

Panasonic

Panasonic Manufacturing Malaysia Berhad (6100-K)



Annual Report 2014

For the financial year ended 31 March 2014

A Better Life, A Better World





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Corporate Information

BOARD OF DIRECTORS

Tan Sri Datuk Asmat bin Kamaludin
(Chairman)

Akira Nishimura
(Managing Director)

Raja Dato' Seri Abdul Aziz bin Raja Salim

Razman Hafidz bin Abu Zarim

Datuk Supperamaniam a/l Manickam

Toshiro Okamoto

Takayuki Tadano

Yosuke Matsunaga

Tan Sri Hasmah Binti Abdullah

Toshikazu Kudo

Siew Pui Ling

Takao Uchiyama

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)

Tan Sri Hasmah Binti Abdullah

(Independent Non-Executive Director)

Toshiro Okamoto

(Non-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)

Takayuki Tadano

(Executive Director)

Tan Sri Hasmah Binti Abdullah

(Independent Non-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

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

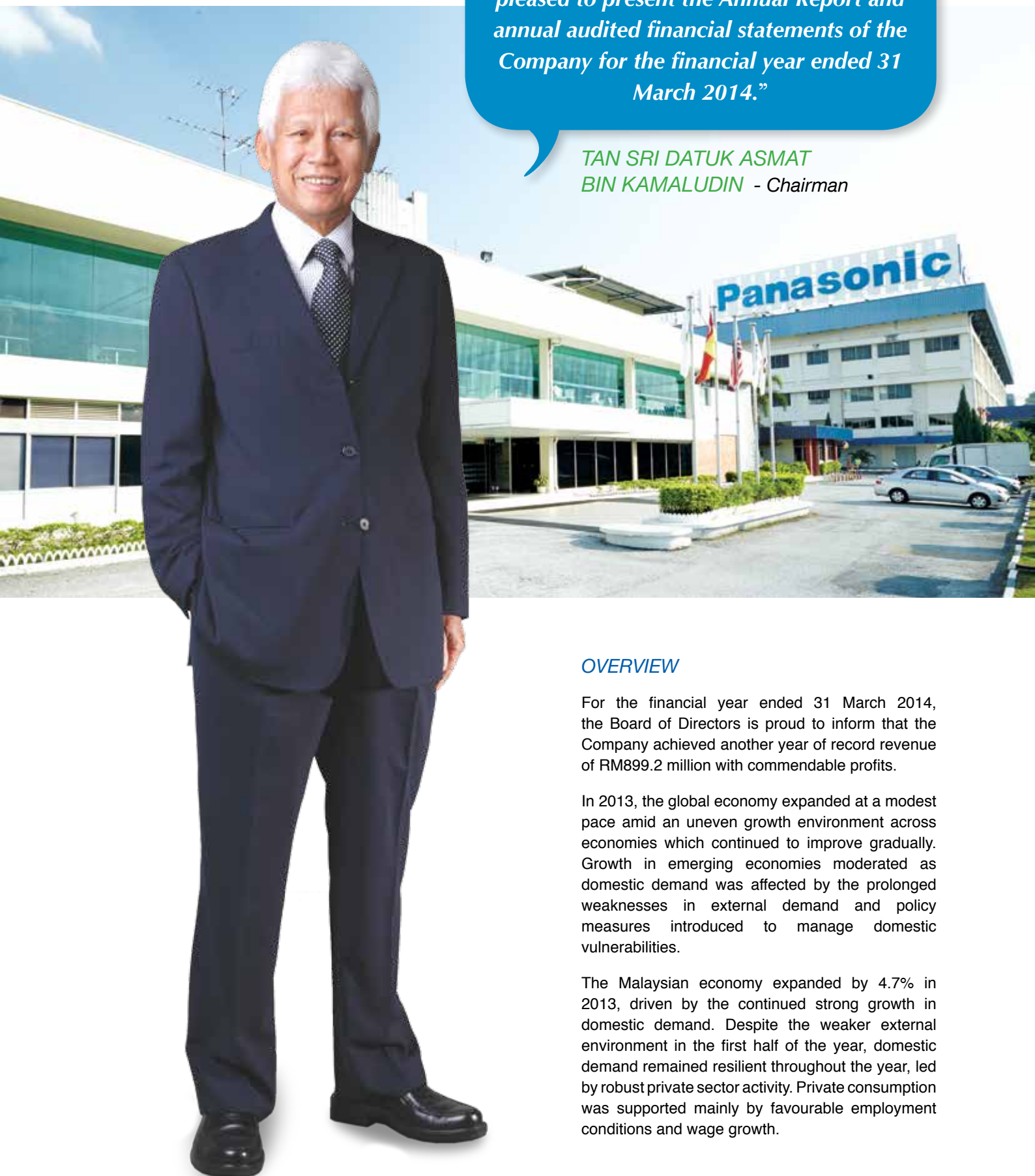
STOCK EXCHANGE

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 2014.”

**TAN SRI DATUK ASMAT
BIN KAMALUDIN** - Chairman



OVERVIEW

For the financial year ended 31 March 2014, the Board of Directors is proud to inform that the Company achieved another year of record revenue of RM899.2 million with commendable profits.

In 2013, the global economy expanded at a modest pace amid an uneven growth environment across economies which continued to improve gradually. Growth in emerging economies moderated as domestic demand was affected by the prolonged weaknesses in external demand and policy measures introduced to manage domestic vulnerabilities.

The Malaysian economy expanded by 4.7% in 2013, driven by the continued strong growth in domestic demand. Despite the weaker external environment in the first half of the year, domestic demand remained resilient throughout the year, led by robust private sector activity. Private consumption was supported mainly by favourable employment conditions and wage growth.

Chairman's Statement



FINANCIAL REVIEW

The Company registered new record revenue of RM899.2 million for the financial year ended 31 March 2014, which was an increase of RM34.6 million or 4.0% compared with RM864.6 million recorded in the previous financial year. Improved revenue performance of the Company was mainly contributed by increase in sales of Fan products in both the domestic and export markets.

With the improvement in revenue and higher share of results of associated company, the Company achieved a remarkable combined profit before taxation of RM105.2 million for the year ended 31 March 2014, which was higher by 10.9% or RM10.3 million against the previous year's combined profit before tax of RM94.9 million.

ASSOCIATED COMPANY

The associated company, Panasonic Malaysia Sdn. Bhd., registered consolidated revenue of RM1.55 billion for the financial year ended 31 March 2014; a reduction of 3.7% or RM0.06 billion over the previous year's consolidated revenue which was RM1.61 billion. The decrease in revenue was mainly attributed to keen competition faced in the domestic market.

The pre tax and post tax profits from its group operations were RM30.7 million (2013: RM12.3 million) and RM22.5 million (2013: RM10.7 million) respectively. However, due to concentrated efforts to optimize its cost structure, the associated company managed to accelerate profitability and secure its earnings.

DIVIDENDS

In respect of the financial year ended 31 March 2014, the Board of Directors is pleased to recommend for the shareholders' approval at the forthcoming Annual General Meeting the payment of a final dividend of 58 sen comprising of a final single tier dividend of 35 sen (2013: 35 sen, less 25% income tax) and a special single tier dividend of 23 sen (2013: 138 sen, less 25% income tax) per ordinary share. Together with the interim dividend of 15 sen less 25% income tax (2013: 15 sen) per ordinary share which was paid on 27 December 2013, this brings to a total dividend of 73 sen (2013: 188 sen, less 25% income tax) for the financial year.

OPERATIONS REVIEW

During the financial year under review, the Company was able to make further in-roads in manufacturing innovation and progress in upgrading its level of productivity.

Chairman's Statement

Continuous efforts have been carried out in manufacturing innovation activities to improve productivity through an integrated manufacturing system for the appliance products. Improvement on material and information flow focusing on parts manufacturing, parts storage and assembly integration with the aim to promote quick access, responsive material replenishment and on time part supply based on three information loop and one single flow system from Parts Manufacturing area to Finished Warehouse storage.

As for fan products, the Company is committed to expand its fan business to be a global product development and manufacturing based factory. The Company implemented full utilization of digital monotsukuri tools to reduce design time in order to strengthen the capability for product development. With the ultimate target to expand sales especially in the Equatorial region for fan products, the Company will continue to strengthen its product lineup, improve quality, and enhance service response time in order to achieve a global manufacturing base.

The Company was awarded the prestigious Occupational Health and Safety Assessment Series (OHSAS 18001: 2001) certification on 20 December 2013 by SIRIM QAS International Sdn Bhd. The objective of obtaining this certification is to be certified as a Health and Safety Management System which compiles to international requirements, creating a safe and healthy working environment while complying with applicable legal and standard requirements. With this certification, the Company will continue to improve its system to be a socially responsible company, creating a trusted company to its shareholders and stakeholders.

In the area of information technology, the Company has conformed to the Management System Standard ISO/IEC 27001:2005 - Information Security Management System (ISMS) on 20 March 2014 with a valid term of three years. In compliance with the Information Security Management Policy, the Company will strive to incorporate the Information Security Management emphasis into all business functions. While engaging in these activities, it is highly vital to ensure that there is adequate management of both company's tangible assets and information assets; including information relating to products, core manufacturing technology, business strategies and risk management; and these assets are controlled and protected at all times. Through this certification, the Company is able to attain a level worthy of trust by customers and society.

Cost buster activity which aims to reduce cost is deeply entrenched in the Company's corporate culture. The essential point of cost buster is to reduce unnecessary waste and expenses. For the financial year ended 31 March 2014, the Company achieved significant savings amounted to RM8.4 million arising from approximately 286 cost buster themes. The Company has fully implemented the cost buster ideas horizontally within the Company and will continuously challenge to eliminate all non-value added jobs, thus achieving overall productivity.

INDUSTRY OUTLOOK AND PROSPECTS FOR 2014

The Malaysian economy is expected to remain on a steady growth in year 2014, expanding by 4.5% to 5.5%. Domestic demand will remain the key driver of growth, albeit at a more moderate pace. Notwithstanding the moderation in domestic demand, the underlying fundamentals of the Malaysian economy remain strong. Growth will be driven by the private sector across a diversified range of economic activities.

The Company notes the constant changes in the current market environment and will respond prudently and constantly to the voice of customers in order to win, develop and retain the commitment and loyal customers. With this in mind, the Company aims for improving the business performance through customer communication and accelerating profitable growth to enhance values for the shareholders, customers and employees. The Company is confident that the steps to be taken will place the Company in a stronger market leadership position.

DIRECTORATE

The Board bade farewell to our former Managing Director, Mr. Masahiko Yamaguchi, Executive Director, Mr. Chen Ah Huat and Director, Mr. Mikio Matsui who resigned on 1 October 2013, 27 May 2014 and 30 June 2014 respectively.

The Board is pleased to extend a warm welcome to the Company's new Managing Director, Mr. Akira Nishimura who came on board on 1 October 2013, as well as Tan Sri Hasmah Binti Abdullah, Mr. Toshikazu Kudo, Ms Siew Pui Ling and Mr Takao Uchiyama who were appointed as new Members of the Board since the last financial year end.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to express my gratitude for the loyalty, hard work and commitment of the management team and the staff. The commendable growth achieved in 2013 is the result of their unwavering dedication.

Finally, I would like to convey my sincere appreciation to all our shareholders, customers, business partners and stakeholders, for their confidence and continued support to the Company. I wish also to thank our Board of Directors for their dedication and contributions towards the betterment of the Company, and look for another successful year in 2014.



TAN SRI DATUK ASMAT BIN KAMALUDIN
Chairman

Increase in Shareholders' Wealth

As at 31 March 2014, 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 today, he would be holding a total of 19,384 shares (inclusive of 18,034 bonus shares) worth RM421,020 based on the market price of RM21.72 as at 10 July 2014. In addition, he would have received a total gross cash dividends of RM 351,947 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 15.0% 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 (10 July 2014)	RM	21.72
Total value of shares held	RM	421,020
Cumulative gross cash dividends received / receivable (1969 - 2014)	RM	351,947
Total Wealth of a shareholder since Initial Investment	RM	772,967

Corporate Responsibility Report



At Panasonic, corporate responsibility is an integral part of our plans to deliver sustainable growth in shareholder's values and in line with the late founder's Management Philosophy of "contributing to the society through our business activities". The Company has and will continue the CSR activities focused on the environment, workplace and community.

In 2005 PMMA started to work on the new corporate target for the emission of CO-2 reduction contribution in production activities. Throughout the years, various improvements were done to help realize environmental sustainability and as at 2013 some of the activities included the installation of sky roofing, replacement of the high bay lamp to super bright fluorescent lamp, installation of new Grunfos Pneumatic system at our water pump house and many other CO-2 reduction activities in 2013 which saw a marked reduction of CO-2 index to 13.69; an achievement of 32% reduction as compared to the index of 20.05 in 2005. The Company is committed to a gradual reduction in CO-2 index in the coming years.

During the financial year, the Company teamed-up with other Malaysian companies in the Panasonic Group to collectively organize Eco Relay activities. Amongst these activities carried out with, Rumah Amal Cahaya Tengku Ampuan Rahimah (RACTAR) and Good Samaritan Home was the cultivation of greater awareness of green activities in line with our eco

ideas declaration. The children of these homes were taught the proper methods for preparation of nursery for planting and selection of vegetables to grow on farm yard. Eco learning modules were taught and there were also practicing eco learning games carried out in order to educate the youths the importance of keeping a green environment. More than 90 children have been involved in this program and have benefited from this event, learning as well as enhancing their awareness and knowledge of an eco environment.

With the aim to bring about the green revolution and to make contribution in an area which affects the day to day lives of people, the Company also worked with the Montfort Boys, a vocational skill school located in Shah Alam. This program was a joint effort together with the Panasonic Group of Companies in Malaysia, designed to develop environmental awareness amongst the younger generation. More than 300 children were involved in these activities, including Eco talks titled "Rain Water Harvesting" and "Food Waste Composting "Takakura" Method", workshops and some other eco awareness activities.

Apart from the above, the Company had organized a Charity Event on 13 September 2013, in conjunction with the holy month of Ramadhan where, cash contributions of RM5,000 each were also made to five orphanages. The orphanages which benefited from this event were Pusat Jagaan



Orang-Orang Kurang Upaya Dan Terbiar Lovely (OKU), Pusat Jagaan Pertubuhan Kebangsaan St. Vincent De Paul Malaysia, Pusat Jagaan Al-Khadeem, Pusat Kasih Sayang YWCA and Teratak Nur Barakah.

