

PANSAR BERHAD (Company No. 18904-M)

INTERIM FINANCIAL STATEMENTS
FOR THE 4th QUARTER AND YEAR TO DATE ENDED 31 MARCH 2012

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 4th QUARTER AND YEAR TO DATE ENDED 31 MARCH 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.3.2012 RM'000	Preceding year corresponding quarter 31.3.2011 RM'000	Current year to date 31.3.2012 RM'000	Preceding year corresponding year to date 31.3.2011 RM'000
Revenue	90,537	89,024	397,610	354,975
Cost of sales	(78,054)	(74,795)	(342,841)	(304,152)
Gross profit	12,483	14,229	54,769	50,823
Other income	443	2,721	7,124	7,816
Selling and distribution expenses	(2,172)	(2,287)	(8,324)	(8,243)
Administrative expenses	(6,961)	(5,888)	(27,560)	(24,227)
Other operating expenses	(1,382)	(766)	(3,371)	(815)
Finance costs	(79)	(407)	(951)	(1,040)
Profit before taxation	2,332	7,602	21,687	24,314
Income tax expense	(804)	(1,842)	(5,809)	(5,177)
Profit after taxation	1,528	5,760	15,878	19,137
Other comprehensive income, net of tax:-				
Cash flow hedge	(231)	50	(3)	25
Foreign currency translation	(28)	42	151	259
	(259)	92	148	284
Total comprehensive income for the financial year	1,269	5,852	16,026	19,421
Profit after taxation attributable to owners of the Company	1,528	5,760	15,878	19,137
Total comprehensive income attributable to owners of the Company	1,269	5,852	16,026	19,421
Weighted average number of shares in issue ('000)	280,000	280,000	280,000	228,022
Earnings per ordinary share (sen):-				
- Basic	0.55	2.06	5.67	8.39
- 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 MARCH 2012

	31.3.2012	31.03.2011
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	3,707	4,163
Intangible assets	198	186
Deferred tax assets	8	53
	<u>3,913</u>	<u>4,402</u>
Current assets		
Inventories	39,579	46,151
Trade and other receivables	137,146	147,819
Derivative assets	267	196
Tax refundable	37	219
Deposits, cash and bank balances	19,663	13,450
	<u>196,692</u>	<u>207,835</u>
TOTAL ASSETS	<u>200,605</u>	<u>212,237</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Reserves	(9,055)	(20,881)
Total equity attributable to owners of the Company	<u>130,945</u>	<u>119,119</u>
Non-current liabilities		
Deferred tax liabilities	99	26
Current liabilities		
Trade and other payables	45,193	50,425
Derivative liabilities	424	458
Bank borrowings:-		
- bank overdrafts	12,441	14,983
- other borrowings	9,000	25,746
Provision for employee benefits	1,269	1,153
Provision for taxation	1,234	327
	<u>69,561</u>	<u>93,092</u>
Total liabilities	<u>69,660</u>	<u>93,118</u>
TOTAL EQUITY AND LIABILITIES	<u>200,605</u>	<u>212,237</u>
Net assets per ordinary share (RM)	<u>0.47</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 MARCH 2012

12-month period ended 31.3.2012	←-----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	-	-	-	(3)	-		(3)
Foreign currency translation	-	-	151	-	-		151
Net profit for the year	-	-	-	-	15,878		15,878
Total comprehensive income for the financial year	-	-	151	(3)	15,878		16,026
Transaction with owners:-							
Dividend	-	-	-	-	(4,200)		(4,200)
Balance at 31.3.2012	140,000	(116,732)	1,269	22	106,386		130,945

12-month period ended 31.3.2011	←-----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	74,490	80,651
Effects of adoption of FRS 139	-	-	-	-	-	-	832	832
Balance at 1.4.2010 (restated)	5,000	2	-	859	-	300	75,322	81,483
Cash flow hedge	-	-	-	-	25	-	-	25
Foreign currency translation	-	-	-	259	-	-	-	259
Net profit for the year	-	-	-	-	-	-	19,086	19,086
Total comprehensive income for the financial year	-	-	-	259	25	-	19,086	19,370
Transaction with owners:-								
Transfer to retained profits	-	-	-	-	-	(300)	300	-
Adjustment arising from reverse acquisition	135,000	(2)	(116,732)	-	-	-	-	18,266
Balance at 31.3.2011	140,000	-	(116,732)	1,118	25	-	94,708	119,119

