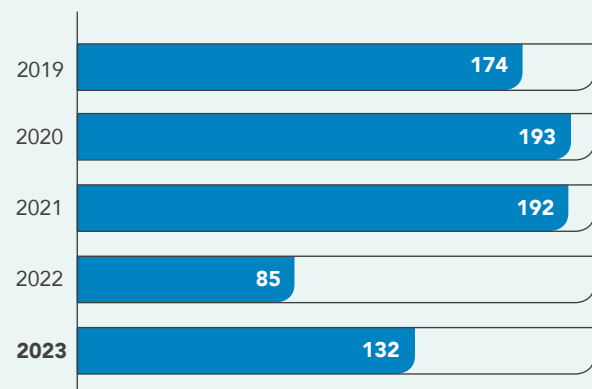
■ Total assets ■ Shareholdings funds



NET ASSETS PER SHARE (RM)



EARNINGS PER SHARE (sen)



BOARD OF DIRECTORS' PROFILE



**DATO' AZMAN
BIN MAHMUD**
Chairman, Independent
Non-Executive Director

Malaysian | Age 62 | Male

Date of Appointment: 15 April 2021

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

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

Now helping the stewardship of EXIM Bank, Dato' Azman is enthusiastic about using his vast industry and investment know-how in driving and positioning Malaysian businesses from all over the country in their global business ventures, as per the Government's mandate. He is also highly sought after by several leading key organisations to be on the board of their organisations for his wisdom and expertise. He also helms the Chairmanship of several boards of companies and organisations, which includes Cnergenz Berhad, Privasia Technology Berhad, Panasonic Malaysia Sdn. Bhd. and SME Aerospace Sdn. Bhd..

He also holds various other Board positions in GDEX Berhad and Kulim Technology Park Corporation, in addition to being a member of several organisations related to the development of businesses and investments and as an investment panel member for Penjana Kapital (an entity established by the Ministry of Finance in July 2020). He is also the Board of charitable organisation Akademi Transformasi Asnaf Perlis MAIPs Sdn. Bhd..

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



**TAKASHI
SUGIHARA**
Managing Director

Japanese | Age 58 | Male

Date of Appointment: 1 June 2023

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

Mr Sugihara has more than 35 years of working experience with the Panasonic Holdings Corporation Group ("Panasonic"). He joined the Corporate Planning Department of Panasonic in 1988 and has been involved with Strategic Business Planning and took up various assignment of planning, sales and marketing in America from 1999 to 2002. He was then assigned as General Manager to the Procurement Department, Panasonic Communications (Malaysia) Sdn. Bhd. for the period of 2005 to 2008.

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


Mr Sugihara has no shareholdings in the Company and its associated company. He 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

(CONT'D)



**RAJA ANUAR
BIN RAJA ABU
HASSAN**
Independent
Non-Executive Director

 Malaysian |  Age 68 |  Male
 Date of Appointment: 1 January 2017


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

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

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



**DATO' KAZIAH
BINTI ABD
KADIR**
Independent
Non-Executive Director

 Malaysian |  Age 73 |  Female
 Date of Appointment: 3 September 2019

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

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

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

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

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

BOARD OF DIRECTORS' PROFILE

(CONT'D)



**TAN SRI
HASMAH BINTI
ABDULLAH**
Independent
Non-Executive Director

Malaysian | Age 72 | Female

Date of Appointment: 2 October 2013

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

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

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

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



KWAN WAI YUE
Executive Director

Malaysian | Age 55 | Female

Date of Appointment: 1 March 2018

Ms Kwan was appointed an 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 being 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

(CONT'D)



SIEW PUI LING
Executive Director

 Malaysian |  Age 59 |  Female
 Date of Appointment: 4 August 2014

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

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

Ms Siew Pui Ling holds 100 shares in the Company but has no shareholdings in the associated company. She also has no family relationship with any Director and/or major shareholder of the Company 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.



**SHINICHI
HAYASHI**
Non-Independent
Non-Executive Director

 Japanese |  Age 59 |  Male
 Date of Appointment: 1 April 2023

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

Mr Hayashi has over 35 years of working experience within the Panasonic Organization. He joined Matsushita Electric Industrial Co., Ltd (now known as Panasonic Holdings Corporation, Japan ("PHD")) in April 1988 in the Metal Material Group, Corporate under the International Trade Division and was promoted to the position of Supervisor for the same Division in April 1994. He was then promoted as the Manager of High Technology Business Creation Group, Corporate under the International Trade Division in 2002 and in 2006 he was promoted to be President of Matsushita Techno Trading Co.,Ltd., a subsidiary of Matsushita Electric Industrial Co.,Ltd.

Mr Hayashi has since held various directorial and managerial positions across different divisions of the organization. He was appointed as Director of the Material Purchasing Centre of PHD on January 2013 followed by his appointment as the Managing Director for Panasonic Asia Pacific procurement Management Center, which is a Malaysian subsidiary of PHD. He was assigned to an international posting in January 2016 as the President of Panasonic Manufacturing Philippines. Since then, he was appointed as Director of Beauty Personal Care Division.

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

Mr Hayashi has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company 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

(CONT'D)



KEISUKE NISHIDA

**Non-Independent
Non-Executive Director**

Japanese | Age 49 | Male

Date of Appointment: 1 April 2022

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

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

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

Mr Nishida has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company 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.

STRATEGIC MANAGEMENT COMMITTEE MEMBERS'S PROFILE



**TAKASHI
SUGIHARA**



Japanese



Age 58



Male

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

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

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

Mr Sugihara has no shareholdings in the Company and its associated company. He 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.



KWAN WAI YUE



Malaysian



Age 55



Female

Ms Kwan was appointed an Executive Director of the Company on 1st 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 being 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.

STRATEGIC MANAGEMENT COMMITTEE MEMBERS'S PROFILE

(CONT'D)

**SIEW PUI LING**

Malaysian | Age 59 | Female

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

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

Ms Siew Pui Ling holds 100 shares in the Company but has no shareholdings in the associated company. She also has no family relationship with any Director and/or major shareholder of the Company 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.

**YUTAKA MORI**

Japanese | Age 52 | Male

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

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

Mr Mori was transferred to the Engineering Department, R&D center, Panasonic Ecology Systems Guangdong Co., Ltd. ("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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

COMMITMENT FROM THE BOARD

The Board of Directors of the Company (“the Board”) remains committed in maintaining the highest standards of corporate governance within the Company and adhering to the principles and best practices of corporate governance, through observing and practising the core values of the Malaysian Code on Corporate Governance 2021 (the “Code”), Panasonic 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 2023 (“FY2023”) as well as key focus areas and future priorities in relation to corporate governance. The Board is pleased to present this statement and explain how the Company has applied the three (3) principles set out in the MCCG:

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

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

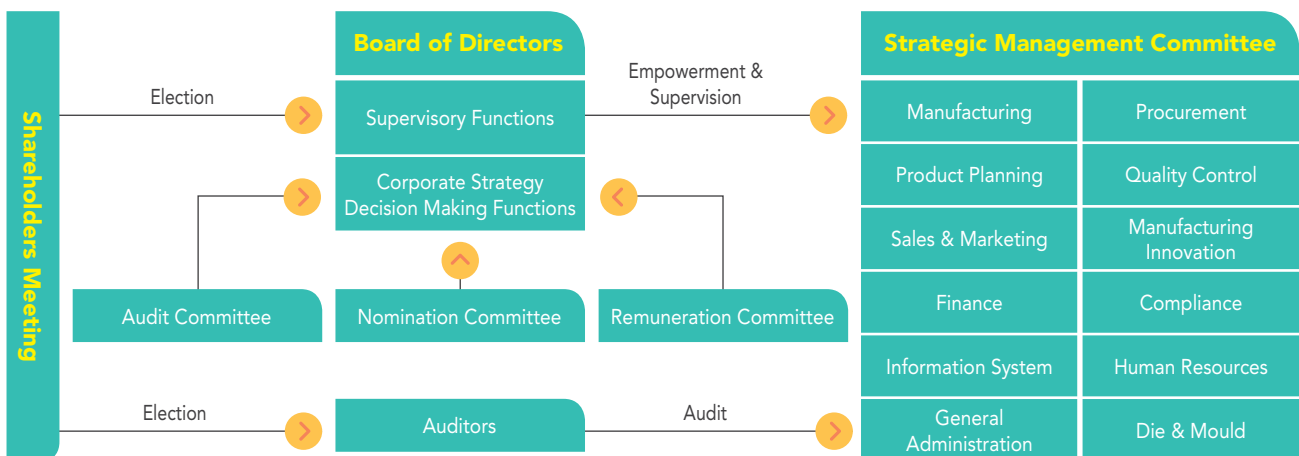
The Company has applied all the Practices encapsulated in the Code for the financial year ended 31 March 2023 except for:

- PRACTICE 5.2**
(At least half of the board comprises independent directors)
- PRACTICE 5.3**
(Two-tier shareholder voting process to retain an Independent Director who has served for more than 9 years)
- PRACTICE 8.2**
(Disclosure of the top five Senior Management personnel’s remuneration on a named basis in bands of RM50,000)
- PRACTICE 12.2**
(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

(CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

Board's Role, Duties and Responsibilities

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

The Directors of the Board are selected on a diversity of experience which directly benefits the operation of the Board as well as on the criteria of proven skill and ability in their particular field of endeavour. The full biography of each Board member is provided on pages 40 to 44.

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 2022.

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

(CONT'D)

Board Size, Leadership and Competencies

For FY2023, the Board had 9 members comprising of 4 Independent Non-Executive Directors (including the Chairman), a Managing Director, 2 Executive Directors and 2 Non-Independent Non-Executive Directors. The composition of the Board meets the criteria on one-third independent directorship as set out in the Main Market Listing Requirements and fairly reflects the investment by minority shareholders through Independent Directors. The current Board Composition it does not comply with Practice 5.2 of the Code where at least half the Board is to comprise of independent directors.

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

The Company appreciates the spirit of the Code where the Board is encouraged to incorporate the new dimensions of a composition of majority independent directors into the decision-making processes. 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 Holdings Corporation (PHD), 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, PHD believes it is important to increase corporate value by fulfilling accountability through dialogue with various stakeholders such as shareholders and customers, making effort to execute transparent business activities, and swiftly conducting business activities with fairness and honesty based on its basic philosophy of "a company is a public entity of society".

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

For the Independent Non-executive Directors of the Company, the Board views that they have the vast experience in a diverse range of business to provide constructive opinion and exercise independent judgement. As the Company is a Panasonic Holdings Corporation controlled subsidiary, the Company's Executive Directors are rotated among the companies in the Panasonic Holdings 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, Dato' Azman Mahmud, is the Senior Independent Non-Executive Director to whom concerns relating to the Company may be conveyed by the Directors, shareholders and other stakeholders.

The Company has included a policy on diversity of gender, ethnicity and age and 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 Hasimah 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 49 to 73 as the Board believes that this creates an environment where each generation brings different skills, experience and talents to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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Conduct of Meetings

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

The summary of attendance of the Directors in office at the Board Meetings held during the financial year ended 31 March 2023 was as follows:

Name of Director	Meeting Attendance	% of Attendance
Dato' Azman Mahmud	4/4	100
Kenji Kamada	4/4	100
Raja Anuar bin Raja Abu Hassan	4/4	100
Tan Sri Hasmah Binti Abdullah	4/4	100
Siew Pui Ling	4/4	100
Keisuke Nishida	4/4	100
Kwan Wai Yue	4/4	100
Michikazu Matsushita	3/4	75
Dato' Kaziah Binti Abd Kadir	4/4	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.