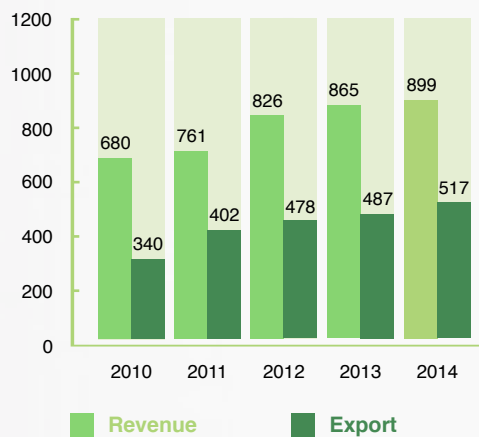
Besides social contribution, the welfare and well-being of its employees is also of prime importance to the Company. The Company ensures that staff welfare remains one of the key focus areas with the aim to foster better relationships and bonding among the staff. During the financial year, events were organized, including PMMA Indian Get Together Dinner on 26 October 2013 at Premiere Hotel Klang, where a collection of donation of RM3,375 was made to Yayasan Seribu Harapan Malaysia. Another event, Big Sister Ladies Night 2013 was also organized on 20 December 2013 at Intekma Resort and Convention Centre for further liaison and unity among female employees.

The Company continues to place importance on these activities as part of its commitment to contribute back to society. We will continue to organize activities and events which will benefit the environment, society and the Company as a whole.

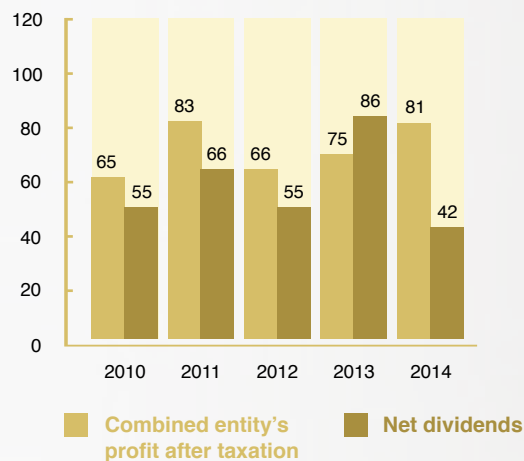


Five-Year Trend

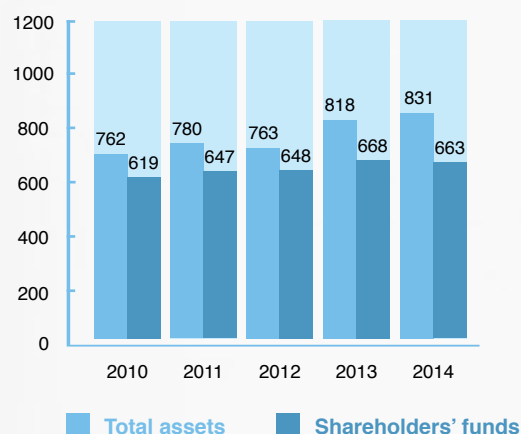
REVENUE / EXPORT (RM' Million)



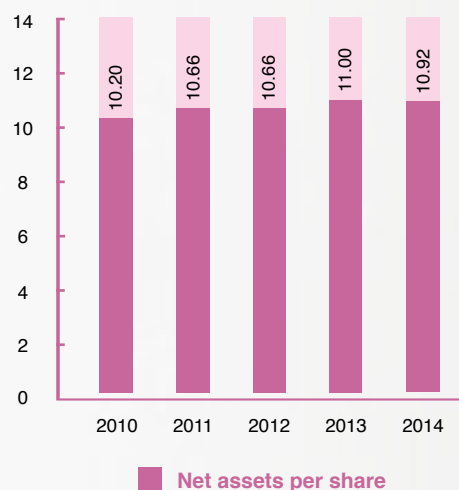
COMBINED ENTITY'S PROFIT AFTER TAXATION / NET DIVIDENDS PAID / PROPOSED (RM' Million)



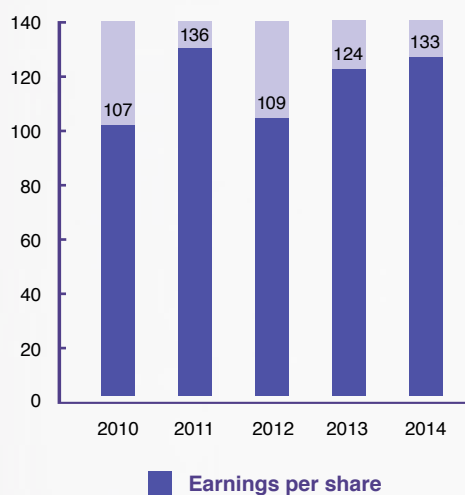
TOTAL ASSETS / SHAREHOLDERS' FUNDS (RM' Million)



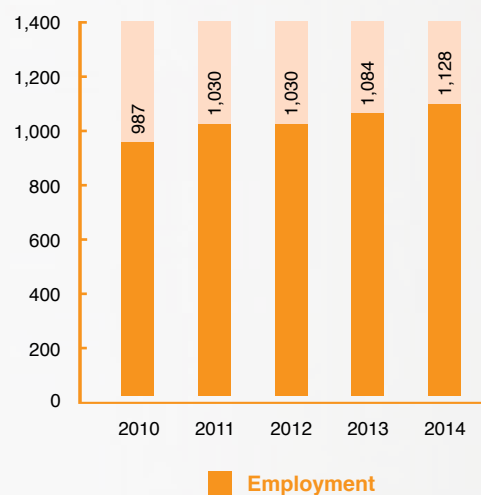
NET ASSETS PER SHARE (RM)



EARNINGS PER SHARE (sen)



EMPLOYMENT (Number of persons)



Five-Year Financial Summary

financial year ended 31 March



Financial Data (Combined Basis)		2010	2011	2012	2013	2014
STATEMENTS OF COMPREHENSIVE INCOME						
Revenue	RM'000	679,764	761,407	825,833	864,645	899,211
Profit before taxation	RM'000	79,318	101,806	85,211	94,930	105,199
Profit after taxation	RM'000	64,849	82,679	66,407	75,094	80,785
Gross dividends paid / proposed	RM'000	72,895	88,080	72,895	114,202	44,345
Net dividends paid / proposed	RM'000	54,671	66,061	54,671	85,652	42,067
STATEMENTS OF FINANCIAL POSITION						
Total assets	RM'000	761,601	780,428	762,913	817,641	831,127
Share capital	RM'000	60,746	60,746	60,746	60,746	60,746
Shareholders' funds	RM'000	619,327	647,366	647,712	668,135	663,268
FINANCIAL RATIOS						
Return on shareholders' funds	%	10.5	12.8	10.3	11.2	12.2
Earnings per share	sen	107	136	109	124	133
Net assets per share	RM	10.20	10.66	10.66	11.00	10.92
Dividend rate (gross)	%	120	145	120	188	73

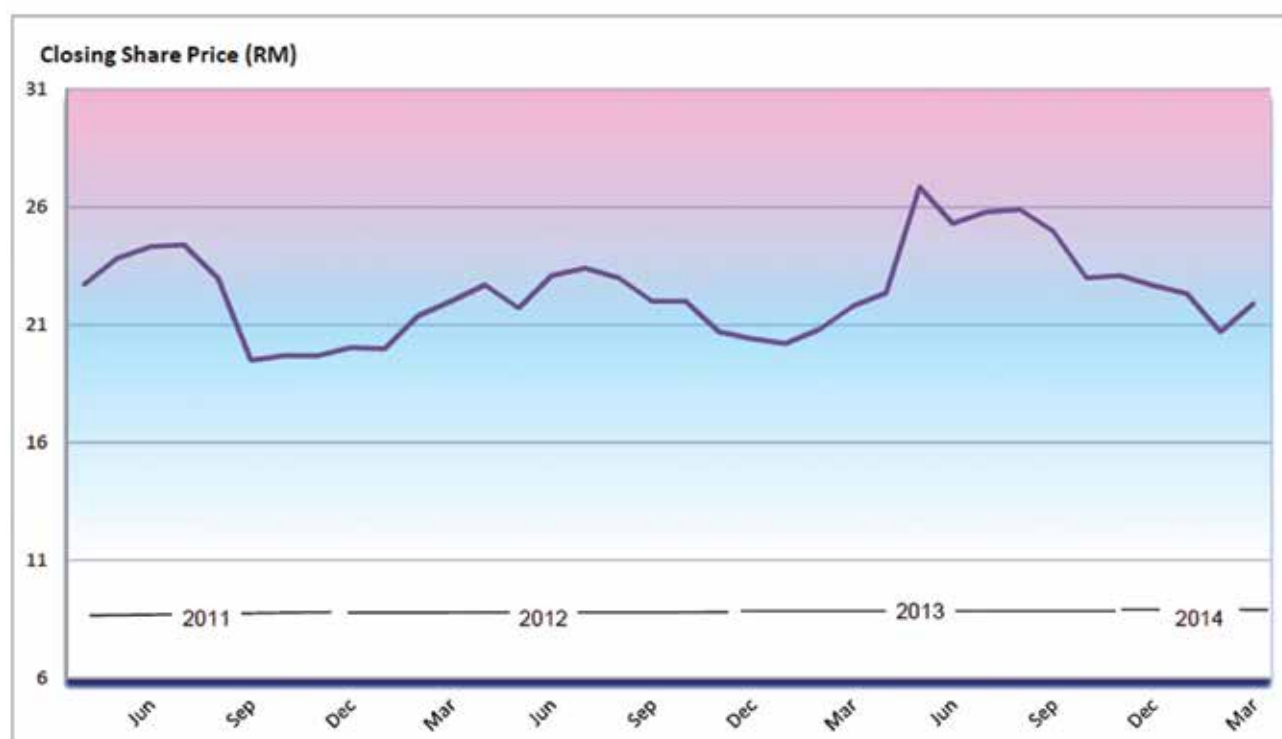
Financial Highlights

Financial Data (Combined Basis)		Year Ended 31 March 2014	Year Ended 31 March 2013
Revenue	RM'000	899,211	864,645
Profit before taxation	RM'000	105,199	94,930
Profit after taxation	RM'000	80,785	75,094
Percentage of revenue	%	9.0	8.7
Return on shareholders' funds	%	12.2	11.2
Earnings per share	sen	133	124
Dividend rate	%	73	188
Shareholders' funds	RM'000	663,268	668,135
Net assets per share	RM	10.92	11.00
Total assets	RM'000	831,127	817,641
Capital expenditure	RM'000	25,609	22,458

Financial Calendar

Financial Year Ended	Announcement of Results	Issuance of 2014 Annual Report and Financial Statements	49th Annual General Meeting	Interim Dividend	Proposed Final and Special Dividends
31 March 2014	- First Quarter 21 August 2013	7 August 2014	29 August 2014	- Notice of Dividend Entitlement 28 November 2013	- Notice of Dividend Entitlement 25 June 2014
	- Second Quarter 28 November 2013			- Entitlement Date 20 December 2013	- Entitlement Date 9 September 2014
	- Third Quarter 26 February 2014			- Payment Date 27 December 2013	- Payment Date 22 September 2014
	- Fourth Quarter / Annual 30 May 2014				

Share Performance

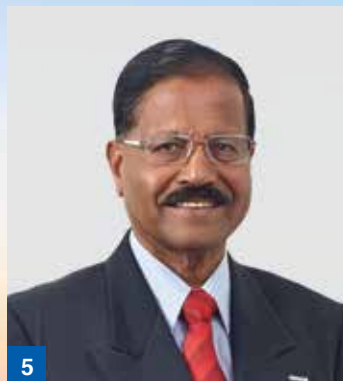


	2013											2014
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	22.80	27.10	26.96	27.10	26.22	25.02	23.42	23.30	22.68	22.32	22.50	22.50
Lowest (RM)	21.40	22.32	24.98	25.00	24.60	22.72	22.76	22.60	22.18	20.48	20.70	21.60
Closing Share Price (RM)	22.34	26.86	25.30	25.80	25.90	24.98	23.00	23.10	22.66	22.32	20.70	21.90
Lots Traded (100 shares)	8,150	3,775	1,712	3,410	3,152	2,419	1,397	1,089	1,316	3,944	1,984	1,930

	2012											2013
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	23.50	23.50	23.30	23.62	23.82	23.00	22.20	22.02	20.70	20.80	21.00	21.82
Lowest (RM)	21.50	21.50	21.50	22.62	22.40	22.00	21.30	20.12	19.88	19.78	19.80	20.54
Closing Share Price (RM)	22.70	21.70	23.08	23.42	23.00	22.00	22.00	20.70	20.40	20.20	20.80	21.78
Lots Traded (100 shares)	3,028	2,704	4,004	4,272	14,592	1,434	1,971	1,743	1,235	2,296	2,411	1,858

	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

Board of Directors



1. Tan Sri Datuk Asmat bin Kamaludin
2. Akira Nishimura
3. Raja Dato' Seri Abdul Aziz bin Raja Salim

4. Razman Hafidz Bin Abu Zarim
5. Datuk Supperamaniam a/l Manickam
6. Toshio Okamoto



7. Takayuki Tadano

8. Yosuke Matsunaga

9. Tan Sri Hasmah Binti Abdullah

10. Toshikazu Kudo

11. Siew Pui Ling

12. Takao Uchiyama

Board of Directors' Profile



**TAN SRI DATUK ASMAT
BIN KAMALUDIN**
Chairman

Aged 70. 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, Compugates Holdings Berhad, UMW Oil & Gas Corporation Berhad and The Royal Bank of Scotland Berhad and is a Non-Executive Vice-Chairman of YTL Cement Berhad. He also sits on the Board of Permodalan Nasional Berhad, JACTIM Foundation, and Air Asia X Berhad. In 2008, he was appointed by MITI to represent Malaysia as Governor on the Governing Board of The Economic Research Institute for ASEAN and East Asia.

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

Board of Directors' Profile



AKIRA NISHIMURA
Managing Director

Aged 51. Japanese. Mr Akira Nishimura was appointed the Managing Director of the Company on 1 October 2013. He graduated with a Bachelor's Degree from Oita University (Faculty of Economics) in March 1986.

Mr Akira Nishimura joined Panasonic Corporation in April 1986 upon his graduation and after being exposed to the extensive corporate training program to learn all aspects of the entire Panasonic organization, he was assigned to the Personnel Section, Personnel Department, Precision Motor Division, Panasonic Corporation.

In July 1991, he was then assigned to the Personnel Department of National Micro Motor Co., Ltd., a subsidiary of Panasonic Corporation and in October 1994, he was promoted as Coordinator of Precision Motor Division Support Team, Personnel Support Group, H.Q. of Panasonic Corporation. He became a Senior Coordinator of the Corporate Personnel Department, H.Q. of Panasonic Corporation in April 1996. Two years later, he was assigned to the Human Resources Strategy Promotion Office, H.Q. of Panasonic Corporation, as an Assistant Councilor.

In December 2005, Mr Nishimura was made the Manager to Human Resources Strategy Promotion Team, Human Resources Development Office, H.Q. of Panasonic Corporation. He was then promoted to the position of General Manager of the Human Resources Group, Panasonic Automotive Systems Company, Panasonic Corporation, in July 2008. With his strong involvement in the human resource matters within the Panasonic Corporation Group, he was promoted to the position of Director in April 2012, taking charge of the Human Resource & General Affairs Center, Appliances Company of Panasonic Corporation. He held this position until his appointment to Panasonic Manufacturing Malaysia Berhad.

