PANASONIC MANUFACTURING MALAYSIA BERHAD (6100-K) ANNUAL REPORT 2011

Panasonic Manufacturing Malaysia Berhad (6100-K)

Annual Report 2011

For the financial year ended 31 March 2011

Panasonic Manufacturing Malaysia Berhad (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
Website : pmma.panasonic.com.my

Panasonic
ideas for life

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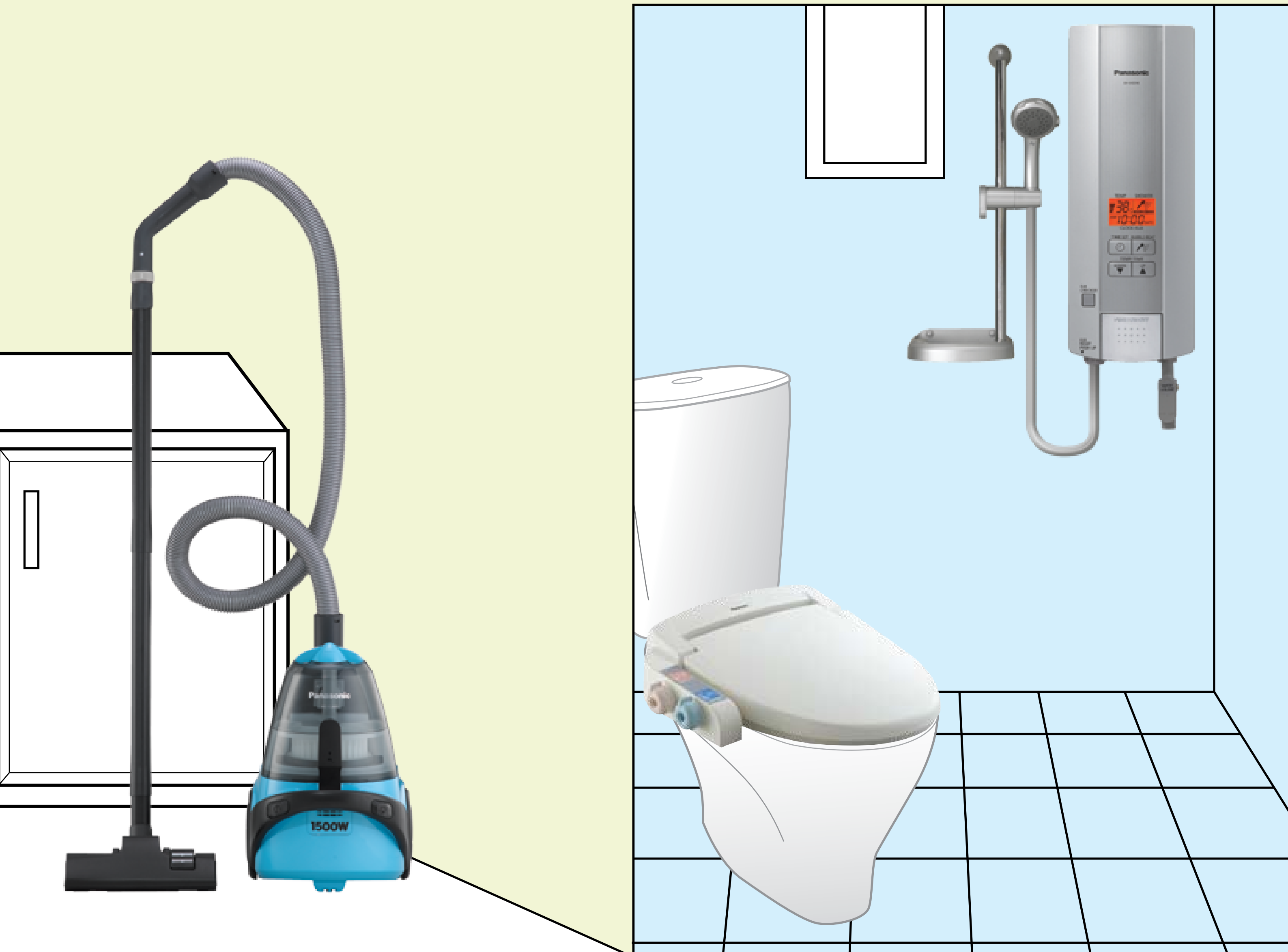


Corporate Information

BOARD OF DIRECTORS

Tan Sri Datuk Asmat bin Kamaludin *(Chairman)*
Masahiko Yamaguchi *(Managing Director)*
Raja Dato' Seri Abdul Aziz bin Raja Salim
Dr. Ramanaidu a/l Semenchalam
Chen Ah Huat
Razman Hafidz bin Abu Zarim
Datuk Supperamaniam a/l Manickam
Lee Wee Leong
Toshihiro Ukita

AUDIT COMMITTEE

Raja Dato' Seri Abdul Aziz bin Raja Salim *(Chairman)*
(Independent Non-Executive Director)

Razman Hafidz bin Abu Zarim
(Independent Non-Executive Director)

Datuk Supperamaniam a/l Manickam
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

Raja Dato' Seri Abdul Aziz bin Raja Salim *(Chairman)*
(Independent Non-Executive Director)

Razman Hafidz bin Abu Zarim
(Independent Non-Executive Director)

Toshihiro Ukita
(Executive Director)

NOMINATION COMMITTEE

Raja Dato' Seri Abdul Aziz bin Raja Salim *(Chairman)*
(Independent Non-Executive Director)

Razman Hafidz bin Abu Zarim
(Independent Non-Executive Director)

Datuk Supperamaniam a/l Manickam
(Independent Non-Executive Director)

COMPANY SECRETARY

Leong Oi Wah (MAICSA 7023802)

SOLICITORS

Shook Lin & Bok
Ramadass & Associates

REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6 Symphony House
Block D13 Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 – 7841 8000
Fax : +603 – 7841 8008

PRINCIPAL BANKERS

Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad
Malayan Banking Berhad

AUDITORS

PricewaterhouseCoopers
Chartered Accountants
Kuala Lumpur

REGISTERED OFFICE

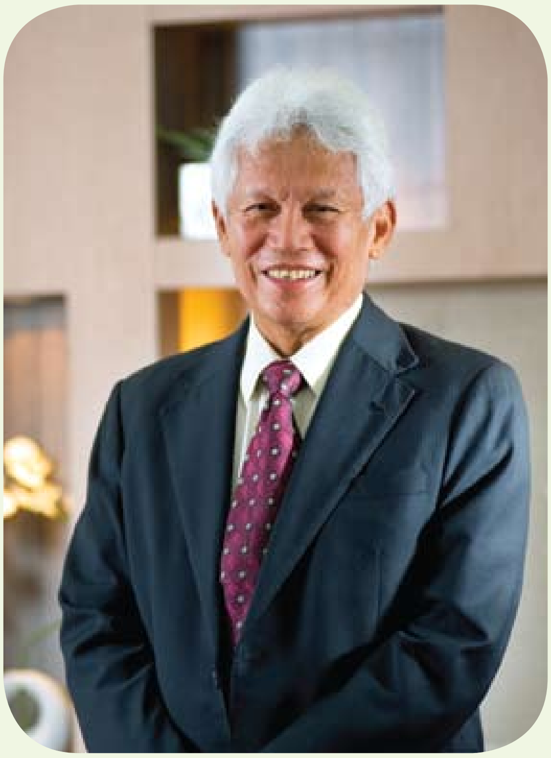
No. 3 Jalan Sesiku 15/2
Section 15
Shah Alam Industrial Site
40200 Shah Alam
Selangor Darul Ehsan
Tel : +603 - 5891 5000
Fax : +603 - 5891 5101
Email : ir.pmma@my.panasonic.com

STOCK EXCHANGE

Main Market of Bursa Malaysia Securities Berhad
Sector : Consumer Products
Stock Code : PANAMY 3719

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report and annual audited financial statements of the Company for the financial year ended 31 March 2011.



Tan Sri Datuk Asmat bin Kamaludin
(Chairman)

OVERVIEW

In 2010, the Malaysian economy experienced a strong resumption of growth, recording an expansion of 7.2% following the downturn a year ago. Growth was driven mainly by robust domestic demand and private sector activities. The manufacturing sector also recovered firmly in the early half of 2010 which tapered towards the year end with the slower external demand.

Whilst the growth, supported by higher consumption and investment activities have boosted sales, the Company was inundated to certain extent by the challenges of rising raw material cost and the strengthening of the Ringgit Malaysia against the US Dollars. The recent earthquake in Japan has affected certain supply chain but there was no significant impact on the Company's operations.

FINANCIAL REVIEW

Company

For the second consecutive year, the Company achieved double-digit growth in its revenue and for the financial year ended 31 March 2011, the Company achieved a revenue of RM761.4 million an increase of RM81.6 million from the previous financial year's revenue of RM679.8 million.

The higher revenue stemmed mainly from the higher export sales to the Middle East region and the full impact on the transfer of manufacture and sales of certain food processor and juicer models from Japan to Malaysia in the financial year under review.

The stellar sales performance coupled with the implementation of cost reduction measures, improved operational efficiencies, higher interest income and foreign exchange gain enabled the Company to achieve a remarkable combined profit before tax of RM101.8 million for the year ended 31 March 2011. This represents an admirable increase of 28% or RM22.5 million against the previous year's combined profit before tax of RM79.3 million.

The Company's share of its associated company's post-tax profit was RM8.4 million (2010: RM6.8 million).

Associated Company

Panasonic Malaysia Sdn Bhd posted consolidated revenue of RM1.7 billion for the financial year ended 31 March 2011; an improvement of 7.3% compared with the previous financial year. The pre-tax and post-tax profits from its group operations were RM30.4 million (2010: RM23.0 million) and RM21.1 million (2010: RM17.0 million) respectively.

DIVIDEND PAYMENT AND SHARE PRICE MOVEMENT

	31.03.2011	31.03.2010
Dividend rate	RM1.45	RM1.20
Share price	RM21.50	RM14.60

Dividend up 20.8%

Share price up 47.3%

With the marked improvement in performance, the Board of Directors is pleased to recommend a final dividend of 35 sen per share and a special dividend of 95 sen per ordinary share, less 25% income tax. This brings a total dividend of 145 sen (2010: 120 sen) per share for the financial year ended 31 March 2011. This amount represents an increase of 20.8% from the last financial year.

The Board believes that the consistently high dividend payment year after year has garnered much interest amongst the investment community on the shares of the Company. The share price of the Company has been rising steadily during the financial year under review closing at RM21.50 on 31 March 2011. This rise in share price gives an impressive capital appreciation to medium and long-term investors.

OPERATIONS REVIEW

During the financial year under review, the Company had relentlessly attained a series of manufacturing innovation achievements and productivity improvements, amongst others:

- Re-layout of assembly lines to increase production capacity for higher sales requirement.
- Enhancement of various processes to improve the output capacity and to reduce CO_2 emission.
- Innovation of mould plating technology which resulted in lower maintenance cost and better quality.
- Review of in-house plastic parts injection cycle time which resulted in big savings.
- Application of new technology on top of the existing know-how.

Besides manufacturing innovation, the Company also focused on product innovation on new features, capability and quality. In this context, the engineers from the Company's Product Development and Engineering Department had managed to develop 179 new models of various products this year.

In order to improve further in product development, product designs and level of customer satisfaction, the employees had visited the Panasonic customer service branches and service centers to listen to the voice of customers directly. This collaboration had brought a lot of mutual benefits to all concerns, and enabled the teams to develop and introduce more competitive products via customer feedback.

As a responsible manufacturer, the Company undergoes regular audit to ensure various quality standards are adhered to. In the year under review, the auditors from Panasonic Corporation, Japan Headquarter carried out stringent audit on the Company's technical and quality system to ensure that it is in line with the Quality Policy of Japan Headquarters and we are pleased to inform that they were satisfied with the Company's quality systems.

In recognising that the sustainability and prosperity of the Company is highly dependent on its employees, the Company introduced a new appraisal system with two-way communication, flexible working hours and offered special incentive for employees who acquire knowledge in fitting, finishing and injection skills, Appropriate actions were also taken to address concerns raised by employees via the Employee Opinion Survey. The Company will continue to maintain optimum vitality of the entire organisation by identifying high potential staff and provide adequate development for them to assume higher position.

Chairman's Statement

INDUSTRY OUTLOOK AND PROSPECTS FOR 2011

Following the strong performance in 2010, the Malaysian economy is projected to grow at 5-6% in 2011, supported mainly by continued expansion in domestic demand. The sustained expansion in the first quarter of 2011 underscores the steady pace of growth of the Malaysian economy. The Electric and Electronic Industry in the manufacturing sector is anticipated to grow moderately following the strong rebound in 2010.

The Company will strive to achieve another business milestone by increasing sales in Asian region and producing more locally-oriented products for the equatorial region. For domestic market, the Company will enhance the strategy on locally-oriented products by studying the local food culture and developing local recipes. For export market, the Company will accelerate new business promotion and tap unexplored markets.

In order to support the Company's growth, the Company will collaborate with its sales companies to strengthen the position of its products in the market and produce competitive products that meet the customer needs in each region worldwide, as well as eyeing mid-term and long-term growth as the result of the transfer of certain product models from Japan and China, to the Company.

The next financial year remains challenging amidst the continued strengthening of the Ringgit Malaysia against the US Dollars and further rise in the cost of raw material. The Company will be more vigilant to take appropriate foreign currency hedging measures and to mitigate the impact of rising costs through prudent management of fixed operational costs. Despite the current challenging outlook, the Company will strive to deliver satisfactory results for the financial year ending 31 March 2012.

DIRECTORATE

The Board wish to place on record its sincere thanks and appreciation to the former Directors, Mr Nobuyuki Kochi and Madam Soh Beng Kuan who had resigned/retired from the Company during the financial year, for their contribution to the Company during their tenure of office.

ACKNOWLEDGEMENT

I would like to express my gratitude to our stakeholders - the Malaysian Government, our shareholders, regulators, business associates, customers and the media for the continuous support and confidence in the Company. My sincere appreciation also goes to our Board of Directors and all employees for their commitment and contributions towards achieving continued growth and success of the Company.

Tan Sri Datuk Asmat bin Kamaludin
Chairman

Corporate Responsibility Report

During the financial year ended 31 March 2011, the Company continued to strengthen the bond with its stakeholders and encourage learning relationships. The Company believes that every little deed or act it extends to the community at large needs to be for the betterment of the environment and humanity as a whole. Our corporate responsibility initiatives are governed by the four pillars of corporate responsibility frameworks – Community Development, Workplace Development, Marketplace Development and Environmental Sustainability.

Community Development

The Company places paramount importance on assisting the communities around us. The Company and its employees have deep sense of responsibility and actively contribute their time, energy and resources towards the betterment of our communities. We have carried out numerous activities for the benefit of the elderly and orphans within local communities. These include community outreach programs especially in conjunction with festive celebrations such as Aidilfitri, where the children from 5 orphanages from the "Rumah Anak Yatim Negeri Selangor" were treated to "berbuka puasa" treats and goodies. In addition, a total of RM25,000 cash contribution was made to the said 5 orphanages. For the aged group, there are the annual visits to home for the aged and infirm. On separate occasion, many shelters receive contributions in the form of monetary donations, food and beverages and electrical products.

During the financial year, the Company had teamed-up and supported the associated company's various activities, such as Blood Donation Campaign, and "Kids Witness News" Program.

Workplace Development

The Company understands that the factors that contribute to its development are its employees. By addressing the needs of workplace, the Company is ensuring that it is not just keeping its employees happy or satisfied, but also encouraging success, loyalty, and a sense of belonging within the organisation. We have done this by providing a healthy, safe and secure work environment, which is overseen by the organisation's very own Safety, Health and Environment (SHE) Committee. Inspections by the Top Management are regularly carried out to ensure the overall safety standards, while campaigns are hosted to train and instill a sense of safety awareness among the staff.

The Company is using its resources to help upgrade the capabilities of its employees. By doing so, the Company realises that it is not just encouraging development, but also enhancing its employees' career progression and increasing their competitiveness, thus adding value to its assets.

Marketplace Development

Ranging from members of the public, business to government agencies, suppliers to customers, the stakeholders are also important to the development of the Company. However, more than just giving back to its stakeholders, the Company is also ensuring that it maintains its product quality and standards. We ensure that our products reach our consumers in full compliance with the statutory regulations of the markets we operate in. We have obtained necessary certification and licenses and undergo regular audits to remain in compliance.

Environmental Sustainability

In the 3rd year of collaboration with the Klang City Council, the Company was involved in engaging the community in the Klang Town Clean-up Campaign to cultivate greater awareness of the cleanliness and green activities in line with our eco ideas declaration for everybody, everywhere. To support the aspiration of Taman Sentosa to be declared as a Clean Zone, the Company had contributed "Zon Bersih" signboards worth RM10,000 that will be placed around the area. Over 500 staff from Panasonic Group of Companies in Malaysia and Taman Sentosa communities participated in this program.

The consideration of the environment is an important issue in all aspects of the Company's operations under the concept of "eco ideas for manufacturing" The Company actively carries out pollution prevention activities such as installation of mist and air-pollution cyclone filters for newly installed die-casting machines, continuous monitoring of wastewater discharge to ensure full compliance with Department of Environment's standards.

During the financial year, the Company had teamed up and supported the associated company's environmental sustainability activities, like eco Exhibition, Marine Conservation Project at Redang Island and "Friends of FRIM" (Tree Planting Activities).

The Company will continue to participate in these programs as it provides its employees with an opportunity to be actively and physically involved in giving back to the local community. This initiative is also part of our corporate responsibility to contribute to the society through our business operations, and is also in line with our corporate vision of co-existence with the environment.