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 MARCH 2012

	Current year to date 31.3.2012 RM'000	Preceding year corresponding period 31.3.2011 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	21,687	24,314
Adjustments for:-		
Amortisation of intangible assets	3	15
Bad debts written off	144	57
Depreciation of property, plant and equipment	1,318	1,260
Fair value gain on derivatives	(82)	(1,018)
Gain on disposal of property, plant and equipment	(68)	(24)
Gain on disposal of subsidiaries	-	(534)
Goodwill written off	-	510
Impairment loss on receivables	3,227	249
Impairment loss on receivables no longer required	(1,304)	(1,040)
Interest expense	951	1,040
Interest income	(4,286)	(147)
Inventories written down	5	171
Inventories written off	35	-
Negative goodwill written off	-	(1,749)
Payables written off	-	(1,113)
Provision for employee benefits	1,248	1,128
Unrealised (gain)/loss on foreign exchange	(66)	181
Operating profit before changes in working capital	22,812	23,300
Decrease/(increase) in inventories	6,564	(9,819)
Decrease/(increase) in receivables	8,733	(191)
Decrease in payables	(5,114)	(26,759)
Employee benefits paid	(1,132)	(2,061)
Cash from/(for) operations	31,863	(15,530)
Interest paid	(951)	(1,040)
Interest received	4,280	171
Income tax paid	(4,607)	(3,336)
Income tax refunded	-	1
Mark-to-market loss on forward foreign currency contracts	(21)	-
Net cash from/(for) operating activities	30,564	(19,734)

PANSAR BERHAD (Company No. 18904-M)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR TO DATE ENDED 31 MARCH 2012**

	Current year to date 31.3.2012 RM'000	Preceding year corresponding period 31.3.2011 RM'000
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(3,974)
Disposal of subsidiaries, net of cash and cash equivalents acquired	-	(1)
Proceeds from disposal of property, plant and equipment	78	62
Purchase of intangible assets	(13)	(5)
Purchase of property, plant and equipment	(871)	(944)
Net cash for investing activities	(806)	(4,862)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Dividend paid	(4,200)	-
Proceeds from revolving credit	-	6,000
Repayment of revolving credit	(2,000)	-
Proceeds from bankers' acceptance	24,100	60,030
Repayment of bankers' acceptance	(38,846)	(44,284)
Net cash (for)/from financing activities	(20,946)	21,746
Net increase/(decrease) in cash and cash equivalents	8,812	(2,850)
Effect of exchange rate changes on cash and cash equivalents	(57)	(113)
Cash and cash equivalents at beginning of the financial year	(1,533)	1,430
Cash and cash equivalents at end of the financial year	7,222	(1,533)
Analysis of cash and cash equivalents:-		
Deposits, cash and bank balances	19,663	13,450
Bank overdrafts	(12,441)	(14,983)
	7,222	(1,533)

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 year, 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.

Convergence of the FRSs with the International Financial Reporting Standards

On 19 November 2011, the MASB issued a new Malaysian Financial Reporting Standards ("MFRS") framework, consisting of accounting standards which are in line with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The framework is effective for annual periods beginning on or after 1 January 2012. The Group will be adopting the new accounting standards in the next financial year. The Group is currently in the process of assessing the impact of the adoption of these new standards and the directors do not expect any significant impact on the financial statements arising from the adoption.

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.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4th QUARTER AND YEAR TO DATE ENDED 31 MARCH 2012

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 & Supplies RM'000	Electrical & Office Automation RM'000	Mechanical & Electrical RM'000	Year to date 31.3.12 RM'000
Revenue						
External revenue	148,607	128,675	38,678	34,165	49,691	399,816
Inter-segment revenue	(402)	(67)	-	(1,592)	(145)	(2,206)
Consolidated revenue	<u>148,205</u>	<u>128,608</u>	<u>38,678</u>	<u>32,573</u>	<u>49,546</u>	<u>397,610</u>
Results						
Segment results	16,169	7,615	3,610	3,245	10,978	41,617
Eliminations	-	-	-	-	1,612	1,612
	<u>16,169</u>	<u>7,615</u>	<u>3,610</u>	<u>3,245</u>	<u>12,590</u>	<u>43,229</u>
Unallocated income						2,169
Unallocated expenses						(23,711)
Consolidated profit before taxation						<u>21,687</u>
Assets						
Segment assets	<u>84,285</u>	<u>38,837</u>	<u>15,955</u>	<u>8,758</u>	<u>34,874</u>	182,709
Unallocated assets						17,888
Deferred tax assets						8
Consolidated total assets						<u>200,605</u>