Mr Nishimura has no shareholdings in the Company and its associated company. He holds 5,000 common shares in Panasonic Corporation. 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 after his appointment and has no convictions for any offences within the past 10 years, other than traffic offences, if any.

Board of Directors' Profile



**RAJA DATO' SERI ABDUL AZIZ
BIN RAJA SALIM**

Independent Non-Executive Director

Aged 75. 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, 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 75% the Board Meetings held during the financial year and has no convictions for any offences within the past 10 years other than traffic offences, if any.



**RAZMAN HAFIDZ
BIN ABU ZARIM**

Independent Non-Executive Director

Aged 59. Malaysian. Encik Razman was appointed an Independent Non-Executive Director of the Company on 21 June 2004. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Board. 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 35 years experience in the fields of auditing, mergers and acquisitions, corporate finance and management consulting. He has worked with chartered accountancy firms in UK, where he was admitted as an Audit Partner in 1987. In Malaysia, he was the Partner-in-charge of the Management Consulting Practice of Price Waterhouse (now known as PricewaterhouseCoopers). In 1994, he established Norush Sdn Bhd, an investment holding and business advisory firm where he is the Chairman.

He is currently the Independent Chairman of Tune Ins Holdings Berhad and Sumitomo Mitsui Banking Corporation Malaysia Berhad. He holds independent directorships in Linde Malaysia Holdings Berhad, and Yeo Hiap Seng Limited, a company listed on the Singapore Stock Exchange.

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

Board of Directors' Profile



**DATUK SUPPERAMANIAM
A/L MANICKAM**

Independent Non-Executive Director

Aged 69. 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 convictions for any offences within the past 10 years, other than traffic offences, if any.



TOSHIRO OKAMOTO

Non-Independent Non-Executive Director

Aged 55. Japanese. Mr Okamoto was appointed a Non-Independent Non-Executive Director of the Company on 2 April 2012. He is a member of Audit Committee. Mr Okamoto graduated from Hiroshima University (Faculty of Law) in March 1982 with a Bachelor of Law degree.

Mr Toshiro Okamoto joined the Panasonic Group in 1982 and has more than 30 years in corporate management. Prior to this, he was assigned to Planning Team, Planning Group, Corporate Management Division for Asia and Oceanic, Panasonic Corporation for 4 years. He also was appointed as Councillor of Corporate Planning Division in Head Office of Panasonic Corporation for 4 years.

Currently, he is the Managing Director of Panasonic Management Malaysia Sdn Bhd and is a Director of Panasonic Financial Centre (Malaysia) Sdn Bhd, Panasonic R&D Center Malaysia Sdn Bhd, and PanaHome Malaysia Sdn Bhd.

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

Board of Directors' Profile



TAKAYUKI TADANO

Executive Director

Aged 51. Japanese. Mr Tadano was appointed an 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 held the position as Coordinator. In July 1996, he returned to Japan and was assigned to Accounting Department, Electric Iron Division as a Senior Coordinator. In January 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 the Washing Machine Division as Senior Coordinator. In May 2004, he was posted to Panasonic-Wanbao (Guangzhou) Electric Iron Co., Ltd., Panasonic Corporation's subsidiary in China, as the Financial Director. In January 2010, he returned to Japan and was assigned to the Corporate Accounting Centre, Home Appliances Company and was promoted to the position of Manager which he held prior to his posting to Malaysia and appointment as the Executive Director of the Company. Currently, he is responsible for the Finance, Information Systems, Administration, Risk Management and Internal Audit functions of 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 attended all the Board Meetings held during the financial year and has no convictions for any offences within the past 10 years, other than traffic offences, if any.



YOSUKE MATSUNAGA

Non-Independent Non-Executive Director

Aged 50. Japanese. Mr Matsunaga was appointed a Non-Independent Non-Executive Director on 1 April 2013. He was graduated from Osaka Prefecture University (College of Engineering) in March 1988, with a Bachelor's degree.

Mr Matsunaga joined Panasonic Group in April 1988. He was first assigned to the AV System Products Sales Section, Marketing & Sales Department, Corporate Management Division for Europe & Africa.

In 1994, he was transferred to Matsushita Electric Europe (Britain) Ltd. ("MEI") as a Coordinator. He subsequently took up position as a Coordinator of Vision 35 Project Team, Marketing Group at ME's Hamburg Office in Germany, in 1996. He was then transferred to Panasonic Marketing Europe GmbH ("PME"), as the Marketing Manager (OA Products).

In 2002, he was transferred to PME's Wiesbaden Office in Germany, as a Marketing Assistant General Manager (AV Systems Products). He was subsequently made the General Manager of CE Marketing Department of Panasonic Deutschland GmbH ("PDG"), in 2003. Mr Matsunaga held the position of Deputy Managing Director of Panasonic Deutschland from October 2009 until March 2013.

Mr Matsunaga has no shareholdings in the Company and its associated company. He holds 14,706 common shares in Panasonic Corporation. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He attended all the Board Meetings held during the financial year and has no convictions for any offences within the past 10 years, other than traffic offences, if any.

Board of Directors' Profile



TAN SRI HASMAH BINTI ABDULLAH

Independent Non-Executive Director

Aged 63. Malaysian. Tan Sri Hasmah was appointed an Independent Non-Executive Director of the Company on 2 October 2013. She is also a member of the Audit Committee and Remuneration Committee of the Company. Tan Sri Hasmah graduated with a Bachelor of Arts (Honours) from University of Malaya.

Tan Sri Hasmah binti Abdullah had a distinguished career spanning over 37 years and was the former Inland Revenue Board (IRB) Chief Executive Officer and Director General from 19 October 2006 to 7 January 2011. Tan Sri Hasmah was instrumental in the drafting of the Promotion of Investment Act 1986 and amendments to the Income Tax Act 1967, leading the Malaysian delegation to several international conferences such as the Commonwealth Association of Tax Administrators Conference, the Study Group on Asian Tax Administrators and Research (SGATAR) Conference, the Association of Tax Administrators of Islamic Countries (ATAIC) Conference, International Tax Dialogue (ITD) and Reference Group of Commissioners Conference. During her leadership at IRB, vast improvements and policy changes to the service delivery system were introduced in the IRB, in particular, refunds, which were made faster with the use of electronic filing. She was instrumental in the extensive implementation of Malaysia's electronic tax assessment and payment system and was involved in the ongoing planning and implementation of the IRB's electronic revenue accounting system. For the improvements and innovations that had impacted positively on the taxpaying public, the IRB was awarded the inaugural Prime Minister's Innovation Award in 2009.

Currently, Tan Sri Hasmah is an Independent Non-Executive Director of UMW Holdings Berhad. She is also a Commission Member of Securities Commission since 10 March 2011, a trustee of Malaysian Tax Research Foundation since 6 April 2011, a trustee of Dana Amal Jariah since 28 June 2012 and was a Tax Advisor to PricewaterhouseCoopers Malaysia for the period 1 July 2011 to 30 September 2013.

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



TOSHIKAZU KUDO

Non-Independent Non-Executive Director

Aged 51. Japanese. Mr Toshikazu Kudo was appointed a Non-Independent Non-Executive Director of the Company on 1 July 2014. Mr Toshikazu Kudo graduated with a Bachelor's Degree of Laws from Chuo University, Tokyo Japan in March 1987. He has also completed a Master's Program of Laws at the George Washington University, Washington, D.C. USA in May 1997 and a Master's Program in International Politics, Economics and Communications at the Aoyama Gakuin University, Tokyo, Japan in March 2001.

Mr Toshikazu Kudo joined Nitto Denko Corporation ("Nitto Denko") in April 1987 as a Legal Staff in the domestic Legal Affairs Section and he was assigned to the International Legal Affairs Section, Tokyo Branch as a Chief in July 1993. In August 1996, he continued study at the George Washington University and Law Office in U.S.A and upon his graduation, he returned to Japan and was assigned to the International Legal Affairs Section of Nitto Denko, as a Supervisor until 1999. He joined Panasonic Corporation ("PC") in March 2002 as the Manager in the new Business Team, Business Development and Contracts Group, Corporate Legal Affairs Division, PC. Three years later, he was assigned to Alliance Team, Legal Affairs Group, Corporate Legal Affairs Division, as the Manager.

In July 2008, he was assigned to the Legal Affairs Team, Legal Affairs Group, Corporate Legal Affairs Division, PC, as the Manager. In October 2012, he was promoted to the position of Director for Legal and Risk Management Group, Panasonic Asia Pacific Pte Ltd. Currently he also holds directorships in Panasonic Manufacturing Philippines Corporation and Panasonic (Thailand) Co, Ltd.

Mr Toshikazu Kudo has no shareholdings in the Company and its associated company. He holds 15,242 common shares in Panasonic Corporation. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company.

He did not attend any Board Meetings during the financial year as he was appointed to the Board only recently and has no convictions for any offenses within the past 10 years, other than traffic offences, if any.

Board of Directors' Profile



SIEW PUI LING

Executive Director

Aged 50. Malaysian. Ms Siew Pui Ling was appointed an Executive Director of the Company on 4 August 2014. She was graduated from Asia University of Tokyo with a Bachelor Degree of Business Administration Management.

Ms Siew Pui Ling joined the Company since 1991 and has more than 22 years in Sales and Marketing. Prior to this, she was assigned to Departmental Head for Logistic, Product Planning and Industrial Design. In 2008, she has merged Product Planning and Marketing department as Sales department. Prior to this, she established Voice of Customer Research' team (VOCR) to further strengthen Product Planning Operation. In 2012, she was assigned to Assistant Director and currently, she is responsible for Sales & Marketing, Logistic and Product Planning functions of the Company.

Ms Siew Pui Ling has no shareholdings in the Company and its associated company. She also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. She did not attend any Board Meetings during the financial year as she was appointed to the Board only recently and has no convictions for any offences within the past 10 years, other than traffic offences, if any.



TAKAO UCHIYAMA

Executive Director

Aged 46. Japanese. Mr Takao Uchiyama was appointed an Executive Director of the Company on 4 August 2014. He graduated with a Bachelor's Degree in Electronics from Kumamoto Prefectural Kumamoto Technical High School, Japan in March, 1986.

Mr Takao Uchiyama joined Panasonic Corporation ("PC") in April 1986 as a Technician. He was assigned to the Microwave Oven Factory of PC as a Technician in April 1990 before he was posted to PC's American subsidiary as an Engineer of Production Department in February 1996. Was assigned to the Microwave Oven Factory, as an Engineer. In January 2001, he was assigned to the Corporate Overseas Planning Team, Nara Business Unit, Home Appliances Company as an Engineer before was promoted in September 2004 to the position of Manager in the Corporate Planning Team. In March 2006, he was assigned to Corporate Planning Group, Head Office, Home Appliances Company as a Councilor. In April 2008, he was assigned to Corporate Planning Team, Microwave Oven Division Unit, Home Appliances Company as the Manager. Currently, he is responsible for the Corporate Planning and Manufacturing (Appliances) functions of the Company.

Mr Takao Uchiyama has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He did not attend any Board Meetings during the financial year as he was appointed to the Board only recently and has no convictions for any offences within the past 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 2012 (the “Code”), 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 pleased to present the following reports on the application of the principles as set out in the Code and the extent to which the Group has complied with the principles and recommendation of the Code during the financial year ended 31 March 2014.

THE BOARD STRUCTURE, DUTIES AND EFFECTIVENESS

Board Size, Leadership And Competencies

The current Board size of 12 members consists of 5 Independent Non-Executive Directors (including the Chairman), a Managing Director, 3 Executive Director 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 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 Independent Non-executive Directors, Tan Sri Datuk Asmat bin Kamaludin, Raja Dato’ Seri Abdul Aziz bin Raja Salim and Razman Hafidz bin Abu Zarim have each a cumulative term of more than nine (9) years. Notwithstanding the recommendation of the Code to limit the tenure of the Independent Directors, the Board has adopted the policy that the tenure of all Directors irrespective of them being executive or non-executive will not be fixed. The Board views that the annual assessment of the qualification of the Directors to remain on the Board to be sufficient.

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

During the financial year under review, the Company had appointed a lady director, Tan Sri Hasmah Binti Abdullah as Independent Non-Executive Director and she brings to the Company a wealth of experience in taxation matters having spent a distinguished career in the Malaysian Inland Revenue Board spanning over 37 years. The appointment of Tan Sri Hasmah reflects that the Board recognises the value of a woman member of the Board and was an initial step taken by the Board towards achieving a more gender diversified Board. Subsequent to the financial year 2014, the Company appointed another lady director, Ms Siew Pui Ling as Executive Director to the board.

The profile of each Director is summarised on pages 14 to 20 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.

Statement on Corporate Governance

Board Duties and Responsibilities (Cont'd)

The Board adopts strategic and business plans aligned to ensure obligations to all stakeholders are met. The Board fulfils its oversight responsibility for financial and operational results, legal-ethical compliance and risk management. The Board is also responsible for reviewing the adequacy and integrity of the Company's internal controls systems and management information systems and ensuring that investor relations and succession planning programme are implemented.

There is a clear separation of duties and responsibilities of the Chairman and the Managing Director to ensure a balance of power and authority. The difference in the roles of Chairman and Managing Director provides a clear segregation of responsibility and accountability.

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

The Board will review and ensure that any appointment, resignation/termination of Directors, Company Secretaries and Auditors are duly executed and documented.

In furtherance of their duties, the Directors have full and unrestricted access to any information pertaining to the Company, the advice and services of the Company Secretaries. Independent professional or other advice is also made available to Directors at the Company's expense and in accordance with decision of the Board as a whole should such advice is required.

Conduct of Meetings

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

The summary of attendance of the Directors at the Board Meetings held during the financial year ended 31 March 2014 was as follows:

Name of Directors	Meeting Attendance	% of Attendance
Tan Sri Datuk Asmat bin Kamaludin	4/4	100
Akira Nishimura (appointed on 1 October 2013)	4/4	100
Raja Dato' Seri Abdul Aziz bin Raja Salim	3/4	75
Razman Hafidz bin Abu Zarim	4/4	100
Datuk Supperamianiam a/l Manickam	4/4	100
Toshiro Okamoto	4/4	100
Takayuki Tadano	4/4	100
Yosuke Matsunaga	4/4	100
Tan Sri Hasmah Binti Abdullah (appointed on 2 October 2013)	2/2	100
Toshikazu Kudo (appointed on 1 July 2014)	-	-
Siew Pui Leng (appointed on 4 August 2014)	-	-
Takao Uchiyama (appointed on 4 August 2014)	-	-

All proceedings, deliberations and conclusions of the Board Committees Meetings are clearly recorded in the minutes of meetings, confirmed and signed as correct record by the Chairman of the Meeting.

The Board also exercises control on routine matters that require the Board's approval through the circulation of Directors' Resolutions In Writing as allowed under the Company's Articles of Association.

