

Panasonic

Panasonic Manufacturing Malaysia Berhad

Registration No.: 196501000304 (6100-K)

Enduring Spirit Evolving Strategy

ANNUAL REPORT 2025

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025



Live Your Best

60th ANNUAL GENERAL MEETING



Friday, 29 August 2025, 10.00 a.m.



Refer to pages 131 to 134 for Annual General Meeting Information



Meeting Venue:
Hall 1, IDEAL Convention
Centre Sdn Bhd, Level 7
Corporate Tower
Jalan Pahat L15/L
40200 Shah Alam, Selangor

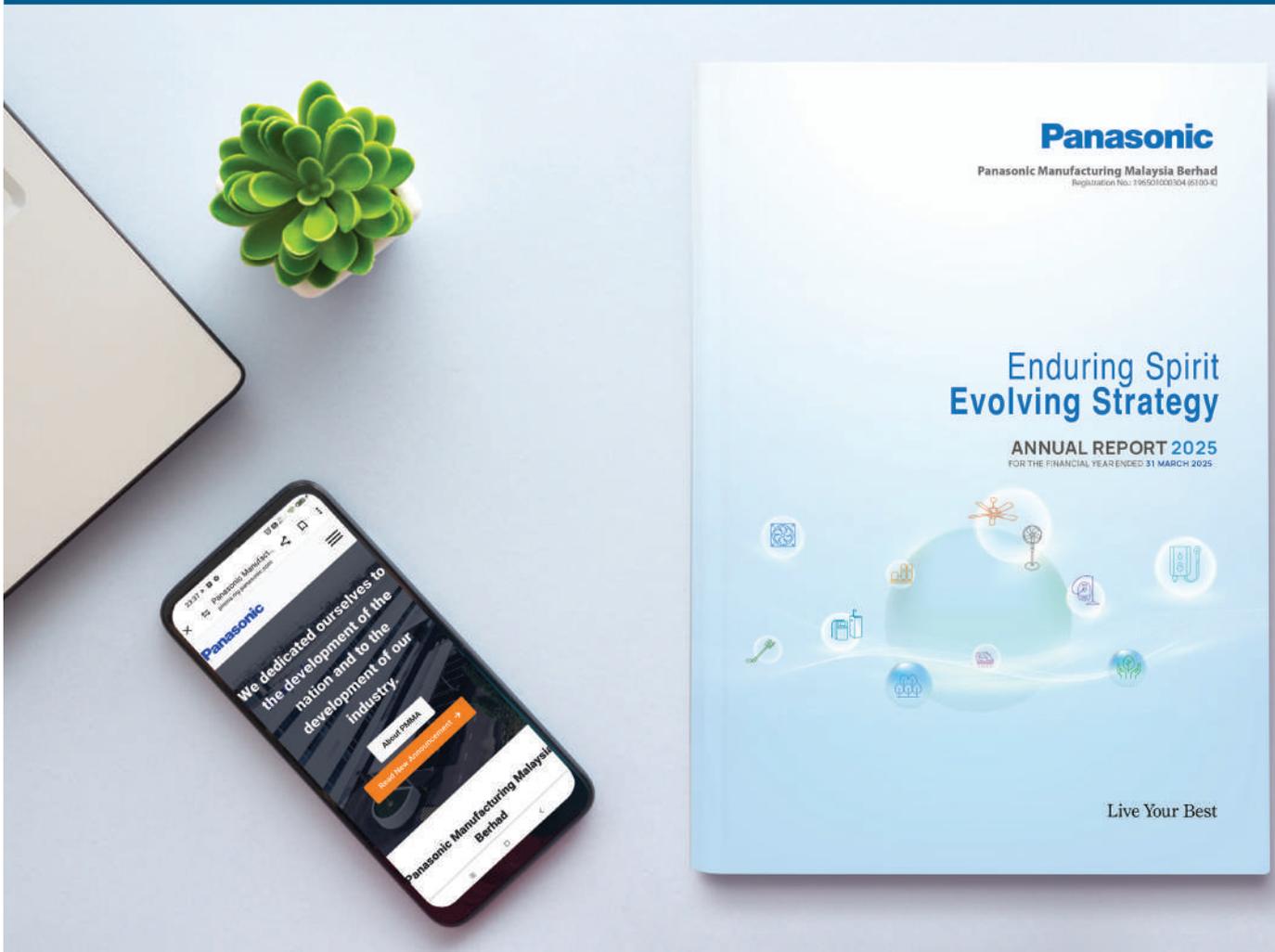


SCAN HERE

The soft copy of Panasonic Manufacturing Malaysia Berhad Annual Report 2025 is available on our website.

ENDURING SPIRIT EVOLVING STRATEGY

Powered via a series of advancing product icons within bubbles, this year's vigorous visual centres around a driven wavelength passing through a globe-like core, reinforcing it. This signifies a trend of constant dynamism and proactivity in today's operations, showcasing how Panasonic consistently pushes the envelope and innovates amidst challenging landscapes, done through the holistic expansion of its product range, capabilities, infrastructure, and offerings.





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ABOUT PANASONIC MANUFACTURING MALAYSIA BERHAD

Panasonic Manufacturing Malaysia Berhad ("PMMA") is a manufacturing arm of the global Panasonic Group, producing and distributing electrical home appliances for both domestic and international markets. Incorporated in 1965 and listed on the Main Market of Bursa Malaysia Securities Berhad, PMMA brings close to six decades of experience in delivering reliable, functional and efficient products that support everyday living.



Our operations are structured under two main business segments:

LIVING APPLIANCES & SOLUTIONS COMPANY ("LASC") SEGMENT



Vacuum Cleaner



Electric Iron



Reverse Osmosis Water Purifier (ROWP)

HEATING & VENTILATION A/C COMPANY ("HVAC") SEGMENT



Ceiling Fan



Electric Fan



Ventilating Fan



Home Shower



Water Purification System (Point of Entry)

MANUFACTURING FACILITIES IN MALAYSIA

Headquartered in Shah Alam, Selangor, PMMA operates two manufacturing plants: SA1 (Section 15) and SA2 (Section 23). From these facilities, we design, assemble and export a diverse range of products to over 20 countries across Asia, the Middle East and Africa.

These product lines fall under the Panasonic Corporation (Lifestyle) of Panasonic Holding Corporation (PHD), aligning with global trends in energy efficient solutions, consumer comfort and modern home living.



SA1 - Selangor State Shah Alam Industrial Site

Products - Home Shower (HVAC segment), Electric Iron/ROWP (LASC segment) and Bidet



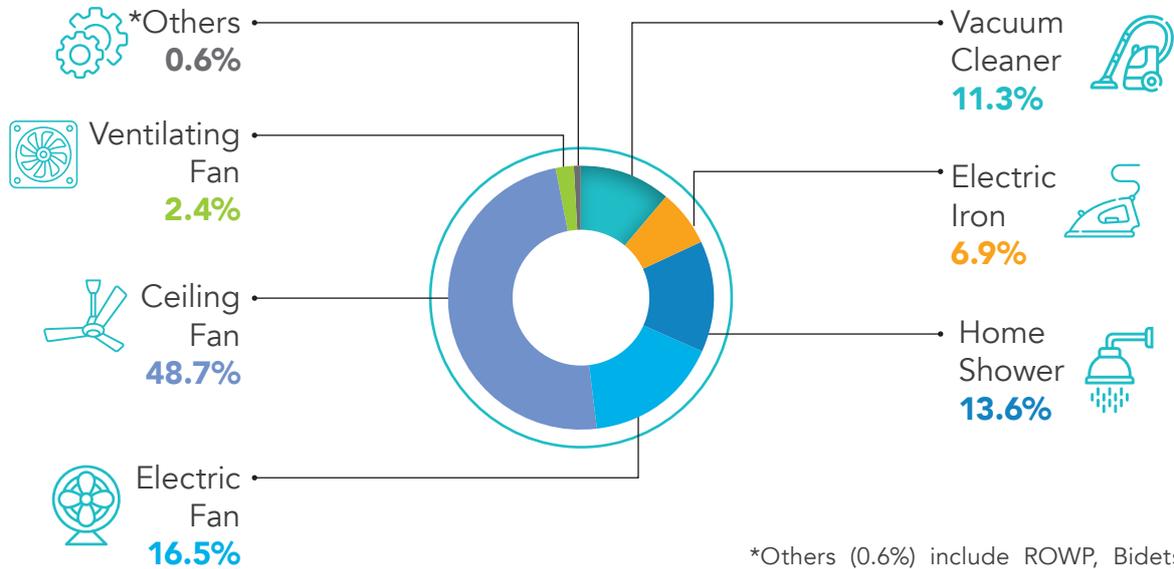
SA2 - Selangor State Shah Alam Industrial Site

Products - Ceiling Fan/Electric Fan/Ventilating Fan (HVAC segment), Vacuum Cleaner (LASC segment)

REVENUE

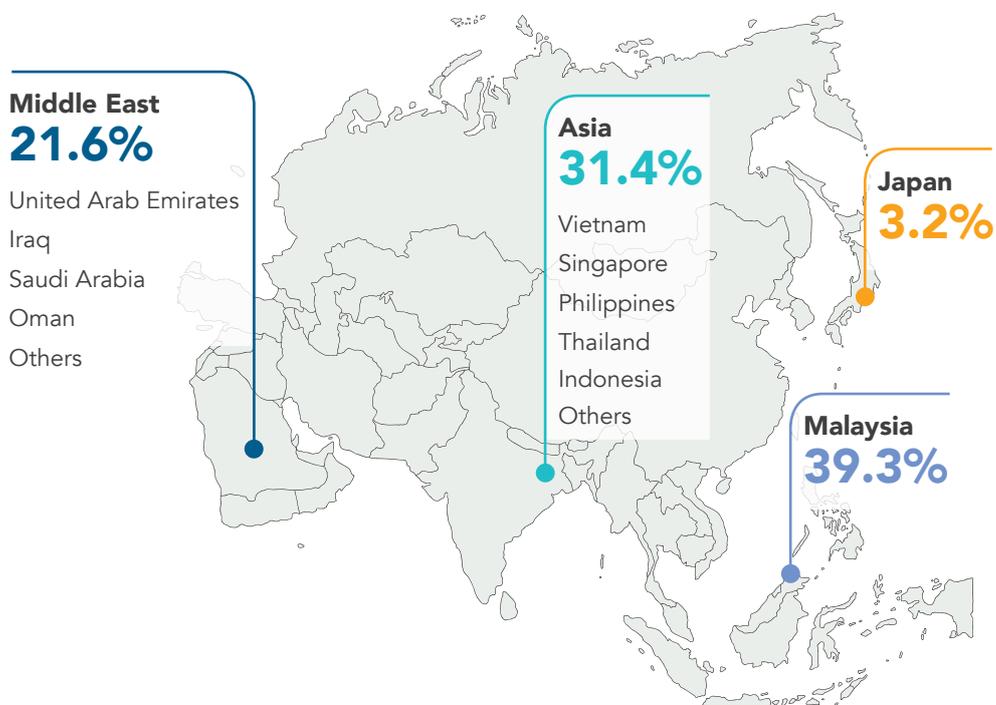
FYE 2025

PRODUCT SALES BREAKDOWN



*Others (0.6%) include ROWP, Bidets, Water Purification System and Die and Mould Sales.

REVENUE BY MARKET



Our customer base spans both domestic and international markets. The domestic Malaysian market contributed 39.3% of total revenue in FYE 2025. Asia (excluding Malaysia and Japan) accounted for 31.4%, reflecting steady demand across both ASEAN and other regional markets, namely Vietnam, Thailand, Singapore and neighbouring countries. The Middle East remained a key export destination, making up 21.6% of total sales. Meanwhile, Japan contributed 3.2%, with the remainder coming from Europe (0.4%) and other international markets (4.1%). This diverse market footprint underscores PMMA's continued reliance on both domestic and export-driven revenue streams.

CORPORATE INFORMATION



BOARD OF DIRECTORS

Dato' Azman Bin Mahmud
(Chairman)

Takashi Sugihara
(Managing Director)

Tan Sri Hasmah Binti Abdullah
Dato' Kaziah Binti Abd Kadir
Raja Anuar Bin Raja Abu Hassan
Siew Pui Ling

Kwan Wai Yue
Masaru Fujimoto
Keisuke Nishida

AUDIT COMMITTEE

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

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

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

REMUNERATION COMMITTEE

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

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

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

NOMINATION COMMITTEE

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

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

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

COMPANY SECRETARY

Leong Oi Wah
(MAICSA 7023802)

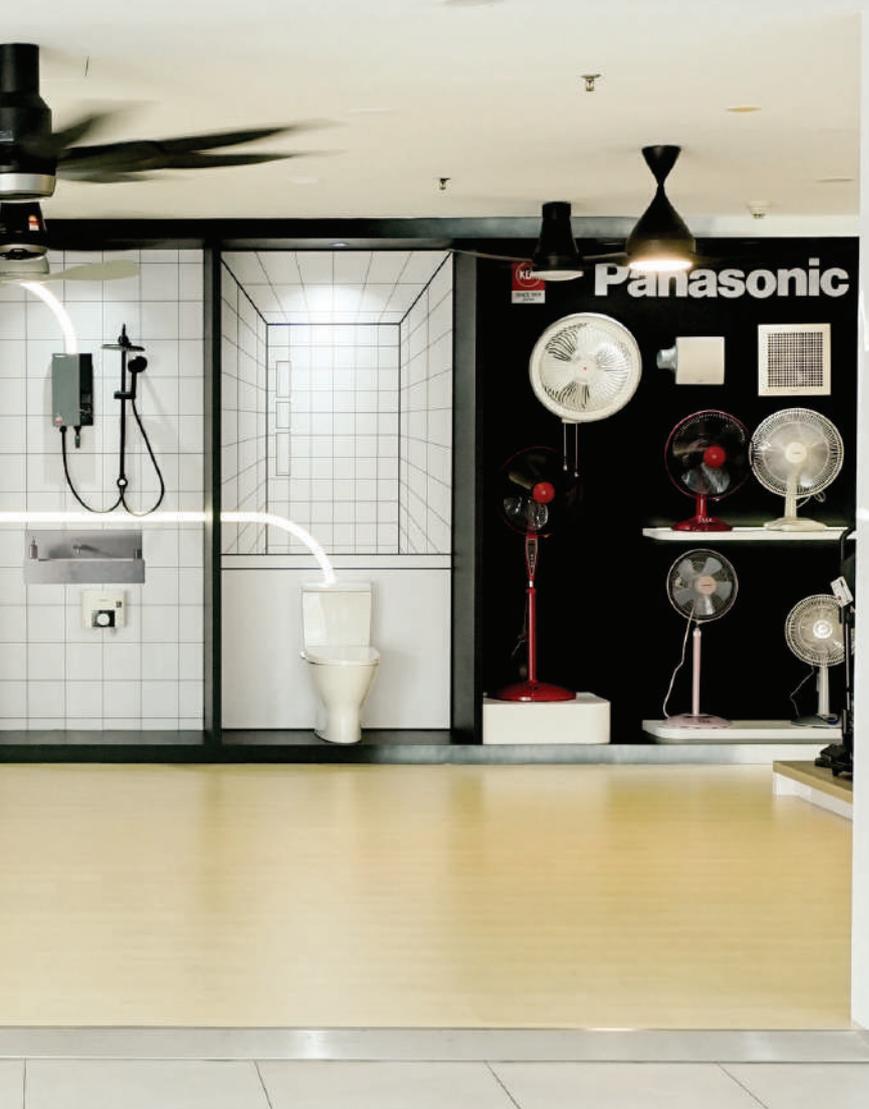
SOLICITORS

T.Thavalingam & Co.

REGISTRAR

**Boardroom Share Registrars
Sdn Bhd**

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-7890 4700
Fax : +603-7890 4670
Email : bsr.helpdesk@
boardroomlimited.com

**PRINCIPAL BANKERS**

MUFG Bank (Malaysia) Berhad
Malayan Banking Berhad

AUDITORS

KPMG PLT

STOCK EXCHANGE

**Main Market of Bursa Malaysia
Securities Berhad**

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

REGISTERED OFFICE

No. 3, Jalan Sesiku 15/2
Section 15
Shah Alam Industrial Site
40200 Shah Alam
Selangor Darul Ehsan
Tel : +603-5891 5000
Fax : +603-5891 5101
Email : ir.pmma@my.panasonic.com

CHAIRMAN'S STATEMENT



Dear Shareholders,

I am pleased to present the Annual Report and Financial Statements of Panasonic Manufacturing Malaysia Berhad ("PMMA") for the financial year ended 31 March 2025 ("FYE 2025") on behalf of the Board of Directors.

Malaysia's economy maintained a steady growth trajectory throughout 2024 and into the first quarter of 2025. While the broader global environment remained subdued, businesses navigated persistent challenges, including geopolitical tensions, inflationary pressure and volatile currency movements across key markets. For PMMA, these conditions reinforced the importance of operational discipline. We responded by focusing on areas within our control: improving efficiency, enhancing quality and reinforcing operational discipline.

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

CHAIRMAN'S STATEMENT

(CONT'D)



Total Revenue

RM822.8
Million



Total Profit
Before Tax

RM51.9
Million



Approved
Dividend FYE 2025

62 Sen
per share

EXTERNAL PRESSURES AMID DOMESTIC RESILIENCE

The financial year ended 31 March 2025 unfolded amid persistent global and regional uncertainties. The global business environment remained subdued, with inflationary pressures, tight financial conditions and ongoing geopolitical conflicts weighing on consumer sentiment and industrial demand across the region.

Despite external headwinds from global inflationary trends and trade tensions, the domestic economy proved to be resilient. Malaysia's economy expanded by 4.4% year-on-year in the first quarter of 2025, moderating from the 4.9% growth recorded in the preceding quarter. Malaysia's exports rose steadily in 2024 and early 2025, driven by resilient demand for electrical and electronic products. Sustained household spending, underpinned by steady employment and wage growth, provided a buffer against external shocks. Inflation remained manageable, with headline inflation projected between 2% and 3.5% for 2025, allowing Bank Negara Malaysia to maintain its overnight policy rate at 2.75%.

OPERATING IN A VOLATILE MARKET LANDSCAPE

While Malaysia's economy remained steady, PMMA encountered softer demand and lower sales in key export markets, particularly for our Vacuum Cleaner and Home Shower segments as demand weakened in markets such as the Middle East, Thailand, Brunei and Vietnam. Although Malaysia's export recovery provided some relief, overall moderation in regional growth and lingering uncertainty added pressure to our business performance.

Against this backdrop, PMMA reported revenue of RM822.8 million for the financial year ended 31 March 2025, representing a 9.2% decrease compared to the previous year. Profit before tax also declined by 51% to RM51.9 million, primarily influenced by weaker export sales, particularly in the Middle East, and lower domestic and ASEAN demand for key products.

CHAIRMAN'S STATEMENT

(CONT'D)

Foreign exchange volatility also weighed on performance. During parts of the year, the Malaysian ringgit appreciated against the US dollar, driven by narrowing interest rate differentials and policy stabilisation measures by Bank Negara Malaysia. While this reduced the cost of USD-denominated imports, it weighed on export earnings and narrowed profit margins, a common challenge for export-oriented businesses. Companies with cross-border supply chains or revenue linked to the US dollar, including PMMA, faced challenges in managing currency translation risks and maintaining profitability.

Reflecting these pressures, PMMA recorded foreign exchange losses of RM9.9 million, a sharp reversal from the RM4.9 million gain in the prior year. The absence of a one-off RM11.9 million income recorded in FYE 2024 also contributed to the year's lower earnings. Nevertheless, PMMA's disciplined focus on cost control and product cost optimisation helped mitigate margin erosion and maintain operational stability.

STAYING THE COURSE ON STRATEGIC REALIGNMENT

PMMA continued to advance its product portfolio realignment strategy, although progress was tempered by market conditions. Promotional activities for our Point of Entry ("POE") water solutions in Indonesia have been rolled out, and we are closely monitoring their performance to refine our approach as needed. Notably, the launch of the first KDK-branded home shower series in Singapore helps establish our presence in the market while responding to evolving consumer preferences and strengthening regional brand recognition.

We have also restructured our production capacity to enhance efficiency across key product segments. This reallocation of resources supports our drive to deepen operational focus and improve productivity throughout our manufacturing operations.

UPHOLDING DIVIDEND COMMITMENT

In line with our commitment to delivering long-term shareholder value, the Board has approved a dividend of 62 sen per share for FYE 2025, comprising a proposed final dividend of 47 sen and an interim dividend of 15 sen already paid. This reflects our continuous, prudent and sustainable payout strategy, which is aligned with earnings performance and prevailing market conditions.



PROGRESSING SUSTAINABILITY AND DIGITAL AMBITIONS

PMMA continues to advance its sustainability agenda under the Panasonic GREEN IMPACT framework. In FYE 2025, we enhanced our Scope 3 emissions reporting and extended solar panel installation efforts, demonstrating tangible progress toward our Net Zero CO₂ goal. Internally, we remain focused on enhancing energy efficiency, reducing waste and building a future-ready workforce through upskilling in automation, robotics and predictive maintenance.

Digitalisation also remains a core enabler of our transformation. Efforts under the Industrial Internet of Things (IIoT) framework continue to progress, aiming to improve factory visibility, operational efficiency and data-driven decision-making.

We also strengthened our digital risk management framework. During the year, PMMA completed an internal cybersecurity audit and continues to undergo regular hygiene checks to ensure compliance with best practices. These efforts form part of our broader commitment to safeguarding operational continuity and protecting stakeholder trust in an increasingly digital operating environment.

CHAIRMAN'S STATEMENT (CONT'D)



GOVERNANCE AND BOARD RENEWAL

The Board maintained active oversight of risk management, particularly in response to heightened currency volatility and supply chain disruptions. These challenges reinforced the importance of strengthening business continuity planning and operational resilience.

During the year, Mr. Shinichi Hayashi stepped down as Non-Independent Non-Executive Director, and we welcomed Mr. Masaru Fujimoto to the Board in his place. On behalf of the Board, I would like to extend our appreciation to Mr. Hayashi for his contributions and welcome Mr. Fujimoto, who brings fresh perspectives and valuable experience.

At the upcoming Annual General Meeting, Tan Sri Hasmah binti Abdullah and Ms Siew Pui Ling will retire and not seek re-election. Tan Sri Hasmah, who has served as an Independent Director since October 2013, has brought insightful guidance, independent judgment, and strong leadership to the Board and its Committees, particularly in her role as Chairman of the Remuneration Committee. The Board is deeply grateful for her leadership, integrity and the depth of experience she brought to our deliberations. We wish her continued success and good health in all her future undertakings.

The Board also extends its heartfelt appreciation to Ms Siew for her exceptional service since 1991. Rising through the ranks by virtue of her professionalism, leadership and deep understanding of the business, she played a key role in the Company's growth, particularly in Sales & Marketing, Logistics, Product Planning and Human Resources. Her leadership, operational insight and passion have been instrumental in shaping the Company's performance and culture. We extend our sincere gratitude to Ms Siew and wish her continued success in her future endeavours.

Although the Board will be smaller following their retirement, the Board remains well-positioned to provide effective strategic guidance, supported by a strong foundation of experience and collective capability.

LOOKING AHEAD

While the operating landscape continues to pose uncertainties, we take confidence in the foundations laid through our strategic realignment, cost management discipline, and continued investments in digital and sustainable growth. Our focus in FYE 2026 will be on reigniting momentum in our core segments, accelerating product innovation and enhancing competitiveness in regional markets.

As part of broader restructuring efforts announced by Panasonic Holdings Corporation, the Group is implementing strategic changes at the global level. These reflect a shift in direction for the wider organisation, and the impact on PMMA is expected to be minimal. We continue our focus on strengthening our core capabilities, operational resilience and long-term competitiveness. Our business priorities and workforce planning remain aligned with the needs of our market and our strategic ambitions.

On behalf of the Board, I would like to thank our shareholders for their continued trust, our employees for their strong commitment, and our partners and customers for their support throughout the year. We stay committed to delivering sustainable value as we navigate the next phase of our journey.

DATO' AZMAN BIN MAHMUD

Chairman

Independent Non-Executive Director

MANAGEMENT DISCUSSION AND ANALYSIS

“

Dear Shareholders,

It is my pleasure to present the Management Discussion and Analysis for Panasonic Manufacturing Malaysia Berhad (“PMMA”) for the financial year ended 31 March 2025 (“FYE 2025”). The year under review was a challenging year for PMMA, marked by sustained cost pressures, heightened competition and subdued consumer sentiment in key markets. While we remained profitable, our performance came under considerable strain, with margin compression and weaker top-line growth reflecting the realities of a difficult operating environment.

Throughout the year, we focused on reinforcing our core businesses, improving cost efficiency and pursuing long-term competitiveness through digitalisation and operational upgrades. As we look ahead, we do so with renewed urgency and commitment to regaining momentum. With a focused strategy and ongoing transformation initiatives, we are steadily laying the groundwork for recovery and sustainable value creation. ”



TAKASHI SUGIHARA
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

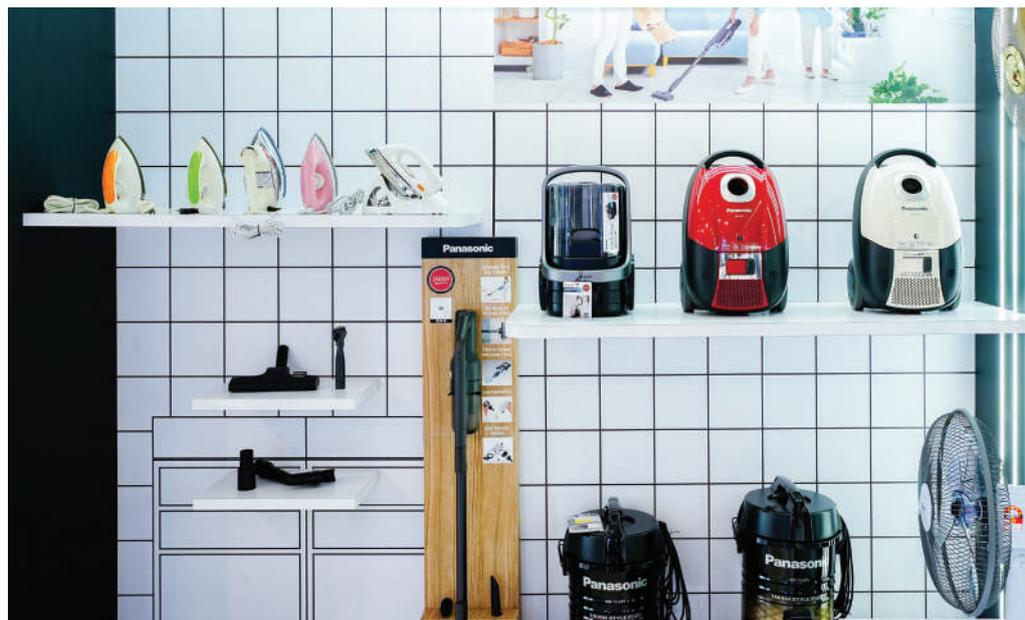


RESPONDING STRATEGICALLY TO A SHIFTING LANDSCAPE

The financial year unfolded within a complex operating landscape. Uneven trade recovery, foreign exchange volatility and shifting consumer behaviour tested our resilience across markets. While the Chairman's Statement outlines broader macroeconomic trends, these market realities underscore the need for greater agility, cost discipline and sharper alignment with evolving demand patterns.