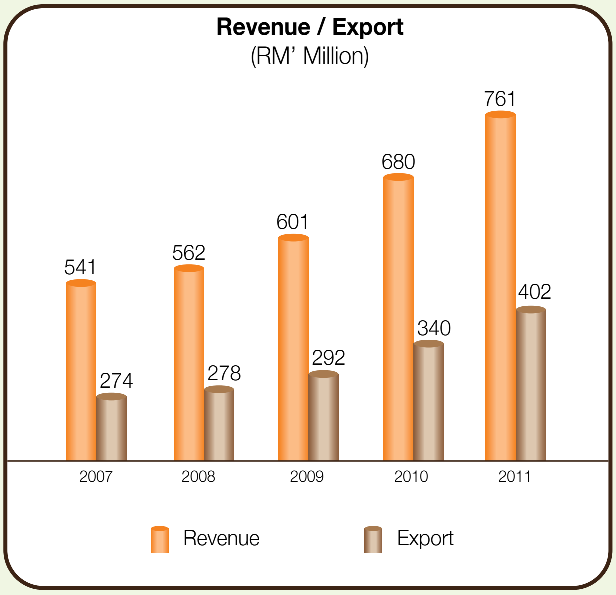
Financial Highlights

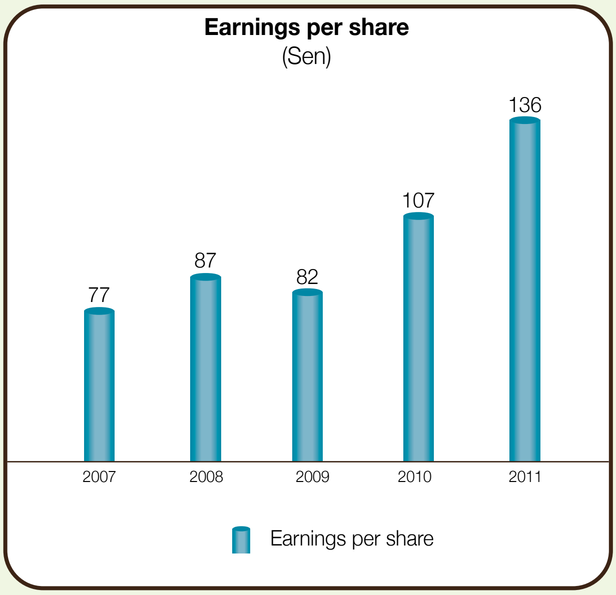
Financial Data (Combined Basis)		Year Ended 31 March 2011	Year Ended 31 March 2010
Turnover	RM'000	761,407	679,764
Profit before taxation	RM'000	101,806	79,318
Profit after taxation	RM'000	82,679	64,849
Percentage of turnover	%	10.9	9.5
Return on shareholders' funds	%	12.8	10.5
Earnings per share	sen	136	107
Dividend rate	%	145	120
Shareholders' funds	RM'000	647,366	619,327
Net assets per share	RM	10.66	10.20
Total assets	RM'000	780,428	761,601
Capital expenditure	RM'000	21,920	24,470

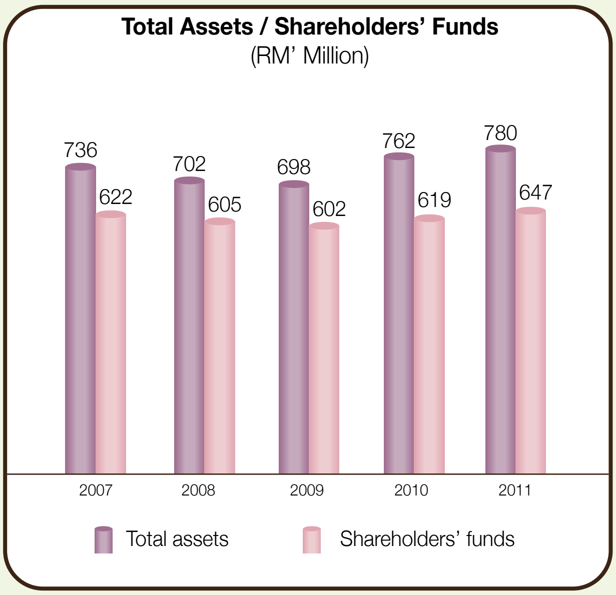
Financial Calendar

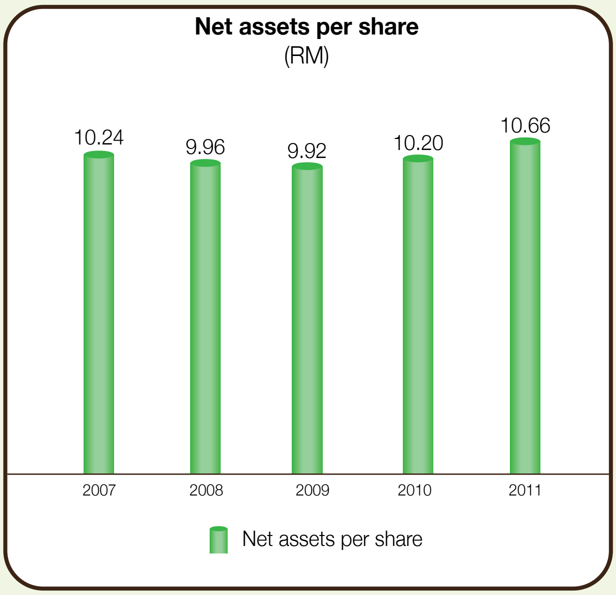
Financial Year Ended	31 March 2011
Announcement of Results	
- First Quarter	17 August 2010
- Second Quarter	29 November 2010
- Third Quarter	10 February 2011
- Fourth Quarter / Annual	25 May 2011
Issuance of 2011 Annual Report and Financial Statements	29 July 2011
46th Annual General Meeting	24 August 2011
Interim Dividend	
- Notice of Dividend Entitlement	29 November 2010
- Entitlement Date	3 January 2011
- Payment Date	25 January 2011
Proposed Final and Special Dividends	
- Notice of Dividend Entitlement	29 July 2011
- Entitlement Date	8 September 2011
- Payment Date	30 September 2011

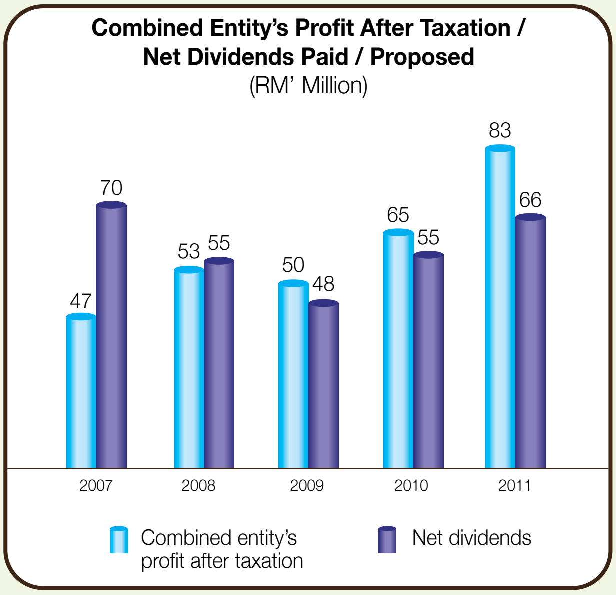
Five-Year Trend

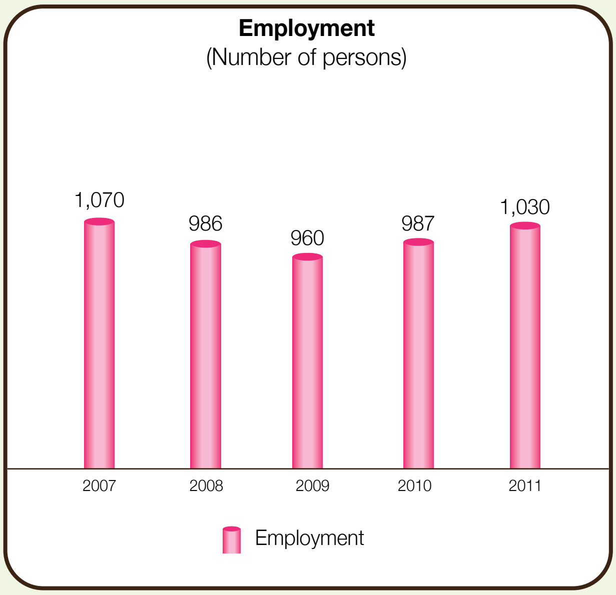












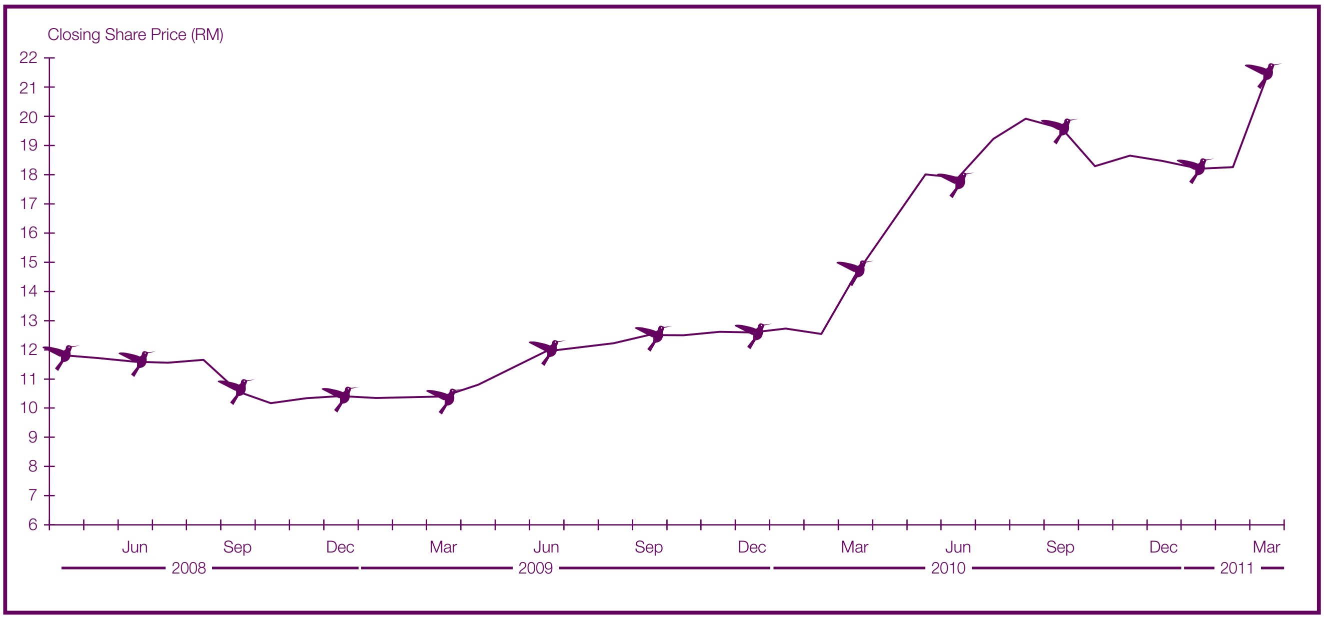
Five-Year Financial Summary

Financial Data (Combined Basis)		2007	2008	2009	2010	2011
STATEMENTS OF COMPREHENSIVE INCOME						
Turnover	RM'000	541,115	562,490	600,868	679,764	761,407
Profit before taxation *	RM'000	57,556	64,923	60,818	79,318	101,806
Profit after taxation *	RM'000	46,589	52,630	49,776	64,849	82,679
Gross dividends paid / proposed	RM'000	69,858	69,858	63,783	72,895	88,081
Net dividends paid / proposed	RM'000	69,858	54,671	47,837	54,671	66,060
STATEMENTS OF FINANCIAL POSITION						
Total assets *	RM'000	736,285	702,299	697,961	761,601	780,428
Share capital	RM'000	60,746	60,746	60,746	60,746	60,746
Shareholders' funds *	RM'000	622,160	604,932	602,315	619,327	647,366
FINANCIAL RATIOS						
Return on shareholders' funds	%	7.5	8.7	8.3	10.5	12.8
Earnings per share	sen	77	87	82	107	136
Net assets per share	RM	10.24	9.96	9.92	10.20	10.66
Dividend rate	%	115	115	105	120	145

Note:

* In accordance with FRS 128 "Investment in Associates", associates are accounted for using the equity method, which has been applied retrospectively.

Share Performance



	2010									2011		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	17.30	17.10	18.20	19.30	19.98	21.70	19.60	18.70	19.02	18.70	18.78	21.50
Lowest (RM)	14.58	16.32	16.80	17.98	19.24	19.40	18.02	18.30	18.50	18.20	18.10	18.35
Closing Share Price (RM)	16.90	16.80	17.98	19.30	19.90	19.56	18.30	18.62	18.50	18.28	18.32	21.50
Lots Traded (100 shares)	6,033	4,753	1,759	1,858	1,280	3,214	3,938	1,108	4,014	3,015	2,356	4,554

	2009									2010		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	11.00	11.50	12.00	12.40	12.90	13.00	12.70	12.80	12.86	12.92	12.80	14.60
Lowest (RM)	10.30	10.80	11.40	11.60	11.98	12.20	12.36	12.20	12.40	12.40	12.50	12.74
Closing Share Price (RM)	10.80	11.40	11.90	12.30	12.20	12.54	12.44	12.58	12.52	12.74	12.50	14.60
Lots Traded (100 shares)	2,291	3,310	4,756	6,674	4,738	2,744	2,888	750	1,302	1,610	440	3,662

	2008									2009		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	11.80	12.00	11.90	11.70	11.80	11.90	10.70	10.60	10.50	10.50	10.60	10.50
Lowest (RM)	10.70	11.50	11.50	11.20	11.50	10.30	10.00	10.30	10.20	10.20	10.20	10.20
Closing Share Price (RM)	11.80	11.70	11.60	11.60	11.70	10.60	10.10	10.30	10.40	10.30	10.50	10.30
Lots Traded (100 shares)	2,412	3,308	2,553	4,486	3,510	8,572	12,413	2,217	2,578	3,715	3,787	3,510

Board of Directors' Profile

TAN SRI DATUK ASMAT BIN KAMALUDIN

Aged 67. Malaysian. Tan Sri Datuk Asmat is the Senior Independent Non-Executive Director and Chairman of the Board since 29 August 2001. Tan Sri Datuk Asmat obtained a Bachelor of Arts (Hons) Degree in Economics from the University of Malaya in 1966 and subsequently obtained a Diploma in European Economic Integration from the University of Amsterdam in 1970. He had a distinguished career with the Ministry of International Trade and Industry, Malaysia ("MITI") for 35 years until his retirement as Secretary-General in January 2001. Tan Sri Datuk Asmat also had wide exposure in both domestic and international trade sectors whilst at MITI. He had served as Economic Counsellor for Malaysia in Brussels and worked with international bodies such as ASEAN, WTO and APEC and was actively involved in national organisations such as Johor Corporation, SMIDEC and MATRADE.

Currently, Tan Sri Datuk Asmat is the Group Chairman of UMW Holdings Berhad, Scomi Group Berhad, Scomi Marine Berhad, Symphony House Berhad, TASCO Berhad and Compugates Holdings Berhad and is a Non-Executive Vice-Chairman of YTL Cement Berhad. He also sits on the Board of Malaysian Pacific Industries Berhad, Lion Industries Corporation Berhad, Permodalan Nasional Berhad, The Royal Bank of Scotland Berhad and JACTIM Foundation. In 2008, he was appointed by MITI to represent Malaysia as Governor on the Governing Board of The Economic Research Institute for ASEAN and East Asia.

Tan Sri Datuk Asmat has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He attended all the Board Meetings held during the financial year and has no convictions for any offences within the past 10 years, other than traffic offences, if any.

MASAHIKO YAMAGUCHI

Aged 52. Japanese. Mr Yamaguchi was appointed the Managing Director of the Company on 1 April 2010. He graduated with a Bachelor's Degree in Engineering from Kansai University (Faculty of Engineering) in March 1982.

Mr Yamaguchi joined Panasonic Corporation in April 1982 and since then has held various positions in the quality control, quality assurance, purchasing and planning sections for Electric Heating Appliance, Kitchen Appliance, Rice Cooker and Cooking System Divisions. From 2004 to 2008, he was promoted to the position of General Manager of Quality Group in Cooking System Division and Hygiene Toilet Seat & Heating Equipment Business Unit (HHBU). In June 2008, he was assigned the General Manager of Business Strategy Group in HHBU prior to joining the Company as Managing Director. Mr Yamaguchi has 28 years working experience in Panasonic Corporation, mainly involved with products quality and business strategy. Currently, he is the Vice President of JACTIM.

Mr Yamaguchi 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 3 out of 4 Board Meetings held during the financial year and has no convictions for any offences within the past 10 years other than traffic offences, if any.

TOSHIHIRO UKITA

Aged 48. Japanese. Mr Ukita was appointed the Executive Director of the Company on 1 June 2010. He is also a member of the Remuneration Committee. He graduated with a Bachelor's Degree from Doshisha University, Kyoto Japan (Faculty of Commerce).

Mr Ukita joined Panasonic Corporation in April 1986 as an accounting staff. He was promoted to the position of coordinator in 1991 and in October 1995, he was posted to an American subsidiary of Panasonic Corporation holding the position of treasurer. In May 2002, he returned to Japan and was assigned to Internal Audit Department of Corporate Audit Group as a Councillor. Since then he has been a Councillor in Corporate Cost Busters Project and Management Support Team of Corporate Accounting Group. Mr Ukita has 23 years working experience in Panasonic Corporation, mainly involved with accounting, treasury, audit and project management. Currently, he is responsible for the Finance, Information Systems, Administration, Risk Management and Internal Audit Functions of the Company.

Mr Ukita 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 3 Board Meetings held after his appointment in the financial year and has no convictions for any offences within the past 10 years other than traffic offences, if any.

Board of Directors' Profile

RAJA DATO' SERI ABDUL AZIZ BIN RAJA SALIM

Aged 72. Malaysian. Raja Dato' Seri Abdul Aziz was appointed an Independent Non-Executive Director of the Company on 1 April 2002. He is also the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. Raja Dato' Seri is a Chartered Accountant and also an Honorary Fellow Member of the Chartered Tax Institute of Malaysia, the Chartered Association of Certified Accountants UK, the Chartered Institute of Management Accountants UK and Member of the Malaysian Institute of Accountants.

Raja Dato' Seri Abdul Aziz began his service with the Malaysian Government as an accountant in 1965. He was appointed the Deputy Accountant-General of Malaysia from 1974 to 1979 and subsequently served as Director-General of Inland Revenue Board of Malaysia for a period of over 10 years. He then held the position of Accountant-General of Malaysia from 1990 and retired from service in 1994.

Raja Dato' Seri Abdul Aziz currently holds directorships in Jerneh Asia Berhad, K & N Kenanga Holdings Berhad, Gamuda Berhad, PPB Group Berhad, Southern Steel Berhad, Hong Leong Industries Berhad, Kenanga Fund Management Berhad and Kenanga Investment Bank Berhad.

Raja Dato' Seri Abdul Aziz 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 10 years other than traffic offences, if any.

DR. RAMANAIDU A/L SEMENCHALAM

Aged 60. Malaysian. Dr. Ramanaidu was appointed the Executive Director of the Company on 5 April 2004. He graduated with a Bachelor of Laws (LLB) in 1994 and Doctorate in Business Administration, majoring in Organisational Development in 2007.

Dr. Ramanaidu joined the Company in 1973 and has 38 years experience in the Human Resource and Industrial Relations functions of the Company. He is a Council Member of Selangor Human Resource Development Centre (SHRDC), Federation of Malaysian Manufacturers (FMM), Electrical Industry Employers' Group (EIEG) and the Chairman of Panasonic Human Resource Managers Group in Malaysia. Currently, he is responsible for the Human Resource, Corporate Affairs and Legal Compliance functions of the Company. He also oversees the Risk Management and Information Security Management functions of the Company.

Dr. Ramanaidu 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 10 years other than traffic offences, if any.

CHEN AH HUAT

Aged 51. Malaysian. Mr Chen was appointed the Executive Director of the Company on 5 April 2004. He holds a Certificate in Mechanical Engineering from Polytechnic Kuantan in 1981.

Mr Chen joined the Company in 1981 and has 30 years experience in the manufacturing operations of various home appliances products. Currently, he is responsible for the factory operation management and procurement functions of the Company's Home Appliances Division. Mr Chen also oversees the Internal Audit functions of the Company.

