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 MANUFACTURING MALAYSIA BERHAD (6100-K) ANNUAL REPORT 2012

Panasonic Manufacturing Malaysia Berhad (6100-K)

Annual Report 2012

For the financial year ended 31 March 2012

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Contents

Corporate Information

BOARD OF DIRECTORS

Tan Sri Datuk Asmat bin Kamaludin *(Chairman)*
Masahiko Yamaguchi *(Managing Director)*
Raja Dato' Seri Abdul Aziz bin Raja Salim
Chen Ah Huat
Razman Hafidz bin Abu Zarim
Datuk Supperamaniam a/l Manickam
Lee Wee Leong
Toshihiro Ukita
Toshiro Okamoto
Takayuki Tadano
Mikio Matsui

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 2012.

Tan Sri Datuk Asmat bin Kamaludin
(Chairman)

OVERVIEW

The year 2011 was a rather challenging one with the onslaught of the great Japan earthquake, financial and political instability in the Middle East region, flood crisis in Thailand and financial crisis in the Eurozone economies. Despite the challenges faced, we were rather fortunate to have been affected only to a limited extent and the Company remained profitable in the financial year ended 31 March 2012.

FINANCIAL REVIEW

The Company registered revenue of RM825.8 million for the financial year ended 31 March 2012, which was an increase of RM64.4 million or 8.5% compared with RM761.4 million recorded in the previous financial year.

The higher revenue was mainly attributed to the transfer of manufacture and sales of ceiling fan for the global market from China to Malaysia of which the full impact was seen in the financial year review.

However, the Company's combined profit before taxation of RM85.2 million for the year ended 31 March 2012 was lower by 16.3% or RM16.6 million; as compared to the previous year's combined profit before tax of RM101.8 million; mainly affected by the lower profitability of certain exported models in the fan segment.

The Company's share of its associated company's post-tax profit was RM6.5 million (2011: RM8.4 million).

ASSOCIATED COMPANY

Panasonic Malaysia Sdn Bhd registered consolidated revenue of RM1.6 billion for the financial year ended 31 March 2012; a reduction of 5.9% or RM0.1 billion over the previous year's consolidated revenue of RM1.7 billion. The pre-tax and post-tax profits from its group operations were RM19.8 million (2011: RM30.4 million) and RM16.2 million (2011: RM21.1 million) respectively.

Chairman's Statement

DIVIDENDS

In respect of the financial year ended 31 March 2012, the Board of Directors is pleased to recommend a final dividend of 35 sen (2011: 35 sen) per ordinary share and a special dividend of 70 sen (2011: 95 sen) per ordinary share less 25% income tax, payable on 6 September 2012. Together with an interim dividend of 15 sen (2011: 15 sen) per ordinary share which was paid on 18 January 2012, this brings to total gross dividends of 120 sen (2011: 145 sen) per ordinary share for the financial year ended 31 March 2012.

OPERATIONS REVIEW

During the financial year under review, the Company was able to make further progress in manufacturing innovation and upgrades to improve its productivity.

The Company has made continuous productivity improvement by increasing line balance and daily capacity in the manufacturing department to cater for increased sales demand. This has created clean and agile manufacturing and reduced overtime costs.

The vendor collaboration activity for design and assembly of Printed Circuit Board (PCB) has delivered cost optimization; amongst other benefits derived such as:

1. Optimize capital investment under the vendor controlled operation;
2. Reduction of inventory due to proximity of vendor's operations to the production lines;
3. Development of Eco vendor, PCB quality enhancement and smooth communication flow with vendor.

This collaboration activity commenced during the financial year for the production of PCB parts for vacuum cleaners; and will be fully extended to other products such as electric fans, rice cookers and home showers in the next financial year.

There have also been enhancements in the in-house production where plastic injections were incorporated in the manufacturing of meat grinders and blenders. The assembly process productivity has seen an increase by 5% whereas the part manufacturing operation time has increased by 10%.

The Poka Yoke system has been introduced during the year in order to build quality in the production system and process quality assurance system. This system is able to reduce rework cost and product liability issues.

The CO2 reduction activity strives to eradicate all non-value added jobs and will accelerate initiatives to achieve the total Panasonic midterm management plan, "Green Transformation 2012" as well as to become the No.1 Green Innovation Company in the Electronics Industry towards 2018. In 2011, methods which were implemented to reduce CO2 emissions included streamlining the production process, installation of energy saving equipments and eliminating the usage of steam for powder coating process.

The cost buster activity which works to reduce cost is deeply entrenched in the Company's corporate culture. Its focal point is to reduce unnecessary waste and expenses. For the financial year ended 31 March 2012, by implementing effective measures to reduce cost, the Company attained noteworthy savings stemming from 1,091 cost buster ideas.

INDUSTRY OUTLOOK AND PROSPECTS FOR 2012

Amidst a more challenging external environment in 2012, the Malaysian economy is expected to experience a steady pace of growth of 4 – 5%. However, the manufacturing sector is expected to grow at a slower pace due to the anticipated slower activity in the export-oriented industries.

Nonetheless, the Company will join forces with both its domestic and overseas sales companies to strategize on the revival of sales from the affected region and to develop new potential markets. Operationally, the Company will continue to optimise its cost efficiencies and improve its business agility to deliver satisfactory operational performance.

Another positive development which may augur well for the Company is the recent weakening of the Ringgit Malaysia against US Dollars and the gradual decline in prices of major raw materials. If sustained, it will have a favorable impact to the Company. On this note, coupled with the Company's commitment to improve its earning growth and manufacturing capabilities, the Company will strive to deliver satisfactory results for the financial year ending 31 March 2013.

Chairman's Statement

DIRECTORATE

The Board wish to place on record its sincere thanks and appreciation to Dr. Ramanaidu a/l Semenchalam who ceased to be a member of the Board of Director with effect from 2 April 2012 in line with the Company's policy.

The Board is elated to welcome the Company's new Directors, Mr. Toshiro Okamoto, Mr. Takayuki Tadano and Mr Mikio Matsui who were appointed as the new Members of the Board on the 1 April 2012, 4 June 2012 and 19 June 2012 respectively.

ACKNOWLEDGEMENT

On behalf of the management, I would like to convey my fervent gratitude to our stakeholders – the Malaysian Government, our shareholders, employees, regulators, business associates, customers and the media for the undivided support extended to the Company. My sincere appreciation also goes out to our Board of Directors for their dedication and contributions towards the betterment of the Company.

Tan Sri Datuk Asmat bin Kamaludin
Chairman

Increase in Shareholders' Wealth

As at 31 March 2012, 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 RM457,462 based on the market price of RM23.60 as at 11 July 2012. In addition, he would have received a total gross cash dividends of RM301,355 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 15.6% 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 (11 July 2012)	RM	23.60
Total value of shares held	RM	457,462
Cumulative gross cash dividends received / receivable (1969 - 2012)	RM	301,355
Total Wealth of a shareholder since Initial Investment	RM	758,817

Corporate Responsibility Report

"Contributing to society through business activities" is the value our late founder, Tan Sri Konosuke Matsushita lived by. With that in mind, the Company has always incorporated Corporate Social Responsibility in our agenda to carry out activities focusing on the environment and community.

Ensuring a safe and healthy workplace and promoting occupational health and safety is a priority for the Company and is widely implemented in its business activities. For the financial year ended 31st March 2012, the Company organised monthly Top Management Safety and Health Patrol and conducted training and programs that focused on safety awareness which highlighted on accident reports, measures to counter noise and harmful substance in the working environment, including potential health hazards from the use of chemicals.

Apart from the above, the Company also conducted a "Berbuka Puasa" program on the 25th of August 2011 at the Shah Alam Convention Centre (SACC) for 250 children from five orphanages around Selangor. The agenda of this program was to donate RM5,000 to each of the five orphanages and each child was also given "duit raya". The homes were Rumah Tunas Harapan Tengku Ampuan Rahimah, Rumah Anak Yatim Darul Kifayah, Maahad Litahfizil Quran Al Jawahir, Asrama Damai Anak Yatim Kuang and Rumah Anak Yatim Daerah Kuala Langat.

Panasonic Malaysia adopted an area at the Marine Park of Perhentian Island to conduct the following activities to see the extent of coral growth and development at the Panasonic artificial reef. Activities carried out were, revisiting and tagging of Panasonic artificial reef deployed at Marine Park and Teluk Keke, conducting video survey reports on the development of the corals and the project by marine research team from universities and NGOs and conducting conservation dialogues by representatives from Marine Park Media, University in Terengganu and Panasonic Malaysia.

Kid Witness News (KWN) is a global video education programme started in 2005. Collaborating with the Ministry of Education, it is open to government schools' students between 10 and 17 years old. This programme is designed to develop creative-thinking, presentation skills, communication and team work among students. With Panasonic providing the latest in video equipment and technology to the schools for this program, students are able to develop interest and skills in digital technology through hands-on experience. To date more than 5000 students have taken part in the program.

The Indian employees of PMMA and the other Panasonic companies in Klang Valley organised the 33rd Deepavali Cultural show on 3rd December 2011 at the Perbadanan Stadium Malaysia (Panasonic Sports Complex). A donation of RM35,000 was given to refurbish the library of S.J.K.(T) Tepi Sungai, Klang and RM2,500 was donated to a Panasonic employee who was suffering from leukemia.

Based on the activities mentioned above throughout the financial year, corporate responsibility is a priority to the Company and we will continue to organize activities and events which will benefit the environment, society and the Company as a whole.