	Marine & Industrial RM'000	Building Products RM'000	Wood Engineering & Supplies RM'000	Electrical & Office Automation RM'000	Mechanical & Electrical RM'000	Year to date 31.3.11 RM'000
Revenue						
External revenue	112,972	127,800	32,133	43,930	40,548	357,383
Inter-segment revenue	(1)	(85)	-	(2,270)	(52)	(2,408)
Consolidated revenue	<u>112,971</u>	<u>127,715</u>	<u>32,133</u>	<u>41,660</u>	<u>40,496</u>	<u>354,975</u>
Results						
Segment results	19,195	9,296	3,125	4,099	5,624	41,339
Eliminations	-	-	-	-	190	190
	<u>19,195</u>	<u>9,296</u>	<u>3,125</u>	<u>4,099</u>	<u>5,814</u>	<u>41,529</u>
Unallocated income						14,462
Unallocated expenses						(31,677)
Consolidated profit before taxation						<u>24,314</u>
Assets						
Segment assets	<u>62,039</u>	<u>34,675</u>	<u>18,436</u>	<u>16,236</u>	<u>57,315</u>	188,701
Unallocated assets						23,483
Deferred tax assets						53
Consolidated total assets						<u>212,237</u>

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4th QUARTER AND YEAR TO DATE ENDED 31 MARCH 2012

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

A7 Segmental information (Cont'd)

(b) Geographical segments

	Year to date	
	31.3.12	31.3.11
	RM'000	RM'000
Total revenue from external customers		
- Malaysia	386,796	343,775
- Singapore	10,814	11,200
	<u>397,610</u>	<u>354,975</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 March 2012, the Group did not have any revalued assets.

A9 Subsequent events

There were no material subsequent events as at 17 May 2012.

A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the year ended 31 March 2012.

A11 Contingent liabilities or contingent assets

As at 17 May 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	
	31.3.12	31.3.11	31.3.12	31.3.11
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	370	359	1,419	710
Transactions with other related parties	9,693	12,528	40,188	18,169

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

B1 Review of performance

For financial year ended 31 March 2012, the Group recorded consolidated revenue of RM398.0 million which was RM42.6 million higher than the previous year's of RM355.0 million. This was mainly a result of higher sales from Marine & Industrial segment, Mechanical & Electrical segment and Wood Engineering and Supplies segment.

Despite revenue growth of 12%, the Group reported a lower pre-tax profit of RM21.7 million compared to a pre-tax profit of RM24.3 million a year ago. The lower profit was mainly attributable to (1) downward pressure on contribution margins (2) higher impairment loss on receivables (3) write off of project work in progress and (4) higher administrative expenses incurred.

Marine & Industrial segment

Quarterly results

For the quarter under review, Marine and Industrial segment chalked up a revenue growth of 28.9% to reach RM32.7 million compared with revenue of RM25.4 million in the previous corresponding quarter. The increase in revenue was due principally to increased sales volume of marine engines. Despite achieving a significantly higher revenue, the segment's PBT increased marginally by 4.8% to RM4.2 million as compared to PBT of RM4.0 million in 4QFY11, mainly attributable to markedly lower contribution margins realized.

Financial year-to-date

Despite charting 31% revenue growth compared to previous year, PBT for the segment in FY12 however declined by RM3.0 million. The weaker performance was broadly due to the downward pressure on contribution margins and higher other operating expenses incurred as a result of allowance for impairment losses on receivables. Contribution margins of the segment were weighed down by stiff competition and unfavourable exchange rates.

