

# PANSAR BERHAD (Company No. 18904-M)

INTERIM FINANCIAL STATEMENTS  
FOR THE 3rd QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2011

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## CONTENTS

	<u>PAGE</u>
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	1
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	2
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	3
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS.....	4
EXPLANATORY NOTES	
PART A - EXPLANATORY NOTES PURSUANT TO FRS 134.....	6
PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD .....	9

# PANSAR BERHAD (Company No. 18904-M)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 3rd QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2011

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.12.2011 RM'000	Preceding year corresponding quarter 31.12.2010 RM'000	Current year to date 31.12.2011 RM'000	Preceding year corresponding year to date 31.12.2010 RM'000
Revenue	119,307	96,236	307,073	265,951
Cost of sales	(103,213)	(82,397)	(264,787)	(229,356)
<b>Gross profit</b>	16,094	13,839	42,286	36,595
Other income	201	3,441	6,682	5,094
Selling and distribution expenses	(2,041)	(2,040)	(6,153)	(5,957)
Administrative expenses	(6,800)	(8,295)	(20,599)	(18,339)
Other operating expenses	(1,466)	199	(1,989)	(49)
Finance costs	(271)	(290)	(872)	(632)
<b>Profit before taxation</b>	5,717	6,854	19,355	16,712
Income tax expense	(1,392)	(1,652)	(5,005)	(3,335)
<b>Profit after taxation</b>	4,325	5,202	14,350	13,377
<b>Other comprehensive income, net of tax:-</b>				
Cash flow hedge	(525)	(24)	228	(24)
Foreign currency translation	(61)	188	179	216
	(586)	164	407	192
<b>Total comprehensive income for the financial period</b>	3,739	5,366	14,757	13,569
<b>Profit after taxation attributable to owners of the Company</b>	4,325	5,202	14,350	13,377
<b>Total comprehensive income attributable to owners of the Company</b>	3,739	5,366	14,757	13,569
<b>Weighted average number of shares in issue ('000)</b>	280,000	259,783	280,000	211,349
<b>Earnings per ordinary share (sen):-</b>				
- Basic	1.54	2.00	5.13	6.33
- 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.

# PANSAR BERHAD (Company No. 18904-M)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2011

	31.12.2011 RM'000 (Unaudited)	31.03.2011 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3,905	4,163
Intangible assets	193	186
Deferred tax assets	37	53
	<u>4,135</u>	<u>4,402</u>
<b>Current assets</b>		
Inventories	38,008	46,151
Trade and other receivables	153,326	147,819
Derivative assets	586	196
Tax refundable	30	219
Deposits, cash and bank balances	19,758	13,450
	<u>211,708</u>	<u>207,835</u>
<b>TOTAL ASSETS</b>	<u>215,843</u>	<u>212,237</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	140,000	140,000
Reserves	(10,324)	(20,881)
<b>Total equity attributable to owners of the Company</b>	<u>129,676</u>	<u>119,119</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	178	26
<b>Current liabilities</b>		
Trade and other payables	57,095	50,425
Derivative liabilities	14	458
Bank borrowings:-		
- bank overdrafts	10,162	14,983
- other borrowings	15,000	25,746
Provision for employee benefits	1,471	1,153
Provision for taxation	2,247	327
	<u>85,989</u>	<u>93,092</u>
<b>Total liabilities</b>	<u>86,167</u>	<u>93,118</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>215,843</u>	<u>212,237</u>
<b>Net assets per ordinary share (RM)</b>	<u>0.46</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)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR TO DATE ENDED 31 DECEMBER 2011

9-month period ended 31.12.2011	←-----Non-Distributable-----→				←Distributable→		Total equity RM'000
	Share capital RM'000	Reverse acquisition reserve RM'000	Foreign exchange translation reserve RM'000	Cash flow hedge reserve RM'000	Retained profits RM'000		
Balance at 1.4. 2011	140,000	(116,732)	1,118	25	94,708		119,119
Cash flow hedge	-	-	-	228	-		228
Foreign currency translation	-	-	179	-	-		179
Net profit for the period	-	-	-	-	14,350		14,350
Total comprehensive income for the financial period	-	-	179	228	14,350		14,757
Transaction with owners:- Dividend	-	-	-	-	(4,200)		(4,200)
Balance at 31.12.2011	140,000	(116,732)	1,297	253	104,858		129,676