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.	Dato' Azman Mahmud <ul style="list-style-type: none"> Climate Change Impact on Banks & Role of the Board Financial Institutions Directors' Education Programme (FIDE) Core Program Module A Financial Institutions Directors' Education Programme (FIDE) Core Program Module B Guidebooks 1 & 2 on Public Listed Companies ("PLC") Transformation Programme Pre-Budget 2023 Dialogue Amendments to Main Market Listing Requirements in Relation to Enhanced Sustainability Reporting Framework Updated Sustainability Reporting Guide and Toolkits Guidebook 3 on Public Listed Companies ("PLC") Transformation Programme 	19 May 2022 13-16 June 2022 8-11 August 2022 22 August 2022 26 August 2022 30 November 2022 30 November 2022 30 November 2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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No.	Continuing Education Programme Attended	Date
	<ul style="list-style-type: none"> • Cyber Security Awareness Training for Board of Directors • Corporate Governance Monitor 2022 • Guidance on Management of Cyber Risks • Guidebooks 4 & 5 on Public Listed Companies ("PLC") Transformation Programme • Sustainable Fertiliser Technologies Seminar & Networking Luncheon • QRD Program - Series 1 - Board Risk Oversight Best Practices: A strategic Approach • DFI Green Finance Forum: Empowering DFIs to Bridge Funding Gaps and Drive Economic and Climate Resilience 	12 January 2023 28 February 2023 28 February 2023 28 February 2023 21 March 2023 22 May 2023 23 June 2023
2.	Raja Anuar Raja Abu Hassan <ul style="list-style-type: none"> • MIA Webinar Series: Cyber Security for Finance and Accounting Professionals • Guidebooks 1 & 2 on Public Listed Companies ("PLC") Transformation Programme • MIA Webinar Series: Chapter 10-Transactions with 3rd Party and Related Party • Amendments to Main Market Listing Requirements in Relation to Enhanced Sustainability Reporting Framework • Updated Sustainability Reporting Guide and Toolkits • Guidebook 3 on Public Listed Companies ("PLC") Transformation Programme • Corporate Governance Monitor 2022 • Guidance on Management of Cyber Risks • Guidebooks 4 & 5 on Public Listed Companies ("PLC") Transformation Programme 	19-20 July 2022 22 August 2022 31 October 2022 30 November 2022 30 November 2022 30 November 2022 28 February 2023 28 February 2023 28 February 2023
3.	Tan Sri Hasmah Abdullah <ul style="list-style-type: none"> • Empowering and Rewarding the "Boardroom Brigade" - A Board Remuneration Masterclass • National Tax Conference (NTC) 2022 • Guidebooks 1 & 2 on Public Listed Companies ("PLC") Transformation Programme • Amendments to Main Market Listing Requirements in Relation to Enhanced Sustainability Reporting Framework • Updated Sustainability Reporting Guide and Toolkits • Guidebook 3 on Public Listed Companies ("PLC") Transformation Programme • Corporate Governance Monitor 2022 • Guidance on Management of Cyber Risks • Guidebooks 4 & 5 on Public Listed Companies ("PLC") Transformation Programme 	18 May 2022 2-3 August 2022 22 August 2022 30 November 2022 30 November 2022 30 November 2022 28 February 2023 28 February 2023 28 February 2023
4.	Dato' Kaziah Abd Kadir <ul style="list-style-type: none"> • NRC Dialogue & Networking • PNB Knowledge Forum 2022, Sustainable Investment - ESG at the Forefront • Climate Change Impact for Banks Role of the Board • Virtual MIA International Accountants Conference 2022 • Case-Based Series: Part 1: The Board's Performance Role • Case-Based Series: Part 2: The Board's Performance Role • Assessing Your Organisational Culture • JUST Series (JC3 Upskilling Sustainability Training) Series - FY2022 - Implementation of the Task Force on Clime - related Financial Disclosure • Guidebooks 1 & 2 on Public Listed Companies ("PLC") Transformation Programme • Amendments to Main Market Listing Requirements in Relation to Enhanced Sustainability Reporting Framework • Updated Sustainability Reporting Guide and Toolkits • Guidebook 3 on Public Listed Companies ("PLC") Transformation Programme • Can America stop China's rise? Will ASEAN be damaged? By Professor Kishore Mahbubani • Corporate Governance Monitor 2022 • Guidance on Management of Cyber Risks • Guidebooks 4 & 5 on Public Listed Companies ("PLC") Transformation Programme 	15 April 2022 21 April 2022 19 May 2022 9 June 2022 & 8 September 2022 15 June 2022 16 June 2022 22 June 2022 2-3 August 2022 22 August 2022 30 November 2022 30 November 2022 30 November 2022 12 January 2023 28 February 2023 28 February 2023 28 February 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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No.	Continuing Education Programme Attended	Date
5.	Kwan Wai Yue <ul style="list-style-type: none"> KPMG - Empowering and Rewarding the "Boardroom Brigade" Guidebooks 1 & 2 on Public Listed Companies ("PLC") Transformation Programme Amendments to Main Market Listing Requirements in Relation to Enhanced Sustainability Reporting Framework Updated Sustainability Reporting Guide and Toolkits Guidebook 3 on Public Listed Companies ("PLC") Transformation Programme Economic Outlook 2023 Redefined Corporate Governance Monitor 2022 Guidance on Management of Cyber Risks Guidebooks 4 & 5 on Public Listed Companies ("PLC") Transformation Programme Rise of the Chatbots: Artificial Intelligence and the Future of Accounting A Dialogue with Bursa Malaysia 	18 May 2022 22 August 2022 30 November 2022 30 November 2022 30 November 2022 8 February 2023 28 February 2023 28 February 2023 28 February 2023 30 March 2023 14 April 2023
6.	Siew Pui Leng <ul style="list-style-type: none"> Sexual & Power Harassment Awareness Asia Pacific Consumer Service & Quality Management meeting Three Stage Framework for Leadership Thinking Panasonic Merchandising Meeting Unlocking Regional Comprehensive Economic Partnership (FMM) Guidebooks 1 & 2 on Public Listed Companies ("PLC") Transformation Programme FY2022 APAC Logistic Conference Singapore Amendments to Main Market Listing Requirements in Relation to Enhanced Sustainability Reporting Framework Updated Sustainability Reporting Guide and Toolkits Guidebook 3 on Public Listed Companies ("PLC") Transformation Programme FY2022 APAC HR Conference Business Continuity Planning Conference 2023 Corporate Governance Monitor 2022 Guidance on Management of Cyber Risks Guidebooks 4 & 5 on Public Listed Companies ("PLC") Transformation Programme Embracing ESG as a corporate objective in Malaysia 	8 February 2022 10-11 May 2022 3 June 2022 16-17 June 2022 6 July 2022 22 August 2022 25 November 2022 30 November 2022 30 November 2022 30 November 2022 7 December 2022 21-22 February 2023 28 February 2023 28 February 2023 28 February 2023 8 March 2023
7.	Kenji Kamada <ul style="list-style-type: none"> Guidebooks 1 & 2 on Public Listed Companies ("PLC") Transformation Programme Amendments to Main Market Listing Requirements in Relation to Enhanced Sustainability Reporting Framework Updated Sustainability Reporting Guide and Toolkits Guidebook 3 on Public Listed Companies ("PLC") Transformation Programme Corporate Governance Monitor 2022 Guidance on Management of Cyber Risks Guidebooks 4 & 5 on Public Listed Companies ("PLC") Transformation Programme 	22 August 2022 30 November 2022 30 November 2022 30 November 2022 28 February 2023 28 February 2023 28 February 2023
8.	Keisuke Nishida <ul style="list-style-type: none"> Guidebooks 1 & 2 on Public Listed Companies ("PLC") Transformation Programme Amendments to Main Market Listing Requirements in Relation to Enhanced Sustainability Reporting Framework Updated Sustainability Reporting Guide and Toolkits Guidebook 3 on Public Listed Companies ("PLC") Transformation Programme Corporate Governance Monitor 2022 Guidance on Management of Cyber Risks Guidebooks 4 & 5 on Public Listed Companies ("PLC") Transformation Programme 	22 August 2022 30 November 2022 30 November 2022 30 November 2022 28 February 2023 28 February 2023 28 February 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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Sustainability

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

The Strategic Management Committee's roles and responsibilities are:

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

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

The Board has sufficient understanding and knowledge of the sustainability issues that are relevant to the Company and its business and to discharge its role effectively. The Group had prioritized and focused on sustainability journey in business operations and areas relevant to them following the emergence of COVID-19 crisis in 2020/2021 and also the local flood incident that elevated sustainability importance and increased scrutiny on how it manages and responds to the immediate impact of the crisis. The materiality assessment in financial year ended 31 March 2023 reflects the changes to the business and the external environment.

The material issues that shape the strategies and business decision making are not limited to the Company's financial performance alone but also Economic, Environmental and Social (EES) Impact. Through the review by the senior management, 14 material aspects were identified as high importance and those disclosures were derived into a matrix. The materiality matrix showcases the material disclosures based on its unique influence on the stakeholders and EES impact to the Company. The materiality matrix was approved by the Board of Directors of PMMA and at the Board meeting held on 28 February 2023 status of achievement of the Material Sustainability Key Performance Indicators (KPI) were updated.

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 61 to 63 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 FY2023, the Board with the exception of the Directors who are also Audit Committee members were generally satisfied that the size of the Audit Committee is large enough to perform the duties as defined and its judgment is not impaired as they are sufficiently independent from management. The Audit Committee members have also fulfilled the requirements in terms of roles and responsibilities and in their relationship with External Auditors and Internal Auditors.

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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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 24 May 2022 evaluated the performance and recommended the re-election of Tan Sri Hasmah binti Abdullah, Ms Siew Pui Ling, Mr Michikazu Matsushita and Mr Keisuke Nishida.

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 24 May 2022, the Remuneration Committee made a recommendation to the Board for payment of Directors' fees not exceeding RM800,000 in aggregate for FY2023 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 29 August 2022.

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 FY2023 was paid quarterly in arrears:

No.	Details of remuneration	Date of payment
1.	Directors' fees for 1st quarter ended 30 June 2022	9 September 2022
2.	Directors' fees for 2nd quarter ended 30 September 2022	7 October 2022
3.	Directors' fees for 3rd quarter ended 31 December 2022	9 January 2023
4.	Directors' fees for 4th quarter ended 31 Mar 2023	13 April 2023

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

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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 Holdings 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 FY2023 are as follows:

Descriptions	Executive Director (RM)	Non-Executive Director (RM)	Total (RM)
Fees	-	517,920	517,920
Meeting allowance	-	61,500	61,500
Salary and other remuneration	1,795,691	-	1,795,691
Benefits-in-kind (BIK)	55,511	-	55,511
Total	1,851,202	579,420	2,430,622
Total (excluding BIK)	1,795,691	579,420	2,375,111

Details of Directors' remuneration for FY2023 are set out as below:

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

Director	Fees (RM)	Meeting allowances (RM)	Total (RM)
Dato' Azman Bin Mahmud	156,000	7,500	163,500
Raja Anuar Bin Raja Abu Hassan	122,720	18,000	140,720
Tan Sri Hasmah Binti Abdullah	119,600	18,000	137,600
Dato' Kaziah Binti Abd Kadir	119,600	18,000	137,600
Keisuke Nishida	-	-	-
Michikazu Matsushita (Resigned on 31 March 2023)	-	-	-

(ii) Executive Directors

Director	Salaries and Emoluments (RM)	Bonus (RM)	Benefits-in-kind (RM)	Total (RM)
Kenji Kamada (Resigned on 31 May 2023)	603,533	143,947	64,631	812,111*
Siew Pui Ling	504,796	70,711	-	575,507
Kwan Wai Yue	504,760	118,291	-	623,051

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

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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 FY2023 is disclosed below:

Managing Director	RM
Annual Pay	812,111
Employee	RM
Mean Pay	65,898
Median Pay	47,531
Lowest Total Pay	21,957
Highest Total Pay	812,111

Company Secretary

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

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

- (i) attend and ensure that all meetings are properly convened and the proceedings of all meetings including pertinent issues, substance of inquiries and responses, suggestions and proposals are duly recorded and minuted;
- (ii) provides support to the Chairman to ensure the effective functioning of the Board and assist 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.

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.

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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 64 to 67 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 Internal Audit reports and discuss findings with the Internal Auditors where necessary.

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.

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	ml_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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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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 2023 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 2022, the Company issued the notice of AGM on 29 July 2022 and held the AGM on 29 August 2022, provided the shareholders with more than 28 days notice. All the Directors attended the 2022 AGM. The Managing Director also provided shareholders with a slide presentation on the Company's financial performance and operations. The questions submitted in advance by the Minority Shareholders' Watch Group were also presented for the shareholders information and the answers were given in a slide presentation.

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

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

This Statement is made in accordance with the resolution of the Board of Directors dated 30 May 2023.

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 2023 ("FY2023").

COMPOSITION AND ATTENDANCE AT MEETING

The composition of the Nomination Committee comprises entirely of Independent Non-Executive Directors and their attendance at meeting held in FY2023 are as follows:

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

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

FUNCTIONS

The key functions of the Nomination Committee include the following: -

- Review and recommend to the Board for approval the following appointments:
 - Members of the Board;
 - Members of the Board Committees;
 - Members of the Strategic Management Committee;
 - Senior Independent Non-Executive Director; and
 - Managing Director
- Annually review the Board's required mix of skills, experience and other qualities, including core competencies, which the Non-Executive Directors should bring to the Board;

- Annually assess the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director; and
- Review the performance of the Malaysian members of the Strategic Management Committee for approving the renewal of their service contracts, which involve their appointment, replacement or removal.

ACTIVITIES OF THE NOMINATION COMMITTEE

During the FY2023, the Nomination Committee, in discharging its functions and duties, carried out the following activities: -

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

Evaluation of Performance, Mix of Skills, Experience and Qualities

Based on the current position and practices of the Company, the Nomination Committee upon its review on 23 May 2023 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 2023 were appropriate.

The Company appreciates the spirit of the Malaysian Code on Corporate Governance where the Board is encouraged to have at least half of its Board members to comprise of Independent Directors more effective oversight of Management. Presently the number of Non-Executive Directors are more than the Executive Directors and the Chairman is an Independent Director. This to ensure that the Executive Directors do not dominate the Board's decision making. This composition also allows for both effective and efficient oversight of Management even though the independent non-executive directors do not form half of the Board. 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 FY2023.

NOMINATION COMMITTEE REPORT

(CONT'D)

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.

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

Re-election and Re-appointment

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

The Nomination Committee has at its meeting on 23 May 2023 evaluated the performance of the retiring Directors who are standing for re-election pursuant to Article 100 as well as Directors who were appointed since the last Annual General Meeting 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 resolutions for their re-election to the shareholders for approval.

Directors' Independence

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

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 2023.