Building Products segment

Quarterly results

Building Products segment achieved a lower PBT of RM0.8 million on the back of higher revenue of RM31.7 million for 4QFY12. This represents a 68% decline in PBT and 6% expansion in revenue as compared to previous corresponding quarter. The PBT was lower than the corresponding quarter of previous year due mainly to higher allowance for impairment loss on receivables and the absence of gain of approximately RM0.57 million from the write back of collective impairment losses.

Financial year-to-date

Despite a RM0.9 million increase in revenue vis-à-vis previous year, Building Products segment posted a negative PBT growth with achievement of PBT of RM7.6 million as compared to RM9.3 million a year ago. The lower PBT was mainly brought down by the allowance for impairment loss on receivables amounting to RM1.5 million.

Wood Engineering and Supplies Segment

Quarterly results

For 4QFY12, Wood Engineering and Supplies segment posted an impressive 12.4% improvement in revenue of RM9.5 million on the back of stronger sales volume mainly from fertilizers.

In tandem with the increase in revenue, PBT for the quarter was RM0.7 million, an increase of 13.1% compared to 4QFY11.

Financial year-to-date

Compared to FY11, the segment's revenue increased by 20.4% to RM38.7 million from RM32.1 million and PBT increased by 15.5% to RM3.6 million from RM3.1 million. Better sales mix of premium and higher margin products contributed to profit improvement.

Electrical & Office Automation Segment

Quarterly results

Electrical & Office Automation segment posted a PBT of RM0.4 million on the back of improved revenue of RM6.2 million for 4QFY12. This represents 47.9% increase in PBT and 12.0% increase in revenue on q-o-q comparison. Gross profit margin however was lower due principally to intense market competition and lower purchase discounts earned in the current quarter.

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)

Financial year-to-date

The segment's revenue eased 21.8% from RM41.6 million recorded in the previous financial year. As a result of the lower revenue, PBT for this segment also fell 20.8% to RM3.2 million against RM4.1 million in FY11. The lower revenue and PBT were mainly impacted by the challenging economic and competitive environment.

Mechanical & Electrical Segment

Quarterly results

Compared to corresponding quarter of previous year, Mechanical & Electrical segment's revenue and PBT for the current quarter declined by 47.2% and 59.1% respectively. The drop in revenue was mainly due to a significant portion of revenue being recognised from the completion of few major projects in the earlier financial quarters. New projects undertaken by the segment are at their preliminary stages and hence there was no material revenue contribution in the current quarter.

The write off of project work in progress of a single project has also partly contributed to the lower PBT, which fell from RM3.7 million in 4QFY11 to RM1.5 million in 4QFY12.

Financial year-to-date

On an annual basis, Mechanical & Electrical segment recorded an impressive 116.5% jump in net profit, achieving RM12.6 million in the financial year under review compared to RM5.8 million in FY11. This was on the back of 22.3% revenue increase from RM40.5 million in FY11 to RM49.6 million in FY12, propelled largely from completed and on-going projects which progressed well during the year. The better result was also aided by higher profit margins for jobs rendered during the year and the recognition of interest income charged on overdue debts amounting to RM3.0 million as at 31 March 2012.

B2 Material changes in profit before tax for the quarter

For the current quarter under review, the Group posted a lower profit after tax (PAT) of RM1.5 million, a decrease of 64.7% or RM2.8 million as compared to RM4.3 million in the immediate preceding quarter. The decrease in revenue contributed to the lower profit. Allowance for doubtful debts made in 4QFY12 was approximately RM1.5 million. Additional impairment loss is to better reflect true and fair value of the receivables.

B3 Commentary on prospects

What's Not So Good:

The economic outlook for the developed world is one of uncertainty brought about by a combination of high oil prices, the still unresolved Euro crisis, and the double whammy in the US of its questionable economic recovery and it being an election year.

What's Hopeful:

Emerging economies are expected to show growth, perhaps the only bright spot in the world economic outlook.

What's Good:

Malaysian's GDP growth for 2012 is expected to range between 4.2% – 4.7%, among the more creditable of the Asean economies.

Continued strong oil and palm oil prices suggest local GDP growth in Borneo can expect to far exceed Malaysia's national levels.