9-month period ended 31.12.2010	←-----Non-Distributable-----→				←--Distributable--→			Total equity RM'000
	Share capital RM'000	Share premium RM'000	Reverse acquisition reserve RM'000	Foreign exchange translation reserve RM'000	Cash flow hedge reserve RM'000	General reserve RM'000	Retained profits RM'000	
Balance at 1.4. 2010	5,000	2	-	859	-	300	74,491	80,652
Effects of adoption of FRS 139	-	-	-	-	-	-	504	504
Balance at 1.4.2010 (restated)	5,000	2	-	859	-	300	74,995	81,156
Cash flow hedge	-	-	-	-	(24)	-	-	(24)
Foreign currency translation	-	-	-	216	-	-	-	216
Net profit for the period	-	-	-	-	-	-	13,377	13,377
Total comprehensive income for the financial period	-	-	-	216	(24)	-	13,377	13,569
Transaction with owners:- Adjustment arising from reverse acquisition	135,000	(2)	(116,732)	-	-	-	-	18,266
Balance at 31.12.2010	140,000	-	(116,732)	1,075	(24)	300	88,372	112,991

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.

# PANSAR BERHAD (Company No. 18904-M)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR TO DATE ENDED 31 DECEMBER 2011

	Current year to date 31.12.2011 RM'000	Preceding year corresponding period 31.12.2010 RM'000
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>		
Profit before taxation	19,355	16,712
Adjustments for:-		
Amortisation of intangible assets	2	11
Bad debts written off	100	10
Depreciation of property, plant and equipment	981	918
Fair value gain on derivatives	(530)	(1,009)
Gain on disposal of property, plant and equipment	(66)	(3)
Goodwill written off	-	510
Impairment loss on receivables	1,888	40
Impairment loss on receivables no longer required	(1,134)	(261)
Interest expense	872	632
Interest income	(4,183)	(117)
Inventories written down	5	-
Negative goodwill written off	-	(1,749)
Provision for employee benefits	1,449	864
Unrealised loss/(gain) on foreign exchange	233	(2)
Operating profit before changes in working capital	18,972	16,556
Decrease/(increase) in inventories	8,179	(11,230)
Increase in receivables	(6,159)	(19,033)
Increase/(decrease) in payables	6,411	(20,002)
Employee benefits paid	(1,133)	(2,086)
Cash from/(for) operations	26,270	(35,795)
Interest paid	(872)	(632)
Interest received	4,154	42
Income tax paid	(2,803)	(1,939)
Net cash from/(for) operating activities	26,749	(38,324)

**PANSAR BERHAD** (Company No. 18904-M)

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

	<b>Current year to date 31.12.2011 RM'000</b>	<b>Preceding year corresponding period 31.12.2010 RM'000</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries, net of cash and cash equivalent acquired	-	(2,690)
Proceeds from disposal of property, plant and equipment	75	27
Purchase of intangible assets	(7)	(5)
Purchase of property, plant and equipment	(730)	(309)
Net cash for investing activities	(662)	(2,977)
<b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>		
Dividend paid	(4,200)	-
Proceeds from revolving credit	-	6,000
Repayment of revolving credit	(2,000)	-
Proceeds from bankers' acceptance	24,100	46,680
Repayment of bankers' acceptance	(32,846)	(22,500)
Net cash (for)/from financing activities	(14,946)	30,180
Net increase/(decrease) in cash and cash equivalents	11,141	(11,121)
Effect of exchange rate changes on cash and cash equivalents	(12)	31
Cash and cash equivalents at beginning of the financial period	(1,533)	1,430
Cash and cash equivalents at end of the financial period	9,596	(9,660)
<b>Analysis of cash and cash equivalents:-</b>		
Deposits, cash and bank balances	19,758	3,598
Bank overdrafts	(10,162)	(13,258)
	9,596	(9,660)

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.

**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**

During the current quarter under review, 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 was paid on 15 November 2011.

