

PANSAR BERHAD (Company No. 18904-M)
(Formerly known as PWE INDUSTRIES BERHAD)

INTERIM FINANCIAL STATEMENTS
FOR THE 4th QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2011

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PANSAR BERHAD (Company No. 18904-M)
(Formerly known as PWE INDUSTRIES BERHAD)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 4th QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.3.2011 RM'000	Preceding year corresponding quarter 31.3.2010 * RM'000	Current year to date 31.3.2011 RM'000	Preceding year corresponding period 31.3.2010 ^ RM'000
Revenue	89,024	N/A	354,975	275,234
Cost of sales	(74,795)	N/A	(304,152)	(239,175)
Gross profit	14,229	N/A	50,823	36,059
Other income	2,721	N/A	7,816	5,610
Selling and distribution expenses	(2,287)	N/A	(8,243)	(7,766)
Administrative expenses	(5,888)	N/A	(24,227)	(21,475)
Other operating expenses	(766)	N/A	(815)	(2,267)
Finance costs	(407)	N/A	(1,040)	(308)
Profit before taxation	7,602	N/A	24,314	9,853
Income tax expense	(1,842)	N/A	(5,177)	(2,523)
Profit after taxation	5,760	N/A	19,137	7,330
Other comprehensive income, net of tax:-				
Cash flow hedge	50	N/A	25	-
Foreign currency translation	42	N/A	258	(159)
	92	N/A	283	(159)
Total comprehensive income for the financial year	5,852	N/A	19,420	7,171
Profit after taxation attributable to owners of the Company	5,760	N/A	19,137	7,330
Total comprehensive income attributable to owners of the Company	5,852	N/A	19,420	7,171
Weighted average number of shares in issue ('000)	280,000	N/A	228,022	187,000
Earnings per ordinary share (sen):-				
- Basic	2.06	N/A	8.39	3.92
- Diluted	N/A	N/A	N/A	N/A

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010 and the Circular to Shareholders dated 8 February 2010; and the accompanying explanatory notes attached to the interim financial statements.

* It is not practicable to prepare comparative figures for preceding year corresponding quarter following the reverse acquisition as explained in Note A2 to the interim financial statements.

^ The latest audited statement of comprehensive income of Pansar Company Sdn Bhd ("PCSB") as at 31 March 2010 has been presented as the comparative statement of comprehensive income, following the reverse acquisition of Pansar Berhad ("PB") by PCSB as explained in Note A2 to the interim financial statements.

PANSAR BERHAD (Company No. 18904-M)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2011

	31.3.2011	31.03.2010
	RM'000	RM'000
	(Unaudited)	(Audited)*
ASSETS		
Non-current assets		
Property, plant and equipment	4,163	4,290
Intangible assets	186	193
Deferred tax assets	53	2,696
	<u>4,402</u>	<u>7,179</u>
Current assets		
Inventories	46,151	34,215
Trade and other receivables	147,819	88,483
Derivative assets	196	-
Tax refundable	219	130
Deposits, cash and bank balances	13,450	5,030
	<u>207,835</u>	<u>127,858</u>
TOTAL ASSETS	<u><u>212,237</u></u>	<u><u>135,037</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	5,000
Reserves	(20,830)	75,652
Total equity attributable to owners of the Company	<u>119,170</u>	<u>80,652</u>
Non-current liabilities		
Deferred tax liabilities	26	3
Current liabilities		
Trade and other payables	50,374	44,644
Derivative liabilities	458	-
Bank borrowings:-		
- bank overdrafts	14,983	3,600
- other borrowings	25,746	4,000
Provision for employee benefits	1,153	2,084
Provision for taxation	327	54
	<u>93,041</u>	<u>54,382</u>
Total liabilities	<u>93,067</u>	<u>54,385</u>
TOTAL EQUITY AND LIABILITIES	<u><u>212,237</u></u>	<u><u>135,037</u></u>
Net assets per ordinary share (RM)	<u>0.43</u>	<u>0.43 #</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010 and the Circular to Shareholders dated 8 February 2010; and the accompanying explanatory notes attached to the interim financial statements.

