

Panasonic

Panasonic Manufacturing Malaysia Berhad (6100-K)

Annual Report 2015

For the financial year ended 31 March 2015



A Better Life, A Better World



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Corporate Overview

BOARD OF DIRECTORS

Tan Sri Datuk Asmat bin Kamaludin
(Chairman)

Akira Nishimura
(Managing Director)

Razman Hafidz bin Abu Zarim

Datuk Supperamaniam a/l Manickam

Toshiro Okamoto

Takayuki Tadano

Tan Sri Hasmah binti Abdullah

Siew Pui Ling

Takao Uchiyama

Cheng Chee Chung

Takemoto Yoichi

AUDIT COMMITTEE

Razman Hafidz bin Abu Zarim
(Chairman)
(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

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

Takayuki Tadano
(Executive Director)

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

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

NOMINATION COMMITTEE

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

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

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

SOLICITORS

Shook Lin & Bok

PRINCIPAL BANKERS

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

AUDITORS

PricewaterhouseCoopers
Chartered Accountants
Kuala Lumpur

COMPANY SECRETARY

Leong Oi Wah
(MAICSA 7023802)

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 - 7849 0777
Fax : +603 - 7841 8151

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



FINANCIAL REVIEW

For the financial year ended 31 March 2015, the Board of Directors is proud to inform that the Company achieved the highest revenue and profit in its 49 years of existence. The Company registered another new record revenue of RM931 million for the current financial year; surpassing the previous year's record by RM31.8 million or 4% compared with RM899.2 million recorded in the previous financial year.

The record revenue was achieved despite challenging environment faced especially with the slowdown in domestic market towards the fourth quarter of the financial year in anticipation of the implementation of the Goods and Services Tax (GST) in April 2015. The improved performance was mainly due to higher export sales of home shower and fan products to the South East Asia and Middle East region.

With the improvement in revenue and share of results of associated company, the Company achieved a remarkable combined profit before taxation of RM129.8 million for the year ended 31 March 2015, which was higher by 23% or RM24.6 million against the previous year's combined profit before tax of RM105.2 million. The weaker Ringgit against the US Dollars of which our export revenue has been denominated in also contributed to the increase in profitability.

ASSOCIATED COMPANY

The associated company, Panasonic Malaysia Sdn. Bhd., registered consolidated revenue of RM1.33 billion for the financial year ended 31 March 2015; a reduction of 11% or RM0.16 billion over the previous year's consolidated revenue was RM1.49 billion. The decrease in revenue was mainly attributed to keen competition faced in the domestic market.

However, due to efforts to optimize its cost structure, the associated company managed to maintain its profitability level. The pre tax and post tax profits from its group operations, was RM31.5 million (2014: RM31 million) and RM22.3 million (2014: RM22.5 million) respectively.

DIVIDENDS

This year, to commemorate the Company's 50th anniversary, the Board of Directors is pleased to recommend a total dividend of 127 sen for the shareholders' approval at the forthcoming Annual General Meeting. This comprises a final single tier dividend of 35 sen (2014: 35 sen) and a special single tier dividend of 92 sen (2014: 23 sen) per ordinary share. Together with the interim single tier dividend of 15 sen (2014: 15 sen) per ordinary share which was paid on 12 January 2015; this brings to a total dividend of 142 sen (2014: 73 sen) for the financial year.

Chairman's Statement

OPERATIONS REVIEW

The Company had continuously made efforts to make new innovation and improvement in our product line-up to strengthen our position in the market and to continue to deliver value-added products to our customers.

One of the notable improvements to our products line-up was the introduction of the direct current motor based ceiling fans which reduces power consumption by half. This new range of products utilizes film-mold technology which provides a stylish design and color range to match modern house interior.

In addition, the personal blender series was launched during the year. The product with versatile usage is suitable for use by individuals and small families and caters well to the current market requirements.

In line with new designs geared for current generation's preference, the heat and cool technology is used to produce attractive gloss finishing surface in the latest home shower series. This series was launched mid of last year.

To continuously strengthen development power, the Company has increased the size of its engineering team and has embarked on utilizing new design infrastructure to speed up development processes and to minimize modification losses at the mass production stage. A zero market quality defect tolerance level is adopted to ensure all products delivered to our customers meet the high quality standards of Panasonic.

INDUSTRY OUTLOOK AND PROSPECTS FOR 2015

The global economy is expected to expand at a moderate pace. However, its growth potential has become vulnerable to increased downside risks with concerns over developments in Europe. There are also concerns on downside risks to growth in major Asian economies.

On the local front, the Malaysian economy is expected to remain on a steady growth path as domestic demand will remain the key driver of growth. However, the inflationary impact of GST is making some consumers more cautious about spending money and coupled with the recent global and domestic developments which have affected the Ringgit exchange rate, the Company expects the outlook and prospect for 2015 to remain challenging.

Nevertheless, the Company will continue to strengthen its innovation capabilities to develop new products suited to market taste and preference and to improve its production efficiency to reduce overall costs of production. With these measures in place, the Company is committed to deliver satisfactory results for the next financial year.

DIRECTORATE

The Board bade farewell to Mr. Yosuke Matsunaga and Mr. Toshikazu Kudo who resigned from the Board on 31st March 2015 and 30th June 2015 respectively.

We also like to extend our deepest condolence to the family of our former Audit Committee Chairman, the late Raja Dato' Seri Abdul Aziz Bin Raja Salim who passed away on 4th March 2015 after his retirement from the Board on 29th August 2014.

The Board is pleased to extend a warm welcome to Mr. Cheng Chee Chung and Mr. Takemoto Yoichi, who were appointed to the Board as Non-Independent Non-Executive Directors on 1st April 2015 and 22nd July 2015 respectively.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to convey my heartfelt appreciation to the management team and staff for their dedication, hard work and leadership. The commendable growth achieved in 2014 is the result of their unwavering commitment and efforts.

Finally, I would like to convey my gratitude 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 2015.



TAN SRI DATUK ASMAT BIN KAMALUDIN
Chairman

Increase in Shareholder's Wealth

As at 31 March 2015, 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 RM426,448 based on the market price of RM22.00 as at 10 July 2015. In addition, he would have received a total gross cash dividends of RM379,472 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 14.8% 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 2015)	RM	22.00
Total value of shares held	RM	426,448
Cumulative gross cash dividends received / receivable (1969 - 2015)	RM	379,472
Total Wealth of a shareholder since Initial Investment	RM	805,920

Corporate Responsibility Report

Knowing that Corporate Responsibility is an integrated 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 society through its business activities", the Company has carried out various Corporate Responsibility activities focused on Environment, Community, Workplace and Marketplace.



BEACH CLEANING PROGRAM

Through the Panasonic Eco Relay Activities, Panasonic Group of Companies has successfully organized a beach cleaning program in collaboration with the local town councils and Department of Environment (DOE) on 14 June 2014 at consecutively two locations; Kelanang Beach, Morib and D'Punggai Beach, Johor respectively with the theme "One Panasonic One Ocean – Gather to keep our Ocean Clean by Our Hands".

This environment friendly event has been participated by a total of 384 members from the Panasonic Group of Companies located in both the Klang Valley and Johor region and 30 members representing the local town councils and agencies.

Through this activity, we managed to collect a total of 288.5kg and 373.5kg of rubbish respectively by the Klang Valley and Johor group; comprising mainly of empty glasses and cans, plastic bags, styrofoam and other wastes.



FLOOD DONATION

The east coast of Peninsular Malaysia experienced one of the worst floods the country has seen in 30 years last December. The eastern region of Malaysia was badly affected by the severe flood. Daily lives were disrupted and more than 160,000 people were evacuated.

To actively contribute and support rebuilding efforts in line with the call of the government, the Company together with other Panasonic Group of Companies rose to the occasion to embark on a donation drive.

The donation drive was targeted at rebuilding of schools with hostel facilities which were badly damaged by floods in the eastern corridor. As a result, a total collection of RM655,233 was received from both employees of Panasonic and participating companies. The cash collection was then used to purchase electrical appliances such as televisions, LCD projectors, washing machines and irons to be distributed to 88 schools identified by the Ministry of Education located in the states of Kelantan and Pahang.

Besides, a donation has been collected from the Company's employees with the mission of energy assistance and contribution to the flood families in Kelantan. A volunteer team went to Kg. Kemubu Kelantan to handover a donation worth RM5,296.



Corporate Responsibility Report



EKIDEN RUN

This year, in conjunction with the Appliance Division (Japan) initiative to promote healthy lifestyle and to foster better working relationship, an EKIDEN event was held worldwide participated by all companies in the Appliances division. At the Company level, this 5.1 km run was held on 11 April 2015 at Putrajaya participated by key management staff and union representatives.

Three important points that can be learnt from this activity;

1. With TEAM WORK, we could achieve our target even it is set high.
2. We need GOOD PEOPLE with high motivation and healthy to achieve our target.
3. With a strong DETERMINATION and CHALLENGING spirit, "nothing is impossible".

REDUCTION OF CO2 EMISSION

Climate changes have put sustainability as one of the Company's priority agenda involving society. The Company has initiated various countermeasures to reduce CO-2 emissions. As part of CSR towards environment, the Company also continuously monitors and ensures compliance through the installation of appropriate equipment for all our facilities before releasing the wastes into its disposal destination.

In 2014, a reduction of CO-2 index to 14.26; an achievement of 29% reduction compared to the index of 20.05 in 2005.

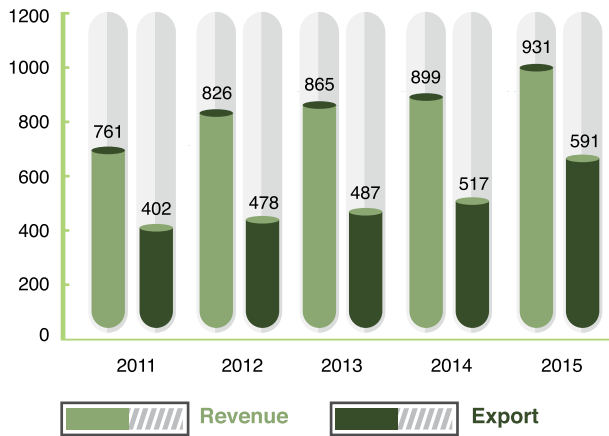
As a responsible producer and manufacturer, we are committed to minimizing as far as possible our environmental footprint through continuous improvement such as; reducing raw material use and waste, conserving water and, minimizing energy consumption and carbon emissions.

OUR COMMITMENT

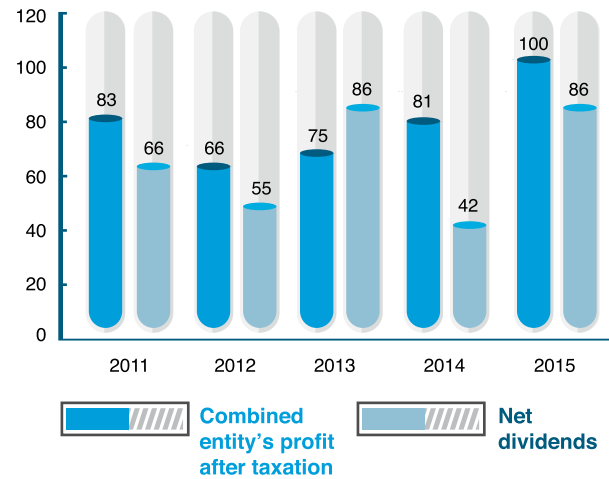
We believe that the commitment and efforts of our employees are fundamental to continued growth and hence, the economic sustainability of our business via increased productivity and innovation. To attract and retain the best talents, we aim to be a preferred employer, offering a challenging and exciting environment along with avenues for personal development. We also wish to lead in providing a safe workplace which encourages a healthier and active lifestyle.