Berbuka Puasa Program

Marine Conservation Project

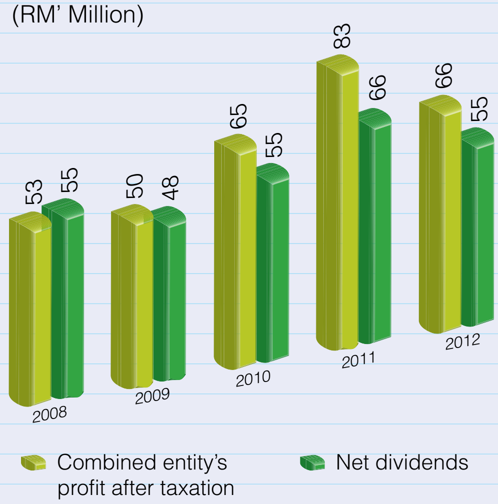
Kids Witness News Program

Deepavali Cultural Nite

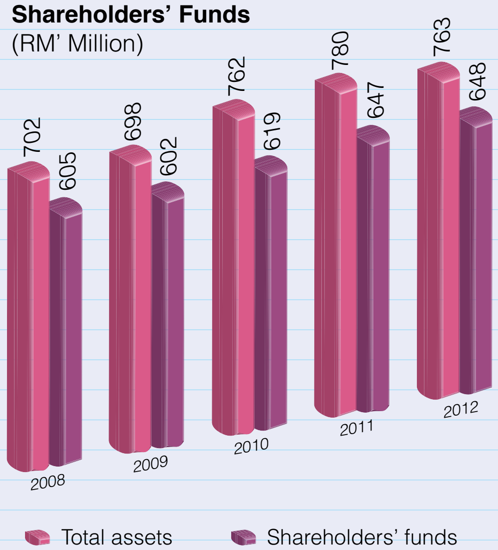
Five-Year Trend

Revenue / Export
(RM' Million)

Combined Entity's Profit After Taxation / Net Dividends Paid / Proposed
(RM' Million)



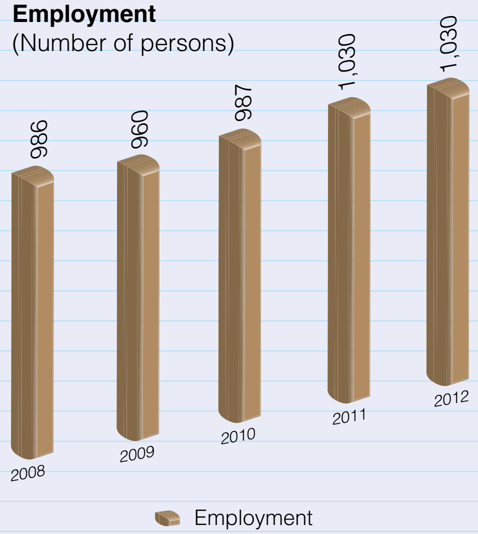
Total Assets / Shareholders' Funds
(RM' Million)



Net assets per share
(RM)

Earnings per share
(Sen)

Employment
(Number of persons)



Five-Year Financial Summary

Financial Data (Combined Basis)		2008	2009	2010	2011	2012
STATEMENTS OF COMPREHENSIVE INCOME						
Revenue	RM'000	562,490	600,868	679,764	761,407	**825,833**
Profit before taxation	RM'000	64,923	60,818	79,318	101,806	**85,211**
Profit after taxation	RM'000	52,630	49,776	64,849	82,679	**66,407**
Gross dividends paid / proposed	RM'000	69,858	63,783	72,895	88,080	**72,895**
Net dividends paid / proposed	RM'000	54,671	47,837	54,671	66,061	**54,671**
STATEMENTS OF FINANCIAL POSITION						
Total assets	RM'000	702,299	697,961	761,601	780,428	**762,913**
Share capital	RM'000	60,746	60,746	60,746	60,746	**60,746**
Shareholders' funds	RM'000	604,932	602,315	619,327	647,366	**647,712**
FINANCIAL RATIOS						
Return on shareholders' funds	%	8.7	8.3	10.5	12.8	**10.3**
Earnings per share	sen	87	82	107	136	**109**
Net assets per share	RM	9.96	9.92	10.20	10.66	**10.66**
Dividend rate (gross)	%	115	105	120	145	**120**

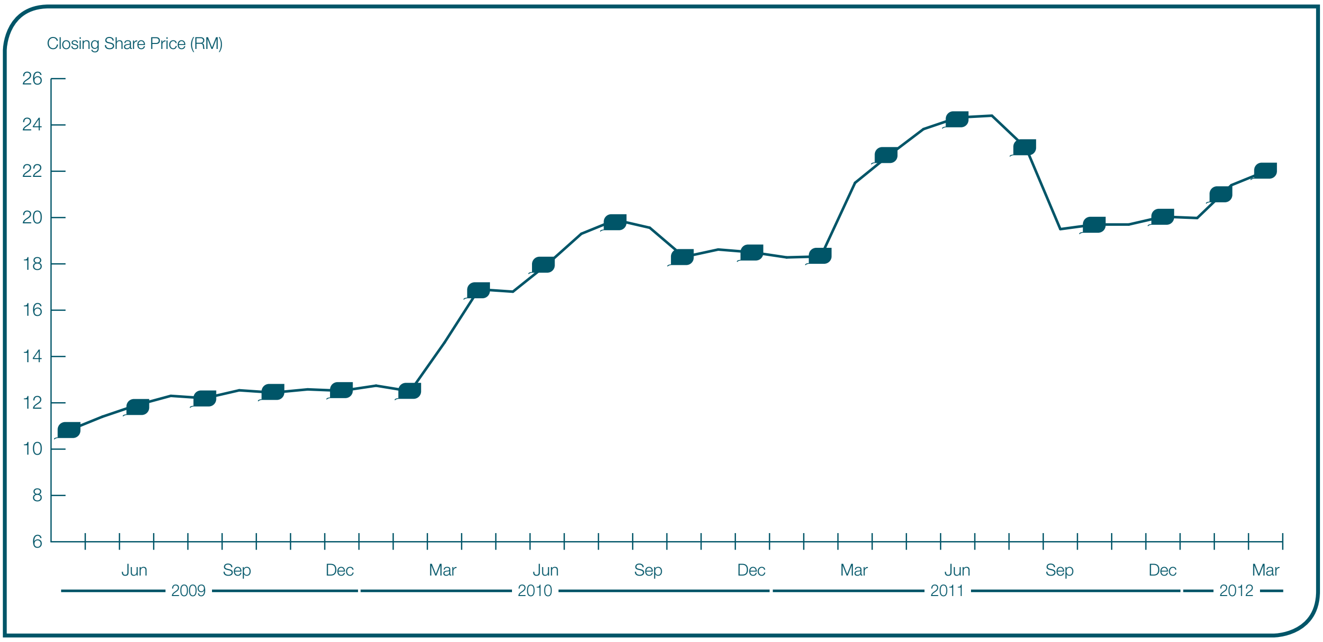
Financial Highlights

Financial Data (Combined Basis)		Year Ended 31 March 2012	Year Ended 31 March 2011
Revenue	RM'000	825,833	761,407
Profit before taxation	RM'000	85,211	101,806
Profit after taxation	RM'000	66,407	82,679
Percentage of revenue	%	8.0	10.9
Return on shareholders' funds	%	10.3	12.8
Earnings per share	sen	109	136
Dividend rate	%	120	145
Shareholders' funds	RM'000	647,712	647,366
Net assets per share	RM	10.66	10.66
Total assets	RM'000	762,913	780,428
Capital expenditure	RM'000	36,422	21,920

Financial Calendar

Financial Year Ended	31 March 2012
Announcement of Results	
- First Quarter	15 August 2011
- Second Quarter	25 November 2011
- Third Quarter	22 February 2012
- Fourth Quarter / Annual	30 May 2012
Issuance of 2012 Annual Report and Financial Statements	24 July 2012
47th Annual General Meeting	15 August 2012
Interim Dividend	
- Notice of Dividend Entitlement	14 December 2011
- Entitlement Date	3 January 2012
- Payment Date	18 January 2012
Proposed Final and Special Dividends	
- Notice of Dividend Entitlement	24 July 2012
- Entitlement Date	24 August 2012
- Payment Date	6 September 2012

Share Performance



	2011									2012		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	24.90	24.50	24.96	24.50	24.46	23.08	20.70	19.96	20.04	20.20	21.52	22.90
Lowest (RM)	21.40	22.64	23.90	24.02	22.30	17.32	18.60	19.00	19.74	19.90	19.74	21.50
Closing Share Price (RM)	22.70	23.82	24.32	24.40	23.00	19.50	19.70	19.70	20.04	19.98	21.40	22.00
Lots Traded (100 shares)	2,548	1,822	3,269	1,129	3,157	3,851	2,813	1,882	1,461	7,108	3,485	6,380

	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

Board of Directors' Profile

TAN SRI DATUK ASMAT BIN KAMALUDIN

Aged 68. 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 conviction for any offences within the past 10 years, other than traffic offences, if any.

MASAHIKO YAMAGUCHI

Aged 53. 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 all the Board Meetings held during the financial year and has no conviction for any offences within the past 10 years, other than traffic offences, if any.

TOSHIHIRO UKITA

Aged 49. 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 all the Board Meetings held during the financial year and has no conviction 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 73. 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 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 conviction for any offences within the past 10 years other than traffic offences, if any.

CHEN AH HUAT

Aged 52. 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 31 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 Appliances and Ecology System 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 conviction for any offences within the past 10 years other than traffic offences, if any.

RAZMAN HAFIDZ BIN ABU ZARIM

Aged 57. 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 4 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 currently holds independent directorships in several public companies, namely Yeo Hiap Seng (Malaysia) Berhad, Linde Malaysia Holdings Berhad (formerly MOX-Linde Malaysia) and Sumitomo Mitsui Banking Corporation Malaysia 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 conviction for any offences within the past 10 years other than traffic offences, if any.

Board of Directors' Profile

DATUK SUPPERAMANIAM A/L MANICKAM

Aged 67. 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 all the Board Meetings held during the financial year and has no conviction 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 2 out of 4 the Board Meetings held during the financial year and has no conviction for any offences within the past 10 years other than traffic offences, if any.

TOSHIRO OKAMOTO

Aged 54. Japanese. Mr Okamoto was appointed the Non-Executive Director of the Company on 2 April 2012. He graduated with a Bachelor's Degree from the University of Hiroshima, Japan (Faculty of Law).

