

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

INTERIM FINANCIAL STATEMENTS
FOR THE 2nd QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 2nd QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30.9.2011 RM'000	Preceding year corresponding quarter 30.9.2010 * RM'000	Current year to date 30.9.2011 RM'000	Preceding year corresponding period 30.9.2010 * RM'000
Revenue	92,654	N/A	187,766	N/A
Cost of sales	(79,984)	N/A	(161,574)	N/A
Gross profit	12,670	N/A	26,192	N/A
Other income	4,942	N/A	6,480	N/A
Selling and distribution expenses	(2,016)	N/A	(4,111)	N/A
Administrative expenses	(7,630)	N/A	(13,799)	N/A
Other operating expenses	(260)	N/A	(523)	N/A
Finance costs	(325)	N/A	(601)	N/A
Profit before taxation	7,381	N/A	13,638	N/A
Income tax expense	(1,946)	N/A	(3,613)	N/A
Profit after taxation	5,435	N/A	10,025	N/A
Other comprehensive income, net of tax:-				
Cash flow hedge	633	N/A	753	N/A
Foreign currency translation	4	N/A	239	N/A
	637	N/A	992	N/A
Total comprehensive income for the financial period	6,072	N/A	11,017	N/A
Profit after taxation attributable to owners of the Company	5,435	N/A	10,025	N/A
Total comprehensive income attributable to owners of the Company	6,072	N/A	11,017	N/A
Weighted average number of shares in issue ('000)	280,000	N/A	280,000	N/A
Earnings per ordinary share (sen):-				
- Basic	1.94	N/A	3.58	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 SEPTEMBER 2011

	30.9.2011	31.03.2011
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	4,199	4,163
Intangible assets	193	186
Deferred tax assets	45	53
	<u>4,437</u>	<u>4,402</u>
Current assets		
Inventories	47,314	46,151
Trade and other receivables	129,511	147,819
Derivative assets	1,547	196
Tax refundable	8	219
Deposits, cash and bank balances	33,108	13,450
	<u>211,488</u>	<u>207,835</u>
TOTAL ASSETS	<u>215,925</u>	<u>212,237</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Reserves	(14,064)	(20,881)
Total equity attributable to owners of the Company	<u>125,936</u>	<u>119,119</u>
Non-current liabilities		
Deferred tax liabilities	343	26
Current liabilities		
Trade and other payables	58,219	50,425
Derivative liabilities	-	458
Bank borrowings:-		
- bank overdrafts	10,945	14,983
- other borrowings	12,300	25,746
Dividend payable	4,200	-
Provision for employee benefits	2,302	1,153
Provision for taxation	1,680	327
	<u>89,646</u>	<u>93,092</u>
Total liabilities	<u>89,989</u>	<u>93,118</u>
TOTAL EQUITY AND LIABILITIES	<u>215,925</u>	<u>212,237</u>
Net assets per ordinary share (RM)	<u>0.45</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 SEPTEMBER 2011

	←----- Non-Distributable -----→			←- Distributable -→		
6-month period ended	Share capital	Reverse acquisition reserve	Foreign exchange translation reserve	Cash flow hedge reserve	Retained profits	Total equity
30.9.2011	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.4. 2011	140,000	(116,732)	1,118	25	94,708	119,119
Total comprehensive income for the financial period	-	-	239	753	10,025	11,017
Transaction with owners:-						
Dividend	-	-	-	-	(4,200)	(4,200)
Balance at 30.9.2011	140,000	(116,732)	1,357	778	100,533	125,936

	←----- Non-Distributable -----→			←- Distributable -→		
6-month period ended	Share capital	Reverse acquisition reserve	Foreign exchange translation reserve	Cash flow hedge reserve	Retained profits	Total equity
30.9.2010 *	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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 30.9.2010	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 SEPTEMBER 2011

	Current year to date 30.9.2011 RM'000	Preceding year corresponding period 30.9.2010 * RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	13,638	N/A
Adjustments for:-		
Amortisation of intangible assets	1	N/A
Bad debts written off	100	N/A
Depreciation of property, plant and equipment	645	N/A
Fair value gain on derivatives	(771)	N/A
Impairment loss on receivables	423	N/A
Impairment loss on receivables no longer required	(1,095)	N/A
Interest expense	601	N/A
Interest income	(4,046)	N/A
Inventories written down	5	N/A
Loss on disposal of property, plant and equipment	2	N/A
Provision for employee benefits	1,146	N/A
Unrealised loss on foreign exchange	345	N/A
Operating profit before changes in working capital	10,994	N/A
Increase in inventories	(1,113)	N/A
Decrease in receivables	19,202	N/A
Increase in payables	7,211	N/A
Cash from operations	36,294	N/A
Interest paid	(601)	N/A
Interest received	4,031	N/A
Income tax paid	(1,974)	N/A
Mark-to-market loss on forward foreign currency contracts	(35)	N/A
Net cash from operating activities	37,715	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 SEPTEMBER 2011

	Current year to date 30.9.2011 RM'000	Preceding year corresponding period 30.9.2010 * RM'000
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	4	N/A
Purchase of intangible assets	(6)	N/A
Purchase of property, plant and equipment	(685)	N/A
Net cash for investing activities	(687)	N/A
CASH FLOWS FOR FINANCING ACTIVITIES		
Net of drawdown/(repayment) of short-term borrowings	(13,446)	N/A
Net cash for financing activities	(13,446)	N/A
Net increase in cash and cash equivalents	23,582	N/A
Effect of exchange rate changes on cash and cash equivalents	114	N/A
Cash and cash equivalents at beginning of the financial period	(1,533)	N/A
Cash and cash equivalents at end of the financial period	22,163	N/A
Analysis of cash and cash equivalents:-		
Deposits, cash and bank balances	33,108	N/A
Bank overdrafts	(10,945)	N/A
	22,163	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 2nd QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 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 2nd QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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