Five-Year Trend

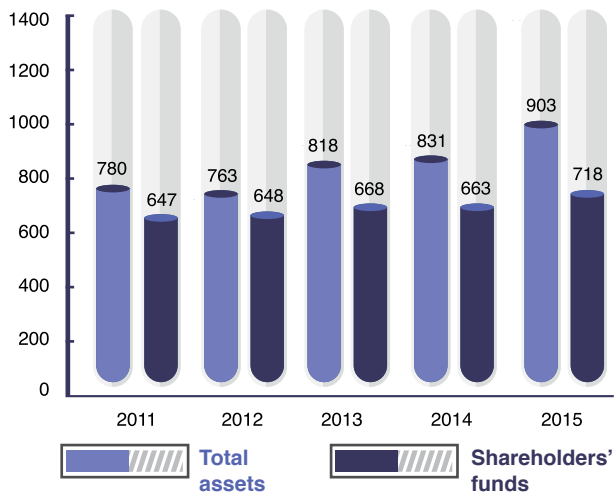
REVENUE / EXPORT
(RM' Million)



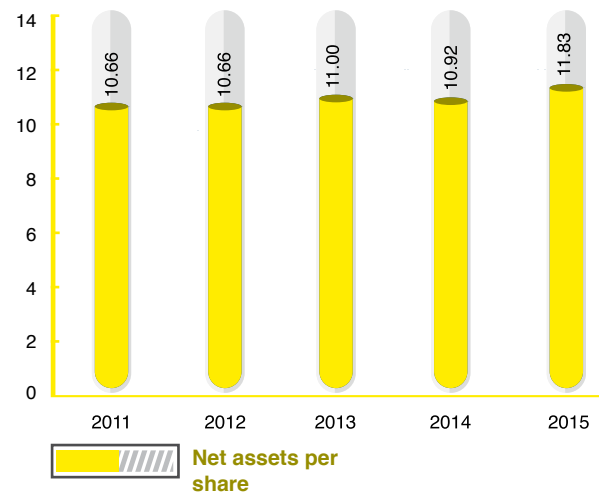
**COMBINED ENTITY'S PROFIT AFTER TAXATION /
NET DIVIDENDS PAID / PROPOSED**
(RM' Million)



TOTAL ASSETS / SHAREHOLDERS' FUNDS
(RM' Million)



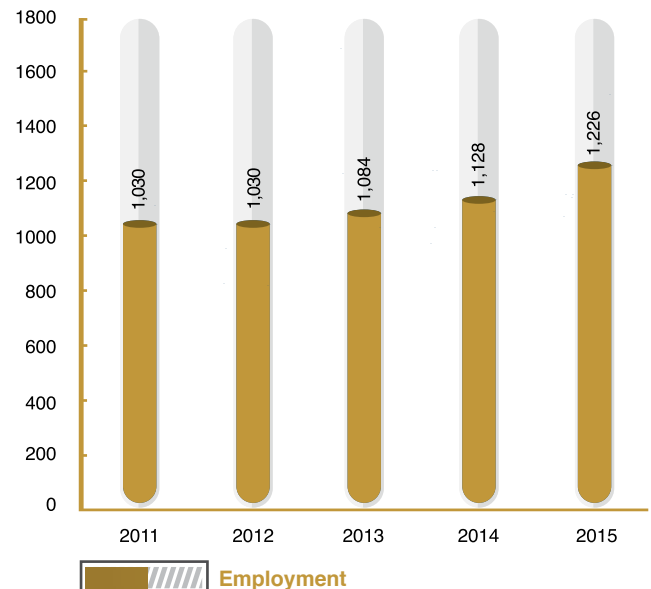
NET ASSETS PER SHARE
(RM)



EARNINGS PER SHARE
(Sen)



EMPLOYMENT
(Number of persons)



Five-Year Financial Summary

financial year ended 31 March

Financial Data (Combined Basis)		2011	2012	2013	2014	2015
Revenue	RM'000	761,407	825,833	864,645	899,211	931,020
Profit before taxation	RM'000	101,806	85,211	94,930	105,199	129,833
Profit after taxation	RM'000	82,679	66,407	75,094	80,785	99,538
Gross dividends paid / proposed	RM'000	88,080	72,895	114,202	44,345	86,259
Net dividends paid / proposed	RM'000	66,061	54,671	85,652	42,067	86,259
Total assets	RM'000	780,428	762,913	817,641	831,127	903,229
Share capital	RM'000	60,746	60,746	60,746	60,746	60,746
Shareholders' funds	RM'000	647,366	647,712	668,135	663,268	718,462
FINANCIAL RATIOS						
Return on shareholders' funds	%	12.8	10.3	11.2	12.2	13.9
Earnings per share	sen	136	109	124	133	164
Net assets per share	RM	10.66	10.66	11.00	10.92	11.83
Dividend rate (gross)	%	145	120	188	73	142



Financial Highlights

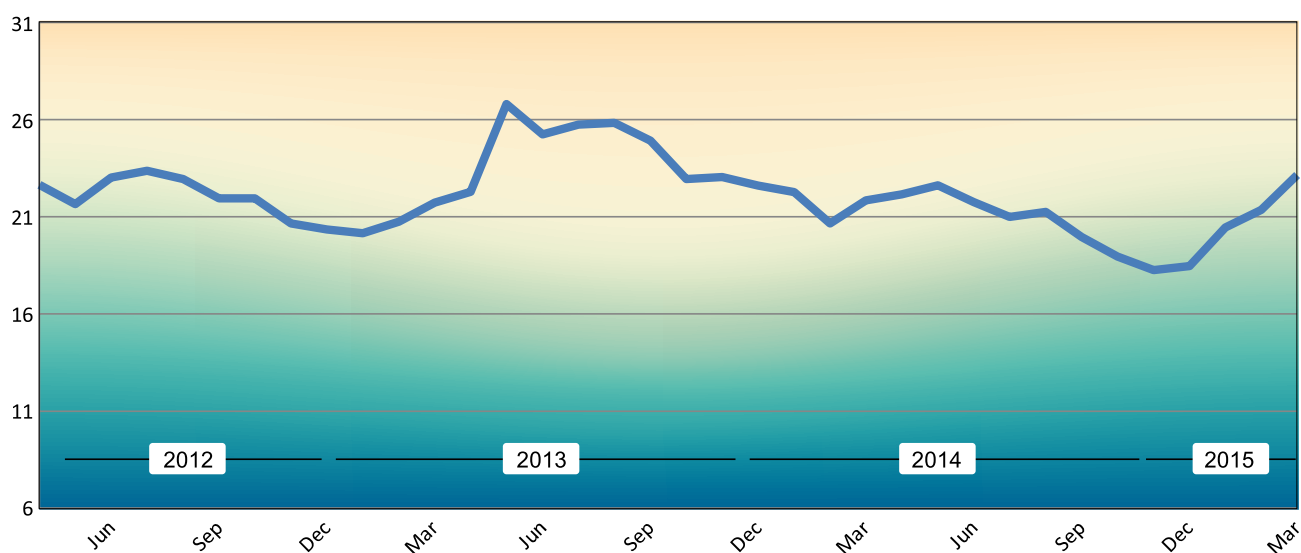
Financial Data (Combined Basis)		Year Ended 31 March 2015	Year Ended 31 March 2014
Revenue	RM'000	931,020	899,211
Profit before taxation	RM'000	129,833	105,199
Profit after taxation	RM'000	99,538	80,785
Percentage of revenue	%	10.7	9.0
Return on shareholders' funds	%	13.9	12.2
Earnings per share	sen	164	133
Dividend rate	%	142	73
Shareholders' funds	RM'000	718,462	663,268
Net assets per share	RM	11.83	10.92
Total assets	RM'000	903,229	831,127
Capital expenditure	RM'000	15,340	25,609

Financial Calendar

Financial Year Ended	31 March 2015			
Announcement of Results	- First Quarter 21 August 2014	- Second Quarter 28 November 2014	- Third Quarter 26 February 2014	- Fourth Quarter / Annual 27 May 2015
Issuance of 2015 Annual Report & Financial Statements	5 August 2015			
50th Annual General Meeting	27 August 2015			
Interim Dividend	- Notice of Dividend Entitlement 28 November 2014	- Entitlement Date 26 December 2014	- Payment Date 12 January 2015	
Proposed Final and Special Dividends	- Notice of Dividend Entitlement 25 June 2015	- Entitlement Date 7 September 2015	- Payment Date 21 September 2015	

Share Performance

Closing Share Price (RM)



	2014											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Highest (RM)	23.28	22.80	23.00	21.98	21.64	21.50	20.00	19.02	19.30	20.90	21.50	23.50
Lowest (RM)	21.68	21.84	21.80	20.80	20.80	20.00	18.68	18.30	18.30	18.30	20.52	21.40
Closing Share Price (RM)	22.20	22.68	21.80	21.04	21.30	20.00	19.00	18.30	18.50	20.50	21.40	23.20
Lots Traded (100 shares)	3,093	3,326	1,182	4,154	2,037	2,224	2,282	2,184	1,675	2,362	943	6,233
	2013											
	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											
	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

Board of Directors

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1. Tan Sri Datuk Asmat
bin Kamaludin

2. Akira Nishimura

3. Razman Hafidz
bin Abu Zarim

4. Datuk Supperamaniam
a/l Manickam

5. Tan Sri Hasmah
binti Abdullah

6. Takayuki Tadano

7. Toshiro Okamoto

8. Siew Pui Ling

9. Takao Uchiyama

10. Cheng Chee Chung

11. Takemoto Yoichi

Board of Directors' Profile



**TAN SRI DATUK ASMAT
BIN KAMALUDIN**

Chairman

Aged 71. 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 80% of 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 52. Japanese. Mr 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 Nishimura joined Panasonic Corporation ("PC") 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 of PC.

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

In December 2005, Mr Nishimura was made the Manager to Human

Resources Strategy Promotion Team, Human Resources Development Office, and H.Q. of PC. He was then promoted to the position of General Manager of the Human Resources Group, Panasonic Automotive Systems Company, PC, 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 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 60. Malaysian. Encik Razman was appointed an Independent Non-Executive Director of the Company on 21 June 2004. He is the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. Encik Razman graduated with a Joint-Honours Degree in Economics and Accountancy, BSc (Econs), 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 37 years experience in the fields of leadership management, mergers and acquisitions, corporate finance, management consulting and auditing. He trained and worked with chartered accountancy firms in the UK, where he was admitted as an Audit Partner in 1987. Upon returning to Malaysia in 1989, he joined Price Waterhouse ("PW")

as an Audit Partner and was later appointed Partner-in-charge of the Management Consulting Services Practice of PW. 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. He holds independent directorships in Linde Malaysia Holdings Berhad, Hartalega 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 or any conflict of interest with the Company. Encik Razman attended all, except one, of 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 70. 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, Nomination Committee and Remuneration Committee of the Company. 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 Ministry of International Trade and Industry as Assistant Director. He served in the same ministry for 33 years and held various held positions, including Senior Trade Commissioner for Malaysia in Hong Kong and The People's Republic of China, Director of International Trade. He was appointed 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 serves as a member in several working groups and committees dealing with issues related to trade investment and economic development. 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, and Advisor to the China-ASEAN Research Institute of Guangxi University, China.

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.



**TAN SRI HASMAH BINTI
ABDULLAH**

*Independent Non-Executive
Director*

Aged 64. 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, Nomination 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. 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 also an Independent Non-Executive Director of UMW Holdings Berhad and a Commission Member of Securities Commission since 10 March 2011. She was a Tax Advisor to PricewaterhouseCoopers Malaysia for the period 1 July 2011 to 30 September 2013. She is a Fellow of the Chartered Tax Institute of Malaysia, a trustee of Malaysian Tax Research Foundation, a trustee of Dana Amal Jariah and since December 2014, an Executive Council member of the Selangor and Federal Territory Association for the Mentally Handicapped.

Tan Sri Hasmah has no shareholdings in the Company and its associated company. She also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. Tan Sri Hasmah 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 52, 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 (Guongzhou)

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 International 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.



TOSHIRO OKAMOTO
Non-Independent Non-Executive Director

Aged 56, 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 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 Councilor 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 60% of 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



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 in 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 holds 100 shares in the Company but has no shareholdings in the associated company. She also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. She attended all 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.



TAKAO UCHIYAMA

Executive Director

Aged 47. Japanese. Mr 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 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. After three years, 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 Manager. Currently, he is responsible for Corporate Planning and the Manufacturing (Appliances) functions of the Company.

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

Board of Directors' Profile



CHENG CHEE CHUNG
*Non-Independent Non-Executive
Director*

Aged 49. Malaysian. Mr Cheng Chee Chung was appointed a Non-Independent Non- Executive Director of the Company on 1 April 2015. He graduated with a Bachelor's Degree of Economics.

Mr Cheng Chee Chung joined Matsushita Industrial Corporation Sdn Bhd ("MAICO") (now known as Panasonic Appliances Air-Conditioning (M) Sdn Bhd ("PAPAMY")) in November 1989 under the Personnel Section. In October 1994, he was transferred to Domestic Sales Department, before promoted to Assistant Manager of Domestic Sales in July 1995.

In June 1998, he was promoted to Manager, International Marketing of Global Customer Satisfaction Matsushita Air-Conditioning Corp. Sdn Bhd (now known as PAPAMY). He was then transferred to Domestic Sales Department of MAICO in March 2000 before promoted to Assistant General Manager, Domestic Sales Department in June 2001.

He was transferred to Panasonic Malaysia Sdn Bhd ("PM") under Air Conditioning Division in October 2004. In December 2006, he was transferred to Home Appliances ("HA") division of PM before promoted as General Manager, HA Division in April 2007. In April 2009, he was then promoted to Associate Director, Consumer Product Marketing. After one year, he was promoted to Director, Consumer Product Sales & Aircond before promoted to Deputy Managing Director in April 2013. He was then promoted as Managing Director of PM on 1 April 2015.

Mr Cheng Chee Chung 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.



TAKEMOTO YOICHI
*Non-Independent Non-Executive
Director*

Aged 51. Japanese. Mr Takemoto was appointed a Non-Independent Non-Executive Director of the Company on 22 July 2015. He graduated with a Bachelor's Degree in 1987 from Kobe University (Faculty of Economics), Japan.