Mr Okamoto joined Panasonic Corporation in April 1982 as a planning staff. Since then he was assigned to various departments and affiliated company holding the position of coordinator. In November 1992 he was posted to a Malaysian subsidiary of Panasonic Corporation, Matsushita Electronics Corporation as a Manager. In April 1996, he returned to Japan and was assigned to Corporate Management Division for Asia & Oceania as a Senior Coordinator. In April 1999, he was posted to Panasonic Corporation's Indian office as the Director. In April 2001, he returned to Japan and was assigned to various Planning Division of Panasonic Corporation and was promoted to a Manager prior to joining Panasonic Management Malaysia Sdn. Bhd. as a Director in September 2011. Mr. Okamoto has more than 20 years experience in corporate management.

Mr Okamoto has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no conviction for any offences within the past 10 years other than traffic offences, if any.

Board of Directors' Profile

TAKAYUKI TADANO

Aged 49. Japanese. Mr Tadano was appointed the Executive Director of the Company on 4 June 2012. He is also a member of the Remuneration Committee. He graduated with a Bachelor's Degree from the University of Kitakyushu, Japan (Faculty of Commerce).

Mr Tadano joined Panasonic Corporation in April 1987 as an accounting staff. He was posted to Matsushita Electric (Taiwan) in June 1994 and holding the position of coordinator. In July 1996, he returned to Japan and was assigned to Accounting Department, Electric Iron Division as a Senior Coordinator. In Jan 1997, he was posted to Panasonic Corporation's Malaysian subsidiary, Home Appliance R&D Centre as General Manager of Finance Department. In December 2000, he returned to Japan and was assigned to Washing Machine Division as Senior Coordinator. In May 2004, he was posted to Panasonic Corporation's Chinese subsidiary, Panasonic-Wanbao (Guangzhou) Electric Iron Co., Ltd. as the Financial Director. In January 2010, he returned to Japan and was assigned to Corporate Accounting Centre, Home Appliances Company and was promoted to the position of Manager. Currently, he is responsible for the Finance, Information Systems, Administration, Risk Management and Internal Audit functions of the Company.

Mr Tadano has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no conviction for any offences within the past 10 years other than traffic offences, if any.

MIKIO MATSUI

Aged 48. Japanese. Mr Matsui was appointed the Non-Executive Director of the Company on 19 June 2012. He graduated with a Bachelor's Degree of Economics from the University of Keio, Japan.

Mr Matsui joined Panasonic Corporation in 1987 as a Human Resource Executive. In 1989 he was posted to a Malaysian subsidiary of Panasonic Corporation, Matsushita Industrial Corporation as a Human Resource Advisor. In 1991, he returned to Japan and was assigned to Air Conditioner Sector as an Assistant Manager. In 1993, he was posted to Panasonic Compressor America holding the post of Human Resource Advisor. In 1995, he was posted to Matsushita Wanbao Air Conditoner Pte. Ltd. (China) as a Human Resource Senior Advisor. In 1996 he was posted to various Malaysian subsidiaries of Panasonic Corporation, Matsushita Air Conditioner Group as a Human Resource General Manager. In 2002, he returned to Japan Head Office and was promoted to HR Councilor. In 2004, he was posted to Panasonic Management Malaysia as a Director. In 2006, he was appointed as the Global Human Resource Project Leader in Head Office Japan cum Director in Panasonic Management Malaysia. In 2009, he was posted to Singapore as the Regional HR Director for Asia Pacific Regional and Director, member of the board in Panasonic Asia Pacific Pte. Ltd. Currently, he is the Chief HR officer for Asia Pacific, Middle East & Africa and maintaining his post of Director, Member of the board in Panasonic Asia Pacific Pte. Ltd..

Mr Matsui has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no conviction 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 11 members consists of 4 Independent Non-Executive Directors (including the Chairman), 4 Executive Directors and 3 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 12 to 15 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.

Statement on Corporate Governance

The summary of attendance of the Directors at the Board Meetings held during the financial year ended 31 March 2012 was as follows:

Name of Directors	Meeting Attendance	% of Attendance
Tan Sri Datuk Asmat bin Kamaludin	4/4	100
Masahiko Yamaguchi	4/4	100
Raja Dato' Seri Abdul Aziz bin Raja Salim	4/4	100
Dr. Ramanaidu a/l Semenchalam (Cessation of office w.e.f. 2 April 2012)	4/4	100
Chen Ah Huat	4/4	100
Razman Hafidz bin Abu Zarim	4/4	100
Datuk Supperamaniam a/l Manickam	4/4	100
Lee Wee Leong	2/4	50
Toshihiro Ukita	4/4	100

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.

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**		
	• Directors' Training – MPI – 'The Holistic Board'	27.05.2011	1 day
	• ETP Update	05.07.2011	1 day
	• ICCA/MICPA forum SDCC	11.08.2011	1 day
	• 4th Annual Corporate Governance Summit KL 2012 - Bringing Asia onto the Board	05~06.03.2012	2 days
2.	**Masahiko Yamaguchi**		
	• Sustainability Program for Corporate Malaysia	13.4.2011	1 day
	• Asian Customer Value Improvement Conference	23.5.2011	1 day
3.	**Raja Dato' Seri Abdul Aziz bin Raja Salim**		
	• MIA Conference 2011	2-3.11.2011	2 days
	• Financial Institutions Directors' Education Program Module A	14-17.11.2011	4 days
	• Directors' In-house Training – PPB Group Berhad	18.11.2011	5 hours
4.	**Chen Ah Huat**		
	• Sustainability Program for Corporate Malaysia	13.4.2011	1 day

Statement on Corporate Governance

No.	Continuing Education Programme Attended	Date Attended	Duration
5.	**Razman Hafidz bin Abu Zarim**		
	• Sumitomo Mitsui Banking Corporation Group : Corporate Orientation Seminar	09.11.2011	½ day
	• PKNS : Audit Committee Briefing	10.11.2011	½ day
	• Matrade : Seminar on Government Financial Assistance for SMEs	06.12.2011	½ day
	• MICG : Seminar on Update on Corporate Government	14.12.2011	1 day
	• FIDE/ICLIF : Directors' Legal Tool Kit	12~13.03.2012	2 days
6.	**Datuk Supperamaniam a/l Manickam**		
	• Directors' Training – PPB Group Berhad	18.11.2011	1 day
7.	**Lee Wee Leong**		
	• Panashop Dealers Meeting	07.09.2011	1 day
	• Home Appliances Convention	22.09.2011	1 day
	• Regional Managing Director Conference	13.10.2011	1 day
	• Regional Sales Company Meeting	14.10.2011	1 day
	• Air-conditioner Sales Convention	06.12.2011	1 day
	• BBP Strategic Planning Workshop	16~17.2.2012	2 days
	• Lumix Station Dealers Meeting	16.03.2012	1 day
	• Sales Convention	28.3.2012	1 day
8.	**Toshihiro Ukita**		
	• KPMG-JPN Forensic Seminar	11.09.2011	1 day

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 24 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 is 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)	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 4 May 2011 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)	Executive Director

Statement on Corporate Governance

At a meeting held on 4 May 2011, the Remuneration Committee made a recommendation to the Board for payment of Directors' fees not exceeding RM261,000 in aggregate for the financial year ended 31 March 2012 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 2012 are as follows:

Descriptions	Executive Director RM	Non-Executive Director RM	Total RM
Fees	-	261,000	261,000
Meeting allowance	-	25,200	25,200
Salary and other remuneration	2,380,091	-	2,380,091
Benefits-in-kind (BIK)	137,540	-	137,540
Total	2,517,631	286,200	2,803,831
Total (excluding BIK)	2,380,091	286,200	2,666,291

The remuneration of the Directors for the financial year ended 31 March 2012 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	-	-	-
RM200,001 to RM250,000	-	-	-
RM450,001 to RM500,000	2	-	2
RM600,001 to RM650,000	-	-	-
RM750,001 to RM800,000	2	-	2

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.

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 25 to 27 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 10 July 2012.

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 2012.

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 2012 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 2012 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.

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 2012 amounted to RM73,500.00.

Audit Committee Report

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 2011 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.

4. Discussion on the External Auditors' Report to the Audit Committee for the financial year ended 31 March 2011 and the Annual Audit Plan for the financial year ended 31 March 2012.

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, training and provision of advisory services on taxation.

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 2012 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 2011/2012 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 2011.

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 page 22 to 24 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. Audit of Scrap Management Process
  2. Preventive Maintenance Management Control System (PMD)
  3. Outbound Logistics Management and Export Compliance (SAII)
  4. Unrecorded Liabilities - Procurement of Weights for Living Fan (SAII)
  5. Unrecorded Liabilities - Maintenance Overhead of Fan Department (SAII)

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

  1. Quality Parts Procurement and Sub-Contractors Management Control 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 quarterly risk management activities undertaken by Lefis, include the review of risk scorecards covering inherent risks, residual risks and control systems of:

  1. Security (Human Resource Department)
  2. After Sales Support (Service Parts)
  3. Environmental Management
  4. Management of Contract

- 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 "Business Plan" 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.

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 2012. 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.

Statement on Internal Control

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. However, there were certain unrecorded liabilities arising due to lapses in operational procedures in Fan Department. The management has taken appropriate actions to mitigate these lapses. There were no material losses or contingencies as management has taken steps to further enhance the existing internal controls. 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 17 July 2012.

Additional Compliance Information

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

(1) Utilisation of Proceeds raised from Corporate Proposal

Not applicable.

(2) 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 RM47,800.

(7) Variation in Results

There were no variances between the audited results for the financial year ended 31 March 2012 and the unaudited results announced to Bursa Malaysia Securities Berhad on 30 May 2012. 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.

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 2012.

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 11 to the financial statements.

