

# PANSAR BERHAD (Company No. 18904-M)

## INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2012

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30.9.2012 RM'000	Preceding year corresponding quarter 30.9.2011 RM'000	Current year to date 30.9.2012 RM'000	Preceding year corresponding year to date 30.9.2011 RM'000
Revenue	107,900	92,654	216,478	187,766
Cost of sales	(92,405)	(79,984)	(186,394)	(161,574)
<b>Gross profit</b>	15,495	12,670	30,084	26,192
Other income	379	4,942	2,217	6,480
Selling and distribution expenses	(2,306)	(2,016)	(4,541)	(4,111)
Administrative expenses	(6,036)	(7,630)	(12,730)	(13,799)
Other operating expenses	(235)	(260)	(477)	(523)
Finance costs	(137)	(325)	(392)	(601)
<b>Profit before taxation</b>	7,160	7,381	14,161	13,638
Income tax expense	(1,880)	(1,946)	(3,650)	(3,613)
<b>Profit after taxation</b>	5,280	5,435	10,511	10,025
<b>Other comprehensive income, net of tax:-</b>				
Cash flow hedge	(205)	633	78	753
Foreign currency translation	25	4	291	239
	(180)	637	369	992
<b>Total comprehensive income for the period</b>	5,100	6,072	10,880	11,017
<b>Profit after taxation attributable to owners of the Company</b>	5,280	5,435	10,511	10,025
<b>Total comprehensive income attributable to owners of the Company</b>	5,100	6,072	10,880	11,017
<b>Weighted average number of shares in issue ('000)</b>	280,000	280,000	280,000	280,000
<b>Earnings per ordinary share (sen):-</b>				
- Basic	1.89	1.94	3.75	3.58
- 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 2012; and the accompanying explanatory notes attached to the interim financial statements.

# PANSAR BERHAD (Company No. 18904-M)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2012

	<b>30.9.2012</b>	<b>31.03.2012</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	3,827	3,707
Intangible assets	199	198
Deferred tax assets	144	176
	<u>4,170</u>	<u>4,081</u>
<b>Current assets</b>		
Inventories	43,686	39,579
Trade and other receivables	148,886	136,141
Derivative assets	212	267
Tax refundable	47	37
Deposits, cash and bank balances	14,757	19,663
	<u>207,588</u>	<u>195,687</u>
<b>TOTAL ASSETS</b>	<u>211,758</u>	<u>199,768</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	140,000	140,000
Reserves	(3,148)	(9,128)
<b>Total equity attributable to owners of the Company</b>	<u>136,852</u>	<u>130,872</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	132	11
<b>Current liabilities</b>		
Trade and other payables	44,611	44,199
Derivative liabilities	28	424
Bank borrowings:-		
- bank overdrafts	14,596	12,441
- other borrowings	9,200	9,000
Provision for employee benefits	3,052	1,269
Provision for taxation	3,287	1,552
	<u>74,774</u>	<u>68,885</u>
<b>Total liabilities</b>	<u>74,906</u>	<u>68,896</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>211,758</u>	<u>199,768</u>
<b>Net assets per ordinary share (RM)</b>	<u>0.49</u>	<u>0.47</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 2012; 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 30 SEPTEMBER 2012**

<b>6-month period ended 30.9.2012</b>	<b>←-----Non-Distributable-----→</b>				<b>←Distributable→</b>	
	<b>Share capital RM'000</b>	<b>Reverse acquisition reserve RM'000</b>	<b>Foreign exchange translation reserve RM'000</b>	<b>Cash flow hedge reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Total equity RM'000</b>
Balance at 1.4. 2012	140,000	(116,732)	1,269	22	106,313	130,872
Profit after taxation for the period	-	-	-	-	10,511	10,511
Other comprehensive income for the period, net of tax:-						
- Foreign currency translation	-	-	291	-	-	291
- Cash flow hedge	-	-	-	78	-	78
Total comprehensive income for the period	-	-	291	78	10,511	10,880
Contribution by and distribution to owners of the Company:-						
- Dividends	-	-	-	-	(4,900)	(4,900)
Balance at 30.9.2012	140,000	(116,732)	1,560	100	111,924	136,852