	Marine & Industrial RM'000	Building Products RM'000	Wood Engineering RM'000	Electrical & Office Automation RM'000	Mechanical & Electrical RM'000	Year to date 30.9.11 RM'000
Revenue						
External revenue	63,913	62,198	19,644	19,387	23,893	189,035
Inter-segment revenue	-	-	-	-	-	-
	<u>63,913</u>	<u>62,198</u>	<u>19,644</u>	<u>19,387</u>	<u>23,893</u>	<u>189,035</u>
Eliminations						(1,269)
Consolidated revenue						<u><u>187,766</u></u>
Results						
Segment results	7,604	4,322	1,952	1,972	7,305	23,155
Eliminations	-	-	-	-	718	718
	<u>7,604</u>	<u>4,322</u>	<u>1,952</u>	<u>1,972</u>	<u>8,023</u>	<u>23,873</u>
Unallocated income						1,885
Unallocated expenses						(12,120)
Consolidated profit before taxation						<u><u>13,638</u></u>
Assets						
Segment assets	68,932	38,757	20,287	20,787	40,744	189,507
Unallocated assets						26,373
Deferred tax assets						45
Consolidated total assets						<u><u>215,925</u></u>

(b) Geographical segments

Total revenue from external customers	182,305
- Malaysia	5,461
- Singapore	187,766

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

a) Acquisition and disposal of property, plant and equipment

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

b) Impairment losses

Neither loss from impairment of property, plant and equipment nor reversal of such impairment losses was recognised since the end of last financial year.

c) Valuation

As at 30 September 2011, the Group did not have any revalued assets.

A9 Subsequent events

There were no material subsequent events as at 11 November 2011.

A10 Changes in the composition of the Group

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

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 2nd QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2011

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

A11 Contingent liabilities or contingent assets

As at 11 November 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

	Quarter ended		Year to date	
	30.9.11 RM'000	30.9.10 RM'000	30.9.11 RM'000	30.9.10 RM'000
Transactions with holding company	351	N/A	703	N/A
Transactions with other related parties	9,910	N/A	18,737	N/A

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

B1 Review of performance

During the financial period ended 30 September 2011, the Group's revenue and profit after tax was RM188 million and RM10 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 RM93 million and profit before tax (PBT) of RM7.4 million for the current quarter compared with revenue of RM95 million and PBT of RM6.3 million in the immediate preceding quarter. The higher PBT for the current quarter under review included the recognition of interest income charged on overdue debts amounting to RM4.0 million.

B3 Commentary on prospects

The second half of FY2012 is expected to be challenging. The Group will continue to focus on effective cost control in its operations whilst working actively to improve its revenue base through increased marketing to its customers.

B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was announced.

B5 Income tax expense

	Quarter ended		Year to date	
	30.9.11 RM'000	30.9.10 RM'000	30.9.11 RM'000	30.9.10 RM'000
Income tax:-				
- Malaysian tax	2,038	N/A	3,517	N/A
- Foreign tax	19	N/A	25	N/A
Over provision in the previous financial year	(4)	N/A	(4)	N/A
	<u>2,053</u>	<u>N/A</u>	<u>3,538</u>	<u>N/A</u>
Deferred tax:-				
- Origination and reversal of temporary differences	(124)	N/A	58	N/A
- Under provision in the previous financial year	17	N/A	17	N/A
	<u>(107)</u>	<u>N/A</u>	<u>75</u>	<u>N/A</u>
	<u>1,946</u>	<u>N/A</u>	<u>3,613</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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 2nd QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2011

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

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 11 November 2011, there were no corporate proposals announced.

B9 Borrowings

The Group's borrowings as at 30 September 2011 were as follows:-

	RM'000
Bank overdrafts	10,945
Bankers' acceptance	6,300
Revolving credit	6,000
	<u>23,245</u>

B10 Derivative financial instruments

The outstanding foreign currency forward contracts as at 30 September 2011 were as follows:-

	Contract/notional amount RM'000	Assets RM'000
<u>Derivatives not designated as hedging instruments:-</u>		
Forward foreign currency contracts		
- Less than 1 year	4,701	476
<u>Derivatives designated as hedging instruments:-</u>		
Forward foreign currency contracts		
- Less than 1 year	15,065	<u>1,071</u>
		<u>1,547</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. These fair value changes are attributable to changes in foreign exchange spot and forward rates.

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	152	<u>458</u>

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

B12 Breakdown of realised and unrealised profits

The breakdown of retained profits of the Group as at 30 September 2011 into realised and unrealised profit is presented as follows:-

	RM'000
Total retained profits:-	
- Realised	96,518
- Unrealised	781
	<u>97,299</u>
Add: Consolidation adjustments	3,234
At 30 September 2011	<u><u>100,533</u></u>

B13 Changes in material litigation

As at 11 November 2011, there was no material litigation against the Group.

B14 Dividend payable

At the Annual General Meeting held on 22 September 2011, a first and final dividend of 2.0 sen per ordinary share, less 25% corporate tax amounting to RM4,200,000 in respect of the financial year ended 31 March 2011 which was recommended by the Board of Directors on 14 July 2011 have been approved by shareholders and will be paid on 15 November 2011.

B15 Earnings per share

	Quarter ended		Year to date	
	30.9.11	30.9.10	30.9.11	30.9.10
a) Basic earnings per share				
Profit for the period/year attributable to owners of the Company (RM'000)	5,435	N/A	10,025	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)	1.94	N/A	3.58	N/A

b) Diluted earnings per share

Not applicable as at 30 September 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.