

PANSAR BERHAD (Company No. 18904-M)

INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 MFRS 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 2012

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.12.2012 RM'000	Preceding year corresponding quarter 31.12.2011 RM'000	Current year to date 31.12.2012 RM'000	Preceding year corresponding year to date 31.12.2011 RM'000
Revenue	112,980	119,307	329,458	307,073
Cost of sales	(98,475)	(103,213)	(284,870)	(264,787)
Gross profit	14,505	16,094	44,588	42,286
Other income	476	201	2,693	6,682
Selling and distribution expenses	(2,337)	(2,041)	(6,878)	(6,153)
Administrative expenses	(7,305)	(6,800)	(20,035)	(20,599)
Other operating expenses	(128)	(1,466)	(605)	(1,989)
Finance costs	(300)	(271)	(692)	(872)
Profit before taxation	4,911	5,717	19,071	19,355
Income tax expense	(1,041)	(1,392)	(4,691)	(5,005)
Profit after taxation	3,870	4,325	14,380	14,350
Other comprehensive income, net of tax:-				
Cash flow hedge	(401)	(525)	(323)	228
Foreign currency translation	35	(61)	326	179
	(366)	(586)	3	407
Total comprehensive income for the period	3,504	3,739	14,383	14,757
Profit after taxation attributable to owners of the Company	3,870	4,325	14,380	14,350
Total comprehensive income attributable to owners of the Company	3,504	3,739	14,383	14,757
Weighted average number of shares in issue ('000)	280,000	280,000	280,000	280,000
Earnings per ordinary share (sen):-				
- Basic	1.38	1.54	5.14	5.13
- 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 31 DECEMBER 2012

	31.12.2012	31.03.2012
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	3,911	3,707
Intangible assets	202	198
Deferred tax assets	180	176
	<u>4,293</u>	<u>4,081</u>
Current assets		
Inventories	44,465	39,579
Trade and other receivables	152,086	136,141
Derivative assets	105	267
Tax refundable	49	37
Deposits, cash and bank balances	15,115	19,663
	<u>211,820</u>	<u>195,687</u>
TOTAL ASSETS	<u>216,113</u>	<u>199,768</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Reserves	355	(9,128)
Total equity attributable to owners of the Company	<u>140,355</u>	<u>130,872</u>
Non-current liabilities		
Deferred tax liabilities	5	11
Current liabilities		
Trade and other payables	51,816	44,199
Derivative liabilities	84	424
Bank borrowings:-		
- bank overdrafts	8,810	12,441
- other borrowings	10,400	9,000
Provision for employee benefits	2,572	1,269
Provision for taxation	2,071	1,552
	<u>75,753</u>	<u>68,885</u>
Total liabilities	<u>75,758</u>	<u>68,896</u>
TOTAL EQUITY AND LIABILITIES	<u>216,113</u>	<u>199,768</u>
Net assets per ordinary share (RM)	<u>0.50</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 31 DECEMBER 2012**

9-month period ended 31.12.2012	←-----Non-Distributable-----→				←Distributable→	
	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	Total equity RM'000
Balance at 1.4. 2012	140,000	(116,732)	1,269	22	106,313	130,872
Profit after taxation for the period	-	-	-	-	14,380	14,380
Other comprehensive income for the period, net of tax:-						
- Foreign currency translation	-	-	326	-	-	326
- Cash flow hedge	-	-	-	(323)	-	(323)
Total comprehensive income for the period	-	-	326	(323)	14,380	14,383
Contribution by and distribution to owners of the Company:-						
- Dividends	-	-	-	-	(4,900)	(4,900)
Balance at 31.12.2012	140,000	(116,732)	1,595	(301)	115,793	140,355

9-month period ended 31.12.2011	←-----Non-Distributable-----→				←Distributable→	
	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	Total equity RM'000
Balance at 1.4. 2011	140,000	(116,732)	1,118	25	94,708	119,119
Profit after taxation for the period	-	-	-	-	14,350	14,350
Other comprehensive income for the period, net of tax:-						
- Foreign currency translation	-	-	179	-	-	179
- Cash flow hedge	-	-	-	228	-	228
Total comprehensive income for the period	-	-	179	228	14,350	14,757
Contribution by and distribution to owners of the Company:-						
- Dividends	-	-	-	-	(4,200)	(4,200)
Balance at 31.12.2011	140,000	(116,732)	1,297	253	104,858	129,676