* The latest audited statement of financial position of Pansar Company Sdn Bhd ("PCSB") as at 31 March 2010 has been presented as the comparative statement of financial position, following the reverse acquisition of Pansar Berhad ("PB") by PCSB as explained in Note A2 to the interim financial statements.

The net assets per share as at 31 March 2010 is calculated based on newly issued 187,000,000 ordinary shares of RM0.50 each in PB issued in exchange for 5,000,000 ordinary shares of RM1.00 each in PCSB following the reverse acquisition of PB by PCSB as explained in Note A2 to the interim financial statements.

PANSAR BERHAD (Company No. 18904-M)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR-TO-DATE ENDED 31 MARCH 2011

	<----- Non-distributable ----->					<--- Distributable --->		
Year ended	Share capital	Share premium	Reverse acquisition reserve	Exchange translation reserve	Cash flow hedge reserve	General reserve	Retained profits	Total equity
31.3.2011	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.4. 2010								
- As previously reported	5,000	3	-	859	-	300	74,490	80,652
- Effect of adopting FRS139	-	-	-	-	-	-	832	832
As restated	5,000	3	-	859	-	300	75,322	81,484
Total comprehensive income for the financial year	-	-	-	258	25	-	19,137	19,420
Transactions with owners:-								
- Transfer to retained profits	-	-	-	-	-	(300)	300	-
- Adjustment arising from reverse acquisition	135,000	(3)	(116,731)	-	-	-	-	18,266
Balance at 31.3.2011	140,000	-	(116,731)	1,117	25	-	94,759	119,170

	<----- Non-distributable ----->					<-- Distributable -->		
Year ended	Share capital	Share premium	Reverse acquisition reserve	Exchange translation reserve	Cash flow hedge reserve	General reserve	Retained profits	Total equity
31.3.2010 *	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.4. 2009								
	5,000	3	-	1,018	-	300	67,160	73,481
Total comprehensive income for the financial year	-	-	-	(159)	-	-	7,330	7,171
Balance at 31.3.2010	5,000	3	-	859	-	300	74,490	80,652

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010 and the Circular to Shareholders dated 8 February 2010; and the accompanying explanatory notes attached to the interim financial statements.

PANSAR BERHAD (Company No. 18904-M)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 31 MARCH 2011

	Current year to date 31.3.2011 RM'000	Preceding year corresponding period 31.3.2010 * RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Profit before taxation	24,314	9,853
Adjustments for:-		
Amortisation of intangible assets	15	17
Bad debts written off	57	77
Depreciation of property, plant and equipment	1,260	1,219
Fair value gain on derivatives	(1,018)	-
Gain on disposal of property, plant and equipment	(24)	(52)
Gain on disposal of quoted investments	-	(1)
Gain on disposal of subsidiaries	(534)	-
Goodwill written off	510	-
Impairment loss on receivables	249	2,190
Impairment loss on receivables no longer required	(1,040)	(1,498)
Interest expense	1,040	308
Interest income	(147)	(81)
Inventories written down	171	-
Negative goodwill written off	(1,749)	-
Payables written off	(1,113)	-
Provision for employee benefits	1,128	2,034
Unrealised loss/(gain) on foreign exchange differences	181	(365)
Operating profit before working capital changes	23,300	13,701
(Increase)/decrease in inventories	(9,819)	2,495
(Increase)/decrease in trade and other receivables	(191)	840
Decrease in trade and other payables	(26,759)	(2,103)
Employee benefits paid	(2,061)	(1,889)
Cash (for)/from operations	(15,530)	13,044
Interest paid	(1,040)	(308)
Interest received	171	81
Income tax paid	(3,336)	(3,123)
Income tax refunded	1	-
Net cash (for)/from operating activities	(19,734)	9,694