**PANSAR BERHAD** (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 3rd QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 &amp; Supplies RM'000</b>	<b>Electrical &amp; Office Automation RM'000</b>	<b>Mechanical &amp; Electrical RM'000</b>	<b>Year to date 31.12.11 RM'000</b>
<b>Revenue</b>						
External revenue	115,466	96,990	29,190	27,891	39,272	308,809
Inter-segment revenue	(1)	(61)	-	(1,529)	(145)	(1,736)
Consolidated revenue	<u>115,465</u>	<u>96,929</u>	<u>29,190</u>	<u>26,362</u>	<u>39,127</u>	<u>307,073</u>
<b>Results</b>						
Segment results	11,972	6,857	2,882	2,887	9,436	34,034
Eliminations	-	-	-	-	1,156	1,156
	<u>11,972</u>	<u>6,857</u>	<u>2,882</u>	<u>2,887</u>	<u>10,592</u>	<u>35,190</u>
Unallocated income						2,093
Unallocated expenses						(17,928)
Consolidated profit before taxation						<u>19,355</u>
<b>Assets</b>						
Segment assets	<u>78,879</u>	<u>40,249</u>	<u>20,496</u>	<u>18,367</u>	<u>39,833</u>	197,824
Unallocated assets						17,982
Deferred tax assets						37
Consolidated total assets						<u>215,843</u>

	<b>Marine &amp; Industrial RM'000</b>	<b>Building Products RM'000</b>	<b>Wood Engineering &amp; Supplies RM'000</b>	<b>Electrical &amp; Office Automation RM'000</b>	<b>Mechanical &amp; Electrical RM'000</b>	<b>Year to date 31.12.10 RM'000</b>
<b>Revenue</b>						
External revenue	87,568	97,830	23,694	36,113	20,746	265,951
Inter-segment revenue	-	-	-	-	-	-
Consolidated revenue	<u>87,568</u>	<u>97,830</u>	<u>23,694</u>	<u>36,113</u>	<u>20,746</u>	<u>265,951</u>
<b>Results</b>						
Segment results	14,164	6,639	2,489	3,850	973	28,115
Eliminations	-	-	-	-	568	568
	<u>14,164</u>	<u>6,639</u>	<u>2,489</u>	<u>3,850</u>	<u>1,541</u>	<u>28,683</u>
Unallocated income						4,698
Unallocated expenses						(16,669)
Consolidated profit before taxation						<u>16,712</u>
<b>Assets</b>						
Segment assets	<u>85,815</u>	<u>25,340</u>	<u>18,583</u>	<u>14,388</u>	<u>51,005</u>	195,131
Unallocated assets						25,896
Deferred tax assets						247
Consolidated total assets						<u>221,274</u>

# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3rd QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2011

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

#### A7 Segmental information (Cont'd)

##### (b) Geographical segments

	Year to date	
	31.12.11	31.12.10
	RM'000	RM'000
Total revenue from external customers		
- Malaysia	301,612	257,446
- Singapore	5,461	8,505
	<u>307,073</u>	<u>265,951</u>

#### 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 31 December 2011, the Group did not have any revalued assets.

#### A9 Subsequent events

There were no material subsequent events as at 10 February 2012.

#### A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the period ended 31 December 2011.

#### A11 Contingent liabilities or contingent assets

As at 10 February 2012, 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	
	31.12.11	31.12.10	31.12.11	31.12.10
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	346	351	1,049	351
Transactions with other related parties	11,808	5,640	30,545	5,640

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

**B1 Review of performance**

The Group's pre-tax profit for financial year-to-date rose by 15.8% or RM2.64 million to RM19.4 million from RM16.7 million in the same period last year while revenue increased by 15.5% to RM307 million from RM266 million previously.

Profit before taxation for the quarter ended 31 December 2011 was RM5.7 million as compared to RM6.9 million in the corresponding quarter of the preceding year, a decrease of RM1.2 million. The lower performance was mainly attributed to the additional impairment loss on receivables charged in the current quarter. On a q-o-q comparison, other operating income in 3QFY11 was RM3.2 million higher which included mainly negative goodwill arising from acquisition of subsidiary of RM1.7 million. No such gain arose in the current quarter.

Marine & Industrial Segment

Quarterly results

For the quarter under review, Marine & Industrial segment continued to be the major contributor to the Group in terms of revenue and profit generated. The segment delivered an impressive growth of 54% in revenue of RM52 million over RM33 million in 3QFY11. The revenue growth was mainly driven by sales of marine engines in Sarawak region, induced by the booming shipbuilding activities.

Against the trend, PBT for 3QFY12 decreased by 19% to RM4.4 million from previous year's corresponding quarter of RM5.4 million. The decrease was mainly due to the lower gross profit margins and higher other operating expenses incurred as a result of allowance made for doubtful debts.