Mr Takemoto joined Matsushita Electric Industrial Co., Ltd. (now known as Panasonic Corporation) in April 1987 and in the subsequent year, he was assigned to P.T National Gobel (Indonesia) as Overseas Trainee until May 1990, where he was assigned to the Accounting Department, Ceramics Division, Matsushita Electronic Components Co., Ltd. In October 1995, he was promoted to Accounting Manager of P.T. Panasonic Gobel Electric Components (Indonesia) and was made the Senior Coordinator in April 1998 at the Accounting Department Power Supply & Inductive Division. In January 2000, he was promoted to Finance Director of Matsushita Electronic Components U.K. Ltd. He then took charge as Senior Manager of the Corporate Accounting & Finance Department of Panasonic Electronic Devices Co., Ltd. in October 2007. From the experiences gained in the overseas assignment, Mr Takemoto was promoted to the position of Councilor the Corporate Management Support Section,

Corporate Accounting Department at Panasonic Corporation Headquarters in February 2010 and was exposed to work at the Corporate Management Support Group, Corporate Strategy Division. In 2012, he undertook the role of Corporate Auditor of Panasonic Electric Works Co., Ltd., Panasonic Ecology Systems Co., Ltd., Gamba Osaka Co., Ltd., etc. and also audited the Home Appliance companies, Eco Solution companies, Automotive & Industrial Systems Companies, Industrial Device Companies, etc within the Panasonic Corporation Group. He is presently the Director cum Chief Financial Officer of Panasonic Asia Pacific Pte Ltd. overseeing the finances of the Panasonic Corporation companies in the South East Asia and Oceania region, a position held since June 2014.

Mr Takemoto has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no convictions for any offences within the past 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 is 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 recommendations of the Code during the financial year ended 31 March 2015.

THE BOARD STRUCTURE, DUTIES AND EFFECTIVENESS

Board Size, Leadership and Competencies

The current Board size of 11 members consists of 4 Independent Non-Executive Directors (including the Chairman), a Managing Director, 3 Executive Directors and 3 Non-Independent Non-Executive Directors. The composition of the Board meets the criteria on one-third independent directorship as set out in the Main Market Listing Requirements and fairly reflects the investment by minority shareholders through Independent Directors.

The Board leads the Company within a framework of prudent and effective controls. The Board comprises of members from various professions with individual personalised quality, expertise, skills and relevant market and industry knowledge and ensures at all times that necessary financial and human resources are in place for the Company to meet its strategic objectives.

The Independent Non-Executive Directors act independently from Management and do not participate in the Company’s business dealings to ensure that they handle any conflict of interest situation and all proceedings of the Board effectively through a system of independent checks and balances. There is a balance of Executive Directors and Non-Executive Directors so that no individual or small group of individuals can dominate the Board’s decision making.

The Independent Non-Executive Directors, Tan Sri Datuk Asmat bin Kamaludin, and Razman Hafidz bin Abu Zarim have each served 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.

The Company does not have a policy on diversity of gender, ethnicity and age. The appointment of Tan Sri Hasmah binti Abdullah and Ms Siew Pui Ling as Directors reflects that the Board recognises the value of lady members of the Board. The age of the Directors range from 47 to 71 as the Board believes that this creates an environment where each generation brings different skills, experience and talents to the Board.

The profile of each Director is summarised on pages 13 to 18 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 Secretary and Auditors are duly executed and documented.

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

Conduct of Meetings

The Board met five (5) times during the financial year under review to approve, amongst others, the quarterly and annual financial results, business strategies and business plans, to review business performance of the Company and to ensure that the proper internal control systems are in place. Board and Board Committees meeting papers accompanying notes and explanations for agenda items were sent to the Directors at least 7 days before the meeting. Time is allocated for Directors to raise other matters not covered by the formal agenda.

The summary of attendance of the Directors at the Board Meetings held during the financial year ended 31 March 2015 was as follows.

Name of Directors	Meeting Attendance	% of Attendance
Tan Sri Datuk Asmat bin Kamaludin	4/5	80
Akira Nishimura	5/5	100
Razman Hafidz bin Abu Zarim	4/5	80
Datuk Supperamaniam a/l Manickam	5/5	100
Toshiro Okamoto	3/5	60
Takayuki Tadano	5/5	100
Tan Sri Hasmah Binti Abdullah	5/5	100
Toshikazu Kudo (appointed on 1 July 2014 and resigned on 30 June 2015)	3/3	100
Siew Pui Ling (appointed on 4 August 2014)	3/3	100
Takao Uchiyama (appointed on 4 August 2014)	3/3	100
Raja Dato' Seri Abdul Aziz bin Raja Salim (retired on 29 August 2014)	3/3	100
Yosuke Matsunaga (resigned on 31 March 2015)	3/5	60
Mikio Matsui (resigned on 30 June 2014)	1/2	50

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

Statement On Corporate Governance

Conduct of Meetings (Cont'd)

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

Minutes of each Board and Board Committees Meeting are circulated to Chairman of Meeting for perusal prior to confirmation of the minutes at the following meetings.

Directors' Continuing Education

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

During the financial year, the 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		
	• Advocacy Session on Corporate Disclosure	6 May 2014	1 day
	• Dialogue Session with Nomination Committee (NC) Members	20 May 2014	1 day
	• Global Competitiveness and the Malaysian Experience	8 September 2014	1 day
	• Investment Series	10 October 2014	1 day
	• Annual Report 2014/ Financial Stability and Payment Systems Report 2014 briefing session.	11 March 2015	1 day
	• Predicting Financial Crime – Detection Prevention and Remediation	1 April 2015	1 day
	• Seminar Kelestarian Integriti	14 April 2015	1 day
	• Light and Shadow in the Boardroom: Reflections on Board Evaluation and Development	12 May 2015	1 day
2.	Datuk Supperamaniam a/l Manickam		
	• Nominating Committee Programme 2: Effective Board Evaluation	18 November 2014	1 day
3.	Razman Hafidz bin Abu Zarim		
	• Business & Human Capital Strategies	6 May 2014	1 day
	• Behavioural Issues and C Suites Assessments	8 May 2014	1 day
	• Leadership Energy Summit Asia	1-2 October 2014	2 days
	• An Evening with Jane Goodhall: Fund Raising for Charities	29 January 2015	½ day
4.	Tan Sri Hasmah Binti Abdullah		
	• CDAP 2014 - Financial Language in the Boardroom	9-10 June 2014	2 days
	• CDAP 2014 - Ethics in Business - Creating Sustainable Value	11-12 August 2014	2 days
	• Appreciation and Application of ASEAN Corporate Governance Scorecard	7 October 2014	1 day
	• Women Director Convention – Leveraging Diversity for Performance	9 December 2014	1 day
	• National GST Conference 2015	20 January 2015	1 day
	• UMCORS Public Lecture – Competition Law and Corporate Governance : Can They Co-Exist	24 February 2015	1 day

Statement On Corporate Governance

No.	Continuing Education Programme Attended	Date Attended	Duration
5.	Toshikazu Kudo		
	Mandatory Accreditation Programme	10 & 11 September 2014	1 ½ days
6.	Siew Pui Ling		
	Mandatory Accreditation Programme	19 & 20 November 2014	1 ½ days
7.	Takao Uchiyama		
	Mandatory Accreditation Programme	19 & 20 November 2014	1 ½ days

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.	Razman Hafidz bin Abu Zarim (Chairman) (re-designated as Chairman on 1 September 2014)	Independent Non-Executive Director
2.	Datuk Supperamaniam a/l Manickam (Member)	Independent Non-Executive Director
3.	Tan Sri Hasmah binti Abdullah (Member) (appointed as member on 1 September 2014)	Independent Non-Executive Director
4.	Raja Dato' Seri Abdul Aziz bin Raja Salim (retired on 29 August 2014)	Independent Non-Executive Director

The Nomination Committee is entitled to the services of the Company Secretary who would ensure that all appointments are properly made upon obtaining all necessary information from the Directors. All the assessments and evaluations carried out during the year was properly documented and minuted by the Company Secretary.

Further details on the duties and activities of the Nomination Committee is set out in the Nomination Committee Report.

Statement On Corporate Governance

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 Directors over 70 years old who wishes to continue his office before making recommendation to the Board

Remuneration Committee

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

No.	Name	Designation
1.	Razman Hafidz bin Abu Zarim (Chairman) (re-designated as Chairman on 1 September 2014)	Independent Non-Executive Director
2.	Takayuki Tadano	Executive Director
3.	Tan Sri Hasmah Binti Abdullah	Independent Non-Executive Director
4.	Datuk Supperamaniam a/l Manickam (Member)	Independent Non-Executive Director
5.	Raja Dato' Seri Abdul Aziz bin Raja Salim (retired on 29 August 2014)	Independent Non-Executive Director

At a meeting held on 23 May 2014 the Remuneration Committee made a recommendation to the Board for payment of Directors' fees not exceeding RM383,900 in aggregate for the financial year ended 31 March 2015 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 of 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.

Directors' Remuneration

The details of the remuneration of the Directors of the Company for the financial year ended 31 March 2015 are as follows:

Descriptions	Executive Director RM	Non-Executive Director RM	Total RM
Fees	-	344,209.00	344,209.00
Meeting allowance	-	51,000.00	51,000.00
Salary and other remuneration	2,110,050.23	-	2,110,050.23
Benefits-in-kind (BIK)	168,371.99	-	168,371.99
Total	2,278,422.22	395,209.00	2,673,631.22
Total (excluding BIK)	2,110,050.23	395,209.00	2,505,259.23

Statement On Corporate Governance

The remuneration of the Directors for the financial year ended 31 March 2015 within the following bands are as follows:

Range of Remuneration	Executive Director	Non-Executive Director	Total
RM0 to RM50,000	0	1	1
RM50,001 to RM100,000	0	4	4
RM150,001 to RM200,000	1	0	1
RM200,001 to RM250,000	1	0	1
RM550,001 to RM600,000	2	0	2
RM700,001 to RM750,000	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 27 May 2015.

Nomination Committee Report

The Board of Directors of the Company ("the Board") is pleased to present the Nomination Committee Report for the financial year ended 31 March 2015.

COMPOSITION

The composition of the Nomination Committee comprise entirely of Independent Non-Executive Directors, as follows:

No.	Name of Nomination Committee Member	No. of Meetings Attended
1.	Razman Hafidz bin Abu Zarim (appointed Chairman on 1.09.2014) (Independent Non-Executive Director)	3/3
2.	Datuk Supperamaniam a/l Manickam (Member) (Independent Non-Executive Director)	3/3
3.	Tan Sri Hasmah Binti Abdullah (Member) (Independent Non-Executive Director) (was appointed on 1.09.2014)	1/1
4.	Raja Dato' Seri Abdul Aziz bin Raja Salim (retired as Chairman on 29.08.2014) (Independent Non-Executive Director)	2/2

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

FUNCTIONS

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

- 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.

The Nomination Committee met three (3) times during the financial year ended 31 March 2015.

ACTIVITIES OF THE NOMINATION COMMITTEE

During the financial year ended 31 March 2015, the Nomination Committee, in discharging its functions and duties, carried out the following activities:-

- reviewed the mix of skill and experience and other qualities of the Board;
- assessed the effectiveness of the Board as a whole, the Board committees and the Directors;
- discussed and recommended the appointment of new directors and re-election/re-appointment of retiring Directors; and
- discussed and recommended the changes in composition of the Audit Committee, Nomination Committee and Remuneration Committee.

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 22 May 2015 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, the Board Committees as well as individual Directors. 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.

Nomination Committee Report

Evaluation of Performance, Mix of Skills, Experience and Qualities (Cont'd)

From the annual assessment, the Nomination Committee was satisfied that all the Executive, Non-Executive and Independent Directors on the Board possess sufficient qualification to remain on the Board.

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 Directors over 70 years old who wish to continue his office before making recommendation to the Board.

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 2015.

COMPOSITION

The composition of the Audit Committee comprise only of Non-Executive Directors, majority of whom are 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 2015 are as follows:

No.	Name of Audit Committee Member	No. of Meetings Attended
1.	Razman Hafidz bin Abu Zarim (Chairman) (Independent Non-Executive Director) (redesignated as Chairman on 1.09.2014)	9/9
2.	Datuk Supperamaniam a/l Manickam (Member) (Independent Non-Executive Director)	9/9
3.	Tan Sri Hasmah Binti Abdullah (Member) (Independent Non-Executive Director)	9/9
4.	Toshiro Okamoto (Member) (Non-Independent Non-Executive Director) (was appointed on 30.06.2014)	3/6
5.	Raja Dato' Seri Abdul Aziz bin Raja Salim (Independent Non-Executive Director) (retired on 29.08.2014)	4/5

The current Audit Committee comprises of 3 Independent Non-Executive Directors and 1 Non-Independent Non-Executive Director. The Chairman of the Audit Committee, Encik Razman is a member 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 nine (9) Audit Committee Meetings held during the financial year ended 31 March 2015. The Managing Director, Executive Director, Assistant Director, Finance, 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 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 2015 amounted to RM38,800.00.