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 31 DECEMBER 2012

	Current year to date 31.12.2012 RM'000	Preceding year corresponding period 31.12.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	19,071	19,355
Adjustments for:-		
Allowance for impairment loss on receivables	412	1,888
Allowance for impairment loss on receivables no longer required	(1,287)	(1,134)
Amortisation of intangible assets	3	2
Bad debts written off	96	100
Depreciation of property, plant and equipment	960	981
Fair value gain on derivatives	(142)	(530)
Gain on disposal of property, plant and equipment	(118)	(66)
Interest expense	692	872
Interest income	(238)	(4,183)
Inventories written down	96	5
Provision for employee benefits	2,485	1,449
Unrealised (gain)/loss on foreign exchange	(112)	233
Operating profit before changes in working capital	21,918	18,972
(Increase)/decrease in inventories	(4,917)	8,179
Increase in trade and other receivables	(15,288)	(6,159)
Increase in trade and other payables	7,857	6,411
Employee benefits paid	(1,185)	(1,133)
Cash from operations	8,385	26,270
Interest paid	(692)	(872)
Interest received	207	4,154
Income tax paid	(4,477)	(2,803)
Income tax refunded	272	-
Net cash from operating activities	3,695	26,749

PANSAR BERHAD (Company No. 18904-M)

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

	Current year to date 31.12.2012 RM'000	Preceding year corresponding period 31.12.2011 RM'000
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	118	75
Purchase of intangible assets	(4)	(7)
Purchase of property, plant and equipment	(1,161)	(730)
Net cash for investing activities	(1,047)	(662)
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividend paid	(4,900)	(4,200)
Proceeds from bankers' acceptance	16,800	24,100
Repayment of bankers' acceptance	(15,400)	(32,846)
Repayment of revolving credit	-	(2,000)
Net cash for financing activities	(3,500)	(14,946)
Net (decrease)/increase in cash and cash equivalents	(852)	11,141
Effect of exchange rate changes on cash and cash equivalents	(65)	(12)
Cash and cash equivalents at beginning of the financial period	7,222	(1,533)
Cash and cash equivalents at end of the financial period	6,305	9,596
Analysis of cash and cash equivalents:-		
Deposits, cash and bank balances	15,115	19,758
Bank overdrafts	(8,810)	(10,162)
	6,305	9,596

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 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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

During the current quarter under review, a first and final dividend of two (2) sen per ordinary share for the financial year ended 31 March 2012 consisting of franked dividend of one (1) sen per ordinary share less 25% tax and single tier dividend of one (1) sen per ordinary share totalling RM4,900,000 was paid on 6 November 2012.

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 31.12.2012 RM'000
Revenue						
External revenue	123,953	112,634	32,333	28,125	34,781	331,826
Inter-segment revenue	(790)	(66)	-	(1,456)	(56)	(2,368)
Consolidated revenue	<u>123,163</u>	<u>112,568</u>	<u>32,333</u>	<u>26,669</u>	<u>34,725</u>	<u>329,458</u>
Results						
Segment results	15,357	8,268	2,673	2,812	5,952	35,062
Eliminations	-	-	-	-	944	944
	<u>15,357</u>	<u>8,268</u>	<u>2,673</u>	<u>2,812</u>	<u>6,896</u>	<u>36,006</u>
Unallocated income						486
Unallocated expenses						(17,421)
Consolidated profit before taxation						<u>19,071</u>

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 31.12.2012 RM'000
Assets						
Segment assets	80,841	47,092	21,738	16,874	34,486	201,031
Unallocated assets						14,902
Deferred tax assets						180
Consolidated total assets						<u>216,113</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 31.12.2011 RM'000
Revenue						
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>

Results						
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>

Assets						
Segment assets	78,879	40,249	20,496	18,367	39,833	197,824
Unallocated assets						17,982
Deferred tax assets						37
Consolidated total assets						<u>215,843</u>

(b) Geographical segments

	31.12.2012 RM'000	Year to date 31.12.2011 RM'000
Total revenue from external customers		
- Malaysia	319,127	299,116
- Singapore	<u>10,331</u>	<u>7,957</u>
	<u>329,458</u>	<u>307,073</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 2012, the Group did not have any revalued assets.

A9 Subsequent events

There were no material subsequent events as at 15 February 2013.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2012

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

A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the period ended 31 December 2012.