Financial year-to-date

Marine & Industrial segment achieved a PBT of RM12 million on the back of revenue of RM115 million for the current financial year-to-date. This represents a decrease in PBT of RM2.2 million and an increase in revenue of RM27.9 million when compared to the corresponding period of previous year. The decrease in PBT was mainly due to the markedly lower margins from sales of marine engines resulting from stiff competition and unfavourable exchange rates. A significant amount of impairment loss on receivables made in 3QFY12 further dragged down the performance.

Building Products Segment

Quarterly results

Building Products segment posted an improvement of 18.6% or RM5 million in revenue for 3QFY12, boosted largely by the increase in the sales volume of building structural products. Improved product mix of higher product margins led to an increase in gross profit of RM0.6 million when compared to the previous corresponding quarter.

PBT for the quarter of RM2.5 million was up 47% quarter-on-quarter as a result of higher gross profit achieved.

Financial year-to-date

For nine months ended 31 December 2011, the segment recorded revenue of RM97.0 million, a decrease of RM0.9 million from the corresponding period of last year. In tandem with the decrease in revenue, the segment's gross profit decreased by RM0.23 million against previous corresponding period.

Compared to the corresponding period of FY2011, the PBT of Building Products segment was however up by 3.3% to RM6.9 million. The higher PBT was broadly a result of the write back of impairment loss on receivables.

Wood Engineering and Supplies Segment

Quarterly results

Wood Engineering and Supplies segment posted a revenue growth of 32.8% to reach RM9.5 million for the current quarter compared with RM7.2 million recorded in 3QFY11. The much improved revenue in the current quarter was achieved on the back of increased sales for fertilisers and steel wire ropes.

PBT for 3QFY12 accordingly registered RM0.9 million compared with RM0.7 million for 3QFY11.

Financial year-to-date

For YTD 3QFY12, Wood Engineering and Supplies segment recorded stronger revenue and PBT of RM29.2 million and RM2.9 million respectively. This represents a 23.2% improvement in revenue and 15.8% improvement for PBT over the corresponding period of previous year. The better performance was mainly due to higher contributions from better profit margin products.

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

**B1 Review of performance (Cont'd)**

Electrical & Office Automation Segment

Quarterly results

For the current quarter, Electrical & Office Automation segment posted a PBT of RM0.9 million on the back of revenue of RM8.2 million as compared to previous corresponding quarter's PBT of RM1.4 million on revenue of RM11.8 million. Gross profit margin expanded largely due to higher purchase discounts.

Financial year-to-date

The segment's YTD 3QFY12 PBT declined to RM2.9 million year-on-year from RM3.9 million a year ago. Revenue had decreased to RM26.4 million in the 3<sup>rd</sup> quarter from previous year-on-year comparison of RM36.1 million mainly due to intense market competition. Gross profit margin, however, was higher as compared to the same period last year. This was principally due to higher purchase discounts.

Mechanical & Electrical Segment

Quarterly results

Mechanical & Electrical segment achieved a higher PBT of RM2.5 million on the back of improved revenue of RM15.3 million for 3QFY12. This represents 93.3% increase in PBT and 5.2% increase in revenue on q-o-q comparison. The Mechanical & Electrical segment commanded higher margins in 3QFY12 due to timely completion of several large projects.

Financial year-to-date

For YTD 3QFY12, the revenue generated from the Group's Mechanical and Electrical segment rose 88.6% from RM20.7 million to RM39.1 million with the completion of contract works for a number of large projects. PBT of the segment improved significantly by RM9.1 million for the nine months ended 31 December 2011 compared to the previous corresponding period. This was underpinned by better gross margins derived from timely project execution and completion as well as interest income charged on overdue debts amounting to RM3.0 million.

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

For the current quarter under review, the Group achieved a lower profit after tax (PAT) of RM4.3 million compared with PAT of RM5.4 million in the immediate preceding quarter. Despite a solid growth of RM23.1 million in revenue, the Group's results for 3QFY12 were partially negated by the impairment made on doubtful debts. Included in 2QFY12 other operating income was an interest income amounting to RM4.0 million. No such income arose in the current quarter.

**B3 Commentary on prospects**

With the current global economic uncertainty, we expect the Malaysian economy to continue to be positive, with growth forecasted in the region of 5%. (*Source: Bank Negara*)

Our mechanical and electrical segment together with our building products segment are expected to continue to grow with the continued growth of the construction industry, such as through the Sarawak State Government initiative, SCORE. We believe that in order for this sustained growth, the private sector must work closely with the Government to ensure timely implementation of all economic programs. We continue to be focused in building relationship with our partners in the construction sector, to ensure that we continuously and consistently add value by offering quality products and services.