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 2015 and recommended to the Board for approval.
3. Discussion on the Annual Audit Plan and the External Auditors' Report to the Audit Committee for the financial year ended 31 March 2015.
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 the 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 2 Risk Management Reports for the financial year ended 31 March 2015 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 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.
11. Review of the Statement on Risk Management & Internal Control and Audit Committee Report prior to the Board's approval for inclusion in the Company's Annual Report.
12. Made recommendations to the Board on the re-appointment of the External Auditors.
13. Discussion on Summary of Assessment on the Performance and Effectiveness of Audit Committee and its members.
14. Discussion of the Investigative Report.
15. Reviewed and recommended to the Board on the appointment of new service provider for Internal Audit function.

Statement On Risk Management and Internal Control

In accordance with Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), the Board of Directors of listed companies is required to include in their annual report, a “statement about the state of internal control of the listed issuer as a company”. In addition, the revised Malaysian Code on Corporate Governance 2012 issued by Securities Commission Malaysia requires the board to establish a sound risk management framework and internal control system. The Board of Directors is pleased to provide the following statement that is prepared in accordance with the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” endorsed by Bursa Securities which outlines the nature and scope of the risk management and internal control of the Company during the financial year under review.

BOARD RESPONSIBILITIES

The Board 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 assist the Board in ensuring that the Company’s daily operations are performed in accordance with the corporate objectives, strategies and the annual budget as well as the policies and business directions that have been approved.
- The Audit Committee assists the Board to review the adequacy and integrity of the system of internal control and to ensure that an appropriate mix of techniques is used to obtain the level of assurance required by the Board. The Audit Committee reviews the internal control issues identified by the Internal Auditors, the External Auditors, regulatory authorities and management, and evaluate the adequacy and effectiveness of the risk management and system of internal control. The Audit Committee also reviews the Internal Audit functions with particular emphasis on the scope of audits and the competency as well as performance. The minutes of the Audit Committee Meetings are circulated and tabled at each Board Meeting on a quarterly basis. Further details of the activities undertaken by the Audit Committee are set out in the Audit Committee Report on page 28 to 30 of the Annual Report.
- The Internal Audit function has been outsourced to external service providers to provide independent assurance and consulting activities and serves to assist the Company in achieving its objectives. The function had been outsourced to Lefis Consulting Sdn Bhd (“Lefis”) for period from the beginning of the financial year until 22nd September 2014. Thereafter, the Company appointed Deloitte Enterprise Risk Services Sdn. Bhd. to continue the internal audit function to cover from 1st October 2014 until the financial year end.
- 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.

Statement On Risk Management and Internal Control

KEY PROCESSES OF THE SYSTEM OF INTERNAL CONTROL (CONT'D)

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

- Local Procurement of Parts – Vacuum Cleaner Department
- Technical Assistance Fee & Brand License Fee

Lefis Consulting Sdn Bhd also conducted follow-up audits on review of controls over

- Human Resource- Payroll
- Local Procurement of Parts (Home Shower & Kitchen Appliances Departments)

During the second half year under review, Deloitte has been engaged to perform a review of PMMA's existing procurement process.

Internal audits are carried out according to the Audit Plan approved by the Audit Committee. The resulting reports from the audits undertaken are presented to the Audit Committee at its regular meetings. The Audit Committee meets to review, discuss and direct actions on matters pertaining to reports which, among other matters, include findings relating to the adequacy and integrity of the internal control systems of the Company. After the Audit Committee has deliberated on the reports, these are then forwarded to the operational management for attention and necessary actions. The operational management is responsible for ensuring recommended corrective actions on reported weaknesses are taken within the required time frame.

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.

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 outsourced to the external service provider, who assists the Board to oversee the overall management of principal areas of risks of the Company.
- The Audit Committee is briefed periodically by the external service provider on the Company's Risk Management Program and its activities in the Audit Committee meeting.
- The risks identified by the Management are profiled using the Risk & Control Assessment Scorecard ("RCAS") with specific risk profile and action plans for mitigating the identified risks. The RCAS is reported to the Audit Committee on a quarterly basis pertaining to the Company's risk management program and its activities.

Statement On Risk Management and Internal Control

ENTERPRISE RISK MANAGEMENT PROCESS (CONT'D)

- Management committees have also been established with appropriate empowerment to ensure effective management and supervision of the Company's core areas of business operations. These Committees include the Information Security Management Working Committee, Quality Committee, Safety & Health and Fire Prevention Committee and "Cost Buster" Committee.
- The Company's business units monitor and explain performance against budgets on a monthly basis at the monthly operation meetings, factory management review meetings, quality assurance review meetings and cost innovation meetings attended by the Directors and Senior Management of the Company. Comprehensive monthly financial and management reports are prepared for effective monitoring and decision making. The monitoring of performance variances are followed up and management actions are taken to rectify any deviations on a timely and effective manner.
- The Company's policies, and rules and regulations incorporating control procedures are available in the Company's intranet site, which are revised periodically to meet changing business, operational and statutory reporting needs.
- Accounting manuals are in place towards ensuring that the recordings of financial transactions are complete and accurate.

During the financial year under review, the Company discovered that there were certain control overrides by specific individuals and unethical acts were detected. An investigation process was undertaken by the Company with the aid of audit and legal advisors, and appropriate disciplinary action have been taken against these individuals. The Company's internal investigation reports have been extended to the relevant authorities. Arising from this, the Company has conducted a thorough review of its internal control system and have put in place improvements to control processes to reduce and ultimately eradicate the recurrence of such control overrides. The Board has assessed this deficiency and is satisfied that the previously issued financial statements are still true and fair and no re-statement is necessary.

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 issuance of the financial statements for inclusion in the annual report, the Board has received assurance from the Managing Director and Finance Director that other than a deficiency noted in one of the operation process, 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 and there were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies during the financial year requiring disclosure in the Annual Report.

The Board'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 member firms were RM1,686,257.

(7) Variation in Results

There were no variances between the audited results for the financial year ended 31 March 2015 and the unaudited results announced to Bursa Malaysia Securities Berhad on 27 May 2015. 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.

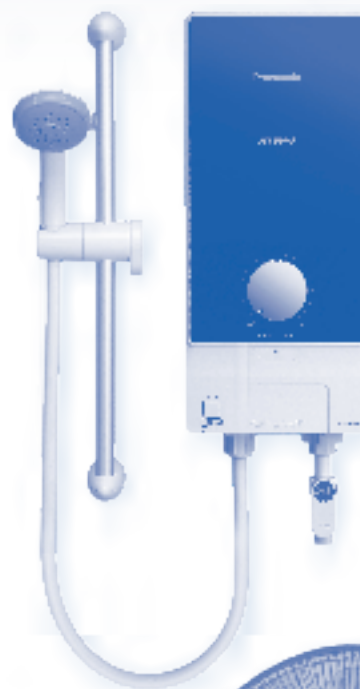
(9) Material Contracts

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 2015.

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	99,538	93,388

DIVIDENDS

The amount of dividends on ordinary shares paid or declared by the Company since 31 March 2014 are as follows:

	RM'000
(a) In respect of the financial year ended 31 March 2014:	
A final single tier dividend of 35 sen per ordinary share of RM1.00 paid on 22 September 2014	21,261
A special single tier dividend of 23 sen per ordinary share of RM1.00 paid on 22 September 2014	13,971
(b) In respect of the financial year ended 31 March 2015:	
An interim single tier dividend of 15 sen per ordinary share of RM1.00 paid on 12 January 2015	9,112
	44,344

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 2015.

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.

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
 Razman Hafidz bin Abu Zarim
 Datuk Supperamaniam a/l Manickam
 Tan Sri Hasmah binti Abdullah
 Akira Nishimura
 Toshiro Okamoto
 Takayuki Tadano
 Toshikazu Kudo
 Siew Pui Ling
 Takao Uchiyama
 Cheng Chee Chung
 Mikio Matsui
 Raja Dato' Seri Abdul Aziz bin Raja Salim
 Yosuke Matsunaga

(Appointed on 1 July 2014)
 (Appointed on 4 August 2014)
 (Appointed on 4 August 2014)
 (Appointed on 1 April 2015)
 (Resigned on 30 June 2014)
 (Retired on 29 August 2014)
 (Resigned on 31 March 2015)

Directors' Report

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

In accordance with Article 102 of the Company's Articles of Association, Cheng Chee Chung, retires under casual vacancy at the forthcoming Annual General Meeting, and being eligible, offers himself for re-election.

In accordance with Section 129 of the Companies Act, 1965, Tan Sri Datuk Asmat bin Kamaludin and Datuk Supperamaniam a/l Manickam, retire at the forthcoming Annual General Meeting. They offers themselves 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 date of appointment	Acquired	Disposed	At 31.3.2015
Siew Pui Ling	0	100	0	100

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

	Number of PC common stock			
	At 1.4.2014/ Date of appointment	Acquired	Disposed	At 31.3.2015
Akira Nishimura	5,000	0	0	5,000
Yosuke Matsunaga	14,706	543	0	15,249
Toshikazu Kudo	15,242	0	0	15,242

None of the other Directors in office at the end of the financial year held any interest in the 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
- 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.

Directors' Report

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

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

ULTIMATE HOLDING CORPORATION

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

In accordance with a resolution of the Board of Directors dated 27 May 2015.



TAN SRI DATUK ASMAT BIN KAMALUDIN
DIRECTOR



AKIRA NISHIMURA
DIRECTOR

Statements of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	Combined Entity		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	4	931,020	899,211	931,020	899,211
Cost of sales		(750,365)	(742,701)	(750,365)	(742,701)
Gross profit		180,655	156,510	180,655	156,510
Other operating income		24,446	22,795	27,631	25,980
Distribution and marketing costs		(51,182)	(55,331)	(51,182)	(55,331)
Administrative expenses		(32,027)	(26,163)	(32,027)	(26,163)
Other operating expenses		(1,394)	(1,716)	(1,394)	(1,716)
Profit from operations	5	120,498	96,095	123,683	99,280
Share of results of associated company (net of tax)		9,335	9,104	0	0
Profit before taxation		129,833	105,199	123,683	99,280
Taxation	7	(30,295)	(24,414)	(30,295)	(24,892)
Net profit for the financial year		99,538	80,785	93,388	74,388
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income for the financial year		99,538	80,785	93,388	74,388
Earnings per share (sen)					
– basic/diluted	8	164	133	154	122

Statements of Financial Position

AS AT 31 MARCH 2015

		Combined Entity		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	10	55,858	67,555	55,858	67,555
Interest in associated company	11	145,416	139,266	2,000	2,000
Deferred taxation	12	13,554	17,107	13,554	17,107
		214,828	223,928	71,412	86,662
CURRENT ASSETS					
Inventories	13	47,901	26,292	47,901	26,292
Trade and other receivables	14	64,244	60,501	64,244	60,501
Derivative financial instruments	15	306	255	306	255
Fixed deposits	16	575,033	519,647	575,033	519,647
Cash and bank balances	16	917	504	917	504
		688,401	607,199	688,401	607,199
Total assets		903,229	831,127	759,813	693,861
EQUITY					
Capital and reserves attributed to equity holders					
Share capital	17	60,746	60,746	60,746	60,746
Retained earnings	18	657,716	602,522	514,300	465,256
Total equity		718,462	663,268	575,046	526,002
LIABILITIES					
NON-CURRENT LIABILITY					
Provision for liabilities and charges	19	205	198	205	198
		205	198	205	198
CURRENT LIABILITIES					
Trade and other payables	20	159,094	139,860	159,094	139,860
Provision for liabilities and charges	19	14,134	19,757	14,134	19,757
Derivative financial instruments	15	4,444	93	4,444	93
Taxation		6,890	7,951	6,890	7,951
		184,562	167,661	184,562	167,661
Total liabilities		184,767	167,859	184,767	167,859
Total equity and liabilities		903,229	831,127	759,813	693,861

Combined Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

		Issued and fully paid ordinary shares of RM1 each		Retained earnings	Total
	Note	Number of shares '000	Nominal value RM'000	RM'000	RM'000
Combined Entity					
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
At 1 April 2014		60,746	60,746	602,522	663,268
Total comprehensive income for the financial year		0	0	99,538	99,538
Transactions with owners					
Dividends:					
- Final dividend for the financial year ended 31 March 2014	9	0	0	(21,261)	(21,261)
- Special dividend for the financial year ended 31 March 2014	9	0	0	(13,971)	(13,971)
- Interim dividend for the financial year ended 31 March 2015	9	0	0	(9,112)	(9,112)
		0	0	(44,344)	(44,344)
At 31 March 2015		60,746	60,746	657,716	718,462

Company Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

		Issued and fully paid ordinary shares of RM1 each		Distributable	
		Number of shares	Nominal value	Retained earnings	Total
	Note	'000	RM'000	RM'000	RM'000
Company					
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
At 1 April 2014		60,746	60,746	465,256	526,002
Total comprehensive income for the financial year		0	0	93,388	93,388
Transactions with owners					
Dividends:					
- Final dividend for the financial year ended 31 March 2014	9	0	0	(21,261)	(21,261)
- Special dividend for the financial year ended 31 March 2014	9	0	0	(13,971)	(13,971)
- Interim dividend for the financial year ended 31 March 2015	9	0	0	(9,112)	(9,112)
		0	0	(44,344)	(44,344)
At 31 March 2015		60,746	60,746	514,300	575,046