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 31 MARCH 2011

	Current year to date 31.3.2011 RM'000	Preceding year corresponding period 31.3.2010 * RM'000
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of subsidiaries, net cash and cash equivalents acquired	(3,974)	-
Disposal of subsidiaries, net of cash and cash equivalents disposed	(1)	-
Proceeds from disposal of property, plant and equipment	62	55
Proceeds from disposal of quoted investments	-	3
Purchase of intangible assets	(5)	-
Purchase of property, plant and equipment	(944)	(1,724)
Net cash for investing activities	(4,862)	(1,666)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Net of drawdown/(repayment) of short-term borrowings	21,746	(5,600)
Net cash from/(for) financing activities	21,746	(5,600)
Net (decrease)/increase in cash and cash equivalents	(2,850)	2,428
Effects of exchange rate changes on cash and cash equivalents	(113)	(46)
Cash and cash equivalents at the beginning of the financial year	1,430	(952)
Cash and cash equivalents at the end of the financial year	(1,533)	1,430
Analysis of cash and cash equivalents:-		
Deposits, cash and bank balances	13,450	5,030
Bank overdrafts	(14,983)	(3,600)
	(1,533)	1,430

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010 and the Circular to Shareholders dated 8 February 2010; and the accompanying explanatory notes attached to the interim financial statements.

* The latest audited statement of cash flows of Pansar Company Sdn Bhd ("PCSB") as at 31 March 2010 has been presented as the comparative statement of cash flows, following the reverse acquisition of Pansar Berhad ("PB") by PCSB as explained in Note A2 to the interim financial statements.

PANSAR BERHAD (Company No. 18904-M)
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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4th QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2011

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

A1 Basis of preparation

The unaudited interim financial statements have been prepared in accordance with FRS 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board and Chapter 9 Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010 and the Circular to Shareholders dated 8 February 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2010.

During the current financial year, the Company has adopted the following new accounting standards and interpretations (including the consequential amendments):-

FRSs and IC Interpretations (including the Consequential Amendments)

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101 (Revised)	Presentation of Financial Statements
FRS 123 (Revised)	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 and FRS 127: Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate	
Amendments to FRS 2	Vesting Conditions and Cancellations
Amendments to FRS 101 and FRS 132	Puttable Financial Instruments and Obligations Arising on Liquidation
Amendments to FRS 132	Classification of Rights Issues and the Transitional Provision in Relation to Compound Instruments
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Annual Improvement to FRSs (2009)

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements, other than the following:-

- a) FRS 7 requires additional disclosures about the financial instruments of the Group. Prior to 1 April 2010, the information about financial instruments was disclosed in accordance with the requirements of FRS 132 *Financial Instruments: Disclosures and Presentation*. FRS 7 requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group has applied FRS 7 prospectively in accordance with the transitional provisions.

- b) FRS 101 (Revised) introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present this statement as one single statement. The revised standard also separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of comprehensive income as other comprehensive income.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
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PART A - EXPLANATORY NOTES PURSUANT TO FRS 134 (cont'd)

A1 Basis of preparation (cont'd)

- c) The adoption of FRS 139 (including the consequential amendments) has resulted in several changes to accounting policies relating to the recognition and measurement of financial instruments.

The financial impact to the Group's financial statements is summarised as follows:-

	Audited At 1 April 2010 RM'000
<u>Retained profits</u>	
Recognition of derivatives previously not recognised, net of tax	(985)
Impairment of receivables, net of tax	1,817
Fair value of quoted investments	#
	<u>832</u>

= RM6

(aa) Prior to the adoption of FRS 139, all derivative financial instruments were recognised in the financial statements only upon settlement. These instruments do not qualify for hedge accounting and hence, upon adoption of this standard, all derivatives held by the Group as at 1 April 2010 are recognised at their fair values and are classified as financial assets at fair value through profit or loss.