Statement on Corporate Governance

Conduct of Meetings (Cont'd)

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.

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, an in-house training on the topic "2nd Edition of the Corporate Governance Guide" was conducted and attended by the Directors. In addition, the following Directors have also attended the following additional trainings, conferences, seminars and briefings relevant to their functional duties:

No.	Continuing Education Programme Attended	Date Attended	Duration
1.	Tan Sri Datuk Asmat bin Kamaludin		
	• Bursa Malaysia – Nominating Committee Program	10.10.2013	1 day
	• 4th Kuala Lumpur International Automotive Conference (Asli)	12~14.11.2013	3 days
	• Corporate Directors Advanced Programme 2014 - Strategy & Risks – Managing Uncertainty (Minda)	12~13.03.2014	2 days
2.	Akira Nishimura		
	• Mandatory Accreditation Programme	4~5.12.2013	2 days
3.	Raja Dato' Seri Abdul Aziz Bin Raja Salim		
	• Financial Services Act 2013	31.07.2013	1 day
	• MIA International Accountants Conference 2013	26~27.11.2013	2 days
4.	Datuk Supperamaniam a/l Manickam		
	• Internal Training organized by PPB Group Berhad	11.10.2013	1 day
	• Navigating The Global Economic Fragility: "Implications On Malaysian Business"	12.12.2013	1 day
	• Nominating Committee Program	09.10.2013	1 day
5.	Razman Hafidz Bin Abu Zarim		
	• BNM Islamic Finance Talk on Ethical Investing	15.5.2013	½ day
	• AMEI Mining Forum	20.8.2013	½ day
	• Bursa Malaysia Corporate Governance Talk by Alex Malley, CEO CPA Australia	11.9.2013	½ day
	• FIDE Nominating Committee Course	9.10.2013	1 day
	• Search Engine Organisation Workshop	31.10.2013	½ day
	• ICLIF – Public Listed Companies Chairmen Session	14.11.2013	1 day
	• MICPA – Bursa Malaysia Business Forum	19.11.2013	1 day
	• ICLIF – Leadership Energy Summit	3~4.12.2013	2 days
	• ACI Breakfast Roundtable	12.12.2013	½ day
	• Dialogue in Corporate Governance – ICAEW & MIA	9.1.2014	½ day
	• Roundtable on Financial Reporting – MASB	6.2.2014	½ day

Statement on Corporate Governance

No.	Continuing Education Programme Attended	Date Attended	Duration
6.	Tan Sri Hasmah Binti Abdullah		
	• Mandatory Accreditation Programme for Directors of Public Listed Companies	2~3.10.2013	2 days
	• Corporate Directors Advanced Programme (CDAP) - Human Capital	18~19.09.2013	2 days
	• Corporate Directors Advanced Programme (CDAP) 2014 - Strategy and Risk – Managing Uncertainty	12~13.03.2014	2 days
	• 2014 Audit Committee Conference - Stepping Up for Better Governance	20.03.2014	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 28 to 30 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 comprised 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/I 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.

Statement on Corporate Governance

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 28 May 2012 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.

Remuneration Committee

The current Remuneration Committee comprises 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.	Takayuki Tadano	Executive Director
4.	Tan Sri Hasmah Binti Abdullah	Independent Non-Executive Director

At a meeting held on 23 May 2013 the Remuneration Committee made a recommendation to the Board for payment of Directors' fees not exceeding RM285,000 in aggregate for the financial year ended 31 March 2014 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.

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 basic salary, annual adjustment, performance incentive, bonus and benefit-in-kind. The Company takes cognisance that the compensation packages of the Executive Directors appointed by Panasonic Corporation are subject to the global compensation practices of the worldwide Panasonic Group of Companies.

Statement on Corporate Governance

Directors' Remuneration

The details of the remuneration of the Directors of the Company for the financial year ended 31 March 2014 are as follows:

Descriptions	Executive Director RM	Non-Executive Director RM	Total RM
Fees	-	305,500.00	305,500.00
Meeting allowance	-	28,200.00	28,200.00
Salary and other remuneration	1,980,282.17	-	1,980,282.17
Benefits-in-kind (BIK)	123,045.00	-	123,045.00
Total	2,103,873.17	333,700.00	2,437,573.17
Total (excluding BIK)	1,980,828.17	333,700.00	2,314,528.17

The remuneration of the Directors for the financial year ended 31 March 2014 within the following bands are as follows:

Range of Remuneration	Executive Director	Non-Executive Director	Total
RM0 to 50,000	0	4	4
RM50,001 to RM100,000	0	4	4
RM300,001 to RM600,000	3	0	3
RM600,001 to RM650,000	1	0	1

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

RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The communication of clear, relevant and comprehensive information which is timely and readily accessible by all stakeholders is important to shareholders and investors for informed investment decision making. The means of communication with shareholders and investors are as follows:

Investor Relations

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

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

Annual General Meeting

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

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

Statement on Corporate Governance

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 Risk Management and Internal Control is set out on pages 31 to 33 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 with the External Auditors twice a year without presence of management to discuss on key concerns and obtain feedback relating to the Company's affairs.

This Statement is made in accordance with the resolution of the Board of Directors dated 30 May 2014.

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 2014.

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 2014 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)	6/6
2.	Razman Hafidz bin Abu Zarim (Member) (Independent Non-Executive Director)	6/6
3.	Datuk Supperamaniam a/l Manickam (Member) (Independent Non-Executive Director)	6/6
4.	Tan Sri Hasmah Binti Abdullah (Member) (Independent Non-Executive Director) (was appointed on 26.02.2014)	2/2
5.	Toshiro Okamoto (Non-Independent Non-Executive Director) (was appointed on 30.06.2014)	-

The current Audit Committee comprises of 4 Independent Non-Executive Directors and 1 Non-Independent Non-Excutive Director. 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 six (6) Audit Committee Meetings held during the financial year ended 31 March 2014. The Managing Director, Executive Director, Finance Assistant Director, External Auditors and/ or Internal Auditors were invited to attend the Audit Committee Meetings. The discussion of each meeting was tabled to and noted by the Board. The Chairman of Audit Committee reports on the main findings and deliberations of the Audit Committee Meeting to the Board.

DUTIES AND RESPONSIBILITIES

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

Financial Reporting and Compliance

- To review the quarterly results and annual audited financial statements of the Company, prior to the approval of the Board focusing particularly on:
 - changes in or implementation of new accounting policies and practices;
 - significant and unusual events;
 - compliance with applicable approved accounting standards and other legal or regulatory requirements; and
 - going concern assumption.
- 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;

Audit Committee Report

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 assessment of the performance and to approve any appointment, resignation or termination of the outsourced Internal Auditors function 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 Risk Management 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 2014 amounted to RM85,857.10.

Audit Committee Report

INTERNAL AUDIT FUNCTION (CONT'D)

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 2014 and recommended to the Board for approval.
3. Discussion on the External Auditors' Report to the Audit Committee for the financial year ended 31 March 2013 and the Annual Audit Plan for the financial year ended 31 March 2014.
4. 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.
5. 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.
6. Review of the state of internal control of the Company and extent of compliance with the established policies, procedures and statutory requirements.
7. Assessment of performance and competency of the internal audit function.
8. 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.
9. Review of 4 Risk Management Reports and Risk Management Plan for the financial year ended 31 March 2014 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.
10. Review of the scope of the Internal Audit Plan 2014/2015 and the corresponding fee charged.
11. 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.
12. Review of the Statement on Risk Management and Internal Control and Audit Committee Report prior to the Board's approval for inclusion in the Company's Annual Report 2014.
13. Made recommendations to the Board on the re-appointment of the External Auditors.
14. Discussion on Summary of Assessment on the Performance and Effectiveness of Audit Committee and its members.

Statement on Risk Management and Internal Control

BOARD RESPONSIBILITIES

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

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

KEY PROCESSES OF THE SYSTEM OF INTERNAL CONTROL

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

- The Executive Directors assists the Board in ensuring that the Company's daily operations are performed in accordance with the corporate objectives, strategies and the annual budget of the Company 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 its 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 at page 28 to 30 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 risk 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. Human Resource- Payroll
 2. Local Procurement of Parts (Home Shower & Kitchen Appliances Departments)
 3. After Sales Support- Service Parts
 4. Vendor Managed Inventory (VMI) Control System

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

1. Audit of Scrap Management Process
2. Preventive Maintenance Management Control System (Parts Manufacturing Department)
3. Outbound Logistic Management and Export Control Compliance (SA2)
4. Procurement of Repairs and Maintenance (Vacuum Cleaner Department)

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.

Statement on Risk Management and Internal Control

ENTERPRISE RISK MANAGEMENT PROCESS

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

- Company's Enterprise Risk Management Objectives
 - Preserve the safety and health of its employees.
 - Ensure the continuity of its supply to consumers and customers at all times.
 - Protect its assets and reputation.
 - Ensure that the Company's operations do not impact negatively on the community in which it operates and the environment.
 - Protect the interests of all other stakeholders.
 - Promote an effective risk awareness culture where risk management is an integral aspect of the Company's management systems.
 - Ensure compliance with the Malaysian Code of Corporate Governance.
- The risk management function is assisted by Lefis, who assists the Board to oversee the overall management of principal areas of risks to the Company.
- The Audit Committee is briefed quarterly by Lefis on the Company's Risk Management Program and its activities in the Audit Committee meeting.
- The risk management activities include the review of risk scorecards covering inherent risks, residual risks and control systems of:
 1. Natural Disasters, Quality Issues and Soaring Material Prices
 2. Total Quality Assurance Process System For Selected Sub Contractor- Top A
 3. Employment & Retention of Staff
 4. Appointment of Non-Trade Contractors
- Management committees have also been established with appropriate empowerment to ensure effective management and supervision of the Company's core areas of business operations. These Committees include the Information Security Management Working Committee, Quality Committee, Safety & Health and Fire Prevention Committee and "Cost Buster" Committee.
- The Company's business units monitor and explain performance against budgets on a monthly basis at the monthly operation meetings, factory management review meetings, quality assurance review meetings and cost innovation meetings attended by the Directors and Senior Management of the Company. Comprehensive monthly financial and management reports are prepared for effective monitoring and decision making. The monitoring of performance variances are followed up and management actions are taken to rectify any deviations in a timely and effective manner.
- The Company's policies, and rules and regulations incorporating control procedures are available on the Company's intranet site, which is revised periodically to meet changing business, operational and statutory reporting needs.
- Accounting manuals are in place towards ensuring that the recordings of financial transactions are complete and accurate.

Statement on Risk Management and Internal Control

CONCLUSION

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

For the financial year under review and up to the date of approval of this statement for inclusion in the annual report, the Board has received assurance from the Managing Director and Finance Director that the system of internal control is in place and is satisfactorily adequate to safeguard shareholders' interests and the Company's assets.

The risks taken are at an acceptable level within the context of the business environment throughout the Company. There were lapses in operational procedures found in certain departments of which the management has taken appropriate action to address and mitigate. There were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies during the financial year requiring disclosure in the Annual Report.

The Board'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.

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 Depositary Receipt (“ADR”) or Global Depositary 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 RM57,400.

(7) Variation in Results

There were no variances between the audited results for the financial year ended 31 March 2014 and the unaudited results announced to Bursa Malaysia Securities Berhad on 30 May 2014. 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.



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Directors' Report

The Directors have pleasure in submitting their 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 2014.

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	80,785	74,388

DIVIDENDS

The amount of dividends on ordinary shares paid or declared by the Company since 31 March 2013 are as follows:

	RM'000
(a) In respect of the financial year ended 31 March 2013 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 20 September 2013	15,946
A special dividend of 138 sen per ordinary share of RM1.00 less 25% income tax paid on 20 September 2013	62,872
(b) In respect of the financial year ended 31 March 2014:	
An interim dividend of 15 sen per ordinary share of RM1.00 less 25% income tax paid on 27 December 2013	6,834
	<u>85,652</u>

As at the date of this report, the Directors have yet to decide on the final and special dividend for the financial year ended 31 March 2014.

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

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	
Raja Dato' Seri Abdul Aziz bin Raja Salim	
Razman Hafidz bin Abu Zarim	
Datuk Supperamaniam a/l Manickam	
Toshiro Okamoto	
Mikio Matsui	
Takayuki Tadano	
Yosuke Matsunaga	(Appointed on 01.04.2013)
Akira Nishimura	(Appointed on 01.10.2013)
Tan Sri Hasmah binti Abdullah	(Appointed on 02.10.2013)
Masahiko Yamaguchi	(Resigned on 01.10.2013)
Chen Ah Huat	(Resigned on 27.05.2014)

Directors' Report

DIRECTORS (CONT'D)

In accordance with Article 97 of the Company's Articles of Association, Toshiro Okamoto retires 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, Akira Nishimura and Tan Sri Hasmah binti Abdullah, 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 and Tan Sri Datuk Asmat bin Kamaludin, retires at the forthcoming Annual General Meeting. Tan Sri Datuk Asmat bin Kamaludin 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 corporation 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 1.4.2013/date of appointment	Acquired	Disposed	At 31.3.2014
Chen Ah Huat	2,000*	-	-	2,000*

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

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

	Number of PC common stock			
	At date of appointment	Acquired	Disposed	At 31.3.2014
Akira Nishimura	-	5,000	-	5,000
Yosuke Matsunaga	-	14,706	-	14,706

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:

- 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

Directors' Report

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

- (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.

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.

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, 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.

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

Directors' Report

ULTIMATE HOLDING CORPORATION

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

AUDITORS

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

In accordance with a resolution of the Board of Directors dated 30 May 2014.