In Malaysia, the home appliances sector remained fiercely competitive. We, like many established players, faced an influx of lower-cost imports, particularly from China, which drove price competition and market fragmentation. Meanwhile, rising operating costs and a tightening labour market further challenged domestic manufacturers' cost structures and productivity.

In response, PMMA remained anchored to a focused strategy aimed at strengthening core product lines, diversifying growth levers and accelerating factory modernisation. We continued to leverage in-house research and development ("R&D"), die and mould expertise, and parts manufacturing to improve our speed-to-market and adapt to shifting consumer needs with greater precision.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

Our strategic priorities are framed across three pillars:

Strategic Focus		
Strengthen core product lines, diversify growth pillars and enhance operational efficiency.		
Customer-Centric Product Development	Business Realignment and Growth Diversification	Manufacturing Transformation and Smart Factory Vision
<p>Objective</p> <p>Align product offerings with market demand and consumer preferences to sustain relevance and competitiveness.</p> <ul style="list-style-type: none"> Focus on core categories: Ceiling Fans, Home Showers and Vacuum Cleaners. Develop market-specific models to meet diverse local needs. Rationalise product range by concentrating on models with strong demand and profitability. Prioritise energy-efficient, compact and cost-competitive variants. Leverage internal capabilities in R&D, die and mould design, and parts production to develop "local fit" solutions. 	<p>Objective</p> <p>Enhance operational focus and build new business pillars to drive sustainable long-term growth.</p> <ul style="list-style-type: none"> Reallocate capacity to higher-performing and emerging product categories. Progress "One Stop Water Solution" initiative with a focus on: <ul style="list-style-type: none"> Reverse Osmosis ("RO") systems Point of Entry ("POE") water filtration products Position the water segment as a potential second or third core business pillar. 	<p>Objective</p> <p>Build a future-ready, digital-enabled manufacturing ecosystem aligned with Industry 4.0 principles.</p> <ul style="list-style-type: none"> Advance Smart Factory initiatives with a target of 2030 achievement. Integrate automation, IoT and digital tools to improve: <ul style="list-style-type: none"> Production efficiency Accuracy and cost control Safety by reducing manual handling in high-risk areas Align transformation with Panasonic's global productivity agenda. Established a roadmap for a more agile and innovation-driven production environment.



FINANCIAL PERFORMANCE

The complex and competitive environment inevitably weighed on PMMA's financial performance for FYE 2025. Despite these challenges, PMMA maintained operational resilience through prudent cost management, internal efficiencies and continued progress on portfolio realignment.

RM MILLION	2025	2024	Changes %
Revenue	822.8	905.7	(9.2)
- Domestic	323.6	346.4	(6.6)
- Export	499.2	559.3	(10.7)
Operating expenses	(808.0)	(855.5)	(5.6)
Other operating income	5.4	22.8	(76.3)
Other derivative gain/(loss)	0.1	(0.1)	200
Results from operating activities	20.3	72.9	(72.2)
Finance Income	20.0	20.9	(4.3)
Share of profit equity-accounted associate, net of tax	11.6	12.9	(10.1)
Profit before taxation	51.9	106.7	(51.4)
Taxation	(5.8)	(14.1)	(58.9)
Profit after taxation for the financial year	46.1	92.6	(50.2)

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

Revenue

For the financial year ended 31 March 2025, PMMA recorded revenue of RM822.8 million, a decline of RM82.9 million or 9.2% compared to RM905.7 million in the previous year. The lower revenue was mainly attributed to weaker export sales of Vacuum Cleaner products, particularly due to subdued demand from the Middle East, while Fan products continued to face intense competition in the domestic market. In addition, sales of Home Shower products declined amid softer demand in both domestic and key ASEAN export markets, including Thailand, Brunei and Vietnam.

Results from Operating Activities

Results from operating activities declined due to a weaker sales mix and the absence of a one-off income of RM11.9 million claim recognised in FYE 2024. The year under review also recorded a foreign exchange loss of RM9.9 million, in contrast to a gain of RM4.9 million in the previous year. Nevertheless, improved margins in the Fan segment, driven by lower material costs, helped partially offset the overall impact.

The following is an analysis of profit by our business segment, reflecting the varied performance across PMMA's key product categories.



Total Revenue

RM822.8
Million



Finance Income

RM20.0
Million

Living Appliances and Solutions ("LASC")

RM MILLION	2025	2024	Changes %
Revenue	151.4	194.5	(22.2)
- Domestic	21.2	24.0	(11.7)
- Export	130.2	170.5	(23.6)
Profit before taxation	7.8	24.7	(68.4)

The LASC segment recorded a sharp 22.2% decline in revenue to RM151.4 million in FYE 2025, down from RM194.5 million in the previous year. This was primarily due to a significant slowdown in Vacuum Cleaner exports, particularly to key overseas markets.

Profit before tax dropped by 68.4% to RM7.8 million, compared to RM24.7 million in FYE 2024. The decline in profitability was reflected in weaker sales volumes, particularly in the Vacuum Cleaner, which continued to face export challenges throughout the year.

Heating and Ventilation A/C ("HVAC")

RM MILLION	2025	2024	Changes %
Revenue	670.2	707.3	(5.2)
- Domestic	302.1	321.3	(6.0)
- Export	368.1	386.0	(4.6)
Profit before taxation	41.1	47.4	(13.3)

The HVAC segment recorded a 5.2% decline in revenue to RM670.2 million in FYE 2025, compared to RM707.3 million in FYE 2024. The decrease was driven by softer demand for Home Shower and Fan products across both domestic and export markets.

Profit before tax declined by 13.3% to RM41.1 million from RM47.4 million in the previous year. The weaker profitability reflected the impact of lower sales from both Home Shower and Fan products. Nonetheless, the decline was partially mitigated by cost savings from lower material input costs, particularly in the Fan category. Foreign exchange volatility also weighed on overall margin performance during the year.

Finance Income

Finance income eased slightly to RM20.0 million in FYE 2025 from RM20.9 million in FYE 2024, due to a lower amount of deposits placed arising from weaker results in operating activities. In addition, a portion of available funds was utilised for dividend payments and capital expenditure during the year.

The weighted average fixed deposit rate from Panasonic Financial Centre (Malaysia) Sdn. Bhd. (PFI) reduced from 3.80% in 2024 to 3.78% in 2025.



Weighted Average
Fixed Deposit Rate
(From PFI)

3.78%

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

Share of Results of Associated Company

The share of results from our associated company declined to RM11.6 million in FYE 2025, compared to RM12.9 million in FYE 2024, reflecting a softer performance in a more competitive market environment. The entry-level segment, particularly in suburban markets served through our wholesale-focused dealer network, faced increasing pressure from the aggressive expansion of China-based brands. This shift in market dynamics negatively impacted both revenue and margins for the associated company during the year.

In addition to market challenges, the associated company's profitability was further weighed down by higher tax expenses following the expiry of tax incentives that had benefited operations in previous financial years.

Profit Before Tax

Profit before tax declined by 51.4% to RM51.9 million in FYE 2025, compared to RM106.7 million in the previous financial year. The lower performance was mainly attributed to reduced sales volume, foreign exchange losses and the absence of one-off income recognised in FYE 2024.

In the prior year, PMMA recorded a one-time income of RM11.9 million related to the termination of its kitchen appliances business, which impacted year-on-year comparability. Excluding this non-recurring item, the decline in profit still reflects the effect of weaker export demand, a softer product mix and increased market competition.



Cash Balances and Cash Flow

PMMA's cash flow remains healthy, consistently generating positive cash flow from our business activities. During the financial year under review, the net operating cash flow declined to RM28.4 million from RM121.7 million in the previous financial year. This was primarily due to lower earnings and lower trade payables at the end of the financial year under review.

As of 31 March 2025, cash and cash equivalents amounted to RM475.1 million, after dividend payments of RM82.6 million and capital expenditures totalling RM24.2 million during the year. While overall cash reserves declined, PMMA continues to maintain a strong liquidity position, supported by disciplined financial management and prudent allocation of resources. Our solid net cash position provides a strong foundation to fund future growth and deliver sustainable returns to shareholders through consistent dividend payouts.

Capital Expenditure

During FYE 2025, PMMA invested RM24.2 million in capital expenditure, a marginal decrease from RM24.7 million in the previous year. These investments were primarily channelled toward the acquisition of new equipment and machinery, as well as the upgrading and modernisation of existing assets. The capital outlay reflects PMMA's continued focus on enhancing operational efficiency, improving productivity and strengthening cost competitiveness.

The capital programme during the year supported the modernisation of manufacturing infrastructure and enabled targeted improvements in key production lines. PMMA remains committed to a disciplined capital expenditure approach, with plans in place to sustain long-term value creation and support future operational needs.

PMMA continues to maintain a strong liquidity position, supported by disciplined financial management and prudent allocation of resources. Our solid net cash position provides a strong foundation to fund future growth and deliver sustainable returns to shareholders through consistent dividend payouts.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)



PRODUCT SEGMENT REVIEW

In FYE 2025, we remained focused on reinforcing the fundamentals of our core operations while advancing selectively into adjacent product categories. Amid a volatile and challenging macroeconomic backdrop, PMMA navigated the year with discipline and agility, preserving operational stability and progressing our long-term strategic priorities.

While certain product segments came under pressure due to global market conditions, we made tangible progress through initiatives such as expanding our energy-efficient Ceiling Fan portfolio and introducing a new water heater range under a new brand. These moves demonstrate our ability to adapt to shifting consumer demands and capitalise on new opportunities for sustainable growth.



Ceiling Fans: Advancing Energy Efficiency Through DC Motor Expansion

In response to growing demand for energy-efficient solutions, we enhanced our Ceiling Fan portfolio in FYE 2025 by developing eight new direct current ("DC") motor models for the Malaysian market. These models were subsequently launched in the following financial year. These additions elevate our indoor air quality ("IAQ") offerings by delivering performance and greater efficiency. They also reinforce our support for the Panasonic Green Impact agenda and reflect our continued commitment to delivering innovation that reduces environmental impact and enhances everyday living.

These new models include the Panasonic Bayu DC Series (F-M14JH, F-M14SH) and the KDK Ryou Series (K14PH, K14RH). Each model is offered in two colour options and comes in four- or five-blade configurations to suit different room sizes and airflow needs.

DC motor fans are designed to operate with lower energy consumption, estimated to be up to 45% more efficient than traditional alternating current ("AC") models, while offering quieter performance and more compact design features that facilitate easy installation.

While we continued to face pricing pressure in domestic markets, the new DC motor series registered promising performance in select export destinations such as Hong Kong and the Middle East, where consumers increasingly prioritise eco-conscious, premium-quality home solutions.



Water Solutions Business: Strategic Foundations

Despite a turbulent market landscape, we remained focused on strengthening our water solutions business, which comprises Home Showers, Reverse Osmosis ("RO") systems and Point of Entry ("POE") water filtration. These product lines represent a key growth sector under our long-term strategy and a potential second or third core business pillar.

Home Showers: Strategic Expansion

In FYE 2025, we expanded into the Home Shower segment under the KDK brand, as part of our ongoing efforts to diversify our product portfolio and extend our presence in the home comfort category. The initial launch took place in Singapore in November 2024, positioning the KDK brand to tap into a premium-oriented market with steady demand and strong brand recognition, aligning well with our product strategy.



This strategic entry serves dual objectives, which are to counterbalance slowing demand in the more mature Ceiling Fan markets, such as Thailand and Malaysia, and to reinforce KDK's positioning in broader home comfort solutions.

The launch comprised three instant water heater models equipped with both analogue and digital controls, alongside two storage water heater models available in multiple capacity options. These products feature modern, minimalist designs tailored for urban homes, with a focus on user safety and hygiene. Key features include thermal cut-off mechanisms, splash-proof casing and Ag+ crystal showerheads designed to promote water purity.

The early market response has been encouraging, and we will evaluate opportunities for a broader regional rollout based on performance insights and local market readiness.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

POE Water Filtration: Foundation Phase

We focused on laying the groundwork for our Point-of-Entry ("POE") water filtration segment as part of our broader commitment to water solutions. Our efforts in FYE 2025 centred on piloting key initiatives in the Indonesian market, a key geography where over 45 million households rely on well water, often affected by turbidity and high iron content.



Leveraging Panasonic's proprietary technology, which removes dissolved iron ions through a high-speed agglomeration layer and modified activated carbon, we positioned our POE systems as a high-performance solution in markets with complex water quality challenges.

We prioritised the development of institutional sales channels and initiated targeted discussions with commercial clients, including residential developments and agricultural users. These early-stage engagements are instrumental in shaping our business-to-business ("B2B") approach and understanding the region-specific needs for water quality.

Preparations are underway to scale the POE segment for a broader rollout in the coming fiscal year, positioning it as a potential long-term contributor to PMMA's diversification strategy and recurring revenue base.

RO Water Purifiers: Strategic Realignment

In FYE 2025, our Reverse Osmosis ("RO") water purifier segment underwent a strategic realignment in response to intensified competitive pressure in the Vietnamese market, where we had launched the Prime+ RO Water Purifier in FYE 2023. The segment faced several headwinds, including fluctuating consumer demand, aggressive pricing and product saturation by local players, and commoditisation of the market driven by filter-count competition.

Given these dynamics, we made the decision to temporarily scale back our expansion activities in Vietnam to preserve resources and avoid price-led margin dilution. That said, we continue to monitor the market closely for signs of recovery and will reassess our position should conditions become more favourable. This measured approach ensures we remain responsive to long-term opportunities while managing near-term volatility.



Vacuum Cleaners: Mitigating Impact from Regional Instability

In FYE 2025, our Vacuum Cleaner segment faced significant pressure arising from macroeconomic instability and restrictive import policies, particularly in the Middle Eastern and African markets, including Egypt, Pakistan, Iraq and select African countries. These conditions were compounded by currency depreciation, material cost inflation and customs delays, which collectively disrupted inventory turnover and dampened consumer sentiment, especially for non-essential, discretionary purchases.

In response, we implemented a series of mitigation measures to contain risk and safeguard segment performance including expanding our Stick Type model to Hong Kong, Taiwan and other Asia markets.

These included tighter inventory controls to reduce overstocking, a shift towards high-velocity Stock Keeping Units ("SKUs"), and continued efforts to maintain brand presence in priority markets through targeted digital and retail engagement.

While near-term market recovery remains uncertain, we are taking proactive steps to improve regional agility. This includes exploring alternative distribution channels, strengthening ties with key distributors and retailers, and repositioning product offerings to ensure readiness once demand begins to stabilise. Our focus remains on protecting brand equity, preserving profitability and ensuring readiness to pursue growth when market conditions improve.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)



ADVANCING SMART MANUFACTURING AND DIGITAL TRANSFORMATION

Driving Industry 4.0 and Smart Factory Capabilities

PMMA's commitment to becoming a Smart Factory by 2030 remains central to our long-term business strategy. In line with Industry 4.0 principles, we are progressively integrating digital and automated technologies across our operations to improve efficiency and enhance responsiveness to market demands. Through the convergence of Information Technology ("IT") and Operational Technology ("OT"), we are developing a cyber-physical production environment that supports real-time data monitoring, preventive maintenance and continuous process optimisation.

Efforts are focused on scaling up automation, further digitising maintenance operations and upskilling our workforce to support the integration of smart machines and robotics. By aligning our digital transformation with operational priorities, PMMA aims to enhance productivity, reduce cost pressures and ensure long-term competitiveness in a fast-evolving manufacturing environment.

Progressing Automation and Robotics

We continued advancing our 5-year Robotics and Automation roadmap, with focused investments to enhance efficiency, reduce manual dependency and support long-term competitiveness. The Level of Automation increased to 37.5% in FYE 2025, contributing to cost savings of RM703,000 for the period under review. New automation upgrades included the introduction of auto screwing machines, robotic arms and in-house laser marking process for appearance parts, which produces minimal waste and is environmentally friendly.

Further efforts were made to reduce manual handling through the development of auto-packaging, auto-deburring and pick-and-place robotics. Automation was also expanded to 50% of tasks in 3D environments, with progressive upgrades planned for the remaining areas. These technological advancements have further reduced our reliance on manual labour, particularly in the face of ongoing workforce challenges.

As part of our ongoing Smart Factory transformation aligned with Industry 4.0 principles, we have implemented targeted initiatives to reduce work-in-progress ("WIP") inventory and enhance factory productivity through the adoption of automation and Internet of Things ("IoT") technologies in FYE 2025. With improved layout planning and space optimisation, we are now better positioned to initiate further intralogistics automation projects.

We launched a pilot Autonomous Mobile Robot ("AMR") project in SA1 to evaluate the feasibility and benefits of automating the material transfer process. This initiative represents a key milestone in our Smart Factory transformation, forming the foundation for future scalable deployments. Building on the success of the AMR pilot, we plan to scale deployment across additional areas of the facility to further drive efficiency and support our long-term digital transformation goals.

Digitalisation and IIoT Integration

In line with Industry 4.0 principles, we expanded our Industrial Internet of Things ("IIoT") assembly line coverage to the Parts Manufacturing area, extending integration to Home Shower Heater Tank lines and three Vacuum Cleaner Injection Machines. These systems enable real-time monitoring of production performance, aimed at reducing downtime and optimising resource utilisation across the internal manufacturing ecosystem. We also upgraded vision inspection capabilities for the Ceiling Fan line.

By leveraging Business Intelligence ("BI") tools, we conduct detailed analysis of operational rates to identify inefficiencies and areas for improvement. This data-driven approach supports informed decision-making and ongoing production optimisation. As a result, PMMA recorded a 10% increase in Overall Line Efficiency ("OLE") in FYE 2025 compared to the first IIoT implementation in 2022.

To further enhance visibility and standardisation, we introduced automated reporting and Key Performance Indicators ("KPI") calculation tools, enabling single-source dashboards that support operational analysis. A pilot system for the Energy Monitoring System ("EMS") was also initiated to improve electricity usage tracking and improve sustainability outcomes.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

Maintenance and System Connectivity

PMMA also made significant progress in digitising maintenance processes. By FYE 2025, 62% of essential machinery preventive maintenance tasks had been digitised via the Computerised Maintenance Management System ("CMMS"), up from 40% in FYE 2024. While this fell short of the 70% target due to the prioritisation of critical safety projects, the structured and proactive approach continues to reduce part failure risks, improve asset reliability and optimise field technician scheduling. We remain on track to achieve full digitisation by FYE 2026.

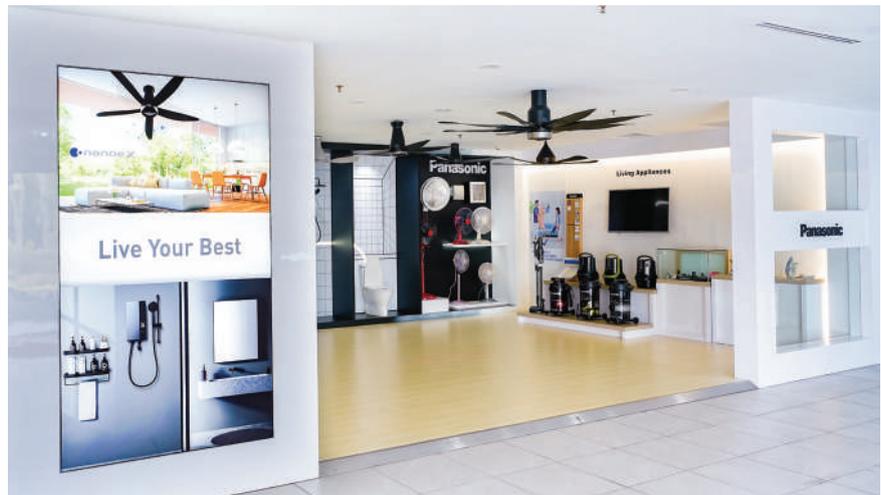
We initiated pilot projects for smart sensor integration in high-precision machinery, including area sensors for Vacuum Cleaner injection processes to monitor material flow and issue real-time alerts. Although predictive maintenance remains a longer-term goal, with implementation expected post-FYE 2028, current efforts are focused on building foundational connectivity and strengthening preventive maintenance.

Workforce Enablement and Capability Building

Our transition towards a Smart Factory is underpinned by workforce enablement. We are committed to providing comprehensive training that equips our employees, particularly our local workforce, with the necessary skills to configure, maintain, operate and repair smart machines and robotics. These efforts support the seamless integration of advanced technologies into our manufacturing processes while progressively reducing our reliance on foreign labour in manual-intensive roles. In FYE 2025, 43 employees completed the "Enabling Technology for Industry" training, gaining foundational knowledge in robotics, automation and system configuration.

Capital Investment to Support Transformation

To support ongoing automation and digitalisation efforts, capital expenditure for FYE 2025 totalled RM7.7 million, comprising RM5.9 million for Industry 4.0-related initiatives and RM1.8 million to replace existing automation assets. These investments focused on process improvements and system upgrades to enhance productivity, reduce manual handling and improve equipment reliability. They form part of PMMA's broader roadmap to achieve Smart Factory status by 2030.



ANTICIPATED RISKS AND MITIGATION

In FYE 2025, PMMA operated within a dynamic risk environment shaped by structural labour shortages, rising input costs and intensifying market competition. These factors had varying impacts across our operations, reinforcing the need for a systematic and integrated approach to enterprise risk management ("ERM"). Our ERM framework continues to evolve in tandem with the business, enabling us to monitor key risk exposures while aligning mitigation efforts with operational priorities.

Manpower Risk: Shortage of Skilled and Unskilled Workers

Persistent instability in labour availability, particularly for contract and foreign workers, continues to challenge production targets and operational efficiency. Contributing factors include high turnover among local workers, difficulties in sourcing qualified foreign workers and compliance with labour composition requirements.

We have progressively implemented robotics and automation to reduce labour dependency. Workforce segmentation and contingency outsourcing plans are also in place to address daily labour fluctuations. In addition, coordination between our Human Resources and Manufacturing ensures that recruitment efforts align with forecasted production demand, including cross-deployment between departments and proactive quota management with authorities.



Production/Operational Risk: Inability to Meet Production Plans

Operational disruptions may arise from raw material shortages, machinery breakdowns, supplier underperformance or inflexible production schedules. These risks are compounded by external factors such as global supply chain disruptions and unanticipated demand surges.

To mitigate this, we hold twice-daily production meetings, maintain safety stock buffers for stable local sales and collaborate closely with Sales to align forecasts. When needed, we reschedule production lines or authorise overtime to minimise backlog. For new product categories such as POE and RO systems, additional monitoring has been introduced to ensure production performance remains within plan.

Supplier Quality Risk

Ongoing issues related to quality control, especially from overseas and single-source suppliers, pose reputational, cost and delivery risks. Language barriers, inadequate verification and poor issue escalation protocols can exacerbate supplier performance inconsistency, particularly for new product categories.

We maintain a multi-tier supplier verification process, which includes annual audits, on-site verifications, and compliance with safety certification standards. PMMA also issues regular performance reports and improvement requests to vendors that are underperforming. In response to rising complexity, our Quality Controls ("QC") and Purchasing teams are working more closely to strengthen cross-functional collaboration to trace quality lapses, supported by training to enhance analytical capabilities among supplier QC personnel.

Inflation Risk: Cost of Living Crisis and Consumer Purchasing Power

Geopolitical tensions and tariff measures, such as those recently imposed by the United States, are anticipated to raise input costs and reduce consumer demand in key markets.

We are responding by diversifying our sales portfolio geographically and engaging in regular market intelligence exercises. These discussions feed into dynamic pricing decisions and business planning. Although new product categories such as RO and POE may offer revenue uplift, we remain vigilant in monitoring macroeconomic shifts that could impact overall profitability.

Market Risk: Competitive Pressures and Product Timing

Market share erosion due to delayed product launches, conservative sales strategies and pricing misalignment remains a concern, especially against emerging brands that offer extended warranties and aggressive pricing.

We regularly conduct competitor set studies and market surveys, supported by weekly and monthly product planning engagements. These efforts aim to accelerate time-to-market, calibrate pricing strategies and align new product development with market trends. We also maintain close collaboration with sales companies within the Panasonic Group and provide regular updates to business divisions at Panasonic Headquarters in Japan. This ensures our product positioning remains relevant in fast-moving segments.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)



BUSINESS OUTLOOK

Looking ahead to FYE 2026, we acknowledge that the road ahead will continue to be challenging. The operating environment is anticipated to remain volatile and uncertain, shaped by both domestic and global developments. While Malaysia's economy grew by 4.4% in the first quarter of 2025, driven by sustained private consumption, steady investment and continued external demand, the broader outlook remains cautious. Recent tariff measures by the United States, coupled with retaliatory responses, have added pressure to global trade flows and heightened geopolitical risks. These factors are expected to weigh on external demand and contribute to ongoing market volatility.

Amid these macroeconomic headwinds and intensifying competitive pressures, we remain focused on strengthening our core business fundamentals. We will continue to reinforce our product portfolio by concentrating on key categories, such as Ceiling Fans, Home Showers and Vacuum Cleaners, supported by product rationalisation and improvements in cost

efficiency. At the same time, the expansion of our water-related product segment will continue under the "One Stop Water Solution" initiative, laying the foundation for long-term diversification and future growth.

We are fully aware that competitive headwinds, particularly from low-cost manufacturers in China, will persist. In response, we will intensify localisation of components, strengthen alignment with trusted suppliers, and deepen our "Local Fit" approach to ensure speed, cost control and market relevance.

Export recovery strategies are also underway, targeting increased volumes in select ASEAN and Middle Eastern markets through closer alignment with local distributors and market-specific product adaptations.