FINANCIAL RESULTS

	Combined Entity RM'000	Company RM'000
Net profit for the financial year	66,407	63,282

DIVIDENDS

The amount of dividends on ordinary shares paid or declared by the Company since 31 March 2011 are as follows:

		RM'000
(a)	In respect of the financial year ended 31 March 2011 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 30 September 2011	15,946
	A special dividend of 95 sen per ordinary share of RM1.00 less 25% income tax paid on 30 September 2011	43,281
(b)	In respect of the financial year ended 31 March 2012:	
	An interim dividend of 15 sen per ordinary share of RM1.00 less 25% income tax paid on 18 January 2012	6,834
		66,061

The dividend amount payable is based on the Company's issued and paid up capital as at 31 March 2012. The Directors now recommend the payment of a final gross dividend of 35 sen per ordinary share of RM1.00 less income tax of 25% (2011: 35 sen per ordinary share of RM1.00 less income tax of 25%), amounting to RM15,945,767 (2011: RM15,945,767) and a special gross dividend of 70 sen per ordinary share of RM1.00 less income tax of 25% (2011: 95 sen per ordinary share of RM1.00 less income tax of 25%), amounting to RM31,891,535 (2011: RM43,281,368) which, subject to the approval of members at the forthcoming Annual General Meeting of the Company, will be paid on 6 September 2012 to shareholders registered in the Record of Depositors as at 24 August 2012. These financial statements do not reflect the final and special dividends which will be accounted for in the financial year ending 31 March 2013 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	
Chen Ah Huat	
Razman Hafidz bin Abu Zarim	
Datuk Supperamaniam a/l Manickam	
Lee Wee Leong	
Toshihiro Ukita	
Toshiro Okamoto	(Appointed on 02.04.2012)
Mikio Matsui	(Appointed on 19.06.2012)
Takayuki Tadano	(Appointed on 04.06.2012)
Dr. Ramanaidu a/l Semenchalam	(Ceased on 02.04.2012)

In accordance with Article 97 of the Company's Articles of Association, Razman Hafidz bin Abu Zarim retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer himself for re-election.

In accordance with Article 102 of the Company's Articles of Association, Toshiro Okamoto, Mikio Matsui and Takayuki Tadano, retire under casual vacancy 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 1.4.2011	**Acquired**	**Disposed**	**At 31.3.2012**
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 1.4.2011	Acquired	Disposed	At 31.3.2012
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 10 July 2012.

TAN SRI DATUK ASMAT BIN KAMALUDIN
DIRECTOR

MASAHIKO YAMAGUCHI
DIRECTOR

Statements of Comprehensive Income

for the financial year ended 31 March 2012

	Note	Combined Entity		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	4	**825,833**	761,407	**825,833**	761,407
Cost of sales		**(689,527)**	(613,245)	**(689,527)**	(613,245)
Gross profit		**136,306**	148,162	**136,306**	148,162
Other operating income		**24,089**	19,488	**28,548**	22,674
Distribution and marketing costs		**(53,163)**	(49,508)	**(53,163)**	(49,508)
Administrative expenses		**(21,777)**	(24,566)	**(21,777)**	(24,566)
Other operating expenses		**(6,714)**	(201)	**(6,714)**	(201)
Profit from operations	5	**78,741**	93,375	**83,200**	96,561
Share of results of associated company (net of tax)		**6,470**	8,431	**0**	0
Profit before taxation		**85,211**	101,806	**83,200**	96,561
Taxation	7	**(18,804)**	(19,127)	**(19,918)**	(19,924)
Net profit for the financial year		**66,407**	82,679	**63,282**	76,637
Other comprehensive income, net of tax		**0**	0	**0**	0
Total comprehensive income for the year		**66,407**	82,679	**63,282**	76,637
Earnings per share (sen) - basic	8	**109**	136	**104**	126
Dividends per share (sen)	9	**120**	145	**120**	145

Statements of Financial Position

as at 31 March 2012

	Note	Combined Entity 2012 RM'000	Combined Entity 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	10	**75,606**	63,459	**75,606**	63,459
Interest in associated company	11	**130,991**	127,866	**2,000**	2,000
Deferred tax assets	12	**11,757**	14,757	**11,757**	14,757
		218,354	206,082	**89,363**	80,216
CURRENT ASSETS					
Inventories	13	**18,293**	18,789	**18,293**	18,789
Trade and other receivables	14	**52,757**	53,435	**52,757**	53,435
Tax recoverable		**2,445**	0	**2,445**	0
Derivative financial instruments	15	**662**	1,184	**662**	1,184
Cash and cash equivalents	16	**470,402**	500,938	**470,402**	500,938
		544,559	574,346	**544,559**	574,346
Total assets		**762,913**	780,428	**633,922**	654,562
EQUITY					
Capital and reserves attributed to equity holders					
Share capital	17	**60,746**	60,746	**60,746**	60,746
Retained earnings	18	**586,966**	586,620	**457,975**	460,754
Total equity		**647,712**	647,366	**518,721**	521,500
LIABILITIES					
NON-CURRENT LIABILITY					
Provision for liabilities and charges	19	**1,396**	3,367	**1,396**	3,367
		1,396	3,367	**1,396**	3,367
CURRENT LIABILITIES					
Trade and other payables	20	**98,256**	114,283	**98,256**	114,283
Provision for liabilities and charges	19	**15,003**	13,946	**15,003**	13,946
Derivative financial instruments	15	**546**	14	**546**	14
Taxation		**0**	1,452	**0**	1,452
		113,805	129,695	**113,805**	129,695
Total liabilities		**115,201**	133,062	**115,201**	133,062
Total equity and liabilities		**762,913**	780,428	**633,922**	654,562

Combined Statements of Changes in Equity

for the financial year ended 31 March 2012

	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 2010		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
At 1 April 2011		**60,746**	**60,746**	**586,620**	**647,366**
Total comprehensive income for the financial year		**0**	**0**	**66,407**	**66,407**
Transactions with owners					
Dividends:					
- Final dividend for the financial year ended 31 March 2011	9	**0**	**0**	**(15,946)**	**(15,946)**
- Special dividend for the financial year ended 31 March 2011	9	**0**	**0**	**(43,281)**	**(43,281)**
- Interim dividend for the financial year ended 31 March 2012	9	**0**	**0**	**(6,834)**	**(6,834)**
		0	**0**	**(66,061)**	**(66,061)**
At 31 March 2012		**60,746**	**60,746**	**586,966**	**647,712**

Company Statements of Changes in Equity

for the financial year ended 31 March 2012

	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 2010		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
At 1 April 2011		**60,746**	**60,746**	**460,754**	**521,500**
Total comprehensive income for the financial year		**0**	**0**	**63,282**	**63,282**
Transactions with owners					
Dividends:					
- Final dividend for the financial year ended 31 March 2011	9	**0**	**0**	**(15,946)**	**(15,946)**
- Special dividend for the financial year ended 31 March 2011	9	**0**	**0**	**(43,281)**	**(43,281)**
- Interim dividend for the financial year ended 31 March 2012	9	**0**	**0**	**(6,834)**	**(6,834)**
		0	**0**	**(66,061)**	**(66,061)**
At 31 March 2012		**60,746**	**60,746**	**457,975**	**518,721**

Statements of Cash Flows

for the financial year ended 31 March 2012

	Combined Entity		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the financial year	**66,407**	82,679	**63,282**	76,637
Adjustments:				
Property, plant and equipment				
- depreciation	**24,182**	20,065	**24,182**	20,065
- write off	**61**	145	**61**	145
- gain on disposal	**(149)**	(136)	**(149)**	(136)
Provision of liabilities and charges	**3,315**	874	**3,315**	874
Dividend income from associated company (gross)	**0**	0	**(4,459)**	(3,186)
Interest income	**(15,770)**	(12,798)	**(15,770)**	(12,798)
Taxation	**18,804**	19,127	**19,918**	19,924
Share of results of associated company	**(6,470)**	(8,431)	**0**	0
Net unrealised foreign exchange (gain)/loss	**(95)**	361	**(95)**	361
Fair value loss on derivative financial instruments	**1,054**	919	**1,054**	919
	91,339	102,805	**91,339**	102,805
CHANGES IN WORKING CAPITAL				
Inventories	**496**	(2,416)	**496**	(2,416)
Trade and other receivables	**2,223**	(4,257)	**2,223**	(4,257)
Trade and other payables	**(16,085)**	(2,092)	**(16,085)**	(2,092)
Cash generated from operations	**77,973**	94,040	**77,973**	94,040
Taxation paid	**(20,815)**	(25,537)	**(20,815)**	(25,537)
Rework cost paid	**(1,960)**	(389)	**(1,960)**	(389)
Warranty paid	**(1,436)**	(1,189)	**(1,436)**	(1,189)
Retirement gratuity scheme paid	**(16)**	(13)	**(16)**	(13)
Employee welfare scheme paid	**(817)**	(812)	**(817)**	(812)
Net cash flow from operating activities	**52,929**	66,100	**52,929**	66,100

Statements of Cash Flows

for the financial year ended 31 March 2012

	Note	Combined Entity 2012 RM'000	Combined Entity 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(36,422)**	(21,920)	**(36,422)**	(21,920)
Proceeds from disposal of property, plant and equipment		**181**	136	**181**	136
Interest received		**15,684**	13,059	**15,684**	13,059
Dividends received (net)		**3,344**	2,389	**3,344**	2,389
Net cash flow used in investing activities		**(17,213)**	(6,336)	**(17,213)**	(6,336)
CASH FLOWS FROM FINANCING ACTIVITY					
Dividends paid		**(66,061)**	(54,671)	**(66,061)**	(54,671)
Net cash flow used in financing activity		**(66,061)**	(54,671)	**(66,061)**	(54,671)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(30,345)**	5,093	**(30,345)**	5,093
CURRENCY TRANSLATION DIFFERENCES		**(191)**	(157)	**(191)**	(157)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**500,938**	496,002	**500,938**	496,002
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	16	**470,402**	500,938	**470,402**	500,938

Summary of Significant Accounting Policies
for the financial year ended 31 March 2012

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 10 July 2012.