<b>6-month period ended 30.9.2011</b>	<b>←-----Non-Distributable-----→</b>				<b>←Distributable→</b>	
	<b>Share capital RM'000</b>	<b>Reverse acquisition reserve RM'000</b>	<b>Foreign exchange translation reserve RM'000</b>	<b>Cash flow hedge reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Total equity RM'000</b>
Balance at 1.4. 2011	140,000	(116,732)	1,118	25	94,708	119,119
Profit after taxation for the period	-	-	-	-	10,025	10,025
Other comprehensive income for the period, net of tax:-						
- Foreign currency translation	-	-	239	-	-	239
- Cash flow hedge	-	-	-	753	-	753
Total comprehensive income for the period	-	-	239	753	10,025	11,017
Contribution by and distribution to owners of the Company:-						
- Dividends	-	-	-	-	(4,200)	(4,200)
Balance at 30.9.2011	140,000	(116,732)	1,357	778	100,533	125,936

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 2012; 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 30 SEPTEMBER 2012

	<b>Current year to date 30.9.2012 RM'000</b>	<b>Preceding year corresponding period 30.9.2011 RM'000</b>
<b>CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES</b>		
Profit before taxation	14,161	13,638
Adjustments for:-		
Allowance for impairment loss on receivables	284	423
Allowance for impairment loss on receivables no longer required	(1,247)	(1,095)
Amortisation of intangible assets	2	1
Bad debts written off	12	100
Depreciation of property, plant and equipment	624	645
Fair value gain on derivatives	(232)	(771)
(Gain)/loss on disposal of property, plant and equipment	(39)	2
Interest expense	392	601
Interest income	(163)	(4,046)
Inventories written down	96	5
Provision for employee benefits	1,780	1,146
Unrealised loss on foreign exchange	27	345
Operating profit before changes in working capital	15,697	10,994
Increase in inventories	(4,157)	(1,113)
(Increase)/decrease in trade and other receivables	(11,543)	19,167
(Decrease)/increase in trade and other payables	(4,555)	7,211
Cash (for)/from operations	(4,558)	36,259
Interest paid	(392)	(601)
Interest received	157	4,031
Income tax paid	(1,839)	(1,974)
Income tax refunded	40	-
Net cash (for)/from operating activities	(6,592)	37,715

# PANSAR BERHAD (Company No. 18904-M)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR TO DATE ENDED 30 SEPTEMBER 2012

	<b>Current year to date 30.9.2012 RM'000</b>	<b>Preceding year corresponding period 30.9.2011 RM'000</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	36	4
Purchase of intangible assets	-	(6)
Purchase of property, plant and equipment	(738)	(685)
Net cash for investing activities	(702)	(687)
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Proceeds from bankers' acceptance	10,400	13,100
Repayment of bankers' acceptance	(10,200)	(26,546)
Net cash from/(for) financing activities	200	(13,446)
Net (decrease)/increase in cash and cash equivalents	(7,094)	23,582
Effect of exchange rate changes on cash and cash equivalents	33	114
Cash and cash equivalents at beginning of the financial period	7,222	(1,533)
Cash and cash equivalents at end of the financial period	161	22,163
<b>Analysis of cash and cash equivalents:-</b>		
Deposits, cash and bank balances	14,757	33,108
Bank overdrafts	(14,596)	(10,945)
	161	22,163

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012; and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2012

**PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1 Basis of preparation**

The unaudited interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board and Chapter 9 Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed Report also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012. 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 2012.

For the period up to and including the year ended 31 March 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS"). This Condensed Report is the Group's first Malaysian Financial Reporting Standards ("MFRS") compliant Condensed Report and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this Condensed Report are consistent with those of the audited financial statements for the year ended 31 March 2012. The adoption of the MFRS 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.