While short-term profitability may remain under pressure in the near term, we are taking disciplined steps to manage costs, maintain operational flexibility and protect our financial footing. Through targeted execution and a clear focus on what is within our control, we are positioning PMMA for greater resilience and long-term renewal.



IN APPRECIATION

Our performance in FYE 2025 reflects the dedication of our people and the continued support of our stakeholders. I would like to thank the Chairman and the Board for their leadership and guidance throughout the year. I am also grateful to our employees, whose commitment and perseverance remain the foundation of PMMA's strength and progress.

To our shareholders, partners, customers, regulators and authorities, your trust and collaboration have been invaluable. As we move forward, we remain focused on delivering sustained value and look forward to your continued support.



INCREASE IN SHAREHOLDERS' WEALTH

As at 31 March 2025, 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 RM231,445 based on the market price of RM11.94 as at 12 June 2025. In addition, he would have received a total gross cash dividends of RM669,068 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 12.28% 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 2025)	RM	11.94
Total value of shares held	RM	231,445
Cumulative gross cash dividends received / receivable (1966 - 2025)	RM	669,068
Total Wealth of a shareholder since Initial Investment	RM	900,513

SUSTAINABILITY REPORTING

ABOUT THIS REPORT

Panasonic Holdings Corporation's Basic Management Philosophy is rooted in the principle of "company as a public entity of society", which forms the foundation of all our business activities. As a responsible corporation, we are committed to upholding responsible management and promoting sustainable development in our day-to-day business operations, with a strong emphasis on creating long-term value.

Panasonic Manufacturing Malaysia Berhad ("PMMA", "the Company", or "our") is committed to strengthening our efforts towards sustainable development. We are pleased to present our eighth Sustainability Report ("Sustainability Report") that outlines the Company's material matters, sustainability performance and strategic efforts in managing our material Economic, Environmental, Social and Governance ("EESG") pillars in line with Bursa Malaysia Main Market Listing Requirements ("MLLR").



REPORTING SCOPE

This Sustainability Report covers Panasonic Manufacturing Malaysia Berhad and all its subsidiaries within our business sector for the financial year ended 31 March 2025 ("FYE 2025", "the year under review", and "reporting period"). Unless stated otherwise, this report excludes associate company, as we do not have any operational control over these entities.

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

REPORTING FRAMEWORK

This Sustainability Report has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and references Bursa Malaysia's Sustainability Reporting Guide. In shaping our reporting approach, we also refer to internationally recognised frameworks, including the Global Reporting Initiative ("GRI") Standards, which form the basis of this reporting framework.

In line with the above, our reporting principles are guided by these four aspects presented as follows:

Stakeholder	Sustainability Context	Materiality	Completeness
 <p>Identifying key internal and external Stakeholders to obtain a holistic picture of how we perform in Economic, Environmental, and Social matters.</p>	 <p>Presenting our performance in the wider context of sustainability.</p>	 <p>Identifying and prioritising the key sustainability issues that our Company encounters.</p>	 <p>Reporting all sustainability topics that are relevant to our Company and influence our stakeholders.</p>

Assurance Statement

PMMA's internal auditors have reviewed this Sustainability Report in relation to selected sustainability disclosures, specifically the following indicators:

- Energy consumption from purchased electricity, solar energy consumption, self-generated from Photovoltaic (PV) System, and fuel used for our machinery and company-owned vehicles
- Scope 1 and Scope 2 greenhouse gas ("GHG") emissions resulting from energy consumption
- Number of workplace fatalities and injury incidents

The Assurance work was conducted on data sourced from both of PMMA's manufacturing factories, SA1 and SA2, located in Shah Alam. factories, SA1 and SA2 in Shah Alam.

FEEDBACK

We welcome and appreciate the feedback of our stakeholders, and invite you to share your thoughts on our Sustainability Report. For any queries, comments or suggestions regarding the content of this Report, please contact us via email at ir.pmma@mypanasonic.com or by phone at +603 5891 5000.

SUSTAINABILITY REPORTING

(CONT'D)

SUSTAINABILITY GOVERNANCE

PMMA aligns its operations with the policies of Panasonic Holdings Corporation and remains committed to advancing sustainability practices. Our Board of Directors sets PMMA's sustainability strategy and oversees both its implementation and the formulation of long-term sustainable development plans. The Board, in partnership with the Strategic Management Committee, plays an active role in monitoring and guiding sustainability performance.

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



STAKEHOLDER ENGAGEMENT

We actively engage with our stakeholders to better understand the impact of our business across various EESG areas. Through continuous dialogue, we assess our contributions to sustainable development and identify opportunities for improvement, guided by our sustainability-related policies and strategies. Valuable feedback from our stakeholders plays a vital role in helping us prioritise key issues that impact our long-term sustainability performance and value creation.

Our stakeholders include individuals and entities that are significantly affected by our operations, products or services, as well as those whose actions may influence our ability to meet our strategic objectives. Guided by globally recognised standards such as the GRI Standards, we identify and engage with these stakeholders to inform our materiality assessment and shape sustainability strategies that align with evolving expectations.

Stakeholders	Mode of Engagement	Frequency of Engagement	Concerns
Media 	<ul style="list-style-type: none"> Media briefings and press releases Advertising partnerships Public relations events 	<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. Use of recycled raw material in product manufacturing. Carbon emissions management and evaluation. Employee recognition and benefits. Employee engagement and satisfaction. Foreign labour Management. Occupational health and safety management and policies. Product health and safety compliance. Data privacy and cyber security protection.
Investors 	<ul style="list-style-type: none"> Annual General Meeting ("AGM") Investor and Analyst briefings/meetings Extraordinary General Meetings 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 audits Procurement policy briefings Supplier Performance Evaluation Supplier Development Programmes 	<ul style="list-style-type: none"> Annually Annually Monthly Monthly 	
Regulators 	<ul style="list-style-type: none"> Compliance reporting Regulatory consultations and inspections Participation in policy dialogues 	<ul style="list-style-type: none"> Annually Annually Bi-monthly As needed 	

SUSTAINABILITY REPORTING

(CONT'D)

Stakeholders	Mode of Engagement	Frequency of Engagement	Concern
 Employees	<ul style="list-style-type: none"> Townhalls and general assemblies Performance appraisals and feedback sessions Training and capacity building 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 Volunteer initiatives 	<ul style="list-style-type: none"> As needed 	

MATERIAL SUSTAINABILITY MATTERS

As we continue our journey towards responsible and sustainable practices, we recognise the need to focus our efforts and resources on the sustainability matters that are most relevant to our operations and stakeholders. To guide this focus, we conduct a Materiality Analysis based on the Materiality and Completeness Reporting Principles outlined in the GRI Standards and Bursa Malaysia's Sustainability Reporting requirements.

In accordance with the Materiality Principle, our report focuses on material topics that reflect PMMA's most significant economic, environmental and social impacts, or those that could substantially influence how our stakeholders assess our performance and decisions. These material topics were identified through a structured review of internal documents, operational developments and processes, and business priorities assessed over the past few years leading up to 2025.

As part of our ongoing risk assessment, we regularly review sustainability-related risks to ensure that we continue to address the most critical sustainability concerns. The materiality matrix, representing the significance of these topics, was reviewed and approved by the Board of Directors.

For the financial year ending 31 March 2025, the following material topics were identified as most significant to PMMA and its stakeholders:



SUSTAINABILITY REPORTING

(CONT'D)

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

SUSTAINABILITY REPORTING

(CONT'D)



ECONOMIC



ECONOMIC PERFORMANCE

Sustained financial performance is crucial to support PMMA's long-term business objectives and our ongoing investment in sustainable growth. Our ability to generate and distribute economic value reflects our commitment to responsible business conduct and operational resilience, which is important to strengthen the trust and confidence of our stakeholders.

Economic Value Generated

RM851
Million

Operating Expenses

RM763
Million

Salary & Benefits

RM128
Million

For the fiscal year ending 31 March 2025, we generated a total Direct Economic Value of RM851 million and distributed a total of RM891 million across key segments. Direct economic value generated and distributed is a metric that indicates the wealth that we create through our operations and the subsequent allocation of our revenue by stakeholder group, as per the following table:

RM('Million)	FYE 2025	FYE 2024	FYE 2023
Economic Value Generated	851	941 ⁽²⁾⁽³⁾	1,015 ⁽¹⁾⁽²⁾
Economic Value Distributed, which consists of:	891	935	1,035
• Payment to Vendors	670⁽⁵⁾	722 ⁽⁵⁾	827 ⁽⁵⁾
• Payment to Employees (e.g., wages, benefits)	128⁽⁴⁾	130 ⁽⁴⁾	147 ⁽⁴⁾
• Payment to Capital Providers (e.g., dividend/interest paid to investors)	83	74	50
• Payment to Government (e.g., taxes and permits)	10	9	11
Economic Value Retained	(40)	6	(20)

1. Excludes insurance claims received amounting to RM22.3 million in relation to the flood incident in December 2021.
2. Excludes claims received from Panasonic Corporation amounting to RM11.9 million (FYE 2024) and RM14.4 million (FYE 2023) in relation to the termination of the Kitchen Appliances business.
3. Includes RM4.9 million in foreign exchange gains.
4. Include MSS payment of RM4.1 million (FYE 2025), RM5.0 million (FYE 2024), and RM10.9 million (FYE 2023) under the Mutual Separation Scheme.
5. Payments to vendors exclude payments to consultants and joint ventures.

While FYE 2025 presented a more challenging operating environment, we remained focused on delivering quality products and maintaining customer satisfaction. Our ability to generate value, even amid market challenges, demonstrates our ongoing focus on resilience, product quality and responsible growth.

SUSTAINABILITY REPORTING

(CONT'D)

COMMUNITY INVESTMENT

We have also made a monetary contribution RM5,000 to the Selangor and Federal Territory Association for the Mentally Handicapped (SAMH), which provides education and training for the individuals with intellectual disabilities.

	FYE 2025	FYE 2024	FYE 2023
Total amount invested in external community (RM)	5,000	0	7,000
The total number of individuals who benefited	200	0	450

The data for number of beneficiaries is based on our best estimate, given the difficulty in tracking the exact number of beneficiaries for our initiatives.

ANTI-CORRUPTION

PMMA is committed to upholding the highest standards of governance and integrity. We firmly believe that strong business ethics and sound governance practices not only mitigate organisational risks but also strengthen our credibility and brand value.

To ensure consistent ethical conduct across our operations, PMMA adopted the Panasonic Holdings Corporation Code of Conduct ("CoEC"). This CoEC sets out "Our Commitments", which all Panasonic Group companies must adhere to, guiding our conduct and business activities in alignment with the Group's Basic Business Philosophy and compliance expectations.

To further reinforce ethical behaviour, Panasonic Holdings Corporation adopts the Employee Clean Business Undertaking. This initiative discourages employees from engaging in bribery and unethical business dealings. All PMMA employees, including temporary and foreign employees, are required to sign the Employee Clean Business Undertaking on an annual basis. As of FYE 2025, a total of 1,614 employees had signed the declaration, reaffirming their commitment to clean and ethical business conduct.

Since 2020, PMMA has also fully adopted Panasonic's Anti-Bribery and Anti-Corruption Compliance framework, known as L.E.A.P.S. (Leadership, Education, Assessment of Risk, Processes, and Surveillance). This framework aligns with the T.R.U.S.T. principles outlined in the Malaysian Anti-Corruption Commission's (MACC) Guideline on Adequate Procedures. The L.E.A.P.S framework serves as a preventive mechanism, enabling the Board of Directors, employees and business partners to identify, detect and avoid potential corrupt practices.



Principle 1 – Leadership

As part of the Top Management's commitment to promoting a culture of integrity in PMMA, the Compliance team has been designated to oversee 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 maintains a clear stance of zero tolerance for bribery and corruption, which is regularly communicated to all employees. Additionally, Management provides a channel for employees to report actual or suspected wrongdoings, without fear of retaliation.



Principle 2 – Education

PMMA regularly communicates its anti-corruption Policies and Procedures within the Company through various channels, including physical training sessions, emails and other internal communications. The Policies and Procedures are made available to employees and stakeholders via the Company's Intranet and official website. ABAC is conducted annually to reinforce understanding and compliance. For FYE 2025, the training was completed in March 2025. The results of the e-learning and offline training on the CoEC that was conducted between November 2024 to March 2025 are as follows:

Employee Category	FYE 2025
Senior Management	100%
Management	100%
Executives	100%
Non-Executives	100%



Principle 3 – Assessment of Risks

Corruption risk has been identified as one of PMMA's key risks and incorporated as part of an Enterprise-wide Risk Management (ERM) framework. A corruption risk assessment shall be conducted annually and whenever there is a change in law or circumstances of the business. A Risk Assessment exercise was conducted by an external consultant in April 2024.

Percentage of Operations Assessed	
FYE 2025	100%

SUSTAINABILITY REPORTING

(CONT'D)



Principle 4 – Process and Control

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



Principle 5 – Surveillance

The PMMA Compliance Team is responsible for overseeing all compliance matters and conducts regular reviews and monitoring. Key controls and procedures for ABAC management are in place within PMMA. Quarterly Compliance Meetings involving 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 confidentially and securely through our whistleblowing channels, which are accessible to our employees and stakeholders via the PMMA intranet and website, respectively. Investigations are conducted for any incidents reported to determine the validity of the allegations, and appropriate action will be taken if deemed necessary. PMMA maintains a zero-tolerance stance against any form of corruption or any act leading to misconduct of business. We will be sensitive to and shall abide by laws and regulations and social ethics that govern the offer of benefits of any kind, including gifts, meals and entertainment, to gain unfair business advantage. Similarly, we will not accept personal benefits from any of our stakeholders in return for unfair business advantage.

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



Number of Confirmed Corruption Incidents in FYE 2025:

None Reported

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



Communication – Anti Corruption Policy Public Accessibility

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



Anti-Bribery and Corruption Rules:

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



Whistleblowing Policy:

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



Code of Conduct:

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



Communication – Anti Corruption Policy Public Accessibility

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

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

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

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

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



SUSTAINABILITY REPORTING

(CONT'D)

SUPPLY CHAIN MANAGEMENT

As a company that partners with suppliers across global and local markets, we acknowledge our responsibility to uphold high standards of integrity, quality and sustainability as a conscientious corporate entity. We recognise our role in delivering the functionality and value our customers expect. This is achieved through the cultivation of trust-based relationships, rigorous research and robust supply chain support.

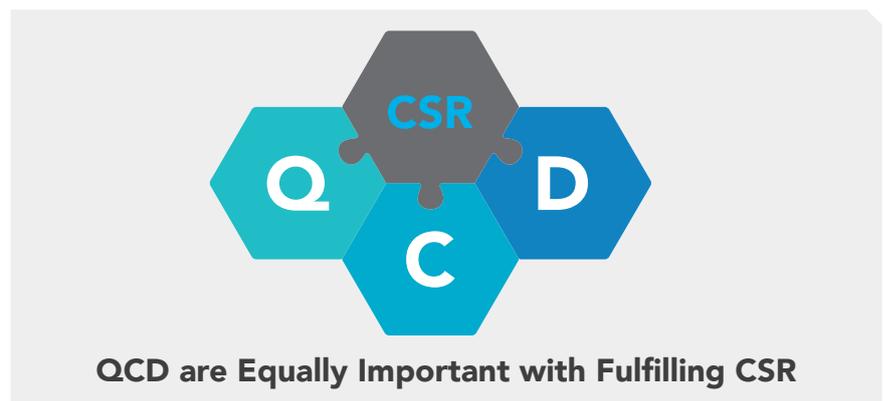
The stability and effectiveness of our procurement processes remain a key component of our operational strategy. Guided by our commitment to quality and value creation, we strive to deliver products that meet high performance at competitive prices.

We are committed to sourcing materials responsibly, adhering to environmental requirements, upholding quality standards, and ensuring timely and cost-effective delivery. Our Central Procurement Department plays a vital role in aligning our procurement activities with regulatory requirements and standards, particularly those that can impact profitability, product quality, environmental performance, and our Environmental, Social and Governance ("ESG") Corporate Social Responsibility ("CSR") commitments.

In response to the increasing global expectations for sustainable procurement, we prioritise suppliers who not only offer top-quality materials with cutting-edge technology but also demonstrate a strong commitment to ESG. These include clean and green procurement practices, regulatory compliance, information security, human rights, and occupational health and safety.

As such, PMMA firmly supports the integration of ESG considerations into our procurement practices. We recognise the importance of conducting periodic management reviews to ensure that our supply chain continues to meet evolving ESG expectations and standards.

Before engaging any new supplier, we conduct a systematic supplier assessment that covers various aspects, including quality, delivery, cost, environmental considerations, and ESG-related practices. To raise awareness and enhance supplier performance, we provide supplier training and conduct regular audits that focus on quality, Restriction of Hazardous Substances ("RoHS"), and adherence to ESG considerations. We also perform an Annual Supplier evaluation that assesses quality, cost, delivery and service ("QCDS") to monitor ongoing performance and drive improvement.



	<p>Compliance An enterprise that fails to practise CSR procurement will be neglected by society today.</p>
<p>Clean Procurement</p>	<ul style="list-style-type: none"> • Practicing ethical conduct and correct transactions
<p>Green Procurement</p>	<ul style="list-style-type: none"> • Resource conservation/recycling • Elimination of prohibited substances
<p>Compliance</p>	<ul style="list-style-type: none"> • Compliance with laws and social rules • Dealing with the TRADE COMPLIANCES.
<p>Information Security</p>	<ul style="list-style-type: none"> • An absolute condition for joint development and participating in design.
<p>Human Rights, Labour, Safety/ Hygiene</p>	<ul style="list-style-type: none"> • Addressing the issues of conflict minerals

We actively support local suppliers in our procurement practices, provided they meet our stringent criteria for pricing, quality, performance and ethical standards. As of FYE 2025, local suppliers comprised 97% of our total supplier base. During the year, we also onboarded three new local suppliers who fulfilled our procurement requirements.

	FYE 2025	FYE 2024	FYE 2023
Proportion of spending on local suppliers (%)	97%	95%	92%

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

SUSTAINABILITY REPORTING

(CONT'D)

PMMA's Suppliers Quality Improvement Activities

Panasonic's corporate-wide Quality Policy reflects our commitment to "truly serving customers by providing products and services that continuously meet and satisfy their needs and those of society." Customers are central to our business, and delivering high product quality is essential to maintaining trust in our brand. This commitment extends to our suppliers, as we promote Panasonic's quality principles to enhance their overall quality management systems and ensure the delivery of high-quality parts.

Our Incoming Quality Control ("IQC") team leads the continuous monitoring of supplier improvement activities. In FYE 2025, we conducted targeted audits to strengthen supplier process control and prevent defect leaks. These supplier quality audits focus on five areas: document control, process control, corrective and preventive action, incoming material control, and ongoing quality system and management.

In addition to formal audits, we conducted regular quality meetings and reviews to assess the effectiveness of countermeasures and share best practices with our suppliers. We also conducted on-site verifications of improvement actions and provided education through on-the-job training.



For the year under review, we strengthened supplier quality by working directly with vendors that recorded high Material Return ("MRT") or rejection rates. We identified root causes, implemented corrective actions and improved inspection skills among supplier operators. We actively monitored progress and secured commitment from suppliers' top management to sustain these improvements.

We also enhanced our training approach for new operators by delivering focused defect identification sessions, assigning experienced mentors and conducting regular feedback reviews. To ensure effectiveness, we applied 100% part inspections and tracked operator performance over a six-month period.

These efforts resulted in a significant reduction in MRT cases across most suppliers, indicating improved inspection practices and enhanced quality control within our supply chain.

**TOGETHER
EVERYONE
ACHIEVE**

Strengthen QCDES, reduce total cost.

SUSTAINABILITY REPORTING

(CONT'D)



ENVIRONMENT

ENVIRONMENTAL
COMPLIANCE

PMMA remains committed to operating in full compliance with all applicable environmental laws and regulations in Malaysia. To support the effective implementation of our Environmental Policy, we have established the PMMA Environmental Facilities Committee ("EFC"), which periodically reviews the environmental performance of our factories. We have also appointed the Environment Management Department Team Leader as the company's Environment Management Representative ("EMR"). The EMR is responsible for ensuring compliance with all environmental-related requirements, and 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. This certification affirms our commitment to promoting environmental stewardship within our business and reflects our efforts to meet regulatory requirements and reduce our environmental impact.

Total Energy
Consumption

37,373
MWh

Total GHG
Emissions

21,611
(tCO₂e)

Total Waste
Generated

7,216
metric tonnes

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

ENERGY MANAGEMENT AND EMISSIONS

Panasonic has committed to minimising its carbon footprint through various environmental initiatives outlined in the Panasonic Environment Vision 2050. This long-term vision, established by Panasonic Holdings Corporation in 2017, aims to achieve a sustainable and safe society with clean energy and a more comfortable lifestyle. In alignment with this vision, PMMA established a Zero Carbon Emission Project Team in September 2022. The team engaged an expert from the Japan Environment Promotion Department to conduct an energy-saving diagnosis, generating new ideas to support PMMA's energy-saving efforts.

Energy Efficiency

We continue to advance energy efficiency efforts across our operations, in support of both national goals and Panasonic Group's long-term environmental ambition under Panasonic GREEN Impact ("PGI"). PGI reflects the Group's commitment to achieving carbon neutrality and progressing a circular economy.

Since 2019, we have implemented multiple energy-saving initiatives to reduce carbon emissions. These include the successful installation of solar panels on the rooftop of our existing SA2 plant building in 2020 and the new SA2 building in 2022, in collaboration with Panasonic Life Solution and Panasonic Malaysia Sdn Bhd. In January 2024, additional solar panels were successfully installed on selected rooftops at our SA1 facility. Further expansion is underway through Phase 2 of SA1's Rooftop Solar System, which will contribute an additional 892 kWp upon completion, which is targeted for end-August 2025.

SUSTAINABILITY REPORTING

(CONT'D)

To optimise building energy use, the new SA2 building has been equipped with Air Conditioning and Mechanical Ventilation ("ACMV") Systems and Variable Refrigerant Flow ("VRF") Air Conditioning Facilities, which has significantly reduced energy consumption while achieving cost savings. We have also introduced energy-saving measures such as sensors and timers on powder coating lines, reduction of open areas in melting furnaces at die-cast facilities to minimise heat loss, and the gradual replacement of traditional lighting with energy-efficient LEDs at both SA1 and SA2.

To further drive awareness and internal engagement around PGI, PMMA hosted the opening ceremony of the PGI Exhibition Tour on 12 November 2024. This event marked the first stop in the Malaysian leg of the tour and the first PGI exhibition held by a Panasonic company in Malaysia. The event served as an important educational platform for employees to better understand PGI's two core pillars of carbon neutrality and circular economy, and their relevance to PMMA's sustainability strategy.



We remain focused on reducing energy use and developing resource-efficient, low-carbon products in collaboration with Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd.. Our efforts in sustainable product design and engineering are aligned with our goal of achieving net-zero CO₂ emissions at the factory level by FYE 2026, in accordance with the Panasonic Group's commitment to achieving net-zero across all group companies by 2030.

Energy Consumption

During the reporting period, we continued to track our energy consumption by source. In FYE 2025, PMMA recorded a total energy consumption of 37,373 MWh, of which a significant portion is from purchased electricity.

Energy Sources	FYE 2025 (MWh)	FYE 2024 (MWh)	FYE 2023 (MWh)
Purchased Electricity	20,146	20,634	21,465
Solar Panels	2,634	2,478	1,974
Fuel Consumption – Diesel	383	377	441
Fuel Consumption – Petrol	302	Nil	Nil
Fuel Consumption – Natural Gas	13,855	13,873	13,708
Fuel Consumption – LPG	53	Nil	Nil
Total	37,373	37,362	37,588

1. The energy conversion factor used for fuel litre consumption is derived from the UK Government GHG Conversion Factors for Company Reporting 2024 and 2023 based on petrol/diesel which is 100% mineral and LPG.
2. The energy conversion factor for natural gas from gigajoules (GJ) to kilowatt-hours (kWh) is 277.78. This value was then divided by 1,000 to obtain the equivalent in megawatt-hours (MWh).
3. We have only begun tracking our petrol and diesel consumption for company-owned vehicles and LPG consumption in the FYE 2025 reporting year.
4. For natural gas calculations, a CV of 0.0383 was used to convert Sm³ to GJ.
5. Our figures for FYE 2024 and FYE 2023 have been restated, reflecting the change in measurement units to MWh.

SUSTAINABILITY REPORTING

(CONT'D)

Carbon Emissions

Our approach to reducing carbon emissions focuses on the adoption of green technology, with priority given to the installation of solar panels. These panels generate renewable and cleaner energy, and help reduce our dependency on energy from the national grid, which is generated from fossil fuels.

In addition to Scope 1 and Scope 2 GHG emissions, we have also begun tracking our Scope 3 GHG emissions, specifically from Business Travel and Employee Commuting. These emissions, although indirect, contribute to our overall carbon footprint and represent key areas where we can engage with our employees and implement policies to promote more sustainable travel practices.