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 requires 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

Standards, amendments to published standards and interpretations that are effective:

The Combined Entity and the Company adopted the following new and amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 April 2011:

- The revised FRS 1 "First-time Adoption of Financial Reporting Standards"
- The revised FRS 3 "Business combinations"
- The revised FRS 127 "Consolidated and Separate Financial Statements"
- Amendments to FRS 1 "First-time Adoption of Financial Reporting Standards"
- Amendment to FRS 2 "Share-based payment – Group cash-settled share-based payment transactions"
- Amendment to FRS 7 "Financial Instruments : Disclosures – Improving disclosures about financial instruments"
- Amendment to FRS 132 "Financial Instruments : Presentation – Classification of rights issues"
- Amendments to IC Interpretation 9 "Reassessment of Embedded Derivatives"
- IC Interpretation 4 "Determining whether an arrangement contains a lease"
- IC Interpretation 12 "Service concession arrangements"
- 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"
- Improvements to FRSs (2010)

B ACCOUNTING STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS (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.

- Amendments to FRS 7, "Financial instruments: Disclosures – Improving disclosures about financial instruments" promotes enhanced disclosures on fair value measurements of financial instruments via the introduction of the concept of the fair value hierarchy. There is no financial impact on the results of the Combined Entity and the Company as these changes only affect disclosures.

- IC Interpretation 4 "Determining whether an arrangement contains a lease" requires the Combined Entity to identify any arrangement that does not take the legal form of a lease, but conveys a right to use an asset in return for a payment or series of payments. This interpretation provides guidance for determining whether such arrangements are, or contain, leases. The assessment is based on the substance of the arrangement and requires assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset. If the arrangement contains a lease, the requirements of FRS 117 "Leases" should be applied to the lease element of the arrangement. The adoption of this interpretation does not have any impact on the financial position and results of the Combined Entity and Company.

- IC Interpretation 18 "Transfers of assets from customers" provides guidance where an entity receives from a customer an item of property, plant and equipment (or cash to acquire such an asset) that the entity must then use to connect the customer to a network or to provide the customer with services. Where the transferred item meets the definition of an asset, the asset is recognised as an item of property, plant and equipment at its fair value. Revenue is recognised for each separate service performed in accordance with the recognition criteria of FRS 118 "Revenue". The adoption of this interpretation does not have any impact on the financial position and results of the Combined Entity and Company.

Standards, amendments to published standards and interpretations to existing standards that are applicable to the Combined Entity and the Company but not yet effective and have not been early adopted.

The Combined Entity and the Company will apply the new standards, amendments and interpretations in the following period:

i) Financial year beginning on/after 1 April 2012

In the financial year ending 31 March 2013, the Combined Entity and the Company will be adopting the new IFRS-Compliant framework, Malaysian Financial Reporting Standards ("MFRS"). In adopting the new framework, the Combined Entity and the Company will be applying MFRS 1 "First-time adoption of MFRS".

ii) Financial year beginning on/after 1 April 2013

The adoption of the new and revised FRSs is not expected to have a significant financial impact on the Combined Entity and the Company and will not result in substantial changes to the Combined Entity's and the Company's accounting policies.

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 presented in Ringgit Malaysia ("RM") which is also 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 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 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 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.

(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.

E FINANCIAL ASSETS (cont'd)

(d) Subsequent measurement - impairment of financial assets

(i) Assets carried at amortised cost

The Combined Entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment losses are recognised in the income statement.

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 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) 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 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.

F FINANCIAL LIABILITIES (cont'd)

(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%

Depreciation on assets under construction commences when the assets are ready for their intended use.

J PROPERTY, PLANT AND EQUIPMENT (cont'd)

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 Combined Entity 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 Combined Entity 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 Combined Entity 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

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.

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.

(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.

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 11 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 Panasonic Financial Centre (Malaysia) Sdn. Bhd., a company incorporated in Malaysia, which is a related company of the Company. The likelihood of non-performance by the related company is remote.

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 past due but not impaired is disclosed in Note 14. Cash and cash equivalents that are neither past due nor impaired are placed with Panasonic Financial Central (Malaysia) Sdn. Bhd.

(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.

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 2012				
Combined Entity and Company				
Payables	113,259	848	0	284
Derivative financial instruments	546	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.

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

3.3 FAIR VALUE HIERARCHY

The table below analyses the financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instruments are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign currency exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The following table presents the Combined Entity's assets and liabilities that are measured at fair value at 31 March 2012:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Combined Entity and Company				
Financial assets				
Derivative financial instruments				
- Forward foreign currency exchange contracts	0	662	0	662
	0	662	0	662
Financial liabilities				
Derivative financial instruments				
- Forward foreign currency exchange contracts	0	546	0	546
	0	546	0	546

4 REVENUE

	Combined Entity and Company	
	2012 RM'000	2011 RM'000
Sales of goods	**825,833**	761,407

5 PROFIT FROM OPERATIONS

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

	Combined Entity		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Auditors' remuneration	**120**	100	**120**	100
Directors' remuneration (Note 6)	**2,666**	3,251	**2,666**	3,251
Property, plant and equipment				
- depreciation	**24,182**	20,065	**24,182**	20,065
- write off	**61**	145	**61**	145
- gain on disposal	**(149)**	(136)	**(149)**	(136)
Provision for liabilities and charges	**3,315**	874	**3,315**	874
Staff costs (excluding Executive Directors' remuneration)				
- salaries, bonus and other employee benefits	**77,545**	70,465	**77,545**	70,465
- defined contribution retirement plan	**5,762**	5,492	**5,762**	5,492
	83,307	75,957	**83,307**	75,957
Technical assistance fees	**23,938**	21,870	**23,938**	21,870
Research expenses	**2,460**	7,822	**2,460**	7,822
Rental expenses	**426**	595	**426**	595
Foreign exchange				
- net realised loss/(gain)	**979**	(4,393)	**979**	(4,393)
- net unrealised (gain)/loss	**(95)**	361	**(95)**	361
Interest income	**(15,770)**	(12,798)	**(15,770)**	(12,798)
Fair value loss on derivative financial instruments	**1,054**	919	**1,054**	919
Dividend income from associated company (gross)	**0**	0	**(4,459)**	(3,186)

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

Executive Directors:

Dr. Ramanaidu a/l Semenchalam
Chen Ah Huat
Masahiko Yamaguchi
Toshihiro Ukita

6 DIRECTORS' REMUNERATION (cont'd)

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

	Company	
	2012 RM'000	2011 RM'000
Non-Executive Directors:		
- fees	**261**	240
- others	**25**	19
Executive Directors:		
- salaries, bonus and other remuneration	**2,250**	2,821
- defined contribution retirement plan	**130**	171
	2,666	3,251

The estimated monetary value of benefits provided to Executive Directors during the financial year amounted to RM138,000 (2011: RM158,000).

7 TAXATION

	Combined Entity		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Current taxation:				
- current financial year	**(15,804)**	(19,135)	**(16,918)**	(19,932)
- over accrual in prior years	**0**	0	**0**	0
	(15,804)	(19,135)	**(16,918)**	(19,932)
Deferred taxation (Note 12):				
- current financial year	**(2,279)**	(1,545)	**(2,279)**	(1,545)
- (under)/over accrual in prior years	**(721)**	1,553	**(721)**	1,553
	(3,000)	8	**(3,000)**	8
	(18,804)	(19,127)	**(19,918)**	(19,924)

7 TAXATION (cont'd)

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

	Combined Entity		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit before taxation	**85,211**	101,806	**83,200**	96,561
Tax calculated at the Malaysian tax rate of 25% (2011: 25%)	**21,303**	25,451	**20,800**	24,140
Tax effects of:				
- expenses not deductible for tax purposes	**277**	430	**277**	430
- tax incentives	**(1,851)**	(3,093)	**(1,851)**	(3,093)
- income not subject to tax	**(29)**	0	**(29)**	0
- tax effect of associated company	**(1,617)**	(2,108)	**0**	0
	18,083	20,680	**19,197**	21,477
Over/(under) accrual in prior years:				
- current tax	**0**	0	**0**	0
- deferred tax	**721**	(1,553)	**721**	(1,553)
	18,804	19,127	**19,918**	19,924

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	
	2012	2011	2012	2011
Net profit for the financial year attributable to equity holders (RM'000)	**66,407**	82,679	**63,282**	76,637
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)	**109**	136	**104**	126

Notes to the Combined Entity Financial Statements
for the financial year ended 31 March 2012

9 DIVIDENDS PER SHARE

Dividends paid, declared or proposed in respect of the financial year ended 31 March 2012 are as follows:

	Combined Entity and Company			
	2012		2011	
	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**	**6,834**	15	6,834
Final dividend proposed	**35**	**15,946**	35	15,946
Special dividend proposed	**70**	**31,892**	95	43,281
	120	**54,672**	145	66,061

At the forthcoming Annual General Meeting on 15 August 2012, a final gross dividend in respect of the financial year ended 31 March 2012 of 35 sen per ordinary share of RM1.00 less income tax of 25% (2011: 35 sen per ordinary share of RM1.00 less income tax of 25%), amounting to RM15,945,767 (2011: RM15,945,767) and a special gross dividend of 70 sen per ordinary share of RM1.00 less income tax of 25% (2011: 95 sen per ordinary share of RM1.00 less income tax of 25%), amounting to RM31,891,535 (2011: RM43,281,368) 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 2013 when approved by the shareholders.