**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 30.9.2012 RM'000</b>
<b>Revenue</b>						
External revenue	82,765	73,205	22,196	19,187	19,994	217,347
Inter-segment revenue	(1)	(65)	-	(748)	(55)	(869)
Consolidated revenue	<u>82,764</u>	<u>73,140</u>	<u>22,196</u>	<u>18,439</u>	<u>19,939</u>	<u>216,478</u>
<b>Results</b>						
Segment results	10,977	5,616	1,894	2,003	4,094	24,584
Eliminations	-	-	-	-	534	534
	<u>10,977</u>	<u>5,616</u>	<u>1,894</u>	<u>2,003</u>	<u>4,628</u>	<u>25,118</u>
Unallocated income						244
Unallocated expenses						(11,201)
Consolidated profit before taxation						<u>14,161</u>
<b>Assets</b>						
Segment assets	82,708	42,197	19,584	19,866	30,848	195,203
Unallocated assets						16,411
Deferred tax assets						144
Consolidated total assets						<u>211,758</u>

# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2012

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

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

	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 30.9.2011 RM'000
<b>Revenue</b>						
External revenue	63,913	62,198	19,644	19,387	23,893	189,035
Inter-segment revenue	(15)	(30)	-	(1,178)	(46)	(1,269)
Consolidated revenue	63,898	62,168	19,644	18,209	23,847	187,766
<b>Results</b>						
Segment results	7,604	4,322	1,952	1,972	7,305	23,155
Eliminations	-	-	-	-	718	718
	7,604	4,322	1,952	1,972	8,023	23,873
Unallocated income						1,885
Unallocated expenses						(12,120)
Consolidated profit before taxation						13,638
<b>Assets</b>						
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						215,925

#### (b) Geographical segments

	30.9.2012 RM'000	Year to date 30.9.2011 RM'000
Total revenue from external customers		
- Malaysia	209,971	182,305
- Singapore	6,507	5,461
	216,478	187,766

#### 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 2012, the Group did not have any revalued assets.

#### A9 Subsequent events

There were no material subsequent events as at 19 November 2012.

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

There were no changes in the composition of the Group for the period ended 30 September 2012.



# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2012

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

#### A11 Contingent liabilities or contingent assets

As at 19 November 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	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	496	351	990	703
Transactions with other related parties	10,934	9,910	19,990	18,737

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

**B1 Review of performance**

For the period ended 30 September 2012, the Group registered an increase of 15.3% in revenue to RM216.5 million which was RM28.7 million higher than the previous year's RM187.8 million. Most of the Group's business segments registered double digit sales growth, with the exception of E & OA segment and M & E segment.

The Group reported a PAT of RM10.5 million for the period under review, a 5% increase from RM10.0 million in the same period last year. 1HFY12 net profit included a RM4.0 million other operating income in relation to interest charged on overdue debts.

Marine & Industrial segment

Quarterly results

The Group's Marine & Industrial segment, which comprised about 37.9% of total revenue reported stable revenue growth of 32.1% in 2QFY13 to RM40.9 million as compared to RM30.9 million in the previous corresponding quarter. This was mainly attributable to an increase in demand for marine engines and spare parts mainly in Sarawak region.

PBT for the quarter surged 35.3% to RM4.8 million compared to RM3.6 million in 2QFY13.

Financial year-to-date

For the six months ended 30 September 2012, the segment's revenue rose to RM82.8 million, a year-on-year improvement of 29.5% compared to RM63.9 million in the previous corresponding period.

In line with the revenue growth, PBT for the segment rose to RM11.0 million, 44.4% higher than the RM7.6 million posted a year ago.

Building products segment

Quarterly results

Building products segment recorded a revenue growth of 16.2% or RM5.2 million for 2QFY13, driven largely by the increase in the sales volume of building structural products. Better sales mix of higher product margins led to vast improvement in gross profit when compared to the previous corresponding quarter.

PBT for the quarter of RM2.7 million was up 23.9% quarter-on-quarter as a result of higher gross profit achieved.

Financial year-to-date

The segment achieved revenue and PBT for the current financial year-to-date of RM73.1 million and RM5.6 million respectively. This represents a 17.6% increase in revenue and 29.9% improvement for PBT over the corresponding period of previous year.

Wood Engineering and Supplies Segment

Quarterly results

For 2QFY13, Wood Engineering and Supplies segment registered a 18.0% improvement in revenue of RM11.3 million on the back of stronger sales volume mainly from fertilizers.

In tandem with the increase in revenue, PBT for the quarter was RM1.0 million, an increase of 7.7% compared to previous corresponding quarter.