TAN SRI DATUK ASMAT BIN KAMALUDIN
DIRECTOR



AKIRA NISHIMURA
DIRECTOR

Statements of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	Combined Entity		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	4	899,211	864,645	899,211	864,645
Cost of sales		(742,701)	(712,706)	(742,701)	(712,706)
Gross profit		156,510	151,939	156,510	151,939
Other operating income		22,795	24,454	25,980	27,639
Distribution and marketing costs		(55,331)	(53,389)	(55,331)	(53,389)
Administrative expenses		(26,163)	(25,559)	(26,163)	(25,559)
Other operating expenses		(1,716)	(6,782)	(1,716)	(6,782)
Profit from operations	5	96,095	90,663	99,280	93,848
Share of results of associated company (net of tax)		9,104	4,267	0	0
Profit before taxation		105,199	94,930	99,280	93,848
Taxation	7	(24,414)	(19,836)	(24,892)	(20,632)
Net profit for the financial year		80,785	75,094	74,388	73,216
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income for the financial year		80,785	75,094	74,388	73,216
Earnings per share (sen)					
- basic/diluted	8	133	124	122	121

Statements of Financial Position

AS AT 31 MARCH 2014

		Combined Entity		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	10	67,555	71,292	67,555	71,292
Interest in associated company	11	139,266	132,869	2,000	2,000
Deferred taxation	12	17,107	14,982	17,107	14,982
		223,928	219,143	86,662	88,274
CURRENT ASSETS					
Inventories	13	26,292	21,511	26,292	21,511
Trade and other receivables	14	60,501	76,461	60,501	76,461
Derivative financial instruments	15	255	150	255	150
Fixed deposits	16	519,647	500,135	519,647	500,135
Cash and bank balances	16	504	241	504	241
		607,199	598,498	607,199	598,498
Total assets		831,127	817,641	693,861	686,772
EQUITY					
Capital and reserves attributed to equity holders					
Share capital	17	60,746	60,746	60,746	60,746
Retained earnings	18	602,522	607,389	465,256	476,520
Total equity		663,268	668,135	526,002	537,266
LIABILITIES					
NON-CURRENT LIABILITY					
Provision for liabilities and charges	19	198	332	198	332
		198	332	198	332
CURRENT LIABILITIES					
Trade and other payables	20	139,860	127,040	139,860	127,040
Provision for liabilities and charges	19	19,757	16,825	19,757	16,825
Derivative financial instruments	15	93	521	93	521
Taxation		7,951	4,788	7,951	4,788
		167,661	149,174	167,661	149,174
Total liabilities		167,859	149,506	167,859	149,506
Total equity and liabilities		831,127	817,641	693,861	686,772

Combined Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

		Issued and fully paid ordinary shares of RM1 each			
	Note	Number of shares '000	Nominal value RM'000	Retained earnings RM'000	Total RM'000
<u>Combined Entity</u>					
At 1 April 2012		60,746	60,746	586,966	647,712
Total comprehensive income for the financial year		0	0	75,094	75,094
Transactions with owners					
Dividends:					
- Final dividend for the financial year ended 31 March 2012	9	0	0	(15,946)	(15,946)
- Special dividend for the financial year ended 31 March 2012	9	0	0	(31,891)	(31,891)
- Interim dividend for the financial year ended 31 March 2013	9	0	0	(6,834)	(6,834)
		0	0	(54,671)	(54,671)
At 31 March 2013		60,746	60,746	607,389	668,135
At 1 April 2013		60,746	60,746	607,389	668,135
Total comprehensive income for the financial year		0	0	80,785	80,785
Transactions with owners					
Dividends:					
- Final dividend for the financial year ended 31 March 2013	9	0	0	(15,946)	(15,946)
- Special dividend for the financial year ended 31 March 2013	9	0	0	(62,872)	(62,872)
- Interim dividend for the financial year ended 31 March 2014	9	0	0	(6,834)	(6,834)
		0	0	(85,652)	(85,652)
At 31 March 2014		60,746	60,746	602,522	663,268

Company Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

		Issued and fully paid ordinary shares of RM1 each		Distributable	
		Number	Nominal	Retained	Total
	Note	of shares	value	earnings	
		'000	RM'000	RM'000	RM'000
Company					
At 1 April 2012		60,746	60,746	457,975	518,721
Total comprehensive income for the financial year		0	0	73,216	73,216
Transactions with owners					
Dividends:					
- Final dividend for the financial year ended 31 March 2012	9	0	0	(15,946)	(15,946)
- Special dividend for the financial year ended 31 March 2012	9	0	0	(31,891)	(31,891)
- Interim dividend for the financial year ended 31 March 2013	9	0	0	(6,834)	(6,834)
		0	0	(54,671)	(54,671)
At 31 March 2013		60,746	60,746	476,520	537,266
At 1 April 2013		60,746	60,746	476,520	537,266
Total comprehensive income for the financial year		0	0	74,388	74,388
Transactions with owners					
Dividends:					
- Final dividend for the financial year ended 31 March 2013	9	0	0	(15,946)	(15,946)
- Special dividend for the financial year ended 31 March 2013	9	0	0	(62,872)	(62,872)
- Interim dividend for the financial year ended 31 March 2014	9	0	0	(6,834)	(6,834)
		0	0	(85,652)	(85,652)
At 31 March 2014		60,746	60,746	465,256	526,002

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Combined Entity		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the financial year	80,785	75,094	74,388	73,216
Adjustments:				
Property, plant and equipment				
- depreciation	27,173	26,720	27,173	26,720
- write offs	67	52	67	52
- loss/(gain) on disposal	745	(89)	745	(89)
Provision of liabilities and charges	7,346	4,355	7,346	4,355
Dividend income from associated company (gross)	0	0	(3,185)	(3,185)
Interest income	(16,269)	(15,639)	(16,269)	(15,639)
Taxation	24,414	19,836	24,892	20,632
Share of results of associated company	(9,104)	(4,267)	0	0
Net unrealised foreign exchange (gain)/loss	(527)	823	(527)	823
Fair value (gain)/loss on derivative financial instruments	(533)	487	(533)	487
	114,097	107,372	114,097	107,372
CHANGES IN WORKING CAPITAL				
Inventories	(4,781)	(3,218)	(4,781)	(3,218)
Trade and other receivables	15,472	(23,905)	15,472	(23,905)
Trade and other payables	12,820	28,784	12,820	28,784
Cash generated from operations	137,608	109,033	137,608	109,033
Taxation paid	(23,376)	(18,400)	(23,376)	(18,400)
Tax refunded	0	2,572	0	2,572
Rework cost paid	(1,303)	(1,091)	(1,303)	(1,091)
Warranty paid	(2,928)	(1,775)	(2,928)	(1,775)
Employee welfare scheme paid	(315)	(713)	(315)	(713)
Retirement gratuity scheme paid	(2)	(18)	(2)	(18)
Net cash flow from operating activities	109,684	89,608	109,684	89,608

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	Combined Entity		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(25,609)	(22,458)	(25,609)	(22,458)
Proceeds from disposal of property, plant and equipment		1,361	89	1,361	89
Interest received		16,225	15,572	16,225	15,572
Dividends received (net)		2,707	2,389	2,707	2,389
Net cash flow used in investing activities		(5,316)	(4,408)	(5,316)	(4,408)
CASH FLOWS FROM FINANCING ACTIVITY					
Dividends paid		(85,652)	(54,671)	(85,652)	(54,671)
Net cash flow used in financing activity		(85,652)	(54,671)	(85,652)	(54,671)
NET CHANGE IN CASH AND CASH EQUIVALENTS		18,716	30,529	18,716	30,529
CURRENCY TRANSLATION DIFFERENCES		1,059	(555)	1,059	(555)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		500,376	470,402	500,376	470,402
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	16	520,151	500,376	520,151	500,376

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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 30 May 2014.

A BASIS OF PREPARATION

The Combined Entity and the Company financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Combined Entity and the Company 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 MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Combined Entity and the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as disclosed in Note 2 to the financial statements.

B ACCOUNTING STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS

(i) Standards, amendments to published standards and interpretations adopted by the Combined Entity and the Company as at 1 April 2013:

- MFRS 10, 'Consolidated Financial Statements'
- MFRS 11, 'Joint Arrangements'
- MFRS 12, 'Disclosures of Interests in Other Entities'
- MFRS 13, 'Fair Value Measurement'
- The revised MFRS 127, 'Separate Financial Statements'
- The revised MFRS 128, 'Investments in Associates and Joint Ventures'
- Amendment to MFRS 7, 'Financial Instruments: Disclosures'
- Amendments to MFRS 101, 'Presentation of Items of Other Comprehensive Income'
- Amendment to MFRS 119, 'Employee Benefits'
- Amendments to MFRS 10, 11 & 12 'Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance'

The adoption of the above standards, amendments to published standards and interpretations did not have a significant financial impact on the Combined Entity and the Company, other than additional disclosures in the financial statements.

(ii) 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 yet been early adopted:

Effective from financial period beginning on or after 1 April 2014

- Amendment to MFRS 132 "Financial Instruments: Presentation" (effective from 1 January 2014) does not change the current offsetting model in MFRS 132. It clarifies the meaning of 'currently has a legally enforceable right of set-off' that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. It clarifies that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

B ACCOUNTING STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS (CONT'D)

- (ii) 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 yet been early adopted: (Cont'd)

Effective from financial period beginning on or after 1 April 2014 (Cont'd)

- Amendments to MFRS 10, MFRS 12 and MFRS 127 (effective from 1 January 2014) introduce an exception to consolidation for investment entities. Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both and evaluate the performance of its investments on fair value basis. The amendments require investment entities to measure particular subsidiaries at fair value instead of consolidating them.

The Combined Entity and the Company will apply the above standards from the financial period beginning on 1 April 2014.

The effects of the above standards are not expected to be material.

Effective date yet to be determined by Malaysian Accounting Standards Board

- MFRS 9 'Financial Instruments - Classification and Measurement of Financial Assets and Financial Liabilities' (effective no earlier than 1 January 2017) replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Combined Entity is yet to assess FRS 9's full impact. The Combined Entity will also consider the impact of the remaining phases of MFRS 9 when completed by the Board.

The Combined Entity and the Company will apply this standard no earlier than financial period beginning 1 April 2017.

The effects of the above standards are not expected to be material.

Unless otherwise disclosed, the above standards, amendments to published standards and interpretations to existing standards are not anticipated to have any significant impact on the financial statements of the Combined Entity and of the Company in the year of initial application.

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

C CURRENCY TRANSLATION

- (i) Functional and presentation currency

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

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

C CURRENCY TRANSLATION (CONT'D)

(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 and the carrying amount is increased or decreased to recognize the Company's share of profit or losses after the date of acquisition. The Company's share of its associates' post-acquisition profits or losses is recognised in the profit or loss and its share of post-acquisition changes in other comprehensive income recognised in other comprehensive income. When the Company's share of losses in associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

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

E FINANCIAL ASSETS

(a) Classification

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

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

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Combined Entity's and the Company's loans and receivables comprise 'trade and other receivables' (other than prepayments), 'derivative financial instruments' and 'cash and cash equivalents' in statements of financial positions (Note 14, 15 and 16).

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

E FINANCIAL ASSETS (CONT'D)

(b) Recognition and initial measurement

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

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

(c) Subsequent measurement - gains and losses

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

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

(d) Subsequent measurement - impairment of financial assets

(i) Assets carried at amortised cost

The Combined Entity 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 statement of comprehensive income.

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

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

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

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

(e) De-recognition

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

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

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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 statements of financial position when, and only when, the Combined Entity and the Company 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 and the Company 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 gains or losses on derivatives include exchange differences.

(ii) Other financial liabilities

The Combined Entity's and the Company's other financial liabilities include 'derivative financial instruments' and 'trade and other payables (other than statutory liabilities)' (Note 15 and 20).

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 provision for liabilities and charges, gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

A financial liability is de-recognised 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 statements 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.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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 Company 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	2½% - 5%
Plant and machinery	10% - 50%
Furniture, fittings and equipment	5% - 20%
Motor vehicles	25%
Leasehold land	99 years

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

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

At each reporting date, the Combined Entity and the Company 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.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

L INVENTORIES

Inventories comprising raw materials, work in progress, service parts, 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.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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

The amount of provision 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.

(ii) Provision for warranty

Existing products

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

Discontinued products

The provision for warranty on discontinued products is computed based on historical warranty data over the remaining expected warranty term. The 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.

P SHARE CAPITAL

Ordinary shares are classified as equity.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

Q CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

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 and the Company 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.

Deferred tax is recognised on temporary differences arising on investments in associates except where the timing of the reversal of the temporary difference can be controlled by the Combined Entity and the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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 and the Company's activities. Revenue is shown as net of sales tax, returns, rebates and discounts.

The Combined Entity and the Company 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 the Company and specific criteria have been met for each of the Combined Entity's and the Company'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 using the effective interest method.

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.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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 and the Company.

(ii) Pension obligations

A defined contribution plan is a pension plan under which the Combined Entity and the Company pays fixed contribution into a separate entity. The Combined Entity and the Company 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 and the Company contributes to the Employees Provident Fund, the national defined contribution plan. The Combined Entity's and the Company'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 and the Company has no further payment obligations.

(iii) Termination benefits

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

(iv) 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.

U SEGMENT REPORTING

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

1 GENERAL INFORMATION

The principal activities 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 JUDGMENTS

Estimates and judgments 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 Combined Entity and the Company has applied judgment 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 Combined Entity and the Company has applied judgment 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 Combined Entity and the Company has applied judgment 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 and the Company 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 judgment regarding future financial performance of the Combined Entity and the Company.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

3.1 FINANCIAL RISK FACTORS

The Combined Entity's and the Company's activities expose it to a variety of financial risks: market risk (ie. foreign currency exchange risk), credit risk and liquidity risk. The Combined Entity's and the Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Combined Entity's and the Company's financial performance.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

3.1 FINANCIAL RISK FACTORS (CONT'D)

The Combined Entity and 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 Combined Entity's and the Company's operating units.

It is the Combined Entity's and the Company's policy not to engage in speculative transactions. As and when the Combined Entity and the Company undertakes significant transactions with risk exposure, the Combined Entity and 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 Combined Entity and 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 Combined Entity and the Company uses derivative financial instruments such as foreign currency forward 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 Combined Entity and the Company has transactional currency exposures arising from purchases that are denominated in a currency other than the functional currency of the Combined Entity and the Company. The foreign currencies in which these transactions are mainly denominated in are United States Dollar and Japanese Yen. The Combined Entity and 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 Combined Entity's and the Company's currency exposure is disclosed in the respective notes for all items of financial assets and liabilities.

The Combined Entity and the Company is mainly exposed to fluctuations in the United States Dollar and Japanese Yen exchange rates against the respective functional currencies of the Combined Entity and the Company. The Combined Entity and the Company considers a 5% strengthening or weakening of the United States Dollar and Japanese Yen as a possible change. A 5% strengthening or weakening of the United States Dollar and Japanese Yen would not result in significant changes in the Combined Entity's and 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 Combined Entity's and 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 statements of financial position.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

3.1 FINANCIAL RISK FACTORS (CONT'D)

(b) Credit risk (Cont'd)

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 Combined Entity's and 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 Directors are of the view that the possibility of non-performance by the majority of these financial institutions is remote on the basis of their financial strength.

The Combined Entity and 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.

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 or entered into with Panasonic Financial Centre (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 Combined Entity and 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 Combined Entity and the Company.

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

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

	Less than 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	Over 5 years RM'000
<u>At 31 March 2014</u>				
<u>Combined Entity and Company</u>				
Payables	139,860	0	0	0
Derivative financial instruments	93	0	0	0
	139,953	0	0	0
<u>At 31 March 2013</u>				
<u>Combined Entity and Company</u>				
Payables	127,040	0	0	0
Derivative financial instruments	521	0	0	0
	127,561	0	0	0

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

3.2 CAPITAL RISK MANAGEMENT

The primary objective of the Combined Entity's and 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 Combined Entity and the Company considers capital and reserves attributable to owners of the Combined Entity and the Company as capital.

There were no changes to the Combined Entity's and the Company's approach to capital management during the financial year.