10 PROPERTY, PLANT AND EQUIPMENT

	Balance as at 1.4.2011 RM'000	Additions RM'000	Reclassi-fication RM'000	Disposals RM'000	Write off RM'000	Depreciation charge RM'000	Balance as at 31.3.2012 RM'000
Combined Entity and Company							
Net book value							
Buildings	11,218	0	0	0	0	(1,890)	**9,328**
Plant and machinery	33,570	31,969	1,953	0	(46)	(18,308)	**49,138**
Furniture, fittings and equipment	8,839	3,697	0	0	(15)	(3,241)	**9,280**
Motor vehicles	1,402	756	0	(32)	0	(668)	**1,458**
Leasehold land	6,477	0	0	0	0	(75)	**6,402**
Construction in progress	1,953	0	(1,953)	0	0	0	**0**
	63,459	36,422	0	(32)	(61)	(24,182)	**75,606**

10 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	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
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

	Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
Combined Entity and Company			
At 31 March 2012			
Buildings	**56,974**	**(47,646)**	**9,328**
Plant and machinery	**261,349**	**(212,211)**	**49,138**
Furniture, fittings and equipment	**49,392**	**(40,112)**	**9,280**
Motor vehicles	**4,613**	**(3,155)**	**1,458**
Leasehold land	**7,566**	**(1,164)**	**6,402**
Construction in progress	**0**	**0**	**0**
	379,894	**(304,288)**	**75,606**
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

11 INTEREST IN ASSOCIATED COMPANY

	Combined Entity		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Interest in associated company	**130,991**	127,866	**2,000**	2,000

The Company holds a 40% (2011: 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:

	2012 RM'000	2011 RM'000
Revenue	**633,084**	679,482
Profit after tax	**6,470**	8,431
Non-current assets	**16,450**	11,367
Current assets	**216,612**	229,130
Current liabilities	**(99,882)**	(110,754)
Non-current liabilities	**(2,189)**	(1,877)
	130,991	127,866

(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	
	2012 RM'000	2011 RM'000
Investment at cost	**2,000**	2,000
Share of post-acquisition distributable and non-distributable reserves	**128,991**	125,866
Interest in associated company	**130,991**	127,866

12 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	
	2012 RM'000	2011 RM'000
Deferred tax assets		
Deferred tax assets	**11,757**	14,757
At start of financial year	**14,757**	14,749
Credited/(charged) to profit or loss (Note 7):		
- property, plant and equipment	**(1,802)**	1,949
- provisions	**(1,851)**	(1,999)
- others	**653**	58
	(3,000)	8
At end of financial year	**11,757**	14,757
Subject to income tax		
Deferred tax assets (before offsetting)		
- property, plant and equipment	**3,884**	5,686
- provisions	**7,130**	8,981
- others	**743**	90
	11,757	14,757
Offsetting	**0**	0
Deferred tax assets (after offsetting)	**11,757**	14,757

13 INVENTORIES

	Combined Entity and Company	
	2012 RM'000	2011 RM'000
Raw materials	**10,643**	10,366
Work in progress	**438**	660
Finished goods	**5,344**	5,931
Consumable stores	**1,868**	1,832
	18,293	18,789

14 TRADE AND OTHER RECEIVABLES

	Combined Entity and Company	
	2012 RM'000	**2011 RM'000**
Trade receivables	**191**	1,440
Less: Allowance for impairment	**(149)**	(149)
	42	1,291
Amount due from associated company	**10,473**	15,316
Amounts due from related companies	**39,174**	34,109
	49,689	50,716
Other receivables	**1,066**	1,226
Deposits	**1,438**	912
Prepayments	**564**	581
	52,757	53,435

Credit terms given to trade receivables ranged from 30 to 60 days (2011: 30 to 60 days).

Ageing of trade receivables which are past due but not impaired is as follows:

	Combined Entity and Company	
	2012 RM'000	**2011 RM'000**
Trade receivables past due:		
Past due up to 1 month	**26**	17

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

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

	Combined Entity and Company	
	2012 RM'000	**2011 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 other receivable balances are within the stipulated credit period and there were no past due balances.

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	
	2012 RM'000	**2011 RM'000**
- Ringgit Malaysia	**24,832**	25,984
- United States Dollar	**25,428**	22,441
- Japanese Yen	**1,675**	4,098
- Others	**258**	331
	52,193	52,854

15 DERIVATIVE FINANCIAL INSTRUMENTS

	Contract/ Notional value	Assets RM	Liabilities RM
Combined Entity and Company			
31 March 2012			
Non-hedging derivatives			
Financial assets at fair value through profit or loss	**USD18,189,000**	**661,393**	**0**
	YEN205,825,000	**0**	**(543,665)**
	SGD360,000	**834**	**0**
	EURO13,300	**0**	**(2,709)**
		662,227	**(546,374)**

The comparative figures as at 31 March 2011 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.

16 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	
	2012 RM'000	2011 RM'000
Placement of funds with a related company	**470,079**	500,787
Cash and bank balances	**323**	151
	470,402	500,938

16 CASH AND CASH EQUIVALENTS (cont'd)

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

	Combined Entity and Company	
	2012 RM'000	2011 RM'000
- Ringgit Malaysia	**457,003**	500,301
- United States Dollar	**11,358**	107
- Japanese Yen	**1,557**	55
- Euro	**417**	398
- Singapore Dollar	**67**	77
	470,402	500,938

(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	
	2012 %	2011 %
- Ringgit Malaysia	**3.08**	2.69
- United States Dollar	**0.19**	0.21
- Japanese Yen	**0.11**	0.11
- Euro	**1.16**	0.62
- Singapore Dollar	**0.18**	0.11

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

	Combined Entity and Company	
	2012	2011
- Ringgit Malaysia	**342 days**	92 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.

17 SHARE CAPITAL

	Combined Entity and Company	
	2012 RM'000	2011 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

18 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 2012, the Company has not elected to move into the single-tier tax system. As at 31 March 2012, 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.

19 PROVISION FOR LIABILITIES AND CHARGES

	Rework cost RM'000	Warranty RM'000	Employee welfare scheme RM'000	Retirement gratuity scheme RM'000	Total RM'000
Combined Entity and Company					
At 31 March 2010	5,952	10,057	2,548	285	18,842
Charged to profit or loss	2,664	8,920	2,406	517	14,507
Utilised during the financial year	(389)	(1,189)	(812)	(13)	(2,403)
Unused amounts reversed	(5,320)	(6,248)	(1,736)	(493)	(13,797)
Present value adjustments	173	0	0	(9)	164
At 31 March 2011	3,080	11,540	2,406	287	17,313
Charged to profit or loss	0	8,447	441	291	9,179
Utilised during the financial year	(1,960)	(1,436)	(817)	(16)	(4,229)
Unused amounts reversed	(272)	(5,578)	0	(278)	(6,128)
Present value adjustments	243	0	0	21	264
At 31 March 2012	**1,091**	**12,973**	**2,030**	**305**	**16,399**
At 31 March 2012					
Current	**0**	**12,973**	**2,030**	**0**	**15,003**
Non-current	**1,091**	**0**	**0**	**305**	**1,396**
	1,091	**12,973**	**2,030**	**305**	**16,399**
At 31 March 2011					
Current	0	11,540	2,406	0	13,946
Non-current	3,080	0	0	287	3,367
	3,080	11,540	2,406	287	17,313

19 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.

20 TRADE AND OTHER PAYABLES

	Combined Entity and Company	
	2012 **RM'000**	**2011** **RM'000**
Trade payables	**30,937**	37,695
Trade accruals	**51,851**	61,811
Other payables	**3,812**	3,268
Amount due to ultimate holding company	**5,621**	5,766
Amounts due to related companies	**6,035**	5,743
	98,256	114,283

20 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	
	2012 RM'000	2011 RM'000
- Ringgit Malaysia	**77,508**	90,254
- United States Dollar	**14,645**	16,515
- Japanese Yen	**4,760**	6,508
- Thai Baht	**493**	0
- Singapore Dollar	**312**	787
- Euro	**96**	219
- Hong Kong Dollar	**12**	0
- Great Britain Pound	**430**	0
	98,256	114,283

Credit terms of trade payables vary from 30 to 60 days (2011: 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.

21 SEGMENT REPORTING

The Company currently has two operating segments; home appliance and fan.

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		Total	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	**415,931**	438,498	**409,902**	322,909	**825,833**	761,407
Profit before taxation	**51,463**	50,273	**30,598**	46,957	**82,061**	97,230

	2012 RM'000	2011 RM'000
Total profit before taxation of the reportable segments	**82,061**	97,230
Other unallocated expenses	**(3,320)**	(3,855)
Share of results of associated company (net of tax)	**6,470**	8,431
Combined Entity's profit before taxation	**85,211**	101,806

22 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.

	Combined Entity and Company	
	2012 RM'000	**2011 RM'000**
(a) Sales of products and related components to related parties:		
Panasonic Logistic Asia Pacific *(formerly known as Panasonic Trading (S) Pte. Ltd.)*	**281,686**	294,444
Panasonic Malaysia Sdn. Bhd	**227,928**	240,546
KDK Fans (M) Sdn. Bhd.	**119,686**	119,001
Panasonic Eco Solutions (Hong Kong) Co. Limited *(formerly known as Panasonic Ecology Systems Hong Kong Co. Limited)*	**150,955**	62,783
Panasonic Procurement Malaysia Sdn. Bhd. *(formerly known as Panasonic Trading Malaysia Sdn. Bhd.)*	**15,309**	16,981
Panasonic Asia Pacific Pte. Ltd.	**15,258**	12,435
PT Panasonic Manufacturing Indonesia	**3,553**	5,109
Panasonic Ecology System (Thailand) Co., Ltd.	**404**	0
(b) Sales of service parts to related parties:		
Panasonic Malaysia Sdn. Bhd.	**2,069**	1,842
Panasonic Logistic Asia Pacific *(formerly known as Panasonic Trading (S) Pte. Ltd.)*	**835**	1,170
(c) Purchase of parts, components and raw materials from related parties:		
Panasonic Procurement Malaysia Sdn. Bhd. *(formerly known as Panasonic Trading Malaysia Sdn. Bhd.)*	**97,689**	89,078
Panasonic Manufacturing Xiamen Co. Ltd.	**0**	13,176
Panasonic Corporation	**7,322**	10,773
Panasonic Eco Solutions Hong Kong Co. Limited *(formerly known as Panasonic Ecology Systems Hong Kong Co. Limited)*	**20,803**	12,301
Panasonic Electric Works Co. Ltd.	**3,839**	2,393
Panasonic Industrial Devices Malaysia Sdn. Bhd. *(formerly known as Panasonic Electronic Devices Malaysia Sdn. Bhd.)*	**398**	0
Panasonic Electronic Devices Singapore Pte. Ltd.	**1,543**	1,241
Panasonic Semiconductor Asia Pte. Ltd.	**660**	885
Panasonic Electronic Works (Asia Pacific) Pte. Ltd.	**462**	1,297
Panasonic Appliance (Thailand) Co., Ltd. *(formerly known as Panasonic Home Appliances (Thailand) Co. Ltd.)*	**51**	0
PT Panasonic Manufacturing Indonesia	**121**	0
(d) Technical assistance fee paid and payable to related parties:		
Panasonic Corporation	**11,894**	12,445
Panasonic Ecology Systems Co. Ltd.	**12,044**	9,425