A11 Contingent liabilities or contingent assets

As at 15 February 2013, 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	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	492	346	1,482	1,049
Transactions with other related parties	13,340	11,808	33,330	30,545

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

B1 Review of performance

The Group's revenue for 9MFY13 was RM329.5 million compared to RM307.1 million in 9MFY12. This represents an increase of 7.3% or RM22.4 million. The Building Products and Marine & Industrial segments were the key contributors to the Group's revenue in the current financial period, with 16.1% and 6.7% increase in revenue contribution respectively despite a drop in revenue from M & E segment of 11.3% for the period under review.

With this significant increase in revenue, the Group posted a PAT of RM14.38 million which was 26.3% increase from the previous corresponding period, excluding interest income recognised in the previous year.

Marine & Industrial segment

Quarterly results

Marine & Industrial segment's revenue for 3QFY13 was RM40.4 million against the previous year's corresponding quarter of RM51.6 million.

The segment's PBT increased marginally by 0.45% to RM4.38 million as compared to RM4.36 million in 3QFY12. This improvement in profit was mainly due to the dual impact of lower allowance for impairment loss on receivables and higher gross profit margins recorded in 3QFY13.

Financial year-to-date

Marine & Industrial segment continued to generate the major share of revenue and profit contribution for YTD 3QFY13. Revenue increased from RM115.5 million in YTD 3QFY12 to RM123.2 million in YTD 3QFY13 and accounted for 37.4% of the Group's revenue.

As a result of the significant revenue growth, PBT for the segment rose by a commendable 28.3% to RM15.4 million from RM12.0 million posted a year ago.

Building Products segment

Quarterly results

For 3QFY13, Building Products segment registered a 13.4% improvement in revenue of RM39.4 million backed largely by the stronger sales volume from building structural products.

PBT for the quarter of RM2.7 million was up 4.6% quarter-on-quarter as a result of higher gross profit achieved.

Financial year-to-date

Building products remained the second largest source of revenue for the Group, contributing 34.2% in YTD 3QFY13. On a y-o-y comparison, revenue rose by 16.1% to RM112.6 million in YTD 3QFY13 due mainly to an increase in demand for building structural products from construction and infrastructure sectors.

PBT for the current financial year-to-date was RM8.3 million, an increase of 20.6% over the corresponding period of previous year.

Wood Engineering and Supplies Segment

Quarterly results

For 3QFY13, Wood Engineering and Supplies segment achieved a lower PBT of RM0.8 million on the back of higher revenue of RM10.1 million. This represents a 17.1% decline in PBT and 6.2% expansion in revenue vis-à-vis previous corresponding quarter. The weaker performance was mainly attributable to downward pressure on contribution margins.

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

Compared to the previous corresponding period, revenue of the segment grew steadily by RM3.1 million and PBT however decreased by 7.3% from RM2.9 million to RM2.7 million. Despite achieving higher revenue over the previous corresponding period, gross margin moderated as a result of intense market competition and pricing pressure.

Electrical & Office Automation Segment

Quarterly results

The segment's revenue for the current quarter saw a marginal increase of 1.0% from RM8.2 million generated in 3QFY12. PBT for this segment however dropped by 11.6% from RM0.9 million in 3QFY12 to RM0.8 million in 3QFY13, primarily due to lower contribution margins realized for air conditioners in the current quarter.

Financial year-to-date

Compared to the previous corresponding period, revenue of the segment grew marginally by 1.2% and PBT however decreased by 2.6% from RM2.9 million in YTD 3QFY12 to RM2.8 million in YTD 3QFY13. The variance in PBT by RM0.08 million was mainly attributable to a higher write back of allowance for doubtful receivables in 3QFY12.

Mechanical & Electrical Segment

Quarterly results

Mechanical & Electrical segment's revenue fell by 3.2% to RM14.8 million in 3QFY13 from RM15.3 million in 3QFY12 on account of lower revenue recognition from completed projects. On the back of lower revenue, PBT fell by 9.2% to RM2.3 million from RM2.5 million in the previous corresponding quarter.

Financial year-to-date

For YTD 3QFY13, the segment posted a lower PBT of RM6.9 million on the back of lower revenue of RM34.7 million compared to PBT of RM10.6 million on revenue of RM39.1 million recorded in YTD 3QFY12. 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 quarter under review, the Group achieved a lower profit before tax (PBT) of RM4.9 million on the back of higher revenue of RM113.0 million as compared to PBT of RM7.2 million and revenue of RM107.9 million in the immediate preceding quarter. The decrease in PBT was primarily due to higher operating costs and lower gross profit as a result of higher cost of sales.