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.
- 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 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:

- The fair value of foreign currency forward 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 and the Company's assets and liabilities that are measured at fair value.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>At 31 March 2014</u>				
<u>Combined Entity and Company</u>				
Financial asset				
Derivative financial instruments:				
- foreign currency forward contracts	0	255	0	255
Financial liability				
Derivative financial instruments:				
- foreign currency forward contracts	0	93	0	93

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

3.3 FAIR VALUE HIERARCHY (CONT'D)

The following table presents the Combined Entity's and the Company's assets and liabilities that are measured at fair value. (Cont'd)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>At 31 March 2013</u>				
<u>Combined Entity and Company</u>				
Financial asset				
Derivative financial instruments:				
- foreign currency forward contracts	0	150	0	150
Financial liability				
Derivative financial instruments:				
- foreign currency forward contracts	0	521	0	521

4 REVENUE

	Combined Entity and Company	
	2014	2013
	RM'000	RM'000
Sales of goods	899,211	864,645

5 PROFIT FROM OPERATIONS

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

	Combined Entity		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration	120	120	120	120
Directors' remuneration (Note 6)	2,315	2,223	2,315	2,223
Direct materials cost	570,231	569,980	570,231	569,980
Property, plant and equipment:				
- depreciation	27,173	26,720	27,173	26,720
- write offs	67	52	67	52
- loss/(gain) on disposal	745	(89)	745	(89)
Provision for liabilities and charges	15,637	11,244	15,637	11,244
Staff costs:				
- salaries, bonus and other employee benefits	101,272	84,160	101,272	84,160
- defined contribution retirement plan	6,869	6,118	6,869	6,118
	108,141	90,278	108,141	90,278
Technical assistance fees	26,122	25,252	26,122	25,252
Research expenses	9,015	13,194	9,015	13,194
Rental expenses	770	411	770	411
Foreign exchange:				
- net realised loss/(gain)	1,054	(654)	1,054	(654)
- net unrealised (gain)/loss	(527)	823	(527)	823

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

5 PROFIT FROM OPERATIONS (CONT'D)

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

	Combined Entity		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Interest income	(16,269)	(15,639)	(16,269)	(15,639)
Fair value (gain)/loss on derivative financial instruments	(533)	487	(533)	487
Dividend income from associated company (gross)	0	0	(3,185)	(3,185)

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
 Tan Sri Hasmah binti Abdullah
 Yosuke Matsunaga
 Toshiro Okamoto
 Mikio Matsui

Executive Directors:

Chen Ah Huat
 Masahiko Yamaguchi
 Takayuki Tadano
 Akira Nishimura

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

	Combined Entity and Company	
	2014	2013
	RM'000	RM'000
Non-Executive Directors:		
- fees	306	273
- others	28	26
Executive Directors:		
- salaries, bonus and other remuneration	1,906	1,854
- defined contribution retirement plan	75	70
	2,315	2,223

The estimated monetary value of benefits provided to Executive Directors during the financial year amounted to RM123,045 (2013: RM126,843).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

7 TAXATION

	Combined Entity		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Current taxation:				
- current financial year	26,224	23,061	26,702	23,857
- under accrual in prior financial years	315	0	315	0
	26,539	23,061	27,017	23,857
Deferred taxation (Note 12):				
- current financial year	(2,870)	(2,714)	(2,870)	(2,714)
- over/(under) accrual in prior financial years	745	(511)	745	(511)
	(2,125)	(3,225)	(2,125)	(3,225)
	24,414	19,836	24,892	20,632

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

	Combined Entity		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	105,199	94,930	99,280	93,848
Tax calculated at the Malaysian tax rate of 25% (2013: 25%)	26,300	23,733	24,820	23,462
Tax effects of:				
- expenses not deductible for tax purposes	855	209	855	209
- tax incentives	(1,392)	(2,406)	(1,392)	(2,406)
- income not subject to tax	(133)	(122)	(451)	(122)
- tax effect of associated company	(2,276)	(1,067)	0	0
- over/(under) accrual in prior financial years	1,060	(511)	1,060	(511)
	24,414	19,836	24,892	20,632

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 Combined Entity and the Company by the weighted average number of ordinary shares in issue during the financial year.

	Combined Entity		Company	
	2014	2013	2014	2013
Net profit for the financial year attributable to equity holders (RM'000)	80,785	75,094	74,388	73,216
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)	133	124	122	121

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

9 DIVIDENDS PER SHARE

Dividends paid, declared or proposed in respect of the financial year ended 31 March 2014 are as follows:

	Combined Entity and Company			
	2014		2013	
	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	0	0	35	15,946
Special dividend proposed	0	0	138	62,872
Dividend in respect of the financial year	15	6,834	188	85,652

As at the date of this report, the Directors have yet to decide on the final dividend and special dividend for the financial year ended 31 March 2014.

Dividends declared and paid in respect of the financial year are as follows:

	2014		2013	
	Gross dividend per share Sen	Amount of dividend RM'000	Gross dividend per share Sen	Amount of dividend RM'000
Interim dividend, net of tax for the financial year ended 31 March 2013, paid on 10 January 2013	0	0	15	6,834
Final dividend, net of tax for the financial year ended 31 March 2013, paid on 20 September 2013	0	0	35	15,946
Special dividend, net of tax for the financial year ended 31 March 2013, paid on 20 September 2013	0	0	138	62,872
Interim dividend, net of tax for the financial year ended 31 March 2014, paid on 27 December 2013	15	6,834	0	0
	15	6,834	188	85,652

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

10 PROPERTY, PLANT AND EQUIPMENT

	Balance as at 1.4.2013 RM'000	Additions RM'000	Reclassi- fication RM'000	Disposals RM'000	Write off RM'000	Depreciation charge RM'000	Balance as at 31.3.2014 RM'000
<u>Combined Entity and Company</u>							
<u>Net book value</u>							
Buildings	8,991	0	0	0	0	(1,365)	7,626
Plant and machinery	44,122	20,758	1,640	(2,090)	(18)	(21,757)	42,655
Furniture, fittings and equipment	8,717	2,820	0	0	(49)	(3,218)	8,270
Motor vehicles	1,496	778	0	(16)	0	(757)	1,501
Leasehold land	6,326	0	0	0	0	(76)	6,250
Construction in progress	1,640	1,253	(1,640)	0	0	0	1,253
	71,292	25,609	0	(2,106)	(67)	(27,173)	67,555

	Balance as at 1.4.2012 RM'000	Additions RM'000	Reclassi- fication RM'000	Disposals RM'000	Write off RM'000	Depreciation charge RM'000	Balance as at 31.3.2013 RM'000
<u>Combined Entity and Company</u>							
<u>Net book value</u>							
Buildings	9,328	888	0	0	0	(1,225)	8,991
Plant and machinery	49,138	16,658	0	0	(47)	(21,627)	44,122
Furniture, fittings and equipment	9,280	2,499	0	0	(5)	(3,057)	8,717
Motor vehicles	1,458	773	0	0	0	(735)	1,496
Leasehold land	6,402	0	0	0	0	(76)	6,326
Construction in progress	0	1,640	0	0	0	0	1,640
	75,606	22,458	0	0	(52)	(26,720)	71,292

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

10 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Cost RM'000	Accumulated depreciation RM'000	Net book value RM'000
<u>Combined Entity and Company</u>			
<u>At 31 March 2014</u>			
Buildings	57,862	(50,236)	7,626
Plant and machinery	275,845	(233,190)	42,655
Furniture, fittings and equipment	50,021	(41,751)	8,270
Motor vehicles	5,133	(3,632)	1,501
Leasehold land	7,566	(1,316)	6,250
Construction in progress	1,253	0	1,253
	397,680	(330,125)	67,555
<u>At 31 March 2013</u>			
Buildings	57,862	(48,871)	8,991
Plant and machinery	273,205	(229,083)	44,122
Furniture, fittings and equipment	49,458	(40,741)	8,717
Motor vehicles	5,263	(3,767)	1,496
Leasehold land	7,566	(1,240)	6,326
Construction in progress	1,640	0	1,640
	394,994	(323,702)	71,292

11 INTEREST IN ASSOCIATED COMPANY

	Combined Entity		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Interest in associated company	139,266	132,869	2,000	2,000

The Company holds a 40% (2013: 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 no 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:

	2014 RM'000	2013 RM'000
Revenue	614,269	643,848
Profit after tax	9,104	4,267
Non-current assets	23,638	24,662
Current assets	222,788	210,076
Current liabilities	(103,457)	(99,053)
Non-current liabilities	(3,703)	(2,816)
	139,266	132,869

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

11 INTEREST IN ASSOCIATED COMPANY (CONT'D)

- (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	
	2014	2013
	RM'000	RM'000
Investment at cost	2,000	2,000
Share of post-acquisition distributable and non-distributable reserves	137,266	130,869
Interest in associated company	139,266	132,869

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	
	2014	2013
	RM'000	RM'000
<u>Deferred tax assets</u>		
Deferred tax assets	17,107	14,982
At 1 April	14,982	11,757
Credited/(charged) to profit or loss (Note 7):		
- property, plant and equipment	(549)	567
- provisions	3,688	2,343
- others	(1,014)	315
	2,125	3,225
At 31 March	17,107	14,982
<u>Subject to income tax</u>		
Deferred tax assets (before offsetting):		
- property, plant and equipment	3,903	4,452
- provisions	13,161	9,473
- others	43	1,057
	17,107	14,982
Offsetting	0	0
Deferred tax assets (after offsetting)	17,107	14,982
The analysis of deferred tax assets is as follows:		
Deferred tax assets:		
- to be recovered after more than 12 months	3,995	5,382
- to be recovered within 12 months	13,112	9,600
	17,107	14,982

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

13 INVENTORIES

	Combined Entity and Company	
	2014	2013
	RM'000	RM'000
Raw materials	14,311	14,932
Work in progress	1,543	1,107
Finished goods	9,194	4,134
Consumable stores	1,244	1,338
	26,292	21,511

14 TRADE AND OTHER RECEIVABLES

	Combined Entity and Company	
	2014	2013
	RM'000	RM'000
Trade receivables	520	1,154
Less: Allowance for impairment	0	(149)
	520	1,005
Amount due from associated company	14,907	18,884
Amounts due from related companies	40,587	52,367
	56,014	72,256
Other receivables	1,795	1,157
Deposits	1,519	2,243
Prepayments	1,173	805
	60,501	76,461

Credit terms given to trade receivables ranged from 30 to 60 days (2013: 30 to 60 days).

Past due but not impaired

As of 31 March 2014, there are no trade receivables of the Combined Entity and the Company are past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these related companies is as follows:

	Combined Entity and Company	
	2014	2013
	RM'000	RM'000
Related companies past due:		
- Less than 1 month	273	9
- Between 2 to 3 months	33	47
	306	56

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

14 TRADE AND OTHER RECEIVABLES (CONT'D)

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

	Combined Entity and Company	
	2014	2013
	RM'000	RM'000
At 1 April	149	149
Written off	(149)	0
At 31 March	0	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 ranging from 30 to 60 days (2013: 30 to 60 days). There were no past due balances.

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

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

	Combined Entity and Company	
	2014	2013
	RM'000	RM'000
- Ringgit Malaysia	26,470	36,736
- United States Dollar	29,881	34,477
- Japanese Yen	1,309	1,958
- Euro	1,668	2,401
- Others	0	84
	59,328	75,656

The credit quality of the receivables that are not past due and not impaired can be assessed by reference to historical analysis of the period of time for which they have been the Combined Entity's customers.

	Combined Entity and Company	
	2014	2013
	RM'000	RM'000
Group 1	0	937
Group 2	59,022	74,810
Total unimpaired receivables	59,022	75,747

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

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

15 DERIVATIVE FINANCIAL INSTRUMENTS

	Contract/ Notional value	Assets RM'000	Liabilities RM'000
<u>Combined Entity and Company</u>			
<u>31 March 2014</u>			
<u>Non-hedging derivatives</u>			
Financial assets at fair value through profit or loss	USD13,955,000	248	0
	YEN114,500,000	0	(50)
	SGD212,000	0	(1)
	EURO1,499,000	7	(42)
		255	(93)
<u>31 March 2013</u>			
<u>Non-hedging derivatives</u>			
Financial assets at fair value through profit or loss	USD12,400,000	11	(153)
	YEN134,500,000	0	(366)
	SGD171,900	0	(2)
	EURO1,353,000	139	0
		150	(521)

Non-hedging derivatives

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

16 CASH AND BANK BALANCES

Foreign currency forward contracts

Foreign currency forward contracts are entered into by the Combined Entity and the Company 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 and the Company's policy is to enter into foreign currency forward contracts to mitigate foreign exchange risk of highly probable forecasted transactions, such as anticipated future export sales, purchases of equipment and raw materials, as well as payment of services and other related expenditure.

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

	Combined Entity and Company	
	2014 RM'000	2013 RM'000
Fixed deposits	519,647	500,135
Cash and bank balances	504	241
	520,151	500,376

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

16 CASH AND BANK BALANCES (CONT'D)

Foreign currency forward contracts (Cont'd)

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

	Combined Entity and Company	
	2014 RM'000	2013 RM'000
- Ringgit Malaysia	509,938	493,148
- United States Dollar	7,503	5,960
- Japanese Yen	950	1,238
- Euro	1,756	1
- Singapore Dollar	4	29
	520,151	500,376

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

	2014 RM'000	2013 RM'000
- AAA	491	212
- AA2	10	10
- Non-rated*	519,647	500,135
	520,148	500,357
Cash on hand	3	19
	520,151	500,376

*The credit rating profiles of Panasonic Corporation, the ultimate holding corporation of Panasonic Financial Centre (Malaysia) Sdn. Bhd. is rated BBB.

(a) Fixed deposits

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

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

	Combined Entity and Company	
	2014 %	2013 %
- Ringgit Malaysia	3.30	3.28
- United States Dollar	0.14	0.19
- Japanese Yen	0.06	0.05
- Euro	0.03	0.10
- Singapore Dollar	0.17	0.17

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

16 CASH AND BANK BALANCES (CONT'D)

Foreign currency forward contracts (Cont'd)

(a) Fixed deposits (Cont'd)

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

	Combined Entity and Company	
	2014	2013
	90 days	229 days
- Ringgit Malaysia		

The placement of funds in other currencies is on a daily call basis.

(b) Cash and bank balances

Bank balances are deposits held on call with banks.

17 SHARE CAPITAL

	Combined Entity and Company	
	2014	2013
	RM'000	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.