Sarawak will be an important cornerstone of the Borneo economy with our SCORE initiative having shown tremendous potential – some RM24.63 billion worth of investments so far which is expected to create over 14,000 employment opportunities, and another potential RM13 billion worth currently under negotiations with all the consonant benefits. (Source: *Borneo Post*)

While these are opportunities for the Group, we can also expect very keen competition and a tightening of margins, so we will be keeping a very close eye on cost structure and resource allocations in all spheres of our business.

B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was announced.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4th QUARTER AND YEAR TO DATE ENDED 31 MARCH 2012

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	
	31.3.12 RM'000	31.3.11 RM'000	31.3.12 RM'000	31.3.11 RM'000
Income tax:-				
- Malaysian tax	780	1,310	5,654	4,685
- Foreign tax	6	31	49	62
Over provision in the previous financial year	(2)	-	(6)	(882)
	<u>784</u>	<u>1,341</u>	<u>5,697</u>	<u>3,865</u>
Deferred tax:-				
- Origination and reversal of temporary differences	20	534	95	1,342
- Under provision in the previous financial year	-	(33)	17	(30)
	<u>20</u>	<u>501</u>	<u>112</u>	<u>1,312</u>
	<u>804</u>	<u>1,842</u>	<u>5,809</u>	<u>5,177</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 17 May 2012, there were no corporate proposals announced.

B7 Short-term borrowings

The Group's borrowings as at 31 March 2012 were as follows:-

	RM'000
Bank overdrafts, secured	2,239
Bank overdrafts, unsecured	10,202
Bankers' acceptance, unsecured	5,000
Revolving credit, secured	4,000
	<u>21,441</u>

B8 Derivative financial instruments

The outstanding foreign currency forward contracts as at 31 March 2012 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	12,753	110	(324)
<u>Derivatives designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	17,542	157	(100)
		<u>267</u>	<u>(424)</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 4th QUARTER AND YEAR TO DATE ENDED 31 MARCH 2012

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	(410)	34

B10 Breakdown of realised and unrealised profits

The breakdown of retained profits of the Group as at 31 March 2012 into realised and unrealised profit is presented as follows:-

	RM'000
Total retained profits:-	
- Realised	103,212
- Unrealised	(320)
	<u>102,892</u>
Add: Consolidation adjustments At 31 March 2012	3,494
	<u>106,386</u>

B11 Changes in material litigation

As at 17 May 2012, there was no material litigation against the Group.

B12 Dividend payable

No interim dividend has been declared for the financial year ended 31 March 2012.

B13 Earnings per share

a) Basic earnings per share

	Quarter ended		Year to date	
	31.3.2012	31.3.2011	31.3.2012	31.3.2011
Profit for the year attributable to owners of the Company (RM'000)	1,528	5,760	15,878	19,137
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	280,000	280,000	280,000	228,022
Basic earnings per share based on the weighted average number of shares in issue (sen)	<u>0.55</u>	<u>2.06</u>	<u>5.67</u>	<u>8.39</u>

b) Diluted earnings per share

Not applicable as at 31 March 2012.

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 4th QUARTER AND YEAR TO DATE ENDED 31 MARCH 2012

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

B15 Profit for the year

The following items have been included in arriving at profit before taxation

	Quarter ended		Year to date	
	31.3.2012	31.3.2011	31.3.2012	31.3.2011
	RM'000	RM'000	RM'000	RM'000
After charging/(crediting):-				
Interest income	(103)	(30)	(4,286)	(147)
Interest expense	79	408	951	1,040
Depreciation and amortisation	338	346	1,321	1,275
Collective impairment losses on receivables	(158)	17	199	21
Collective impairment losses on receivables no longer required	11	(743)	(791)	(878)
Individual impairment losses on receivables	1,497	192	3,028	228
Individual impairment losses on receivables no longer required	(181)	(35)	(513)	(162)
Bad debts written off	44	47	144	57
Inventories written down	-	171	5	171
Inventories written off	35	-	35	-
Realised foreign exchange (gain)/loss	(48)	(138)	(249)	169
Unrealised foreign exchange loss/(gain)	167	183	(66)	181
Realised fair value loss/(gain) on derivatives	528	-	(2)	-
Unrealised fair value loss/(gain) on derivatives	214	(9)	214	1,018
Gain on disposal of subsidiaries	-	(534)	-	(534)

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 year ended 31 March 2012.