Mr Chen has indirect interest in the shares of the Company by virtue of his spouse's interest in 2,000 shares in the Company but has no shareholdings in the associated company. He has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. Mr Chen attended all the Board Meetings held during the financial year and has no convictions for any offences within the past 10 years other than traffic offences, if any.

Board of Directors' Profile

RAZMAN HAFIDZ BIN ABU ZARIM

Aged 56. Malaysian. Encik Razman was appointed an Independent Non-Executive Director of the Company on 21 June 2004. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. Encik Razman graduated with a Joint-Honours Degree in Economics and Accounting, BSc (Econ) from University College, Cardiff, University of Wales. He is a Chartered Accountant and is a Fellow Member of the Institute of Chartered Accountants in England and Wales and a Member of the Malaysian Institute of Accountants.

Encik Razman has more than 33 years experience in the fields of auditing, mergers and acquisitions, corporate finance and management consulting. He has worked with chartered accountancy firms in UK and Malaysia and was the Partner-in-charge of the Management Consulting Practice of Price Waterhouse, Malaysia (now known as PricewaterhouseCoopers). In 1994, he established Norush Sdn Bhd, an investment holding and business advisory firm where he is the Chairman. He is currently the Managing Director/Chief Executive Officer of Mithril Berhad and holds independent directorships in several public companies, namely Malaysian Oxygen Berhad, eBworx Berhad, Yeo Hiap Seng (Malaysia) Berhad and J.P. Morgan Chase Bank Berhad.

Encik Razman 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. Encik Razman attended all the Board Meetings held during the financial year and has no convictions for any offences within the past 10 years other than traffic offences, if any.

DATUK SUPPERAMANIAM A/L MANICKAM

Aged 66. Malaysian. Datuk Supperamaniam was appointed an Independent Non-Executive Director of the Company on 1 January 2008. He is also a member of Audit Committee and Nomination Committee. Datuk Supperamaniam graduated with a Bachelor of Arts (Hons) Degree in Economics from University of Malaya in 1970.

He joined the Malaysian Administrative and Diplomatic Service in October 1970 and was posted to the MITI as Assistant Director. He served in the civil service for 33 years in various capacities and held position as Deputy Secretary-General of MITI from 1997 until his official retirement in March 2000. In May 2000, he was appointed by the Government of Malaysia to be the Ambassador / Permanent Representative of Malaysia to the World Trade Organisation in Geneva, Switzerland and held the position until September 2003. Since his retirement from public service, he now serves as a consultant/resource person for United Nations agencies, regional and international organisations and foreign governments. He is a member of the National Trade Advisory Council and sits in as a member of several government related to trade and investment policy issues and negotiations. Currently, he is the Independent Non-Executive Director of Shangri-La Hotels (Malaysia) Berhad and also Distinguished Fellow of Institute of Strategic and International Studies (ISIS) Malaysia. Besides the aforesaid, he also serves as an Adjunct Professor to the International Islamic University of Malaysia and Science and Management University, Kuala Lumpur. He is also a Visiting Professor of Macau University of Science and Technology (Faculty of Law).

Datuk Supperamaniam 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 3 out of 4 Board Meetings held during the financial year and has no convictions for any offences within the past 10 years other than traffic offences, if any.

LEE WEE LEONG

Aged 54. Malaysian. Mr Lee was appointed a Non-Independent Non-Executive Director of the Company on 1 April 2010. He graduated with a Bachelor of Science (Biochemistry & Biology) from University of Malaya in 1979.

He joined Panasonic Malaysia Sdn Bhd (PM) in 1983 as a marketing executive in the Special Product department and was promoted as Assistant Manager in the Home Appliance department in 1991. He was then assigned to the Audio/Visual department as Manager and promoted as Assistant General Manager in Audio/Visual & Technics Musical Instruments department in 1996. He was subsequently promoted as General Manager in the Sales Division in 1999 and made the Department Head of the Consumer Products Division in 2001. Mr Lee was appointed a Director of PM in 2008 and was promoted to the position of Managing Director of PM with effect from 1 April 2010.

Mr Lee 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. Mr Lee attended 3 out of 4 the Board Meetings held during the financial year and has no convictions for any offences within the past 10 years other than traffic offences, if any.

Statement on Corporate Governance

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, Bursa Malaysia's Corporate Governance Guide, Panasonic Code of Conduct and Panasonic Basic Business Philosophy. 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.

THE BOARD STRUCTURE, DUTIES AND EFFECTIVENESS

Board Size, Leadership and Competencies

The current Board size of 9 members consists of 4 Independent Non-Executive Directors (including the Chairman), 4 Executive Directors and 1 Non-Independent Non-Executive Director. 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 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. There is a balance of Executive Directors and Non-Executive Directors so that no individual or small group of individuals can dominate the Board's decision making.

The profile of each Director is summarised on pages 11 to 13 of the Annual Report.

Board Duties and Responsibilities

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 Chairman of the Board, Tan Sri Datuk Asmat bin Kamaludin, is the Senior Independent Non-Executive Director to whom concerns relating to the Company may be conveyed by shareholders and other stakeholders.

The Board will review and ensure that any appointment, resignation/termination of Directors, Company Secretaries 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 Secretaries. 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.

Conduct of Meetings

The Board met 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 Committee 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 at the Board Meetings held during the financial year ended 31 March 2011 was as follows:

Name of Directors	Meeting Attendance	% of Attendance
Tan Sri Datuk Asmat bin Kamaludin	4/4	100
Masahiko Yamaguchi	3/4	75
Raja Dato' Seri Abdul Aziz bin Raja Salim	4/4	100
Dr. Ramanaidu a/l Semenchalam	4/4	100
Chen Ah Huat	4/4	100
Razman Hafidz bin Abu Zarim	4/4	100
Datuk Supperamaniam a/l Manickam	3/4	75
Lee Wee Leong	3/4	75
Toshihiro Ukita (appointed w.e.f. 01.06.2010)	3/3	100
Soh Beng Kuan (retired w.e.f. 01.03.2011)	3/4	75
Nobuyuki Kochi (resigned w.e.f. 06.09.2010)	1/2	50

All proceedings, deliberations and conclusions of the Board and Board Committees Meetings are clearly recorded in the minutes of meetings by the Company Secretaries, confirmed by the Board 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 Articles of Association.

Minutes of each Board and Board Committees Meeting are circulated to Chairman of Meeting for perusal prior to confirmation of the minutes at the following meetings. The Company Secretaries attend all Board and Board Committees Meetings and ensure that accurate and proper records of the proceedings of meetings and resolutions passed are properly kept at the registered office.

Statement on Corporate Governance

Directors' Continuing Education

All Directors including the newly appointed Directors have completed the Mandatory Accreditation Programme. Newly appointed Directors have also undergone a formal orientation and education programme including factory visits guided by other Directors and senior management.

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

No.	Continuing Education Programme Attended	Date Attended	Duration
1.	**Tan Sri Datuk Asmat bin Kamaludin**		
	• Competency as the Backbone of Transformation	21.05.2010	1 day
	• Implementing Effective Project strategies: Case Study on the Monorail Project for Mumbai	25.05.2010	1 day
	• Mandatory Accreditation Programme	26~27.06.2010	2 days
	• Going Forward: Risk & Reform – Implications for Audit Committee Oversight	13.07.2010	1 day
	• Directors Training by Bursa Malaysia	26.08.2010	1 day
	• Financial Industry Conference	03.11.2010	1 day
	• Seminar on Strategic Trade Goods Act	02.03.2011	0.5 day
	• Bursa Corporate Governance Program – Assessing the Risk and Control Environment	24.03.2011	0.5 day
2.	**Masahiko Yamaguchi**		
	• Overseas New MD Management Course	28~29.05.2010	2 days
	• Manufacturing Innovation MD Meeting	02.06.2010	1 day
	• Mandatory Accreditation Programme	16~17.06.2010	1.5 days
	• Asia MD Quality Management Conference	20~21.08.2010	2 days
	• Asia and Oceania Regional MD Conference, Singapore	12~13.10.2010	1.5 days
3.	**Raja Dato' Seri Abdul Aziz bin Raja Salim**		
	• Training programme on the Competition Act 2010, Goods & Services Tax – Introduction, Rationale, Issues and the Way Forward; Macroeconomic Outlook – challenges persist but growth remains on track; Sustainable Palm Oil – the Issues, Challenges and Opportunities and Protocol in the Business World	22.09.2010	1 day
	• An Introduction to Kenanga Investment Bank Berhad's Business and Risk	18~19.10.2010	2 days
	• 18th World Congress of Accountants 2010	08~11.11.2010	4 days
	• Corporate Problem and How the Board can input to Strategy Development and Implementation	15.11.2010	1 day
	• Risk Management Programme	03.12.2010	1 day
4.	**Dr. Ramanaidu a/l Semenchalam**		
	• Leadership and Self-Deception (Core Training) Workshop	25.05.2010	1 day
	• Workshop on Labour Shortage among Industries in Selangor	10.06.2010	0.5 day
	• Briefing on 2011 National Budget	28.10.2010	1 hour
	• Conference on Competitiveness: Driving Innovation for Competitiveness	30.11.2010	1 day
	• 3rd Country Legal Conference	17.02.2011	1 day

No.	Continuing Education Programme Attended	Date Attended	Duration
5.	**Soh Beng Kuan**		
	• Technical Week on Leading Governance – A Survey & Progress on Boardroom Excellence in PLCs in Malaysia	06.04.2010	2 hours
	• IBM Pulse Comes To You – Challenges of A Smarter Planet	06.05.2010	1 day
	• IT Experts Summit – Security Trends 2010 (Websense) – Internet Security & Data Loss Prevention	12.05.2010	0.5 day
	• Power of Cloud Computing – Optimising IT Infrastructure	19.05.2010	0.5 day
	• Leadership and Self-Deception (Core Training) Workshop	25.05.2010	1 day
	• IBM Power Solutions Summit 2010 - Risk Mitigation & Security Enhancement	26.05.2010	6 hours
	• Asia Summit 2010 – Responsiveness to Technology, Cost Reduction and Compliance to Industry Standards & Legislation	03.06.2010	0.5 day
	• 2nd Global Islamic Finance Forum – Global Biz Leaders Dialogue: Shaping Global Finance for the Next Decade	25.10.2010	4 hours
6.	**Chen Ah Huat**		
	• Leadership and Self-Deception (Core Training) Workshop	25.05.2010	1 day
	• Conference on Competitiveness: Driving Innovation for Competitiveness	30.11.2010	1 day
7.	**Razman Hafidz bin Abu Zarim**		
	• Unlocking Potential: Towards a High Income Economy	25.10.2010	1 day
	• 18th World Congress of Accountants 2010	08~11.11.2010	4 days
8.	**Datuk Supperamaniam a/l Manickam**		
	• The Competition Act 2010; Goods & Services Tax – Introduction, Rationale, Issues and the Way Forward; Macroeconomic Outlook – challenges persist but growth remains on track; Sustainable Palm Oil – the Issues, challenges and opportunities and Protocol in the Business World.	22.09.2010	1 day
	• Unlocking Potential: Towards a High Income Economy	25.10.2010	1 day
9.	**Lee Wee Leong**		
	• Panashop Conference, China	03.07.2010	1 day
	• Mandatory Accreditation Programme	14~15.07.2010	1.5 days
	• Asia and Oceania Regional MD Conference, Singapore	12~13.10.2010	1.5 days
	• Aircon Sales Convention	09.12.2010	1 day
10.	**Toshihiro Ukita**		
	• Mandatory Accreditation Programme	16~17.06.2010	1.5 days
	• Presentation and Disclosure Requirements of Financial Statements	20~21.10.2010	2 days
	• Malaysian Budget 2011 and Tax implications	22.10.2010	0.5 day
	• Budget 2011 and Foreign Exchange Forecast	25.10.2010	2.5 hours

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 Malaysian Code on Corporate Governance. 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 22 to 26 of the Annual Report.

On a formal assessment on the performance and effectiveness of the Audit Committee and its members, the Board with the exception of the Directors who are also Audit Committee are 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 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 is experienced and effective in conducting meetings. The Audit Committee members have also fulfilled the requirements in terms of roles and responsibilities, in relations with External Auditors and Internal Auditors.

Nomination Committee

The Nomination Committee membership was reviewed and revised on 10 February 2011 to comprise entirely of Independent Non-Executive Directors, as follows:

No.	Name	Designation
1.	Raja Dato' Seri Abdul Aziz bin Raja Salim (Chairman)	Independent Non-Executive Director
2.	Razman Hafidz bin Abu Zarim (Member)	Independent Non-Executive Director
3.	Datuk Supperamaniam a/l Manickam (Member) – appointed on 10.02.2011	Independent Non-Executive Director

Pursuant to the terms of reference of the Nomination Committee, the main responsibilities of the Nomination Committee include:

- Recommend new nominees to the Board as well as Board Committees for the Board's consideration;
- 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; and
- Annually assess the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director.

Evaluation of Performance, Mix of Skills, Experience and Qualities

Based on the current position and practices of the Company, the Nomination Committee upon its review on 20 May 2010 was satisfied that the Board and Board Committees structure, size, composition, mix of skills and qualities of the Directors were appropriate and conformed to the best practices in the Malaysian Code on Corporate Governance.

The Nomination Committee also conducted a formal assessment of performance and effectiveness of the Board, Audit Committee, Remuneration Committee as well as individual Directors. The performance of Nomination Committee itself, however, was evaluated by the Chairman of the Board. 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.

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

Re-election and Re-appointment

In accordance with the Company's Articles of Association, 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.

Each year, the Nomination Committee assesses the experience, competence, integrity and capability of each Director including the Director over 70 years old who wishes to continue his office before making recommendation to the Board. Directors who are due for re-election or re-appointment at the forthcoming AGM were shown in the notice of AGM.

Remuneration Committee

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

No.	Name	Designation
1.	Raja Dato' Seri Abdul Aziz bin Raja Salim (Chairman)	Independent Non-Executive Director
2.	Razman Hafidz bin Abu Zarim (Member)	Independent Non-Executive Director
3.	Toshihiro Ukita (Member) - appointed on 06.09.2010	Executive Director

At a meeting held on 18 May 2010, the Remuneration Committee made a recommendation to the Board for payment of Directors' fees not exceeding RM240,000 in aggregate for the financial year ended 31 March 2011 to the Independent Non-Executive Directors. It was approved by the Shareholders at the AGM.

The remuneration package of the Non-Executive Directors including the 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 Non-Executive Directors who have an interest do not participate in discussions on their remuneration. As a comparison, the Survey Report done by KPMG Malaysia on 2009 Non-Executive Directors' Profile, Practices & Pay was briefed to the Remuneration Committee.

The Remuneration Committee Members were also briefed on the basis of determination of remuneration package applied to the Executive Directors of the Company, which comprised of basic salary, annual adjustment, performance incentive, bonus and benefit-in-kind.

Directors' Remuneration

The details of the remuneration of the Directors of the Company for the financial year ended 31 March 2011 are as follows:

Descriptions	Executive Director RM	Non-Executive Director RM	Total RM
Fees	-	240,000	240,000
Meeting allowance	-	18,500	18,500
Salary and other remuneration	2,992,243	-	2,992,243
Benefits-in-kind (BIK)	157,639	-	157,639
Total	3,149,882	258,500	3,408,382
Total (excluding BIK)	2,992,243	258,500	3,250,743

The remuneration of the Directors for the financial year ended 31 March 2011 in the respective bands of RM50,000 is as follows:

Range of Remuneration	Executive Director	Non-Executive Director	Total
RM0 to 50,000	-	1	1
RM50,001 to RM100,000	-	4	4
RM150,001 to RM200,000	1	-	1
RM200,001 to RM250,000	1	-	1
RM450,001 to RM500,000	3	-	3
RM600,001 to RM650,000	1	-	1
RM750,001 to RM800,000	1	-	1

The Company, Directors and officers have jointly contributed to a 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.

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 means of communication with shareholders and investors are as follows:

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 Director and/or Management held meetings with major shareholders, fund managers and investment analysts, at their request, and Minority Shareholders Watchdog Group 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.

Annual General Meeting

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 decided on a show of hands.

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.

ACCOUNTABILITY AND AUDIT

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 provide 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.

Statement on Corporate Governance

Directors' Responsibility Statement

The Board is required by the Companies Act, 1965 to ensure that the financial statements of the Company and its associated company ("the Combined Entity") represent a true and fair view of the state of affairs of the Combined Entity 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 Combined Entity and to prevent and detect fraud and other irregularities.

Internal Control

The Board, with the assistance of the Audit Committee, continues to review its 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 Statement on Internal Control is set out on pages 27 to 29 of the Annual Report.

Relationship with Auditors

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

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

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

The Statement is made in accordance with the resolution of the Board of Directors dated 25 May 2011.

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 2011.

COMPOSITION

The composition of the Audit Committee comprise only of Independent Non-Executive Directors. The members of the Audit Committee and records of attendance of each member at Audit Committee meetings held during the financial year ended 31 March 2011 are as follows:

No.	Name of Audit Committee Member	No. of Meetings Attended
1.	Raja Dato' Seri Abdul Aziz bin Raja Salim (Chairman) (Independent Non-Executive Director)	4/4
2.	Razman Hafidz bin Abu Zarim (Member) (Independent Non-Executive Director)	4/4
3.	Datuk Supperamaniam a/l Manickam (Member) (Independent Non-Executive Director)	4/4

The current Audit Committee comprises of 3 Independent Non-Executive Directors. The Chairman of the Audit Committee, Raja Dato' Seri Abdul Aziz and also Encik Razman are Members of the Malaysian Institute of Accountants and hence, the Company is in compliance with the Main Market Listing Requirements and Practice Note 13, which requires at least 1 Member of the Audit Committee to be a qualified accountant.

CONDUCT OF MEETINGS

The Audit Committee meets on a quarterly basis. There were 4 Audit Committee Meetings held during the financial year ended 31 March 2011 and the Company Secretaries were present at all the Audit Committee Meetings. The Managing Director, Executive Director, Finance General Manager, External Auditors and/or Internal Auditors were invited to attend the Audit Committee Meetings. The minutes of each meeting was tabled to and noted by the Board. The Chairman of Audit Committee reports on the main findings and deliberations of the Audit Committee Meeting to the Board.

TERMS OF REFERENCE

The terms of reference as revised and approved by the Board are as follows:

A. Composition of Audit Committee

The Audit Committee shall be appointed by the Board from among its Members which fulfils the following requirements:

1. The Audit Committee must be comprised of not less than 3 Members;

2. All the Audit Committee Members must be Non-Executive Directors, with a majority of them being Independent Directors;

Audit Committee Report

3. At least 1 Member of the Audit Committee:

   (a) must be a member of the Malaysian Institute of Accountants (MIA);
   (b) if he is not a member of the MIA, he must have at least 3 years' working experience and have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967 or must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountant Act 1967;
   (c) must have a degree/masters/doctorate in accounting or finance or a member of any professional accountancy organisation which has been admitted as a full member of the International Federation of Accountants and at least 3 years' post qualification experience in accounting or finance;
   (d) must have at least 7 years' experience being a Chief Financial Officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation; or
   (e) must have financial-related qualifications or experience that is approved by Bursa Malaysia Securities Berhad.