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
<u>Combined Entity and Company</u>					
At 1 April 2012	1,091	12,973	2,030	305	16,399
Charged to profit or loss	948	9,065	1,090	141	11,244
Utilised during the financial year	(1,091)	(1,775)	(713)	(18)	(3,597)
Unused amounts reversed	0	(6,798)	0	(287)	(7,085)
Present value adjustments	0	0	0	196	196
At 31 March 2013	948	13,465	2,407	337	17,157

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

19 PROVISION FOR LIABILITIES AND CHARGES (CONT'D)

	Rework cost RM'000	Warranty RM'000	Employee welfare scheme RM'000	Retirement gratuity scheme RM'000	Total RM'000
<u>Combined Entity and Company</u>					
At 31 March 2013	948	13,465	2,407	337	17,157
Charged/(credited) to profit or loss	4,873	10,765	(48)	47	15,637
Utilised during the financial year	(1,303)	(2,928)	(315)	(2)	(4,548)
Unused amounts reversed	0	(8,109)	0	(335)	(8,444)
Present value adjustments	0	0	0	153	153
At 31 March 2014	4,518	13,193	2,044	200	19,955
<u>At 31 March 2014</u>					
Current	4,518	13,193	2,044	2	19,757
Non-current	0	0	0	198	198
	4,518	13,193	2,044	200	19,955
<u>At 31 March 2013</u>					
Current	948	13,465	2,407	5	16,825
Non-current	0	0	0	332	332
	948	13,465	2,407	337	17,157

(a) Rework cost

As part of its quality control initiative, the Combined Entity and 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 Combined Entity's and 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.

(b) Warranty

The Combined Entity and 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 Combined Entity and 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 Combined Entity and the Company provides retirement gratuity for employees who have been in employment for a certain number of years. Upon official retirement, the employees shall receive a lump sum payment of RM1,000 per person as recognition of their service contribution to the Combined Entity and 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

20 TRADE AND OTHER PAYABLES

	Combined Entity and Company	
	2014	2013
	RM'000	RM'000
Trade payables	35,700	41,183
Trade accruals	85,770	66,498
Other payables	5,191	7,508
Amount due to ultimate holding corporation	4,446	2,981
Amounts due to related companies	8,753	8,870
	139,860	127,040

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

	Combined Entity and Company	
	2014	2013
	RM'000	RM'000
- Ringgit Malaysia	114,754	102,978
- United States Dollar	19,084	17,742
- Japanese Yen	4,319	3,805
- Thai Baht	1,228	1,319
- Singapore Dollar	416	603
- Euro	59	446
- Hong Kong Dollar	0	0
- Great Britain Pound	0	147
	139,860	127,040

Credit terms of trade payables vary from 30 to 60 days (2013: 30 to 60 days).

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

21 SEGMENT REPORTING

Management has determined the operating segments based on the information reviewed by the Chief Operating Decision-maker ("CODM") for the purposes of allocating resources and assessing performance. The Company consider the business from product perspective and home appliance and fan products segments meet the quantitative thresholds required by MFRS 8 for reportable segments.

Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the CODM. 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

21 SEGMENT REPORTING (CONT'D)

	Home appliance products		Fan products		Total	
	2014	2013	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	440,177	439,928	456,783	424,473	896,960	864,401
Interest income	6,170	5,296	3,837	3,221	10,007	8,517
Interest expense	0	0	0	0	0	0
Depreciation	(8,630)	(7,835)	(9,749)	(9,786)	(18,379)	(17,621)
Profit before tax	55,888	55,792	47,614	42,650	103,502	98,442
					2014	2013
					RM'000	RM'000
Total revenue of reportable segments					896,960	864,401
Other unallocated revenue					2,251	244
Combined Entity's revenue					899,211	864,645

All property, plant and equipments are located in Malaysia.

Revenue of approximately RM891,061 (2013: RM858,386) are derived from the Panasonic group of companies as disclosed in Note 22 to the financial statements.

	2014	2013
	RM'000	RM'000
Total profit before tax of the reportable segments	103,502	98,442
Other unallocated expenses	(7,407)	(7,779)
Share of results of associated company (net of tax)	9,104	4,267
Combined Entity's profit before tax	105,199	94,930

Geographical Information

Revenue information based on geographical location are as follows:

	2014	2013
	RM'000	RM'000
Malaysia	387,049	381,975
Japan	34,790	39,223
Asia (excluding Malaysia and Japan)	203,731	203,606
North America	953	1,239
Europe	23,474	33,293
Middle East	220,168	179,867
Others	29,046	25,442
	899,211	864,645

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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.

(a) Associated and ultimate holding corporation

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

(b) Related party relationships

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

22 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(b) Related party relationships (Cont'd)

<u>Related party</u>	<u>Relationship</u>
Panasonic (CIS) OY ("PMCIS")	Subsidiary of PC
Panasonic Procurement Malaysia Sdn. Bhd. ("PPMY")	Subsidiary of PC
Panasonic Industrial Devices Malaysia Sdn. Bhd. ("PIDMY")	Subsidiary of PC
Panasonic Logistics Asia Pacific ("PLAP")	Subsidiary of PC
Panasonic Industrial Devices Semiconductor Sales Asia. ("PIDSCSA")	Subsidiary of PC
Panasonic Industrial Devices Singapore Pte. Ltd. ("PIDSG")	Subsidiary of PC
Panasonic Eco Solutions (Asia Pacific) Pte. Ltd. ("PESAP")	Subsidiary of PC

(c) Significant related party transactions

	Combined Entity and Company	
	2014	2013
	RM'000	RM'000
(i) Sales of products and related components to related parties:		
- Panasonic Logistic Asia Pacific	320,344	308,366
- Panasonic Malaysia Sdn. Bhd.	244,838	246,556
- KDK Fans (M) Sdn. Bhd.	135,029	130,693
- Panasonic Eco Solutions (Hong Kong) Co. Ltd.	168,940	155,095
- Panasonic Procurement Malaysia Sdn. Bhd.	9,454	10,621
- P.T. Panasonic Manufacturing Indonesia	8,042	4,057
- Panasonic Ecology System (Thailand) Co. Ltd.	236	113
- Panasonic Industrial Devices Malaysia Sdn. Bhd.	260	0
- Panasonic Corporation	383	0
(ii) Sales of service parts to related parties:		
- Panasonic Malaysia Sdn. Bhd.	2,167	1,797
- Panasonic Logistic Asia Pacific	1,368	1,088
(iii) Purchase of parts, components and raw materials from related parties:		
- Panasonic Procurement Malaysia Sdn. Bhd.	119,020	102,967
- Panasonic Corporation	7,808	11,472
- Panasonic Eco Solutions (Hong Kong) Co. Ltd.	20,661	19,421
- Panasonic Industrial Devices Malaysia Sdn. Bhd.	401	331
- Panasonic Industrial Devices Singapore Pte. Ltd.	1,262	1,474
- Panasonic Semiconductor Asia Pte. Ltd.	281	401
- Panasonic Appliances (Thailand) Co. Ltd.	11	15
- P.T. Panasonic Manufacturing Indonesia	45	35
- Panasonic Eco Solutions (Asia Pacific) Pte. Ltd.	0	186
- Panasonic Industrial Devices Automation Controls Sales Asia Pacific	332	0
- Panasonic Ecology Systems (Thailand) Co. Ltd.	75	0

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

22 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

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

		Combined Entity and Company	
		2014	2013
		RM'000	RM'000
(iv)	Technical assistance fee paid and payable to related parties:		
	Panasonic Corporation	12,736	12,706
	Panasonic Ecology Systems Co. Ltd.	13,386	12,546
(v)	Interest income received and receivable from a related party:		
	Panasonic Financial Centre (Malaysia) Sdn. Bhd.	16,269	15,639
(vi)	Sales promotion, warranty claims and/or service expenses paid and payable to related parties:		
	Panasonic Malaysia Sdn. Bhd.	3,295	2,947
	Panasonic A.P. Sales (Thailand) Co. Ltd.	2,236	3,022
	Panasonic Corporation	2,875	3,176
	KDK Fans (M) Sdn. Bhd.	1,388	656
	Panasonic Vietnam Co. Ltd.	166	732
	Panasonic Eco Solutions (Hong Kong) Co. Ltd.	883	0
	Panasonic Singapore	119	0
(vii)	Research and development expenditure paid and payable to related parties:		
	Panasonic Corporation	1,532	1,401
	Panasonic Ecology Systems Co. Ltd.	0	996
(viii)	Brand license fee paid and payable to related parties:		
	Panasonic Corporation	6,417	6,284
	Panasonic Ecology Systems Co. Ltd.	2,304	2,147
(ix)	Global sales service support fee paid and payable to a related party:		
	Panasonic Eco Solutions (Hong Kong) Co. Ltd.	688	488
(x)	IT annual maintenance and support fees, and additional Customization costs for the Sapphire, GLICS and Oracle system paid and payable to related parties:		
	Panasonic Asia Pacific Pte. Ltd. (Oracle System Project)	498	463
	Panasonic Corporation	2,572	1,991
(xi)	Purchase of fixed assets from related companies:		
	Panasonic Ecology Systems Co. Ltd.	333	0
	Panasonic Procurement Malaysia Sdn. Bhd.	110	0
	Panasonic Systems Asia Pacific	10	0

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

22 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

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

	Combined Entity and Company	
	2014	2013
	RM'000	RM'000
(xii) Manufacturing innovation services received and receivable from a related company:		
Panasonic Corporation's Corporate Manufacturing Innovation Division	3,766	5,880

(d) Significant outstanding related party balances

Significant outstanding balances at reporting date arising from non-trade transactions with related parties during the financial year are as follows:

	Combined Entity and Company	
	2014	2013
	RM'000	RM'000
Amount due to:		
Panasonic Corporation	4,446	2,981
Amount due to:		
Panasonic Malaysia Sdn. Bhd.	14,907	18,884
Amount due from:		
Panasonic Logistic Asia Pacific	18,920	20,968
Panasonic Eco Solutions (Hong Kong) Co. Ltd.	12,731	16,889
KDK Fans (M) Sdn. Bhd.	6,153	9,295
Panasonic Financial Centre (Malaysia) Sdn. Bhd.	1,750	4,898
Other related companies	1,033	317
	40,587	52,367
Amount due to:		
Panasonic Procurement Malaysia Sdn. Bhd.	6,841	6,451
Panasonic A.P. Sales (Thailand) Co. Ltd.	1,228	1,319
Panasonic Vietnam Co. Ltd.	0	596
Panasonic Asia Pacific Pte. Ltd.	279	356
Panasonic Management Malaysia Sdn. Bhd.	103	2
Panasonic Industrial Devices Singapore Pte. Ltd.	123	0
Other related companies	179	146
	8,753	8,870

(e) 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 Combined Entity and the Company either directly or indirectly. The key management personnel of the Combined Entity and the Company are members of senior management.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

22 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(e) Key management personnel compensation (Cont'd)

The aggregate amounts of remuneration received or receivable by Directors and other members of key management personnel of the Combined Entity and the Company during the financial year are as follows:

	Combined Entity and Company	
	2014 RM'000	2013 RM'000
Directors' fees and meeting allowance	334	299
Salaries, allowance, bonus and other remuneration	10,795	11,230
Defined contribution retirement plan	635	525
	11,764	12,054

The estimated monetary value of benefits provided to Directors and other members of key management personnel during the financial year amounted to RM606,112 (2013: RM652,363).

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	
	2014 RM'000	2013 RM'000
Not later than 1 year	2	24
Later than 1 year and not later than 5 years	0	26
	2	50

24 COMMITMENTS FOR CAPITAL EXPENDITURE

	Combined Entity and Company	
	2014 RM'000	2013 RM'000
Approved by the Board but not provided for in the financial statements:		
- Contracted	2,318	4,897
- Not contracted	357	0
	2,675	4,897
Analysed as follows:		
- Property, plant and equipment	2,675	4,897

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

25 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	Loans and receivables RM'000	Financial assets at fair value through profit or loss RM'000	Total RM'000
<u>Combined Entity and Company</u>				
<u>31 March 2014</u>				
<u>Assets as per statements of financial position</u>				
Trade and other receivables excluding prepayments*	14	59,328	0	59,328
Derivative financial instruments	15	0	255	255
Cash and cash equivalents	16	520,151	0	520,151
Total		579,479	255	579,734

		Financial Liabilities at fair value through profit or loss RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
<u>Combined Entity and Company</u>				
<u>31 March 2014</u>				
<u>Liabilities as per statements of financial position</u>				
Trade and other payables excluding statutory liabilities**	20	0	139,860	139,860
Derivative financial instruments	15	93	0	93
Total		93	139,860	139,953

	Note	Loans and receivables RM'000	Financial assets at fair value through profit or loss RM'000	Total RM'000
<u>Combined Entity and Company</u>				
<u>31 March 2013</u>				
<u>Assets as per statements of financial position</u>				
Trade and other receivables excluding prepayments*	14	75,656	0	75,656
Derivative financial instruments	15	0	150	150
Cash and cash equivalents	16	500,376	0	500,376
Total		576,032	150	576,182

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

25 FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D)

		Financial Liabilities at fair value through profit or loss RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
<u>Combined Entity and Company</u>				
<u>31 March 2013</u>				
<u>Liabilities as per statements of financial position</u>				
Trade and other payables excluding statutory liabilities**	20	0	127,040	127,040
Derivative financial instruments	15	521	0	521
Total		521	127,040	127,561

Notes:

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

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

26 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The following analysis of realised and unrealised retained earnings 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	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Total retained earnings/(accumulated losses) of Company:				
- Realised	465,173	477,146	465,173	477,146
- Unrealised	83	(626)	83	(626)
	465,256	476,520	465,256	476,520
Total share of retained earnings/(accumulated losses) from associated company:				
- Realised	141,155	134,272	0	0
- Unrealised	(3,889)	(3,403)	0	0
Total retained earnings as per financial statements	602,522	607,389	465,256	476,520

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 Akira Nishimura, 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 40 to 81 are properly drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards 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 2014 and of their financial performance and cash flows for the financial 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 Malaysian Institute of Accountants.

In accordance with a resolution of the Board of Directors dated 30 May 2014.



TAN SRI DATUK ASMAT BIN KAMALUDIN
DIRECTOR



AKIRA NISHIMURA
DIRECTOR

Statutory Declaration

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Takayuki Tadano, 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 40 to 81 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.



TAKAYUKI TADANO

Subscribed and solemnly declared by the abovenamed Takayuki Tadano at
in Malaysia on 30 May 2014.

Before me,



COMMISSIONER FOR OATHS

No. 9-3, Jalan PJS 8/4,
Bandar Sunway 46150
Petaling Jaya, Selangor D.E.

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 40 to 80 which comprise the statements of financial position as at 31 March 2014 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 on Notes 1 to 25.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, 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 about 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 give a true and fair view of the financial position of the Combined Entity and of the Company as of 31 March 2014 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

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 81 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.