The breakdown of our emissions profile is as follows:

Emission Type	Sources	FYE 2025 (tCO ₂ e)	FYE 2024 (tCO ₂ e)	FYE 2023 (tCO ₂ e)
Scope 1	Diesel	103	101	118
	Petrol	77	Nil	Nil
	Natural Gas	2,534	2,537	2,507
	Liquefied Petroleum Gas (LPG)	12	Nil	Nil
Scope 2	Purchased Electricity	15,593	15,971	16,614
Scope 3	Business Travel	81	Nil	Nil
	Employee Commuting	3,211	Nil	Nil
Total		21,611	18,610	19,239

- Scope 1 emissions are direct greenhouse gas ("GHG") emissions that occur from sources that are owned or controlled by the Company. The Emission Conversion factor for Scope 1 is derived from the UK Government GHG Conversion Factors for Company Reporting 2024, based on petrol/diesel, which are 100% mineral oil and LPG.
- Our Scope 1 emissions for FYE 2025 are inclusive of our petrol and diesel consumption from company-owned vehicles and LPG consumption, which we have only begun tracking for the reporting year FYE 2025.
- Scope 2 emissions are indirect GHG emissions arising from the generation of purchased electricity consumed by the Company. Emission Conversion factor for Scope 2 is derived from Energy Commission Malaysia - Grid Emission Factor (GEF) in Malaysia (2022), emission factor of 0.774 tCO₂e/MWh.
- Our Scope 1 and Scope 2 emissions data for FYE 2024 and 2023 have been restated, reflecting the enhancements in data collection and calculation methodology.
- We have commenced tracking Scope 3 emissions – Business Travel and Employee Commuting – for the current reporting year FYE 2025.
- With regard to employee commuting for our local staff, we have estimated total emissions based on responses from our employee commuting survey.
- For our foreign workers, commuting is facilitated via a bus service provided and funded by PMMA. Emissions were calculated based on the total round-trip distance (in kilometres) between the employee hostels and our manufacturing plants, SA1 and SA2. The calculation also factored in the number of foreign workers commuting to each location—124 employees to SA1 and 272 employees to SA2—using the average local bus emission factor of 0.10846 tCO₂e/passenger-kilometer, as published in the UK Government GHG Conversion Factors for Company Reporting 2024.
- For business travel by land, the distance travelled was estimated using the total mileage claims (in RM) and PMMA's mileage claim policy. The mileage claims were estimated based on our assumptions, where we selected 10 samples and determined that the median proportion of actual mileage was 80% of the total reimbursement claims. This percentage was then extrapolated to the entire reimbursement dataset. Emissions were then calculated using an average petrol car emissions factor of 0.0001645 tCO₂e/km, as published in the UK Government GHG Conversion Factors for Company Reporting 2024.
- For business travel by air, emissions were estimated using the ICAO Carbon Emissions Calculator, the official UN tool for quantifying CO₂ emissions based on the departure and destination airports, number of passengers, type of cabin class, and type of flight.
- We have excluded emissions from any overnight stays and any form of other travel.

For FYE 2025, the GHG emissions intensity ratio is not reported due to the absence of comparable historical data. Both FYE 2024 and FYE 2025 included Scope 1 and Scope 2 emissions calculations. However, for FYE 2025, we have expanded our Scope 2 inventory to include vehicle fuel and LPG consumption. Additionally, Scope 3 emissions have been incorporated for the first time, covering land and air travel by staff as well as commuting by bus for our foreign workers.

SUSTAINABILITY REPORTING

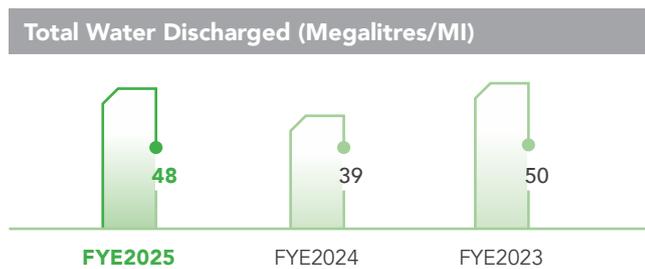
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WATER

Discharged Water

PMMA is cognisant of the potential pollutants that may originate from our manufacturing operations and their potential impact on local waterways in the areas where we operate, particularly from untreated wastewater. Recognising the detrimental effects that wastewater contaminants can have on the ecosystems of downstream water bodies, we are committed to employing effective methods for treating and removing wastewater from our project sites before discharge in accordance with the Environmental Quality Act 1974. This helps mitigate any adverse effects on surrounding ecosystems and maintains water quality.

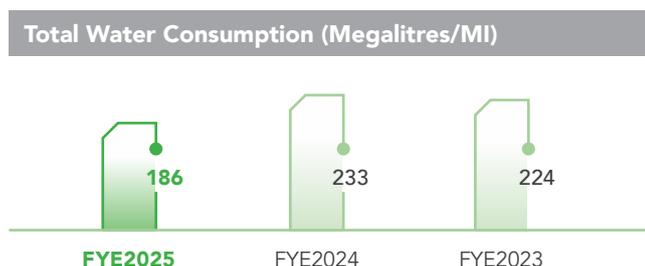
In FYE 2025, we discharged 48 megalitres of treated wastewater. We recorded no significant spills into water sources and reported no instances of non-compliance with applicable water quality standards and regulations.



Water Consumption

PMMA sources its water primarily from local municipal water supply systems, using it mainly for our manufacturing processes and in support areas within our buildings. Despite our water consumption, we are mindful that it does not significantly impact water availability in the regions where we operate, and there is currently no immediate water scarcity at our manufacturing sites.

In FYE 2025, PMMA's total water usage across our operations decreased to 186 megalitres, representing a 20% reduction compared to the previous year. The significant reduction in water consumption can be attributed to increased awareness of water management activities during the reporting period.



Water Withdrawn - Water Discharged = Water Consumption.

WASTE MANAGEMENT

Waste generation is an unavoidable part of our production processes. We work to reduce the waste generated by our factories and increase the volume of valuable materials and resources that are recycled. Our waste management approach complies with Malaysia's National Solid Waste Management Policy and the Environmental Quality Act 1974, particularly on waste storage and disposal.

Our ongoing focus is to strengthen internal waste separation practices, raise employee awareness and identify opportunities for circularity practices.

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

Category	FYE 2025 (Metric Tonne)	FYE 2024 (Metric Tonne)	FYE 2023 (Metric Tonne)
Waste directed to disposal	1,054	887	1,047
Waste diverted from disposal	6,162	6,599	6,819
Total Waste Generated	7,216	7,486	7,866

Waste Directed to Disposal

PMMA prioritises the responsible management and proper disposal of scheduled waste produced by our manufacturing operations. Given the nature of our activities, a significant portion of the hazardous waste generated consists of metal sludges, used oils, used paints and contaminated containers, gloves and rags. In addition to hazardous waste, our operations also generate non-hazardous waste, primarily made up of domestic waste.

In compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005, we engage licensed third-party disposal service contractors to collect and dispose of both hazardous and non-hazardous waste from our production processes through stringent processes at approved facilities. To ensure continued compliance, our Environment Team, comprising trained competent personnel, conducts routine inspections across our facilities to ensure proper storage and labelling of hazardous waste in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005.

SUSTAINABILITY REPORTING

(CONT'D)

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

Waste Directed to Disposal (Metric Tonne)					
FYE	SW Code*	Type of Scheduled Waste	Hazardous Waste Generated	Total Hazardous Waste Generated	Total Non-Hazardous Waste Generated
2025	SW 104	68	683	371	1,054
	SW 110	2			
	SW 204	45			
	SW 305	3			
	SW 306	4			
	SW 307	57			
	SW 322	6			
	SW 401	247			
	SW 408	1			
	SW 410	17			
	SW 417	4			
	SW 418	118			
SW 422	111				
2024	SW 104	84	500	387	887
	SW 110	7			
	SW 204	64			
	SW 305	3			
	SW 306	4			
	SW 307	60			
	SW 322	7			
	SW 401	100			
	SW 408	1			
	SW 410	15			
	SW 417	1			
	SW 418	134			
SW 422	20				
2023	SW 104	86	610	438	1,047
	SW 110	3			
	SW 204	85			
	SW 206	21			
	SW 305	17			
	SW 306	6			
	SW 307	64			
	SW 401	193			
	SW 410	15			
	SW 418	115			
	SW 422	4			

*Scheduled Waste Code

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

SUSTAINABILITY REPORTING

(CONT'D)

Waste Diverted from Disposal

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

To ensure product quality while incorporating recycled raw materials, PMMA's Quality Control Department works closely with Panasonic Appliances R&D Asia Pacific Sdn. Bhd. ("PAPRADAP") to ensure compliance with material specifications and product quality standards. This includes conducting regular audits of supplier factories and ensuring compliance with the Restriction of Hazardous Substances ("ROHS") to ensure that suppliers meet all relevant Panasonic regulations and standards, without compromising product quality or performance.

Under the Panasonic Green Impact 2024 ("GIP2024") programme, the utilization of recycled resin for FYE 2025 is 11% and the target for FYE 2026 is 20% to by 2026. To realise this goal, we have established partnerships with new recycled resin manufacturers and initiated research and development projects with them.

In FYE 2025, PMMA diverted 6,162 tonnes of waste. A breakdown of the waste that was recycled, reused or repurposed is as listed below:

Diverted Waste	FYE 2025 (Metric Tonne)	FYE 2024 (Metric Tonne)	FYE 2023 (Metric Tonne)
Paper	438	515	620
Plastic	625	692	711
Metal Scraps	4,990	5,319	5,282
Electrical Items	2	8	3
Aluminium	107	65	203
Total	6,162	6,599	6,819



Awareness to Minimize ECO Friendly

- ✘ Overproduce
 - Follow to schedule.
- ✘ Excess Inventory
 - Produce in smaller batch.
 - Defect products.
 - Follow to specification.
- ✓ REDUCE wasted energy.
 ✓ REDUCE wasted material.
 ✓ REDUCE reprocess material.
- ✓ Good Quality Planning
 - ✓ REDUCE time waste.
 - ✓ MINIMIZE transportation.
- ✓ Improve Packaging Material
 - Made of RECYCLE material RECYCLE container/carton box.
- ✓ Program of End of Life
 - Disposed of WITHOUT HARM to environment RECYCLE in other application.

SUSTAINABILITY REPORTING

(CONT'D)



SOCIAL



OCCUPATIONAL SAFETY AND HEALTH

We prioritise the health and well-being of all our employees and are committed to providing a safe and healthy working environment. Our culture of safety is anchored in proactive risk identification, structured monitoring and employee engagement, supported by strong leadership, continuous training and active participation of employees at all levels.

Our localised Occupational Safety and Health ("OSH") Policy, guided by Panasonic Group's global Environment, Health and Safety ("EHS") framework, reflects this priority. It is supported by detailed Standard Operating Procedures ("SOPs") and a robust framework for our OSH governance that guides all activities across our manufacturing plants. Additionally, we have adopted rigorous control SOPs from Panasonic Holdings Corporation's OSH Activity Guideline for critical activities. Our OSH Management System, established in 2013, provides a structured approach to managing safety risks and promoting employee well-being.

PMMA adheres to the Occupational Safety and Health Management System ISO45001:2018, which aligns with Malaysia's occupational safety regulations and the Safety Standards established by Panasonic Japan Headquarters. This comprehensive

0% Zero Work Related Fatalities

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

framework enables us to identify, assess and manage workplace hazards systematically, ensuring a safe and healthy workplace for our employees, contractors and visitors. In particular, we remain focused on cultivating greater risk awareness by identifying and managing all risk factors and mitigating their adverse effects on individuals' physical, mental, and cognitive well-being. We ensure emergency preparedness and implement ongoing system improvements and health surveillance measures to prevent accidents and occupational illnesses, ultimately aiming for zero injury incidents.

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

We conduct annual internal and external OSH audits and risk assessments, including at both SA1 and SA2 plants, to ensure sustained compliance and effective risk mitigation. These include cross-reference audits at the group level locally and the Business Division in Japan. These audits ensure that legal requirements are met and help identify opportunities for improvement. We also implement mandatory safety measures such as safety inspections of new machines, daily OSH procedures and safety training in PMMA's day-to-day operations that promote awareness and safe OSH practices throughout our business.

SUSTAINABILITY REPORTING

(CONT'D)

Work-Related Fatalities and Lost Time Incidents

In line with our target to achieve zero accidents, we continued to strengthen safety protocols and implement health initiatives, with a strong focus on machine safety. All machinery undergoes a thorough safety inspection both prior to and upon installation to prevent workplace incidents.

During the reporting year, PMMA maintained a zero-fatality record and recorded no reportable occupational illnesses. Four incidents were classified as major. With ongoing automation and process upgrades, PMMA increased its emphasis on machine and automation safety protocols, particularly in assembly and parts manufacturing lines. Safety infrastructure was also strengthened through investments in guarded workstations, machine interlock systems and improved ventilation within production areas.



Our Lost Time Incident Rate ("LTIR") rose slightly to 1.00% in FYE 2025 compared to the previous reporting year.

	FYE 2025	FYE 2024	FYE 2023
Number of Bodily Injuries (Loss Time Injuries)	15	15	13
Total number of hours worked	3,010,090	3,453,341	3,369,492
Lost Time Incident Rate ("LTIR") (%)	1.00	0.87	0.75

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

As a manufacturing company engaged in high-risk and high-skilled work with machinery, ensuring the safety of our workforce remains critical. To strengthen operational safety, we provide our employees with targeted knowledge and safety training specific to our facility operations. This proactive approach enables them to manage potential risks and operate machinery safely, thereby reducing the likelihood of accidents or injuries.

Training modules on safe handling of automated systems and emergency response procedures were refreshed and rolled out to both permanent and contract workers. In parallel, contractor safety management was reinforced through stricter onboarding, Personal Protective Equipment ("PPE") compliance checks and tighter site access controls.

Encouragingly, near-miss and hazard reporting rates improved year-on-year, reflecting a growing awareness and participation among employees in maintaining a safe working environment.

In FYE 2025, a total of 815 employees participated in the health and safety training programmes.

	FYE 2025	FYE 2024	FYE 2023
Number of employees trained on health and safety standards	815	1,139	1,389

Ensuring Health and Safety of Our Products

PMMA upholds the rigorous safety standards set by Panasonic Holdings Corporation and complies with all relevant local government regulations to ensure that our products are safe and reliable, minimising the risk of liability claims. During the product design and development phase, every new model undergoes thorough safety checks and performance assessments, with results reported to top management for timely review. We also prioritise food sanitation tests for components that come into contact with food to ensure that our products pose no health risks. In the event of safety concerns arising in the market, we adopt a "Bad News First" approach, swiftly reporting issues to the Managing Director to facilitate timely decision-making. Internal and external audits, including those conducted by SIRIM and authorised certification bodies, further scrutinise the effectiveness of our processes in ensuring product safety.

To mitigate market defective losses, PMMA supplies standby replacement parts to our sales department, which expedites the return of samples and investigation. We conduct detailed root cause analyses to address issues at their source and implement corrective measures to prevent recurrence. Our improvement efforts include refining our design review processes for new model development, ensuring that we consistently deliver top-quality products to our customers.

SUSTAINABILITY REPORTING

(CONT'D)

In FYE 2025, PMMA's market defective ratio increased from 0.327 to 0.483. This outcome highlights the importance of reinforcing our quality management systems and the need for continued vigilance and improvement. We continue to intensify efforts to strengthen quality controls with the aim of surpassing prior performance benchmarks. Our commitment to customer safety and satisfaction remains steadfast as we continue to embed a strong culture of quality compliance throughout our organisation.

INFORMATION SECURITY MANAGEMENT

PMMA's Information Security Management ("ISM") System is anchored on three key principles: Confidentiality, Integrity and Availability ("CIA"). We are committed to safeguarding the Company's Confidential Information and protecting it against internal and external threats or risks. Strengthening information security supports stakeholder trust, reinforces regulatory compliance and contributes to long-term business sustainability.

We integrate ISM considerations into all business functions to ensure there are no data leaks or tampering. PMMA is committed to effectively managing and protecting information security through the implementation of organisational, technological and physical security management policies.

Cybersecurity remains a priority as digitalisation advances across our operations. To mitigate cyber risks, we adopt a structured approach based on three threat categories: people, network and systems. Risk scenarios and corresponding mitigating measures are regularly assessed to ensure effective information security management.

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

All employees undergo regular information security awareness education and training to enhance their understanding of information security and cultivate a workplace culture that is highly sensitive to information security risks. This is crucial for controlling and preventing accidents and ensuring ongoing compliance with the Information Security Management System ISO 27001:2013. In FYE 2025, 100% of our employees with email access enrolled in the "Online Panasonic Security & Compliance e-Learning" course. Additionally, 99% of new joiners completed ISM as part of their onboarding orientation by 31 March 2025.

	FYE 2025	FYE 2024	FYE 2023
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	None	None	None

PMMA monitors and manages both ISM events and incidents, in line with internal protocols and best practices. An ISM event refers to any observable occurrence within a system or network that may be relevant to the security of information systems. Examples include user logins, system access or firewall activity. These events support early detection of anomalies and potential risks. An ISM incident refers to a confirmed or suspected breach of security policies that may compromise the confidentiality, integrity or availability of information or systems. Incidents trigger immediate investigation and response measures.

During the reporting period, PMMA recorded one event and one incident involving non-compliance with internal controls related to the ISM policy and procedures.

In response to both incidents, PMMA conducted internal reviews and implemented appropriate corrective and preventive measures. These included reinforcing staff communications on data handling expectations and tightening controls around external personnel.

SUSTAINABILITY REPORTING

(CONT'D)

DIVERSITY AND EQUAL OPPORTUNITY

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

Employee Diversity

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

Employee Breakdown by Gender Group	FYE 2025 (%)		FYE 2024 (%)		FYE 2023 (%)	
	Male	Female	Male	Female	Male	Female
Senior Management	79	21	79	21	77	23
Middle Management	61	39	67	33	67	33
Executive	56	44	55	45	53	47
Non-Executive	71	29	71	29	71	29
Overall Composition	70	30	69	31	70	30

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

Employee Breakdown by Age Group	FYE 2025 (%)			FYE 2024 (%)			FYE 2023 (%)		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Senior Management	Nil	34	66	Nil	28	72	Nil	39	61
Middle Management	Nil	57	43	Nil	51	49	Nil	60	40
Executive	23	59	18	29	56	15	25	60	15
Non-Executive	34	55	11	48	43	9	50	42	8
Overall Composition	31	55	14	44	44	12	46	44	10

We do not set specific outcome-based targets for gender or age representation. Instead, we remain focused on promoting a merit-based and healthy work environment that encourages productivity and performance across all employee levels.

Board Diversity

As of the reporting date, four out of nine members of the Board are female, representing 40% of the total Board composition. While the Board has not set a target for female representation, this figure exceeds the 30% threshold recommended by the Malaysian Code on Corporate Governance (MCCG).

Board of Directors
Breakdown by
Gender Group
FYE 2025,
FYE 2024 & FYE 2023



Board of Directors Breakdown by Age Group	FYE 2025 (%)			FYE 2024 (%)			FYE 2023 (%)		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
	Nil	Nil	100	Nil	Nil	100	Nil	Nil	100

SUSTAINABILITY REPORTING

(CONT'D)

HUMAN CAPITAL MANAGEMENT

PMMA upholds the protection of fundamental human rights in all recruitment practices and ensures full compliance with Malaysia's employment laws and regulations. As a labour-focused organisation, our workforce is vital to our business performance and delivering on corporate strategies. It is essential that we cultivate a fair and supportive working environment for all employees, while continually developing our human capital to meet the demands of an evolving global business environment.

Training and education

We view our employees as our most valuable asset and are committed to their growth and development. To strengthen workforce capability, we conduct on-the-job training ("OJT") for all production staff, including foreign workers, facilitated by our in-house trainers. We also offer tailored technical and management training programmes to address the individual development needs of our organisation. We promote a culture of continuous learning and growth, and strongly advocate for a workforce that is upskilled. Consequently, we have designed a range of career development initiatives aimed at fostering the professional growth of our employees in tandem with the Company's growth.

Our comprehensive training regimen includes both technical and non-technical competencies to ensure our employees acquire the skills and knowledge necessary to excel in our industry. In FYE 2025, we achieved a total of 13,302 training hours.



Chemical Spillage Training and Drill



Safety Awareness



First Aid Training

SUSTAINABILITY REPORTING

(CONT'D)



Overhead Crane Training



First Aid Training



Kiken Yochi Training (KYT)

Employee Category	FYE 2025 (Hours)	FYE 2024 (Hours)	FYE 2023 (Hours)
Senior Management	446	897	407
Middle Management	1,914	2,697	1,610
Executive	4,480	4,079	3,004
Non-Executive	6,462	6,455	5,259
Total	13,302	14,128	10,280

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

We believe that investing in employee development strengthens the capabilities of our existing workforce while helping us attract and retain new talent for critical roles. Looking ahead, we are committed to nurturing the next generation of Panasonic leaders through a structured global talent management framework. Our Executive Development Training programmes aim to inspire and equip executive-level candidates with fresh perspectives, innovative thinking, and the adaptive mindset necessary to navigate a rapidly evolving business environment. These initiatives form a key part of our leadership pipeline strategy, supporting long-term organisational growth.

SUSTAINABILITY REPORTING

(CONT'D)

Utilisation of Contractors/Temporary Staff

In FYE 2025, contract/temporary staff made up 3% of PMMA's workforce. The Company employs a number of contract/temporary staff as this allows for the flexibility and cost control needed to adapt to changing market conditions and production requirements.



However, PMMA recognises the importance of ensuring that all temporary workers are treated fairly, receive appropriate compensation and benefits, and experience a positive working environment. Upholding these principles is crucial for maintaining a productive and motivated workforce.

Employee turnover

The table below presents the breakdown of employee turnover by category for our permanent workforce. While some level of turnover is expected, we try to minimise attrition among business-critical and high-performing employees. Through continuous employee engagement, we actively seek feedback to identify areas for improvement and enhance retention strategies.

Employee Category (Permanent Staff)	Number of Employee Turnover		
	FYE 2025	FYE 2024	FYE 2023
Senior Management	2	2	0
Middle Management	4	4	5
Executive	13	20	17
Non-Executive	326	427	465
Total	345	453	487

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

Employee Benefits

PMMA is committed to providing fair and competitive compensation in full compliance with the Minimum Wages Order. In addition to fair remuneration, we aim to cultivate a supportive and positive work environment by offering comprehensive employee benefits, such as life insurance, healthcare check-ups, housing loans, retirement plans, and other well-being initiatives.

We contribute to Malaysia's Employees Provident Fund (EPF), a defined contribution scheme in accordance with national regulations. All eligible employees are covered under this retirement scheme, with contributions made by both the Company and employees based on statutory rates.

We conduct regular audits to ensure our employment systems and procedures comply with all relevant laws and regulations. For the reporting year, we have fully complied with all applicable Employment Laws and Regulations.

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



SUSTAINABILITY REPORTING

(CONT'D)

Employee Engagement and Satisfaction

PMMA participates annually in the Panasonic Employee Opinion Survey (“EOS”), an initiative funded by Panasonic Holdings Corporation and facilitated by an independent consulting firm. The survey allows employees to share their feedback, needs, and concerns anonymously. The primary goal is to gain insights that will inform continuous improvements aimed at enhancing the employee working experience and overall organisational performance.

Employees respond to a series of questions covering 15 key dimensions that help identify areas for improvement and bolster PMMA’s reputation as an employer of choice. In the survey conducted in 2024, four themes emerged as particularly favorable: Safety at Work (91%), Clear & Promising Direction (88%), Quality & Customer Focus (87%), and Compliance (87%). An overall improvement in ratings was observed, attributed to the clear articulation of business direction by the Managing Director, which helped strengthen employee confidence.

The EOS is cascaded to respective group managers, who will collaborate with their teams to develop actionable plans addressing identified issues and leveraging collective insights for continuous improvement.



A Better Dialogue

To remain competitive in a constantly evolving landscape, we recognise that the unique strengths of each employee are essential. We strive to foster an environment where every employee is encouraged to grow and develop in their own unique way. Panasonic embraces this ethos through the implementation of “A Better Dialogue”, an initiative rooted in our Basic Business Philosophy that promotes value creation. This initiative enhances the quality and frequency of dialogues between employees and managers, thereby boosting both individual and organisational performance.

During the reporting year, we continued face-to-face dialogues between Group Managers and their team members, particularly among Management Staff. These discussions focus on employees’ aspirations and their contributions to PMMA’s growth. Managers offer individualised support to help employees develop their potential and take on new challenges as part of their career progression.



SUSTAINABILITY REPORTING

(CONT'D)

Employee Labour Rights

In line with Panasonic Holdings Corporation's Global Human Rights and Labour Policies established in 2016, PMMA upholds a strong commitment to respecting human rights. PMMA has adopted the Panasonic Group of Companies in Malaysia Policy on the Responsible Recruitment and Employment of Foreign Migrant Workers. This mandatory policy ensures adherence to the Malaysia Policy on Responsible Recruitment and Management of Migrant Workers, as well as Malaysian laws, during the recruitment process of foreign migrant workers.

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

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

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

Substantiated Complaints

During the reporting year, PMMA did not receive any substantiated complaints from regulatory or official bodies regarding violations of human rights involving our workers.

	FYE 2025	FYE 2024	FYE 2023
Number of substantiated complaints concerning violation of human rights received	None Reported	2	None Reported



CONCLUSION

Strengthening sustainability remains essential for long-term business resilience and relevance. Sustainability ensures continual value creation that benefits the broader value chain and all relevant stakeholders. We acknowledge the contributions of our employees in advancing our sustainability journey. As we move forward, we will further refine our corporate governance and sustainability management practices to meet evolving regulatory standards and increasing stakeholder expectations.