B3 Commentary on prospects

In the U.S., the threat of the fiscal cliff and its automatic spending cuts come 01 March, the continuing overhang of the debt crisis in Europe, the deceleration in the large economies of Asia, and the still unstated date of the General Election in Malaysia, mean that uncertainty will continue to reign in this first quarter of 2013, affecting how organisations and individuals proceed with investments and expenditures.

The recent weakening of the Japanese Yen and strengthening of the Malaysian Ringgit has a positive impact for our Marine & Industrial division although this is likely to be offset by a combination of slowing demand for coal and lower CPO prices – overall demand for our Marine & Industrial sector products is therefore likely to remain challenging. Our Building Products division is expected to continue registering good growth for the quarter with strong sales having been registered in preparation for pre festive periods. The cumulative effect of the implementation of the minimum wage coupled with the slowdown in the global economy has weakened prices of timber and oil palm products, resulting in a slowdown in our Wood Engineering division.

However, with improving employment figures in the U.S., it is hoped that 2013 will be better than the previous year pending the outcome of the General Election in Malaysia and that there will be more clarity to the overall economy.

Growth prospects are anticipated to improve with good prospects for our activities to achieve planned growth targets.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2012

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

B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was announced.

B5 Income tax expense

	Quarter ended		Year to date	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Income tax:-				
- Malaysian tax	1,180	1,357	5,225	4,874
- Foreign tax	10	18	59	43
	<u>1,190</u>	<u>1,375</u>	<u>5,284</u>	<u>4,917</u>
Over provision in the previous financial year:-				
- Malaysian tax	(3)	-	(574)	(4)
	<u>1,187</u>	<u>1,375</u>	<u>4,710</u>	<u>4,913</u>
Deferred tax:-				
- Origination and reversal of temporary differences	(146)	9	(346)	75
- Under provision in the previous financial year	-	8	327	17
	<u>(146)</u>	<u>17</u>	<u>(19)</u>	<u>92</u>
	<u>1,041</u>	<u>1,392</u>	<u>4,691</u>	<u>5,005</u>

B6 Corporate proposals

As at 15 February 2013, there were no corporate proposals announced.

B7 Short-term borrowings

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

	RM'000
Bank overdrafts, secured	45
Bank overdrafts, unsecured	8,765
Bankers' acceptance, secured	3,400
Bankers' acceptance, unsecured	3,000
Revolving credit, secured	4,000
	<u>19,210</u>

B8 Derivative financial instruments

The outstanding foreign currency forward contracts as at 31 December 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	3,099	11	(83)
<u>Derivatives designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	7,491	94	(1)
		<u>105</u>	<u>(84)</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

	Current quarter loss	Year to date gain
	RM'000	RM'000
Foreign currency forward contracts	(56)	340

B10 Breakdown of realised and unrealised profits

The breakdown of retained profits of the Group as at 31 December 2012 into realised and unrealised profits are presented as follows:-

	RM'000
Total retained profits:-	
- Realised	111,690
- Unrealised	609
	<u>112,299</u>
Add: Consolidation adjustments	3,494
At 31 December 2012	<u>115,793</u>

B11 Changes in material litigation

As at 15 February 2013, there was no material litigation against the Group.

B12 Dividend payable

No interim dividend has been declared for the financial period ended 31 December 2012.

B13 Earnings per share

a) Basic earnings per share

	Quarter ended		Year to date	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Profit for the period attributable to owners of the Company (RM'000)	3,870	4,325	14,380	14,350
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)	1.38	1.54	5.14	5.13

b) Diluted earnings per share

Not applicable as at 31 December 2012.

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2012

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

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	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Interest income	(75)	(137)	(238)	(4,183)
Interest expense	300	271	692	872
Depreciation and amortisation	337	337	963	983
Bad debts written off	84	-	96	100
Collective impairment losses on receivables	13	87	151	357
Collective impairment losses on receivables no longer required	(12)	96	(155)	(802)
Individual impairment losses on receivables	115	1,378	261	1,531
Individual impairment losses on receivables no longer required	(28)	(135)	(1,132)	(332)
Inventories written down	-	-	96	5
Gain on disposal of property, plant and equipment	(79)	(68)	(118)	(66)
Realised foreign exchange (gain)/loss	(62)	146	(289)	201
Unrealised foreign exchange (gain)/loss	(139)	(112)	(112)	233
Realised fair value loss/(gain) on derivatives	162	-	(9)	(295)
Unrealised fair value loss/(gain) on derivatives	95	241	72	(235)

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 December 2012.