Independent Auditors' Report

TO THE MEMBERS OF PANASONIC MANUFACTURING MALAYSIA BERHAD

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

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

Kuala Lumpur

30 May 2014



YEE WAI YIN

(No. 2081/08/14 (J))

Chartered Accountant

List of Properties Owned by the Company

Location	Description	Land Area (Acres)	Tenure	Date of Acquisition	Approximate Age of Buildings (Years)	Net Book Value (RM'000)
No. 3 Jalan Sesiku 15/2 Section 15 Shah Alam Industrial Site 40200 Shah Alam Selangor Darul Ehsan	Land	14.4	Leasehold, 99 years	6-Jul-1966		158
			92 years	25-Jun-1973		50
			84 years	29-Sep-1981		239
			(Expires in the year 2065)			
	Factory and administrative office				5 - 48	5,068
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		5,803
	Factory and administrative office				2 - 23	2,558

Statistics on Shareholdings

AS AT 30 JUNE 2014

SHARE CAPITAL

Authorised Capital	: RM 100,000,000.00
Issued and Fully Paid-up Capital	: RM 60,745,780.00
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	784	15.98	17,159	0.03
100 - 1,000	2,295	46.78	1,271,589	2.09
1,001 - 10,000	1,548	31.55	4,900,708	8.07
10,001 - 100,000	239	4.87	6,524,856	10.74
100,001 to 3,037,288 (less than 5% of issued shares)	38	0.78	15,872,651	26.13
3,037,289 and above (5% and above of issued shares)	2	0.04	32,158,817	52.94
Total	4,906	100.00	60,745,780	100.00

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	Direct Interest	No. of Shares		
			%	Deemed Interest	%
In the ultimate holding company, Panasonic Corporation					
1	Yosuke Matsunaga	14,706	Negligible	-	-
2	Akira Nishimura	5,000	Negligible	-	-

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

SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	Direct Interest	No. of Shares		
			%	Deemed Interest	%
1	Panasonic Management Malaysia Sdn Bhd	28,823,871	47.45	-	-
2	Employees Provident Fund Board	4,728,446	7.78	-	-
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	Kumpulan Wang Persaraan (Diperbadankan)	1,942,000	3.20	1,281,300	2.11
7	Aberdeen Asset Management PLC	-	-	8,627,600	14.20
8	Aberdeen Asset Management Sdn. Bhd.	-	-	3,317,800	5.46
9	Mitsubishi UFJ Financial Group, Inc.	-	-	6,147,200	10.12

Statistics on Shareholdings

AS AT 30 JUNE 2014

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	3,334,946	5.49
3	HSBC NOMINEES (ASING) SDN. BHD. BNP PARIBAS SECS SVS LUX FOR ABERDEEN GLOBAL	2,374,600	3.91
4	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	1,942,000	3.20
5	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	1,393,500	2.29
6	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	1,281,300	2.11
7	CHINCHOO INVESTMENT SDN. BERHAD	1,259,748	2.07
8	UOB KAY HIAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	939,724	1.55
9	CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	632,924	1.04
10	TAN KAH LAY	538,000	0.89
11	AMSEC NOMINEES (TEMPATAN) SDN BHD ABERDEEN ASSET MANAGEMENT SDN BHD FOR TENAGA NASIONAL BERHAD RETIREMENT BENEFIT TRUST FUND (FM-ABERDEEN)	389,000	0.64
12	CITIGROUP NOMINEES (ASING) SDN. BHD. CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	382,080	0.63
13	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BNP PARIBAS SECURITIES SERVICES (SINGAPORE - SGD)	349,000	0.57
14	MAYOON SDN BHD	320,000	0.53
15	SHEN & SONS SDN. BHD.	272,000	0.45
16	AMSEC NOMINEES (ASING) SDN. BHD. AMFRASER SECURITIES PTE LTD FOR YEO GEOK CHOO (19003)	241,538	0.40
17	AMSEC NOMINEES (ASING) SDN BHD AMFRASER SECURITIES PTE LTD FOR TAI TAK SECURITIES PTE. LTD. (1442)	209,000	0.34
18	TAN KAH GHIE MARY @ TAN KAH GHEE MARY	204,800	0.34
19	HO HAN SENG	200,000	0.33
20	LAI YAN YONG	196,000	0.32
21	AMSEC NOMINEES (ASING) SDN BHD AMFRASER SECURITIES PTE LTD FOR YEO KOK GEE (19359)	184,478	0.30
22	CHONG SHEE JAN	183,341	0.30
23	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES	159,584	0.26
24	AMSEC NOMINEES (TEMPATAN) SDN BHD AMFRASER SECURITIES PTE LTD FOR CHONG KAH LIN (1855)	158,600	0.26
25	AMSEC NOMINEES (TEMPATAN) SDN BHD AMFRASER SECURITIES PTE LTD FOR CHONG KAH MIN (1835)	157,920	0.26
26	UOBM NOMINEES (ASING) SDN BHD UNITED OVERSEAS BANK NOMINEES (PTE) LTD FOR TEO POH LIAN PRIVATE LIMITED (16458277-A44)	157,422	0.26
27	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG PENNY STOCKFUND	155,000	0.26
28	AMSEC NOMINEES (TEMPATAN) SDN BHD AMFRASER SECURITIES PTE LTD FOR CHONG KAH YUNG (1854)	150,513	0.25
29	CIMB COMMERCE TRUSTEE BERHAD PUBLIC FOCUS SELECT FUND	148,700	0.24
30	AMSEC NOMINEES (ASING) SDN BHD AMFRASER SECURITIES PTE LTD FOR TAN MUI KOON (1496)	139,998	0.23
Total		46,879,587	77.17

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 / 2014	60,745,780	15%	35%	23%	-	73%	44,344,419	25%	S/T	S/T	2,277,967	42,066,452
3 / 2013	60,745,780	15%	35%	138%	-	188%	114,202,066	25%	25%	25%	28,550,516	85,651,550
3 / 2012	60,745,780	15%	35%	70%	-	120%	72,894,936	25%	25%	25%	18,223,734	54,671,202
3 / 2011	60,745,780	15%	35%	95%	-	145%	88,081,381	25%	25%	25%	22,020,345	66,061,036
3 / 2010	60,745,780	15%	35%	70%	-	120%	72,894,936	25%	25%	25%	18,223,734	54,671,202
3 / 2009	60,745,780	15%	35%	55%	-	105%	63,783,069	25%	25%	25%	15,945,767	47,837,302
3 / 2008	60,745,780	15%	35%	65%	-	115%	69,857,647	T/E	25%	25%	15,186,445	54,671,202
3 / 2007	60,745,780	15%	35%	65%	-	115%	69,857,647	T/E	T/E	T/E	T/E	69,857,647
3 / 2006	60,745,780	15%	35%	65%	-	115%	69,857,647	28%	T/E	T/E	2,551,323	67,306,324
3 / 2005	60,745,780	15%	35%	150%	-	200%	121,491,560	28%	28%	28%	34,017,637	87,473,923
3 / 2004	60,745,780	15%	35%	10%	-	60%	36,447,468	28%	28%	28%	10,205,291	26,242,177
3 / 2003	60,745,780	10%	40%	-	70%	120%	30,372,890	28%	28%	-	8,504,409	21,868,481
3 / 2002	35,732,812	15%	35%	-	-	50%	17,866,406	28%	28%	-	5,002,593	12,863,813
3 / 2001	35,732,812	15%	35%	-	-	50%	17,866,406	T/E	28%	-	3,501,815	14,364,591
3 / 2000	35,732,812	15%	35%	-	-	50%	17,866,406	T/E	T/E	-	T/E	17,866,406
3 / 1999	35,732,812	15%	35%	-	-	50%	17,866,406	28%	T/E	-	1,500,778	16,365,628
3 / 1998	35,732,812	15%	35%	-	10%	60%	17,866,406	28%	28%	-	5,002,593	12,863,813
3 / 1997	32,484,375	10%	40%	20%	-	70%	22,739,063	30%	30%	30%	6,821,719	15,917,344
3 / 1996	32,484,375	10%	40%	-	-	50%	16,242,188	30%	30%	-	4,872,656	11,369,532
3 / 1995	32,484,375	10%	30%	-	-	40%	12,993,750	30%	30%	-	3,898,125	9,095,625
3 / 1994	32,484,375	10%	30%	-	-	40%	12,993,750	32%	32%	-	4,158,000	8,835,750
3 / 1993	32,484,375	10%	30%	-	50%	90%	12,993,750	34%	34%	-	4,417,875	8,575,875
3 / 1992	21,656,250	-	40%	-	-	40%	8,662,500	-	35%	-	3,031,875	5,630,625
3 / 1991	21,656,250	-	40%	-	-	40%	8,662,500	-	35%	-	3,031,875	5,630,625
3 / 1990	21,656,250	-	35%	-	-	35%	7,579,688	-	35%	-	2,652,891	4,926,797
3 / 1989	21,656,250	-	25%	-	-	25%	5,414,063	-	35%	-	1,894,922	3,519,141
3 / 1988	21,656,250	-	25%	-	-	25%	5,414,063	-	40%	-	2,165,625	3,248,438
3 / 1987	21,656,250	-	25%	-	10%	35%	5,414,063	-	40%	-	2,165,625	3,248,438
12 / 1985	19,687,500	-	25%	-	-	25%	4,921,875	-	40%	-	1,968,750	2,953,125
12 / 1984	19,687,500	-	35%	-	-	35%	6,890,625	-	40%	-	2,756,250	4,134,375
12 / 1983	19,687,500	-	35%	-	-	35%	6,890,625	-	40%	-	2,756,250	4,134,375
12 / 1982	19,687,500	-	20%	-	50%	70%	3,937,500	-	40%	-	1,575,000	2,362,500
12 / 1981	13,125,000	-	20%	-	-	20%	2,625,000	-	40%	-	1,050,000	1,575,000
12 / 1980	13,125,000	-	20%	-	25%	45%	2,625,000	-	40%	-	1,050,000	1,575,000
12 / 1979	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12 / 1978	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12 / 1977	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12 / 1976	10,500,000	-	15%	5%	-	20%	2,100,000	-	40%	40%	840,000	1,260,000
12 / 1975	10,500,000	-	15%	-	200%	215%	1,575,000	-	40%	-	630,000	945,000
12 / 1974	3,000,000	-	15%	-	-	15%	450,000	-	40%	-	180,000	270,000
12 / 1973	3,000,000	-	15%	-	-	15%	450,000	-	40%	-	180,000	270,000
12 / 1972	3,000,000	-	12%	5%	-	17%	510,000	-	T/E	40%	60,000	450,000
12 / 1971	3,000,000	-	12%	-	-	12%	360,000	-	T/E	-	T/E	360,000
12 / 1970	3,000,000	-	12%	-	-	12%	360,000	-	T/E	-	T/E	360,000
12 / 1969	3,000,000	-	10%	-	-	10%	300,000	-	T/E	-	T/E	300,000
12 / 1968	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
12 / 1967	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
12 / 1966	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
Total (Since Date of Incorporation)							1,102,822,699				245,392,384	857,430,314

T/E - Tax-exempt • S/T - Single-Tier

Notice of 49th Annual General Meeting

NOTICE IS HEREBY GIVEN that the 49th 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 Friday, 29 August 2014 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 2014 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**
2. To declare a final single tier dividend of 35 sen per ordinary share of RM1.00 each and a special single tier dividend of 23 sen per ordinary share of RM1.00 each for the financial year ended 31 March 2014. **(Resolution 2)**
3. To re-elect Toshiro Okamoto, the Director who are 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. Akira Nishimura **(Resolution 4)**
 - b. Tan Sri Hasmah Binti Abdullah **(Resolution 5)**
 - c. Toshikazu Kudo **(Resolution 6)**
 - d. Siew Pui Ling **(Resolution 7)**
 - e. Takao Uchiyama **(Resolution 8)**
5. To approve the payment of Directors' fees not exceeding RM383,900.00 in respect of the financial year ending 31 March 2015. **(Resolution 9)**
6. To re-appoint Messrs. PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 10)**

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, Tan Sri Datuk Asmat Bin Kamaludin 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 11)

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)(iv) and Section 2.2(b)(i) of the Circular to Shareholders dated 7 August 2014. **(Resolution 12)**

Notice of 49th Annual General Meeting

- | | | |
|-------|--|------------------------|
| (ii) | Payment of fees to those related parties as specified in Section 2.2(a)(v) and receipt of fees from those related parties as specified in Sections 2.2(a)(vi) of the Circular to Shareholders dated 7 August 2014. | (Resolution 13) |
| (iii) | Placement of cash deposits and other treasury services with Panasonic Financial Centre (Malaysia) Sdn Bhd as specified in Section 2.2(a)(vii) of the Circular to Shareholders dated 7 August 2014. | (Resolution 14) |

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

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;
- (b) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year where the aggregate value is equal to or exceeds the applicable prescribed threshold under the Listing Requirements and/or the relevant Practice Notes; and
- (c) annual renewal and such approval shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965), whichever is earlier.

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

Notice of Dividend Entitlement

NOTICE IS HEREBY GIVEN THAT that a final single tier dividend of 35 sen per ordinary share of RM1.00 and a special single tier dividend of 23 sen per ordinary share of RM1.00 each for the financial year ended 31 March 2014, will be paid on 22 September 2014 to depositors registered in the Record of Depositors and Register of Members at the close of business on 9 September 2014.

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

- (a) Shares deposited into the Depositor's Securities Account before 4.00 p.m. on 9 September 2014 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
7 August 2014

Notice of 49th Annual General Meeting

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. When a Member is an exempt authorized nominee, there is no limit to the number of proxies which it may appoint.
2. The instrument appointing a proxy or proxies in the case of an individual shall be signed by the appointer or by his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under Common Seal or under the hand of the officer or attorney duly authorised.
3. The instrument appointing a proxy or proxies must be deposited at 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 11

The proposed resolution 11 in relation to re-appointment of Tan Sri Datuk Asmat Bin Kamaludin 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 12 to 14

Please refer to the Circular to Shareholders dated 7 August 2014 for further information.

5. Depositors who appear in the Record of Depositors as at 25 August 2014 shall be regarded as Member of the Company entitled to attend the 49th Annual General Meeting or appoint a proxy to attend and vote on his behalf.

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Form of Proxy

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

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 49th 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 Friday, 29 August 2014 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 single tier dividend of RM 0.58 per ordinary share.		
3.	Re-election of Toshiro Okamoto.		
4.	Re-election of Akira Nishimura.		
5.	Re-election of Tan Sri Hasmah Binti Abdullah.		
6.	Re-election of Toshikazu Kudo.		
7.	Re-election of Siew Pui Ling.		
8.	Re-election of Takao Uchiyama.		
9.	Approval of the payment of Directors' fees.		
10.	Re-appointment of Messrs. PricewaterhouseCoopers as Auditors.		
	Special Business		
11.	Ordinary Resolution: Re-appointment of Tan Sri Datuk Asmat Bin Kamaludin as Director.		
12.	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.		
13.	Ordinary Resolution: Approval of RRPT - Payment and receipt of fees.		
14.	Ordinary Resolution: Approval of RRPT - Placement of cash deposits and other treasury services.		

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

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

First named proxy	%
Second named proxy	%
	<u>100%</u>

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

Signed this _____ day of _____ 2014

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. When a Member is an exempt authorized nominee, there is no limit to the number of proxies which it may appoint.
2. The instrument appointing a proxy or proxies in the case of an individual shall be signed by the appointer or by his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under Common Seal or under the hand of the officer or attorney duly authorised.
3. The instrument appointing a proxy or proxies must be deposited at 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 25 August 2014 shall be regarded as Member of the Company entitled to attend the 49th 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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