The growth for marine and industrial segment is also expected to continue to remain positive but volatility of foreign exchange rates may pose uncertainty to our performance results. The marine and industrial segment will continue to build on our tradition of being a partner through our comprehensive after sales service and together with our wood engineering segment are looking to increase our product and service range.

Going forward, our wood engineering segment continues to re-invent itself with a strong focus towards the supply of fertilisers and products required by the oil palm estates. The robustness of the oil palm industry is expected to continue this growth.

Bank Negara has reported that private consumption is expected to be resilient and will be one of the key drivers of growth for the Malaysian economy. We are committed to achieve continued positive growth in the electrical and office automation segment with the increasing affluence of domestic consumers who now look towards our various lifestyle products.

**B4 Profit forecast and profit guarantee**

Not applicable as no profit forecast was announced.

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 3rd QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2011

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

**B5 Income tax expense**

	Quarter ended		Year to date	
	31.12.11 RM'000	31.12.10 RM'000	31.12.11 RM'000	31.12.10 RM'000
Income tax:-				
- Malaysian tax	1,357	772	4,874	2,592
- Foreign tax	18	15	43	31
Over provision in the previous financial year	-	-	(4)	(99)
	<u>1,375</u>	<u>787</u>	<u>4,913</u>	<u>2,524</u>
Deferred tax:-				
- Origination and reversal of temporary differences	9	863	75	808
- Under provision in the previous financial year	8	2	17	3
	<u>17</u>	<u>865</u>	<u>92</u>	<u>811</u>
	<u>1,392</u>	<u>1,652</u>	<u>5,005</u>	<u>3,335</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 Corporate proposals**

As at 10 February 2012, there were no corporate proposals announced.

**B7 Short-term borrowings**

The Group's borrowings as at 31 December 2011 were as follows:-

	RM'000
Bank overdrafts, secured	703
Bank overdrafts, unsecured	9,459
Bankers' acceptance, unsecured	11,000
Revolving credit, secured	4,000
	<u>25,162</u>

**B8 Derivative financial instruments**

The outstanding foreign currency forward contracts as at 31 December 2011 were 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	8,293	240	(5)
<u>Derivatives designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	8,238	346	(9)
		<u>586</u>	<u>(14)</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.

# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3rd QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2011

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

#### B8 Derivative financial instruments (Cont'd)

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.

#### B9 Gains/(losses) arising from fair value changes of financial liabilities

	Current quarter loss	Year to date gain
	RM'000	RM'000
Foreign currency forward contracts	(14)	444

#### B10 Breakdown of realised and unrealised profits

The breakdown of retained profits of the Group as at 31 December 2011 into realised and unrealised profit is presented as follows:-

	RM'000
Total retained profits:-	
- Realised	101,212
- Unrealised	412
	<u>101,624</u>
Add: Consolidation adjustments	3,234
At 31 December 2011	<u>104,858</u>

#### B11 Changes in material litigation

As at 10 February 2012, there was no material litigation against the Group.

#### B12 Dividend payable

No interim dividend has been declared for the financial period ended 31 December 2011.

#### B13 Earnings per share

##### a) Basic earnings per share

	Quarter ended		Year to date	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Profit for the period/year attributable to owners of the Company (RM'000)	4,325	5,202	14,350	13,377
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	280,000	259,783	280,000	211,349
Basic earnings per share based on the weighted average number of shares in issue (sen)	<u>1.54</u>	<u>2.00</u>	<u>5.13</u>	<u>6.33</u>

##### b) Diluted earnings per share

Not applicable as at 31 December 2011.

#### B14 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.

# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3rd QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2011

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

#### **B15 Profit for the period**

Included in the profit for the period are:-

	Quarter ended		Year to date	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Interest income	137	79	4,183	117
Interest expense	271	290	872	632
Depreciation and amortisation	337	19	983	929
Collective impairment losses on receivables	87	-	357	4
Individual impairment losses on receivables	1,378	1	1,531	36
Bad debts written off	-	1	100	10
Inventories written down	-	-	5	-
Foreign exchange gain/(loss)	34	3	434	(305)
Fair value gain/(loss) on derivatives	(241)	-	530	1,009

Other than the above, there were no gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, and exceptional items for the current quarter and financial period ended 31 December 2011.