COMPOSITION

The composition of the Audit Committee comprises only of Independent Non-Executive Directors. The members of the Audit Committee and records of attendance of each member at Audit Committee meetings held during the financial year ended 31 March 2023 are as follows:

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

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

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

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

CONDUCT OF MEETINGS

The Audit Committee meets on a quarterly basis. There were four (4) Audit Committee Meetings during the financial year ended 31 March 2023. The Managing Director, Executive Directors and relevant responsible Management members were invited to the meetings to facilitate direct communication and provide clarification on audit issues and the Company's operations. The Internal Auditors and External Auditors attended the meetings to present their respective reports. The discussion of each meeting was tabled to and noted by the Board. The Chairman of Audit Committee reports on the main findings raised by the External Auditors and significant concerns raised by the Internal Auditors in the respective quarterly presentations, as well as the deliberations of the Audit Committee Meeting to the Board.

DUTIES AND RESPONSIBILITIES

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

Financial Reporting and Compliance

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

Risk Management and Internal Audit

- 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;
- To consider and approve the Annual Internal Audit Plan and be satisfied as to the adequacy of coverage and audit methodologies employed;

AUDIT COMMITTEE REPORT

(CONT'D)

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

Statutory and Non-Statutory Audit

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

Other Matters

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

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

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

Financial Reporting

1. Reviewed the unaudited quarterly results and performance of the Company and recommended to the Board for approval.
2. Reviewed the draft Statutory Financial Statements of the Company for the financial year ended 31 March 2022 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 2022 and the Annual Audit Plan for the financial year ended 31 March 2023 that were presented to the Audit Committee.
2. Held meetings with the External Auditors without Management's presence twice during the year to obtain feedback on the state of internal controls.
3. Reviewed the audit and non-audit fees (review of the Statement of Risk Management and Internal Control) of the External Auditors for the financial year ended 31 March 2022 and recommended to the Board for approval.
4. Assessed the independence, performance and competency of the External Auditors.
5. Made recommendation to the Board on the re-appointment of the External Auditors.

Internal Audit

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

AUDIT COMMITTEE REPORT

(CONT'D)

Compliance

1. Reviewed the state of internal control of the Company and extent of compliance with the established policies, procedures and statutory requirements.
2. Reviewed the Enterprise Risk Management report and extent of appropriate internal controls to mitigate and control the risks faced by the Company.
3. Monitored the amount spent on entertainment, donations, offerings and gift.
4. Reviewed the Statement on Risk Management & Internal Control and Audit Committee Report prior to the Board's approval for inclusion in the Company's Annual Report 2022.

Related Party Transactions

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

The Audit Committee is responsible for overseeing the implementation of the Whistleblower Policy and Procedures for the employees and external parties. During the year, there were 3 complaints received via the whistleblowing channel. Arising from internal reviews, the Management had taken the necessary steps to reach out to the complainants and to address the complaints made.

INTERNAL AUDIT FUNCTION

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

BDO adopts a methodology, which is in line with the Institute of Internal Auditors' International Professional Practices Framework ("IPPF"), Code of Ethics and risk based internal auditing guidance. The independence of BDO is reviewed on a yearly basis. BDO is required to declare if any conflict of interests exist where an annual confirmation is sought from them that all of their staff on the job are free from any relationships or conflict of interest with the Company which could impair their objectivity. BDO had confirmed to the Audit Committee on their independence

and there is no conflict of interest. The performance and competency of BDO was assessed and the Audit Committee found the services rendered to be satisfactory.

The Internal Audit Plan was developed together with BDO on an annual basis based on the entity wide risk assessment. The Internal Audit Plan was presented and approved by the Audit Committee on 23 May 2022. The audits were executed based on a risk-based approach and the audit outcomes were communicated to the Audit Committee during the quarterly reporting.

BDO's deliverables covers the areas concerning governance, risk management and internal control processes highlighting the causes, findings, weaknesses, recommendation and management's corrective action plan, if any. For the financial year ended 31 March 2023, the following areas were audited and its results were reported to the Audit Committee:

Internal Audit Area	Internal Auditor's Opinion
Production Engineering & Manufacturing Capability Development for Heating & Ventilation A/C Company	Improvement required
Third Party Management and Insurance Coverage	Improvement required
Inventory Management for Living Appliances and Solutions Company ("LAS") – Iron, Vacuum & Kitchen Appliances	Improvement required
Purchasing Management: Purchase Order and Delivery	Improvement required

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

The professional fees incurred for the Internal Audit function in respect of the financial year ended 31 March 2023 amounted to RM90,000.

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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

BOARD RESPONSIBILITIES

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

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

KEY PROCESSES OF THE SYSTEM OF INTERNAL CONTROL

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

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

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

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

During the financial year ended 31 March 2023, BDO had executed the following internal audit works:

- (1) Conducted reviews and assessments based on annual audit plans which was approved by the Audit Committee at the 1st meeting covering the areas of:
 - i. Production Engineering & Manufacturing Capability Development for Heating & Ventilation A/C Company
 - ii. Third-Party Management and Insurance Coverage
 - iii. Inventory Management for Living Appliances and Solutions Company ("LAS") - Iron, Vacuum and Kitchen Appliances
 - iv. Purchasing Management: Purchase Order and Delivery
- (2) Conducted follow-up with the Management on agreed corrective action items taken on outstanding audit issues to ensure key risks and weaknesses were addressed effectively and timely, where the status of implementation of the said agreed corrective action items are reported to the Audit Committee on a quarterly basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

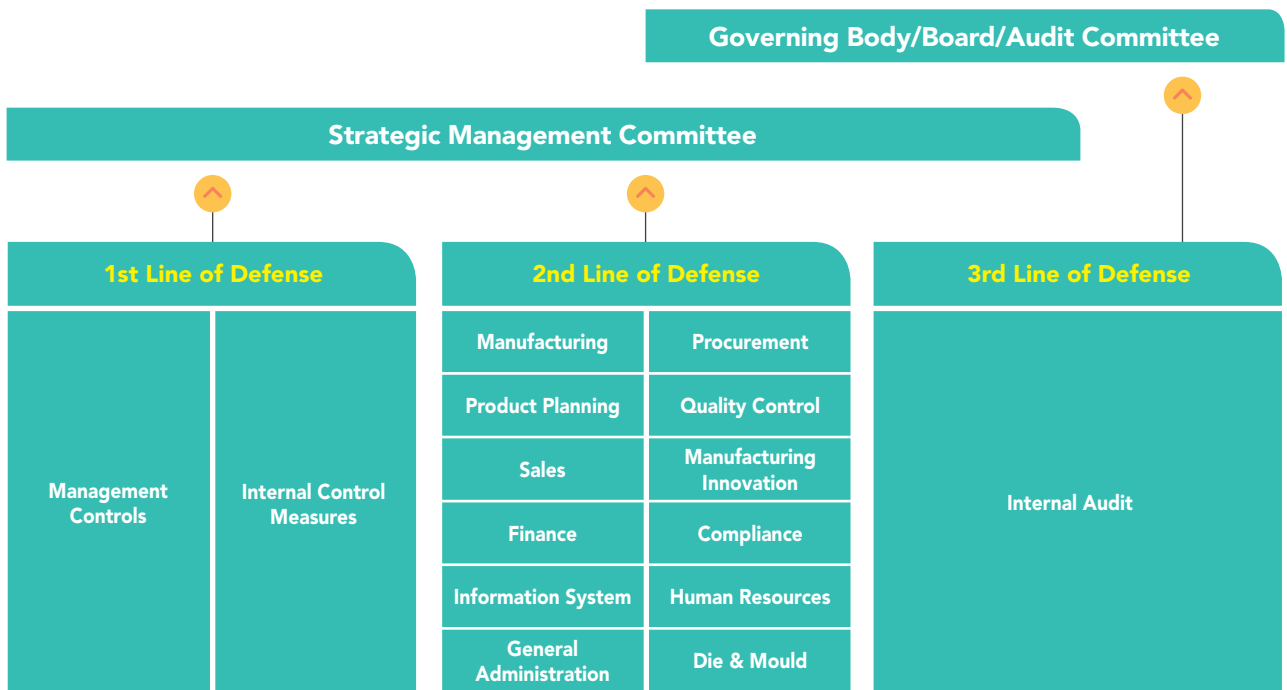
The resulting reports from BDO, including the findings, recommendations and Management’s responses, were presented to the Audit Committee on a quarterly basis. The Management is responsible to ensure that necessary agreed corrective action items are taken and resolved within the required timeframe.

Other elements of internal control system:

1. Governance structure

The Company has established a governance structure with clear lines of defense to ensure all business risks are prudently identified, assessed and managed to meet its business strategies and objectives within a reasonable control environment.

Diagram of Governance Structure:



2. Delegation of Authority

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

3. Annual Business Plans and Budgets

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

4. Monitoring by Strategic Management Committee

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

5. Monitoring by the Board

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

6. Panasonic Code of Conduct

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

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.
- The risk management function is coordinated by BDO, who assists the Audit Committee in updating the risk register to reflect the changes in rating, status of controls and action plan annually.
- The Compliance Committee that has been established to promote strong self-check system to ensure compliance is top priority in the Company's business activities also ensures that information is shared across all divisions and all levels in a timely manner.
- The Strategic Management Committee that has been established with appropriate powers to ensure effective management and supervision of the Company's core areas of business operations. Its function includes review of registration of new suppliers, investment/expenditure by the Company exceeding stipulated amount and to review any changes in the Company's policy and procedures. Its members comprise of Assistant Directors and above. It acts as a control before the Company's Managing Director provides his final approval.
- Other internal committees include the Information Security Management Working Committee, Quality Committee, Safety & Health and Fire Prevention Committee 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.
- 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

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

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

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

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

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

Overall, during FY2023, 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 RM223,000 and RM10,000, respectively.

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

(3) MATERIAL CONTRACTS

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

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 March 2023.

PRINCIPAL ACTIVITIES

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

ULTIMATE HOLDING COMPANY

The Directors regard Panasonic Holdings 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	80,132

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 2022:
 - a final ordinary dividend of 68 sen per ordinary share totalling RM41,307,130 declared on 31 May 2022 and paid on 23 September 2022.
- ii) In respect of the financial year ended 31 March 2023:
 - an interim single tier dividend of 15 sen per ordinary share totalling RM9,111,867 declared on 30 November 2022 and paid on 20 January 2023.

The final dividend recommended by the Directors in respect of the financial year ended 31 March 2023 of 107 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 RM64,997,985.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023
(CONT'D)

DIRECTORS OF THE COMPANY

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

Tan Sri Hasmah binti Abdullah	
Siew Pui Ling	
Raja Anuar bin Raja Abu Hassan	
Kwan Wai Yue	
Dato' Kaziah binti Abdul Kadir	
Kenji Kamada	
Dato' Azman bin Mahmud	
Keisuke Nishida	(Appointed on 1 April 2022)
Shinichi Hayashi	(Appointed on 1 April 2023)
Cheng Chee Chung	(Resigned on 1 April 2022)
Michikazu Matsushita	(Resigned on 31 March 2023)

In accordance with Article 100 of the Company's Constitution, Raja Anuar Bin Raja Abu Hassan and Ms Kwan Wai Yue retire by rotation at the forthcoming Annual General Meeting, and being eligible, offers herself for re-election. Mr Shinichi Hayashi who was appointed during the year will retire under Article 105 of the Company's Constitution, and being eligible, offers himself for re-election.

DIRECTORS' INTERESTS

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

Company	Number of ordinary shares			
	At 1.4.2022	Bought	Sold	At 31.3.2023
Siew Pui Ling				
- Direct Interest	100	-	-	100
Ultimate Holding Company				
- Panasonic Holdings Corporation				
	At 1.4.2022	Bought	Sold	At 31.3.2023
Kenji Kamada				
- Direct Interest	1,178	-	-	1,178

None of the other Directors holding office at 31 March 2023 had any interest in the shares and options over shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023
(CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year,

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

	From the Company RM'000
Directors of the Company:	
Fees and allowances	579
Remuneration	1,796
Estimated money value of any other benefits	56
	2,431

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

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

ISSUE OF SHARES AND DEBENTURES

There were no issue of shares 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. The insurance premium paid by the Company is RM65,000.