22 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

		Combined Entity and Company	
		2012 RM'000	2011 RM'000
(e)	Interest income received and receivable from a related party:		
	Panasonic Financial Centre (Malaysia) Sdn. Bhd.	**15,770**	12,798
(f)	Sales promotion, warranty claims and/or service expenses paid and payable to related parties:		
	Panasonic Malaysia Sdn. Bhd.	**1,954**	3,701
	Panasonic A.P. Sales (Thailand) Co. Ltd.	**2,187**	4,954
	Panasonic Corporation	**5,094**	2,845
	KDK Fans (M) Sdn. Bhd.	**900**	250
	Panasonic Vietnam Co. Ltd.	**299**	745
	Panasonic Eco Solutions Hong Kong Co. Limited *(formerly known as Panasonic Ecology Systems Hong Kong Co. Limited)*	**34**	0
(g)	Research and development expenditure paid and payable to related parties:		
	Panasonic Corporation	**2,309**	4,123
	Panasonic Ecology Systems Co. Ltd.	**1,081**	1,383
(h)	Brand license fee paid and payable to related parties:		
	Panasonic Corporation	**5,154**	5,740
	Panasonic Ecology Systems Co. Ltd.	**2,840**	1,517
(i)	Global sales service support fee paid and payable to related parties:		
	Panasonic Corporation	**3,645**	2,946
	Panasonic Eco Solutions (Hong Kong) Co. Limited. *(formerly known as Panasonic Ecology Systems Hong Kong Co. Limited)*	**394**	0
(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)	**717**	2,219
	Panasonic Corporation	**0**	909
(k)	Purchase of fixed assets from a related company:		
	Panasonic Corporation	**522**	1,491
(l)	Technical support fee received and receivable from a related company:		
	Panasonic Home Appliances India Co. Ltd.	**0**	819

22 SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

	Combined Entity and Company	
	2012 RM'000	2011 RM'000
(m) Manufacturing innovation services received and receivable from a related company:		
Panasonic Corporation's Corporate Manufacturing Innovation Division	**5,771**	0

(n) 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:

	Combined Entity and Company	
	2012 RM'000	2011 RM'000
Directors' fees and meeting allowance	**286**	259
Salaries, allowance, bonus and other remuneration	**11,678**	8,590
Defined contribution retirement plan	**556**	501
	12,520	9,350

The estimated monetary value of benefits provided to Directors and other members of key management personnel during the financial year amounted to RM665,000 (2011: RM435,000).

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

23 OPERATING LEASES

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

	Combined Entity and Company	
	2012 RM'000	2011 RM'000
Not later than 1 year	**29**	47
Later than 1 year and not later than 5 years	**48**	76
	77	123

24 COMMITMENTS FOR CAPITAL EXPENDITURE

	Combined Entity and Company 2012 RM'000	2011 RM'000
Approved by the Board but not provided for in the financial statements:		
Contracted	**4,646**	7,564
Not contracted	**566**	112
	5,212	7,676
Analysed as follows:		
- Property, plant and equipment	**5,212**	7,676

25 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 2012				
Assets as per statement of financial position				
Trade and other receivables excluding prepayments	1	**52,193**	**0**	**52,193**
Derivative financial instruments		**0**	**662**	**662**
Cash and cash equivalents		**470,402**	**0**	**470,402**
Total		**522,595**	**662**	**523,257**

	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 2012				
Liabilities as per statement of financial position				
Trade and other payables excluding statutory liabilities	2	**0**	**98,256**	**98,256**
Derivative financial instruments		**546**	**0**	**546**
Total		**546**	**98,256**	**98,802**

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.

26 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		Company	
	2012 RM'000	**2011 RM'000**	**2012 RM'000**	**2011 RM'000**
Total retained earnings of Company:				
- Realised	**460,072**	459,808	**460,072**	459,808
- Unrealised	**(2,097)**	946	**(2,097)**	946
	457,975	460,754	**457,975**	460,754
Total share of retained earnings from associated company:				
- Realised	**131,815**	129,450	**0**	0
- Unrealised	**(2,824)**	(3,584)	**0**	0
Total retained earnings as per financial statements	**586,966**	586,620	**457,975**	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 29 to 68 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 2012 and of their financial performance and cash flows for the year then ended.

The information set out in Note 26 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 10 July 2012.

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 29 to 68 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 10 July 2012.

Before me,

COMMISSIONER FOR OATHS

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.

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 29 to 68 which comprise the statements of financial position as at 31 March 2012 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 the Summary of Significant Accounting Policies and Notes 1 to 25.

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 2012 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 26 on page 68 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
10 July 2012

Statistics on Shareholdings

as at 29 June 2012

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	649	14.87	16,433	0.03
100 - 1,000	1,933	44.29	1,115,415	1.83
1,001 - 10,000	1,478	33.87	4,746,940	7.81
10,001 - 100,000	258	5.91	7,524,537	12.39
100,001 to 3,037,288 (less than 5% of issued shares)	44	1.01	15,227,938	25.07
3,037,289 and above (5% and above of issued shares)	2	0.05	32,114,517	52.87
Total	**4,364**	**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				
2	Masahiko Yamaguchi	3,000	Negligible	-	-

* Deemed interest by virtue of spouse's direct interest.

Save as dosclosed 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	28,823,771	47.45	-	-
2	Employees Provident Fund Board	4,467,646	7.35	-	-
3	Panasonic Corporation	-	-	28,823,871	47.45
4	Panasonic Holding (Netherlands) B.V.	-	-	28,823,871	47.45
5	Panasonic Asia Pacific Pte Ltd	-	-	28,823,871	47.45
6	Aberdeen Asset Management PLC	-	-	7,369,500	12.13
7	Mitsubishi UFJ Financial Group, Inc.	-	-	5,367,300	8.84

Statistics on Shareholdings

as at 29 June 2012

30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	PANASONIC MANAGEMENT MALAYSIA SDN. BHD.	28,823,871	47.45
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	3,290,646	5.42
3	HSBC NOMINEES (ASING) SDN BHD BNP PARIBAS SECS SVS LUX FOR ABERDEEN GLOBAL	1,919,000	3.16
4	CHINCHOO INVESTMENT SDN.BERHAD	1,259,748	2.07
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	1,177,000	1.94
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	1,123,300	1.85
7	VALUECAP SDN BHD	936,800	1.54
8	AFFIN NOMINEES (ASING) SDN BHD UOB KAY HIAN PTE LTD FOR WEE SHUK THENG	742,050	1.22
9	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BNP PARIBAS SECURITIES SERVICES (SINGAPORE - SGD)	531,000	0.87
10	TAN KAH LAY	513,000	0.84
11	HDM NOMINEES (ASING) SDN BHD UOB KAY HIAN PTE LTD FOR MONG MAN WAI WILLIAM (GAINWELL SEC)	488,252	0.80
12	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	383,380	0.63
13	CHONG SHEE JAN	373,141	0.61
14	MAYOON SDN BHD	320,000	0.53
15	AMSEC NOMINEES (TEMPATAN) SDN BHD ABERDEEN ASSET MANAGEMENT SDN BHD FOR TENAGA NASIONAL BERHAD RETIREMENT BENEFIT TRUST FUND (FM-ABERDEEN)	295,000	0.49
16	SHEN & SONS SDN BHD	272,000	0.45
17	AMSEC NOMINEES (ASING) SDN BHD AMFRASER SECURITIES PTE LTD FOR YEO GEOK CHOO (19003)	241,538	0.40
18	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	215,421	0.35
19	AMSEC NOMINEES (ASING) SDN BHD AMFRASER SECURITIES PTE LTD FOR TAI TAK SECURITIES PTE LTD (1442)	209,000	0.34
20	TAN KAH GHIE MARY @ TAN KAH GHEE MARY	204,800	0.34
21	HLG NOMINEE (TEMPATAN) SDN BHD PB TRUSTEE SERVICES BERHAD FOR HONG LEONG GROWTH FUND	200,000	0.33
22	HO HAN SENG	200,000	0.33
23	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MAAKL AL-FAUZAN (5170)	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	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (I-VCAP)	184,700	0.30
27	AMSEC NOMINEES (ASING) SDN BHD AMFRASER SECURITIES PTE LTD FOR YEO KOK GEE (19359)	184,478	0.30
28	PUBLIC INVEST NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)	183,971	0.30
29	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MAAKL AL-FAID (4389)	181,000	0.30
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD ABERDEEN ASSET MANAGEMENT SDN BHD FOR MALAYSIAN TIMBER COUNCIL (ENDOWMENT FUND)	165,000	0.27
	Total	**45,205,702**	**74.42**

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		164 51 247
	Factory and administrative office				12 - 46	6,085
No. 9 Jalan Pelabur 23/1 Section 23 40300 Shah Alam Selangor Darul Ehsan	Land	17.1	Leasehold, 99 years (Expires in the year 2090)	11-Apr-1991		5,940
	Factory and administrative office				13 - 21	3,242

