

**PANSAR BERHAD** (Company No. 18904-M)  
(Formerly known as PWE Industries Berhad)

INTERIM FINANCIAL STATEMENTS  
FOR THE 1st QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 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 1st QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30.6.2011 RM'000	Preceding year corresponding quarter 30.6.2010 * RM'000	Current year to date 30.6.2011 RM'000	Preceding year corresponding period 30.6.2010 * RM'000
Revenue	95,111	N/A	95,111	N/A
Cost of sales	(81,590)	N/A	(81,590)	N/A
<b>Gross profit</b>	13,521	N/A	13,521	N/A
Other income	1,539	N/A	1,539	N/A
Selling and distribution expenses	(2,096)	N/A	(2,096)	N/A
Administrative expenses	(6,169)	N/A	(6,169)	N/A
Other operating expenses	(263)	N/A	(263)	N/A
Finance costs	(275)	N/A	(275)	N/A
<b>Profit before taxation</b>	6,257	N/A	6,257	N/A
Income tax expense	(1,667)	N/A	(1,667)	N/A
<b>Profit after taxation</b>	4,590	N/A	4,590	N/A
<b>Other comprehensive income, net of tax:-</b>				
Cash flow hedge	120	N/A	120	N/A
Foreign currency translation	236	N/A	236	N/A
	356	N/A	356	N/A
<b>Total comprehensive income for the financial period</b>	4,946	N/A	4,946	N/A
<b>Profit after taxation attributable to owners of the Company</b>	4,590	N/A	4,590	N/A
<b>Total comprehensive income attributable to owners of the Company</b>	4,946	N/A	4,946	N/A
<b>Weighted average number of shares in issue ('000)</b>	280,000	N/A	280,000	N/A
<b>Earnings per ordinary share (sen):-</b>				
- Basic	1.64	N/A	1.64	N/A
- 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 2011; and the accompanying explanatory notes attached to the interim financial statements.

\* No comparative figures are presented for this statement as Pansar Company Sdn Bhd ("PCSB"), the accounting acquirer, did not make any interim financial reporting prior to the reverse acquisition on 21 October 2010.

**PANSAR BERHAD** (Company No. 18904-M)  
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 30 JUNE 2011

	<b>30.6.2011</b>	<b>31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,145	4,163
Intangible assets	192	186
Deferred tax assets	10	53
	<u>4,347</u>	<u>4,402</u>
<b>Current assets</b>		
Inventories	43,999	46,151
Trade and other receivables	152,038	147,819
Derivative assets	433	196
Tax refundable	1	219
Deposits, cash and bank balances	12,163	13,450
	<u>208,634</u>	<u>207,835</u>
<b>TOTAL ASSETS</b>	<u>212,981</u>	<u>212,237</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	140,000	140,000
Reserves	(15,935)	(20,881)
<b>Total equity attributable to owners of the Company</b>	<u>124,065</u>	<u>119,119</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	204	26
<b>Current liabilities</b>		
Trade and other payables	56,251	50,425
Derivative liabilities	152	458
Bank borrowings:-		
- bank overdrafts	17,742	14,983
- other borrowings	12,400	25,746
Provision for employee benefits	1,443	1,153
Provision for taxation	724	327
	<u>88,712</u>	<u>93,092</u>
<b>Total liabilities</b>	<u>88,916</u>	<u>93,118</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>212,981</u>	<u>212,237</u>
<b>Net assets per ordinary share (RM)</b>	<u>0.44</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 2011; 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 CHANGES IN EQUITY  
FOR THE YEAR-TO-DATE ENDED 30 JUNE 2011

	←----- Non-Distributable -----→			←- Distributable -→		
<b>3-month period ended</b>	<b>Share capital</b>	<b>Reverse acquisition reserve</b>	<b>Foreign exchange translation reserve</b>	<b>Cash flow hedge reserve</b>	<b>Retained profits</b>	<b>Total equity</b>
<b>30.6.2011</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance at 1.4. 2011	140,000	(116,732)	1,118	25	94,708	119,119
Total comprehensive income for the financial period	-	-	236	120	4,590	4,946
Balance at 30.6.2011	140,000	(116,732)	1,354	145	99,298	124,065

	←----- Non-Distributable -----→			←- Distributable -→		
<b>3-month period ended</b>	<b>Share capital</b>	<b>Reverse acquisition reserve</b>	<b>Foreign exchange translation reserve</b>	<b>Cash flow hedge reserve</b>	<b>Retained profits</b>	<b>Total equity</b>
<b>30.6.2010 *</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance at 1.4. 2010	N/A	N/A	N/A	N/A	N/A	N/A
Total comprehensive income for the financial period	N/A	N/A	N/A	N/A	N/A	N/A
Balance at 30.6.2010	N/A	N/A	N/A	N/A	N/A	N/A

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 2011; and the accompanying explanatory notes attached to the interim financial statements.