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023
(CONT'D)

OTHER STATUTORY INFORMATION

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

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

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

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

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, except for the insurance compensation income as disclosed in Note 18 to the financial statements, the financial performance of the Company for the financial year ended 31 March 2023 has not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

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

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

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

Dato' Azman bin Mahmud
Director

Kenji Kamada
Director

Shah Alam
Date: 30 May 2023

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Note	2023 RM'000	2022 RM'000
Assets			
Property, plant and equipment	3	134,557	143,745
Right-of-use assets	4	5,577	5,722
Intangible assets	5	1,372	3,457
Interest in associated company	6	121,175	115,058
Deferred tax assets	7	2,676	10,755
Total non-current assets		265,357	278,737
Inventories	8	70,053	89,805
Trade and other receivables	9	96,456	100,627
Current tax assets		7,450	5,766
Derivative financial assets	10	-	182
Cash and cash equivalents	11	482,897	442,665
Total current assets		656,856	639,045
Total assets		922,213	917,782
Equity			
Share capital	12	60,746	60,746
Retained earnings		734,180	704,467
Total equity		794,926	765,213
Liabilities			
Provision for liabilities and charges	13	417	485
Lease liabilities		10	50
Total non-current liabilities		427	535
Trade and other payables	14	122,335	145,490
Provision for liabilities and charges	13	4,443	6,437
Derivative financial liabilities	10	42	45
Lease liabilities		40	62
Total current liabilities		126,860	152,034
Total liabilities		127,287	152,569
Total equity and liabilities		922,213	917,782

The notes on pages 79 to 124 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 RM'000	2022 RM'000
Revenue	15	991,628	868,776
Cost of sales		(874,383)	(774,013)
Gross profit		117,245	94,763
Other operating income		43,130	19,523
Distribution and marketing cost		(40,376)	(40,151)
Administrative expenses		(39,364)	(35,927)
Other operating expenses		(12,201)	(6,951)
Results from operating activities		68,434	31,257
Finance costs	16	(3)	(5)
Finance income	17	13,605	7,957
Share of results of associated company (net of tax)	6	9,302	13,828
Profit before tax	18	91,338	53,037
Tax expense	19	(11,206)	(1,526)
Profit and total comprehensive income for the year		80,132	51,511
Basic/Diluted earnings per ordinary share (sen)	20	132	85

The notes on pages 79 to 124 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Note	Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 April 2021		60,746	751,972	812,718
Total profit and comprehensive income for the year		-	51,511	51,511
<i>Contributions by and distributions to owners of the Company</i>				
Dividends				
- Final dividend for the financial year ended 31 March 2021	21	-	(89,904)	(89,904)
- Interim dividend for the financial year ended 31 March 2022	21	-	(9,112)	(9,112)
Total transactions with owners of the Company		-	(99,016)	(99,016)
At 31 March 2022/1 April 2022		60,746	704,467	765,213
Total profit and comprehensive income for the year		-	80,132	80,132
<i>Contributions by and distributions to owners of the Company</i>				
Dividends				
- Final dividend for the financial year ended 31 March 2022	21	-	(41,307)	(41,307)
- Interim dividend for the financial year ended 31 March 2023	21	-	(9,112)	(9,112)
Total transactions with owners of the Company		-	(50,419)	(50,419)
At 31 March 2023		60,746	734,180	794,926

The notes on pages 79 to 124 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 RM'000	2022 RM'000
Cash flows from operating activities			
Profit before tax		91,338	53,037
Adjustments for:			
Property, plant and equipment			
- depreciation	3	25,337	28,115
- write-off	3	522	1,046
- gain on disposal	18	(947)	(443)
- impairment loss	3	673	604
- reversal of impairment	3	(797)	(1,419)
Depreciation of right-of-use assets	4	145	167
Amortisation of intangible asset	5	2,350	2,316
Provision of liabilities and charges	13	9,317	6,329
Unwinding of discount	13	89	87
Interest income	16	(13,605)	(7,957)
Finance cost for lease liabilities	17	3	5
Share of results of associated company	6	(9,302)	(13,828)
Net unrealised foreign exchange (gain)/loss	18	(1,987)	180
Fair value gain on derivative financial instruments	18	179	(993)
Operating profit before changes in working capital		103,315	67,246
Changes in working capital:			
Inventories		19,752	(20,173)
Trade and other receivables		6,443	3,219
Trade and other payables		(23,440)	(2,919)
Movement in provision of liabilities and charges		(11,468)	(5,639)
Cash generated from operations		94,602	41,734
Tax paid		(4,811)	(10,889)
Interest paid		(3)	(5)
Net cash generated from operating activities		89,788	30,840
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(16,982)	(34,443)
Purchase of intangible asset	4	(265)	(174)
Proceeds from disposal of property, plant and equipment		1,382	909
Interest received	16	13,605	7,957
Dividends received	6	3,185	12,741
Net cash generated from/(used in) investing activities		925	(13,010)
Cash flows from financing activities			
Dividends paid		(50,419)	(99,016)
Payment of lease liabilities		(62)	(83)
Net cash used in financing activities		(50,481)	(99,099)
Net increase/(decrease) in cash and cash equivalents		40,232	(81,269)
Cash and cash equivalents at 1 April 2022/2021		442,665	523,934
Cash and cash equivalents at 31 March	11	482,897	442,665

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023
(CONT'D)

Cash outflows for leases as a lessee

	Note	2023 RM'000	2022 RM'000
Included in net cash from operating activities			
Payment relating to short-term leases	18	1,250	1,354
Payment relating to low-value assets	18	38	30
Interest paid in relation to lease liabilities	16	3	5
Included in net cash from financing activities			
Payment of lease liabilities		62	83
Total cash outflows for leases		1,353	1,472

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

	At 1 April 2021 RM'000	Net changes from financing cash flows RM'000	At 31 March 2022/ 1 April 2022 RM'000	Net changes from financing cash flows RM'000	At 31 March 2023 RM'000
Lease liabilities	195	(83)	112	(62)	50

The notes on pages 79 to 124 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 2023 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.

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

These financial statements were authorised for issue by the Board of Directors on 30 May 2023.

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 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- 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*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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

- Amendments to MFRS 16, *Leases – Lease liability in a Sales and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*

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*

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

1. BASIS OF PREPARATION (Cont'd)

(a) Statement of compliance (Cont'd)

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

- 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 and Amendments to MFRS 17 which are not applicable to the Company; and
- from the annual period beginning on 1 April 2024 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2024.

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

(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 the following notes:

- Note 2(g) and 8 – Inventories
- Note 2(l) and 13 – Provision for liabilities and charges

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, 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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Associates (Cont'd)

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 functional currency 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Financial instruments (Cont'd)

(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)).

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial liabilities (Cont'd)

(a) **Fair value through profit or loss** (Cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Leases

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(e) Leases (Cont'd)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Impairment (Cont'd)

(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.

(j) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) 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.

(l) 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 based on 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 historical claim ratio 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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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 over time 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

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(p) 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.

(q) 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.

Diluted EPS is determined by adjusting profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(r) 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.

(s) 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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(s) Fair value measurements (Cont'd)

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 2021	95,538	351,221	61,818	6,571	38,721	553,869
Additions	284	26,109	5,458	466	2,126	34,443
Transfers	33,864	4,425	-	-	(38,289)	-
Transfer to intangible assets (Note 5)	-	-	-	-	(61)	(61)
Disposals	-	(10,928)	(235)	(338)	-	(11,501)
Write-off	-	(12,679)	(1,019)	-	-	(13,698)
At 31 March 2022/ 1 April 2022	129,686	358,148	66,022	6,699	2,497	563,052
Additions	-	9,110	1,970	943	4,959	16,982
Reclassification of asset	-	22	(22)	-	-	-
Transfers	-	1,897	124	-	(2,021)	-
Disposals	-	(7,860)	(484)	(1,012)	(150)	(9,506)
Write-off	-	(18,397)	(1,279)	(12)	-	(19,688)
At 31 March 2023	129,686	342,920	66,331	6,618	5,285	550,840

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

	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 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
Depreciation for the year	2,025	21,894	3,563	633	-	28,115
Impairment loss	-	604	-	-	-	604
Reversal of impairment loss	-	(1,305)	(114)	-	-	(1,419)
Disposals	-	(10,572)	(227)	(236)	-	(11,035)
Write-off	-	(11,762)	(890)	-	-	(12,652)
At 31 March 2022/1 April 2022						
Accumulated depreciation	54,403	308,605	50,221	5,271	-	418,500
Accumulated impairment loss	-	789	18	-	-	807
	54,403	309,394	50,239	5,271	-	419,307
Depreciation for the year	2,238	18,992	3,388	719	-	25,337
Impairment loss	-	671	2	-	-	673
Reversal of impairment loss	-	(779)	(18)	-	-	(797)
Disposals	-	(7,745)	(469)	(857)	-	(9,071)
Write-off	-	(17,981)	(1,174)	(11)	-	(19,166)
At 31 March 2023						
Accumulated depreciation	56,641	301,871	51,966	5,122	-	415,600
Accumulated impairment loss	-	681	2	-	-	683
	56,641	302,552	51,968	5,122	-	416,283
Carrying amounts						
At 1 April 2021						
	43,160	40,686	13,911	1,697	38,721	138,175
At 31 March 2022/1 April 2022						
	75,283	48,754	15,783	1,428	2,497	143,745
At 31 March 2023						
	73,045	40,368	14,363	1,496	5,285	134,557

3.1 Property, plant and equipment subject to operating lease

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

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

The following is recognised in profit or loss:

	2023 RM'000	2022 RM'000
Lease income	2,715	2,934

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

4. RIGHT-OF-USE ASSETS

	Leasehold land RM'000	Buildings RM'000	Machine and equipment RM'000	Total RM'000
Cost				
At 1 April 2021/31 March 2022/1 April 2022	7,566	137	187	7,890
Derecognition	-	(137)	-	(137)
At 31 March 2023	7,566	-	187	7,753
Depreciation				
At 1 April 2021	1,867	69	65	2,001
Charge for the year	84	45	38	167
At 31 March 2022/1 April 2022	1,951	114	103	2,168
Charge for the year	85	23	37	145
Derecognition	-	(137)	-	(137)
At 31 March 2023	2,036	-	140	2,176
Carrying amounts				
At 1 April 2021	5,699	68	122	5,889
At 31 March 2021/1 April 2022	5,615	23	84	5,722
At 31 March 2023	5,530	-	47	5,577

The Company leases expatriates accommodation and photocopy machines that ran between 2 years and 5 years (2022: 2 years and 5 years). Lease payments for these assets remain constant throughout their lease terms.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

5. INTANGIBLE ASSETS

	Software and licenses RM'000	Work-in- progress RM'000	Total RM'000
Cost			
At 1 April 2021	9,114	-	9,114
Additions	174	-	174
Transfer from property, plant and equipment (Note 3)	61	-	61
At 31 March 2022/1 April 2022	9,349	-	9,349
Additions	-	265	265
At 31 March 2023	9,349	265	9,614
Amortisation			
At 1 April 2021	3,576	-	3,576
Amortisation for the year	2,316	-	2,316
At 31 March 2022/1 April 2022	5,892	-	5,892
Amortisation for the year	2,350	-	2,350
At 31 March 2023	8,242	-	8,242
Carrying amounts			
At 1 April 2021	5,538	-	5,538
At 31 March 2022/1 April 2022	3,457	-	3,457
At 31 March 2023	1,107	265	1,372

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

	2023 RM'000	2022 RM'000
At cost		
Unquoted shares	2,000	2,000
Share of post-acquisition reserves	119,175	113,058
Interest in associated company	121,175	115,058

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

(CONT'D)

6. INTEREST IN ASSOCIATED COMPANY (Cont'd)

Set out below is the associate of the Company as at 31 March 2023, and the associate has share capital consisting solely of ordinary shares, which are held directly by the Company.

Name of entity	Principal place of business/Country of incorporation	Effective ownership interest and voting interest	
		2023	2022
Panasonic Malaysia Sdn. Bhd.	Malaysia	40%	40%

Nature of the relationship

The Company holds a 40% (2022: 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.
- (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:

	2023 RM'000	2022 RM'000
<u>Current</u>		
Cash and cash equivalent	351,528	336,789
Other current assets (excluding cash)	224,309	204,690
Total current assets	575,837	541,479
Other current liabilities (including trade payables)	(347,660)	(296,700)
Total current liabilities	(347,660)	(296,700)
<u>Non-current</u>		
Assets	84,904	66,301
Liabilities	(9,089)	(23,754)
Net assets	303,992	287,326

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

6. INTEREST IN ASSOCIATED COMPANY (Cont'd)

(a) Summarised financial information for associated company (Cont'd)

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

	2023 RM'000	2022 RM'000
Revenue	1,416,715	1,237,856
Cost of revenue	(1,030,178)	(904,382)
Gross profit	386,537	333,474
General and administrative expenses	(194,598)	(160,791)
Impairment loss on trade and other receivables	2,905	(1,777)
Selling and distribution expenses	(129,395)	(93,136)
Other operating expenses	(52,015)	(42,223)
Other operating income	16,604	12,310
Profit from operations	30,038	47,857
Finance income	7,834	5,013
Finance costs	(1,047)	(1,149)
Profit before taxation	36,825	51,721
Taxation	(12,196)	(17,688)
Net profit and total comprehensive income for the financial year	24,629	34,033
Gross dividends received from associate	3,185	12,741

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

	2023 RM'000	2022 RM'000
Company's share of net assets	121,597	114,930
Elimination of unrealised profits	(422)	128
Carrying amount in the statement of financial position	121,175	115,058

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

	2023 RM'000	2022 RM'000
Company's share of net profit and total comprehensive income	9,302	13,828

(d) Other information

	2023 RM'000	2022 RM'000
Cash dividends received by the Company	3,185	12,741

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

7. DEFERRED TAX ASSETS

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

Deferred tax assets are attributable to the following:

	2023 RM'000	2022 RM'000
Property, plant and equipment	(5,004)	783
Provisions	7,753	9,929
Others	(73)	43
Net tax assets	2,676	10,755

Movement in temporary differences during the year

	At 1.4.2021 RM'000	Recognised in profit or loss (Note 19) RM'000	At 31.3.2022/ 1.4.2022 RM'000	Recognised in profit or loss (Note 19) RM'000	At 31.3.2023 RM'000
Property, plant and equipment	2,097	(1,314)	783	(5,787)	(5,004)
Provisions	10,027	(98)	9,929	(2,176)	7,753
Others	(911)	954	43	(116)	(73)
	11,213	(458)	10,755	(8,079)	2,676

8. INVENTORIES

	2023 RM'000	2022 RM'000
Raw materials	42,213	55,784
Work-in-progress	3,752	5,057
Finished goods	24,045	28,816
Consumable stores	43	148
	70,053	89,805
Recognised in profit or loss:		
Inventories recognised as cost of sales	870,200	760,494
Write-down to realisable value	326	81
Write-off of inventories	3,938	14,151
Reversal of write-down	(81)	(713)

The write-off of inventories includes write-off of unutilised inventories arising from termination of certain products lines amounting to RM3,833,000 (2022: RM7,001,000) and damaged inventories arising from the flood incidents amounting to nil (2022: RM7,150,000).