4. The Audit Committee shall elect a chairman from among its Members who shall be an Independent Director.

5. Alternate Director is not allowed to become a Member of the Audit Committee.

In the event of any vacancy in the Audit Committee resulting in non-compliance of Bursa Malaysia Securities Berhad Listing Requirements, the Board shall fill the vacancy within 3 months from the date of vacancy.

The Board shall review, at least once every 3 years, the term of office and performance of the Audit Committee and each of its Members to determine whether the Audit Committee and its Members have carried out their duties in accordance with their terms of reference.

B. Quorum

A quorum shall consist of 2 Members present and a majority must be Independent Directors.

C. Meetings

The Audit Committee shall meet not less than 4 times a year. The Chairman of the Audit Committee at his discretion may convene additional meeting of the Audit Committee if so requested by any Member, Internal Auditors or External Auditors to consider any matter within the scope and responsibilities of the Audit Committee. Minutes of each Meeting shall be kept and distributed to each Member of the Audit Committee and also to the Members of the Board. The Chairman of Audit Committee shall report on the outcome of each Meeting to the Board.

The Directors, executive officers, representatives of the External Auditors and/or Internal Auditors may attend the meetings upon the invitation of the Audit Committee. The Audit Committee holds meetings with the External Auditors without Management's presence at least twice per year to discuss key concerns and obtain feedback on the state of internal controls.

D. Secretary to Audit Committee

The Secretary to the Audit Committee shall be the Company Secretary.

E. Authority

The Audit Committee in discharging its duties shall have explicit authority to investigate any matters within its terms of reference. The Audit Committee shall have full and unrestricted access to relevant information, be empowered to obtain such independent professional advice and to secure the attendance of persons having special competencies as necessary to assist the Audit Committee in fulfilling its responsibilities.

F. Duties and Responsibilities

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

Financial Reporting and Compliance

1. To review the quarterly results and annual audited financial statements of the Company, prior to the approval of the Board focusing particularly on:

   (a) changes in or implementation of new accounting policies and practices;
   (b) significant and unusual events;
   (c) compliance with applicable approved accounting standards and other legal or regulatory requirements; and
   (d) going concern assumption.

2. To review all related party transaction, as submitted by Management and any conflict of interest situation that may arise within the Company, including any transaction, procedure or course of conduct that raises question of management integrity;

Risk Management and Internal Audit

3. To consider and approve Annual Risk Management Plan and be satisfied that the methodology employed allows the identification, analysis, assessment, monitoring and communication of risks in a regular manner that will allow the Company to minimise losses and maximise opportunities;

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

5. To ensure that the system of internal control is soundly in place, effectively administered and regularly monitored and to review the extent of compliance with established internal policies, standards, plans and procedures;

6. To review and approve the reports on internal audit and risk management and to ensure that appropriate actions are taken on the recommendations of the internal audit and risk management functions;

7. To recommend to the Board steps to improve the system of internal control derived from the findings of the Internal Auditors and External Auditors and from the consultations from the Audit Committee itself;

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 any appraisal or assessment of the performance and to approve any appointment, resignation or termination of Internal Auditors and senior members of the internal audit functions and inform itself of any resignations and reasons thereof;

Statutory and Non-Statutory Audit

10. 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;

11. To review any matters concerning the appointment and re-appointment, audit fees and any questions of resignation, dismissal or removal of the External Auditors;

12. To review factors related to the independence and objectivity of External Auditors and their services including non-statutory audit services;

13. 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

14. To review the Statement of Internal Control and to prepare the Audit Committee Report for the Board's approval prior to inclusion in the Annual Report;

15. To consider such other matters as the Audit Committee considers appropriate or as authorised by the Board.

INTERNAL AUDIT FUNCTION

The Internal Audit function is outsourced to 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.

The Internal Auditor has no line of responsibility or authority over any operational or administrative function and is independent of the activities it audited. The professional fees incurred for the Internal Audit function in respect of the financial year ended 31 March 2011 amounted to RM73,500.00.

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

1. Formulation of and agreement with the Audit Committee on the risk-based internal audit plan that is consistent with the Company's objectives and goals.

2. Conducted various internal audit engagements in accordance with the audit plan.

3. Self-assessment of its competency and reporting to the Audit Committee of the qualification and experience of its human resources on yearly basis.

SUMMARY OF ACTIVITIES

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

1. Review of the unaudited quarterly results and performance of the Company.

2. Review of the draft Statutory Financial Statements of the Company for the financial year ended 31 March 2010 and recommended to the Board for approval.

3. Discussion on the disclosure requirements pursuant to the new accounting standards and Bursa Malaysia Securities Berhad Listing Requirements.

Audit Committee Report

4. Discussion on the External Auditors' Report to the Audit Committee for the financial year ended 31 March 2010 and the Annual Audit Plan for the financial year ended 31 March 2011.

5. Meetings with the External Auditors without Management's presence twice during the year to discuss on key concerns and obtain feedback on the state of internal controls.

6. Reviewed and recommended to the Board non-audit services provided by the External Auditors and its affiliates which included review of Statement on Internal Control and provision of advisory services on taxation and FRS 139 implementation.

7. Review of the state of internal control of the Company and extent of compliance with the established policies, procedures and statutory requirements.

8. Assessment of performance and competency of the internal audit function.

9. Review of the draft circular to shareholders in relation to recurrent related party transactions of a revenue or trading nature (RRPT) and quarterly review of Summary of RRPT.

10. Review of 4 Risk Management Reports and Risk Management Plan for the financial year ended 31 March 2011 and discussion on the inherent risk of the relevant business processes/units with highlights on key business risks, their causes and management action plans as well as the status of implementations.

11. Review of the scope of the Internal Audit Plan 2010/2011 and the corresponding fee charged.

12. Review of 4 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.

13. Review of the Statement on Internal Control and Audit Committee Report prior to the Board's approval for inclusion in the Company's Annual Report 2010.

14. Made recommendations to the Board on the appointment of the External Auditors.

15. Discussion on Summary of Assessment on the Performance and Effectiveness of Audit Committee and its members.

Statement on Internal Control

BOARD RESPONSIBILITIES

The Board of Directors of the Company ("Board") affirms its commitment to maintaining a sound system of internal control in the Company. The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company, including the review and enhancement of the system of internal control due to changes in the operating and business environment. This process is regularly reviewed by the Board and accords with the guidelines for directors on internal control, the Statement on Internal Control: Guidance for Directors of Public Listed Companies; as required by Paragraph 15.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Given the limitations that are inherent in any system of internal control, such systems are designed to manage rather than eliminate the likelihood of fraud, error or failure to achieve the Company's business objectives. Accordingly, it can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board is ultimately responsible to ensure the adequacy and effectiveness of the Company's system of internal control and risk management, including the establishment of an appropriate control framework and environment and the review of its adequacy and integrity of these systems. The system of internal control covers, inter alia, governance, risk management, operational, financial, organisational, and compliance controls.

KEY PROCESSES OF THE SYSTEM OF INTERNAL CONTROL

The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls include the following:

- The Executive Directors assist the Board in ensuring that the Company's daily operations are performed in accordance with the corporate objectives, strategies and the annual budget as well as the policies and business directions that have been approved.

- The Audit Committee assists the Board to review the adequacy and integrity of the system of internal control and to ensure that an appropriate mix of techniques is used to obtain the level of assurance required by the Board. The Audit Committee reviews the internal control issues identified by the Internal Auditors, the External Auditors, regulatory authorities and management, and evaluate the adequacy and effectiveness of the risk management and system of internal control. The Audit Committee also reviews the Internal Audit functions with particular emphasis on the scope of audits and the competency as well as performance. The minutes of the Audit Committee Meetings are circulated and tabled at each Board Meeting on a quarterly basis. Further details of the activities undertaken by the Audit Committee are set out in the Audit Committee Report on pages 22 to 26 of the Annual Report.

- The Internal Audit function in the Company which is outsourced to Lefis Consulting Sdn Bhd ("Lefis") provides an independent, assurance and consulting activity, which assists the Company in achieving its objectives. The Internal Auditors evaluate the efficiency of risk management, the system of internal control, and governance process and highlights significant findings in respect of any non-compliance with policies and procedures. The Internal Auditors conduct its audits according to an internal risked based audit plan approved by the Audit Committee.

- Internal audit activities carried out during the financial year under review included audits conducted on the Company's operations, as follows:

    1. Labour and Production Efficiency Control System for Shah Alam Plant 2
    2. Quality Parts Procurement and Sub-Contractors Management Control System
    3. Management of Tender Control System for Major Projects
    4. Recurrent Related Party Transactions

Statement on Internal Control

The Internal Auditors also conducted follow-up audits on review of controls over:

1. Raw Materials Inventory Control – Rice Cooker
2. Accounts Payable Control System
3. Human Resource Management System
4. Fixed Asset Management System

The quarterly internal audit reports and the annual internal audit plan are reviewed and approved by the Audit Committee and noted at the quarterly Board meetings.

- The outsourced risk management functions by Lefis, who assists the Board to oversee the overall management of principal areas of risks of the Company. The quarterly risk management reports and the annual risk management plan are reviewed and approved by the Audit Committee and noted at quarterly Board meetings.

- The risk management activities undertaken by Lefis, include the review of risk scorecards covering inherent risks, residual risks and control systems of:

  1. Enterprise Risk Management ("ERM") Implementation for Air Conditioning Business Unit (Home Shower)
  2. ERM Implementation for Laundry & Vacuum Cleaner Business Unit (Iron)
  3. ERM Implementation for Panasonic Ecology Systems Business Unit (Fan)
  4. Summary of Significant Risks, Control and Detailed Action by Function/Business Unit

- The risk management framework is in place to ensure a continuous process of identifying, evaluating, monitoring and managing the significant risk exposures inherent in the Company's business operations and to gain strategic competitive advantage from its risk management capabilities.

- The Board is ultimately responsible for the management of risks. The Board delegates to the Managing Director the responsibility for ensuring effective implementation and maintenance of the risk management framework.

- Management committees have also been established with appropriate empowerment to ensure effective management and supervision of the Company's core areas of business operations. These Committees include the Information Security Management Working Committee, Quality Committee, Safety & Health and Fire Prevention Committee and "Cost Buster" Committee.

- The Company's business units monitor and explain performance against budgets on a monthly basis at the monthly operation meetings, factory management review meetings, quality assurance review meetings and cost innovation 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.

- The Company's policies, and rules and regulations incorporating control procedures are available in the Company's intranet site, which are revised periodically to meet changing business, operational and statutory reporting needs.

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

Statement on Internal Control

COMPLIANCE WITH THE SARBANES-OXLEY ACT 2002

The ultimate holding company, Panasonic Corporation ("PC") as the registrant of the U.S. Securities and Exchange Commission is, on a group basis, required to comply with the provisions of the Sarbanes-Oxley Act 2002 ("SOA"), with a significant focus on internal controls, in particular, Section 302 which concerns certification of Internal Control and Procedures Disclosure, and Section 404 on management assessment of internal controls and disclosure in the annual report on internal controls. Additionally, PC Auditors are required to issue an attestation report on PC's effectiveness of the control systems. In this respect, all companies under PC Group are working cooperatively towards SOA compliance worldwide.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to the requirements of Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors, Messrs. PricewaterhouseCoopers has reviewed this Statement for inclusion in the Annual Report for the financial year ended 31 March 2011. Their review was performed in accordance with the Recommended Practice Guide 5 issued by the Malaysian Institute of Accountants. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that has caused them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of the system of internal control of the Company.

There were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies requiring disclosure in the Annual Report.

OVERALL CONTROL ENVIRONMENT

The control environment forms the foundation for the system of internal control by providing the fundamental discipline and structure.

The risks taken are at an acceptable level within the context of the business environment throughout the Company and there were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies during the financial year requiring disclosure in the Annual Report. The Board is of the view that the system of internal control in place for the financial year under review and up to the date of issuance of the financial statements is satisfactorily adequate to safeguard shareholders' interests and the Company's assets.

The Board's review 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.

The Statement of Internal Control has been approved by the Board on 25 May 2011.

Additional Compliance Information

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

(1) Utilisation of Proceeds raised from Corporate Proposal

Not applicable.

(2) Share Buybacks

The Company does not have any share buyback scheme in place.

(3) Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued and exercised during the financial year under review.

(4) American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year under review.

(5) Sanctions and/or Penalties Imposed

There were no sanctions and/or penalties imposed on the Company, Directors or Management by the relevant regulatory authorities during the financial year under review.

(6) Non-Audit Fees

For the financial year under review, the non-audit fees incurred by the Company to the External Auditors, Messrs. PricewaterhouseCoopers. and its affiliated company were RM59,000.

(7) Variation in Results

There were no variances between the audited results for the financial year ended 31 March 2011 and the unaudited results announced to Bursa Malaysia Securities Berhad on 25 May 2011 The Company did not make or release any profit estimate, forecast or projection for the financial year under review.

(8) Profit Guarantee

There was no profit guarantee received by the Company during the financial year under review.

(9) Material Contracts

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.

(10) Revaluation of Landed Properties

The Company did not adopt any policy on regular revaluation of its landed properties nor revalued its landed properties during the financial year under review.

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report together with the audited financial statements of the Company and its associated company ("Combined Entity") and of the Company for the financial year ended 31 March 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of the manufacture and sale of electrical home appliances and related components. There have been no significant changes in the nature of these activities during the financial year. The principal activities of the associated company are set out in Note 12 to the financial statements.

FINANCIAL RESULTS

	Combined Entity RM'000	Company RM'000
Net profit for the financial year	82,679	76,637

DIVIDENDS

The amount of dividends on ordinary shares paid or declared by the Company since 31 March 2010 are as follows:

		RM'000
(a)	In respect of the financial year ended 31 March 2010 as shown in the Directors' report of that financial year:	
	A final dividend of 35 sen per ordinary share of RM1.00 less 25% income tax paid on 13 October 2010	15,946
	A special dividend of 70 sen per ordinary share of RM1.00 less 25% income tax paid on 13 October 2010	31,892
(b)	In respect of the financial year ended 31 March 2011:	
	An interim dividend of 15 sen per ordinary share of RM1.00 less 25% income tax paid on 25 January 2011	6,833
		54,671

The dividend amount payable is based on the Company's issued and paid up capital as at 31 March 2011. The Directors now recommend the payment of a final gross dividend of 35sen per ordinary share of RM1.00 less income tax of 25% (2010: 35 sen per ordinary share of RM1.00 less income tax of 25%), amounting to RM15,945,767 (2010: RM15,945,767) and a special gross dividend of 95 sen per ordinary share of RM1.00 less income tax of 25% (2010: 70 sen per ordinary share of RM1.00 less income tax of 25%), amounting to RM43,281,368 (2010: RM31,891,534) which, subject to the approval of members at the forthcoming Annual General Meeting of the Company, will be paid on 30 September 2011 to shareholders registered in the Record of Depositors as at 8 September 2011. These financial statements do not reflect the final and special dividends which will be accounted for in the financial year ending 31 March 2012 when approved by the shareholders.

RESERVES AND PROVISIONS

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

Directors' Report

DIRECTORS

The Directors of the Company who have held office since the date of the last report are as follows:

Tan Sri Datuk Asmat bin Kamaludin	
Masahiko Yamaguchi	
Raja Dato' Seri Abdul Aziz bin Raja Salim	
Dr. Ramanaidu a/l Semenchalam	
Chen Ah Huat	
Razman Hafidz bin Abu Zarim	
Datuk Supperamaniam a/l Manickam	
Lee Wee Leong	
Toshihiro Ukita	(Appointed on 01.06.2010)
Soh Beng Kuan	(Retired on 01.03.2011)
Nobuyuki Kochi	(Resigned on 06.09.2010)

In accordance with Article 97 of the Company's Articles of Association, Dr Ramanaidu a/l Semenchalam, Datuk Supperamaniam a/l Manickam and Mr Chen Ah Huat retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

In accordance with Section 129 of the Companies Act, 1965, Raja Dato' Seri Abdul Aziz bin Raja Salim retires at the forthcoming Annual General Meeting and offers himself for re-appointment to hold office until the conclusion of the next Annual General Meeting.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects 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.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration as disclosed in Note 6 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, the interests of Directors who held office at the end of the financial year in the shares in the Company and ultimate holding company during the financial year are as follows:

Shareholdings in the name of the Director:

(i) Interest in the Company

	Number of ordinary shares of RM1 each			
	At 1.4.2010	**Acquired**	**Disposed**	**At 31.3.2011**
Chen Ah Huat	2,000	-	-	**2,000***

* Indirect interest (shares held by the spouse of the Director)

DIRECTORS' INTERESTS IN SHARES (cont'd)

(ii) Interest in Panasonic Corporation ("PC"), the ultimate holding company

	Number of PC common stock			
	At 1.4.2010	Acquired	Disposed	At 31.3.2011
Masahiko Yamaguchi	3,000	-	-	**3,000**

None of the other Directors in office at the end of the financial year held any interest in shares of the Company and its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of comprehensive income and statements of financial position were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Combined Entity and of the Company had 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:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Combined Entity and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Combined Entity and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Combined Entity and of the Company misleading or inappropriate.

No contingent or other liability 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 Combined Entity and of the Company to meet their obligations when they fall due.

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

(a) any charge on the assets of the Combined Entity and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Combined Entity and of the Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors,

(a) the results of the Combined Entity and of the Company's operations for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Combined Entity and of the Company for the financial year in which this report is made.

Directors' Report

CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and 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:

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

ULTIMATE HOLDING COMPANY

The Directors regard Panasonic Corporation, a company incorporated in Japan, as the Company's ultimate holding company.

AUDITORS

Our auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 25 May 2011.