BURSA MALAYSIA'S COMMON INDICATORS

Indicator	Measurement Unit	2024	2025
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	100.00	100.00
Executive	Percentage	100.00	100.00
Non-executive	Percentage	98.30	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00	5,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	200
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Senior Management Under 30	Percentage	0.00	0.00
Senior Management Between 30-50	Percentage	28.00	34.00
Senior Management Above 50	Percentage	72.00	66.00
Middle Management Under 30	Percentage	0.00	0.00
Middle Management Between 30-50	Percentage	51.00	57.00
Middle Management Above 50	Percentage	49.00	43.00
Executive Under 30	Percentage	29.00	23.00
Executive Between 30-50	Percentage	56.00	59.00
Executive Above 50	Percentage	15.00	18.00
Non-executive Under 30	Percentage	48.00	34.00
Non-executive Between 30-50	Percentage	43.00	55.00
Non-executive Above 50	Percentage	9.00 *	11.00
Gender Group by Employee Category			
Senior Management Male	Percentage	79.00	79.00
Senior Management Female	Percentage	21.00	21.00
Middle Management Male	Percentage	67.00	61.00
Middle Management Female	Percentage	33.00	39.00
Executive Male	Percentage	55.00	56.00
Executive Female	Percentage	45.00	44.00
Non-executive Male	Percentage	71.00	71.00
Non-executive Female	Percentage	29.00	29.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	56.00	56.00
Female	Percentage	44.00	44.00
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	0.00	0.00
Above 50	Percentage	100.00	100.00

BURSA MALAYSIA'S COMMON INDICATORS (CONT'D)

Indicator	Measurement Unit	2024	2025
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	108,118.00	37,373.00
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.87	1.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,139	815
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	3,594	2,360
Executive	Hours	4,097	4,480
Non-executive	Hours	6,455	6,462
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	10.00	3.00
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	6	6
Executive	Number	20	13
Non-executive	Number	427	326
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	90.00	97.00
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	233.000000	186.000000
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	7,486.00	7,216.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	6,599.00	6,162.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	887.00	1,054.00
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	1,309.00	2,726.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	13,520.00	15,593.00
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00	3,292.00

FIVE-YEAR FINANCIAL SUMMARY

FINANCIAL YEAR ENDED 31 MARCH

Financial Data		2021	2022	2023	2024	2025
Revenue	RM'000	974,558	868,776	991,628	905,685	822,778
Profit before taxation	RM'000	135,151	53,037	91,338	106,657	51,894
Profit after taxation	RM'000	116,454	51,511	80,132	92,646	46,137
Gross dividends paid/proposed	RM'000	99,016	50,419	74,110	82,614	37,662
Net dividends paid/proposed	RM'000	99,016	50,419	74,110	82,614	37,662
Total assets	RM'000	972,580	917,782	922,213	944,413	893,091
Share capital	RM'000	60,746	60,746	60,746	60,746	60,746
Shareholders' funds	RM'000	812,718	765,213	794,926	813,462	776,985

Financial Ratios						
Return on shareholders' funds	%	14.3	6.7	10.1	11.4	5.9
Earnings per share	sen	192	85	132	153	76
Net assets per share	RM	13.38	12.60	13.09	13.39	12.79
Dividend rate (gross)	sen	163	83	122	136	62

FINANCIAL HIGHLIGHTS

Financial Data		Year Ended 31 March 2025	Year Ended 31 March 2024
Revenue	RM'000	822,778	905,685
Profit before taxation	RM'000	51,894	106,657
Profit after taxation	RM'000	46,137	92,646
Percentage of revenue	%	5.6	10.2
Return on shareholders' funds	%	5.9	11.4
Earnings per share	sen	76	153
Dividend rate	sen	62	136
Shareholders' funds	RM'000	776,985	813,462
Net assets per share	RM	12.79	13.39
Total assets	RM'000	893,091	944,413
Capital expenditure	RM'000	24,213	24,718

FINANCIAL CALENDAR

INVESTOR MEETING

1st meeting
19 June 2024

PROPOSED FINAL DIVIDEND

Notice of Dividend
Entitlement
28 May 2025

Entitlement
Date
08 September 2025

Payment
Date
19 September 2025

INTERIM DIVIDEND

Notice of Dividend Entitlement
29 November 2024

Entitlement Date
20 December 2024

Payment Date
20 January 2025

60TH ANNUAL GENERAL MEETING

29 August 2025

ISSUANCE OF ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2025

31 July 2025

ANNOUNCEMENT OF RESULTS

1Q
26 August 2024

2Q
29 November 2024

3Q
28 February 2025

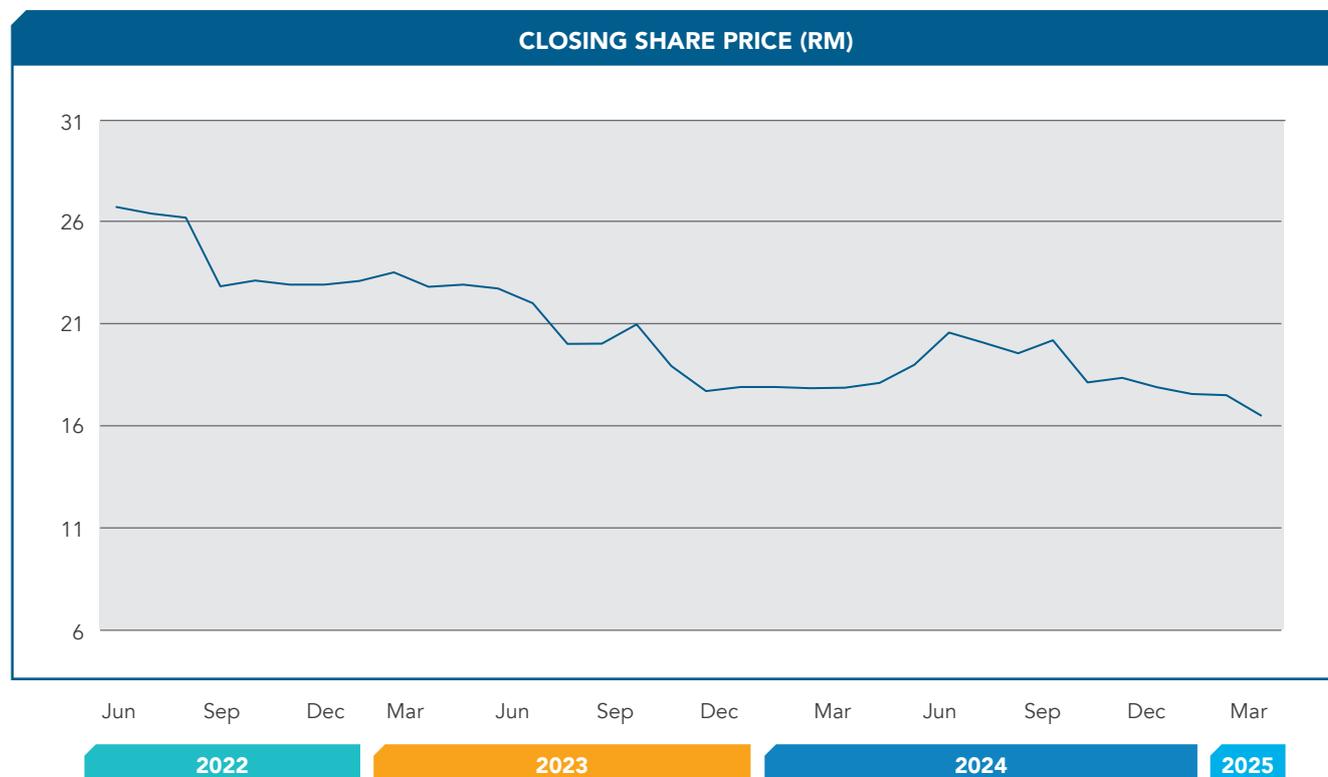
4Q
28 May 2025

FINANCIAL YEAR ENDED

31 March 2025



SHARE PERFORMANCE



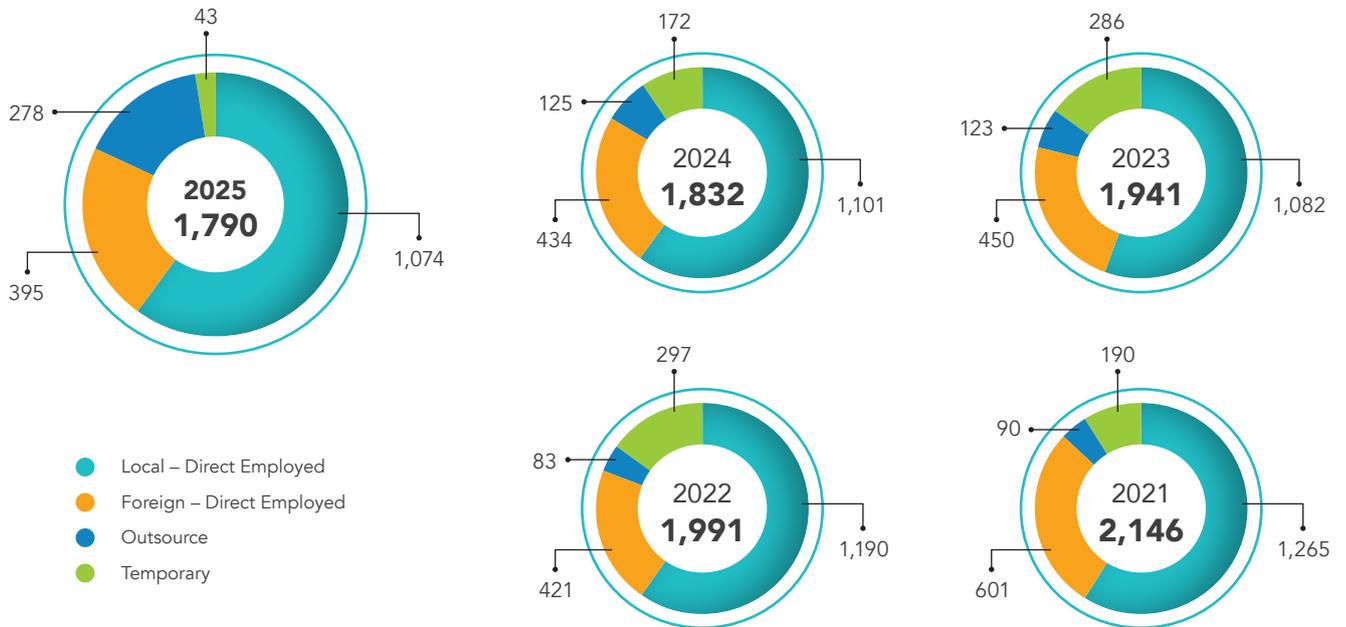
2024										2025		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	18.30	19.10	20.64	20.30	19.66	20.18	18.50	18.34	17.98	17.60	17.50	16.96
Lowest (RM)	18.10	18.92	20.30	20.02	19.52	19.96	18.10	18.24	17.84	17.54	17.42	16.00
Closing Share Price (RM)	18.10	18.98	20.56	20.06	19.54	20.18	18.12	18.34	17.88	17.56	17.50	16.50
Lots Traded (100 shares)	96,000	68,900	57,500	26,000	4,200	100,500	30,600	1,900	117,600	2,100	34,100	86,700

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

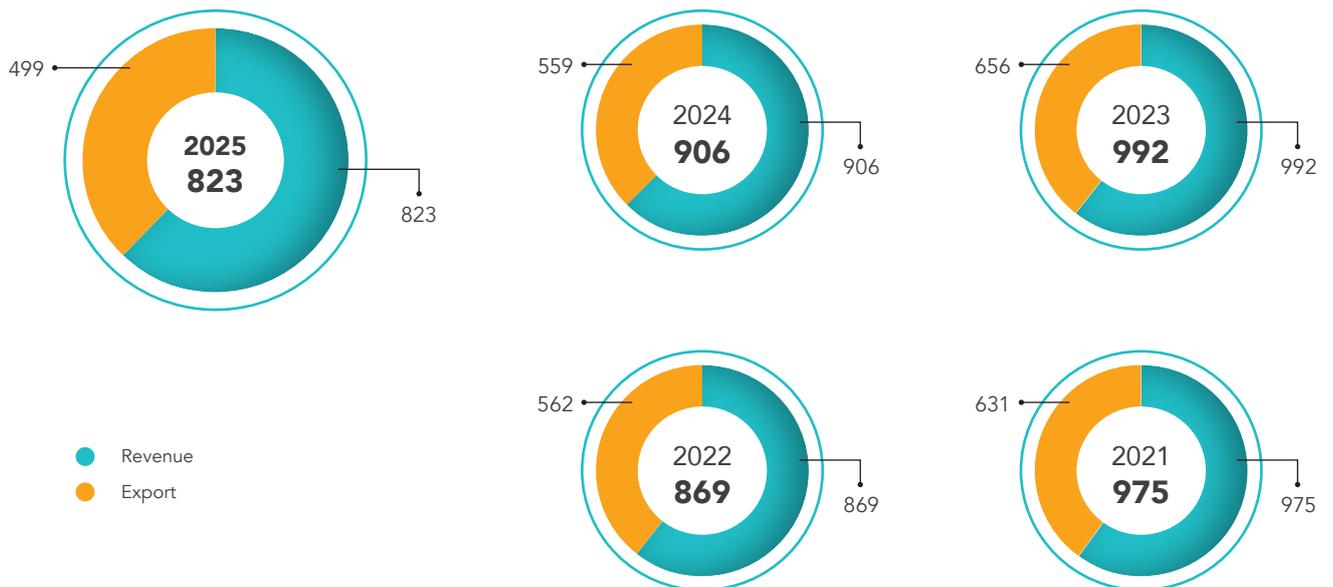
2022										2023		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	29.40	28.86	27.92	26.70	27.20	26.98	23.20	23.16	24.16	23.50	26.10	23.60
Lowest (RM)	31.00	27.98	26.40	25.56	26.00	22.50	22.10	22.50	22.80	22.50	22.96	22.60
Closing Share Price (RM)	31.14	28.02	26.70	26.38	26.18	22.82	23.10	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

FIVE-YEAR TREND

EMPLOYMENT (Number of Persons)



REVENUE/EXPORT (RM million)

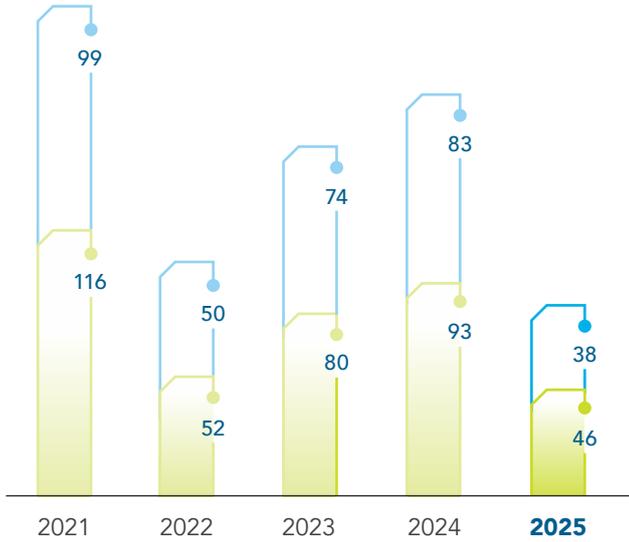


FIVE-YEAR TREND

(CONT'D)

PROFIT AFTER TAXATION/ NET DIVIDENDS PAID/PROPOSED

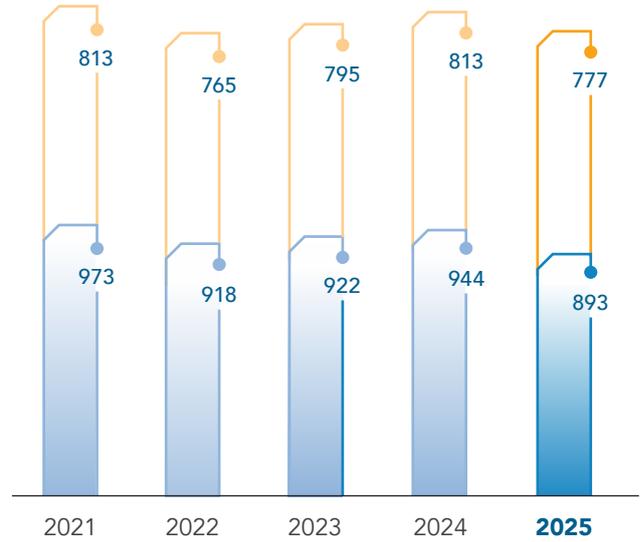
(RM million)



- Profit After Taxation
- Net Dividends Paid/Proposed

TOTAL ASSETS/ SHAREHOLDINGS FUNDS

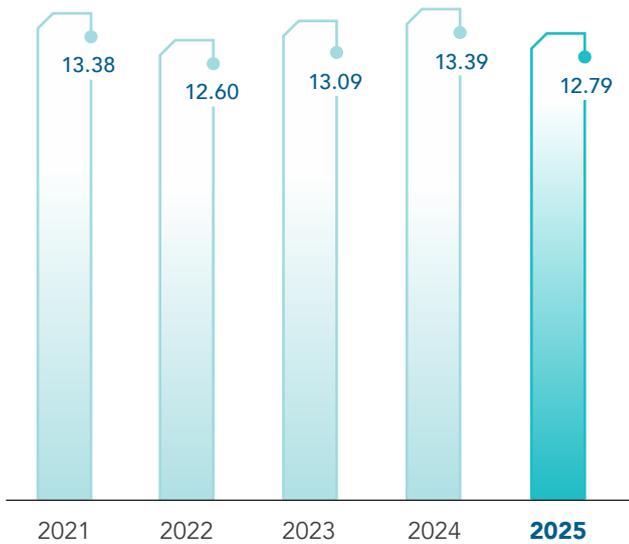
(RM million)



- Total Assets
- Shareholdings Funds

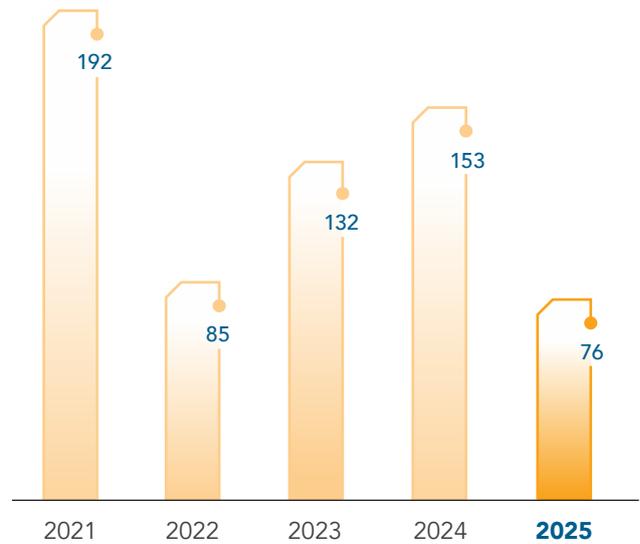
NET ASSETS PER SHARE

(RM)



EARNINGS PER SHARE

(sen)



BOARD OF DIRECTORS' PROFILE



DATO' AZMAN BIN MAHMUD

Chairman, Independent Non-Executive Director

Malaysian **64** **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.

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

In addition, he is a board member of companies within the Panasonic Group of Companies Malaysia and Akademi Transformasi Asnaf Perlis Sdn Bhd (a subsidiary of Majlis Agama Islam Perlis).

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

TAKASHI SUGIHARA

Managing Director

Japanese **60** **Male** Date of Appointment: **1 June 2023**

Mr Sugihara was appointed a Director and Managing Director of the Company on 1 June 2023. He was graduated from Hitosubashi 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 was 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 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 holds 115 common shares of Panasonic Holdings Corporation, the ultimate holding company of Panasonic Manufacturing Malaysia Berhad. He also has no family relationship with any Director and/or major shareholder of the Company. He attended all the Board Meetings during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

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

BOARD OF DIRECTORS' PROFILE

(CONT'D)



RAJA ANUAR BIN RAJA ABU HASSAN

Independent Non-Executive Director

Malaysian **70** **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 **75** **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 was formerly 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 **74** **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 holding the position of Chairman of the Executive Committee, Alzheimer Disease Foundation Malaysia and Deputy President 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 **57** **Female** Date of Appointment: **1 March 2018**

Ms Kwan was appointed the 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 been tasked to oversee the operations of the Information System Department.

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

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

BOARD OF DIRECTORS' PROFILE

(CONT'D)



SIEW PUI LING

Executive Director

Malaysian **61** **Female** Date of Appointment: **4 August 2014**

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

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

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

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

KEISUKE NISHIDA

Non-Independent Non-Executive Director

Japanese **51** **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 Corporation) ("PC") 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. He attended all the Board Meetings during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.

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

BOARD OF DIRECTORS' PROFILE

(CONT'D)



MASARU FUJIMOTO

Non-Independent Non- Executive Director

Japanese 60 Male Date of Appointment: 1 April 2025

Mr Fujimoto was appointed a Non-Independent Non-Executive Director of the Company on 1 April 2025. Mr Fujimoto graduated with a Bachelor of Economics from Kwansai Gakuin University, Japan.

Mr Fujimoto has over 35 years of working experience within the Panasonic Organization. Upon his graduation in 1988, he joined Matsushita Electric Industrial Co., Ltd (now known as Panasonic Holding Corporation, Japan ("PC")) in the Global Business Marketing Group and rose to the position of Senior Manager in April 2004 in charge of Panasonic Consumer Electronics Company. In April 2011, he was promoted to Associate Director to oversee the Vacuum Cleaner Business, Laundry Systems and Vacuum Cleaner Business Unit, Home Appliances Company, Panasonic Corporation.

He was made Managing Officer of the Living Appliances and Solutions Company, Panasonic Corporation (Director, Laundry Systems, and Vacuum Cleaner Business Division) in October 2021 and in April 2025 his portfolio in Living Appliances and Solutions Company was expanded and he now takes charge of Corporate Planning, Laundry Systems and Vacuum Cleaner Business, Asian Multi-Products Manufacturing Company, Refrigeration Devices Business).

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

STRATEGIC MANAGEMENT COMMITTEE

MEMBERS'S PROFILE



TAKASHI SUGIHARA

Director and Managing Director

Japanese **60** **Male** Date of Appointment: **1 June 2023**

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

Mr Sugihara was graduated from Hitotsubashi University, Japan with a Degree in Law and has more than 35 years of working experience with the Panasonic Holdings Corporation Group ("Panasonic"). He joined the Corporate Planning Department of Panasonic in 1988 and has been involved with Strategic Business Planning and was 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 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 holds 115 common shares of Panasonic Holdings Corporation, the ultimate holding company of Panasonic Manufacturing Malaysia Berhad. He also has no family relationship with any Director and/or major shareholder of the Company. He has no convictions for any offences within the past 5 years, other than traffic offences, if any.

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

KWAN WAI YUE

Executive Director

Malaysian **57** **Female** Date of Appointment: **1 March 2018**

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

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

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

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

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

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

STRATEGIC MANAGEMENT COMMITTEE MEMBERS'S PROFILE

(CONT'D)



SIEW PUI LING
Executive Director

Malaysian **61** **Female** Date of Appointment: **4 August 2014**

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

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

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

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

TETSUYA YOSHIDA
Director

Japanese **51** **Male** Date of Appointment: **16 October 2024**

Mr Tetsuya Yoshida was appointed a Senior Division Executive with responsibilities for management of business activities of the Company on date 16 October 2024. He graduated from the Graduate School of Engineering (Mechanical Engineering), University of Fukui, Fukui, Japan, with a Master's degree of Engineering.

Mr Yoshida joined Matsushita Seiko Co., Ltd. ("MSC") in April 1999 as a Technical Staff with Humidifier Section, Engineering Department, Osaka Division and was promoted to Manager of the Humidifier Development Section in the Healthy Indoor Air Quality Business Unit of Matsushita Ecology Systems Co., Ltd. in April 2006. In April 2013, he was made the Team Leader of the Global Fan Development Team, Indoor Air Quality Business Unit of Panasonic Ecology Systems Co., Ltd. ("PES").

Mr Yoshida subsequently in April 2016 took his overseas assignment and was transferred to the Company as Senior Group Manger, Product Development Engineering Department, PES Division. He was then transferred to Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd. in the same position in April 2018.

Upon his return to Japan in April 2022, Mr Yoshida was posted to PES as General Manager, CS/Quality Assurance Group, Indoor Air Quality Business Unit. He then moved to take charge of the Quality Management Group, Residential System Equipment Business Division, Heating & Ventilation A/C Company in April 2023 before taking on his assignment in the Company as Senior Division Executive.

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

COMMITMENT FROM THE BOARD

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

This Corporate Governance Overview Statement sets out the principle features of the Company’s corporate governance approach, summary of corporate governance practices during the financial year ended 31 March 2025 (“FY2025”) 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.

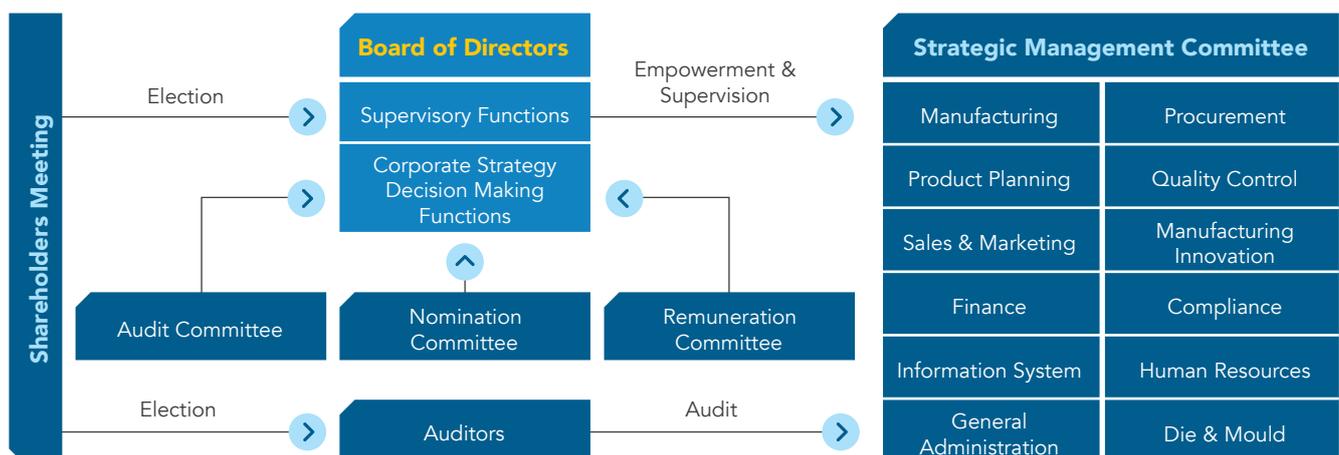
This Corporate Governance Overview Statement should also be read in tandem with other statements in the Annual Report, namely Statement on Risk Management and Internal Control, Audit Committee Report, Nomination Committee Report and the Sustainability Report.

The Company has applied all the Practices encapsulated in the Code for the financial year ended 31 March 2025 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); and
- **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.



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 53 to 57.

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 2024 and no revisions were made.

On time commitment, the Board is satisfied with the level of commitment given by each Director in fulfilling their roles as Director of the Company. Each Director is expected to commit sufficient time to attend all Board and Committee meetings, AGM/EGM, Directors' training, discussion with Management of the Company and meetings with stakeholders of the Company. All the Directors attended the Annual General Meeting of the Company held on 28 August 2024 where the Chairman, Managing Director and Executive Directors provided responses to the queries raised by the shareholders. Pursuant to Paragraph 15.06 of the Listing Requirements, a Director must not hold directorships of more than 5 public listed companies. None of the Directors have exceeded the limit while members of the Board were expected to notify the Chairman prior to their acceptance of any new directorship in another public listed company.

Schedule of matters reserved to the Board

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

Board Size, Leadership and Competencies

For FY2025, the Board had 9 members comprising of 4 Independent Non-Executive Directors (including the Chairman), a Managing Director, 2 Executive Directors and 2 Non-Independent Non-Executive Directors. The composition of the Board meets the criteria on one-third independent directorship as set out in the Main Market Listing Requirements and fairly reflects the investment by minority shareholders through Independent Directors. The current Board Composition it does not comply with Practice 5.2 of the Code where at least half the Board is to comprise of independent directors.

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

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

The Board leads the Company within a framework of prudent and effective controls. The Board comprises of members from various professions with individual 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 is to ensure that the Executive Directors do not dominate the Board's decision making. This composition also allows for more effective oversight of management even though the independent non-executive directors do not form majority of the Board.