Financial year-to-date

Compared to the previous corresponding period, revenue of the segment grew steadily by RM2.6 million and PBT however decreased by 3.0% from RM2.0 million to RM1.9 million. Although better sales had been reported for YTD 2QFY13 compared with YTD 2QFY12, gross margin moderated as a result of intense market competition and pricing pressure.

**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

Although the segment's revenue for the current quarter had softened slightly by 2.9% as compared to the previous corresponding quarter, PBT for this segment however increased by 32.4% from RM0.7 million in 2QFY12 to RM1.0 million in 2QFY13. This increase was attributed to improved margins resulting from higher purchase discounts in the current quarter.

Financial year-to-date

For YTD 2QFY13, Electrical & Office Automation segment achieved a slightly higher revenue and PBT of RM18.4 million and RM2.0 million respectively. This represents 1.3% increase in revenue and 1.6% increase in PBT compared to the same period last year. The better showing in PBT was largely due to higher contributions from better profit margin products.

Mechanical & Electrical Segment

Quarterly results

The Group's Mechanical & Electrical segment recorded revenue of RM10.4 million and PBT of RM2.6 million for the current quarter compared with revenue of RM11.7 million and PBT of RM4.5 million in the preceding year's corresponding quarter. The higher PBT for previous corresponding quarter included the recognition of interest income charged on overdue debts of RM3.0 million. No such income arose in the current quarter.

Financial year-to-date

For YTD 2QFY13, the segment posted a lower PBT of RM4.6 million on the back of lower revenue of RM19.9 million compared to PBT of RM8.0 million on revenue of RM23.8 million recorded in YTD 2QFY12. Major factors contributing to the variance in revenue and PBT were the rescheduling of various current projects and the recognition of interest income in the previous corresponding period.

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

For the current quarter under review, the Group achieved a slightly higher profit before tax (PBT) of RM7.2 million on the back of revenue of RM107.9 million as compared to PBT of RM7.0 million and revenue of RM108.6 million in the immediate preceding quarter. Despite registering a lower revenue, the Group's PBT rose marginally by 2.3% in the current quarter, mainly due to lower operating expenses incurred and higher gross profit as a result of improved gross profit margins.

**B3 Commentary on prospects**

Internationally, prospects for the US economy remains flat and Europe continues to weaken. The effects of these will also weaken the economy of China, which slowed in 2012, and moving forward, resulting in a relatively flat economy for 2013. Prices of commodities will also mostly remain flat with oil straddling the USD 95 – 100 per barrel range and palm oil around RM2,200 – 2,500 per metric ton.

Malaysia's economy is expected to be supported by relatively strong domestic demand, the Government's continued priming of infrastructural projects, and strong interest and FDI inflows into the economic corridors in Peninsular Malaysia's Iskandar and East Malaysia's SCORE. Exports are however likely to be flat in both volume and value for both manufactured goods and commodities. As a result, overall consumer confidence is likely to be less bullish than before and more cautious in exercising of purchasing power or undertaking projects.

While much of these are beyond our control, they nonetheless do inevitably affect our markets whether directly or indirectly. We however remain cautiously optimistic, and will continue to develop our business by controlling costs and leveraging on service and quality differentiation. We anticipate that this emphasis on building closer customer relationships and capitalising on customised packaged total solutions will enable our Group to ride over any contagion effects from the global economic sluggishness and also to rise above the competition.

**B4 Profit forecast and profit guarantee**

Not applicable as no profit forecast was announced.

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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	
	30.9.2012 RM'000	30.9.2011 RM'000	30.9.2012 RM'000	30.9.2011 RM'000
Income tax:-				
- Malaysian tax	2,170	2,038	4,045	3,517
- Foreign tax	26	19	49	25
	<u>2,196</u>	<u>2,057</u>	<u>4,094</u>	<u>3,542</u>
Over provision in the previous financial year:-				
- Malaysian tax	(571)	(4)	(571)	(4)
	<u>1,625</u>	<u>2,053</u>	<u>3,523</u>	<u>3,538</u>
Deferred tax:-				
- Origination and reversal of temporary differences	(72)	(124)	(200)	58
- Underprovision in the previous financial year	327	17	327	17
	<u>255</u>	<u>(107)</u>	<u>127</u>	<u>75</u>
	<u>1,880</u>	<u>1,946</u>	<u>3,650</u>	<u>3,613</u>

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

**B6 Corporate proposals**

As at 19 November 2012, there were no corporate proposals announced.