(bb) Prior to 1 April 2010, allowance for doubtful debts was recognised when it was considered uncollectible. With the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

A2 Reverse acquisition

On 12 May 2008, the Company entered into a Conditional Sale and Purchase Agreement with Pan Sarawak Holdings Sdn Bhd to effect the Acquisitions, comprising:-

- (a) 5,000,000 shares in Pansar Company Sdn Bhd ("PCSB") representing 100% equity interest in PCSB for a consideration of RM93,500,000; and
(b) 500,000 shares in Pansar Engineering Services Sdn Bhd ("PESSB") representing 100% equity interest in PESSB for a consideration of RM25,500,000.

The total consideration for the Acquisitions amounted to RM119,000,000 and was satisfied wholly via issuance of 238 million new ordinary shares of RM0.50 each in the Company at the issue price of RM0.50 per share. Upon completion of the Acquisitions on 21 October 2010, the Company became the legal parent of PCSB and PESSB.

In accordance with FRS 3 Business Combinations, the substance of the aforementioned business combination between Pansar Berhad ("PB") and PCSB constituted a reverse acquisition whereby the acquirer and acquiree of the transaction for accounting purposes should be PCSB (i.e. legal subsidiary) and PB (i.e. legal holding company) respectively.

Under the reverse acquisition method of accounting, the consolidated financial statements, although issued under the name of the legal holding company, i.e. PB, represent a continuation of the financial statements of the legal subsidiary, i.e. PCSB. Accordingly, the latest audited statement of financial position of PCSB as at 31 March 2010 has been presented as the comparative statement of financial position.

A3 Comments about seasonality or cyclicity of operations

The business of the Group is not subject to seasonal or cyclical fluctuations.

A4 Unusual items due to their nature, size and incidence

Saved as the effects from the adoption of FRS 139 as disclosed in A1 and those arising from the reverse acquisition as explained in Note A2, there were no unusual items affecting the assets, liabilities, equity, net income, or cash flows due to their nature, size, or incidence during the current financial period under review.

A5 Changes in estimates

There were no changes in the estimates that have had a material effect in the current quarter under review.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4th QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2011

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134 (cont'd)

A6 Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter.

A7 Dividend paid

There was no dividend paid by the Company during the current quarter under review.

A8 Segmental information

The following is an analysis of the Group's revenue and results by reportable segments:-

(a) Business Segments

Segments revenue and results	Marine & Industrial RM'000	Building Products RM'000	Wood Engineering RM'000	Electrical & Office Automation RM'000	Mechanical & Electrical RM'000	Elimination RM'000	Year to date 31.3.11 RM'000
Revenue	113,147	127,799	32,133	43,931	40,548	(2,583)	354,975
Segment results	15,362	5,874	2,510	3,325	4,921	7,226	39,218
Unallocated income							6,608
Unallocated expenses							(21,512)
Profit before tax							24,314

(b) Geographical Segments

Total revenue from external customers

- Malaysia

- Singapore

343,75

11,200

354,975

No comparative figures are presented following the reverse acquisition of PB by PCSB as explained in Note A2

A9 Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment for the financial year ended 31 March 2011.

A10 Subsequent events

There were no material events announced as at 19 May 2011.

A11 Changes in the composition of the Group

Acquisition

On 12 May 2008, the Company entered into a Conditional Sale and Purchase Agreement ("CSPA") with Pan Sarawak Holdings Sdn Bhd ("PHSB") to effect the Acquisitions, comprising:-

- 5,000,000 shares in Pansar Company Sdn Bhd ("PCSB") representing 100% equity interest in PCSB for a consideration of RM93,500,000; and
- 500,000 shares in Pansar Engineering Services Sdn Bhd ("PESSB") representing 100% equity interest in PESSB for a consideration of RM25,500,000.