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

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

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

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

The Company has included a policy on diversity of gender, ethnicity and age and has maintained more than 30% women directors since the financial year ended 31 March 2019. The appointment of Tan Sri Hasmah Binti Abdullah, Ms Siew Pui Ling, Ms Kwan Wai Yue and Dato' Kaziah Binti Abd Kadir as Directors reflects that the Board 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 51 to 75 as the Board believes that this creates an environment where each generation brings different skills, experience and talents to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

Conduct of Meetings

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

The summary of attendance of the Directors in office at the Board Meetings held during the financial year ended 31 March 2025 was as follows:

Name of Director	Meeting Attendance	% of Attendance
Dato' Azman Mahmud	4/4	100
Takashi Sugihara	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	3/4	75
Kwan Wai Yue	4/4	100
Shinichi Hayashi	4/4	100
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	Top management character development training	28 – 29 June 2024
2	ASPAC Board Leadership Centre (BLC) Webinar 2024 - The Risk Landscape: Navigating Climate Transition Risks in a Circular Economy	11 July 2024
3	Workshop 1: Introduction to Integrated Reporting	18 July 2024
4	Smart Factory Technical Overview : Enabling Technology for Industry	7 – 8 August 2024
5	Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Act	11 September 2024
6	FY2024 Compliance Training for APAC Senior Management	19 September 2024
7	KPMG Asia Pacific Board Leadership Center Webinar Geopolitical risks and the strategic imperatives for boards and C-suite	17 October 2024
8	Storytelling : A powerful tool to inspire and influence	21 – 22 October 2024
9	FY24 APAC HR conference in Hanoi	6 – 8 November 2024
10	Understanding the challenging role of an Independent Director	19 November 2024
11	2024 LAS Fraud Prevention Training	6 December 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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Sustainability

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

The Strategic Management Committee's roles and responsibilities are:

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

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

The Board has sufficient understanding and knowledge of the sustainability issues that are relevant to the Company and its business and to discharge its role effectively. The Group had prioritized and focused on sustainability journey in business operations and areas relevant to them following the emergence of the pandemic and climate-related issues that elevated sustainability importance and increased scrutiny on how it manages and responds to the immediate impact of the crisis. The materiality assessment in financial year ended 31 March 2025 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.

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 73 to 75 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 FY2025, 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 23 May 2024 evaluated the performance and recommended the re-election of Dato' Kaziah binti Abd Kadir, Dato' Azman bin Mahmud and 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 23 May 2024, the Remuneration Committee made a recommendation to the Board for payment of Directors' fees not exceeding RM650,000 in aggregate for FY2025 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 28 August 2024.

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 FY2025 was paid quarterly in arrears:

No.	Details of remuneration	Date of payment
1.	Directors' fees for 1 st quarter ended 30 June 2024	End September 2024
2.	Directors' fees for 2 nd quarter ended 30 September 2024	Early October 2024
3.	Directors' fees for 3 rd quarter ended 31 December 2024	End December 2024
4.	Directors' fees for 4 th quarter ended 31 Mar 2025	Early April 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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.

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 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 FY2025 are as follows:

Descriptions	Executive Director RM	Non-Executive Director RM	Total RM
Fees	-	576,796	576,796
Meeting allowance	-	64,500	64,500
Salary and other remuneration	2,317,715	-	2,317,715
Benefits-in-kind (BIK)	77,998	-	77,998
Total	2,395,713	641,296	3,037,009
Total (excluding BIK)	2,317,715	641,296	2,959,011

Details of Directors' remuneration for FY2025 are set out as below:

i. Independent Non-Executive Directors

Director	Fees RM	Meeting allowances RM	Total RM
Dato' Kaziah Abd Kadir	129,359	18,000	147,359
Tan Sri Hasmah Binti Abdullah	129,359	19,500	148,859
Raja Anuar Bin Raja Abu Hassan	132,734	19,500	152,234
Dato' Azman Mahmud (appointed on 15.04.2021)	185,344	7,500	192,844
Keisuke Nishida (appointed on 01.04.2022)	-	-	-
Shinichi Hayashi (01.04.2023 - 31.03.2025) - resigned	-	-	-
Masaru Fujimoto (appointed on 01.04.2025) - New	-	-	-
Total	576,796	64,500	641,296

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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ii. Executive Directors

Director	Salaries and Emoluments (RM)	Bonus (RM)	Benefits-in-kind (RM)	Total RM
Takashi Sugihara	736,942	184,454	89,710	1,011,106*
Siew Pui Ling	665,477	123,741	-	789,218
Kwan Wai Yue	667,083	124,297	-	791,380
Total	2,069,502	432,492	89,710	2,591,704

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

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

In line with a more comprehensive disclosure of corporate remuneration structure in the form of the Managing Director's pay gap ratio and to promote corporate transparency the mean and median employee remuneration for FY2025 is disclosed below:

Managing Director	RM
Annual Pay	815,115

Employee	RM
Mean Pay	66,845
Median Pay	46,550
Lowest Total Pay	20,126
Highest Total Pay	791,380

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 assists the Chairman in preparation of conduct of meetings;
- iii. update and advise the Board on Board procedures and ensure that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and all matters associated with the maintenance of the Board or otherwise required for its efficient operation;
- iv. ensure proper upkeep of statutory registers and records of the Company; and
- v. advise the Board on compliance of statutory and regulatory requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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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.

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 76 to 78 of the Annual Report.

Relationship with Internal and External Auditors

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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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	compliance_pmma@my.panasonic.com
Global Hotline	NAVEX Global (24 hours, 365 days) 1-800-81-8923

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

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

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Relationship with Shareholders and Investors

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

For the time being, the Board views that the financial, governance and business review reports that have been included in the Annual Report 2025 provides sufficient information flow to the various stakeholders. The current means of communication with shareholders and investors are as follows:

a. Investor Relations

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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b. Annual General Meeting

For the financial year ended 31 March 2024, the Company issued the notice of AGM on 31 July 2024 and held the AGM on 28 August 2024, providing the shareholders with 28 days notice. All the Directors attended the 2024 AGM. The Managing Director also provided shareholders with a slide presentation on the Company's financial performance and operations. The questions submitted in advance by the Minority Shareholders' Watch Group were also presented for the shareholders information and the answers were given in a slide presentation.

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

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

This Statement is made in accordance with the resolution of the Board of Directors dated 28 May 2025.

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 2025 ("FY2025").

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 FY2025 are as follows:

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

The Nomination Committee has written terms of reference dealing with its authority and duties which includes the selection and assessment of directors and is available at <https://pmma.my.panasonic.com/investor-relations/bursa-malaysia-requirements/>

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 FY2025, the Nomination Committee, in discharging its functions and duties, carried out the following activities:

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

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 21 May 2025 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 2025 were appropriate. The Committee also assessed the fitness and propriety of the Directors in accordance with its Fit & Proper Policy, in conjunction with the annual assessment exercise and was satisfied that each of the Directors met the required standard of fitness and propriety.

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.

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

NOMINATION COMMITTEE REPORT

(CONT'D)

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

Appointment and Re-election of retiring directors

In FY2025, the Nomination Committee assessed the nomination from the major shareholder, Panasonic Holding Corporation, on the appointment of Mr Masaru Fujimoto as Non-Independent Non-Executive Director to fill the vacancy on the Board with the resignation of Mr Shinichi Hayashi. The Committee recommended Mr Fujimoto's appointment to the Board having assessed that he is a person of good character, has international experiences in sales and marketing, meets the fit and proper criteria and committed to spend sufficient time to effectively discharge his role as a director.

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 had at its meeting on 21 May 2025 evaluated the performance of Raja Anuar Bin Raja Abu Hassan and Masaru Fujimoto (collectively "the Retiring Directors") who are standing for re-election at the forthcoming Annual General Meeting pursuant to Articles 100 and 105 of the Company's Constitution respectively. They were assessed on their performance and understanding of the Group's business. They meet the fit and proper criteria as laid out in the Company's policy. Their participation at the Board meetings showed that they were prepared and were effective in the discharge of their responsibilities. Additionally, no circumstances have arisen in the past year to impair the independent judgement of 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 Nomination Committee recommended their re-election to the Board to table the resolutions for their re-election to the shareholders for approval.

Directors' Independence

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

Retention of Raja Anuar Bin Raja Abu Hassan as Independent Non-Executive Director

The Nomination Committee, with the abstention of Raja Anuar Bin Raja Abu Hassan had assessed his independence at its meeting held on 21 May 2025 and recommended to the Board for his continuation as an Independent Non-Executive Director based on the following justifications:

- a. He has met the independence guidelines as set out in Chapter 1 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- b. He provides a check and balance and brings an element of objectivity to the Board of Directors.
- c. He continues to be scrupulously independent in his thinking and in her effectiveness as constructive challenger of the Managing Director and Executive Directors, both in his position as Chairman of the Audit Committee and as a Board member.
- d. His active participation in board discussions and provision of an independent voice contribute significantly to the Board's deliberations, ensuring the infusion of unbiased and objective judgments.

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 2025.

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 2025 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 2025. 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 programme 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 2024 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 2024 and the Annual Audit Plan for the financial year ended 31 March 2025 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 2024 and recommended to the Board for approval.
4. Assessed the independence, performance and competency of the External Auditors.
5. Made recommendation to the Board on the re-appointment of the External Auditors.

Internal Audit

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

AUDIT COMMITTEE REPORT

(CONT'D)

Compliance

1. Reviewed the state of internal control of the Company and extent of compliance with the established policies, procedures and statutory requirements.
2. Monitored the amount spent on entertainment, donations, offerings and gift.
3. Reviewed and monitored the reports received in the whistleblowing channels and actions taken.
4. Reviewed the Statement on Risk Management & Internal Control and Audit Committee Report prior to the Board's approval for inclusion in the Company's Annual Report 2024.

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 seven (7) complaints received via the whistleblowing channel. Arising from internal reviews, the Management had taken the necessary steps to reach out to the complainants and to address the complaints made.

INTERNAL AUDIT FUNCTION

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

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

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

The Internal Audit Plan was developed together with BDO on an annual basis based on the entity wide risk assessment. The Internal Audit Plan was presented and approved by the Audit Committee on 27 May 2024. 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 2025, the following areas were audited and its results were reported to the Audit Committee:

Internal Audit Area	Internal Auditor's Opinion
Inventory Management for Heating, Ventilation and Air-Conditioning ("HVAC") – Total Fan and Home Shower	Improvements are required
Anti-Bribery and Anti-Corruption (ABAC) Policy and Procedures	Improvements are required
Sales and Production Planning	Improvements are required
IT General Controls	Improvements are required
Review of Selected Sustainability Data/Information for Disclosure Purpose	Improvements are 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 every quarter.

The professional fees incurred for the Internal Audit function in respect of the financial year ended 31 March 2025 amounted to RM117,000.

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 2025 ("FY2025"), BDO had executed the following internal audit works:

1. Conducted reviews and assessments based on FY2025 annual audit plans which was approved by the Audit Committee at the 1st meeting of FY2025 covering the areas of:
 - i. Anti-bribery and Anti-corruption Corporate Liabilities Procedures
 - ii. Sales and Product Planning
 - iii. IT General controls
 - iv. Review of Selected Sustainability Data/ Information for Disclosure Purpose
2. Conducted follow-up with the Management on agreed corrective action items taken on outstanding audit issues to ensure key risks and weaknesses were addressed effectively and timely, where the status of implementation of the said agreed corrective action items are reported to the Audit Committee on a quarterly basis.

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

Other elements of internal control system:

1. Organisation structure

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

3. Annual Business Plans and Budgets

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

4. Monitoring by Strategic Management Committee

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

5. Monitoring by the Board

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

6. Panasonic Code of Conduct

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

- The Strategic Management Committee that has been established with appropriate powers to ensure effective management and supervision of the Company's core areas of business operations. Its function includes review of registration of new suppliers, investment/expenditure by the Company exceeding stipulated amount and to review any changes in the Company's policy and procedures. Its members comprise of Assistant Directors and above. It acts as a control before the Company's Managing Director provides his final approval.

- Other internal committees include the Information Security Management Working Committee, Quality Committee, Safety & Health and Fire Prevention Committee.

- The Company's business units monitor and explain performance against key performance Indexes on a monthly basis at the monthly operation meetings, factory management review meetings and quality assurance meetings attended by the Directors and Senior Management of the Company. Comprehensive monthly financial and management reports are prepared for effective monitoring and decision making. The monitoring of performance variances are followed up and management actions are taken to rectify any deviations on a timely and effective manner.

ENTERPRISE RISK MANAGEMENT PROCESS

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

- 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.

- Accounting and other manuals are in place towards ensuring that the recordings of financial transactions are complete and accurate.

- Standard operating procedure ("SOP") manual sets out policies and procedures for day to day operations to be carried out. Periodic reviews are performed to ensure that the SOP remains current, relevant and aligned with evolving business environment and operational needs.

- The Anti-Bribery and Anti-Corruption Policy sets out the policies and procedures on the Company's commitment to conduct its business with high standards of ethics and integrity. The Company adopts a "zero-tolerance" approach towards bribery and corruption by any of the employees or by business partners working on behalf, including suppliers, agents or contractors. In addition, periodic reviews and discussions are held to ensure such risks are mitigated.

- Whistleblowing Policy provides an avenue for employees and external parties to report actual or suspected malpractice, misconduct or violations of the Company's policies and regulations in a safe and confidential manner.

The Company applies the ISO 14001 Environment Management System which is taken charge by the Environment Management Department, ISO 45001 Occupational Health and Safety Management with oversight by Safety and Health Department, ISO27001 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 FY2025, 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 RM235,000 and RM47,500, respectively.

The non-audit fees incurred were for the review on the Statement of Risk Management and Internal Control (RM10,000), Local Transfer Pricing documentation and benchmarking analysis (RM15,000), and tax incentive application in relation to automation capital allowances (RM22,500).

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.

The top half of the cover features a blue background with a bokeh effect. In the center, the year '2025' is written in large white font, followed by a target icon with an arrow. Below this, there are several stacks of coins, some with upward-pointing arrows, and various dollar signs scattered around. The entire scene is reflected in a horizontal line, creating a sense of depth and growth.

2025 

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 March 2025.

PRINCIPAL ACTIVITIES

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

ULTIMATE HOLDING CORPORATION

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

RESULTS

	RM'000
Profit for the year attributable to owners of the Company	46,137

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 2024:
 - a final ordinary dividend of 121 sen per ordinary share totalling RM73,502,394 declared on 30 May 2024 and paid on 20 September 2024.
- ii) In respect of the financial year ended 31 March 2025:
 - an interim single tier dividend of 15 sen per ordinary share totalling RM9,111,867 declared on 29 November 2024 and paid on 20 January 2025.

The final dividend recommended by the Directors in respect of the financial year ended 31 March 2025 of 47 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 RM28,550,517.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2025
(CONT'D)

DIRECTORS OF THE COMPANY

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

Tan Sri Hasmah binti Abdullah
Siew Pui Ling
Raja Anuar bin Raja Abu Hassan
Kwan Wai Yue
Dato' Kaziah binti Abdul Kadir
Dato' Azman bin Mahmud
Keisuke Nishida
Takashi Sugihara
Masaru Fujimoto (Appointed on 1 April 2025)
Shinichi Hayashi (Resigned on 31 March 2025)

Tan Sri Hasmah Binti Abdullah and Ms. Siew Pui Ling will be retiring under Article 100 of the Company's Constitution at the forthcoming AGM and not seeking re-election whilst Raja Anuar Bin Raja Abu Hassan also retiring under Article 100 of the Company's Constitution will be seeking re-election. Mr. Masaru Fujimoto will be retiring under Article 105 of the Company's Constitution at the forthcoming AGM and seeking 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 31.3.2025
	At 1.4.2024	Bought	Sold	
Siew Pui Ling - Direct Interest	100	-	-	100
Ultimate Holding Corporation - Panasonic Holdings Corporation	Number of ordinary shares			At 31.3.2025
	At date of appointment	Bought	Sold	
Takashi Sugihara - Direct Interest	115	-	-	115

None of the other Directors holding office at 31 March 2025 had any interest in the shares and options over shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year,

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

	From the Company RM'000
Directors of the Company:	
Fees and allowances	641
Remuneration	2,318
Estimated money value of any other benefits	78
	3,037

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2025
(CONT'D)

DIRECTORS' BENEFITS (cont'd)

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

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

ISSUE OF SHARES AND DEBENTURES

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

INDEMNITY AND INSURANCE COSTS

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

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

OTHER STATUTORY INFORMATION

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

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

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

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2025
(CONT'D)

OTHER STATUTORY INFORMATION (cont'd)

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

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

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

In the opinion of the Directors, the financial performance of the Company for the financial year ended 31 March 2025 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 RM235,000. Details of auditors' remuneration are set out in Note 17 to the financial statements.

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

Dato' Azman bin Mahmud

Director

Takashi Sugihara

Director

Shah Alam

Date: 28 May 2025

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Note	2025 RM'000	2024 RM'000
Assets			
Property, plant and equipment	2	133,950	134,987
Right-of-use assets	3	6,547	5,456
Intangible assets	4	659	420
Investment in associate	5	139,279	130,865
Deferred tax assets	6	2,509	1,068
Total non-current assets		282,944	272,796
Inventories	7	46,766	52,133
Trade and other receivables	8	86,790	89,292
Current tax assets		1,498	-
Cash and cash equivalents	9	475,093	530,192
Total current assets		610,147	671,617
Total assets		893,091	944,413
Equity			
Share capital	10	60,746	60,746
Retained earnings		716,239	752,716
Total equity		776,985	813,462
Liabilities			
Provision for liabilities and charges	11	742	637
Lease liabilities		756	-
Total non-current liabilities		1,498	637
Trade and other payables	12	109,350	125,120
Provision for liabilities and charges	11	4,805	3,875
Derivative financial liabilities	13	11	99
Lease liabilities		442	10
Current tax liabilities		-	1,210
Total current liabilities		114,608	130,314
Total liabilities		116,106	130,951
Total equity and liabilities		893,091	944,413

The notes on pages 90 to 121 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 RM'000	2024 RM'000
Revenue	14	822,778	905,685
Cost of sales		(714,609)	(766,419)
Gross profit		108,169	139,266
Other operating income		5,464	22,769
Distribution and marketing cost		(41,579)	(44,178)
Administrative expenses		(37,588)	(39,927)
Other operating expenses		(14,193)	(5,057)
Results from operating activities		20,273	72,873
Finance costs	15	(31)	(1)
Finance income	16	20,053	20,910
Share of profit equity-accounted associate, net of tax	5	11,599	12,875
Profit before tax	17	51,894	106,657
Tax expense	18	(5,757)	(14,011)
Profit and total comprehensive income for the year		46,137	92,646
Basic earnings per ordinary share (sen)	19	76	153

The notes on pages 90 to 121 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Note	Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 April 2023		60,746	734,180	794,926
Total profit and comprehensive income for the year		-	92,646	92,646
<i>Distributions to owners of the Company</i>				
Dividends				
- Final dividend for the financial year ended 31 March 2023	20	-	(64,998)	(64,998)
- Interim dividend for the financial year ended 31 March 2024	20	-	(9,112)	(9,112)
Total transactions with owners of the Company		-	(74,110)	(74,110)
At 31 March 2024/1 April 2024		60,746	752,716	813,462
Total profit and comprehensive income for the year		-	46,137	46,137
<i>Distributions to owners of the Company</i>				
Dividends				
- Final dividend for the financial year ended 31 March 2024	20	-	(73,502)	(73,502)
- Interim dividend for the financial year ended 31 March 2025	20	-	(9,112)	(9,112)
Total transactions with owners of the Company		-	(82,614)	(82,614)
At 31 March 2025		60,746	716,239	776,985

Note 10

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 RM'000	2024 RM'000
Cash flows from operating activities			
Profit before tax		51,894	106,657
<i>Adjustments for:</i>			
Property, plant and equipment			
- depreciation	2	24,661	24,082
- write-off	2	52	738
- gain on disposal	17	(361)	(392)
- impairment loss	2	170	33
- reversal of impairment loss	2	(33)	(683)
Depreciation of right-of-use assets	3	378	121
Amortisation of intangible assets	4	161	1,068
Provision of liabilities and charges	11	5,268	5,778
Unwinding of discount	11	26	22
Interest income	16	(20,053)	(20,910)
Finance cost for lease liabilities	15	31	1
Share of profit equity-accounted associate, net tax	5	(11,599)	(12,875)
Net unrealised foreign exchange loss	17	453	719
Fair value (gain)/loss on derivative financial instruments	17	(88)	57
Operating profit before changes in working capital		50,960	104,416
Changes in working capital:			
Inventories		5,367	17,920
Trade and other receivables		2,021	6,121
Trade and other payables		(15,742)	3,109
Movement in provision of liabilities and charges		(4,259)	(6,148)
Cash generated from operations		38,347	125,418
Tax paid		(9,906)	(3,743)
Interest paid		(31)	(1)
Net cash generated from operating activities		28,410	121,674
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(23,813)	(24,602)
Purchase of intangible assets	4	(400)	(116)
Proceeds from disposal of property, plant and equipment		361	394
Interest received	16	20,053	20,910
Dividends received	5	3,185	3,185
Net cash generated used in investing activities		(614)	(229)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025
(CONT'D)

	Note	2025 RM'000	2024 RM'000
Cash flows from financing activities			
Dividends paid		(82,614)	(74,110)
Payment of lease liabilities		(281)	(40)
Net cash used in financing activities		(82,895)	(74,150)
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at 1 April 2024/2023		530,192	47,295
Cash and cash equivalents at 31 March	9	475,093	530,192

Cash outflows for leases as a lessee

	Note	2025 RM'000	2024 RM'000
Included in net cash from operating activities			
Payment relating to short-term leases	17	1,200	1,118
Payment relating to low-value assets	17	-	38
Interest paid in relation to lease liabilities	15	31	1
Included in net cash from financing activities			
Payment of lease liabilities		281	40
Total cash outflows for leases		1,512	1,197

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

	At 1 April 2023 RM'000	Net changes from financing cash flows RM'000	At 31 March 2024/ 1 April 2024 RM'000	Addition RM'000	Net changes from financing cash flows RM'000	At 31 March 2025 RM'000
Lease liabilities	50	(40)	10	1,469	(281)	1,198

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 2025 comprise the Company and the Company's interest in its associate.

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

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

These financial statements were authorised for issue by the Board of Directors on 28 May 2025.

1. BASIS OF PREPARATION

(a) Statement of compliance

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

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:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

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

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements - Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* #
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements* #
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures* #

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

1. BASIS OF PREPARATION (cont'd)

(a) Statement of compliance (cont'd)

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

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

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

- from the annual period beginning on 1 April 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025;
- from the annual period beginning on 1 April 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026, except for the amendments marked as “#” which are not applicable to the Company; and
- from the annual period beginning on 1 April 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027, except for the amendments marked as “#” which are not applicable to the Company.

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, except for mentioned below.

MFRS 18, Presentation and Disclosure in Financial Statements

MFRS 18 will replace MFRS 101, *Presentation of Financial Statements* and applies for annual periods beginning on or after 1 January 2027. The new accounting standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal.
- Management – defined performance measures (“MPMs”) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is currently assessing the impact of adopting MFRS 18.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

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

- Note 7 – Inventories
- Note 11 – Provision for liabilities and charges

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

2. 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 2023	129,686	342,920	66,331	6,618	5,285	550,840
Additions	-	16,973	4,367	477	2,785	24,602
Transfers	-	3,564	1,567	-	(5,131)	-
Disposals	-	(4,143)	(437)	(24)	-	(4,604)
Write-off	-	(26,176)	(1,450)	-	-	(27,626)
At 31 March 2024/1 April 2024	129,686	333,138	70,378	7,071	2,939	543,212
Additions	99	17,147	3,010	507	3,050	23,813
Reclassification of asset	-	(6)	6	-	-	-
Transfers	-	2,703	236	-	(2,939)	-
Disposals	-	(7,349)	-	(579)	-	(7,928)
Write-off	-	(8,205)	(924)	(11)	-	(9,140)
At 31 March 2025	129,785	337,428	72,706	6,988	3,050	549,957
Accumulated depreciation and impairment loss						
At 1 April 2023						
Accumulated depreciation	56,641	301,871	51,966	5,122	-	415,600
Accumulated impairment loss	-	681	2	-	-	683
	56,641	302,552	51,968	5,122	-	416,283
Depreciation for the year	2,225	17,924	3,265	668	-	24,082
Impairment loss	-	33	-	-	-	33
Reversal of impairment loss	-	(681)	(2)	-	-	(683)
Disposals	-	(4,142)	(436)	(24)	-	(4,602)
Write-off	-	(25,477)	(1,411)	-	-	(26,888)
At 31 March 2024/1 April 2024						
Accumulated depreciation	58,866	290,176	53,384	5,766	-	408,192
Accumulated impairment loss	-	33	-	-	-	33
	58,866	290,209	53,384	5,766	-	408,225
Depreciation for the year	2,198	19,596	2,309	558	-	24,661
Reclassification of asset	-	(6)	6	-	-	-
Impairment loss	-	170	-	-	-	170
Reversal of impairment loss	-	(33)	-	-	-	(33)
Disposals	-	(7,349)	-	(579)	-	(7,928)
Write-off	-	(8,162)	(915)	(11)	-	(9,088)
At 31 March 2025						
Accumulated depreciation	61,064	294,255	54,784	5,734	-	415,837
Accumulated impairment loss	-	170	-	-	-	170
	61,064	294,425	54,784	5,734	-	416,007
Carrying amounts						
At 1 April 2023	73,045	40,368	14,363	1,496	5,285	134,557
At 31 March 2024/1 April 2024	70,820	42,929	16,994	1,305	2,939	134,987
At 31 March 2025	68,721	43,003	17,922	1,254	3,050	133,950

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

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

2.1 Property, plant and equipment subject to operating lease

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

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

The following is recognised in profit or loss:

	2025 RM'000	2024 RM'000
Lease income	2,702	2,749

The net book value of the property, plant and equipment subject to operating lease is RM18,468,000 (2024: RM19,263,000).