TAN SRI DATUK ASMAT BIN KAMALUDIN
DIRECTOR

MASAHIKO YAMAGUCHI
DIRECTOR

Statements of Comprehensive Income
for the financial year ended 31 March 2011

	Note	Combined Entity 2011 RM'000	Combined Entity 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Revenue	4	**761,407**	679,764	**761,407**	679,764
Cost of sales		**(613,245)**	(546,131)	**(613,245)**	(546,131)
Gross profit		**148,162**	133,633	**148,162**	133,633
Other operating income		**19,488**	14,027	**22,674**	18,232
Distribution and marketing costs		**(49,508)**	(45,040)	**(49,508)**	(45,040)
Administrative expenses		**(24,566)**	(29,591)	**(24,566)**	(29,591)
Other operating expenses		**(201)**	(514)	**(201)**	(514)
Profit from operations	5	**93,375**	72,515	**96,561**	76,720
Share of results of associated company (net of tax)		**8,431**	6,803	**0**	0
Profit before taxation		**101,806**	79,318	**96,561**	76,720
Taxation	7	**(19,127)**	(14,469)	**(19,924)**	(15,521)
Net profit for the financial year		**82,679**	64,849	**76,637**	61,199
Other comprehensive income, net of tax		**0**	0	**0**	0
Total comprehensive income for the year		**82,679**	64,849	**76,637**	61,199
Earnings per share (sen) - basic	8	**136**	107	**126**	101
Dividends per share (sen)	9	**145**	120	**145**	120

Statements of Financial Position
as at 31 March 2011

	Note	Combined Entity 31.3.2011 RM'000	Combined Entity 31.3.2010 RM'000 (Restated)	Combined Entity 1.4.2009 RM'000 (Restated)	Company 31.3.2011 RM'000	Company 31.3.2010 RM'000 (Restated)	Company 1.4.2009 RM'000 (Restated)
ASSETS							
NON-CURRENT ASSETS							
Property, plant and equipment	10	**63,459**	61,749	54,575	**63,459**	61,749	54,575
Interest in associated company	12	**127,866**	123,882	120,232	**2,000**	2,000	2,000
Deferred tax assets	13	**14,757**	14,749	10,618	**14,757**	14,749	10,618
		206,082	200,380	185,425	**80,216**	78,498	67,193
CURRENT ASSETS							
Inventories	14	**18,789**	16,373	9,064	**18,789**	16,373	9,064
Trade and other receivables	15	**53,435**	48,846	35,432	**53,435**	48,846	35,432
Tax recoverable		**0**	0	1,478	**0**	0	1,478
Derivative financial instruments	16	**1,184**	0	0	**1,184**	0	0
Cash and cash equivalents	17	**500,938**	496,002	466,562	**500,938**	496,002	466,562
		574,346	561,221	512,536	**574,346**	561,221	512,536
Total assets		**780,428**	761,601	697,961	**654,562**	639,719	579,729
EQUITY							
Capital and reserves attributed to equity holders							
Share capital	18	**60,746**	60,746	60,746	**60,746**	60,746	60,746
Retained earnings	19	**586,620**	558,581	541,569	**460,754**	436,699	423,337
Total equity		**647,366**	619,327	602,315	**521,500**	497,445	484,083
LIABILITIES							
NON-CURRENT LIABILITY							
Provision for liabilities and charges	20	**3,367**	2,473	1,477	**3,367**	2,473	1,477
		3,367	2,473	1,477	**3,367**	2,473	1,477
CURRENT LIABILITIES							
Trade and other payables	21	**114,283**	116,375	73,412	**114,283**	116,375	73,412
Provision for liabilities and charges	20	**13,946**	16,369	20,757	**13,946**	16,369	20,757
Derivative financial instruments	16	**14**	0	0	**14**	0	0
Taxation		**1,452**	7,057	0	**1,452**	7,057	0
		129,695	139,801	94,169	**129,695**	139,801	94,169
Total liabilities		**133,062**	142,274	95,646	**133,062**	142,274	95,646
Total equity and liabilities		**780,428**	761,601	697,961	**654,562**	639,719	579,729

Combined Statements of Changes in Equity

for the financial year ended 31 March 2011

	Note	Issued and fully paid ordinary shares of RM1 each Number of shares '000	Nominal value RM'000	Retained earnings RM'000	Total RM'000
Combined Entity					
At 1 April 2009		60,746	60,746	541,569	602,315
Total comprehensive income for the financial year		0	0	64,849	64,849
Transactions with owners					
Dividends:					
- Final dividend for the financial year ended 31 March 2009		0	0	(15,946)	(15,946)
- Special dividend for the financial year ended 31 March 2009		0	0	(25,058)	(25,058)
- Interim dividend for the financial year ended 31 March 2010	9	0	0	(6,833)	(6,833)
		0	0	(47,837)	(47,837)
At 31 March 2010		60,746	60,746	558,581	619,327
At 1 April 2010 (as previously reported)		**60,746**	**60,746**	**558,581**	**619,327**
Effects of adoption of FRS139		**0**	**0**	**31**	**31**
At 1 April 2010 (restated)		**60,746**	**60,746**	**558,612**	**619,358**
Total comprehensive income for the financial year		**0**	**0**	**82,679**	**82,679**
Transactions with owners					
Dividends:					
- Final dividend for the financial year ended 31 March 2010	9	**0**	**0**	**(15,946)**	**(15,946)**
- Special dividend for the financial year ended 31 March 2010	9	**0**	**0**	**(31,892)**	**(31,892)**
- Interim dividend for the financial year ended 31 March 2011	9	**0**	**0**	**(6,833)**	**(6,833)**
		0	**0**	**(54,671)**	**(54,671)**
At 31 March 2011		**60,746**	**60,746**	**586,620**	**647,366**

Company Statements of Changes in Equity

for the financial year ended 31 March 2011

	Note	Issued and fully paid ordinary shares of RM1 each		Distributable	
		Number of shares '000	Nominal value RM'000	Retained earnings RM'000	Total RM'000
Company					
At 1 April 2009		60,746	60,746	423,337	484,083
Total comprehensive income for the financial year		0	0	61,199	61,199
Transactions with owners					
Dividends:					
- Final dividend for the financial year ended 31 March 2009		0	0	(15,946)	(15,946)
- Special dividend for the financial year ended 31 March 2009		0	0	(25,058)	(25,058)
- Interim dividend for the financial year ended 31 March 2010	9	0	0	(6,833)	(6,833)
		0	0	(47,837)	(47,837)
At 31 March 2010		60,746	60,746	436,699	497,445
At 1 April 2010 (as previously reported)		**60,746**	**60,746**	**436,699**	**497,445**
Effects of adoption of FRS139		**0**	**0**	**2,089**	**2,089**
At 1 April 2010 (restated)		**60,746**	**60,746**	**438,788**	**499,534**
Total comprehensive income for the financial year		**0**	**0**	**76,637**	**76,637**
Transactions with owners					
Dividends:					
- Final dividend for the financial year ended 31 March 2010	9	**0**	**0**	**(15,946)**	**(15,946)**
- Special dividend for the financial year ended 31 March 2010	9	**0**	**0**	**(31,892)**	**(31,892)**
- Interim dividend for the financial year ended 31 March 2011	9	**0**	**0**	**(6,833)**	**(6,833)**
		0	**0**	**(54,671)**	**(54,671)**
At 31 March 2011		**60,746**	**60,746**	**460,754**	**521,500**

Statements of Cash Flows
for the financial year ended 31 March 2011

	Combined Entity		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the financial year	**82,679**	64,849	**76,637**	61,199
Adjustments:				
Property, plant and equipment				
- depreciation	**20,065**	16,977	**20,065**	16,977
- write off	**145**	30	**145**	30
- gain on disposal	**(136)**	(653)	**(136)**	(653)
Provision/(writeback) of liabilities and charges	**874**	(115)	**874**	(115)
Dividend income from associated company (gross)	**0**	0	**(3,186)**	(4,205)
Interest income	**(12,798)**	(10,574)	**(12,798)**	(10,574)
Taxation	**19,127**	14,469	**19,924**	15,521
Share of results of associated company	**(8,431)**	(6,803)	**0**	0
Net unrealised foreign exchange loss	**361**	128	**361**	128
Fair value loss on derivative financial instruments	**919**	0	**919**	0
	102,805	78,308	**102,805**	78,308
CHANGES IN WORKING CAPITAL				
Inventories	**(2,416)**	(7,309)	**(2,416)**	(7,309)
Trade and other receivables	**(4,257)**	(14,666)	**(4,257)**	(14,666)
Trade and other payables	**(2,092)**	44,219	**(2,092)**	44,219
Cash generated from operations	**94,040**	100,552	**94,040**	100,552
Taxation paid	**(25,537)**	(12,834)	**(25,537)**	(12,834)
Tax refund received	**0**	2,769	**0**	2,769
Product discontinuance paid	**0**	(238)	**0**	(238)
Name change paid	**0**	(213)	**0**	(213)
Rework cost paid	**(389)**	(299)	**(389)**	(299)
Warranty paid	**(1,189)**	(1,011)	**(1,189)**	(1,011)
Retirement gratuity scheme paid	**(13)**	(7)	**(13)**	(7)
Employee welfare scheme paid	**(812)**	(1,509)	**(812)**	(1,509)
Net cash flow from operating activities	**66,100**	87,210	**66,100**	87,210

Statements of Cash Flows

for the financial year ended 31 March 2011

	Note	Combined Entity 2011 RM'000	Combined Entity 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(21,920)**	(24,470)	**(21,920)**	(24,470)
Proceeds from disposal of property, plant and equipment		**136**	942	**136**	942
Interest received		**13,059**	10,563	**13,059**	10,563
Dividends received (net)		**2,389**	3,153	**2,389**	3,153
Net cash flow used in investing activities		**(6,336)**	(9,812)	**(6,336)**	(9,812)
CASH FLOWS FROM FINANCING ACTIVITY					
Dividends paid		**(54,671)**	(47,837)	**(54,671)**	(47,837)
Net cash flow used in financing activity		**(54,671)**	(47,837)	**(54,671)**	(47,837)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**5,093**	29,561	**5,093**	29,561
CURRENCY TRANSLATION DIFFERENCES		**(157)**	(121)	**(157)**	(121)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**496,002**	466,562	**496,002**	466,562
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	17	**500,938**	496,002	**500,938**	496,002

Summary of Significant Accounting Policies
for the financial year ended 31 March 2011

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

The Company and its associated company's ("Combined Entity's") and the Company's financial statements have been approved for issue by the Board of Directors on 25 May 2011.

A BASIS OF PREPARATION

The Combined Entity financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and the Financial Reporting Standards ("FRS"), the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other than Private Entities. The financial statements have been prepared under the historical cost convention, except as disclosed in this summary of significant accounting policies.

The preparation of financial statements in conformity with the provisions of the Companies Act, 1965 and the Financial Reporting Standards ("FRS"), the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Combined Entity's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and action, actual results may differ from these estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Combined Entity and of the Company's financial statements are disclosed in Note 2 to the financial statements.

B ACCOUNTING STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS

(i) Standards, amendments to published standards and interpretations that are effective

On 1 April 2010, the Combined Entity adopted the following new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 April 2010:

- FRS 4 "Insurance Contract"
- FRS 7 "Financial Instruments: Disclosures" and the related Amendments
- FRS 8 "Operating Segments"
- FRS 101 (revised) "Presentation of Financial Statements"
- FRS 123 "Borrowing Costs"
- FRS 139 "Financial Instruments: Recognition and Measurement" and the related Amendments
- Amendment to FRS 117 "Leases"
- Amendment to FRS 2 "Share-based Payment: Vesting Conditions and Cancellations"
- Amendment to FRS 1 "First-time Adoption of Financial Reporting Standards" and FRS 127 "Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate"
- Amendments to FRS 132 "Financial Instruments: Presentation" and FRS 101 (revised) "Presentation of Financial Statements" - Puttable financial instruments and obligations arising on liquidation
- Amendment to FRS 132 "Financial Instruments: Presentation" on classification of rights issues
- IC Interpretation 9 "Reassessment of Embedded Derivatives" and the related Amendments
- IC Interpretation 10 "Interim Financial Reporting and Impairment"
- IC Interpretation 11 "FRS 2 Group and Treasury Share Transactions"
- IC Interpretation 13 "Customer Loyalty Programmes"
- IC Interpretation 14 "FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction"
- Improvements to FRSs (2009)

B ACCOUNTING STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS (cont'd)

(i) Standards, amendments to published standards and interpretations that are effective (cont'd)

The adoption of the above standards, amendments to published standards and interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Combined Entity and the Company, except for those discussed below.

- FRS 7 "Financial Instruments: Disclosures". Prior to 1 April 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 "Financial Instruments: Disclosure and Presentation". FRS 7 introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Combined Entity's financial instruments. FRS 7 does not require comparative disclosures when the standard is first applied.

- FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Combined Entity's segmental reporting had been presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any impact on the financial position and results of the Combined Entity. The required disclosures are shown in Note 22 to the financial statements.

- FRS 101 "Presentation of Financial Statements" (revised 2009) requires all owner changes in equity to be presented in the statement of changes in equity, separately from non-owners changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

  The Combined Entity and the Company have presented both the income statement and statement of comprehensive income as a single performance statement. Comparative information has been represented so that it is in conformity with the revised standard. The Combined Entity and the Company have presented the statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements so that it is in conformity with the revised standard. Therefore, in addition to the notes, the Combined Entity and the Company have presented three statements of financial position and two each of other statements. This revised presentation does not have any impact on the financial position and results of the Combined Entity and the Company.

  The revised FRS 101 also requires the Combined Entity to make new disclosures to enable users of the financial statements to evaluate the Combined Entity's objectives, policies and processes for managing capital which have been presented in Note 3.2.

- FRS 139 "Financial Instruments: Recognition and Measurement" establishes principles for the recognition and measurement of the Combined Entity's and the Company's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the reporting date is dependent on the designation/classification of the financial instruments. The Combined Entity and the Company determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 April 2010. Significant changes in accounting policies are as follows:

  (i) Derivatives

  Prior to 1 April 2010, derivative financial instruments were not recognised in the financial statements on inception. With the adoption of FRS 139, derivative financial instruments are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured at their fair values.

  The Combined Entity has applied the new policy according to the transitional provisions by recognising and measuring derivatives, as appropriate, and recording any adjustments to the previous carrying amounts to the opening retained earnings or, if appropriate, another category of equity, of the current financial year. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument (see accounting policy Note E). Refer to Note 26 for the impact of this change in accounting policy.

B ACCOUNTING STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS (cont'd)

(i) Standards, amendments to published standards and interpretations that are effective (cont'd)

(ii) Loans and receivables

Non-current receivables, previously measured at invoiced amount and subject to impairment, are now classified as loans and receivables and measured at fair value plus transaction costs initially and subsequently, at amortised cost using the effective interest method.

When loans and receivables are impaired, the carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. Impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

- Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The consideration paid was classified and presented as leasehold land use rights in the statement of financial position. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incidental to ownership lie. Accordingly, the Combined Entity and the Company have reclassified certain leasehold lands to property, plant and equipment. This change in classification has no effect on the results of the Combined Entity. The reclassification has been accounted for retrospectively in accordance with the transitional provision and certain comparative balances have been restated as disclosed in Note 26.

- IC Interpretation 13 "Customer Loyalty Programmes" clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement using fair values. Prior to 1 April 2010, the Combined Entity accounted for customer award credit and extended warranties as cost of goods sold based on cost per point or unit. Upon adoption of IC Interpretation 13 on 1 April 2010, the Combined Entity accounts for the customer award credit redemption and period covered by the warranty as revenue i.e. the revenue initially deferred be recognised upon redemption and over the period covered by the warranty. The consideration allocated to the award credit and extended warranties are measure by reference to their fair value.

(ii) Standards, amendments to published standards and interpretations to existing standards that are not yet effective and have not been early adopted

The new standards, amendments to published standards and interpretations that are mandatory for the Combined Entity's financial year beginning on or after 1 April 2011 or later periods, but which the Combined Entity has not early adopted, are as follows:

- The revised FRS 3 "Business Combinations"
- The revised FRS 124 "Related Party Disclosures"
- The revised FRS 127 "Consolidated and Separate Financial Statements"
- Amendments to FRS 7 "Financial Instruments: Disclosures" and FRS 1 "First-time Adoption of Financial Reporting Standards"
- Amendments to FRS 132 "Financial Instruments: Presentation"
- IC Interpretation 4 "Determining Whether an Arrangement Contains a Lease"
- IC Interpretation 15 "Agreements for Construction of Real Estates"
- IC Interpretation 16 "Hedges of a Net Investment in a Foreign Operation"
- IC Interpretation 17 "Distribution of Non-cash Assets to Owners"
- IC Interpretation 18 "Transfers of Assets from Customers"
- IC Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments"

B ACCOUNTING STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS (cont'd)

(ii) Standards, amendments to published standards and interpretations to existing standards that are not yet effective and have not been early adopted (cont'd)

Improvements to FRSs:

- FRS 2 (effective from 1 July 2010) clarifies that contributions of a business on formation of a joint venture and common control transactions are outside the scope of FRS 2.

- FRS 3 (effective from 1 January 2011)

    - Clarifies that the choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation. All other components of non-controlling interest are measured at fair value unless another measurement basis is required by FRS.

    - Clarifies that the amendments to FRS 7, FRS 132 and FRS 139 that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of FRS 3 (2010). Those contingent consideration arrangements are to be accounted for in accordance with the guidance in FRS 3 (2005).

- FRS 5 "Non-current Assets Held for Sale and Discontinued Operations" (effective from 1 July 2010) clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosure should be made for this subsidiary if the definition of a discontinued operation is met.

- FRS 101 "Presentation of Financial Statements" (effective from 1 January 2011) clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

- FRS 138 "Intangible Assets" (effective from 1 July 2010) clarifies that a group of complementary intangible assets acquired in a business combination may be recognised as a single asset if each asset has similar useful lives.

- IC Interpretation 9 (effective from 1 July 2010) clarifies that this interpretation does not apply to embedded derivatives in contracts acquired in a business combination, businesses under common control or the formation of a joint venture.

The new standards, amendments to published standards, interpretations and the improvement to FRSs do not have a material impact on the Combined Entity's and Company's financial statements since these changes only result in additional disclosures.

C CURRENCY TRANSLATION

(i) Functional and presentation currency

The financial statements of the Combined Entity are prepared using the functional currency i.e. the currency of the primary economic environment in which the Combined Entity operates. The Combined Entity's and the Company's financial statements are prepared in Ringgit Malaysia ("RM") which is also the Combined Entity's and the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities are translated at exchange rates ruling at the reporting date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in the statements of comprehensive income.

D ASSOCIATED COMPANY

Associates are entities in which the Company has significant influence, but not control, generally accompanying a shareholding of between 20% to 50% of the voting rights. Investments in associates are accounted for in the financial statements using the equity method of accounting. Equity accounting is discontinued when the Company ceases to have significant influence over the associates.

Investments in associates are initially recognised at cost. The Company's share of its associates' post-acquisition profits or losses is recognised in the statements of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of losses in associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains or transactions between the Company and its associates are eliminated to the extent of the Company's interest in associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, in applying the equity method, appropriate adjustments are made to the financial statements of the associates to ensure consistency of accounting policies with those of the Company.

E FINANCIAL ASSETS

(a) Classification

The Combined Entity and the Company has changed its accounting policy for recognition and measurement of financial assets upon adoption of FRS 139 "Financial Instruments: Recognition and Measurement" on 1 April 2010.

Previously, investments in non-current investments are shown at cost; marketable securities (within current assets) are carried at the lower of cost and market value; and trade receivables are carried at invoice amount. The Combined Entity and the Company have applied the new policy according to the transitional provision of FRS 139 by re-measuring all financial assets, as appropriate, and recording any adjustments to the previous carrying amounts to opening retained earnings or, if appropriate, another category of equity, of the current financial year.

The Combined Entity and the Company classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges (Note I). Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Combined Entity's and the Company's loans and receivables comprise 'trade and other receivables', 'cash and cash equivalents' and 'amounts due from related companies'.

(b) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Combined Entity and the Company commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss.

E FINANCIAL ASSETS (cont'd)

(c) Subsequent measurement – gains and losses

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in net profit for the financial year in the period in which the changes arise.

(d) Subsequent measurement - impairment of financial assets

(i) Assets carried at amortised cost

The Combined Entity and the Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Combined Entity and the Company uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

  (i) adverse changes in the payment status of borrowers in the portfolio; and
  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the net profit for the financial year.