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Combined Entity		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the financial year	99,538	80,785	93,388	74,388
Adjustments:				
Property, plant and equipment				
- depreciation	25,433	27,173	25,433	27,173
- write offs	351	67	351	67
- loss on disposal	1,145	745	1,145	745
Movement in provision of liabilities and charges	(2,266)	7,346	(2,266)	7,346
Dividend income from associated company (gross)	0	0	(3,185)	(3,185)
Interest income	(19,273)	(16,269)	(19,273)	(16,269)
Taxation	30,295	24,414	30,295	24,892
Share of results of associated company	(9,335)	(9,104)	0	0
Net unrealised foreign exchange gain	(1,692)	(527)	(1,692)	(527)
Fair value loss/(gain) on derivative financial instruments	4,300	(533)	4,300	(533)
	128,496	114,097	128,496	114,097
CHANGES IN WORKING CAPITAL				
Inventories	(21,609)	(4,781)	(21,609)	(4,781)
Trade and other receivables	(3,356)	15,472	(3,356)	15,472
Trade and other payables	19,234	12,820	19,234	12,820
Cash generated from operations	122,765	137,608	122,765	137,608
Taxation paid	(27,803)	(23,376)	(27,803)	(23,376)
Rework cost paid	(1,798)	(1,303)	(1,798)	(1,303)
Warranty paid	(1,451)	(2,928)	(1,451)	(2,928)
Employee welfare scheme paid	(101)	(315)	(101)	(315)
Retirement gratuity scheme paid	0	(2)	0	(2)
Net cash flow generated from operating activities	91,612	109,684	91,612	109,684

Statements of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	Combined Entity		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(15,340)	(25,609)	(15,340)	(25,609)
Proceeds from disposal of property, plant and equipment		108	1,361	108	1,361
Interest received		18,886	16,225	18,886	16,225
Dividends received (net)		3,185	2,707	3,185	2,707
Net cash flow generated from/(used in) investing activities		6,839	(5,316)	6,839	(5,316)
CASH FLOWS FROM FINANCING ACTIVITY					
Dividends paid		(44,344)	(85,652)	(44,344)	(85,652)
Net cash flow used in financing activity		(44,344)	(85,652)	(44,344)	(85,652)
NET CHANGE IN CASH AND CASH EQUIVALENTS		54,107	18,716	54,107	18,716
CURRENCY TRANSLATION DIFFERENCES		1,692	1,059	1,692	1,059
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		520,151	500,376	520,151	500,376
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	16	575,950	520,151	575,950	520,151

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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 27 May 2015.

A BASIS OF PREPARATION

The financial statements of the Combined Entity and the Company 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 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.

B STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS

(i) The new accounting standards, amendments and improvements to published standards and interpretations that are effective for the Combined Entity's and the Company's financial year beginning on or after 1 April 2014 are as follows:

- Amendments to MFRS 132 'Offsetting Financial Assets and Financial Liabilities'
- Amendments to MFRS 136 'Recoverable Amount Disclosures for Non-Financial Assets'
- Amendments to MFRS 139 'Novation of Derivatives and Continuation of Hedge Accounting'
- Amendments to MFRS 10, MFRS 12 and MFRS 127 'Investment entities'
- IC Interpretation 21 'Levies'

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:

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2014. None of these is expected to have a significant effect on the financial statements of the Combined Entity and the Company, except the following set out below:

- Amendments to MFRS 116 'Property, plant and equipment' and MFRS 138 'Intangible assets' (effective from 1 January 2016) clarify that the use of revenue based methods to calculate the depreciation and amortisation of an item of property, plant and equipment and intangible are not appropriate. This is because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The amendments to MFRS 138 also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption can be overcome only in the limited circumstances where the intangible asset is expressed as a measure of revenue or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

B 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: (cont'd)

- Amendments to MFRS 10 and MFRS 128 regarding sale or contribution of assets between an investor and its associate or joint venture (effective from 1 January 2016) resolve a current inconsistency between MFRS 10 and MFRS 128. The accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business'. Full gain or loss shall be recognised by the investor where the non-monetary assets constitute a 'business'. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor to the extent of the other investors' interests. The amendments will only apply when an investor sells or contributes assets to its associate or joint venture. They are not intended to address accounting for the sale or contribution of assets by an investor in a joint operation.
- MFRS 9 'Financial Instruments' (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement". The complete version of MFRS 9 was issued in November 2014.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with a irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. 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.

MFRS 9 introduces an expected credit loss model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

- MFRS 15 'Revenue from contracts with customers' (effective from 1 Jan 2017) deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces MFRS 118 'Revenue' and MFRS 111 'Construction contracts' and related interpretations.

The Combined Entity and the Company is in the process of assessing the full impact of the above standards, amendments to published standards and interpretations on the financial statements of the Combined Entity and the Company in the year of initial application.

C CURRENCY TRANSLATION

- (i) Functional and presentation currency

Items included in the financial statements of each of the Combined Entity and the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Combined Entity's and the Company's functional and presentation currency.

- (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

C CURRENCY TRANSLATION (CONT'D)

All foreign exchange gains and losses are presented in profit or loss within the non-operating income or expenses.

D ASSOCIATED COMPANY

Associates are all entities over 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 using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

The Company's share of post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an 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.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Company and its associate are recognised in the Company's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by 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 at initial recognition.

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

Financial assets held for trading are categorised as financial assets at fair value through profit or loss. Financial assets held for trading are assets that are acquired or incurred principally for the purpose of selling or repurchasing it in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges (Note I). Derivatives 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 'cash and cash equivalents', 'trade and other receivables', 'amounts due from related companies' and 'amounts due from associated company' (Note 16 and 14).

(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.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

E FINANCIAL ASSETS (CONT'D)

(c) Subsequent measurement – gains and losses

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

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

(d) Subsequent measurement - impairment of financial assets

(i) Assets carried at amortised cost

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

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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 profit or loss.

If 'loans and receivables' has 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 has transferred substantially all risks and rewards of ownership.

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.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

F FINANCIAL LIABILITIES (CONT'D)

(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.

The Combined Entity and the Company has not designated any financial liabilities as at fair value through profit or loss.

(ii) Other financial liabilities

The Combined Entity's and the Company's other financial liabilities include trade and other payables and provision for liabilities and charges.

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 derecognised, and through the amortisation process.

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

G OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

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 the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with accounting policy set out in Note E and Note F.

J PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Combined Entity and the Company and the cost of the item can be measured reliably.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

J PROPERTY, PLANT AND EQUIPMENT (CONT'D)

All others repairs and maintenance are recognised as expenses in profit or loss during the financial year in which they are incurred.

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

Buildings	2 1/2% - 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 the end of the reporting period.

At the end of the reporting period, the Combined Entity and the Company assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the 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.

M CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. 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 (net of any incentives received from the lessor) are charged to profit or loss on the straight line basis over the lease period.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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 predetermined 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.

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 tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from 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 tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

Q CURRENT AND DEFERRED INCOME TAX (CONT'D)

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 liability is recognised for all taxable temporary differences associated with 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 and 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. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- (i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (ii) management intends to complete the intangible asset and use or sell it;
- (iii) there is an ability to use or sell the intangible asset;
- (iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;
- (v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- (vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

T EMPLOYEE BENEFITS

(i) Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period 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 (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees 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 recognise termination benefits at the earlier of the following dates:

- (a) when the Combined Entity and the Company can no longer withdraw the offer of those benefits; and
- (b) when the Combined Entity and the Company recognise costs for a restructuring that is within the scope of MFRS 137 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy under the Employees Welfare Scheme, the benefits are measured based on the number of employees expected to accept the offer.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

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 2015

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 Combined Entity's and 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) 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 (including foreign 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. The Combined Entity and the Company uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central treasury department (the Combined Entity and the Company treasury) under policies approved by the Board of Directors. The treasury identifies, evaluates and hedges financial risks in close co-operation with 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

3.1 FINANCIAL RISK FACTORS (CONT'D)

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

The 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, Japanese Yen, Singapore Dollar, and Euro. The Combined Entity and the Company uses forward contracts, transacted with a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd. to mitigate foreign exchange risk of highly probable forecasted transactions, such as anticipated future export sales, purchase of equipment and raw materials, as well as payment of services and other related 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 following table demonstrates the sensitivity of the US Dollar, Japanese Yen, Singapore Dollar, and Euro had changed against Ringgit Malaysia by a reasonable possible change as of 31 March 2015 of 10.52% (2014: 5%) respectively with all other variables including tax rate being held constant, post-tax profit of the Combined Entity and the Company would have been changed as a result of foreign exchange gains/(losses).

	2015		2014	
	Strengthen RM'000	Weaken RM'000	Strengthen RM'000	Weaken RM'000
Combined Entity and Company				
US dollar against Ringgit Malaysia	1,417	(1,417)	915	(915)
Japanese Yen against Ringgit Malaysia	(553)	553	(102)	102
Singapore dollar against Ringgit Malaysia	(102)	102	(21)	21
Euro against Ringgit Malaysia	130	(130)	168	(168)

(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.

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 nonperformance by the majority of these financial institutions is remote on the basis of their financial strength.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

3.1 FINANCIAL RISK FACTORS (CONT'D)

(b) Credit risk (Cont'd)

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 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 Central (Malaysia) Sdn. Bhd.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet the obligations as and when they fall due. The 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 2015</u>				
<u>Combined Entity and Company</u>				
Payables	159,094	0	0	0
Gross settled derivative financial Instruments- outflows	(79,822)	0	0	0
Gross settled derivative financial Instruments- inflows	75,597	0	0	0
	154,869	0	0	0
<u>At 31 March 2014</u>				
<u>Combined Entity and Company</u>				
Payables	139,860	0	0	0
Gross settled derivative financial Instruments- outflows	(10,923)	0	0	0
Gross settled derivative financial Instruments- inflows	10,992	0	0	0
	139,929	0	0	0

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 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.

The fair value of forward foreign currency exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.

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 2015</u>				
<u>Combined Entity and Company</u>				
Financial asset				
Derivative financial instruments:				
- forward foreign currency exchange contracts	0	306	0	306
Financial liability				
Derivative financial instruments:				
- forward foreign currency exchange contracts	0	4,444	0	4,444
<u>At 31 March 2014</u>				
<u>Combined Entity and Company</u>				
Financial asset				
Derivative financial instruments:				
- forward foreign currency exchange contracts	0	255	0	255
Financial liability				
Derivative financial instruments:				
- forward foreign currency exchange contracts	0	93	0	93

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

4 REVENUE

	Combined Entity and Company	
	2015 RM'000	2014 RM'000
Sales of goods	931,020	899,211

5 PROFIT FROM OPERATIONS

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

	Combined Entity		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Auditors' remuneration				
- fees for statutory audits	120	120	120	120
- fees for audit related services	520	20	520	20
- fees for other services				
- member firms of PwC Malaysia	1,166	37	1,166	37
Directors' remuneration (Note 6)	2,505	2,315	2,505	2,315
Direct materials cost	586,735	570,231	586,735	570,231
Property, plant and equipment:				
- depreciation	25,433	27,173	25,433	27,173
- write offs	351	67	351	67
- loss on disposal	1,145	745	1,145	745
Staff costs:				
- salaries, bonus and other employee benefits	107,088	101,272	107,088	101,272
- defined contribution retirement plan	7,291	6,869	7,291	6,869
	114,379	108,141	114,379	108,141
Technical assistance fees	27,158	26,122	27,158	26,122
Research expenses	672	9,015	672	9,015
Rental expenses	715	770	715	770
Fair value loss/(gain) on derivative financial instruments	4,300	(533)	4,300	(533)
Foreign exchange:				
- net realised loss	3,763	1,054	3,763	1,054
- net unrealised gain	(1,692)	(527)	(1,692)	(527)
Provision for liabilities and charges	(2,442)	7,193	(2,442)	7,193
Interest income	(19,273)	(16,269)	(19,273)	(16,269)
Dividend income from associated company (gross)	0	0	(3,185)	(3,185)

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

6 DIRECTORS' REMUNERATION

Non-Executive Directors:

Tan Sri Datuk Asmat bin Kamaludin	
Razman Hafidz bin Abu Zarim	
Datuk Supperamaniam a/l Manickam	
Tan Sri Hasmah binti Abdullah	
Toshiro Okamoto	
Toshikazu Kudo	(Appointed on 1 July 2014)
Mikio Matsui	(Resigned on 30 June 2014)
Raja Dato' Seri Abdul Aziz bin Raja Salim	(Retired on 29 August 2014)
Yosuke Matsunaga	(Resigned on 31 March 2015)

Executive Directors:

Takayuki Tadano	
Akira Nishimura	
Siew Pui Ling	(Appointed on 4 August 2014)
Takao Uchiyama	(Appointed on 4 August 2014)

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	
	2015 RM'000	2014 RM'000
Non-Executive Directors:		
- fees	344	306
- others	51	28
Executive Directors:		
- salaries, bonus and other remuneration	2,058	1,906
- defined contribution retirement plan	52	75
	2,505	2,315

The estimated monetary value of benefits provided to Executive Directors during the financial year amounted to RM168,372 (2014: RM123,045).