2.2 Material accounting policy information

(a) Recognition and measurement

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

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

(b) Depreciation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

3. RIGHT-OF-USE ASSETS

	Leasehold land RM'000	Buildings RM'000	Machine and equipment RM'000	Total RM'000
Cost				
At 1 April 2023/31 March 2024/ 1 April 2024	7,566	-	187	7,753
Additions	-	473	996	1,469
Derecognition	-	-	(187)	(187)
At 31 March 2025	7,566	473	996	9,035
Depreciation				
At 1 April 2023	2,036	-	140	2,176
Charge for the year	84	-	37	121
At 31 March 2024/1 April 2024	2,120	-	177	2,297
Charge for the year	84	132	162	378
Derecognition	-	-	(187)	(187)
At 31 March 2025	2,204	132	152	2,488
Carrying amounts				
At 1 April 2023	5,530	-	47	5,577
At 31 March 2023/1 April 2024	5,446	-	10	5,456
At 31 March 2025	5,362	341	844	6,547

The Company leases expatriates' accommodation and photocopy machines that ran between 2 years and 5 years (2024: 2 years and 5 years). Lease payments for these assets remain constant throughout their lease terms.

3.1 Material accounting policy information

(a) Recognition and measurement

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

(b) Recognition exemption

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

4. INTANGIBLE ASSETS

	Software and licenses RM'000	Work-in- progress RM'000	Total RM'000
Cost			
At 1 April 2023	9,349	265	9,614
Additions	116	-	116
Transfers	265	(265)	-
At 31 March 2024/1 April 2024	9,730	-	9,730
Additions	400	-	400
At 31 March 2025	10,130	-	10,130
Amortisation			
At 1 April 2023	8,242	-	8,242
Amortisation for the year	1,068	-	1,068
At 31 March 2024/1 April 2024	9,310	-	9,310
Amortisation for the year	161	-	161
At 31 March 2025	9,471	-	9,471
Carrying amounts			
At 1 April 2023	1,107	265	1,372
At 31 March 2024/1 April 2024	420	-	420
At 31 March 2025	659	-	659

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.

4.1 Material accounting policy information

(a) Recognition and measurement

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

(b) Amortisation

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

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

- Software and licenses 25%

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

5. INVESTMENT IN AN ASSOCIATE

	2025 RM'000	2024 RM'000
At cost		
Unquoted shares	2,000	2,000
Share of post-acquisition reserves	137,279	128,865
Investment in an associate	139,279	130,865

Set out below is the associate of the Company as at 31 March 2025, 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	
		2025	2024
Panasonic Malaysia Sdn. Bhd.	Malaysia	40%	40%

Nature of the relationship

The Company holds a 40% (2024: 40%) equity interest in its associate, Panasonic Malaysia Sdn. Bhd., a company incorporated in Malaysia. The principal activities of the associate consist of:

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

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

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

	2025 RM'000	2024 RM'000
<u>Current</u>		
Cash and cash equivalent	347,585	349,877
Other current assets (excluding cash)	227,380	225,530
Total current assets	574,965	575,407
Other current liabilities (including trade payables)	(264,023)	(284,775)
Total current liabilities	(264,023)	(284,775)
<u>Non-current</u>		
Assets	67,640	72,980
Liabilities	(27,499)	(34,362)
Net assets	351,083	329,250

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

5. INVESTMENT IN AN ASSOCIATE (cont'd)

(a) Summarised financial information for associate (cont'd)

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

	2025 RM'000	2024 RM'000
Revenue	1,308,823	1,387,988
Cost of revenue	(951,090)	(1,021,879)
Gross profit	357,733	366,109
General and administrative expenses	(170,634)	(170,826)
Reversal of impairment loss on trade and other receivables, net	215	410
Selling and distribution expenses	(122,482)	(128,706)
Other operating expenses	(53,325)	(51,022)
Other operating income	20,484	16,580
Profit from operations	31,991	32,545
Finance income	10,613	10,111
Finance costs	(1,010)	(1,093)
Profit before taxation	41,594	41,563
Taxation	(11,798)	(8,342)
Net profit and total comprehensive income for the financial year	29,796	33,221
Gross dividends received by the Company	3,185	3,185

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

	2025 RM'000	2024 RM'000
Company's share of net assets	140,433	131,700
Elimination of unrealised profits	(1,154)	(835)
Carrying amount in the statement of financial position	139,279	130,865

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

	2025 RM'000	2024 RM'000
Company's share of net profit and total comprehensive income	11,599	12,875

(d) Other information

	2025 RM'000	2024 RM'000
Dividend received by the Company	3,185	3,185

5.1 Material accounting policy information

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

6. DEFERRED TAX ASSETS

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

Deferred tax assets and liabilities are attributable to the following:

	2025 RM'000	2024 RM'000
Property, plant and equipment	(3,945)	(5,263)
Provisions	6,431	6,323
Others	23	8
Net tax assets	2,509	1,068

Movement in temporary differences during the year

	At 1.4.2023 RM'000	Recognised in profit or loss (Note 18) RM'000	At 31.3.2024/ 1.4.2024 RM'000	Recognised in profit or loss (Note 18) RM'000	At 31.3.2025 RM'000
Property, plant and equipment	(5,004)	(259)	(5,263)	1,318	(3,945)
Provisions	7,753	(1,430)	6,323	108	6,431
Others	(73)	81	8	15	23
	2,676	(1,608)	1,068	1,441	2,509

6.1 Material accounting policy information

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

The newly enacted tax legislation in Malaysia takes effect in year 2025, there is no current tax impact for the current financial year ended 31 March 2025.

7. INVENTORIES

	2025 RM'000	2024 RM'000
Raw materials	24,118	28,230
Work-in-progress	4,522	5,040
Finished goods	18,110	18,603
Consumable stores	16	260
	46,766	52,133
Recognised in profit or loss:		
Inventories recognised as cost of sales	714,586	766,142
Write-down to realisable value	255	498
Write-off of inventories	266	105
Reversal of write-down	(498)	(326)

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

7. INVENTORIES (cont'd)

7.1 Material accounting policy information

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

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

8. TRADE AND OTHER RECEIVABLES

	2025 RM'000	2024 RM'000
Trade receivables	842	1,517
Amount due from ultimate holding corporation	476	466
Amount due from associate company	10,143	14,466
Amounts due from related companies	67,603	66,052
	79,064	82,501
Other receivables	1,905	1,661
Deposits	1,054	931
Prepayments	4,767	4,199
	86,790	89,292

Credit terms given to trade receivables ranged from 30 to 60 days (2024: 30 to 60 days).

The balances due from ultimate holding corporation, associate and related companies are in respect of trading transactions which are unsecured, interest free and have repayment terms ranging from 30 to 60 days (2024: 30 to 60 days) except for the amounts of RM3,210,000 (2024: RM3,429,000) which are in respect of non-trading transactions that are unsecured, interest free and repayable on demand.

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

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

	2025 RM'000	2024 RM'000
Ringgit Malaysia	37,978	42,854
United States Dollar	42,332	41,012
Japanese Yen	1,713	1,227
	82,023	85,093

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

9. CASH AND CASH EQUIVALENTS

	2025 RM'000	2024 RM'000
Fixed deposits	380,000	375,000
Cash and bank balances	95,093	155,192
	475,093	530,192

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

	2025 RM'000	2024 RM'000
Ringgit Malaysia	429,844	417,479
United States Dollar	45,020	102,359
Japanese Yen	-	9,978
Euro	221	376
Singapore Dollar	8	-
	475,093	530,192

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

	2025 RM'000	2024 RM'000
- A3	1,307	1,009
- Non-rated*	473,778	529,177
	475,085	530,186
Cash on hand	8	6
	475,093	530,192

* 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 both Panasonic Financial Centre (Malaysia) Sdn. Bhd. and the Company 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:

	2025 %	2024 %
Ringgit Malaysia	3.78	3.80

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

	2025	2024
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

(CONT'D)

10. SHARE CAPITAL

	Number of shares 2025 '000	Amount 2025 RM'000	Number of shares 2024 '000	Amount 2024 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.

11. 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	Total RM'000
At 1 April 2023	592	889	2,894	485	4,860
Charged to profit or loss (Note 17)	(19)	935	4,589	273	5,778
Utilised during the financial year	(104)	(953)	(5,021)	(70)	(6,148)
Unwinding of discount	-	-	-	22	22
At 31 March 2024/1 April 2024	469	871	2,462	710	4,512
Charged to profit or loss (Note 17)	661	426	4,076	105	5,268
Utilised during the financial year	(214)	(511)	(3,479)	(55)	(4,259)
Unwinding of discount	-	-	-	26	26
At 31 March 2025	916	786	3,059	786	5,547
2024					
Current	469	871	2,462	73	3,875
Non-current	-	-	-	637	637
	469	871	2,462	710	4,512
2025					
Current	916	786	3,059	44	4,805
Non-current	-	-	-	742	742
	916	786	3,059	786	5,547

NOTES TO THE FINANCIAL STATEMENTS

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

a) Rework and recall cost

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

b) Warranty

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

c) Employee welfare scheme/Mutual separation scheme

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

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.

12. TRADE AND OTHER PAYABLES

	2025 RM'000	2024 RM'000
Trade payables and accruals	64,665	80,088
Employee benefits	11,966	12,892
Amount due to ultimate holding corporation	83	52
Amount due to associate	557	2,163
Amounts due to related companies	32,079	29,925
	109,350	125,120

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

	2025 RM'000	2024 RM'000
Ringgit Malaysia	73,866	91,532
United States Dollar	28,644	27,942
Japanese Yen	6,688	3,278
Thai Baht	26	2,258
Singapore Dollar	126	110
	109,350	125,120

Credit terms of trade payables vary from 30 to 60 days (2024: 30 to 60 days).

The amounts due to ultimate holding corporation, associate and related companies are in respect of trading transactions, unsecured and interest free except for RM17,929,000 (2024: RM12,835,000) which are in respect of non-trading transactions that are unsecured, interest free and payable on demand.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

13. DERIVATIVE FINANCIAL LIABILITIES

	Nominal value	Liabilities RM'000
2025		
Non-hedging derivatives		
Derivatives at fair value through profit or loss	USD4,000,000	(2)
	EUR40,000	-*
	JPY47,000,000	(9)
		(11)
2024		
Non-hedging derivatives		
Derivatives at fair value through profit or loss	USD3,000,000	(98)
	SGD4,000	(1)
		(99)

* Denotes RM48.

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.

14. REVENUE

	Note	2025 RM'000	2024 RM'000
Revenue from contracts with customers			
- sales of goods	14.2	822,778	905,685

14.1 Disaggregation of revenue

	2025 RM'000	2024 RM'000
Major products lines		
Living appliances and solutions	151,425	194,531
Heating and ventilation A/C	670,230	707,343
Dies and mould & others	1,123	3,811
	822,778	905,685

14.2 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 60 days (2024: 30 to 60 days). Assurance warranties of 1 year are given to customers.

NOTES TO THE FINANCIAL STATEMENTS

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15. FINANCE COSTS

	2025 RM'000	2024 RM'000
Interest expense on lease liabilities	31	1

16. FINANCE INCOME

	2025 RM'000	2024 RM'000
Interest income from fixed deposits	20,053	20,910

17. PROFIT BEFORE TAX

	Note	2025 RM'000	2024 RM'000
Profit before tax is arrived at after charging/(crediting):			
Auditors' remunerations:			
Audit fees:			
- KPMG PLT		235	223
Non-audit fees:			
- KPMG PLT		10	10
- Local affiliates of KPMG PLT		38	15
Directors' remuneration	25(e)	2,959	2,971
Direct material cost		509,370	562,202
Amortisation of intangible assets	4	161	1,068
Property, plant and equipment:			
- depreciation	2	24,661	24,082
- loss on write-off	2	52	738
- gain on disposal		(361)	(392)
- impairment loss	2	170	33
- reversal of impairment loss	2	(33)	(683)
Depreciation of right-of-use assets	3	378	121
Staff costs:			
- salaries, bonus and other employee benefits		114,001	113,964
- defined contribution retirement plan		10,366	11,403
		124,367	125,367
Technical assistance fees		21,937	24,300
Research expenses		28,367	26,589
Fair value (gain)/loss on derivative financial instruments		(88)	57
Foreign exchange:			
- net realised loss/(gain)		9,428	(5,644)
- net unrealised loss		453	719
Provision of liabilities and charges	11	5,268	5,778
Reimbursement of losses arising from product termination		-	(11,894)
Expenses arising from leases:			
Expenses relating to short-term lease		1,200	1,118
Expenses relating to low-value assets		-	38

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

18. TAX EXPENSE

	2025 RM'000	2024 RM'000
Current tax expense		
- current year	6,402	12,561
- under/(over) provision in prior year	796	(158)
	7,198	12,403
Deferred tax expense		
- origination and reversal of temporary differences	(1,107)	1,779
- over provision of deferred tax benefit in prior year	(334)	(171)
	(1,441)	1,608
	5,757	14,011
Reconciliation of tax expense		
Profit before tax	51,894	106,657
Tax at Malaysian tax rate of 24%	12,455	25,598
Tax effect of:		
- non-deductible expense	2,286	1,274
- profit not taxable	(2,894)	(4,502)
- tax incentives	(6,552)	(8,030)
- under/(over) provision of current tax expense in prior year	796	(158)
- over provision of deferred tax benefit in prior year	(334)	(171)
	5,757	14,011

19. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2025 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	2025	2024
Net profit for the financial year attributable to equity holders (RM'000)	46,137	92,646
Weighted average number of ordinary shares in issue during the financial year ('000)	60,746	60,746
Basic earnings per share (sen)	76	153

Diluted earnings per ordinary shares

The Company has no dilution in its earnings per ordinary share at 31 March 2025 and 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

20. DIVIDENDS

Dividends recognised by the Company are as follows:

	Sen per share	Total amount RM'000	Date of payment
2025			
Interim single tier dividend 2025			
- Interim single tier dividend	15	9,112	20 January 2025
Final single tier dividend 2024			
- Final single tier dividend	121	73,502	20 September 2024
2024			
Interim single tier dividend 2024			
- Interim single tier dividend	15	9,112	19 January 2024
Final single tier dividend 2023			
- Final single tier dividend	107	64,998	22 September 2023

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 2025	47	28,551

21. 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 2025 is as follows:

	Living appliances and solutions		Heating and ventilation A/C		Total	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	151,425	194,531	670,230	707,343	821,655	901,874
Interest income	2,455	1,655	9,703	6,370	12,158	8,025
Depreciation	(3,394)	(3,611)	(14,353)	(14,003)	(17,747)	(17,614)
Profit before taxation	7,847	24,713	41,125	47,385	48,972	72,098
Segment assets	86,288	105,352	399,938	415,533	486,226	520,885
Segment liabilities	(16,706)	(19,136)	(71,852)	(77,637)	(88,558)	(96,773)
Cash and cash equivalents	61,189	79,262	261,280	270,732	322,469	349,994
Inventories	7,911	9,623	38,711	42,170	46,622	51,793

Revenue of approximately RM822mil (2024: RM902mil) within both segments are derived from the Panasonic group of companies as disclosed in Note 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

21. OPERATING SEGMENTS (cont'd)

	2025 RM'000	2024 RM'000
Revenue		
Total revenue of the operating segments	821,655	901,874
Other unallocated revenue	1,123	3,811
Total revenue based on the statement of profit or loss and other comprehensive income	822,778	905,685
Profit before taxation		
Total profit before taxation of the operating segments	48,972	72,098
Other unallocated income, net	(8,677)	21,684
Share of results of associate, net of tax	11,599	12,875
Total profit before taxation based on the statement of profit or loss and other comprehensive income	51,894	106,657
Segment assets		
Total segment assets of the operating segments	486,226	520,885
Other unallocated segment assets	267,586	292,663
Investment in an associate	139,279	130,865
Total segment assets based on the statement of financial position	893,091	944,413
Segment liabilities		
Total segment liabilities of the operating segments	88,558	96,773
Other unallocated segment liabilities	27,548	34,178
Total segment liabilities based on the statement of financial position	116,106	130,951
Cash and cash equivalents		
Total cash and cash equivalents of the operating segments	322,469	349,994
Other unallocated cash and cash equivalents	152,624	180,198
Total cash and cash equivalents based on the statement of financial position	475,093	530,192
Inventories		
Total inventories of the operating segments	46,622	51,793
Other unallocated inventories	144	340
Total inventories based on the statement of financial position	46,766	52,133

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

NOTES TO THE FINANCIAL STATEMENTS

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21. OPERATING SEGMENTS (cont'd)

Geographical information

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

	Revenue	
	2025 RM'000	2024 RM'000
Malaysia	323,635	346,402
Asia (excluding Malaysia and Japan)	258,167	285,426
Middle East	177,987	222,503
Japan	26,128	16,824
Europe	3,272	2,855
Others	33,589	31,675
	822,778	905,685

Non-current assets

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

Major customers

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

	Revenue		Segment
	2025 RM'000	2024 RM'000	
Panasonic Malaysia Sdn. Bhd.	178,989	205,743	Living appliances and solutions and heating and ventilation A/C
Panasonic Ecology Systems (Hong Kong) Co., Ltd.	216,004	204,763	Living appliances and solutions and heating and ventilation A/C
KDK Fans (M) Sdn. Bhd.	143,792	139,513	Heating and ventilation A/C
Panasonic Consumer Marketing Asia Pacific	100,888	132,706	Living appliances and solutions and heating and ventilation A/C
Panasonic Marketing Middle East and Africa Fze	84,131	125,957	Living appliances and solutions and heating and ventilation A/C

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS

22.1 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
2025			
Financial assets			
Trade and other receivables, excluding prepayments	82,023	82,023	-
Cash and cash equivalents	475,093	475,093	-
	557,116	557,116	-
Financial liabilities			
Trade and other payables	(109,350)	(109,350)	-
Derivative financial instruments	(11)	-	(11)
	(109,361)	(109,350)	(11)
2024			
Financial assets			
Trade and other receivables, excluding prepayments	85,093	85,093	-
Cash and cash equivalents	530,192	530,192	-
	615,285	615,285	-
Financial liabilities			
Trade and other payables	(125,120)	(125,120)	-
Derivative financial instruments	(99)	-	(99)
	(125,219)	(125,120)	(99)

22.2 Net gains and losses arising from financial instruments

	2025 RM'000	2024 RM'000
Net gains/(losses) on:		
Financial assets at fair value through profit or loss	97	14
Financial liabilities at fair value through profit or loss	(9)	(71)
Financial assets measured at amortised cost	8,188	30,280
Financial liabilities measured at amortised cost	1,984	(4,445)
	10,260	25,778

22.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS (cont'd)

22.4 Credit risk

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

Trade receivables

Risk management objectives, policies and processes for managing the risk

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

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

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

Exposure to credit risk, credit quality and collateral

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

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

Recognition and measurement of impairment loss

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS (cont'd)

22.4 Credit risk (cont'd)

Trade receivables (cont'd)

Recognition and measurement of impairment loss (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 March 2025 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
2025			
Current (not past due)	75,854	-	75,854
2024			
Current (not past due)	79,072	-	79,072

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

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

	2025 RM'000	2024 RM'000
Group 1	-	12,245
Group 2	75,854	66,827
	75,854	79,072

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

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

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

Deposits with related company

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS (cont'd)

22.5 Liquidity risk

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

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

Maturity analysis

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

	Carrying amount RM'000	Contractual interest rate/ Discount rate rate/ %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
2025						
<i>Non-derivative financial liabilities</i>						
Trade and other payables	109,350	-	109,350	109,350	-	-
Lease liabilities	1,198	3.60	1,275	478	327	470
<i>Derivative financial liabilities</i>						
Forward exchange contracts (gross settled):						
Outflow	11	-	16,491	16,491	-	-
Inflow	-	-	(16,480)	(16,480)	-	-
	110,559		110,636	109,839	327	470
2024						
<i>Non-derivative financial liabilities</i>						
Trade and other payables	125,120	-	125,120	125,120	-	-
Lease liabilities	10	3.49	10	10	-	-
<i>Derivative financial liabilities</i>						
Forward exchange contracts (gross settled):						
Outflow	99	-	14,150	14,150	-	-
Inflow	-	-	(14,051)	(14,051)	-	-
	125,229		125,229	125,229	-	-

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS (cont'd)

22.6 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.

22.6.1 Currency risk

Risk management objectives, policies and processes for managing the risk

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

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

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

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

Currency risk sensitivity analysis

The following table demonstrates the sensitivity of the USD, JPY, THB, Euro and SGD had changed against Ringgit Malaysia by a reasonable possible change as of 31 March 2025 of 11.4% (2024: 7.4%) 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).

	2025		2024	
	Strengthen RM'000	Weaken RM'000	Strengthen RM'000	Weaken RM'000
United States Dollar	6,677	(6,677)	8,549	(8,549)
Japanese Yen	(562)	562	597	(597)
Thai Baht	(3)	3	(167)	167
Euro	25	(25)	28	(28)
Singapore Dollar	(13)	13	(8)	8

22.6.2 Interest rate risk

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

Risk management objectives, policies and processes for managing the risk

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

22. FINANCIAL INSTRUMENTS (cont'd)

22.6 Market risk (cont'd)

22.6.2 Interest rate risk (cont'd)

Exposure to interest rate risk

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

	2025 RM'000	2024 RM'000
Fixed rate instruments		
Financial assets	380,000	375,000

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.

22.7 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
2025					
Financial liability					
Derivative financial instruments:					
- forward exchange contracts	-	(11)	-	(11)	(11)
2024					
Financial liability					
Derivative financial instruments:					
- forward exchange contracts	-	(99)	-	(99)	(99)

Level 2 fair value

Derivatives

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

22.8 Material accounting policy information

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

NOTES TO THE FINANCIAL STATEMENTS

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23. 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 2025 and at 31 March 2024 were as follows:

	2025 RM'000	2024 RM'000
Profit and total comprehensive income for the year	46,137	92,646
Total equity	776,985	813,462
Return on capital ratio (%)	5.94	11.39

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

24. CAPITAL AND OTHER COMMITMENTS

	2025 RM'000	2024 RM'000
Approved by the Board but not provided for in the financial statements:		
- Contracted	4,343	5,919
- Not contracted	3,280	-
Analysed as follows:		
- Property, plant and equipment	7,623	5,919

25. RELATED PARTIES

Identity of related parties

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

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

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

(a) Associate and ultimate holding corporation

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

25. RELATED PARTIES (cont'd)

Identity of related parties (cont'd)

(b) Related party relationships

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

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

25. RELATED PARTIES (cont'd)

Identity of related parties (cont'd)

(b) Related party relationships (cont'd)

Related party	Relationship
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. ("PAPFMY")	Subsidiary of PHD
Panasonic Appliances Refrigeration Devices Malaysia Sdn. Bhd. ("PAPRDMY")	Subsidiary of PHD
Panasonic System Networks (M) Sdn. Bhd. ("PSNM")	Subsidiary of PHD
Panasonic Liquid Crystal Display Malaysia Sdn. Bhd. ("PLDM")	Subsidiary of PHD
Panasonic Appliances Air-Conditioning Malaysia Sdn. Bhd. ("PAPAMY")	Subsidiary of PHD
Panasonic Procurement Malaysia Sdn. Bhd. ("PPMY")	Subsidiary of PHD
Panasonic Trading and Logistics Asia Pacific ("PTLAP") (formerly known as Panasonic Logistics Asia Pacific ("PLAP"))	Subsidiary of PHD
Panasonic Production Engineering Co., Ltd. ("PPE")	Subsidiary of PHD
Panasonic Solutions (Thailand) Co., Ltd. ("PSTH")	Subsidiary of PHD
Panasonic Industrial Devices Vietnam Co., Ltd. ("PIDVN")	Subsidiary of PHD
Panasonic Electric Works Vietnam Co., Ltd. ("PLSVN")	Subsidiary of PHD
Panasonic Operational Excellence Co., Ltd. ("PEX")	Subsidiary of PHD
Panasonic Insurance Service Malaysia Sdn. Bhd. ("PISM")	Subsidiary of PHD
Panasonic Consumer Marketing Asia Pacific ("PCMAP")	Subsidiary of PHD
Panasonic Marketing CIS OY ("PMCIS")	Subsidiary of PHD
Panasonic Life Solutions India Private Limited ("PLSIND")	Subsidiary of PHD
PT Panasonic Gobel Life Solutions Manufacturing Indonesia ("PGLSMID")	Subsidiary of PHD
PT Panasonic Gobel Indonesia ("PGI")	Subsidiary of PHD
Panasonic Industrial Devices Philippines Corporation ("PIDPH")	Subsidiary of PHD
Panasonic Automotive Systems Asia Pacific Co., Ltd. ("PASAP")	Subsidiary of PHD
Panasonic Marketing Europe G.M.B.H. ("PME")	Subsidiary of PHD
Panasonic Manufacturing Philippines Corporation ("PMPC")	Subsidiary of PHD
Panasonic New Zealand Limited ("PNZ")	Subsidiary of PHD
Panasonic Factory Solutions Integration Systems Malaysia Sdn. Bhd. ("PFSISMY")	Subsidiary of PHD

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

25. RELATED PARTIES (cont'd)

Identity of related parties (cont'd)

(c) Significant related party transactions

	2025 RM'000	2024 RM'000
(i) Sales of products and related components to related parties:		
- Panasonic Malaysia Sdn. Bhd.	177,707	203,335
- KDK Fans (M) Sdn. Bhd.	143,346	138,975
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	215,380	204,150
- Panasonic Electric Works Vietnam Co., Ltd.	47,405	56,594
- Panasonic Procurement Malaysia Sdn. Bhd.	18,509	9,149
- P.T. Panasonic Manufacturing Indonesia	13,227	12,185
- Panasonic Solutions (Thailand) Co., Ltd.	146	93
- Panasonic Appliances R&D Asia Pacific Sdn. Bhd.	505	854
- Panasonic Corporation	1,495	1,191
- Panasonic Ecology Systems Co., Ltd.	5,921	5,942
- Panasonic Marketing Middle East and Africa FZE	84,131	125,957
- Panasonic Consumer Marketing Asia Pacific	100,888	132,706
- Panasonic Marketing CIS OY	606	2,243
- Panasonic Hong Kong Co., Ltd.	1,391	1,627
- Panasonic Life Solutions India Private Limited	1,692	2,349
- PT Panasonic Gobel Indonesia	1,661	-
- Panasonic Marketing Europe G.M.B.H	2,228	-
(ii) Sales of service parts to related parties:		
- Panasonic Malaysia Sdn. Bhd.	1,282	2,408
- Panasonic Trading and Logistics Asia Pacific ("PTLAP") (formerly known as Panasonic Logistics Asia Pacific ("PLAP"))	1,570	1,922
- KDK Fans (M) Sdn. Bhd.	446	538
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	624	613
- Other related companies	93	110
(iii) Sales of die and moulds to related parties:		
- Panasonic Electric Works Vietnam Co., Ltd.	214	1,806
- Panasonic Production Engineering Co., Ltd.	133	458
- Panasonic Automotive Systems Asia Pacific Co., Ltd.	394	-
- Panasonic Industrial Devices Philippines Corporation	-	162
(iv) Rental for lease office to a related party:		
- Panasonic Appliances R&D Asia Pacific Sdn. Bhd.	2,557	2,582
- Other related companies	145	167
(v) Provision of services for Accounting & Treasury, HR services, and IT support services to a related party:		
- Panasonic Appliances R&D Asia Pacific Sdn. Bhd.	236	224