If 'loans and receivables' have a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Combined Entity and the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

E FINANCIAL ASSETS (cont'd)

(e) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Combined Entity and the Company have transferred substantially all risks and rewards of ownership.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to net profit for the financial year.

F FINANCIAL LIABILITIES

Financial liabilities are classified according to the substance of the contractual arrangement entered into and definitions of a financial liability.

Financial liabilities are recognised in the statement of financial position when, and only when, the Combined Entity becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as a fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Combined Entity that do not meet the hedge accounting criteria. Derivative financial liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gain or losses on derivatives include exchange differences.

The Combined Entity has not designated any financial liabilities as at fair value through profit of loss.

(ii) Other financial liabilities

The Combined Entity's other financial liabilities include trade and other payables.

Trade and other payables are recognised initially at fair value, net of transaction costs incurred, and subsequently measures at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished.

G OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

H FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and liabilities classified within current assets and current liabilities respectively approximate their fair values due to the relatively short term nature of these financial instruments.

Fair values of non-derivative financial liabilities are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

I DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with accounting policy set out in Note E and Note F.

J PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss. Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable in bringing the asset to working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that the future economic benefits associated within the item will flow to the Combined Entity and the cost can be measured reliably. All others repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Leasehold land are amortised equally over their respective periods of lease. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. All other property, plant and equipment assets are depreciated on a straight line basis to write off the cost of assets to their residual values over their estimated useful lives at the following annual rates:

Buildings	2 ½% - 5%
Plant and machinery	10% - 50%
Furniture, fittings and equipment	5% - 20%
Motor vehicles	25%
Leasehold land	1%

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

At each reporting date, the Combined Entity assesses whether there is any indication of impairment. Where impairment exists, the carrying amount of assets is assessed and written down immediately to its recoverable amount. See accounting policy Note K on impairment of non financial assets.

K IMPAIRMENT OF NON FINANCIAL ASSETS

The carrying amount of property, plant and equipment are reviewed annually to determine whether there is any indication that the carrying amounts may not be recoverable. If such an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash generating units). Impairment is measured by the amount the carrying value exceeds the recoverable amount.

Assets that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

L INVENTORIES

Inventories comprising raw materials, work in progress, finished goods and consumable stores are stated at the lower of cost and net realisable value.

Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity).

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

M CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, placement of funds with a related company and demand deposits.

N OPERATING LEASES

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Payments made under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

O PROVISIONS

Provisions are recognised when the Combined Entity has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

(i) Provision for rework cost

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

The utilised amount of rework expenditure will be charged to profit or loss and any unutilised portions of the provision are reviewed annually and retained based on the risks and obligation specific to that particular product. These provisions are recognised in line with the Panasonic group's global quality policy.

O PROVISIONS (cont'd)

(ii) Provision for warranty

Existing products

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

Discontinued products

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

(iii) Provision for Employees Welfare Scheme

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

A provision has been recognised at the end of the financial year for expected welfare benefits based on the number of employees eligible for this welfare scheme. These benefits are payable whenever such employees leave employment before the retirement date in exchange for these benefits as a compensation.

(iv) Provision for retirement gratuity

Provision for retirement gratuity for employees is made in accordance with a defined contribution plan and contributions are charged to profit or loss in the financial year to which they relate.

(v) Provision for product discontinuance

The Company recognises provision for product discontinuance for the direct expenditure arising from the discontinuation, where the expenditure are those that are necessarily entailed by the exercise and not associated with the ongoing activities of the entity.

(vi) Provision for name change

A provision has been created mainly for expenditure in respect of the group's initiative to change its global brand name to Panasonic.

P SHARE CAPITAL

Ordinary shares are classified as equity.

Q INCOME TAX

Current tax expense is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using tax rates that have been enacted at the reporting date.

Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Combined Entity financial statements. However, deferred income tax is not accounted for if it arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

R REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods or services in the ordinary course of the Combined Entity's activities. Revenue is shown as net of sales tax, returns, rebates and discounts.

The Combined Entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Combined Entity and specific criteria have been met for each of the Combined Entity's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The Combined Entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Sales of goods

Sales are recognised upon delivery of products and customer acceptance, if any, net of sales taxes, returns, rebates and discounts.

(ii) Dividend income

Dividend income from the associated company is recognised when the Company's right to receive payment is established.

(iii) Interest income

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Combined Entity.

S RESEARCH AND DEVELOPMENT

Research and development expenditure is recognised as an expense except that costs incurred on development projects are recognised as development assets to the extent that such expenditure is expected to generate future economic benefits. Development costs initially recognised as expenses are not recognised as an asset in a subsequent financial years.

T EMPLOYEE BENEFITS

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are recognised in the financial year in which the associated services are rendered by employees of the Combined Entity.

(ii) Pension obligations

A defined contribution plan is a pension plan under which the Combined Entity pays fixed contribution into a separate entity. The Combined Entity has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Combined Entity contribute to the Employees Provident Fund, the national defined contribution plan. The Combined Entity's contributions to the defined contribution plan are recognised as employee benefit expense when they are due. Once the contribution has been paid, the Combined Entity has no further payment obligations.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Combined Entity before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Combined Entity recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

U SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director that makes strategic decisions.

Notes to the Combined Entity Financial Statements
for the financial year ended 31 March 2011

1 GENERAL INFORMATION

The principal activity of the Company consists of the manufacture and sale of electrical home appliances, and related components. The principal activities of the associated company are set out in Note 12 to the financial statements. There have been no significant changes in these activities during the financial year.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are deemed reasonable. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below:

(i) Provision for rework cost

The Company has applied judgement in determining the provision for rework cost in respect of parts quality problems or safety issues arising, caused by usage of the products. The provision, in anticipation of the risk of potential occurrence of certain events based on past experiences, is calculated based on management's best estimate of the expenditure expected to be incurred over the historical claim ratio and quantity produced over a specified period of time.

The provision is reviewed annually and is retained based on the risks and obligations specific to that particular product. Where the Company's assessment reveals that there are no further risks associated with a product, the provision would be fully reversed.

(ii) Provision for warranty

The Company has applied judgement in determining the provision for warranty for products sold under warranty terms. The provision is computed based on pre-determined percentage on annual sales of the products and is retained for a period of one year.

(iii) Provision for employees welfare scheme

The Company has applied judgement in determining the provision for employee welfare scheme in respect of expected welfare benefits based on the number of eligible employees expected to take up this welfare scheme. These benefits are payable whenever such employees leave employment before the retirement date in exchange for these benefits as a compensation.

(iv) Taxation

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Combined Entity recognises liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters result in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgement regarding future financial performance of the Company.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

3.1 FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company carries out risk management by a central treasury function under policies approved by the Board of Directors. The treasury function identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units.

It is the Company's policy not to engage in speculative transactions. As and when the Company undertakes significant transactions with risk exposure, the Company evaluates its exposure and the necessity to hedge such exposures taking into consideration the availability and cost of such hedging instruments.

The guidelines and policies adopted by the Company to manage the following risks that arise in the conduct of business activities are as follows:

(a) Market risk

(i) Foreign currency exchange risk

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 has transactional currency exposures arising from purchases that are denominated in a currency other than the functional currency of the Company. The foreign currencies in which these transactions are mainly denominated in are US Dollar and Japanese Yen. The Company uses forward contracts, transacted with a central treasury function 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 expenditure.

The Company is mainly exposed to fluctuations in the US Dollar and Japanese Yen exchange rates against the respective functional currencies of the Company. The Company considers a 5% strengthening or weakening of the US Dollar and Japanese Yen as a possible change. A 5% strengthening or weakening of the US Dollar and Japanese Yen would not result in significant changes in the Company's pre-tax profit for the financial year. The impact is calculated with reference to the financial asset or liability held as at the year end.

(b) Credit risk

The Company's exposure to credit risks or the risk of counterparties defaulting arises mainly from various deposits and bank balances, receivables and derivative financial instruments. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the statement of financial position.

Credit risks are controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised by monitoring receivables regularly. In addition, credit risks are also controlled as majority of the Company's deposits and bank balances and derivative financial instruments are placed or transacted with major financial institutions and reputable parties. The Directors are of the view that the possibility of non-performance by the majority of these financial institutions is remote on the basis of their financial strength.

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.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

3.1 FINANCIAL RISK FACTORS (cont'd)

(b) Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 15. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

(c) Liquidity risk

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

The primary tool for monitoring liquidity is the statements 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.

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Less than 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	Over 5 years RM'000
At 31 March 2011				
Combined Entity and Company				
Payables	114,283	0	0	0
Derivative financial instruments	14	0	0	0

3.2 CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value. The Company considers capital and reserves attributable to owners of the Company as capital.

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

4 REVENUE

	Combined Entity and Company	
	2011 RM'000	2010 RM'000
Sales of goods	761,407	679,764

5 PROFIT FROM OPERATIONS

The following items have been charged/(credited) in arriving at profit from operations:

	Combined Entity		Company	
	2011	**2010**	**2011**	**2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Auditors' remuneration	**100**	100	**100**	100
Directors' remuneration (Note 6)	**3,251**	3,407	**3,251**	3,407
Property, plant and equipment				
- depreciation	**20,065**	16,977	**20,065**	16,977
- write off	**145**	30	**145**	30
- gain on disposal	**(136)**	(653)	**(136)**	(653)
Provision/(writeback) for liabilities and charges	**874**	(115)	**874**	(115)
Staff costs (excluding Executive Directors' remuneration)				
- salaries, bonus and other employee benefits	**70,465**	65,701	**70,465**	65,701
- defined contribution retirement plan	**5,492**	5,202	**5,492**	5,202
Technical assistance fees	**21,870**	19,654	**21,870**	19,654
Research expenses	**7,822**	14,486	**7,822**	14,486
Rental expenses	**595**	673	**595**	673
Foreign exchange				
- net realised gain	**(4,393)**	(1,089)	**(4,393)**	(1,089)
- net unrealised loss	**361**	128	**361**	128
Interest income	**(12,798)**	(10,574)	**(12,798)**	(10,574)
Dividend income from associated company (gross)	**0**	0	**(3,186)**	(4,205)

6 DIRECTORS' REMUNERATION

The Directors of the Company in office during the financial year are as follows:

Non-Executive Directors:

Tan Sri Datuk Asmat bin Kamaludin
Raja Dato' Seri Abdul Aziz bin Raja Salim
Razman Hafidz bin Abu Zarim
Datuk Supperamaniam a/l Manickam
Lee Wee Leong (Appointed on 1 April 2010)

Executive Directors:

Dr. Ramanaidu a/l Semenchalam
Chen Ah Huat
Masahiko Yamaguchi (Appointed on 1 April 2010)
Toshihiro Ukita (Appointed on 1 June 2010)
Nobuyuki Kochi (Resigned on 6 September 2010)
Soh Beng Kuan (Retired on 1 March 2011)

6 DIRECTORS' REMUNERATION (cont'd)

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

	Company	
	2011 RM'000	**2010 RM'000**
Non-Executive Directors:		
- fees	**240**	228
- others	**19**	16
Executive Directors:		
- salaries, bonus and other remuneration	**2,821**	2,992
- defined contribution retirement plan	**171**	171
	3,251	3,407

The estimated monetary value of benefits provided to Executive Directors during the financial year amounted to RM157,639 (2010: RM143,534).

7 TAXATION

	Combined Entity		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Current taxation:				
- current financial year	**(19,135)**	(18,726)	**(19,932)**	(19,778)
- over accrual in prior years	**0**	126	**0**	126
	(19,135)	(18,600)	**(19,932)**	(19,652)
Deferred taxation (Note 13):				
- current financial year	**(1,545)**	3,624	**(1,545)**	3,624
- Under accrual in prior years	**1,553**	507	**1,553**	507
	8	4,131	**8**	4,131
	(19,127)	(14,469)	**(19,924)**	(15,521)

7 TAXATION (cont'd)

The explanation of the relationship between tax expense and profit before tax is as follows:

	Combined Entity		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before tax	**101,806**	79,318	**96,561**	76,720
Tax calculated at the Malaysian tax rate of 25% (2010: 25%)	**25,451**	19,829	**24,140**	19,180
Tax effects of:				
- expenses not deductible for tax purposes	**430**	238	**430**	238
- tax incentives	**(3,093)**	(3,264)	**(3,093)**	(3,264)
- tax effect of associated company	**(2,108)**	(1,701)	**0**	0
	20,680	15,102	**21,477**	16,154
Over accrual in prior years				
- current tax	**0**	(126)	**0**	(126)
- deferred tax	**(1,553)**	(507)	**(1,553)**	(507)
	19,127	14,469	**19,924**	15,521

8 EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the net profit for the financial year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Combined Entity		Company	
	2011	2010	2011	2010
Net profit for the financial year attributable to equity holders (RM'000)	**82,679**	64,849	**76,637**	61,199
Weighted average number of ordinary shares in issue during the financial year ('000)	**60,746**	60,746	**60,746**	60,746
Basic earnings per share (sen)	**136**	107	**126**	101

9 DIVIDENDS PER SHARE

Dividends paid, declared or proposed in respect of the financial year ended 31 March 2011 are as follows:

	Combined Entity and Company			
	2011		2010	
	Gross dividend per share Sen	Amount of dividend net of tax RM'000	Gross dividend per share Sen	Amount of dividend net of tax RM'000
Interim dividend paid	**15**	**6,833**	15	6,833
Final dividend proposed	**35**	**15,946**	35	15,946
Special dividend proposed	**95**	**43,281**	70	31,892
	145	**66,060**	120	54,671

At the forthcoming Annual General Meeting on 24 August 2011, a final gross dividend in respect of the financial year ended 31 March 2011 of 35 sen per ordinary share of RM1.00 less income tax of 25% (2010: 35 sen per ordinary share of RM1.00 less income tax of 25%), amounting to RM15,945,767 (2010: RM15,945,767) and a special gross dividend of 95 sen per ordinary share of RM1.00 less income tax of 25% (2010: 70 sen per ordinary share of RM1.00 less income tax of 25%), amounting to RM43,281,368 (2010: RM31,891,534) will be proposed for shareholders' approval. These financial statements do not reflect the final and special dividends which will be accounted for in the financial year ending 31 March 2012 when approved by the shareholders.

10 PROPERTY, PLANT AND EQUIPMENT

	Balance as at 1.4.2010 RM'000	Additions RM'000	Reclassi-fication RM'000	Disposals RM'000	Write off RM'000	Depreciation charge RM'000	Balance as at 31.3.2011 RM'000
Combined Entity and Company							
Net book value							
Buildings	13,448	0	0	0	0	(2,230)	**11,218**
Plant and machinery	30,786	14,371	2,913	0	0	(14,500)	**33,570**
Furniture, fittings and equipment	7,806	3,744	215	0	(40)	(2,886)	**8,839**
Motor vehicles	1,057	823	0	0	(105)	(373)	**1,402**
Leasehold land	6,553	0	0	0	0	(76)	**6,477**
Construction in progress	2,099	2,982	(3,128)	0	0	0	**1,953**
	61,749	21,920	0	0	(145)	(20,065)	**63,459**

Notes to the Combined Entity Financial Statements

for the financial year ended 31 March 2011

10 PROPERTY, PLANT AND EQUIPMENT

	Balance as at 1.4.2009 RM'000	Additions RM'000	Reclassi-fication RM'000	Disposals RM'000	Write off RM'000	Depreciation charge RM'000	Balance as at 31.3.2010 RM'000
Net book value							
Buildings	15,684	0	0	0	0	(2,236)	**13,448**
Plant and machinery	25,095	18,388	0	0	(12)	(12,685)	**30,786**
Furniture, fittings and equipment	4,849	4,775	0	0	(18)	(1,800)	**7,806**
Motor vehicles	673	853	0	(289)	0	(180)	**1,057**
Leasehold land	6,629	0	0	0	0	(76)	**6,553**
Construction in progress	1,645	454	0	0	0	0	**2,099**
	54,575	24,470	0	(289)	(30)	(16,977)	**61,749**

	Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
Combined Entity and Company			
At 31 March 2011			
Buildings	**56,974**	**(45,756)**	**11,218**
Plant and machinery	**244,196**	**(210,626)**	**33,570**
Furniture, fittings and equipment	**50,451**	**(41,612)**	**8,839**
Motor vehicles	**4,008**	**(2,606)**	**1,402**
Leasehold land	**7,566**	**(1,089)**	**6,477**
Construction in progress	**1,953**	**0**	**1,953**
	365,148	**(301,689)**	**63,459**
At 31 March 2010			
Buildings	56,974	(43,526)	13,448
Plant and machinery	233,997	(203,211)	30,786
Furniture, fittings and equipment	48,127	(40,321)	7,806
Motor vehicles	3,407	(2,350)	1,057
Leasehold land	7,566	(1,013)	6,553
Construction in progress	2,099	0	2,099
	352,170	(290,421)	61,749
At 1 April 2009			
Buildings	56,974	(41,290)	15,684
Plant and machinery	246,280	(221,185)	25,095
Furniture, fittings and equipment	45,852	(41,003)	4,849
Motor vehicles	3,742	(3,069)	673
Leasehold land	7,566	(937)	6,629
Construction in progress	1,645	0	1,645
	362,059	(307,484)	54,575

11 PREPAID LEASE PAYMENTS

	Combined Entity and Company	
	2011 RM'000	2010 RM'000
Net book value		
At 1 April	**6,553**	6,629
Effects of adoption of Amendments to FRS 117 (Note 26)	**(6,553)**	(6,629)
As restated	**0**	0

12 INTEREST IN ASSOCIATED COMPANY

	Combined Entity		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest in associated company	**127,866**	123,882	**2,000**	2,000

The Company holds a 40% (2010: 40%) equity interest in its associated company, Panasonic Malaysia Sdn. Bhd, a company incorporated in Malaysia. The principal activities of the associated company consist of the sales of consumer electronic products, home appliances, batteries, office automation, project systems and room air-conditioners under the brand name Panasonic.

The investment in associated company over which the Company has significant influence (but not control over its operations) is accounted for using the equity method. The investment is initially recognised at cost and adjusted thereafter to include the Company's share of post-acquisition distributable and non-distributable reserves of the associated company.