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 / 2012	60,745,780	15%	35%	70%	-	120%	72,894,936	25%	25%	25%	18,223,734	54,671,202
3 / 2011	60,745,780	15%	35%	95%	-	145%	88,081,381	25%	25%	25%	22,020,345	66,061,036
3 / 2010	60,745,780	15%	35%	70%	-	120%	72,894,936	25%	25%	25%	18,223,734	54,671,202
3 / 2009	60,745,780	15%	35%	55%	-	105%	63,783,069	25%	25%	25%	15,945,767	47,837,302
3 / 2008	60,745,780	15%	35%	65%	-	115%	69,857,647	T/E	25%	25%	15,186,445	54,671,202
3 / 2007	60,745,780	15%	35%	65%	-	115%	69,857,647	T/E	T/E	T/E	T/E	69,857,647
3 / 2006	60,745,780	15%	35%	65%	-	115%	69,857,647	28%	T/E	T/E	2,551,323	67,306,324
3 / 2005	60,745,780	15%	35%	150%	-	200%	121,491,560	28%	28%	28%	34,017,637	87,473,923
3 / 2004	60,745,780	15%	35%	10%	-	60%	36,447,468	28%	28%	28%	10,205,291	26,242,177
3 / 2003	60,745,780	10%	40%	-	70%	120%	30,372,890	28%	28%	-	8,504,409	21,868,481
3 / 2002	35,732,812	15%	35%	-	-	50%	17,866,406	28%	28%	-	5,002,593	12,863,813
3 / 2001	35,732,812	15%	35%	-	-	50%	17,866,406	T/E	28%	-	3,501,815	14,364,591
3 / 2000	35,732,812	15%	35%	-	-	50%	17,866,406	T/E	T/E	-	T/E	17,866,406
3 / 1999	35,732,812	15%	35%	-	-	50%	17,866,406	28%	T/E	-	1,500,778	16,365,628
3 / 1998	35,732,812	15%	35%	-	10%	60%	17,866,406	28%	28%	-	5,002,593	12,863,813
3 / 1997	32,484,375	10%	40%	20%	-	70%	22,739,063	30%	30%	30%	6,821,719	15,917,344
3 / 1996	32,484,375	10%	40%	-	-	50%	16,242,188	30%	30%	-	4,872,656	11,369,532
3 / 1995	32,484,375	10%	30%	-	-	40%	12,993,750	30%	30%	-	3,898,125	9,095,625
3 / 1994	32,484,375	10%	30%	-	-	40%	12,993,750	32%	32%	-	4,158,000	8,835,750
3 / 1993	32,484,375	10%	30%	-	50%	90%	12,993,750	34%	34%	-	4,417,875	8,575,875
3 / 1992	21,656,250	-	40%	-	-	40%	8,662,500	-	35%	-	3,031,875	5,630,625
3 / 1991	21,656,250	-	40%	-	-	40%	8,662,500	-	35%	-	3,031,875	5,630,625
3 / 1990	21,656,250	-	35%	-	-	35%	7,579,688	-	35%	-	2,652,891	4,926,797
3 / 1989	21,656,250	-	25%	-	-	25%	5,414,063	-	35%	-	1,894,922	3,519,141
3 / 1988	21,656,250	-	25%	-	-	25%	5,414,063	-	40%	-	2,165,625	3,248,438
3 / 1987	21,656,250	-	25%	-	10%	35%	5,414,063	-	40%	-	2,165,625	3,248,438
12 / 1985	19,687,500	-	25%	-	-	25%	4,921,875	-	40%	-	1,968,750	2,953,125
12 / 1984	19,687,500	-	35%	-	-	35%	6,890,625	-	40%	-	2,756,250	4,134,375
12 / 1983	19,687,500	-	35%	-	-	35%	6,890,625	-	40%	-	2,756,250	4,134,375
12 / 1982	19,687,500	-	20%	-	50%	70%	3,937,500	-	40%	-	1,575,000	2,362,500
12 / 1981	13,125,000	-	20%	-	-	20%	2,625,000	-	40%	-	1,050,000	1,575,000
12 / 1980	13,125,000	-	20%	-	25%	45%	2,625,000	-	40%	-	1,050,000	1,575,000
12 / 1979	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12 / 1978	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12 / 1977	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12 / 1976	10,500,000	-	15%	5%	-	20%	2,100,000	-	40%	40%	840,000	1,260,000
12 / 1975	10,500,000	-	15%	-	200%	215%	1,575,000	-	40%	-	630,000	945,000
12 / 1974	3,000,000	-	15%	-	-	15%	450,000	-	40%	-	180,000	270,000
12 / 1973	3,000,000	-	15%	-	-	15%	450,000	-	40%	-	180,000	270,000
12 / 1972	3,000,000	-	12%	5%	-	17%	510,000	-	T/E	40%	60,000	450,000
12 / 1971	3,000,000	-	12%	-	-	12%	360,000	-	T/E	-	T/E	360,000
12 / 1970	3,000,000	-	12%	-	-	12%	360,000	-	T/E	-	T/E	360,000
12 / 1969	3,000,000	-	10%	-	-	10%	300,000	-	T/E	-	T/E	300,000
12 / 1968	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
12 / 1967	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
12 / 1966	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
Total (Since Date of Incorporation)							**944,276,214**				**214,563,902**	**729,712,312**

T/E - Tax-exempt

Notice of 47th Annual General Meeting

NOTICE IS HEREBY GIVEN that the 47th 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, 15 August 2012 at 10.30 a.m. to transact the following business:

AGENDA

As Ordinary Business:

1. To receive the Statutory Financial Statements for the financial year ended 31 March 2012 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 70 sen per ordinary share of RM1.00 each less 25% income tax for the financial year ended 31 March 2012. **(Resolution 2)**

3. To re-elect En Razman Hafidz bin Abu Zarim, the Director retiring in accordance with Article 97 of the Company's Articles of Association. **(Resolution 3)**

4. To re-elect the following Directors who are retiring in accordance with Article 102 of the Company's Articles of Association:

   a. Toshiro Okamoto **(Resolution 4)**
   b. Takayuki Tadano **(Resolution 5)**
   c. Mikio Matsui **(Resolution 6)**

5. To approve the payment of Directors' fees not exceeding RM273,000 in respect of the financial year ending 31 March 2013. **(Resolution 7)**

6. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

As Special Business:

7. 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 9)**

8. 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)(iii) of the Circular to Shareholders dated 24 July 2012. **(Resolution 10)**

   (ii) Payment of fees to those related parties as specified in Section 2.2(a)(iv) and receipt of fees from those related parties as specified in Sections 2.2(a)(v) of the Circular to Shareholders dated 24 July 2012. **(Resolution 11)**

   (iii) Placement of cash deposits and other treasury services with Panasonic Financial Centre (Malaysia) Sdn Bhd as specified in Section 2.2(a)(vi) of the Circular to Shareholders dated 24 July 2012. **(Resolution 12)**

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;

(a) 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

(b) 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."

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

Amendment to the Articles of Association

"THAT the existing Article 77A be amended as follows: **(Resolution 13)**

Existing Article 77A

A Member shall entitled to appoint 1 proxy but not more than 2 proxies to attend and vote at the General Meeting and the Member shall specify the proportion of his shareholdings to be represented by each proxy. Where a Member is an authorised nominee as defined under the Depositories Act, it may appoint 1 proxy but not more than 2 proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

New Article 77A

A Member shall entitled to appoint 1 proxy but not more than 2 proxies to attend and vote at the General Meeting and the Member shall specify the proportion of his shareholdings to be represented by each proxy. Where a Member of the Company is an exempt authorised nominee, as defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act, of which holds ordinary shares in the company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds."

Notice of 47th Annual General Meeting

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 70 sen per ordinary share of RM1.00 each less 25% income tax for the financial year ended 31 March 2012, will be paid on 6 September 2012 to depositors registered in the Record of Depositors and Register of Members at the close of business on 24 August 2012.

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

(a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 24 August 2012 in respect of transfers.

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Leong Oi Wah (MAICSA 7023802)
Company Secretary

Shah Alam
24 July 2012

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 Note to Special Business:

   Resolution 9
   The proposed resolution 9 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 10 to 12
   Please refer to the Circular to Shareholders dated 24 July 2012 for further information.

   Resolution 13
   The proposed amendment to Article 77A of the Company's Articles of Association is in line with the amendments made to Bursa Securities Main Market Listing Requirement.

5. Depositors who appear in the Record of Depositors as at 9 August 2012 shall be regarded as Member of the Company entitled to attend the 47th Annual General Meeting or appoint a proxy to attend and vote on his behalf.

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

Form of Proxy

CDS Account No.	
No. of Shares Held	

I/We, ____

*NRIC No./Company No./Passport 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 47th 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, 15 August 2012 at 10.30 a.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 70 sen per ordinary share less 25% income tax.		
3.	Re-election of Razman Hafidz bin Abu Zarim		
4.	Re-election of Toshiro Okamoto		
5.	Re-election of Takayuki Tadano		
6.	Re-election of Mikio Matsui		
7.	Approval of the payment of Directors' fees.		
8.	Re-appointment of Messrs. PricewaterhouseCoopers as Auditors.		
	Special Business		
9.	Ordinary Resolution: Re-appointment of Raja Dato' Seri Abdul Aziz bin Raja Salim as Director.		
10.	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.		
11.	Ordinary Resolution: Approval of RRPT - Payment and receipt of fees.		
12.	Ordinary Resolution: Approval of RRPT - Placement of cash deposits and other treasury services.		
13.	Special Resolution: Amendment to the Articles of Association		

(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 ______________________ 2012

____
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, Selangor Darul Ehsan not less than 48 hours before the holding of the meeting or any adjournment thereof.
4. Depositors who appear in the Record of Depositors as at 9 August 2012 shall be regarded as Member of the Company entitled to attend the 47th Annual General Meeting or appoint a proxy to attend and vote on his behalf.

* Strike out whichever is not applicable.

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AFFIX STAMP

The Share 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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