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

7 TAXATION

	Combined Entity		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Current taxation:				
- current financial year	26,418	26,224	26,418	26,702
- under accrual in prior financial years	324	315	324	315
	26,742	26,539	26,742	27,017
Deferred taxation (Note 12):				
- relating to origination and reversal of temporary differences	3,553	(2,125)	3,553	(2,125)
	30,295	24,414	30,295	24,892

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

	Combined Entity		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	129,833	105,199	123,683	99,280
Tax calculated at the Malaysian tax rate of 25% (2014: 25%)	32,459	26,300	30,921	24,820
Tax effects of:				
- expenses not deductible for tax purposes	2,206	1,600	2,206	1,600
- tax incentives	(2,360)	(1,392)	(2,360)	(1,392)
- income not subject to tax	0	(133)	(796)	(451)
- tax effect of associated company	(2,334)	(2,276)	0	0
- under accrual of current tax in prior financial years	324	315	324	315
	30,295	24,414	30,295	24,892

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

	Combined Entity		Company	
	2015	2014	2015	2014
Net profit for the financial year attributable to equity holders (RM'000)	99,538	80,785	93,388	74,388
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)	164	133	154	122

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

9 DIVIDENDS PER SHARE

Dividends recognised in respect of the financial year are as follows:

	2015		2014	
	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 2014, paid on 27 December 2013	0	0	15	6,834
Final single tier dividend, for the financial year ended 31 March 2014, paid on 22 September 2014	0	0	35	21,261
Special single tier dividend, for the financial year ended 31 March 2014, paid on 22 September 2014	0	0	23	13,971
Interim single tier dividend, for the financial year ended 31 March 2015, paid on 12 January 2015	15	9,112	0	0
	15	9,112	73	42,066

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 2015.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

10 PROPERTY, PLANT AND EQUIPMENT

	Balance as at 1.4.2014 RM'000	Additions RM'000	Reclassi- fication RM'000	Disposals RM'000	Write off RM'000	Depreciation charge RM'000	Balance as at 31.3.2015 RM'000
<u>Combined Entity and Company</u>							
<u>Net book value</u>							
Leasehold land	6,250	0	0	0	0	(76)	6,174
Buildings	7,626	0	0	0	0	(1,355)	6,271
Plant and machinery	42,655	12,192	0	0	(218)	(20,107)	34,522
Furniture, fittings and equipment	8,270	2,313	0	0	(133)	(3,276)	7,174
Motor vehicles	1,501	835	0	0	0	(619)	1,717
Construction in progress	1,253	0	0	(1,253)	0	0	0
	67,555	15,340	0	(1,253)	(351)	(25,433)	55,858

	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>							
Leasehold land	6,326	0	0	0	0	(76)	6,250
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
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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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 2015</u>			
Leasehold land	7,566	(1,392)	6,174
Buildings	57,862	(51,591)	6,271
Plant and machinery	260,435	(225,913)	34,522
Furniture, fittings and equipment	49,345	(42,171)	7,174
Motor vehicles	5,439	(3,722)	1,717
	380,647	(324,789)	55,858
<u>At 31 March 2014</u>			
Leasehold land	7,566	(1,316)	6,250
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
Construction in progress	1,253	0	1,253
	397,680	(330,125)	67,555

11 INTEREST IN ASSOCIATED COMPANY

	Combined Entity		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest in associated company	145,416	139,266	2,000	2,000

Set out below is the associate of the Company as at 31 March 2015, which, in the opinion of the Directors, is material to the Company. The associate as listed below has share capital consisting solely of ordinary shares, which are held directly by the Company.

Name of entity	Place of business/ Country of incorporation	% of ownership interest	Nature of the relationship	Measurement method
Panasonic Malaysia Sdn.Bhd.	Malaysia	40	Associate	Equity

The Company holds a 40% (2014: 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

11 INTEREST IN ASSOCIATED COMPANY (CONT'D)

(a) Summarised financial information for associated company

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

(i) Summarised statement of financial position of the associated company:

	2015 RM'000	2014 RM'000
<u>Current</u>		
Cash and cash equivalent	426,548	374,214
Other current assets (excluding cash)	148,889	183,051
Total current assets	575,437	557,265
Financial liabilities (excluding trade payables)	(1,381)	(682)
Other current liabilities (including trade payables)	(260,068)	(258,254)
Total current liabilities	(261,449)	(258,936)
<u>Non-current</u>		
Assets	59,322	59,095
Financial liabilities	(1,531)	(815)
Other liabilities	(8,238)	(8,443)
Total non-current liabilities	(9,769)	(9,258)
Net assets	363,541	348,166

(ii) Summarised statement of comprehensive income of the associated company:

	2015 RM'000	2014 RM'000
Revenue	1,332,624	1,486,184
Other operating income	52,501	34,416
Finished goods and spare parts purchased/ utilised	(1,082,968)	(1,213,362)
Changes in inventories	(7,747)	(26,474)
Operating expenses	(254,479)	(241,598)
Depreciation of property, plant and equipment	(4,688)	(4,757)
Other operating expenses	(3,715)	(3,332)
Profit from operations	31,528	31,077
Finance costs	(58)	(36)
Profit before taxation	31,470	31,041
Taxation	(8,132)	(8,280)
Net profit and total comprehensive income for the financial year	23,338	22,761
Gross dividends received from associate	3,185	3,185

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

11 INTEREST IN ASSOCIATED COMPANY (CONT'D)

(b) Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates:

	2015 RM'000	2014 RM'000
Opening net assets of Panasonic Malaysia	348,166	332,174
Net profit and total comprehensive income for the financial year	23,338	22,761
Dividends declared	(7,963)	(6,769)
Closing net assets	363,541	348,166
Carrying value of its interest in associates of 40% interest	145,416	139,266

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	
	2015 RM'000	2014 RM'000
<u>Deferred tax assets</u>		
Deferred tax assets	13,554	17,107
At 1 April 2014/2013	17,107	14,982
(Charged)/credited to profit or loss (Note 7):		
- property, plant and equipment	320	(549)
- provisions	(3,703)	3,688
- unrealised foreign exchange gain	(415)	0
- others	245	(1,014)
	(3,553)	2,125
At 31 March	13,554	17,107
<u>Subject to income tax</u>		
Deferred tax assets (before offsetting):		
- property, plant and equipment	4,223	3,903
- provisions	9,458	13,161
- others	288	43
	13,969	17,107
Offsetting	(415)	0
Deferred tax assets (after offsetting)	13,554	17,107
Deferred tax liability (before offsetting):		
- unrealised foreign exchange gain	415	0
Offsetting	(415)	0
Deferred tax liability (after offsetting)	0	0
The analysis of deferred tax assets is as follows:		
Deferred tax assets:		
- to be recovered after more than 12 months	4,661	3,995
- to be recovered within 12 months	8,893	13,112
	13,554	17,107

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

13 INVENTORIES

	Combined Entity and Company	
	2015 RM'000	2014 RM'000
Raw materials	32,373	14,311
Work in progress	1,904	1,543
Finished goods	13,434	9,194
Consumable stores	190	1,244
	47,901	26,292

14 TRADE AND OTHER RECEIVABLES

	Combined Entity and Company	
	2015 RM'000	2014 RM'000
Trade receivables	798	520
Amount due from associated company	7,617	14,907
Amounts due from related companies	49,578	40,587
	57,993	56,014
Other receivables	2,758	1,795
Deposits	1,832	1,519
Prepayments	1,661	1,173
	64,244	60,501

Credit terms given to trade receivables ranged from 30 to 60 days (2014: 30 to 60 days).

The balances due from associated company and related companies are in respect of trading transactions and have repayment terms ranging from 30 to 60 days (2014: 30 to 60 days).

Past due but not impaired

As of 31 March 2015, amount due from related companies of RM4,403 (2014: RM305,924) were past due but not impaired. The ageing analysis is as follows:

	Combined Entity and Company	
	2015 RM'000	2014 RM'000
Related companies past due:		
- Less than 1 month	4	273
- Between 2 to 3 months	0	33
	4	306

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.

14 TRADE AND OTHER RECEIVABLES (CONT'D)

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

	Combined Entity and Company	
	2015	2014
	RM'000	RM'000
At 1 April 2014/2013	0	149
Written off	0	(149)
At 31 March 2015/2014	0	0

The trade and other receivable balances and amount due from associated company 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 is as follows:

	Combined Entity and Company	
	2015	2014
	RM'000	RM'000
- Ringgit Malaysia	18,550	26,470
- United States Dollar	41,289	29,881
- Japanese Yen	1,793	1,309
- Euro	911	1,668
- Others	40	0
	62,583	59,328

The credit quality of the trade receivables, amount due from associated company, amounts due from related companies and other 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 and the Company's customers.

	Combined Entity and Company	
	2015	2014
	RM'000	RM'000
Group 1	0	0
Group 2	60,747	57,503
Total unimpaired receivables	60,747	57,503

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 approximates their carrying value, as the impact of discounting is not significant.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

15 DERIVATIVE FINANCIAL INSTRUMENTS

	Contract/ Notional value	Assets RM'000	Liabilities RM'000
<u>Combined Entity and Company</u>			
<u>31 March 2015</u>			
<u>Non-hedging derivatives</u>			
Financial assets at fair value through profit or loss	USD21,480,000	0	(4,444)
	YEN160,600,000	118	0
	SGD245,500	16	0
	EURO933,000	172	0
		306	(4,444)
<u>31 March 2014</u>			
<u>Non-hedging derivatives</u>			
Financial assets at fair value through profit and loss	USD13,955,000	248	0
	YEN114,500,000	0	(50)
	SGD212,000	0	(1)
	EURO1,499,000	7	(42)
		255	(93)
<u>Non-hedging derivatives</u>			

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

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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

16 CASH AND BANK BALANCES

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	
	2015	2014
	RM'000	RM'000
Fixed deposits	575,033	519,647
Cash and bank balances	917	504
	575,950	520,151

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

	Combined Entity and Company	
	2015	2014
	RM'000	RM'000
- Ringgit Malaysia	570,669	509,938
- United States Dollar	4,811	7,503
- Japanese Yen	38	950
- Euro	431	1,756
- Singapore Dollar	1	4
	575,950	520,151

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

	2015	2014
	RM'000	RM'000
- AAA/AA1	906	491
- AA2	10	10
- Non-rated*	575,033	519,647
	575,949	520,148
Cash on hand	1	3
	575,950	520,151

* The credit rating profiles of Panasonic Corporation, the ultimate holding corporation of Panasonic Financial Institution is rated BBB+.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

16 CASH AND BANK BALANCES (CONT'D)

(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	
	2015 %	2014 %
- Ringgit Malaysia	3.77	3.30
- United States Dollar	0.11	0.14
- Japanese Yen	0.03	0.06
- Euro	0.02	0.03
- Singapore Dollar	0.16	0.17

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

	Combined Entity and Company	
	2015	2014
- Ringgit Malaysia	90 days	90 days

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

(b) Cash and bank balances

Bank balances are deposits held on call with banks.

17 SHARE CAPITAL

	Combined Entity and Company	
	2015 RM'000	2014 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.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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 2013	948	13,465	2,407	337	17,157
Charged/(credited) to profit or loss	4,873	2,656	(48)	(288)	7,193
Utilised during the financial year	(1,303)	(2,928)	(315)	(2)	(4,548)
Present value adjustments	0	0	0	153	153
At 31 March 2014	4,518	13,193	2,044	200	19,955
(Credited)/charged to profit or loss	2,847	(4,017)	(1,101)	(171)	(2,442)
Utilised during the financial year	(1,798)	(1,451)	(101)	0	(3,350)
Present value adjustments	0	0	0	176	176
At 31 March 2015	5,567	7,725	842	205	14,339
<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 2015</u>					
Current	5,567	7,725	842	0	14,134
Non-current	0	0	0	205	205
	5,567	7,725	842	205	14,339

(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

Employee welfare scheme is a scheme to encourage voluntary redundancy. Provision made as at year end is measured based on the number of employees expected to accept the offer.

(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 2015

20 TRADE AND OTHER PAYABLES

	Combined Entity and Company	
	2015 RM'000	2014 RM'000
Trade payables and accruals	119,994	105,134
Employee benefits	23,688	21,527
Amount due to ultimate holding corporation	3,759	4,446
Amounts due to related companies	11,653	8,753
	159,094	139,860

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

	Combined Entity and Company	
	2015 RM'000	2014 RM'000
- Ringgit Malaysia	118,320	114,754
- United States Dollar	32,632	19,084
- Japanese Yen	7,067	4,319
- Thai Baht	0	1,228
- Singapore Dollar	970	416
- Euro	105	59
	159,094	139,860

Credit terms of trade payables vary from 30 to 60 days (2014: 30 to 60 days).

The balances due to ultimate holding corporation and related companies are in respect of trading transactions and have repayment terms of 30 to 60 days (2014: 30 to 60 days).

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 CODM considers the business from product perspective and assesses the performance of the operating segments based on a measure of profit before taxation as included in the internal management reports. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of the operating segments within the Company.