(a) The Company's share of revenue, profit, assets and liabilities of the associated company are as follows:

	2011 RM'000	2010 RM'000
Revenue	**679,482**	633,489
Profit after tax	**8,431**	6,803
Non-current assets	**11,367**	12,457
Current assets	**229,130**	210,756
Current liabilities	**(110,754)**	(96,244)
Non-current liabilities	**(1,877)**	(3,087)
	127,866	123,882

(b) The interest in associated company includes the Company's share of post-acquisition distributable and non-distributable reserves of the associated company as follows:

	Combined Entity	
	2011 RM'000	2010 RM'000
Investment at cost	**2,000**	2,000
Share of post-acquisition distributable and non-distributable reserves	**125,866**	121,882
Interest in associated company	**127,866**	123,882

13 DEFERRED TAXATION

Deferred tax assets and liabilities are offset 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 statements of financial position:

	Combined Entity and Company	
	2011	**2010**
	RM'000	**RM'000**
Deferred tax assets		
Deferred tax assets	**14,757**	14,749
At start of financial year	**14,749**	10,618
Credited/(charged) to profit or loss (Note 7):		
- property, plant and equipment	**1,949**	2,136
- provisions	**(1,999)**	1,894
- others	**58**	101
	8	4,131
At end of financial year	**14,757**	14,749
Subject to income tax		
Deferred tax assets (before offsetting)		
- property, plant and equipment	**5,686**	3,737
- provisions	**8,981**	10,980
- others	**90**	32
	14,757	14,749
Offsetting	**0**	0
Deferred tax assets (after offsetting)	**14,757**	14,749

14 INVENTORIES

	Combined Entity and Company	
	2011	**2010**
	RM'000	**RM'000**
Raw materials	**10,366**	8,856
Work in progress	**660**	422
Finished goods	**5,931**	6,938
Consumable stores	**1,832**	157
	18,789	16,373

15 TRADE AND OTHER RECEIVABLES

	Combined Entity and Company	
	2011 RM'000	2010 RM'000
Trade receivables	**1,440**	1,691
Less: Allowance for impairment	**(149)**	(149)
	1,291	1,542
Amount due from associated company	**15,316**	12,105
Amounts due from related companies	**34,109**	32,125
	50,716	45,772
Other receivables	**1,226**	1,203
Deposits	**912**	735
Prepayments	**581**	1,136
	53,435	48,846

Credit terms given to trade receivables ranged from 30 to 60 days (2010: 30 to 60 days).

As of 31 March 2011, trade receivables of RM1,291,630 (2010: RM1,541,626) were neither past due nor impaired.

As of 31 March 2011, trade receivables of RM148,767 (2010: RM148,767) were impaired and allowances made. The amount of the allowance was RM148,767 as of 31 March 2011 (2010: RM148,767). The ageing, of these receivables is as follows:

	Combined Entity and Company	
	2011 RM'000	2010 RM'000
More than 12 months	**149**	149

Movements of the allowance for impairment of trade receivables are as follows:-

	Combined Entity and Company	
	2011 RM'000	2010 RM'000
At 1 April	**149**	149
Allowance for impairment	**0**	0
Write-back of allowance	**0**	0
At 31 March	**149**	149

The balances due from associated company and related companies are in respect of trading transactions and are subject to the Company's normal commercial repayment terms. The repayments are prompt and within the Company's repayment terms.

The other receivable balances are within the stipulated credit period and there were no past due balances.

15 TRADE AND OTHER RECEIVABLES (cont'd)

The currency exposure profile of trade and other receivables, amount due from associated company, amounts due from related companies, other receivables and deposits are as follows:

	Combined Entity and Company	
	2011 RM'000	2010 RM'000
- Ringgit Malaysia	**25,984**	21,735
- United States Dollar	**22,441**	21,677
- Japanese Yen	**4,098**	2,758
- Others	**331**	1,540
	52,854	47,710

16 DERIVATIVE FINANCIAL INSTRUMENTS

	Contract/ Notional value	Assets RM'000	Liabilities RM'000
Combined Entity and Company			
31 March 2011			
Non-hedging derivatives			
Financial assets at fair value through profit or loss – held for trading	**USD19,973,000**	**1,171**	**0**
	YEN38,877,000	**0**	**(14)**
	SGD667,500	**13**	**0**
		1,184	**(14)**

The comparative figures as at 31 March 2010 have not been presented by virtue of the exemption given under FRS 7 paragraph 44AA.

Non-hedging derivatives

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

Forward currency contracts

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

17 CASH AND CASH EQUIVALENTS

Deposits, bank and cash balances included in the statements of cash flows of the Combined Entity and Company comprise the following:

	Combined Entity and Company	
	2011 RM'000	2010 RM'000
Placement of funds with a related company	**500,787**	495,918
Cash and bank balances	**151**	84
	500,938	496,002

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

	Combined Entity and Company	
	2011 RM'000	2010 RM'000
- Ringgit Malaysia	**500,301**	493,492
- United States Dollar	**107**	1,199
- Japanese Yen	**55**	1,254
- Euro	**398**	57
- Singapore Dollar	**77**	0
	500,938	496,002

(a) Placement of funds with a related company

The weighted average interest rates of placement of funds with a related company, Panasonic Financial Centre (Malaysia) Sdn Bhd that were effective at the financial year end are as follows:

	Combined Entity and Company	
	2011 %	2010 %
- Ringgit Malaysia	**2.69**	2.22
- United States Dollar	**0.21**	0.34
- Japanese Yen	**0.11**	0.15
- Euro	**0.62**	0.39
- Singapore Dollar	**0.11**	-

17 CASH AND CASH EQUIVALENTS (cont'd)

(a) Placement of funds with a related company (cont'd)

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

	Combined Entity and Company	
	2011	**2010**
- Ringgit Malaysia	**92 days**	364 days
- United States Dollar	**30 days**	30 days
- Japanese Yen	**30 days**	30 days
- Euro	**30 days**	30 days
- Singapore Dollar	**30 days**	30 days

(b) Cash and bank balances

Bank balances are deposits held on call with banks.

18 SHARE CAPITAL

	Combined Entity and Company	
	2011 RM'000	**2010 RM'000**
Authorised:		
100,000,000 ordinary shares of RM1 each	**100,000**	100,000
Issued and fully paid-up:		
60,745,780 ordinary shares of RM1 each	**60,746**	60,746

19 RETAINED EARNINGS

Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

Companies with Section 108 tax credits as at 31 December 2007 may continue to pay franked dividends until the Section 108 tax credits are exhausted or 31 December 2013 whichever is earlier unless they opt to disregard the Section 108 tax credits to pay single-tier dividends under the special transitional provisions of the Finance Act 2007. For the current financial year ended 31 March 2011, the Company has not elected to move into the single-tier tax system. As at 31 March 2011, subject to agreement with the tax authorities, the Company has sufficient Section 108 tax credits and tax exempt income to pay all of the retained earnings of the Company as franked and exempt dividends.

20 PROVISION FOR LIABILITIES AND CHARGES

	Rework cost RM'000	Warranty RM'000	Employee welfare scheme RM'000	Retirement gratuity scheme RM'000	Product discontinuance RM'000	Name change RM'000	Total RM'000
Combined Entity and Company							
At 31 March 2009	4,779	10,666	3,421	268	2,839	261	22,234
Reversal of prior year's present value adjustment	0	37	0	206	0	0	243
Charged to profit or loss	7,195	8,340	1,116	507	0	0	17,158
Utilised during the financial year	(299)	(1,011)	(1,509)	(7)	(238)	(213)	(3,277)
Unused amounts reversed	(5,307)	(7,975)	(480)	(467)	(2,601)	(48)	(16,878)
Present value adjustments	(416)	0	0	(222)	0	0	(638)
At 31 March 2010	5,952	10,057	2,548	285	0	0	18,842
Reversal of prior year's present value adjustment	**416**	**0**	**0**	**222**	**0**	**0**	**638**
Charged to profit or loss	**2,664**	**8,920**	**2,406**	**517**	**0**	**0**	**14,507**
Utilised during the financial year	**(389)**	**(1,189)**	**(812)**	**(13)**	**0**	**0**	**(2,403)**
Unused amounts reversed	**(5,320)**	**(6,248)**	**(1,736)**	**(493)**	**0**	**0**	**(13,797)**
Present value adjustments	**(243)**	**0**	**0**	**(231)**	**0**	**0**	**(474)**
At 31 March 2011	**3,080**	**11,540**	**2,406**	**287**	**0**	**0**	**17,313**
At 31 March 2011							
Current	**0**	**11,540**	**2,406**	**0**	**0**	**0**	**13,946**
Non-current	**3,080**	**0**	**0**	**287**	**0**	**0**	**3,367**
	3,080	**11,540**	**2,406**	**287**	**0**	**0**	**17,313**
At 31 March 2010							
Current	3,764	10,057	2,548	0	0	0	16,369
Non-current	2,188	0	0	285	0	0	2,473
	5,952	10,057	2,548	285	0	0	18,842

20 PROVISION FOR LIABILITIES AND CHARGES (cont'd)

(a) Rework cost

As part of its quality control initiative, the Company has made a provision for rework cost for certain products and undertakes 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 end based on management's best estimate of the expenditure to be incurred.

(b) Warranty

The Company recognises the estimated liability on all products still under warranty at the reporting date. This provision is calculated based on actual sales. For products which have exceeded the warranty period, the Company will undertake to inspect, repair or replace the parts at an appropriate cost.

(c) Employees welfare scheme

A provision has been recognised at the end of the financial year for expected welfare benefits based on the number of eligible employees expected to take up this welfare scheme. These benefits are payable whenever such employees leave employment before the retirement date in exchange for these benefits as a compensation.

(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 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) Product discontinuance

During the previous financial year, the Directors approved and announced the discontinuation of the manufacture and sales of dry batteries with effect from 1 October 2009. The provision was partially utilised and remaining balance reversed to the statement of comprehensive income in the previous financial year.

(f) Name change

The Company had to re-brand certain products from National to Panasonic and also to change the packaging for all products to reflect an eco-friendly image. The provision made in prior year was partially utilised and remaining balance reversed to the statement of comprehensive income in the previous financial year.

21 TRADE AND OTHER PAYABLES

	Combined Entity and Company	
	2011 RM'000	2010 RM'000
Trade payables	**37,695**	29,926
Trade accruals	**61,811**	66,134
Other payables	**3,268**	5,748
Amount due to ultimate holding company	**5,766**	6,072
Amounts due to related companies	**5,743**	8,495
	114,283	116,375

21 TRADE AND OTHER PAYABLES (cont'd)

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

	Combined Entity and Company	
	2011 RM'000	2010 RM'000
- Ringgit Malaysia	**90,254**	91,751
- United States Dollar	**16,515**	16,018
- Japanese Yen	**6,508**	7,307
- Thai Baht	**0**	669
- Singapore Dollar	**787**	528
- Euro	**219**	102
	114,283	116,375

Credit terms of trade payables vary from 30 to 60 days (2010: 30 to 60 days).

The balances due to ultimate holding company and related companies are in respect of trading transactions and are subject to the Company's normal commercial repayment terms.

22 SEGMENT REPORTING

The Company currently has two operating segments; home appliance and fan. The dry battery segment has ceased operations in the previous financial year.

Performance is measured based on segment earnings before interest and tax, as included in the internal management reports that are reviewed by the chief operating decision-maker. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments that operate within the Company.

	Home appliance products		Fan products		Dry batteries		Total	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	**438,498**	377,147	**322,909**	295,787	**-**	6,830	**761,407**	679,764
Profit before tax	**50,273**	40,934	**46,957**	36,696	**-**	274	**97,230**	77,904

	2011 RM'000	2010 RM'000
Total profit before tax of the reportable segments	**97,230**	77,904
Other unallocated expenses	**(3,855)**	(5,389)
Share of results of associated company (net of tax)	**8,431**	6,803
Combined entity profit before tax	**101,806**	79,318

Notes to the Combined Entity Financial Statements
for the financial year ended 31 March 2011

23 SIGNIFICANT RELATED PARTY DISCLOSURES

Set out below are the significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions agreed between the related parties.

The Directors regard Panasonic Corporation, a company incorporated in Japan, as the Company's ultimate holding company.

		Company	
		2011 RM'000	2010 RM'000
(a)	Sales of products, batteries and related components to related parties:		
	Panasonic Trading (S) Pte. Ltd.	**294,444**	253,229
	Panasonic Malaysia Sdn. Bhd.	**240,546**	227,812
	KDK Fans (M) Sdn. Bhd.	**119,001**	111,793
	Panasonic Ecology Systems Hong Kong Co. Limited	**62,783**	48,634
	Panasonic Trading Malaysia Sdn. Bhd.	**16,981**	11,351
	Panasonic Asia Pacific Pte. Ltd.	**12,435**	10,809
	PT Panasonic Manufacturing Indonesia	**5,109**	5,071
(b)	Sales of service parts to related parties:		
	Panasonic Malaysia Sdn. Bhd.	**1,842**	1,927
	Panasonic Trading (S) Pte. Ltd.	**1,170**	1,158
(c)	Purchase of parts, components and raw materials from related parties:		
	Panasonic Trading Malaysia Sdn. Bhd.	**89,078**	66,627
	Panasonic Manufacturing Xiamen Co. Ltd.	**13,176**	10,530
	Panasonic Corporation	**10,773**	7,340
	Panasonic Ecology Systems Hong Kong Co. Limited	**12,301**	7,019
	Panasonic Electric Works Co. Ltd.	**2,393**	3,541
	Panasonic Asia Pacific Pte. Ltd.	**0**	1,790
	Panasonic Electronic Devices (Thailand) Co. Ltd.	**0**	1,782
	Panasonic Electronic Devices Singapore Pte. Ltd.	**1,241**	1,197
	Panasonic Semiconductor Asia Pte. Ltd.	**885**	1,003
	Panasonic Electric Works (Asia Pacific) Pte. Ltd.	**1,297**	508
(d)	Technical assistance fee paid and payable to related parties:		
	Panasonic Corporation	**12,445**	11,045
	Panasonic Ecology Systems Co. Ltd.	**9,425**	8,609
(e)	Interest income received and receivable from a related party:		
	Panasonic Financial Centre (Malaysia) Sdn. Bhd.	**12,798**	10,574

23 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

		Company	
		2011 RM'000	2010 RM'000
(f)	Sales promotion, warranty claims and/or service expenses paid and payable to related parties:		
	Panasonic Malaysia Sdn. Bhd.	**3,701**	3,609
	Panasonic A.P. Sales (Thailand) Co. Ltd.	**4,954**	3,046
	Panasonic Corporation	**2,845**	2,448
	KDK Fans (M) Sdn. Bhd.	**250**	710
	Panasonic Vietnam Co. Ltd.	**745**	328
(g)	Research and development expenditure paid and payable to related parties:		
	Panasonic Corporation	**4,123**	2,897
	Panasonic Ecology Systems Co. Ltd.	**1,383**	1,372
(h)	Brand license fee paid and payable to related parties:		
	Panasonic Corporation	**5,740**	5,192
	Panasonic Ecology Systems Co. Ltd.	**1,517**	1,373
(i)	Global sales service support fee paid and payable to a related party:		
	Panasonic Corporation	**2,946**	2,980
(j)	IT support fees and implementation and customisation costs for Oracle System project paid and payable to related parties:		
	Panasonic Asia Pacific Pte. Ltd. (Oracle System Project)	**2,219**	1,005
	Panasonic Corporation	**909**	1,096
(k)	Purchase of fixed assets from a related company:		
	Panasonic Corporation	**1,491**	3,554
(l)	Technical support fee received and receivable from a related company:		
	Panasonic Home Appliances India Co. Ltd.	**819**	595

23 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(m) Key management personnel compensation

Key management personnel are 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 of the Company are members of senior management.

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:

	Company	
	2011 RM'000	2010 RM'000
Directors' fees and meeting allowance	**259**	244
Salaries, allowance, bonus and other remuneration	**8,590**	6,889
Defined contribution retirement plan	**501**	397
	9,350	7,530

The estimated monetary value of benefits provided to Directors and other members of key management personnel during the financial year amounted to RM434,669 (2010: RM401,788).

Included in key management personnel compensation is the Directors' remuneration as disclosed in Note 6 to the financial statements.

24 OPERATING LEASES

The future minimum lease payments under non-cancellable operating leases are as follows:

	Company	
	2011 RM'000	2010 RM'000
Not later than 1 year	**47**	152
Later than 1 year and not later than 5 years	**76**	4
	123	156

25 COMMITMENTS FOR CAPITAL EXPENDITURE

	Company	
	2011 RM'000	2010 RM'000
Approved by the Board but not provided for in the financial statements:		
Contracted	**7,564**	5,019
Not contracted	**112**	506
	7,676	5,525
Analysed as follows:		
- Property, plant and equipment	**7,676**	5,525

26 CHANGES IN ACCOUNTING POLICIES

The effects of the changes in accounting policy to each of the line items in the Combined Entity's and Company's statements of financial position as at 1 April 2009, 31 March 2010 and 1 April 2010 are as follows:

	Combined Entity and Company		
	Balance as at 1 April 2009		
	As previously stated RM'000	FRS 117 RM'000	As restated RM'000
Property, plant and equipment	47,946	6,629	54,575
Prepaid lease rental	6,629	(6,629)	0

	Balance as at 31 March 2010			Balances as at 1 April 2010	
	As previously stated RM'000	FRS 117 RM'000	As restated RM'000	FRS 139 RM'000	As restated RM'000
Combined Entity					
Property, plant and equipment	55,196	6,553	61,749	0	61,749
Prepaid lease rental	6,553	(6,553)	0	0	0
Derivative financial instrument	0	0	0	31	31
Retained earnings	(558,581)	0	(558,581)	(31)	(558,612)
Company					
Property, plant and equipment	55,196	6,553	61,749	0	61,749
Prepaid lease rental	6,553	(6,553)	0	0	0
Derivative financial instrument	0	0	0	2,089	2,089
Retained earnings	(436,699)	0	(436,699)	(2,089)	(438,788)

27 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	Loans and receivables RM'000	Assets at fair value through profit or loss RM'000	Total RM'000
Combined Entity and Company				
31 March 2011				
Assets as per statement of financial position				
Trade and other receivables excluding prepayments	1	**52,854**	**-**	**52,854**
Derivative financial instruments		**-**	**1,184**	**1,184**
Cash and cash equivalents		**500,938**	**-**	**500,938**
Total		**553,792**	**1,184**	**554,976**

27 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

	Note	Liabilities at fair value through profit or loss RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
Combined Entity and Company				
31 March 2011				
Assets as per statement of financial position				
Trade and other payables excluding statutory liabilities	2	0	114,283	114,283
Derivative financial instruments		14	0	14
Total		14	114,283	114,297

Notes:

1 Prepayments are excluded from the trade and other receivables balance, as this analysis is required only for financial instruments.

2 Statutory liabilities are excluded from the trade payables balance, as this analysis is required only for financial instruments.

28 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENT

The following analysis of realised and unrealised retained profits at the legal entity level is prepared in accordance with the Guidance on Special Matter No.1 – Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants. This disclosure is based on the format prescribed by Bursa Malaysia Securities Berhad.

	Combined Entity As at 31.03.2011 RM'000	Company As at 31.03.2011 RM'000
Total retained earnings of Company:		
- Realised	459,808	459,808
- Unrealised	946	946
	460,754	460,754
Total share of retained earnings from associated company:		
- Realised	129,450	0
- Unrealised	(3,584)	0
Total retained earnings as per financial statements	586,620	460,754

The disclosure of realised and unrealised profits above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

Statement by Directors
Pursuant to Section 169(15) of the Companies Act, 1965

We, Tan Sri Datuk Asmat bin Kamaludin and Masahiko Yamaguchi, being two of the Directors of Panasonic Manufacturing Malaysia Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 35 to 74 are properly drawn up in accordance with MASB approved accounting standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Combined Entity and the Company as at 31 March 2011 and of their financial performance and cash flows for the year then ended.

The information set out in Note 28 to the financial statements have been compiled in accordance with the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysia Institute of Accountants.

In accordance with a resolution of the Board of Directors dated 25 May 2011.