\* No comparative figures are presented for this statement as PCSB, the accounting acquirer, did not make any interim financial reporting prior to the reverse acquisition on 21 October 2010.

**PANSAR BERHAD** (Company No. 18904-M)  
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR-TO-DATE ENDED 30 JUNE 2011

	<b>Current year to date 30.6.2011 RM'000</b>	<b>Preceding year corresponding period 30.6.2010 * RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	6,257	N/A
Adjustments for:-		
Depreciation of property, plant and equipment	315	N/A
Interest expense	275	N/A
Interest income	(69)	N/A
Fair value gain on derivatives	(344)	N/A
Provision for employee benefits	288	N/A
Unrealised loss on foreign exchange	88	N/A
Impairment loss on receivables	263	N/A
Impairment loss on receivables no longer required	(742)	N/A
Operating profit before changes in working capital	6,331	N/A
Decrease in inventories	2,211	N/A
Increase in receivables	(3,477)	N/A
Increase in payables	5,688	N/A
Cash from operations	10,753	N/A
Interest paid	(275)	N/A
Interest received	9	N/A
Income tax paid	(870)	N/A
Mark-to-market loss on forward foreign currency contracts	(39)	N/A
Net cash from operating activities	9,578	N/A

**PANSAR BERHAD** (Company No. 18904-M)  
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR-TO-DATE ENDED 30 JUNE 2011

	<b>Current year to date 30.6.2011 RM'000</b>	<b>Preceding year corresponding period 30.6.2010 * RM'000</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	4	N/A
Purchase of intangible assets	(4)	N/A
Purchase of property, plant and equipment	(299)	N/A
Net cash for investing activities	(299)	N/A
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Net of drawdown/(repayment) of short-term borrowings	(13,346)	N/A
Net cash for financing activities	(13,346)	N/A
Net decrease in cash and cash equivalents	(4,067)	N/A
Effects of exchange rate changes on cash and cash equivalents	21	N/A
Cash and cash equivalents at the beginning of the financial period	(1,533)	N/A
Cash and cash equivalents at the end of the financial period	(5,579)	N/A
<b>Analysis of cash and cash equivalents:-</b>		
Deposits, cash and bank balances	12,163	N/A
Bank overdrafts	(17,742)	N/A
	(5,579)	N/A

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2011; and the accompanying explanatory notes attached to the interim financial statements.

\* No comparative figures are presented for this statement as PCSB, the accounting acquirer, did not make any interim financial reporting prior to the reverse acquisition on 21 October 2010.

**PANSAR BERHAD** (Company No. 18904-M)  
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NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 1st QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2011

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**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 2011. 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 2011.

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

**FRSs and IC Interpretations (including the Consequential Amendments)**

FRS 1 (Revised) First-time Adoption of Financial Reporting Standards

FRS 3 (Revised) Business Combinations

FRS 127 (Revised) Consolidated and Separate Financial Statements

Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 1: Additional Exemptions for First-time Adopters

Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)

Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions

Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary

Amendments to FRS 7: Improving Disclosures about Financial Instruments

Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)

Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)

IC Interpretation 4 Determining Whether an Arrangement contains a Lease

IC Interpretation 12 Service Concession Arrangements

IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17 Distributions of Non-cash Assets to Owners

IC Interpretation 18 Transfers of Assets from Customers

Annual Improvements to FRSs (2010)

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.

**A2 Comments about seasonality or cyclicity of operations**

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

**A3 Unusual items due to their nature, size and incidence**

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 quarter under review.

**A4 Changes in estimates**

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

**A5 Debt and equity securities**

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

**A6 Dividend paid**

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

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NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 1st QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2011

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

**A7 Segmental information**

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

**(a) Business Segments**

	<b>Marine &amp; Industrial RM'000</b>	<b>Building Products RM'000</b>	<b>Wood Engineering RM'000</b>	<b>Electrical &amp; Office Automation RM'000</b>	<b>Mechanical &amp; Electrical RM'000</b>	<b>Year to date 30.6.11 RM'000</b>
<b>Revenue</b>						
External revenue	32,956	30,425	10,066	10,490	12,156	96,093
Inter-segment revenue	-	-	-	-	-	-
	<u>32,956</u>	<u>30,425</u>	<u>10,066</u>	<u>10,490</u>	<u>12,156</u>	<u>96,093</u>
Eliminations						(982)
Consolidated revenue						<u>95,111</u>
<b>Results</b>						
Segment results	4,027	2,137	1,019	1,249	2,634	11,066
Eliminations	-	-	-	-	255	255
	<u>4,027</u>	<u>2,137</u>	<u>1,019</u>	<u>1,249</u>	<u>2,889</u>	<u>11,321</u>
Unallocated income						473
Unallocated expenses						(5,537)
Profit before taxation						<u>6,257</u>
<b>Assets</b>						
Segment assets	61,953	34,475	20,720	23,601	51,025	191,774
Unallocated assets						21,197
Deferred tax assets						10
Consolidated total assets						<u>212,981</u>
<b>(b) Geographical Segments</b>						
Total revenue from external customers						
- Malaysia						92,283
- Singapore						2,828
						<u>95,111</u>

\* No comparative figures are presented as PCSB, the accounting acquirer, did not make any interim financial reporting prior to the reverse acquisition on 21 October 2010.