The segment information provided to the CODM for the operating segments for the financial year ended 31 March 2015 is as follows:

	Home appliance products		Fan products		Total	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	456,575	440,177	472,221	456,783	928,796	896,960
Interest income	7,442	6,170	4,688	3,837	12,130	10,007
Interest expense	0	0	0	0	0	0
Depreciation	(7,711)	(8,630)	(9,355)	(9,749)	(17,066)	(18,379)
Profit before taxation	72,371	55,888	54,550	47,614	126,921	103,502
Cash and bank balances	252,089	222,605	151,243	136,392	403,332	358,997
Inventories	21,729	11,263	25,747	12,726	47,476	23,989

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

21 SEGMENT REPORTING (CONT'D)

	2015 RM'000	2014 RM'000
Total revenue of operating segments	928,796	896,960
Other unallocated revenue	2,224	2,251
Total revenue based on the statement of comprehensive income	931,020	899,211

Revenue of approximately RM923,149 (2014: RM891,061) within both segments are derived from the Panasonic group of companies as disclosed in Note 22 to the financial statements.

	2015 RM'000	2014 RM'000
Total profit before taxation of the operating segments	126,921	103,502
Other unallocated expenses	(6,423)	(7,407)
Share of results of associated company (net of tax)	9,335	9,104
Total profit before taxation based on the statement of comprehensive income	129,833	105,199

	2015 RM'000	2014 RM'000
Total cash and bank balances of the operating segments	403,332	358,997
Other unallocated cash and bank balances	172,618	161,154
Total cash and bank balances based on the statement of financial position	575,950	520,151
Total inventories of the operating segments	47,476	23,989
Other unallocated inventories	425	2,303
Total inventories based on the statement of financial position	47,901	26,292

All property, plant and equipment are located in Malaysia.

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

Geographical Information

Revenue information based on geographical location is as follows:

	2015 RM'000	2014 RM'000
Malaysia	346,782	387,049
Japan	33,390	34,790
Asia (excluding Malaysia and Japan)	260,684	203,731
North America	917	953
Europe	1,042	23,474
Middle East	251,284	220,168
Others	36,921	29,046
	931,020	899,211

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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
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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

22 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(c) Significant related party transactions

		Combined Entity and Company	
		2015	2014
		RM'000	RM'000
(i)	Sales of products and related components to related parties:		
	- Panasonic Logistic Asia Pacific	345,858	320,344
	- Panasonic Malaysia Sdn. Bhd.	217,598	244,838
	- KDK Fans (M) Sdn. Bhd.	121,439	135,029
	- Panasonic Eco Solutions (Hong Kong) Co. Ltd.	216,866	168,940
	- Panasonic Procurement Malaysia Sdn. Bhd.	9,513	9,454
	- PT Panasonic Manufacturing Indonesia	6,267	8,042
	- Panasonic Ecology System (Thailand) Co., Ltd.	177	236
	- Panasonic Industrial Devices Malaysia Sdn. Bhd.	20	260
	- Panasonic Corporation	687	383
	- Panasonic Appliances (Thailand) Co. Ltd.	209	0
	- Panasonic AVC Networks Johor (M) Sdn. Bhd.	489	0
(ii)	Sales of service parts to related parties:		
	- Panasonic Malaysia Sdn. Bhd.	2,412	2,167
	- Panasonic Logistic Asia Pacific	1,029	1,368
	- KDK Fans (M) Sdn. Bhd.	307	0
	- Panasonic Eco Solutions (Hong Kong) Co. Ltd.	275	0
	- PT Panasonic Manufacturing Indonesia	3	0
(iii)	Purchase of parts, components and raw materials from related parties:		
	- Panasonic Procurement Malaysia Sdn. Bhd.	118,699	119,020
	- Panasonic Corporation	8,347	7,808
	- Panasonic Eco Solutions (Hong Kong) Co. Ltd.	22,888	20,661
	- Panasonic Industrial Devices Malaysia Sdn. Bhd.	407	401
	- Panasonic Industrial Devices Singapore Pte. Ltd.	1,372	1,262
	- Panasonic Semiconductor Asia Pte. Ltd.	277	281
	- Panasonic Appliance (Thailand) Co. Ltd.	6	11
	- PT Panasonic Manufacturing Indonesia	37	45
	- Panasonic Industrial Devices Automation Controls Sales Asia Pacific	363	332
	- Panasonic Ecology System (Thailand) Co. Ltd.	125	75
(iv)	Technical assistance fee paid and payable to related parties:		
	Panasonic Corporation	13,264	12,736
	Panasonic Ecology Systems Co. Ltd.	13,894	13,386
(v)	Interest income received and receivable from a related party:		
	Panasonic Financial Centre (Malaysia) Sdn. Bhd.	19,273	16,269

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

22 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(c) Significant related party transactions

		Combined Entity and Company	
		2015	2014
		RM'000	RM'000
(vi)	Sales promotion, warranty claims and/or service expenses paid and payable to related parties:		
	Panasonic Malaysia Sdn. Bhd.	5,515	3,295
	Panasonic A.P. Sales (Thailand) Co. Ltd.	3,714	2,236
	Panasonic Corporation	2,022	2,875
	KDK Fans (M) Sdn. Bhd.	1,094	1,388
	Panasonic Vietnam Co. Ltd.	257	166
	Panasonic Eco Solutions (Hong Kong) Co. Ltd.	0	883
	Panasonic Singapore	126	119
	Panasonic (CIS) OY	563	0
(vii)	Research and development expenditure paid and payable to related parties:		
	Panasonic Corporation	3,565	1,532
(viii)	Brand license fee paid and payable to related parties:		
	Panasonic Corporation	6,658	6,417
	Panasonic Ecology Systems Co. Ltd.	2,411	2,304
(ix)	Global sales service support fee paid and payable to a related party:		
	Panasonic Eco Solutions (Hong Kong) Co. Ltd.	856	688
(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)	409	498
	Panasonic Corporation	2,417	2,572
(xi)	Purchase of fixed assets from a related company:		
	Panasonic Ecology Systems Co. Ltd.	0	333
	Panasonic Procurement Malaysia Sdn. Bhd.	88	110
	Panasonic Systems Asia Pacific	0	10
	Panasonic Management Malaysia Sdn. Bhd.	75	0
	Panasonic Corporation	315	0
	Panasonic Malaysia Sdn. Bhd.	177	0
(xii)	Manufacturing innovation services received and receivable from a related company:		
	Panasonic Corporation's Corporate Manufacturing Innovation Division	3,241	3,766

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

22 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(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	
	2015	2014
	RM'000	RM'000
Amount due to:		
Panasonic Corporation	3,759	4,446
Amount due to:		
Panasonic Malaysia Sdn. Bhd.	7,617	14,907
Amount due from:		
Panasonic Logistic Asia Pacific	22,555	18,920
Panasonic Eco Solutions (Hong Kong) Co. Ltd.	20,922	12,731
KDK Fans (M) Sdn. Bhd.	3,661	6,153
Panasonic Financial Centre (Malaysia) Sdn. Bhd.	2,196	1,750
Other related companies	244	1,033
	49,578	40,587
Amount due to:		
Panasonic Procurement Malaysia Sdn. Bhd.	9,767	6,841
Panasonic A. P. Sales (Thailand) Co. Ltd.	1	1,228
Panasonic Vietnam Co. Ltd.	161	0
Panasonic Asia Pacific Pte. Ltd.	336	279
Panasonic Management Malaysia Sdn. Bhd.	623	103
Panasonic Industrial Devices Singapore Pte. Ltd.	132	123
Other related companies	633	179
	11,653	8,753

(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 Company either directly or indirectly. The key management personnel of the Company are members of senior management.

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

	Combined Entity and Company	
	2015	2014
	RM'000	RM'000
Directors' fees and meeting allowance	395	334
Salaries, allowance, bonus and other remuneration	12,183	10,795
Defined contribution retirement plan	469	635
	13,047	11,764

The estimated monetary value of benefits provided to Directors and other members of key management personnel during the financial year amounted to RM866,863 (2014: RM606,112).

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

23 COMMITMENTS FOR CAPITAL EXPENDITURE

		Combined Entity and Company	
		2015	2014
		RM'000	RM'000
Approved by the Board but not provided for in the financial statements:			
- Contracted		2,057	2,318
- Not contracted		0	357
		2,057	2,675
Analysed as follows:			
- Property, plant and equipment		2,057	2,675

24 FINANCIAL INSTRUMENTS BY CATEGORY

		Assets at fair value through profit or loss		Total
		Loans and receivables	RM'000	RM'000
		RM'000		
<u>Combined Entity and Company</u>				
<u>31 March 2015</u>				
<u>Assets as per statements of financial position</u>				
Trade and other receivables excluding prepayments	1	62,583	0	62,583
Derivative financial instruments		0	306	306
Cash and cash equivalents		575,950	0	575,950
Total		638,533	306	638,839
		Liabilities at fair value through profit or loss	Other financial liabilities at amortised cost	Total
		RM'000	RM'000	RM'000
<u>Combined Entity and Company</u>				
<u>31 March 2015</u>				
<u>Liabilities as per statements of financial position</u>				
Trade and other payables excluding employee benefit		0	135,406	135,406
Derivative financial instruments		4,444	0	4,444
Total		4,444	135,406	139,850

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

24 FINANCIAL INSTRUMENTS BY CATEGORY (CONT'D)

	Note	Loans and receivables RM'000	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	1	59,328	0	59,328
Derivative financial instruments		0	255	255
Cash and cash equivalents		520,151	0	520,151
Total		579,479	255	579,734

		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 employee benefit		0	118,333	118,333
Derivative financial instruments		93	0	93
Total		93	118,333	118,426

Note:

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

25 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained earnings of Company:				
- Realised	517,130	465,173	517,130	465,173
- Unrealised	(2,830)	83	(2,830)	83
	514,300	465,256	514,300	465,256
Total share of retained earnings from associated company:				
- Realised	146,405	141,155	0	0
- Unrealised	(2,989)	(3,889)	0	0
Total retained earnings as per financial statements	657,716	602,522	514,300	465,256

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 39 to 79 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 2015 and of their financial performance and cash flows for the financial year then ended.

The information set out in Note 25 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 27 May 2015.



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 39 to 79 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 Petaling Jaya, Selangor, in Malaysia on 27 May 2015.

Before me,



COMMISSIONER FOR OATHS

Attyy N D J. Hmid & Associates
Pegambela & Pegambela
0602 Block C, Keduna Square
Jalan SS720, Kelana Jaya
47301 Petaling Jaya
Selangor

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 39 to 79 which comprise the statements of financial position as at 31 March 2015 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 24.

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 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 2015 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 25 on page 80 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

27 May 2015



YEE WAI YIN

(No. 2081/08/16 (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		155
			92 years	25-Jun-1973		49
			84 years	29-Sep-1981		236
			(Expires in the year 2065)			
	Factory and administrative office				6 - 49	4,580
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		5,734
	Factory and administrative office				3 - 24	1,691

Statistics On Shareholdings

AS AT 30 JUNE 2015

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	855	17.30	17,775	0.03
100 - 1,000	2,262	45.75	1,241,601	2.04
1,001 - 10,000	1,553	31.41	4,916,537	8.09
10,001 - 100,000	235	4.75	6,548,856	10.78
100,001 to 3,037,288 (less than 5% of issued shares)	37	0.75	15,966,294	26.29
3,037,289 and above (5% and above of issued shares)	2	0.04	32,054,717	52.77
Total	4,944	100.00	60,745,780	100.00

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	Direct Interest	No. of Shares		
			%	Deemed Interest	%
In the Company					
1	Siew Pui Ling	100	Negligible	-	-
In the ultimate holding company, Panasonic Corporation					
1	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	4,677,346	7.70	-	-
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)	2,370,600	3.90	1,343,700	2.21
7	Aberdeen Asset Management PLC	-	-	8,653,000	14.25
8	Aberdeen Asset Management Sdn. Bhd.	-	-	3,414,200	5.62
9	Mitsubishi UFJ Financial Group, Inc.	-	-	6,197,500	10.20

Statistics On Shareholdings

AS AT 30 JUNE 2015

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	3,230,846	5.32
3	HSBC NOMINEES (ASING) SDN BHD BNP PARIBAS SECS SVS LUX FOR ABERDEEN GLOBAL	2,374,600	3.91
4	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	2,340,600	3.85
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	1,446,500	2.38
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	1,343,700	2.21
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)	1,053,658	1.73
9	TAN KAH LAY	540,000	0.89
10	AMSEC NOMINEES (TEMPATAN) SDN BHD ABERDEEN ASSET MANAGEMENT SDN BHD FOR TENAGA NASIONAL BERHAD RETIREMENT BENEFIT TRUST FUND (FM-ABERDEEN)	389,000	0.64
11	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	382,080	0.63
12	MAYOON SDN BHD	320,000	0.53
13	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BNP PARIBAS SECURITIES SERVICES (SINGAPORE - SGD)	320,000	0.53
14	SHEN & SONS SDN BHD	272,000	0.45
15	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	267,077	0.44
16	AMSEC NOMINEES (ASING) SDN BHD KGI FRASER SECURITIES PTE. LTD. FOR YEO GEOK CHOO (19003)	241,538	0.40
17	AMSEC NOMINEES (ASING) SDN BHD KGI FRASER 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 KGI FRASER SECURITIES PTE. LTD. FOR YEO KOK GEE (19359)	184,478	0.30
22	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG CONSUMER PRODUCTS SECTOR FUND	179,500	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 KGI FRASER SECURITIES PTE. LTD. FOR CHONG YEAN FONG (1139)	158,600	0.26
25	AMSEC NOMINEES (TEMPATAN) SDN BHD KGI FRASER 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	AMSEC NOMINEES (TEMPATAN) SDN BHD KGI FRASER SECURITIES PTE. LTD. FOR CHONG KAH YUNG (1854)	150,513	0.25
28	CIMB COMMERCE TRUSTEE BERHAD PUBLIC FOCUS SELECT FUND	148,700	0.24
29	AMSEC NOMINEES (ASING) SDN BHD KGI FRASER SECURITIES PTE. LTD. FOR TAN MUI KOON (1496)	139,998	0.23
30	AMANAHRAYA TRUSTEES BERHAD PUBLIC OPTIMAL GROWTH FUND	134,100	0.22
Total		46,985,833	77.35