TAN SRI DATUK ASMAT BIN KAMALUDIN
DIRECTOR

MASAHIKO YAMAGUCHI
DIRECTOR

Statutory Declaration
Pursuant to Section 169(16) of the Companies Act, 1965

I, Toshihiro Ukita, 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 35 to 74 are, in my opinion, 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.

TOSHIHIRO UKITA

Subscribed and solemnly declared by the abovenamed Toshihiro Ukita at Petaling Jaya, Selangor in Malaysia on 25 May 2011.

Before me,

PESURUHJAYA SUMPAH
No: B 357
Name : PN KOH TWEE YONG @ KOH TWEE SIEW
MALAYSIA
NO: 69A, JALAN SS 21/37
DAMANSARA UTAMA,
47400 PETALING JAYA,
SELANGOR DARUL EHSAN.

PN KOH TWEE YONG @ KOH TWEE SIEW
NO. B 357
COMMISSIONER FOR OATHS

Independent Auditors' Report

to the Members of Panasonic Manufacturing Malaysia Berhad

(Incorporated in Malaysia) (Company No. 6100 K)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Panasonic Manufacturing Malaysia Berhad on pages 35 to 74 which comprise the statements of financial position as at 31 March 2011 of the Company and its associated company ("Combined Entity") and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Combined Entity and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out in Notes 1 to 27.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act 1965 so as to give a true and fair view of the financial positions of the Combined Entity and of the Company as of 31 March 2011 and of their financial performance and cash flows for the financial year then ended.

Independent Auditors' Report

to the Members of Panasonic Manufacturing Malaysia Berhad

(Incorporated in Malaysia) (Company No. 6100 K)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that, in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 28 on page 74 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

LEE TUCK HENG
(No. 2092/09/12 (J))
Chartered Accountant

Kuala Lumpur
25 May 2011

Statistics on Shareholdings
as at 30 June 2011

SHARE CAPITAL

Authorised Capital	:	RM100,000,000.00
Issued and Fully Paid-up Capital	:	RM60,745,780.00
Class of Shares	:	Ordinary Shares of RM1.00 each
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	615	15.14	16,277	0.03
100 - 1,000	1,700	41.85	1,025,765	1.69
1,001 - 10,000	1,444	35.55	4,582,032	7.54
10,001 - 100,000	257	6.33	7,286,483	12.00
100,001 to 3,037,288 (less than 5% of issued shares)	44	1.08	15,851,506	26.09
3,037,289 and above (5% and above of issued shares)	2	0.05	31,983,717	52.65
Total	**4,062**	**100.00**	**60,745,780**	**100.00**

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	No. of Shares			
		Direct Interest	%	Deemed Interest	%
	In the Company				
1	Chen Ah Huat	-	-	2,000*	Negligible
	In the ultimate holding company, Panasonic Corporation				
1	Masahiko Yamaguchi	3,000	Negligible	-	-

Save as disclosed above, none of the other Directors of the Company has any interest, direct or indirect, in shares of the Company and its related corporations.

SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	No. of Shares			
		Direct Interest	%	Deemed Interest	%
1	Panasonic Management Malaysia Sdn Bhd	28,823,871	47.45	-	-
2	Employees Provident Fund Board	4,160,846	6.85	-	-
3	Panasonic Corporation	-	-	28,823,871	47.45
4	Panasonic Holding (Netherlands) B.V.	-	-	28,823,871	47.45
5	Aberdeen Asset Management PLC	-	-	6,674,300	10.99
6	Credit Suisse Group AG	-	-	4,757,300	7.83
7	Mitsubishi UFJ Financial Group, Inc.	-	-	4,757,300	7.83

Statistics on Shareholdings
as at 30 June 2011

30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	Panasonic Management Malaysia Sdn Bhd	28,823,771	47.45
2	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	3,159,846	5.20
3	Valuecap Sdn Bhd	2,013,300	3.31
4	HSBC Nominees (Asing) Sdn Bhd BNP Paribas Secs Svs Lux for Aberdeen Global	1,915,000	3.15
5	Chinchoo Investment Sdn Berhad	1,259,748	2.07
6	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Aberdeen)	1,001,000	1.65
7	Affin Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Wee Shuk Theng	742,050	1.22
8	Mayban Nominees (Tempatan) Sdn Bhd Aberdeen Asset Management Sdn Bhd for Kumpulan Wang Persaraan (Diperbadankan)	723,300	1.19
9	HSBC Nominees (Asing) Sdn Bhd Exempt An for BNP Paribas Securities Services (Singapore-SGD)	560,000	0.92
10	Tan Kah Lay	510,000	0.84
11	HDM Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Mong Man Wai William	488,252	0.80
12	HSBC Nominees (Asing) Sdn Bhd Exempt An for Clariden Leu Ltd	387,614	0.64
13	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	383,380	0.63
14	Malaysia Nominees (Tempatan) Sendirian Berhad Oversea-Chinese Bank Nominees Pte Ltd for Chong Shee Jan	370,260	0.61
15	Mayoon Sdn Bhd	320,000	0.53
16	Amsec Nominees (Tempatan) Sdn Bhd Aberdeen Asset Management Sdn Bhd for Tenaga Nasional Berhad Retirement Benefit Trust Fund	295,000	0.49
17	Shen & Sons Sdn Bhd	272,000	0.45
18	AmSec Nominees (Asing) Sdn Bhd AmFraser Securities Pte Ltd for Yeo Geok Choo	241,538	0.40
19	Citigroup Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited	215,421	0.35
20	AmSec Nominees (Asing) Sdn Bhd AmFraser Securities Pte Ltd for Tai Tak Securities Pte Ltd	209,000	0.34
21	Tan Kah Ghie Mary @ Tan Kah Ghee Mary	204,800	0.34
22	Ho Han Seng	200,000	0.33
23	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for MAAKL Al-Fauzan	200,000	0.33
24	HSBC Nominees (Asing) Sdn Bhd HSBC SG for Singapore Investments Pte Ltd	193,803	0.32
25	HSBC Nominees (Asing) Sdn Bhd HSBC SG for Tropical Produce Company Pte Ltd	193,803	0.32
26	Amsec Nominees (Asing) Sdn Bhd AmFraser Securities Pte Ltd for Yeo Kok Gee	184,478	0.30
27	Public Invest Nominees (Asing) Sdn Bhd Exempt An for Phillip Securities Pte Ltd	183,971	0.30
28	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for MAAKL Al-Faid	181,000	0.30
29	Mayban Nominees (Tempatan) Sdn Bhd Aberdeen Asset Management Sdn Bhd for Malaysian Timber Council (Endowment Fund)	165,000	0.27
30	Amsec Nominees (Tempatan) Sdn Bhd AmFraser Securities Pte Ltd for Chong Kah Lin	158,600	0.26
	Total	**45,756,035**	**75.32**

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 92 years 84 years (Expires in the year 2065)	 6-Jul-1966 25-Jun-1973 29-Sep-1981		 167 52 250
	Factory and administrative office				11 - 45	6,606
No. 9 Jalan Pelabur 23/1 Section 23 40300 Shah Alam Selangor Darul Ehsan	Land	17.1	Leasehold, 99 years (Expires in the year 2090)	11-Apr-1991		6,008
	Factory and administrative office				12 - 20	4,612

History of Dividend Payment

Financial Year / Period	Paid-Up Capital (RM)	Cash Dividend Rate			Stock Dividend Rate	Total Dividend Rate	Gross Cash Dividend (RM)	Tax Rate			Taxation Amount (RM)	Net Cash Dividend (RM)
		Interim	Final	Special				Interim	Final	Special		
3 / 2011	60,745,780	15%	35%	95%	-	145%	88,081,381	25%	25%	25%	22,020,345	66,061,036
3 / 2010	60,745,780	15%	35%	70%	-	120%	72,894,936	25%	25%	25%	18,223,734	54,671,202
3 / 2009	60,745,780	15%	35%	55%	-	105%	63,783,069	25%	25%	25%	15,945,767	47,837,302
3 / 2008	60,745,780	15%	35%	65%	-	115%	69,857,647	T/E	25%	25%	15,186,445	54,671,202
3 / 2007	60,745,780	15%	35%	65%	-	115%	69,857,647	T/E	T/E	T/E	T/E	69,857,647
3 / 2006	60,745,780	15%	35%	65%	-	115%	69,857,647	28%	T/E	T/E	2,551,323	67,306,324
3 / 2005	60,745,780	15%	35%	150%	-	200%	121,491,560	28%	28%	28%	34,017,637	87,473,923
3 / 2004	60,745,780	15%	35%	10%	-	60%	36,447,468	28%	28%	28%	10,205,291	26,242,177
3 / 2003	60,745,780	10%	40%	-	70%	120%	30,372,890	28%	28%	-	8,504,409	21,868,481
3 / 2002	35,732,812	15%	35%	-	-	50%	17,866,406	28%	28%	-	5,002,593	12,863,813
3 / 2001	35,732,812	15%	35%	-	-	50%	17,866,406	T/E	28%	-	3,501,815	14,364,591
3 / 2000	35,732,812	15%	35%	-	-	50%	17,866,406	T/E	T/E	-	T/E	17,866,406
3 / 1999	35,732,812	15%	35%	-	-	50%	17,866,406	28%	T/E	-	1,500,778	16,365,628
3 / 1998	35,732,812	15%	35%	-	10%	60%	17,866,406	28%	28%	-	5,002,593	12,863,813
3 / 1997	32,484,375	10%	40%	20%	-	70%	22,739,063	30%	30%	30%	6,821,719	15,917,344
3 / 1996	32,484,375	10%	40%	-	-	50%	16,242,188	30%	30%	-	4,872,656	11,369,532
3 / 1995	32,484,375	10%	30%	-	-	40%	12,993,750	30%	30%	-	3,898,125	9,095,625
3 / 1994	32,484,375	10%	30%	-	-	40%	12,993,750	32%	32%	-	4,158,000	8,835,750
3 / 1993	32,484,375	10%	30%	-	50%	90%	12,993,750	34%	34%	-	4,417,875	8,575,875
3 / 1992	21,656,250	-	40%	-	-	40%	8,662,500	-	35%	-	3,031,875	5,630,625
3 / 1991	21,656,250	-	40%	-	-	40%	8,662,500	-	35%	-	3,031,875	5,630,625
3 / 1990	21,656,250	-	35%	-	-	35%	7,579,688	-	35%	-	2,652,891	4,926,797
3 / 1989	21,656,250	-	25%	-	-	25%	5,414,063	-	35%	-	1,894,922	3,519,141
3 / 1988	21,656,250	-	25%	-	-	25%	5,414,063	-	40%	-	2,165,625	3,248,438
3 / 1987	21,656,250	-	25%	-	10%	35%	5,414,063	-	40%	-	2,165,625	3,248,438
12 / 1985	19,687,500	-	25%	-	-	25%	4,921,875	-	40%	-	1,968,750	2,953,125
12 / 1984	19,687,500	-	35%	-	-	35%	6,890,625	-	40%	-	2,756,250	4,134,375
12 / 1983	19,687,500	-	35%	-	-	35%	6,890,625	-	40%	-	2,756,250	4,134,375
12 / 1982	19,687,500	-	20%	-	50%	70%	3,937,500	-	40%	-	1,575,000	2,362,500
12 / 1981	13,125,000	-	20%	-	-	20%	2,625,000	-	40%	-	1,050,000	1,575,000
12 / 1980	13,125,000	-	20%	-	25%	45%	2,625,000	-	40%	-	1,050,000	1,575,000
12 / 1979	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12 / 1978	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12 / 1977	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12 / 1976	10,500,000	-	15%	5%	-	20%	2,100,000	-	40%	40%	840,000	1,260,000
12 / 1975	10,500,000	-	15%	-	200%	215%	1,575,000	-	40%	-	630,000	945,000
12 / 1974	3,000,000	-	15%	-	-	15%	450,000	-	40%	-	180,000	270,000
12 / 1973	3,000,000	-	15%	-	-	15%	450,000	-	40%	-	180,000	270,000
12 / 1972	3,000,000	-	12%	5%	-	17%	510,000	-	T/E	40%	60,000	450,000
12 / 1971	3,000,000	-	12%	-	-	12%	360,000	-	T/E	-	T/E	360,000
12 / 1970	3,000,000	-	12%	-	-	12%	360,000	-	T/E	-	T/E	360,000
12 / 1969	3,000,000	-	10%	-	-	10%	300,000	-	T/E	-	T/E	300,000
12 / 1968	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
12 / 1967	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
12 / 1966	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
Total (Since Date of Incorporation)							**871,381,278**				**196,340,168**	**675,041,110**

T/E - Tax-exempt

Increase in Shareholders' Wealth

As at 31 March 2011, 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 todate, he would be holding a total of 19,384 shares (inclusive of 18,034 bonus shares) worth RM467,154 based on the market price of RM24.10 as at 15 July 2011. In addition, he would have received a total gross cash dividends of RM278,094 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 15.9% on nominal value basis.

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

	Wealth of a shareholder in long term	
Initial investment (1966)	Unit	1,000
Rights issue shares subscribed (1975)	Unit	350
Total bonus shares received (1975 - 2003)	Unit	18,034
Total number of shares held	Unit	19,384
Closing market price per share (15 July 2011)	RM	24.10
Total value of shares held	RM	467,154
Cumulative gross cash dividends received / receivable (1969 - 2011)	RM	278,094
Total Wealth of a shareholder since Initial Investment	RM	745,248

Notice of 46th Annual General Meeting

NOTICE IS HEREBY GIVEN that the 46th Annual General Meeting of the Company will be held at No. 3 Jalan Sesiku 15/2, Section 15, Shah Alam Industrial Site, 40200 Shah Alam, Selangor Darul Ehsan on Wednesday, 24 August 2011 at 3.00 p.m. to transact the following business:

AGENDA

As Ordinary Business:

1. To receive the Statutory Financial Statements for the financial year ended 31 March 2011 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**

2. To declare a final dividend of 35 sen per ordinary share of RM1.00 each and a special dividend of 95 sen per ordinary share of RM1.00 each less 25% income tax for the financial year ended 31 March 2011. **(Resolution 2)**

3. To re-elect the following Directors who are retiring in accordance with Article 97 of the Company's Articles of Association:
   a. Dr Ramanaidu a/l Semenchalam **(Resolution 3)**
   b. Datuk Supperamaniam a/l Manickam **(Resolution 4)**
   c. Chen Ah Huat **(Resolution 5)**

4. To approve the payment of Directors' fees not exceeding RM261,000/- in respect of the financial year ending 31 March 2012. **(Resolution 6)**

5. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

As Special Business:

6. To consider and if thought fit, to pass the following resolution as Ordinary Resolution:

   Re-appointment of Director

   "THAT pursuant to Section 129(6) of the Companies Act, 1965, Raja Dato' Seri Abdul Aziz bin Raja Salim be and is hereby re-appointed as a Director of the Company to continue in office until the next Annual General Meeting of the Company." **(Resolution 8)**

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

   Proposed Renewal of Existing Shareholders' Mandate and Proposed New 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 and to grant new shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate") for the Company to enter into the following recurrent related party transactions:

   (i) Sales of products, purchase of parts, components, raw materials, purchase of equipment, promotion expenses, warranty claims and service expenses with those related parties as specified in Sections 2.2(a)(i) to 2.2(a)(iv) and 2.2(b)(ii) of the Circular to Shareholders dated 29 July 2011. **(Resolution 9)**

   (ii) Payment of fees to those related parties as specified in Section 2.2(a)(v) and receipt of fees from those related parties as specified in Sections 2.2(a)(vi) and 2.2(b)(i) of the Circular to Shareholders dated 29 July 2011. **(Resolution 10)**

   (iii) Placement of cash deposits and other treasury services with Panasonic Financial Centre (Malaysia) Sdn Bhd as specified in Section 2.2(a)(vii) of the Circular to Shareholders dated 29 July 2011. **(Resolution 11)**

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 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965), 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 dividend of 35 sen per ordinary share of RM1.00 each and a special dividend of 95 sen per ordinary share of RM1.00 each less 25% income tax for the financial year ended 31 March 2011, will be paid on 30 September 2011 to depositors registered in the Record of Depositors and Register of Members at the close of business on 8 September 2011.

A Depositor shall qualify for entitlement to the dividend only in respect of:

(a) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 6 September 2011 in respect of securities exempt from mandatory deposit.

(b) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 8 September 2011 in respect of transfers.

(c) 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 (MAICSA 7023802)
Company Secretary

Shah Alam
29 July 2011

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. A proxy need not be a Member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

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 Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the holding of the meeting or any adjournment thereof.

4. Explanatory Notes to Special Business:

   Resolution 8
   The proposed resolution 8 in relation to re-appointment of Raja Dato' Seri Abdul Aziz bin Raja Salim, if passed, will enable him to continue in office as a director until the conclusion of the next Annual General Meeting of the Company.

   Resolutions 9 to 11
   Please refer to the Circular to Shareholders dated 29 July 2011 for further information.

Panasonic Manufacturing Malaysia Berhad (6100-K)
(Incorporated in Malaysia)

Form of Proxy

No. of Shares Held

I/We, ____________________

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

____________________ being a Member of

Panasonic Manufacturing Malaysia Berhad hereby appoint ____________________

of ____________________

*and/or failing him/her ____________________

of ____________________

or failing him/her *the Chairman of the Meeting as my/our proxy/proxies to vote on my/our behalf at the 46th Annual General Meeting of the Company to be held at No. 3 Jalan Sesiku 15/2, Section 15, Shah Alam Industrial Site, 40200 Shah Alam, Selangor Darul Ehsan on Wednesday, 24 August 2011 at 3.00 p.m. and at any adjournment thereof. My/our proxy/proxies is/are to vote as indicated below:

Resolutions	Ordinary Business	For	Against
1.	Receipt of the Statutory Financial Statements.		
2.	Declaration of a final dividend of 35 sen per ordinary share and a special dividend of 95 sen per ordinary share less 25% income tax.		
3.	Re-election of Dr Ramanaidu a/l Semenchalam as Director.		
4.	Re-election of Datuk Supperamaniam a/l Manickam as Director.		
5.	Re-election of Chen Ah Huat as Director.		
6.	Approval of the payment of Directors' fees.		
7.	Re-appointment of Messrs. PricewaterhouseCoopers as Auditors.		
	Special Business		
8.	Ordinary Resolution: Re-appointment of Raja Dato' Seri Abdul Aziz bin Raja Salim as Director.		
9.	Ordinary Resolution: Approval of Recurrent Related Party Transactions ("RRPT") - Sales of products, purchase of parts, components, raw materials, purchase of equipment, promotion expenses, warranty claims and service expenses.		
10.	Ordinary Resolution: Approval of RRPT - Payment and receipt of fees.		
11.	Ordinary Resolution: Approval of RRPT - Placement of cash deposits and 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 ____________________ 2011

____

Signature / Common Seal of Shareholder

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. A proxy need not be a Member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
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 Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selngor Darul Ehsan not less than 48 hours before the holding of the meeting or any adjournment thereof.

* Strike out whichever is not applicable.

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AFFIX
STAMP

The Share Registrars
Panasonic Manufacturing Malaysia Berhad
Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

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