**A8 Property, plant and equipment**

There was no material acquisition or disposal of property, plant and equipment by the Group since the end of last financial year.

**A9 Subsequent events**

There were no material subsequent events as at 18 August 2011.

**A10 Changes in the composition of the Group**

There were no changes in the composition of the Group for the period ended 30 June 2011.

**A11 Contingent liabilities or contingent assets**

As at 18 August 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.

**A12 Capital commitment**

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

**A13 Significant related party transactions**

	<b>Quarter ended</b>		<b>Year to date</b>	
	<b>30.6.11 RM'000</b>	<b>30.6.10 RM'000</b>	<b>30.6.11 RM'000</b>	<b>30.6.10 RM'000</b>
Transactions with holding company	352	N/A	352	N/A
Transactions with other related parties	8,827	N/A	8,827	N/A



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NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 1st QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 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 RM95 million and RM4.6 million respectively.

There were no comparative figures in the preceding financial year to date as PCSB, the accounting acquirer, did not make any interim financial reporting prior to the reverse acquisition on 21 October 2010.

**B2 Material changes in profit before tax for the quarter**

The Group recorded revenue of RM95 million and profit before tax (PBT) of RM6.3 million for the current quarter compared with revenue of RM89 million and PBT of RM7.6 million which included other operating income amounting to RM2.7 million in the immediate preceding quarter.

**B3 Commentary on prospects**

Despite the challenging business environment, the Group anticipates that the performance of its various business operations for the remaining period of the financial year to remain positive.

**B4 Profit forecast and profit guarantee**

Not applicable as no profit forecast was announced.

**B5 Income tax expense**

	Quarter ended		Year to date	
	30.6.11 RM'000	30.6.10 RM'000	30.6.11 RM'000	30.6.10 RM'000
Income tax				
- Malaysian tax	1,480	N/A	1,480	N/A
- Foreign tax	5	N/A	5	N/A
	<u>1,485</u>	<u>N/A</u>	<u>1,485</u>	<u>N/A</u>
Deferred tax				
- Origination and reversal of temporary differences	182	N/A	182	N/A
Income tax expense	<u>1,667</u>	<u>N/A</u>	<u>1,667</u>	<u>N/A</u>

The Group's effective tax rate for the current year-to-date was higher than the statutory tax rate due mainly to certain expenses which were not deductible for tax purposes.

**B6 Sales of unquoted investments and properties**

There were no sales of unquoted investments and properties for the period under review.

**B7 Quoted securities**

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

**B8 Corporate proposals**

As at 18 August 2011, there were no corporate proposals announced.

**B9 Borrowings**

The Group's borrowings as at 30 June 2011 are as follows:-

	<b>RM'000</b>
Bank overdrafts	17,742
Bankers' acceptance	6,400
Revolving credit	<u>6,000</u>
	<u><u>30,142</u></u>

**PANSAR BERHAD** (Company No. 18904-M)  
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NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 1st QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2011

**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 30 June 2011 are as follows:-

	Contract/notional amount RM'000	Assets RM'000	Liabilities RM'000
<u>Derivatives not designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	10,316	135	(87)
<u>Derivatives designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	14,237	298	(65)
		<u>433</u>	<u>(152)</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	Year to date gain RM'000
Foreign currency forward contracts	360	360

**B12 Realised and unrealised retained profits**

The retained profits as at 30 June 2011 is analysed as follows:-

	RM'000
The retained profits of the Company and its subsidiaries:-	
- Realised	96,210
- Unrealised	(146)
	<u>96,064</u>
Add: Consolidation adjustments	3,234
Total Group's retained profits as per consolidated financial statements	<u>99,298</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 1st QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2011

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

**B13 Changes in material litigation**

As at 18 August 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.

**B15 Earnings per share**

	Quarter ended		Year to date	
	30.6.11	30.6.10	30.6.11	30.6.10
(i) Basic earnings per share				
Profit for the period/year attributable to owners of the Company (RM'000)	4,590	N/A	4,590	N/A
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	280,000	N/A	280,000	N/A
Basic earnings per share based on the weighted average number of shares in issue (sen)	1.64	N/A	1.64	N/A

(ii) Diluted earnings per share

Not applicable as at 30 June 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 2011 was not subject to any qualification.