History of Divident 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 / 2015	60,745,780	15%	35%	92%	-	142%	86,259,008	S/T	S/T	S/T	-	86,259,008
3 / 2014	60,745,780	15%	35%	23%	-	73%	44,344,419	25%	S/T	S/T	2,277,967	42,066,452
3 / 2013	60,745,780	15%	35%	138%	-	188%	114,202,066	25%	25%	25%	28,550,516	85,651,550
3 / 2012	60,745,780	15%	35%	70%	-	120%	72,894,936	25%	25%	25%	18,223,734	54,671,202
3 / 2011	60,745,780	15%	35%	95%	-	145%	88,081,381	25%	25%	25%	22,020,345	66,061,036
3 / 2010	60,745,780	15%	35%	70%	-	120%	72,894,936	25%	25%	25%	18,223,734	54,671,202
3 / 2009	60,745,780	15%	35%	55%	-	105%	63,783,069	25%	25%	25%	15,945,767	47,837,302
3 / 2008	60,745,780	15%	35%	65%	-	115%	69,857,647	T/E	25%	25%	15,186,445	54,671,202
3 / 2007	60,745,780	15%	35%	65%	-	115%	69,857,647	T/E	T/E	T/E	T/E	69,857,647
3 / 2006	60,745,780	15%	35%	65%	-	115%	69,857,647	28%	T/E	T/E	2,551,323	67,306,324
3 / 2005	60,745,780	15%	35%	150%	-	200%	121,491,560	28%	28%	28%	34,017,637	87,473,923
3 / 2004	60,745,780	15%	35%	10%	-	60%	36,447,468	28%	28%	28%	10,205,291	26,242,177
3 / 2003	60,745,780	10%	40%	-	70%	120%	30,372,890	28%	28%	-	8,504,409	21,868,481
3 / 2002	35,732,812	15%	35%	-	-	50%	17,866,406	28%	28%	-	5,002,593	12,863,813
3 / 2001	35,732,812	15%	35%	-	-	50%	17,866,406	T/E	28%	-	3,501,815	14,364,591
3 / 2000	35,732,812	15%	35%	-	-	50%	17,866,406	T/E	T/E	-	T/E	17,866,406
3 / 1999	35,732,812	15%	35%	-	-	50%	17,866,406	28%	T/E	-	1,500,778	16,365,628
3 / 1998	35,732,812	15%	35%	-	10%	60%	17,866,406	28%	28%	-	5,002,593	12,863,813
3 / 1997	32,484,375	10%	40%	20%	-	70%	22,739,063	30%	30%	30%	6,821,719	15,917,344
3 / 1996	32,484,375	10%	40%	-	-	50%	16,242,188	30%	30%	-	4,872,656	11,369,532
3 / 1995	32,484,375	10%	30%	-	-	40%	12,993,750	30%	30%	-	3,898,125	9,095,625
3 / 1994	32,484,375	10%	30%	-	-	40%	12,993,750	32%	32%	-	4,158,000	8,835,750
3 / 1993	32,484,375	10%	30%	-	50%	90%	12,993,750	34%	34%	-	4,417,875	8,575,875
3 / 1992	21,656,250	-	40%	-	-	40%	8,662,500	-	35%	-	3,031,875	5,630,625
3 / 1991	21,656,250	-	40%	-	-	40%	8,662,500	-	35%	-	3,031,875	5,630,625
3 / 1990	21,656,250	-	35%	-	-	35%	7,579,688	-	35%	-	2,652,891	4,926,797
3 / 1989	21,656,250	-	25%	-	-	25%	5,414,063	-	35%	-	1,894,922	3,519,141
3 / 1988	21,656,250	-	25%	-	-	25%	5,414,063	-	40%	-	2,165,625	3,248,438
3 / 1987	21,656,250	-	25%	-	10%	35%	5,414,063	-	40%	-	2,165,625	3,248,438
12 / 1985	19,687,500	-	25%	-	-	25%	4,921,875	-	40%	-	1,968,750	2,953,125
12 / 1984	19,687,500	-	35%	-	-	35%	6,890,625	-	40%	-	2,756,250	4,134,375
12 / 1983	19,687,500	-	35%	-	-	35%	6,890,625	-	40%	-	2,756,250	4,134,375
12 / 1982	19,687,500	-	20%	-	50%	70%	3,937,500	-	40%	-	1,575,000	2,362,500
12 / 1981	13,125,000	-	20%	-	-	20%	2,625,000	-	40%	-	1,050,000	1,575,000
12 / 1980	13,125,000	-	20%	-	25%	45%	2,625,000	-	40%	-	1,050,000	1,575,000
12 / 1979	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12 / 1978	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12 / 1977	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12 / 1976	10,500,000	-	15%	5%	-	20%	2,100,000	-	40%	40%	840,000	1,260,000
12 / 1975	10,500,000	-	15%	-	200%	215%	1,575,000	-	40%	-	630,000	945,000
12 / 1974	3,000,000	-	15%	-	-	15%	450,000	-	40%	-	180,000	270,000
12 / 1973	3,000,000	-	15%	-	-	15%	450,000	-	40%	-	180,000	270,000
12 / 1972	3,000,000	-	12%	5%	-	17%	510,000	-	T/E	40%	60,000	450,000
12 / 1971	3,000,000	-	12%	-	-	12%	360,000	-	T/E	-	T/E	360,000
12 / 1970	3,000,000	-	12%	-	-	12%	360,000	-	T/E	-	T/E	360,000
12 / 1969	3,000,000	-	10%	-	-	10%	300,000	-	T/E	-	T/E	300,000
12 / 1968	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
12 / 1967	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
12 / 1966	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
Total (Since Date of Incorporation)								1,189,081,707			245,392,384	943,689,322

T/E - Tax-exempt • S/T - Single-Tier

Notice of 50th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT that the 50th 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 Thursday, 27 August 2015 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 2015 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 92 sen per ordinary share of RM1.00 each for the financial year ended 31 March 2015. **(Resolution 2)**
3. To re-elect the following Directors who are retiring in accordance with Article 97 of the Company's Articles of Association:
 - a. Razman Hafidz bin Abu Zarim **(Resolution 3)**
 - b. Takayuki Tadano **(Resolution 4)**
 - c. Toshiro Okamoto **(Resolution 5)**
4. To re-elect the following Directors who are retiring in accordance with Article 102 of the Company's Articles of Association:
 - a. Cheng Chee Chung **(Resolution 6)**
 - b. Takemoto Yoichi **(Resolution 7)**
5. To approve the payment of Directors' fees not exceeding RM341,825 in respect of the financial year ending 31 March 2016. **(Resolution 8)**
6. To appoint the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 9)**

A Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965 from Panasonic Management Malaysia Sdn Bhd ("PMAM") has been received for the nomination of Messrs KPMG for appointment as Auditors of the Company and PMAM has proposed the following Ordinary Resolution:

"THAT Messrs KPMG be and are hereby appointed Auditors of the Company in place of the retiring auditors, Messrs PricewaterhouseCoopers and to hold office until the conclusion of the next annual general meeting and that the Directors be authorised to determine their remuneration."

As Special Business:

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

7. **Re-appointment of Tan Sri Datuk Asmat Bin Kamaludin as Director** **(Resolution 10)**

"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."
8. **Re-appointment of Datuk Supperamaniam a/l Manickam as Director** **(Resolution 11)**

"THAT pursuant to Section 129(6) of the Companies Act, 1965, Datuk Supperamaniam a/l Manickam 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."

Notice of 50th Annual General Meeting

9. 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, sales of tools and equipment, purchase of parts, components and raw materials, purchase of equipment, promotion expenses, warranty claims and/or service expenses with those related parties as specified in Sections 2.2(a)(i) to 2.2(a) (iv) and Section 2.2 (b) of the Circular to Shareholders dated 5 August 2015. | (Resolution 12) |
| (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 5 August 2015. | (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 5 August 2015. | (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 a final single tier dividend of 35 sen per ordinary share of RM1.00 and a special single tier dividend of 92 sen per ordinary share of RM1.00 each for the financial year ended 31 March 2015, will be paid on 21 September 2015 to depositors registered in the Record of Depositors and Register of Members at the close of business on 7 September 2015.

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 7 September 2015 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
5 August 2015

Notice of 50th 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 authorised nominee, there is no limit to the number of proxies which it may appoint.
2. The instrument appointing a proxy or proxies in the case of an individual shall be signed by the appointer or by his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under Common Seal or under the hand of the officer or attorney duly authorised.
3. The instrument appointing a proxy or proxies must be deposited at 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 10
The proposed resolution 10 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.

Resolution 11
The proposed resolution 11 in relation to re-appointment of Datuk Supperamaniam a/l Manickam 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 5 August 2015 for further information.
5. Depositors who appear in the Record of Depositors as at 21 August 2015 shall be regarded as Member of the Company entitled to attend the 50th Annual General Meeting or appoint a proxy to attend and vote on his behalf.



PANASONIC MANAGEMENT MALAYSIA SDN. BHD. (550278-P)

Lot 5, Persiaran Tengku Ampuan, Section 21, Shah Alam Industrial Site, 40300 Shah Alam, Selangor Darul Ehsan, Malaysia.
Tel: 03-58913905 Fax: 03-58913985

Date: 13th July 2015

The Board of Directors
Panasonic Manufacturing Malaysia Berhad
No.3 Jalan Sesiku 15/2, Section 15
Shah Alam Industrial Site
40200 Shah Alam
Selangor Darul Ehsan

Dear Sirs

NOTICE OF NOMINATION OF MESSRS KPMG AS AUDITORS

We are a member of Panasonic Manufacturing Malaysia Berhad ("the Company") holding not less than 5% of the total voting shares of the Company, hereby give notice, pursuant to Section 172(11) of the Companies Act, 1965 of our nomination of Messrs KPMG as Auditors of the Company in place of retiring auditors, Messrs PricewaterhouseCoopers and of our intention to propose the following resolution as an ordinary resolution at the forthcoming Annual General Meeting of the Company:

"THAT Messrs KPMG be and are hereby appointed Auditors of the Company in place of the retiring auditors, Messrs PricewaterhouseCoopers and to hold office until the conclusion of the next annual general meeting and that the Directors be authorized to determine their remuneration."

Yours faithfully
For and on behalf of Panasonic Management Malaysia Sdn Bhd

Toshiro Okamoto
Managing Director

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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 50th 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 Thursday, 27 August 2015 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 35 sen per ordinary share and a special single tier dividend of 92 sen per ordinary share.		
3.	Re-election of Razman Hafidz bin Abu Zarim.		
4.	Re-election of Takayuki Tadano.		
5.	Re-election of Toshiro Okamoto.		
6.	Re-election of Cheng Chee Chung.		
7.	Re-election of Takemoto Yoichi.		
8.	Approval of the payment of Directors' fees.		
9.	Appointment of Auditors.		
Special Business			
10.	Ordinary Resolution: Re-appointment of Tan Sri Datuk Asmat Bin Kamaludin as Director.		
11.	Ordinary Resolution: Re-appointment of Datuk Supperamaniam a/l Manickam as Director.		
12.	Ordinary Resolution: Approval of Recurrent Related Party Transactions ("RRPT") - Sales of products, sales of tools and equipment, purchase of parts, components and raw materials, promotion expenses, warranty claims and/or 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 _____ %
100%

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

Signed this _____ day of _____ 2015

Signature / Common Seal of Shareholder

Notes:

- 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 authorised nominee, there is no limit to the number of proxies which it may appoint.
- The instrument appointing a proxy or proxies in the case of an individual shall be signed by the appointer or by his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under Common Seal or under the hand of the officer or attorney duly authorised.
- The instrument appointing a proxy or proxies must be deposited at 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.
- Depositors who appear in the Record of Depositors as at 21 August 2015 shall be regarded as Member of the Company entitled to attend the 50th 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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pmma.panasonic.com.my

PANASONIC MANUFACTURING MALAYSIA BERHAD (6100-K)

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

Tel : +603-5891 5000 | Fax : +603-5891 5101

Email : ir.pmma@my.panasonic.com