The review of the allowance for slow moving inventories and write-down of inventories to net realisable value are made periodically by the management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates and possible changes in these estimates could result in revisions to the valuation of inventories.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

9. TRADE AND OTHER RECEIVABLES

	2023 RM'000	2022 RM'000
Trade receivables	582	418
Amount due from ultimate holding corporation	481	2,502
Amount due from associated company	16,451	20,183
Amounts due from related companies	72,699	66,483
	90,213	89,586
Other receivables	1,863	6,501
Deposits	917	1,037
Prepayments	3,463	3,503
	96,456	100,627

Credit terms given to trade receivables ranged from 30 to 60 days (2022: 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 (2022: 30 to 60 days) except for the amounts of RM3,175,000 (2022: RM2,205,000) 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:

	2023 RM'000	2022 RM'000
Ringgit Malaysia	38,033	41,794
United States Dollar	52,154	52,667
Japanese Yen	2,806	2,663
	92,993	97,124

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

10. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	Nominal value	Assets RM'000	Liabilities RM'000
2023			
Non-hedging derivatives			
Derivatives at fair value through profit or loss	USD12,000,000	-	(27)
	YEN170,000,000	-	(14)
	SGD10,000	-	(1)
		-	(42)
2022			
Non-hedging derivatives			
Derivatives at fair value through profit or loss	USD12,900,000	180	-
	YEN30,000,000	-	(45)
	SGD58,000	1	-
	EUR100,000	1	-
		182	(45)

Forward exchange contracts

Forward exchange contracts are entered into by the Company in currencies other than Ringgit Malaysia to manage exposure to fluctuations in foreign currency exchange rates on specific transactions. In general, the Company's policy is to enter into forward exchange contracts to mitigate foreign exchange risk of highly probable forecasted transactions, such as anticipated future export sales, purchases of equipment and raw materials, as well as payment on services and other related expenditure.

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

11. CASH AND CASH EQUIVALENTS

	2023 RM'000	2022 RM'000
Fixed deposits	320,000	340,000
Cash and bank balances	162,897	102,665
	482,897	442,665

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

	2023 RM'000	2022 RM'000
Ringgit Malaysia	378,224	361,847
United States Dollar	102,265	75,212
Japanese Yen	1,139	5,283
Euro	1,258	264
Singapore Dollar	11	59
	482,897	442,665

NOTES TO THE FINANCIAL STATEMENTS

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11. CASH AND CASH EQUIVALENTS (Cont'd)

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

	2023 RM'000	2022 RM'000
- A3	350	940
- Non-rated*	482,526	441,673
	482,876	442,613
Cash on hand	21	52
	482,897	442,665

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

a) Fixed deposits

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

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

	2023 %	2022 %
Ringgit Malaysia	2.87	2.08

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

	2023	2022
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..

NOTES TO THE FINANCIAL STATEMENTS

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12. SHARE CAPITAL

	Number of shares 2023 '000	Amount 2023 RM'000	Number of shares 2022 '000	Amount 2022 RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 April/31 March	60,746	60,746	60,746	60,746

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

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 2021	1,779	1,911	1,285	597	573	6,145
Charged to profit or loss (Note 18)	(464)	443	6,380	(30)	-	6,329
Utilised during the financial year	(286)	(760)	(4,337)	(60)	(196)	(5,639)
Unwinding of discount	-	-	-	87	-	87
At 31 March 2022/1 April 2022	1,029	1,594	3,328	594	377	6,922
Charged to profit or loss (Note 18)	(307)	(332)	10,411	(78)	(377)	9,317
Utilised during the financial year	(130)	(373)	(10,845)	(120)	-	(11,468)
Unwinding of discount	-	-	-	89	-	89
At 31 March 2023	592	889	2,894	485	-	4,860
2022						
Current	1,029	1,594	3,328	109	377	6,437
Non-current	-	-	-	485	-	485
	1,029	1,594	3,328	594	377	6,922
2023						
Current	592	889	2,894	68	-	4,443
Non-current	-	-	-	417	-	417
	592	889	2,894	485	-	4,860

a) Rework and recall cost

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

b) Warranty

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

NOTES TO THE FINANCIAL STATEMENTS

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13. PROVISION FOR LIABILITIES AND CHARGES (Cont'd)

c) Employee welfare scheme/Mutual separation scheme

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

d) Retirement gratuity scheme

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

e) Foreign workers recruitment fees

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

14. TRADE AND OTHER PAYABLES

	2023 RM'000	2022 RM'000
Trade payables and accruals	81,575	101,603
Employee benefits	13,373	14,660
Amount due to ultimate holding corporation	91	2,277
Amount due to associated company	899	1,368
Amounts due to related companies	26,397	25,582
	122,335	145,490

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:

	2023 RM'000	2022 RM'000
Ringgit Malaysia	95,612	113,069
United States Dollar	22,856	28,305
Japanese Yen	3,831	3,510
Singapore Dollar	14	46
Chinese Yuan	-	560
Euro	22	-
	122,335	145,490

Credit terms of trade payables vary from 30 to 60 days (2022: 30 to 60 days).

The amounts due to ultimate holding corporation, associated company and related companies are in respect of trading transactions, unsecured and interest free except for RM8,588,000 (2022: RM9,387,000) which are in respect of non-trading transactions that are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

15. REVENUE

	Note	2023 RM'000	2022 RM'000
Revenue from contracts with customers - sales of goods	15.2	991,628	868,776

15.1 Disaggregation of revenue

	2023 RM'000	2022 RM'000
Major products lines		
Living appliances and solutions	249,152	306,459
Heating and ventilation A/C	741,538	560,859
Dies and mould & others	938	1,458
	991,628	868,776

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 (2022: 30 to 90 days). Assurance warranties of 1 year are given to customers.

16. FINANCE COSTS

	2023 RM'000	2022 RM'000
Interest expense on lease liabilities	3	5

17. FINANCE INCOME

	2023 RM'000	2022 RM'000
Interest income from fixed deposits	13,605	7,957

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

18. PROFIT BEFORE TAX

	Note	2023 RM'000	2022 RM'000
Profit before tax is arrived at after charging/(crediting):			
Auditors' remuneration:			
- fees for statutory audit		223	222
- fees for audit related services		10	10
Directors' remuneration	26(e)	2,375	2,784
Direct material cost		665,767	570,706
Amortisation of intangible assets	5	2,350	2,316
Property, plant and equipment:			
- depreciation	3	25,337	28,115
- write-off	3	522	1,046
- gain on disposal		(947)	(443)
- impairment loss	3	673	604
- reversal of impairment	3	(797)	(1,419)
Depreciation of right-of-use assets	4	145	167
Staff costs:			
- salaries, bonus and other employee benefits		124,222	120,529
- defined contribution retirement plan		11,586	11,172
		135,808	131,701
Technical assistance fees		26,401	24,975
Research expenses		20,562	26,843
Fair value loss/(gain) on derivative financial instruments		179	(993)
Foreign exchange:			
- net realised loss/(gain)		3,055	(209)
- net unrealised (gain)/loss		(1,987)	180
Provision of liabilities and charges	13	9,317	6,329
Insurance compensation income		(22,299)	(12,056)
Losses arising from flood incident			
- write-off of damaged inventories		-	7,150
- facilities repairing		-	2,031
Reimbursement of losses arising from product termination		(14,371)	-
Expenses arising from leases:			
Expenses relating to short-term lease		1,250	1,354
Expenses relating to low value assets		38	30

NOTES TO THE FINANCIAL STATEMENTS

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19. TAX EXPENSE

	2023 RM'000	2022 RM'000
Current tax expense		
- current year	5,029	2,001
- over provision in prior year	(1,902)	(933)
	3,127	1,068
Deferred tax expense		
- origination and reversal of temporary differences	8,810	(586)
- (over)/under provision of deferred tax benefit in prior year	(731)	1,044
	8,079	458
	11,206	1,526
Reconciliation of tax expense		
Profit before tax	91,338	53,037
Tax at Malaysian tax rate of 24%	21,921	12,729
Tax effect of:		
- profit not taxable	(1,583)	(2,337)
- tax incentives	(6,499)	(8,977)
- over provision of current tax expense in prior year	(1,902)	(933)
- (over)/under provision of deferred tax benefit in prior year	(731)	1,044
	11,206	1,526

20. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2023 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	2023	2022
Net profit for the financial year attributable to equity holders (RM'000)	80,132	51,511
Weighted average number of ordinary shares in issue during the financial year ('000)	60,746	60,746
Basic earnings per share (sen)	132	85

Diluted earnings per ordinary shares

The Company has no dilution in its earnings per ordinary share at 31 March 2023 and 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS

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21. DIVIDENDS

Dividends recognised by the Company are as follows:

	Sen per share	Total amount RM'000	Date of payment
2023			
Interim single tier dividend 2023 - Interim single tier dividend	15	9,112	20 January 2023
Final single tier dividend 2022 - Final single tier dividend	68	41,307	23 September 2022
2022			
Interim single tier dividend 2022 - Interim single tier dividend	15	9,112	21 January 2022
Final single tier dividend 2021 - Final single tier dividend	148	89,904	23 September 2021

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 2023	107	64,998

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. OPERATING SEGMENTS

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

The segment information provided to the CODM for the operating segments for the financial year ended 31 March 2023 is as follows:

	Living appliances and solutions		Heating and ventilation A/C		Consolidated	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	249,152	306,459	741,538	560,859	990,690	867,318
Interest income	1,819	2,425	5,109	5,380	6,928	7,805
Depreciation	(3,358)	(3,416)	(14,096)	(16,906)	(17,454)	(20,322)
Profit before taxation	22,174	3,386	52,609	32,996	74,783	36,382
Segment assets	141,370	168,339	422,930	426,656	564,300	594,995
Segment liabilities	(27,574)	(44,423)	(78,253)	(91,911)	(105,827)	(136,334)
Cash and cash equivalents	102,596	107,829	260,871	252,779	363,467	360,608
Inventories	12,892	20,454	56,691	69,203	69,583	89,657

Revenue of approximately RM991mil (2022: RM867mil) within both segments are derived from the Panasonic group of companies as disclosed in Note 26 to the financial statements.

	2023 RM'000	2022 RM'000
Revenue		
Total revenue of the operating segments	990,690	867,318
Other unallocated revenue	938	1,458
Total revenue based on the statement of profit or loss and other comprehensive income	991,628	868,776
Profit before taxation		
Total profit before taxation of the operating segments	74,783	36,382
Other unallocated income, net	7,253	2,827
Share of results of associated company (net of tax)	9,302	13,828
Total profit before taxation based on the statement of profit or loss and other comprehensive income	91,338	53,037
Segment assets		
Total segment assets of the operating segments	564,300	594,995
Other unallocated segment assets	236,738	207,729
Share of post-acquisition reserves	121,175	115,058
Total segment assets based on the statement of financial position	922,213	917,782

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. OPERATING SEGMENTS (Cont'd)

	2023 RM'000	2022 RM'000
Segment liabilities		
Total segment liabilities of the operating segments	105,827	136,334
Other unallocated segment liabilities	21,460	16,235
Total segment liabilities based on the statement of financial position	127,287	152,569
Cash and cash equivalents		
Total cash and cash equivalents of the operating segments	363,467	360,608
Other unallocated cash and cash equivalents	119,430	82,057
Total cash and cash equivalents based on the statement of financial position	482,897	442,665
Inventories		
Total inventories of the operating segments	69,583	89,657
Other unallocated inventories	470	148
Total inventories based on the statement of financial position	70,053	89,805

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

Geographical information

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

	Revenue	
	2023 RM'000	2022 RM'000
Malaysia	336,107	307,320
Japan	18,436	34,815
Asia (excluding Malaysia and Japan)	353,854	315,593
Europe	6,288	4,061
Middle East	249,796	188,132
Others	27,147	18,855
	991,628	868,776

Non-current assets

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. OPERATING SEGMENTS (Cont'd)

Major customers

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

	Revenue		Segment
	2023 RM'000	2022 RM'000	
- Panasonic Logistic Asia Pacific	321,941	321,851	Living appliances and solutions and heating and ventilation A/C
- Panasonic Malaysia Sdn. Bhd.	206,706	203,553	Living appliances and solutions and heating and ventilation A/C
- Panasonic Ecology Systems (Hong Kong) Co., Ltd (Formerly known as "Panasonic Life Solutions (Hong Kong) Co. Ltd.")	224,879	192,075	Living appliances and solutions solutions and heating and ventilation A/C
- KDK Fans (M) Sdn. Bhd.	128,147	102,125	Heating and ventilation A/C

23. FINANCIAL INSTRUMENTS

23.1 Categories of financial instruments

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

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

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
2023			
Financial assets			
Trade and other receivables, excluding prepayments	92,993	92,993	-
Cash and cash equivalents	482,897	482,897	-
	575,890	575,890	-
Financial liabilities			
Trade and other payables	(122,335)	(122,335)	-
Derivative financial instruments	(42)	-	(42)
	(122,377)	(122,335)	(42)

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

23. FINANCIAL INSTRUMENTS (Cont'd)

23.1 Categories of financial instruments (Cont'd)

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
2022			
Financial assets			
Trade and other receivables, excluding prepayments	97,124	97,124	-
Derivative financial instruments	182	-	182
Cash and cash equivalents	442,665	442,665	-
	539,971	539,789	182
Financial liabilities			
Trade and other payables	(145,490)	(145,490)	-
Derivative financial instruments	(45)	-	(45)
	(145,535)	(145,490)	(45)

23.2 Net gains and losses arising from financial instruments

	2023 RM'000	2022 RM'000
Net gains/(losses) on:		
Financial assets at fair value through profit or loss	(182)	172
Financial liabilities at fair value through profit or loss	3	821
Financial assets measured at amortised cost	19,924	8,234
Financial liabilities measured at amortised cost	(7,387)	(248)
	12,358	8,979

23.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

23.4 Credit risk

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

Trade receivables

Risk management objectives, policies and processes for managing the risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

23. FINANCIAL INSTRUMENTS (Cont'd)

23.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Exposure to credit risk, credit quality and collateral

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

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

Recognition and measurement of impairment loss

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

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

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

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

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 March 2023 which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2023			
Current (not past due)	87,038	-	87,038
2022			
Current (not past due)	87,381	-	87,381

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

NOTES TO THE FINANCIAL STATEMENTS

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23. FINANCIAL INSTRUMENTS (Cont'd)

23.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

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

	2023 RM'000	2022 RM'000
Group 1	-	-
Group 2	87,038	87,381

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 and bank balances are placed or transacted with Panasonic Financial Centre (Malaysia) Sdn. Bhd., a company incorporated in Malaysia, which is a related company of the Company.