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

25. RELATED PARTIES (cont'd)

Identity of related parties (cont'd)

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

	2025 RM'000	2024 RM'000
(vi) Technical assistance fee paid and payable to related parties:		
- Panasonic Corporation	7,182	9,724
- Panasonic Ecology Systems Co., Ltd.	14,755	14,576
(vii) Interest income received and receivable from a related party:		
- Panasonic Financial Centre (Malaysia) Sdn. Bhd.	20,053	20,910
(viii) Purchase of parts, components and raw materials from related parties:		
- Panasonic Procurement Malaysia Sdn. Bhd.	178,829	203,933
- Panasonic Operational Excellence Co., Ltd.	5,375	7,377
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	-	4,837
- P.T. Panasonic Manufacturing Indonesia	526	561
- Panasonic Ecology System (Thailand) Co., Ltd.	-	76
- Panasonic System Networks (M) Sdn. Bhd.	24,022	22,555
- Panasonic Ecology Systems Co., Ltd.	357	3
- Panasonic Electric Works Vietnam Co., Ltd.	637	422
- PT Panasonic Gobel Life Solutions Manufacturing Indonesia	-	428
(ix) Sales promotion, warranty claims and/or service expenses paid and payable to related parties:		
- Panasonic Malaysia Sdn. Bhd.	2,205	2,215
- Panasonic Corporation	601	950
- KDK Fans (M) Sdn. Bhd.	1,437	1,555
- PT Panasonic Gobel Indonesia	1,581	707
- Panasonic Solutions (Thailand) Co., Ltd.	1,843	2,826
- Panasonic Singapore	430	554
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	687	-
- Panasonic Manufacturing Philippines Corporation	613	-
- Other related companies	111	743
(x) Research and development expenditure paid and payable to related parties:		
- Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd.	24,282	25,915
- Other related companies	362	674
(xi) Brand license fee paid and payable to a related party:		
- Panasonic Ecology Systems Co., Ltd.	2,529	2,365
(xii) IT annual maintenance and support fees payable to related parties:		
- Panasonic Corporation	1,458	2,719
- Panasonic Operational Excellence Co., Ltd.	1,458	1,606
- Panasonic Procurement Malaysia Sdn. Bhd.	811	828

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

25. RELATED PARTIES (cont'd)

Identity of related parties (cont'd)

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

	2025 RM'000	2024 RM'000
(xiii) Purchase of fixed assets from related parties:		
- Panasonic Malaysia Sdn. Bhd.	450	1,645
- PT Panasonic Gobel Indonesia	319	1,583
- Other related companies	379	288
(xiv) Manufacturing innovation services received and receivable from a related party:		
- Panasonic Holdings Corporation's Corporate Manufacturing Innovation Division	2,201	2,201
(xv) Service fees paid and payable to related parties:		
- Panasonic Asia Pacific Pte. Ltd.	613	606
- Panasonic Malaysia Sdn. Bhd.	975	864
- Other related companies	405	723
(xvi) Repair fee paid and payable to related parties:		
- Other related companies	210	200
(xvii) Bonded warehouse rental paid and payable to a related party:		
- Panasonic Procurement Malaysia Sdn. Bhd.	387	267

(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:

	2025 RM'000	2024 RM'000
Amount due from:		
- Panasonic Holdings Corporation	476	466
- Panasonic Corporation	147	289
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	27,234	29,297
- KDK Fans (M) Sdn. Bhd.	22,360	17,994
- Panasonic Malaysia Sdn. Bhd.	10,143	14,466
- Panasonic Marketing Middle East and Africa FZE	7,554	7,627
- Panasonic Consumer Marketing Asia Pacific	1,978	4,618
- Panasonic Financial Centre (Malaysia) Sdn. Bhd.	1,709	1,765
- Panasonic Electric Works Vietnam Co., Ltd.	2,553	1,764
- Panasonic Procurement Malaysia Sdn. Bhd.	1,448	625
- Panasonic Ecology Systems Co., Ltd.	471	531
- P.T. Panasonic Manufacturing Indonesia	1,097	136
- Other related companies	1,052	1,406
	78,222	80,984

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

25. RELATED PARTIES (cont'd)

Identity of related parties (cont'd)

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

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

	2025 RM'000	2024 RM'000
Amount due to:		
- Panasonic Holdings Corporation	83	52
- Panasonic Corporation	3,721	590
- Panasonic Procurement Malaysia Sdn. Bhd.	12,887	17,100
- Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd.	3,496	4,702
- Panasonic Solutions (Thailand) Co., Ltd.	-	2,258
- Panasonic Malaysia Sdn. Bhd.	557	2,163
- Panasonic System Networks (M) Sdn. Bhd.	1,711	1,870
- Panasonic Operational Excellence Co., Ltd.	757	673
- PT Panasonic Gobel Indonesia	399	565
- Panasonic Ecology Systems Co., Ltd	7,716	-
- Other related companies	1,392	2,167
	32,719	32,140

(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:

	2025 RM'000	2024 RM'000
Directors' fees and meeting allowance	641	608
Salaries, allowance, bonus and other remuneration	12,516	11,993
Defined contribution retirement plan	694	668
	13,851	13,269

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

	2025 RM'000	2024 RM'000
Non-Executive Directors:		
- fees	577	546
- others	64	62
Executive Directors:		
- salaries, bonus and other remuneration	2,113	2,175
- defined contribution retirement plan	205	188
	2,959	2,971

The estimated monetary value of benefits provided to Executive Directors during the financial year amounted to RM77,998 (2024: RM85,594).

The estimated monetary value of benefits provided to Executive Directors and other members of key management personnel during the financial year amounted to RM784,437 (2024: RM749,998).

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 85 to 121 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2025 and of its financial performance and cash flows for the financial year then ended.

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

Dato' Azman bin Mahmud

Director

Takashi Sugihara

Director

Shah Alam

Date: 28 May 2025

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 85 to 121 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Kwan Wai Yue, MIA CA 10188, at Petaling Jaya in the State of Selangor on 28 May 2025.

Kwan Wai Yue

Before me:

Najmi Dawami Bin Abdul Hamid

Pesuruhjaya Sumpah

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC MANUFACTURING MALAYSIA BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Panasonic Manufacturing Malaysia Berhad, which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 85 to 121.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2025, and of its financial performance and its cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

i) Carrying amount of inventories

Refer to Note 7 – Inventories.

The key audit matter

The Company held significant inventory balances as at 31 March 2025 of RM46,766,000. There is a risk over the valuation of inventories due to possible slow-moving inventories. Slow-moving inventories may be due to items that are generally not fast moving such as phasing out of older models or inventories that are no longer saleable and replacement parts for the upkeep of the products sold. The valuation of inventories is a key audit matter because of the judgement involved in assessing the level of inventory allowance required.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC MANUFACTURING MALAYSIA BERHAD
(CONT'D)

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC MANUFACTURING MALAYSIA BERHAD
(CONT'D)

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

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

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

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

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

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

Other Matter

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

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

Ooi Eng Siong
Approval Number: 03240/02/2026 J
Chartered Accountant

Petaling Jaya
Date: 28 May 2025

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		124
			92 years	25-Jun-1973		40
			84 years	29-Sep-1981		200
			(Expires in the year 2065)			
	Factory and administrative office				12 - 59	1,209
	SA1 New administrative building				6 - 7	31,180
No. 9 Jalan Pelabur 23/1 Section 23 40300 Shah Alam Selangor Darul Ehsan	Land	17.1	Leasehold, 99 years	11-Apr-1991		4,998
			(Expires in the year 2090)			
	Factory and administrative office				17 - 30	201
	SA2 New 3 Storey Factory & Office Buidling				4 - 6	36,131
				Land	5,362	5,362
				Building	68,721	68,721
					74,083	74,083

STATISTICS ON SHAREHOLDINGS

AS AT 30 JUNE 2025

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	1,322	17.28	15,970	0.03
100 - 1,000	3,902	51.01	1,876,963	3.09
1,001 - 10,000	2,118	27.69	6,665,888	10.97
10,001 - 100,000	285	3.73	7,301,634	12.02
100,001 to 3,037,288 (less than 5% of issued shares)	19	0.25	6,102,208	10.05
3,037,289 and above (5% and above of issued shares)	3	0.04	38,783,117	63.84
Total	7,649	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 Abdul Kadir	0	0.00	0	0.00
7	Keisuke Nishida	0	0.00	0	0.00
8	Takashi Sugihara*	0	0.00	0	0.00
9	Masaru Fujimoto	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	6,503,146	10.71	-	-
4	Kumpulan Wang Persaraan (Diperbadankan)	3,456,100	5.69	-	-

STATISTICS ON SHAREHOLDINGS

AS AT 30 JUNE 2025
(CONT'D)

30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	PANASONIC MANAGEMENT MALAYSIA SDN. BHD.	28,823,871	47.45
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	6,386,546	10.51
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	3,456,100	5.69
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)	1,006,568	1.66
6	HO HAN SENG	450,000	0.74
7	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	436,900	0.72
8	MAYOON SDN BHD	360,000	0.59
9	CARTABAN NOMINEES (TEMPATAN) SDN BHD PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	358,500	0.59
10	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR YEO KOK GEE (19359)	330,478	0.54
11	SHEN & SONS SDN BHD	272,000	0.45
12	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR YEO GEOK CHOO (19003)	241,538	0.40
13	LAW KIANG	239,000	0.39
14	CHONG KAH MIN	214,146	0.35
15	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR TAI TAK SECURITIES PTE LTD (1442)	209,000	0.34
16	NG ENG HIAM PLANTATIONS SDN BERHAD	137,100	0.23
17	SAW KHAY CHEE	136,850	0.23
18	RHB NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE. LTD. (A/C CLIENTS)	124,000	0.20
19	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ARIM)	116,600	0.19
20	PLATIGOLD SDN BHD	115,000	0.19

STATISTICS ON SHAREHOLDINGS

AS AT 30 JUNE 2025
(CONT'D)

30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
21	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK SECURITIES PTE LTD FOR CHIA NGEN LEE CAROL	108,000	0.18
22	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)	103,380	0.17
23	AU YONG MUN YUE	100,000	0.17
24	TEOH JUN SEONG	98,000	0.16
25	CHONG KAH YUNG	97,825	0.16
26	CHONG YOON SHIN	90,000	0.15
27	OOI KENG TAN	88,000	0.15
28	SAW SIEW CHOO	82,850	0.14
29	SAW SIEW PHAIK	81,750	0.14
30	LEE BEE ENG	81,700	0.13
		45,605,450	75.08

HISTORY OF DIVIDEND PAYMENT

Financial Year/ Period	Paid-Up Capital (RM)	Cash Dividend Rate			Stock Dividend Rate	Total Dividend Rate	Gross Cash Dividend (RM)	TaxRate			Taxation Amount (RM)	Net Cash Dividend (RM)
		Interim	Final	Special				Interim	Final	Special		
3/2025	60,745,780	15%	47%	0%	-	62%	37,662,384	S/T	S/T	S/T	-	37,662,384
3/2024	60,745,780	15%	121%	0%	-	136%	82,614,261	S/T	S/T	S/T	-	82,614,261
3/2023	60,745,780	15%	107%	0%	-	122%	74,109,852	S/T	S/T	S/T	-	74,109,852
3/2022	60,745,780	15%	68%	0%	-	83%	50,418,997	S/T	S/T	S/T	-	50,418,997
3/2021	60,745,780	15%	148%	0%	-	163%	99,015,621	S/T	S/T	S/T	-	99,015,621
3/2020	60,745,780	15%	183%	0%	-	198%	120,276,644	S/T	S/T	S/T	-	120,276,644
3/2019	60,745,780	15%	211%	0%	-	226%	137,285,463	S/T	S/T	S/T	-	137,285,463
3/2018	60,745,780	15%	133%	100%	-	248%	150,649,534	S/T	S/T	S/T	-	150,649,534
3/2017	60,745,780	15%	102%	0%	-	117%	71,072,563	S/T	S/T	S/T	-	71,072,563
3/2016	60,745,780	15%	124%	0%	-	139%	84,436,634	S/T	S/T	S/T	-	84,436,634
3/2015	60,745,780	15%	35%	92%	-	142%	86,259,008	S/T	S/T	S/T	-	86,259,008
3/2014	60,745,780	15%	35%	23%	-	73%	44,344,419	25%	S/T	S/T	2,277,967	42,066,452
3/2013	60,745,780	15%	35%	138%	-	188%	114,202,066	25%	25%	25%	28,550,516	85,651,550
3/2012	60,745,780	15%	35%	70%	-	120%	72,894,936	25%	25%	25%	18,223,734	54,671,202
3/2011	60,745,780	15%	35%	95%	-	145%	88,081,381	25%	25%	25%	22,020,345	66,061,036
3/2010	60,745,780	15%	35%	70%	-	120%	72,894,936	25%	25%	25%	18,223,734	54,671,202
3/2009	60,745,780	15%	35%	55%	-	105%	63,783,069	25%	25%	25%	15,945,767	47,837,302
3/2008	60,745,780	15%	35%	65%	-	115%	69,857,647	T/E	25%	25%	15,186,445	54,671,202
3/2007	60,745,780	15%	35%	65%	-	115%	69,857,647	T/E	T/E	T/E	-	69,857,647
3/2006	60,745,780	15%	35%	65%	-	115%	69,857,647	28%	T/E	T/E	2,551,323	67,306,324
3/2005	60,745,780	15%	35%	150%	-	200%	121,491,560	28%	28%	28%	34,017,637	87,473,923
3/2004	60,745,780	15%	35%	10%	-	60%	36,447,468	28%	28%	28%	10,205,291	26,242,177
3/2003	60,745,780	10%	40%	-	70%	120%	30,372,890	28%	28%	-	8,504,409	21,868,481
3/2002	35,732,812	15%	35%	-	-	50%	17,866,406	28%	28%	-	5,002,593	12,863,813
3/2001	35,732,812	15%	35%	-	-	50%	17,866,406	T/E	28%	-	3,501,815	14,364,591
3/2000	35,732,812	15%	35%	-	-	50%	17,866,406	T/E	T/E	-	T/E	17,866,406
3/1999	35,732,812	15%	35%	-	-	50%	17,866,406	28%	T/E	-	1,500,778	16,365,628
3/1998	35,732,812	15%	35%	-	10%	60%	17,866,406	28%	28%	-	5,002,593	12,863,813
3/1997	32,484,375	10%	40%	20%	-	70%	22,739,063	30%	30%	30%	6,821,719	15,917,344
3/1996	32,484,375	10%	40%	-	-	50%	16,242,188	30%	30%	-	4,872,656	11,369,532
3/1995	32,484,375	10%	30%	-	-	40%	12,993,750	30%	30%	-	3,898,125	9,095,625
3/1994	32,484,375	10%	30%	-	-	40%	12,993,750	32%	32%	-	4,158,000	8,835,750
3/1993	32,484,375	10%	30%	-	50%	90%	12,993,750	34%	34%	-	4,417,875	8,575,875
3/1992	21,656,250	-	40%	-	-	40%	8,662,500	-	35%	-	3,031,875	5,630,625
3/1991	21,656,250	-	40%	-	-	40%	8,662,500	-	35%	-	3,031,875	5,630,625
3/1990	21,656,250	-	35%	-	-	35%	7,579,688	-	35%	-	2,652,891	4,926,797
3/1989	21,656,250	-	25%	-	-	25%	5,414,063	-	35%	-	1,894,922	3,519,141
3/1988	21,656,250	-	25%	-	-	25%	5,414,063	-	40%	-	2,165,625	3,248,438
3/1987	21,656,250	-	25%	-	10%	35%	5,414,063	-	40%	-	2,165,625	3,248,438
12/1985	19,687,500	-	25%	-	-	25%	4,921,875	-	40%	-	1,968,750	2,953,125
12/1984	19,687,500	-	35%	-	-	35%	6,890,625	-	40%	-	2,756,250	4,134,375
12/1983	19,687,500	-	35%	-	-	35%	6,890,625	-	40%	-	2,756,250	4,134,375
12/1982	19,687,500	-	20%	-	50%	70%	3,937,500	-	40%	-	1,575,000	2,362,500
12/1981	13,125,000	-	20%	-	-	20%	2,625,000	-	40%	-	1,050,000	1,575,000
12/1980	13,125,000	-	20%	-	25%	45%	2,625,000	-	40%	-	1,050,000	1,575,000
12/1979	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12/1978	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12/1977	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12/1976	10,500,000	-	15%	5%	-	20%	2,100,000	-	40%	40%	840,000	1,260,000
12/1975	10,500,000	-	15%	-	200%	215%	1,575,000	-	40%	-	630,000	945,000
12/1974	3,000,000	-	15%	-	-	15%	450,000	-	40%	-	180,000	270,000
12/1973	3,000,000	-	15%	-	-	15%	450,000	-	40%	-	180,000	270,000
12/1972	3,000,000	-	12%	5%	-	17%	510,000	-	T/E	40%	60,000	450,000
12/1971	3,000,000	-	12%	-	-	12%	360,000	-	T/E	-	T/E	360,000
12/1970	3,000,000	-	12%	-	-	12%	360,000	-	T/E	-	T/E	360,000
12/1969	3,000,000	-	10%	-	-	10%	300,000	-	T/E	-	T/E	300,000
12/1968	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
12/1967	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
12/1966	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
Total (Since Date of Incorporation)							2,096,623,660				245,392,385	1,851,231,275

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

NOTICE OF 60TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 60th Annual General Meeting of the Company will be held Hall 1, IDEAL Convention Centre Sdn Bhd, Level 7, Corporate Tower, Jalan Pahat L15/L, 40200 Shah Alam, Selangor on Friday, 29 August 2025 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Statutory Financial Statements for the financial year ended 31 March 2025 together with the Reports of the Directors and Auditors thereon.
2. To declare a final single tier dividend of 47 sen per ordinary share for the financial year ended 31 March 2025. **(Resolution 1)**
3. To re-elect Raja Anuar Bin Raja Abu Hassan who is retiring pursuant to Article 100 of the Company's Constitution. **(Resolution 2)**
4. To re-elect Masaru Fujimoto who is retiring pursuant to Article 105 of the Company's Constitution. **(Resolution 3)**
5. To approve the payment of Directors' fees and meeting attendance allowance not exceeding RM750,000 in respect of the financial year ending 31 March 2026. **(Resolution 4)**
6. To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

As Special Business:

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

7. **Continuation in office as Independent Non-Executive Director** **(Resolution 6)**
"THAT approval be and is hereby given to Raja Anuar Bin Raja Abu Hassan who has served as an Independent Non-Executive Director of the Company and is approaching a cumulative term of nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."
8. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**
"THAT subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company to renew the existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate") for the Company to enter into the following recurrent related party transactions:
 - (i) Sales and purchase of products, raw material and component parts, tools, equipment or machinery with Panasonic Corporation Group of Companies as specified in Section 2 of the Circular to Shareholders dated 31 July 2025. **(Resolution 7)**
 - (ii) Payment of fees to and receipt of fees from Panasonic Corporation Group of Companies as specified in Section 2 of the Circular to Shareholders dated 31 July 2025. **(Resolution 8)**
 - (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 2025. **(Resolution 9)**
 - (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 2025. **(Resolution 10)**

NOTICE OF 60TH 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 47 sen per ordinary share for the financial year ended 31 March 2025, will be paid on 19 September 2025 to depositors registered in the Record of Depositors and Register of Members at the close of business on 8 September 2025.

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 2025 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 2025

NOTICE OF 60TH ANNUAL GENERAL MEETING

(CONT'D)

PROXY NOTES

1. A Member entitled to attend and vote is entitled to appoint 1 proxy but not more than 2 proxies to attend and vote instead of him and the Member shall specify the proportion of his shareholdings to be represented by each proxy. When a Member is an exempt authorised nominee, there is no limit to the number of proxies which it may appoint.
2. The instrument appointing a proxy or proxies in the case of an individual shall be signed by the appointer or by his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under Common Seal or under the hand of the officer or attorney duly authorised.
3. The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the holding of the meeting or any adjournment thereof. Alternatively, the instrument appointing a proxy can be deposited electronically (for individual shareholders only) through the Share Registrar's website, Boardroom Smart Investor Online Portal at <https://www.boardroomlimited.my/> or via email to bsr.helpdesk@boardroomlimited.com before the Form of Proxy lodgement cut-off time as mentioned above.
4. Depositors who appear in the Record of Depositors as at 22 August 2025 shall be regarded as Members of the Company entitled to attend the 60th Annual General Meeting or appoint a proxy to attend and vote on his behalf.

Notes on Resolutions 2 to 3

Tan Sri Hasmah Binti Abdullah and Ms Siew Pui Ling have expressed their intention not to seek re-election and will retain office until the conclusion of the 60th Annual General Meeting.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 60th AGM, the Board through its Nomination Committee had assessed Raja Anuar Bin Raja Abu Hassan and Masaru Fujimoto (collectively "the Retiring Directors"). They were assessed on their performance and understanding of the Group's business. They meet the fit and proper criteria as laid out in the Company's policy. Their 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 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.

Based on the wealth of experience of the Retiring Directors 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 60TH ANNUAL GENERAL MEETING

(CONT'D)

Explanatory Note to Special Business:

Resolution 6

Raja Anuar Bin Raja Abu Hassan has served as Independent Non-Executive Director of the Company since 1 January 2017 and is approaching a cumulative term of nine (9) years in January 2026.

The Board (save for Raja Anuar Bin Raja Abu Hassan who abstained from deliberation and voting) has assessed his independence at its meetings held on 28 May 2025 and has recommended that he continue to act as an Independent Non-Executive Director of the Company based on the following justifications:

- a) He has met the independence guidelines as set out in Chapter 1 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- b) He provides a check and balance and brings an element of objectivity to the Board of Directors.
- c) He continues to be scrupulously independent in his thinking and in her effectiveness as constructive challenger of the Managing Director and Executive Directors, both in his position as Chairman of the Audit Committee and as a Board member.
- d) His active participation in board discussions and provision of an independent voice contribute significantly to the Board's deliberations, ensuring the infusion of unbiased and objective judgments.

Resolutions 7 to 10

Please refer to the Circular to Shareholders dated 31 July 2025 for further information.

FORM OF PROXY

Panasonic Manufacturing Malaysia Berhad

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

CDS Account No.

I/We, _____

*NRIC No./Company No./Passport No. _____ of _____

_____ being a Member of

Panasonic Manufacturing Malaysia Berhad hereby appoint _____

Email address _____ Mobile No. _____

*and/or failing him/her _____

Email address _____ Mobile No. _____

or failing him/her *the Chairman of the Meeting as my/our proxy/proxies to vote on my/our behalf at the 60th Annual General Meeting of the Company will be held Hall 11, IDEAL Convention Centre Sdn Bhd, Level 7, Corporate Tower, Jalan Pahat L15/L, 40200 Shah Alam, Selangor on Friday, 29 August 2025 at 10.00 a.m. and at any adjournment thereof. My/our proxy/proxies is/are to vote as indicated below:

Resolutions	Ordinary Business	For	Against
1.	Declaration of a final single tier dividend of 47 sen per ordinary share.		
2.	Re-election of Raja Anuar Bin Raja Abu Hassan.		
3.	Re-election of Masaru Fujimoto.		
4.	Approval of the payment of Directors' fees and benefits.		
5.	Re-appointment of Auditors.		
Special Business			
6.	Retention of Raja Anuar Bin Raja Abu Hassan as Independent Non-Executive Director.		
7.	Approval for Recurrent Related Party Transactions ("RRPT") - Sales of products, sales of tools and equipment, purchase of parts, components, raw materials, purchase of equipment, promotion expenses, warranty claims and/or service expenses and purchase of machinery, equipment and tools.		
8.	Approval for RRPT - Payment and receipt of fees.		
9.	Approval for RRPT - Placement of cash deposits and other treasury services.		
10.	Approval for RRPT - Other treasury services.		

(Please indicate with an "X" in the appropriate box against the resolutions on how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

The proportion of my/our shareholding to be represented by my/our proxy/proxies is as follows:

First named proxy _____ %
 Second named proxy _____ %

 100%

In case of a vote taken by show of hands, the first named proxy shall vote on my/our behalf.

Signed this _____ day of _____ 2025

 Signature/Common Seal of Shareholder

* Strike out whichever is not applicable.

Notes:

1. A Member entitled to attend and vote is entitled to appoint 1 proxy but not more than 2 proxies to attend and vote instead of him and the Member shall specify the proportion of his shareholdings to be represented by each proxy. When a Member is an exempt authorised nominee, there is no limit to the number of proxies which it may appoint.
 2. The instrument appointing a proxy or proxies in the case of an individual shall be signed by the appointer or by his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under Common Seal or under the hand of the officer or attorney duly authorised.
 3. The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the holding of the meeting or any adjournment thereof. Alternatively, the instrument appointing a proxy can be deposited electronically (for individual shareholders only) through the Share Registrar's website, Boardroom Smart Investor Online Portal at <https://www.boardroomlimited.my/> or via email to bsr.helpdesk@boardroomlimited.com before the Form of Proxy lodgement cut-off time as mentioned above.
 4. Depositors who appear in the Record of Depositors as at 22 August 2025 shall be regarded as Members of the Company entitled to attend the 60th Annual General Meeting or appoint a proxy to attend and vote on his behalf.
- * Strike out whichever is not applicable.

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AFFIX STAMP

**The Share Registrar
Panasonic Manufacturing Malaysia Berhad**

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya, Selangor Darul Ehsan

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Panasonic Manufacturing Malaysia Berhad (Registration No.: 196501000304 (6100-K))
No 3, Jalan Sesiku 15/2, Section 15, Shah Alam Industrial Site, 40200 Shah Alam, Selangor Darul Ehsan, Malaysia.
Tel: +603-5891 5000 Fax: +603-5891 5101 Email: ir.pmma@my.panasonic.com