The total consideration for the Acquisitions amounted to RM119,000,000 and was satisfied wholly via issuance of 238 million new ordinary shares of RM0.50 each in the Company at the issue price of RM0.50 per share. Upon completion of the Acquisitions on 21 October 2010, the Company became the legal parent of PCSB and PESSB.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
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PART A - EXPLANATORY NOTES PURSUANT TO FRS 134 (cont'd)

A11 Changes in the composition of the Group (cont'd)

	Year to date 31.3.11 RM'000
The assets and liabilities arising from the Acquisitions are as follows:-	
Property, plant & equipment	223
Intangible assets	1
Inventories	2,232
Trade and other receivables	55,385
Cash and bank balances	52
Trade and other payables	(33,730)
Bank overdrafts	(2,742)
Provision for taxation	(608)
Deferred taxation	(24)
Total net assets	20,789
Goodwill arising on acquisition	510
Negative goodwill on acquisition	(1,749)
Total cost of business combination	19,550
The cash outflow on acquisitions is as follows:-	
Total cost of business combination	19,550
Less: Purchase consideration deemed satisfied by issue of shares	(18,266)
Purchase consideration satisfied in cash	1,284
Cash and cash equivalents of subsidiary companies acquired	2,690
Net cash outflow of the Group	3,974

Disposal

The Group disposed its entire equity interests in PWE Logging Sdn Bhd and Sastep Sdn Bhd on 21 February 2011 for a total cash consideration of RM5.

	Year to date 31.3.11 RM'000
The assets and liabilities arising from the Disposal are as follows:-	
Trade and other receivables	618
Cash and bank balances	1
Trade and other payables	(197)
Provision for taxation	(956)
Total net liabilities	(534)
Gain on disposal of subsidiaries	534
Total disposal consideration	#
Cash and cash equivalents of subsidiaries disposed	(1)
Net cash outflow of the Group	(1)

= RM5

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
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PART A - EXPLANATORY NOTES PURSUANT TO FRS 134 (cont'd)

A12 Contingent liabilities or contingent assets

As at 19 May 2011, there were no material contingent liabilities or contingent assets which, upon being enforceable, might have a material impact on the financial position or business of the Group.

A13 Capital commitment

There were no commitments in respect of the Group since the last annual reporting date to the date of this report.

A14 Significant related party transactions

	Quarter ended		Year to date	
	31.3.11 RM'000	31.3.10 RM'000	31.3.11 RM'000	31.3.10 RM'000
Transactions with holding company	359	N/A	710	1,466
Transactions with other related parties	12,528	N/A	18,169	33,585

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4th QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2011

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

B1 Review of performance

As for the financial year-to-date, the Group's revenue and profit after tax was RM355 million and RM19 million respectively. Included in the profit after tax was an other operating income amounting to RM7.8 million.

B2 Material changes in profit before tax for the quarter

For the current quarter under review, the Group registered profit before tax of RM7.6 million as compared to pre-tax profit of RM6.8 million in the immediate preceding quarter. The profit before tax in the current quarter also included the recognition of other operating income amounting to RM2.7 million arising mainly from the write back of impairment loss on receivables, gain on disposal of subsidiaries and write-off of payables.

B3 Commentary on prospects

The Group will continue with its efforts of maintaining prudent cost management, increasing operational efficiency and seeking further growth opportunities.

B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was announced for the current financial year.

B5 Income tax expense

	Quarter ended		Year to date	
	31.3.11 RM'000	31.3.10 RM'000	31.3.11 RM'000	31.3.10 RM'000
Income tax				
- Malaysian tax	1,310	N/A	4,685	2,420
- Foreign tax	31	N/A	62	55
	<u>1,341</u>	<u>N/A</u>	<u>4,747</u>	<u>2,475</u>
(Over)/under provision in the previous financial year:-				
- Malaysian tax	-	N/A	(882)	(21)
- Foreign tax	-	N/A	-	31
	<u>1,341</u>	<u>N/A</u>	<u>3,865</u>	<u>2,485</u>
Deferred tax				
- Origination and reversal of temporary differences	534	N/A	1,342	34
- (Over)/under provision in the previous financial year	(33)	N/A	(30)	4
	<u>501</u>	<u>N/A</u>	<u>1,312</u>	<u>38</u>
Income tax expense	<u>1,842</u>	<u>N/A</u>	<u>5,177</u>	<u>2,523</u>

The Group's effective tax rate for the current year to date was lower than the statutory tax rate due mainly to the higher deductions allowable for tax purposes and certain income recognised in the current financial year not subject to income tax.