Exposure to credit risk, credit quality and collateral

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

23.5 Liquidity risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

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23. FINANCIAL INSTRUMENTS (Cont'd)

23.5 Liquidity risk (Cont'd)

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
2023						
<i>Non-derivative financial liabilities</i>						
Trade and other payables	122,335	-	122,335	122,335	-	-
Lease liabilities	50	3.49	51	41	10	-
<i>Derivative financial liabilities</i>						
<i>Forward exchange contracts</i>						
<i>(gross settled):</i>						
Outflow	42	-	47,100	47,100	-	-
Inflow	-	-	(47,058)	(47,058)	-	-
	122,427		122,428	122,418	10	-
2022						
<i>Non-derivative financial liabilities</i>						
Trade and other payables	145,490	-	145,490	145,490	-	-
Lease liabilities	112	3.49	116	65	41	10
<i>Derivative financial liabilities/(assets)</i>						
<i>Forward exchange contracts</i>						
<i>(gross settled):</i>						
Outflow	(137)	-	53,493	53,493	-	-
Inflow	-	-	(53,630)	(53,630)	-	-
	145,465		145,469	145,418	41	10

23.6 Market risk

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

23.6.1 Currency risk

Risk management objectives, policies and processes for managing the risk

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

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.

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23. FINANCIAL INSTRUMENTS (Cont'd)

23.6 Market risk (Cont'd)

23.6.1 Currency risk (Cont'd)

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 and CNY had changed against Ringgit Malaysia by a reasonable possible change as of 31 March 2023 of 11.19% (2022: 2.94%) 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).

	2023		2022	
	Strengthen RM'000	Weaken RM'000	Strengthen RM'000	Weaken RM'000
United States Dollar	14,719	(14,719)	2,926	(2,926)
Japanese Yen	13	(13)	134	(134)
Singapore Dollar	(1)	1	1	(1)
Euro	139	(139)	8	(8)
Chinese Yuan	-	-	(16)	16

23.6.2 Interest rate risk

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

Risk management objectives, policies and processes for managing the risk

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

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:

	2023 RM'000	2022 RM'000
Fixed rate instruments		
Financial assets	320,000	340,000

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.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

23. FINANCIAL INSTRUMENTS (Cont'd)

23.7 Fair value information

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

The table below analyses financial instruments carried at fair value.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
2023					
Financial liability					
Derivative financial instruments:					
- forward exchange contracts	-	42	-	42	42
2022					
Financial asset					
Derivative financial instruments:					
- forward exchange contracts	-	182	-	182	182
Financial liability					
Derivative financial instruments:					
- forward exchange contracts	-	(45)	-	(45)	(45)

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).

24. CAPITAL MANAGEMENT

The Company's objectives when managing capital is to maintain an optimal capital structure and safeguard the Company's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as profit and total comprehensive income for the year divided by total shareholders' equity. The return on capital ratio at 31 March 2023 and at 31 March 2022 were as follows:

	2023 RM'000	2022 RM'000
Profit and total comprehensive income for the year	80,132	51,511
Total equity	794,926	765,213
Return on capital ratio (%)	10.08	6.73

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

25. CAPITAL AND OTHER COMMITMENTS

	2023 RM'000	2022 RM'000
Approved by the Board but not provided for in the financial statements:		
- Contracted	11,669	3,480
- Not contracted	297	-
Analysed as follows:		
- Property, plant and equipment	11,966	3,480

26. RELATED PARTIES

Identity of related parties

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

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

The Company has related party relationship with its holding corporation, significant investors, subsidiaries and associates of 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 Holdings Corporation, a corporation incorporated in Japan.

(b) Related party relationships

Related party	Relationship
Panasonic Holdings Corporation ("PHD")	Ultimate holding corporation
Panasonic Management Malaysia Sdn. Bhd. ("PMAM")	Immediate holding company
Panasonic Malaysia Sdn. Bhd. ("PM")	Associated company
Panasonic Corporation ("PC")	Subsidiary of PHD
KDK Fans (M) Sdn. Bhd. ("KDK")	Subsidiary of PHD
Panasonic Financial Centre (Malaysia) Sdn. Bhd. ("PFI(MY)")	Subsidiary of PHD
Panasonic Asia Pacific Pte. Ltd. ("PA")	Subsidiary of PHD
Panasonic Ecology Systems Co., Ltd. ("PES")	Subsidiary of PHD
Panasonic Ecology Systems (Thailand) Co., Ltd. ("PESTH")	Subsidiary of PHD
P.T. Panasonic Manufacturing Indonesia ("PMI")	Subsidiary of PHD
Panasonic A.P. Sales (Thailand) Co., Ltd. ("PAT")	Subsidiary of PHD
Panasonic Home Appliance India Co., Ltd. ("PHAI")	Subsidiary of PHD
Panasonic Vietnam Co., Ltd. ("PV")	Subsidiary of PHD
Panasonic Energy Malaysia Sdn. Bhd. ("PECMY")	Subsidiary of PHD
Panasonic Marketing Sales Taiwan Co.	Subsidiary of PHD
Panasonic Hong Kong Co., Ltd. ("PHK")	Subsidiary of PHD

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

26. RELATED PARTIES (Cont'd)

Identity of related parties (Cont'd)

(b) Related party relationships (Cont'd)

Related party	Relationship
Panasonic Industrial Devices Automation Controls Sales Asia Pacific ("PIDACSAP")	Subsidiary of PHD
Panasonic Ecology Systems (Hong Kong) Co., Ltd. ("PESHK") (formerly known as Panasonic Life Solutions (Hong Kong) Co. Ltd. ("PLSHK"))	Subsidiary of PHD
Panasonic Appliances (Thailand) Co., Ltd. ("PAPTH")	Subsidiary of PHD
Panasonic Electric Works Co., Ltd.	Subsidiary of PHD
Panasonic Electronic Works (Asia Pacific) Pte. Ltd.	Subsidiary of PHD
Panasonic Industrial Devices Semiconductor Asia Pte. Ltd.	Subsidiary of PHD
Panasonic Holdings Corporation's Corporate Manufacturing Innovation Division ("CIMD")	Subsidiary of PHD
Panasonic Systems Asia Pacific ("PSY")	Subsidiary of PHD
Panasonic Marketing Middle East and Africa FZE ("PMMAF")	Subsidiary of PHD
Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd. ("PAPRADAP")	Subsidiary of PHD
Panasonic Singapore ("PSP")	Subsidiary of PHD
Panasonic AVC Networks Johor (M) Sdn. Bhd. ("PAVCJM")	Subsidiary of PHD
Panasonic AVC Networks KL (M) Sdn. Bhd. ("PAVCCKM")	Subsidiary of PHD
Panasonic Appliances Foundry Malaysia Sdn. Bhd. ("PAPFMT")	Subsidiary of PHD
Panasonic Appliances Refrigeration Devices Malaysia Sdn. Bhd. ("PAPRDMY")	Subsidiary of PHD
Panasonic System Networks (M) Sdn. Bhd. ("PSNM")	Subsidiary of PHD
Panasonic Liquid Crystal Display Malaysia Sdn. Bhd. ("PLDM")	Subsidiary of PHD
Panasonic Appliances Air-Conditioning Malaysia Sdn. Bhd. ("PAPAMY")	Subsidiary of PHD
Panasonic (CIS) OY ("PMCIS")	Subsidiary of PHD
Panasonic Procurement Malaysia Sdn. Bhd. ("PPMY")	Subsidiary of PHD
Panasonic Logistics Asia Pacific ("PLAP")	Subsidiary of PHD
Panasonic Production Engineering Co., Ltd. ("PSD")	Subsidiary of PHD
Panasonic Solutions (Thailand) Co., Ltd. ("PSTH") (formerly known as Panasonic Life Solutions Sales (Thailand) Co., Ltd. ("PLSTH"))	Subsidiary of PHD
Panasonic Industrial Devices Vietnam Co., Ltd. ("PIDVN")	Subsidiary of PHD
Panasonic Electric Works Vietnam Co., Ltd. ("PLSVN") (formerly known as Panasonic Life Solutions Vietnam Co., Ltd. ("PLSVN"))	Subsidiary of PHD
Panasonic Operational Excellence Co., Ltd. ("PEX")	Subsidiary of PHD

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

26. RELATED PARTIES (Cont'd)

Identity of related parties (Cont'd)

(c) Significant related party transactions

	2023 RM'000	2022 RM'000
(i) Sales of products and related components to related parties:		
- Panasonic Logistic Asia Pacific	319,361	318,968
- Panasonic Malaysia Sdn. Bhd.	204,648	201,236
- KDK Fans (M) Sdn. Bhd.	127,697	101,693
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	224,358	191,519
- Panasonic Electric Works Vietnam Co., Ltd.	78,501	25,044
- Panasonic Procurement Malaysia Sdn. Bhd.	8,509	7,636
- P.T. Panasonic Manufacturing Indonesia	11,117	7,106
- Panasonic Solutions (Thailand) Co., Ltd.	331	419
- Panasonic Appliances R&D Asia Pacific Sdn. Bhd.	535	429
- Panasonic Holdings Corporation	-	5,182
- Panasonic Corporation	2,958	-
- Panasonic Ecology Systems Co., Ltd.	6,351	1,002
- Panasonic Vietnam Co., Ltd.	284	-
(ii) Sales of service parts to related parties:		
- Panasonic Malaysia Sdn. Bhd.	2,058	2,317
- Panasonic Logistic Asia Pacific	2,580	2,883
- KDK Fans (M) Sdn. Bhd.	450	432
- P.T. Panasonic Manufacturing Indonesia	3	6
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	521	556
- Panasonic Procurement Malaysia Sdn. Bhd.	4	4
- Panasonic Solutions (Thailand) Co., Ltd.	2	-
(iii) Rental for lease office to a related party:		
- Panasonic Appliances R&D Asia Pacific Sdn. Bhd.	2,715	2,934
(iv) Provision of services for Accounting & Treasury, HR services, and IT support services to a related party:		
- Panasonic Appliances R&D Asia Pacific Sdn. Bhd.	203	192
(v) Technical assistance fee paid and payable to related parties:		
- Panasonic Holdings Corporation	-	12,119
- Panasonic Corporation	11,322	-
- Panasonic Ecology Systems Co., Ltd.	15,079	12,856
(vi) Interest income received and receivable from a related party:		
- Panasonic Financial Centre (Malaysia) Sdn. Bhd.	13,605	7,957

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

26. RELATED PARTIES (Cont'd)

Identity of related parties (Cont'd)