**B7 Short-term borrowings**

The Group's borrowings as at 30 September 2012 were as follows:-

	RM'000
Bank overdrafts, secured	1,536
Bank overdrafts, unsecured	13,060
Bankers' acceptance, unsecured	5,200
Revolving credit, secured	4,000
	<u>23,796</u>

**B8 Derivative financial instruments**

The outstanding foreign currency forward contracts as at 30 September 2012 were as follows:-

	Contract/notional	Assets	Liabilities
	amount RM'000	RM'000	RM'000
<u>Derivatives not designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	5,558	28	(5)
<u>Derivatives designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	13,361	184	(23)
		<u>212</u>	<u>(28)</u>

**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)**

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.

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

	<b>Current quarter loss</b>	<b>Year to date gain</b>
	<b>RM'000</b>	<b>RM'000</b>
Foreign currency forward contracts	(25)	396

**B10 Breakdown of realised and unrealised profits**

The breakdown of retained profits of the Group as at 30 September 2012 into realised and unrealised profit is presented as follows:-

	<b>RM'000</b>
Total retained profits:-	
- Realised	108,361
- Unrealised	69
	<u>108,430</u>
Add: Consolidation adjustments At 30 September 2012	3,494
	<u>111,924</u>

**B11 Changes in material litigation**

As at 19 November 2012, there was no material litigation against the Group.

**B12 Dividend payable**

At the Annual General Meeting held on 5 September 2012, a dividend for the financial year ended 31 March 2012 which was proposed by the Board of Directors on 13 July 2012 has been approved by shareholders and will be paid on 6 November 2012 as follows:-

A first and final dividend of 2.0 sen per ordinary share consisting of:-

- (i) Franked dividend of 1.0 sen per ordinary share less 25% tax, amounting to RM2,100,000 (YTD 30.9.2011: 2.0 sen per ordinary share less 25% tax, amounting to RM4,200,000); and
- (ii) Single tier dividend of 1.0 sen per ordinary share, amounting to RM2,800,000 (YTD 30.9. 2011: Nil)

A depositor shall qualify for entitlement only in respect of :-

- (a) Securities transferred into the Depositor's Securities Account before 4.00 pm on 8 October 2012 in respect of transfers;
- (b) Securities deposited into the Depositor's Securities Account before 12.30 pm on 8 October 2012 in respect of securities exempted from mandatory deposit; and
- (c) Securities bought on the Exchange on a cum entitlement basis according to the Rules of the Exchange

# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2012

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

#### B13 Earnings per share

##### a) Basic earnings per share

	Quarter ended		Year to date	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
Profit for the period attributable to owners of the Company (RM'000)	5,280	5,435	10,511	10,025
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	280,000	280,000	280,000	280,000
Basic earnings per share based on the weighted average number of shares in issue (sen)	1.89	1.94	3.75	3.58

##### b) Diluted earnings per share

Not applicable as at 30 September 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 2012 was not subject to any qualification.

#### B15 Profit for the year

Profit before taxation is arrived at after charging/(crediting):-

	Quarter ended		Year to date	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
	RM'000	RM'000	RM'000	RM'000
Interest income	(76)	(3,977)	(163)	(4,046)
Interest expense	137	326	392	601
Depreciation and amortisation	320	331	626	646
Bad debts written off	12	100	12	100
Collective impairment losses on receivables	(8)	120	138	270
Collective impairment losses on receivables no longer required	(73)	(204)	(143)	(898)
Individual impairment losses on receivables	146	40	146	153
Individual impairment losses on receivables no longer required	(190)	(149)	(1,104)	(197)
Inventories written down	-	5	96	5
(Gain)/loss on disposal of property, plant and equipment	(39)	2	(39)	2
Realised foreign exchange gain	(345)	(143)	(227)	(52)
Unrealised foreign exchange (gain)/loss	(66)	257	27	345
Realised fair value loss/(gain) on derivatives	42	408	(171)	152
Unrealised fair value loss/(gain) on derivatives	226	(388)	(23)	(476)

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 30 September 2012.