B6 Sales of unquoted investments and properties

Saved as disclosed in Note A11, there were no sales of unquoted investments and properties for the year under review.

B7 Quoted securities

There was no purchase or disposal of quoted securities for the year under review.

B8 Corporate proposals

There were no corporate proposals announced but not completed as at 19 May 2011.

B9 Borrowings

The Group's borrowings as at 31 March 2011 are as follows:-

	RM'000
Bank overdrafts	14,983
Bankers' acceptance	19,746
Revolving credit	<u>6,000</u>
	<u>40,729</u>

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**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD (cont'd)**

B10 Derivative financial instruments

The outstanding foreign currency forward contracts as at 31 March 2011 are as follows:-

	Contract/ notional amount RM'000	Assets 2011 RM'000	Liabilities 2011 RM'000
<u>Derivatives not designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	11,934	29	(324)
<u>Derivatives designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	15,268	167	(134)
		<u>196</u>	<u>(458)</u>

The Group enters into foreign currency forward contracts to hedge against the Group's exposure to foreign currency risks as a result of purchases denominated in currencies other than its functional currency for which firm commitments existed at the end of the reporting period.

There were no cash requirements for these derivatives and they are not subject to significant credit risk, market risk and liquidity risk.

In line with the Group's foreign currency hedging policy, hedging is only considered for firm commitments. These derivatives and their underlying exposures will be monitored on an on-going basis.

With respect to derivatives not designated as hedging instruments, they are stated at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

For those derivatives designated as hedging instruments (cash flow hedge), the effective portion of changes in fair value of those derivatives is recognised in other comprehensive income. The gain or loss in relation to ineffective portion is recognised immediately in profit or loss.

B11 Gains/losses arising from fair value changes of financial liabilities

	Current quarter gain RM'000	Period to date (loss) RM'000
Foreign currency forward contracts	19	(93)

B12 Realised and unrealised retained profits

The retained profits as at 31 March 2011 is analysed as follows:-

	RM'000
The retained profits of the Company and its subsidiaries:-	
- Realised	92,684
- Unrealised	(448)
	<u>92,236</u>
Add: Consolidation adjustments	2,523
Total Group's retained profits as per consolidated financial statements	<u>94,759</u>

B13 Changes in material litigation

As at 19 May 2011, there was no material litigation against the Group.

B14 Dividends

The Board of Directors did not propose any dividends for the quarter under review.

PANSAR BERHAD (Company No. 18904-M)
(Formerly known as PWE INDUSTRIES BERHAD)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4th QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2011

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD (cont'd)**

B15 Earnings per share

	Quarter ended		Year to date	
	31.3.11	31.3.10	31.3.11	31.3.10
(i) Basic earnings per share				
Profit for the period/year attributable to owners of the Company (RM'000)	5,760	N/A	19,137	7,330
Weighted average number of ordinary shares of RM0.50 each in issue ('000)				
At 1 Jan 2011 / 1 April 2010	280,000	N/A	104,515	187,000
Effect of ordinary shares issued to effect the Acquisitions	-	N/A	123,507	-
Weighted average number of ordinary shares at 31 March 2011	280,000	N/A	228,022	187,000
Basic earnings per share based on the weighted average number of shares in issue (sen)	2.06	N/A	8.39	3.92
(ii) Diluted earnings per share				
Not applicable as at 31 March 2011.				

B16 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the Company and its subsidiaries for the financial year ended 31 March 2010 was not subject to any qualification.