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

	2023 RM'000	2022 RM'000
(vii) Purchase of parts, components and raw materials from related parties:		
- Panasonic Procurement Malaysia Sdn. Bhd.	227,841	214,293
- Panasonic Holdings Corporation	-	12,161
- Panasonic Operational Excellence Co., Ltd.	8,539	-
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	23,772	18,977
- Panasonic Industrial Devices Malaysia Sdn. Bhd.	-	13
- Panasonic Industrial Devices Singapore Pte. Ltd.	34	159
- P.T. Panasonic Manufacturing Indonesia	397	324
- Panasonic Hong Kong Co., Ltd.	24	19
- Panasonic Ecology System (Thailand) Co., Ltd.	570	342
- Panasonic System Networks (M) Sdn. Bhd.	21,613	9,804
- Panasonic Ecology Systems Co., Ltd.	-	6
- Panasonic Life Solutions India Pvt	7	-
- Panasonic Electric Works Vietnam Co., Ltd.	5	-
(viii) Sales promotion, warranty claims and/or service expenses paid and payable to related parties:		
- Panasonic Malaysia Sdn. Bhd.	1,333	2,091
- Panasonic A.P. Sales (Thailand) Co., Ltd.	2,158	984
- Panasonic Holdings Corporation	-	1,141
- Panasonic Corporation	1,243	-
- KDK Fans (M) Sdn. Bhd.	1,286	1,647
- PT Panasonic Gobel Indonesia	921	607
- Other related companies	688	481
(ix) Research and development expenditure paid and payable to related parties:		
- Panasonic Holdings Corporation	21	272
- Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd.	22,788	24,595
- Other related companies	501	-
(x) Brand license fee paid and payable to a related party:		
- Panasonic Ecology Systems Co., Ltd.	2,432	1,871
(xi) IT annual maintenance and support fees payable to related parties:		
- Panasonic Holdings Corporation	-	3,691
- Panasonic Corporation	1,669	-
- Panasonic Operational Excellence Co., Ltd.	1,527	-
- Panasonic Procurement Malaysia Sdn. Bhd.	717	629
(xii) Purchase of fixed assets from related parties:		
- Panasonic Holdings Corporation	-	499
- Panasonic Life Solutions Malaysia Sdn. Bhd.	-	434
- Panasonic Malaysia Sdn. Bhd.	1,069	-
- Other related companies	29	190

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

26. RELATED PARTIES (Cont'd)

Identity of related parties (Cont'd)

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

	2023 RM'000	2022 RM'000
(xiii) Manufacturing innovation services received and receivable from a related party: - Panasonic Holdings Corporation's Corporate Manufacturing Innovation Division	2,201	2,367
(xiv) Service fees paid and payable to related parties: - Panasonic Asia Pacific Pte. Ltd.	605	530
- Panasonic Management Malaysia Sdn. Bhd.	713	673
- Other related companies	679	699
(xv) Repair fee paid and payable to related parties: - Other related companies	113	98
(xvi) Bonded warehouse rental paid and payable to a related party: - Panasonic Procurement Malaysia Sdn. Bhd.	364	342

(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:

	2023 RM'000	2022 RM'000
Amount due to:		
- Panasonic Holdings Corporation	91	2,277
- Panasonic Corporation	1,069	-
- Panasonic Operational Excellence Co., Ltd.	716	-
- Panasonic Malaysia Sdn. Bhd.	899	1,368
- Panasonic Procurement Malaysia Sdn. Bhd.	13,753	18,200
- Panasonic Vietnam Co., Ltd.	39	29
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	2,637	243
- Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd.	4,729	4,818
- Panasonic System Networks (M) Sdn. Bhd.	1,992	-
- Other related companies	1,462	2,292
	27,387	29,227
Amount due from:		
- Panasonic Holdings Corporation	481	2,502
- Panasonic Corporation	2,050	-
- Panasonic Malaysia Sdn. Bhd.	16,451	20,183
- Panasonic Logistic Asia Pacific	17,666	23,580
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	31,084	20,419
- KDK Fans (M) Sdn. Bhd.	15,836	12,697
- Panasonic Financial Centre (Malaysia) Sdn. Bhd.	1,743	827
- Panasonic Electric Works Vietnam Co., Ltd.	1,021	6,343
- Other related companies	3,299	2,617
	89,631	89,168

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

26. RELATED PARTIES (Cont'd)

Identity of related parties (Cont'd)

(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:

	2023	2022
	RM'000	RM'000
Directors' fees and meeting allowance	579	778
Salaries, allowance, bonus and other remuneration	14,314	14,248
Defined contribution retirement plan	817	678
	15,710	15,704

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

	2023	2022
	RM'000	RM'000
Non-Executive Directors:		
- fees	517	683
- others	62	95
Executive Directors:		
- salaries, bonus and other remuneration	1,629	1,841
- defined contribution retirement plan	167	165
	2,375	2,784

The estimated monetary value of benefits provided to Executive Directors during the financial year amounted to RM55,511 (2022: RM49,600).

The estimated monetary value of benefits provided to Executive Directors and other members of key management personnel during the financial year amounted to RM680,915 (2022: RM546,652).

Included in key management personnel compensation is the Executive Directors' remuneration of RM1,795,691 (2022: RM2,005,946).

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

27. SUPPLEMENTARY INFORMATION

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

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

(i) Statement of financial position as at 31 March 2023

	2023 RM'000	2022 RM'000
Assets		
Property, plant and equipment	134,557	143,745
Right-of-use assets	5,577	5,722
Intangible assets	1,372	3,457
Interest in associated company	2,000	2,000
Deferred tax assets	2,676	10,755
Total non-current assets	146,182	165,679
Inventories	70,053	89,805
Trade and other receivables	96,456	100,627
Current tax assets	7,450	5,766
Derivative financial assets	-	182
Cash and cash equivalents	482,897	442,665
Total current assets	656,856	639,045
Total assets	803,038	804,724
Equity		
Share capital	60,746	60,746
Retained earnings	615,005	591,409
Total equity	675,751	652,155
Liabilities		
Provision for liabilities and charges	417	485
Lease liabilities	10	50
Total non-current liabilities	427	535
Trade and other payables	122,335	145,490
Provision for liabilities and charges	4,443	6,437
Derivative financial liabilities	42	45
Lease liabilities	40	62
Total current liabilities	126,860	152,034
Total liabilities	127,287	152,569
Total equity and liabilities	803,038	804,724

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

27. SUPPLEMENTARY INFORMATION (Cont'd)

(ii) Statement of profit or loss and other comprehensive income for the year ended 31 March 2023

	2023 RM'000	2022 RM'000
Revenue	991,628	868,776
Cost of sales	(874,383)	(774,013)
Gross profit	117,245	94,763
Other operating income	43,130	19,523
Dividend income	3,185	12,741
Distribution and marketing cost	(40,376)	(40,151)
Administrative expenses	(39,364)	(35,927)
Other operating expenses	(12,201)	(6,951)
Results from operating activities	71,619	43,998
Finance costs	(3)	(5)
Finance income	13,605	7,957
Profit before tax	85,221	51,950
Tax expense	(11,206)	(1,526)
Profit and total comprehensive income for the year	74,015	50,424

(iii) Statement of changes in equity for the year ended 31 March 2023

	Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 April 2021	60,746	640,001	700,747
Total profit and comprehensive income for the year	-	50,424	50,424
<i>Contributions by and distributions to owners of the Company</i>			
Dividends			
- Final dividend for the financial year ended 31 March 2021	-	(89,904)	(89,904)
- Interim dividend for the financial year ended 31 March 2022	-	(9,112)	(9,112)
Total transactions with owners of the Company	-	(99,016)	(99,016)
At 31 March 2022/1 April 2022	60,746	591,409	652,155
Total profit and comprehensive income for the year	-	74,015	74,015
<i>Contributions by and distributions to owners of the Company</i>			
Dividends			
- Final dividend for the financial year ended 31 March 2022	-	(41,307)	(41,307)
- Interim dividend for the financial year ended 31 March 2023	-	(9,112)	(9,112)
Total transactions with owners of the Company	-	(50,419)	(50,419)
At 31 March 2023	60,746	615,005	675,751

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 74 to 124 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 2023 and of its financial performance and cash flows for the financial year then ended.

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

Dato' Azman bin Mahmud

Director

Kenji Kamada

Director

Shah Alam

Date: 30 May 2023

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 74 to 124 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Kwan Wai Yue, MIA CA 10188, at Petaling Jaya in the State of Selangor on 30 May 2023.

Kwan Wai Yue

Before me:

Najmi Dawami Bin Abdul Hamid
Pesuruhjaya Sumpah

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC MANUFACTURING MALAYSIA BERHAD
(COMPANY NO. 196501000304 (6100-K)) (INCORPORATED IN MALAYSIA)

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 2023, 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 74 to 124.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, 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 2023 of RM70,053,000. 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.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We tested the design and implementation of controls over the identification of slow moving inventories and obtained an understanding of the Company's process for measuring the amount of write-down required.
- We tested the net realisable values of inventories by comparing the carrying amount of selected samples of inventories against selling prices, to determine if the carrying amount of inventory was overstated.
- We assessed the adequacy and appropriateness of the basis of allowance for slow moving inventories and obsolete inventories in accordance with the Company's policies.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC MANUFACTURING MALAYSIA BERHAD
(COMPANY NO. 196501000304 (6100-K)) (INCORPORATED IN MALAYSIA)
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatements therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, 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.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC MANUFACTURING MALAYSIA BERHAD
(COMPANY NO. 196501000304 (6100-K)) (INCORPORATED IN MALAYSIA)
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements of the Company. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Ooi Eng Siong
Approval Number: 03240/02/2024 J
Chartered Accountant

Petaling Jaya
Date: 30 May 2023

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		130
			92 years	25-Jun-1973		42
			84 years (Expires in the year 2065)	29-Sep-1981		206
	Factory and administrative office				10 - 57	1,707
	SA1 New administrative building				4 - 5	33,020
No. 9 Jalan Pelabur 23/1 Section 23 40300 Shah Alam Selangor Darul Ehsan	Land	17.1	Leasehold, 99 years (Expires in the year 2090)	11-Apr-1991		5,152
	Factory and administrative office				15 - 28	178
	SA2 New 3 storey factory & office building				2 - 4	38,140

STATISTICS ON SHAREHOLDINGS

AS AT 30 JUNE 2023

SHARE CAPITAL

Issued and Fully Paid-up Capital : RM60,745,780.00
 Class of Shares : Ordinary Shares
 Voting Rights : 1 vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	1,145	16.57	16,477	0.03
100 - 1,000	3,756	54.36	1,758,234	2.89
1,001 - 10,000	1,751	25.34	5,512,169	9.07
10,001 - 100,000	223	3.23	5,815,623	9.57
100,001 to 3,037,288 (less than 5% of issued shares)	31	0.45	8,326,260	13.71
3,037,289 and above (5% and above of issued shares)	3	0.04	39,317,017	64.72
Total	6,909	100.00	60,745,780	100.00

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	Direct Interest	No. of Shares		
			%	Deemed Interest	%
1	Dato' Azman Bin Mahmud	0	0.00	0	0.00
2	Tan Sri Hasmah Binti Abdullah	0	0.00	0	0.00
3	Siew Pui Ling	100	0.00	0	0.00
4	Raja Anuar bin Raja Abu Hassan	0	0.00	0	0.00
5	Kwan Wai Yue	0	0.00	0	0.00
6	Dato' Kaziah Binti Abd Kadir	0	0.00	0	0.00
7	Keisuke Nishida	0	0.00	0	0.00
8	Shinichi Hayashi	0	0.00	0	0.00
9	Takashi Sugihara*	0	0.00	0	0.00

* holds 115 common shares in Panasonic Holdings Corporation, the ultimate holding company of the Company.

SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	Direct Interest	No. of Shares		
			%	Deemed Interest	%
1	Panasonic Management Malaysia Sdn. Bhd.	28,823,871	47.45	-	-
2	Panasonic Holdings 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	7,767,046	12.79	-	-
6	Kumpulan Wang Persaraan (Diperbadankan)	3,462,800	5.70	-	-

STATISTICS ON SHAREHOLDINGS

AS AT 30 JUNE 2023
(CONT'D)

30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	PANASONIC MANAGEMENT MALAYSIA SDN. BHD.	28,823,871	47.45
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	7,030,346	11.57
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)	1,104,205	1.82
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	453,800	0.75
7	HO HAN SENG	368,000	0.61
8	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	362,700	0.60
9	MAYOON SDN BHD	360,000	0.59
10	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	310,692	0.51
11	CARTABAN NOMINEES (TEMPATAN) SDN BHD PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	306,800	0.51
12	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR YEO KOK GEE (19359)	300,478	0.50
13	SHEN & SONS SDN BHD	272,000	0.45
14	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	259,700	0.43
15	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR YEO GEOK CHOO (19003)	241,538	0.40
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	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (F TEMPLETON)	201,300	0.33
19	CHONG YEAN FONG	194,600	0.32

STATISTICS ON SHAREHOLDINGS

AS AT 30 JUNE 2023
(CONT'D)

30 LARGEST SHAREHOLDERS (continued)

No.	Name of Shareholders	No. of Shares	%
20	CHONG KAH MIN	184,146	0.30
21	LAW KIANG	141,100	0.23
22	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR TAN MUI KOON (1496)	139,998	0.23
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)	139,700	0.23
24	SAW KHAY CHEE	136,850	0.23
25	LAI YAN YONG	136,200	0.22
26	CHONG KAH YUNG	132,825	0.22
27	RHB NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP 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	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG CONSUMER PRODUCTS SECTOR FUND	120,000	0.20
30	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK SECURITIES PTE LTD FOR CHIA NGEN LEE CAROL	108,000	0.18
		47,226,697	77.74

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		
3/2023	60,745,780	15%	107%	0%	-	122%	74,109,852	S/T	S/T	S/T	-	74,109,852
3/2022	60,745,780	15%	68%	0%	-	83%	50,418,997	S/T	S/T	S/T	-	50,418,997
3/2021	60,745,780	15%	148%	0%	-	163%	99,015,621	S/T	S/T	S/T	-	99,015,621
3/2020	60,745,780	15%	183%	0%	-	198%	120,276,644	S/T	S/T	S/T	-	120,276,644
3/2019	60,745,780	15%	211%	0%	-	226%	137,285,463	S/T	S/T	S/T	-	137,285,463
3/2018	60,745,780	15%	133%	100%	-	248%	150,649,534	S/T	S/T	S/T	-	150,649,534
3/2017	60,745,780	15%	102%	0%	-	117%	71,072,563	S/T	S/T	S/T	-	71,072,563
3/2016	60,745,780	15%	124%	0%	-	139%	84,436,634	S/T	S/T	S/T	-	84,436,634
3/2015	60,745,780	15%	35%	92%	-	142%	86,259,008	S/T	S/T	S/T	-	86,259,008
3/2014	60,745,780	15%	35%	23%	-	73%	44,344,419	25%	S/T	S/T	2,277,967	42,066,452
3/2013	60,745,780	15%	35%	138%	-	188%	114,202,066	25%	25%	25%	28,550,516	85,651,550
3/2012	60,745,780	15%	35%	70%	-	120%	72,894,936	25%	25%	25%	18,223,734	54,671,202
3/2011	60,745,780	15%	35%	95%	-	145%	88,081,381	25%	25%	25%	22,020,345	66,061,036
3/2010	60,745,780	15%	35%	70%	-	120%	72,894,936	25%	25%	25%	18,223,734	54,671,202
3/2009	60,745,780	15%	35%	55%	-	105%	63,783,069	25%	25%	25%	15,945,767	47,837,302
3/2008	60,745,780	15%	35%	65%	-	115%	69,857,647	T/E	25%	25%	15,186,445	54,671,202
3/2007	60,745,780	15%	35%	65%	-	115%	69,857,647	T/E	T/E	T/E	T/E	69,857,647
3/2006	60,745,780	15%	35%	65%	-	115%	69,857,647	28%	T/E	T/E	2,551,323	67,306,324
3/2005	60,745,780	15%	35%	150%	-	200%	121,491,560	28%	28%	28%	34,017,637	87,473,923
3/2004	60,745,780	15%	35%	10%	-	60%	36,447,468	28%	28%	28%	10,205,291	26,242,177
3/2003	60,745,780	10%	40%	-	70%	120%	30,372,890	28%	28%	-	8,504,409	21,868,481
3/2002	35,732,812	15%	35%	-	-	50%	17,866,406	28%	28%	-	5,002,593	12,863,813
3/2001	35,732,812	15%	35%	-	-	50%	17,866,406	T/E	28%	-	3,501,815	14,364,591
3/2000	35,732,812	15%	35%	-	-	50%	17,866,406	T/E	T/E	-	T/E	17,866,406
3/1999	35,732,812	15%	35%	-	-	50%	17,866,406	28%	T/E	-	1,500,778	16,365,628
3/1998	35,732,812	15%	35%	-	10%	60%	17,866,406	28%	28%	-	5,002,593	12,863,813
3/1997	32,484,375	10%	40%	20%	-	70%	22,739,063	30%	30%	30%	6,821,719	15,917,344
3/1996	32,484,375	10%	40%	-	-	50%	16,242,188	30%	30%	-	4,872,656	11,369,532
3/1995	32,484,375	10%	30%	-	-	40%	12,993,750	30%	30%	-	3,898,125	9,095,625
3/1994	32,484,375	10%	30%	-	-	40%	12,993,750	32%	32%	-	4,158,000	8,835,750
3/1993	32,484,375	10%	30%	-	50%	90%	12,993,750	34%	34%	-	4,417,875	8,575,875
3/1992	21,656,250	-	40%	-	-	40%	8,662,500	-	35%	-	3,031,875	5,630,625
3/1991	21,656,250	-	40%	-	-	40%	8,662,500	-	35%	-	3,031,875	5,630,625
3/1990	21,656,250	-	35%	-	-	35%	7,579,688	-	35%	-	2,652,891	4,926,797
3/1989	21,656,250	-	25%	-	-	25%	5,414,063	-	35%	-	1,894,922	3,519,141
3/1988	21,656,250	-	25%	-	-	25%	5,414,063	-	40%	-	2,165,625	3,248,438
3/1987	21,656,250	-	25%	-	10%	35%	5,414,063	-	40%	-	2,165,625	3,248,438
12/1985	19,687,500	-	25%	-	-	25%	4,921,875	-	40%	-	1,968,750	2,953,125
12/1984	19,687,500	-	35%	-	-	35%	6,890,625	-	40%	-	2,756,250	4,134,375
12/1983	19,687,500	-	35%	-	-	35%	6,890,625	-	40%	-	2,756,250	4,134,375
12/1982	19,687,500	-	20%	-	50%	70%	3,937,500	-	40%	-	1,575,000	2,362,500
12/1981	13,125,000	-	20%	-	-	20%	2,625,000	-	40%	-	1,050,000	1,575,000
12/1980	13,125,000	-	20%	-	25%	45%	2,625,000	-	40%	-	1,050,000	1,575,000
12/1979	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12/1978	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12/1977	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12/1976	10,500,000	-	15%	5%	-	20%	2,100,000	-	40%	40%	840,000	1,260,000
12/1975	10,500,000	-	15%	-	200%	215%	1,575,000	-	40%	-	630,000	945,000
12/1974	3,000,000	-	15%	-	-	15%	450,000	-	40%	-	180,000	270,000
12/1973	3,000,000	-	15%	-	-	15%	450,000	-	40%	-	180,000	270,000
12/1972	3,000,000	-	12%	5%	-	17%	510,000	-	T/E	40%	60,000	450,000
12/1971	3,000,000	-	12%	-	-	12%	360,000	-	T/E	-	T/E	360,000
12/1970	3,000,000	-	12%	-	-	12%	360,000	-	T/E	-	T/E	360,000
12/1969	3,000,000	-	10%	-	-	10%	300,000	-	T/E	-	T/E	300,000
12/1968	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
12/1967	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
12/1966	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
Total (Since Date of Incorporation)							1,976,347,015				245,392,385	1,730,954,630

T/E - Tax-exempt
S/T - Single-Tier

NOTICE OF 58TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 58th Annual General Meeting of the Company will be held virtually at No. 3 Jalan Sesiku 15/2, Section 15, Shah Alam Industrial Site, 40200 Shah Alam, Selangor Darul Ehsan ("Broadcast Venue") on Wednesday, 30 August 2023 at 10.00 a.m. and conducted entirely through live streaming from the Broadcast Venue for the following purposes:

AGENDA

As Ordinary Business:

1. To receive the Statutory Financial Statements for the financial year ended 31 March 2023 together with the Reports of the Directors and Auditors thereon.
2. To declare a final single tier dividend of 107 sen per ordinary share for the financial year ended 31 March 2023. **(Resolution 1)**
3. To re-elect the following Directors who are retiring in accordance with the Company's Constitution:
 - a. Raja Anuar Bin Raja Abu Hassan (Article 100) **(Resolution 2)**
 - b. Kwan Wai Yue (Article 100) **(Resolution 3)**
 - c. Shinichi Hayashi (Article 105) **(Resolution 4)**
 - d. Takashi Sugihara (Article 105) **(Resolution 5)**
4. To approve the payment of Directors' fees and meeting attendance allowance not exceeding RM650,000 in respect of the financial year ending 31 March 2024. **(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. **Continuation in office as Independent Non-Executive Director** **(Resolution 8)**
 "THAT approval be and is hereby given to Tan Sri Hasmah Binti Abdullah to continue to act as an Independent Non-Executive Director of the Company having served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years."
7. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**
 "THAT subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company to renew the existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate") for the Company to enter into the following recurrent related party transactions:
 - (i) Sales and purchase of products, raw material and component parts, tools, equipment or machinery with Panasonic Holdings Corporation Group of Companies as specified in Section 2 of the Circular to Shareholders dated 31 July 2023. **(Resolution 9)**
 - (ii) Payment of fees to and receipt of fees from Panasonic Holdings Corporation Group of Companies as specified in Section 2 of the Circular to Shareholders dated 31 July 2023. **(Resolution 10)**
 - (iii) Placement of cash deposits with Panasonic Financial Centre (Malaysia) Sdn Bhd as specified in Section 2 of the Circular to Shareholders dated 31 July 2023. **(Resolution 11)**
 - (iv) Other financial transaction services with Panasonic Financial Centre (Malaysia) Sdn Bhd as specified in Section 2 of the Circular to Shareholders dated 31 July 2023. **(Resolution 12)**

NOTICE OF 58TH ANNUAL GENERAL MEETING

(CONT'D)

THAT the Proposed Shareholders' Mandate is subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;
- (b) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year where the aggregate value is equal to or exceeds the applicable prescribed threshold under the Listing Requirements and/or the relevant Practice Notes; and
- (c) annual renewal and such approval shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is to be held pursuant to Section 340 of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340 of the Companies Act 2016), whichever is earlier.

AND THAT the Directors be and are hereby authorised to complete and execute all such acts and things (including such documents as may be required) to give effect to the transactions contemplated and/or authorised by these Ordinary Resolutions."

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that a final single tier dividend of 107 sen per ordinary share for the financial year ended 31 March 2023, will be paid on 22 September 2023 to depositors registered in the Record of Depositors and Register of Members at the close of business on 8 September 2023.

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 8 September 2023 in respect of transfers.
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Leong Oi Wah
SSM Practicing Certificate No. : 201908000717
(MAICSA 7023802)
Company Secretary

Shah Alam
31 July 2023

NOTICE OF 58TH ANNUAL GENERAL MEETING

(CONT'D)

VIRTUAL AGM

1. The 58th AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting facilities which are available on Boardroom Share Registrars Sdn Bhd's website at Boardroom Smart Investor Online Portal at www.boardroomlimited.my. Please follow the procedures provided in the Administrative Details for the 58th AGM in order to register, participate and vote remotely.
2. The broadcast venue of the 58th 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 58th 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 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 23 August 2023 shall be regarded as Members of the Company entitled to attend the 58th 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 58th AGM, the Board through its Nomination Committee had assessed YM Raja Anuar Bin Raja Abu Hassan, Ms Kwan Wai Yue, Mr Shinichi Hayashi and Mr Takashi Sugihara (collectively "the Retiring Directors"). YM Raja Anuar Bin Raja Abu Hassan 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 the independent judgement of YM Raja Anuar Bin Raja Abu Hassan on matters brought for Board discussion and he has always acted in the best interest of the Company as a whole.

The Board also agreed to recommend the re-election of Mr Shinichi Hayashi and Mr Takashi Sugihara who were appointed to the Board recently to fill the casual vacancies on the Board. They are due for retirement at the 58th 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.

NOTICE OF 58TH ANNUAL GENERAL MEETING

(CONT'D)

Explanatory Note to Special Business:

Resolution 8

Tan Sri Hasmah Binti Abdullah has served as Independent Non-Executive Director of the Company since 2 October 2013 and at the last Annual General Meeting of the Company on 29 August 2022, the shareholders approved her retention as Independent Non-Executive Director of the Company when she reach her nine (9) year term on 2 October 2022. The Board intends to retain her as an independent director and the Company is proposing the resolution for her retention.

The Nomination Committee and the Board have assessed her independence at its meetings held on 24 May 2023 and have recommended that she continue to act as an Independent Non-Executive Director of the Company based on the following justifications:

- a) She has met the independence guidelines as set out in Chapter 1 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- b) She provides a check and balance and brings an element of objectivity to the Board of Directors.
- c) She continues to be scrupulously independent in her thinking and in her effectiveness as constructive challenger of the Managing Director and Executive Directors.
- d) She actively participated in board discussion and provided an independent voice on the Board and the Board has determined that Tan Sri Hasmah binti Abdullah is able to bring independent and objective judgements to the Board as a whole and strongly recommend her continuation in office as an Independent Non-Executive Director of the Company.

Resolutions 9 to 12

Please refer to the Circular to Shareholders dated 31 July 2023 for further information.

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Notes:

1. As part of the initiatives to curb the spread of Coronavirus Disease 2019 (Covid-19), the Company will conduct the 58th AGM entirely via remote participation and electronic voting facilities. Kindly refer to the attached Administrative Details for the 58th AGM for more information.
2. The only venue involved is the Broadcast Venue for the compliance with Section 327(2) of the Companies Act 2016 that the Chairman of the Meeting shall be present at the main venue of the AGM. No Shareholders/Proxies/Corporate Representatives from the public should be physically present nor admitted at the Broadcast Venue on the day of the AGM.
3. As the 58th 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 through the Share Registrar's website, Boardroom Smart Investor Online Portal at <https://investor.boardroomlimited.com> or via email to bsr.helpdesk@boardroomlimited.com before the form of proxy lodgement cut-off time as mentioned above.
6. Depositors who appear in the Record of Depositors as at 23 August 2023 shall be regarded as Members of the Company entitled to attend the 58th Annual General Meeting or appoint a proxy/proxies to attend and vote on his behalf.

* *Strike out whichever is not applicable.*

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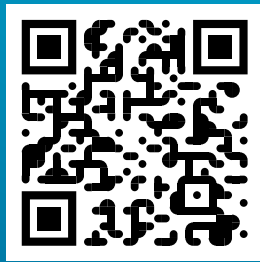
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**The Share Registrar
Panasonic Manufacturing Malaysia Berhad**

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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