

PANSAR BERHAD (Company No. 18904-M)

INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2013

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PANSAR BERHAD (Company No. 18904-M)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2013

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.12.2013 RM'000	Preceding year corresponding quarter 31.12.2012 RM'000	Current year to date 31.12.2013 RM'000	Preceding year corresponding year to date 31.12.2012 RM'000
Revenue	118,026	112,980	338,955	329,458
Cost of sales	(102,340)	(98,475)	(295,320)	(284,870)
Gross profit	15,686	14,505	43,635	44,588
Other income	1,596	476	2,784	2,693
Selling and distribution expenses	(2,554)	(2,337)	(7,149)	(6,878)
Administrative expenses	(8,086)	(7,305)	(21,286)	(20,035)
Other operating expenses	(164)	(128)	(437)	(605)
Finance costs	(253)	(300)	(436)	(692)
Profit before taxation	6,225	4,911	17,111	19,071
Income tax expense	(1,619)	(1,041)	(4,411)	(4,691)
Profit after taxation	4,606	3,870	12,700	14,380
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Cash flow hedge	(229)	(401)	216	(323)
Foreign currency translation	31	35	504	326
Total other comprehensive income	(198)	(366)	720	3
Total comprehensive income for the period	4,408	3,504	13,420	14,383
Profit after taxation attributable to owners of the Company	4,606	3,870	12,700	14,380
Total comprehensive income attributable to owners of the Company	4,408	3,504	13,420	14,383
Weighted average number of shares in issue ('000)	280,000	280,000	280,000	280,000
Earning per ordinary share (sen):-				
-Basic	1.65	1.38	4.54	5.14
-Diluted	N/A	N/A	N/A	N/A

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.

PANSAR BERHAD (Company No. 18904-M)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2013

	31.12.2013 RM'000 (Unaudited)	31.3.2013 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	3,973	4,025
Intangible assets	235	201
Deferred tax assets	161	149
	<hr/> 4,369	<hr/> 4,375
Current assets		
Inventories	52,785	46,253
Trade and other receivables	162,346	135,237
Derivative assets	45	84
Tax refundable	644	290
Deposits, cash and bank balances	16,683	15,547
	<hr/> 232,503	<hr/> 197,411
TOTAL ASSETS	<hr/> 236,872	<hr/> 201,786
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Reserves	11,545	3,725
Total equity attributable to owners of the Company	<hr/> 151,545	<hr/> 143,725
Non-current liabilities		
Deferred tax liabilities	-	5
Current liabilities		
Trade and other payables	50,511	42,574
Derivative liabilities	156	119
Bank borrowings:-		
- bank overdrafts	18,394	6,437
- other borrowings	13,300	6,000
Provision for employee benefits	1,901	2,100
Provision for taxation	1,065	826
	<hr/> 85,327	<hr/> 58,056
Total liabilities	<hr/> 85,327	<hr/> 58,061
TOTAL EQUITY AND LIABILITIES	<hr/> 236,872	<hr/> 201,786
Net assets per ordinary share (RM)	<hr/> 0.54	<hr/> 0.51

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.

PANSAR BERHAD (Company No. 18904-M)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR TO DATE ENDED 31 DECEMBER 2013

	< ----- 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
9-month period ended 31.12.2013						
Balance at 1.4.2013	140,000	(116,732)	1,529	57	118,871	143,725
Profit after taxation for the period	-	-	-	-	12,700	12,700
Other comprehensive income for the period, net of tax:-						
- Foreign currency translation	-	-	504	-	-	504
- Cash flow hedge	-	-	-	216	-	216
Total comprehensive income for the period	-	-	504	216	12,700	13,420
Contributions by and distributions to owners of the Company:-						
- Dividends	-	-	-	-	(5,600)	(5,600)
Balance at 31.12.2013	140,000	(116,732)	2,033	273	125,971	151,545

	< ----- 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
9-month period ended 31.12.2012						
Balance at 1.4.2012	140,000	(116,732)	1,269	22	106,313	130,872
Profit after taxation for the period	-	-	-	-	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
Contributions by and distributions 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

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.

PANSAR BERHAD (Company No. 18904-M)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR TO DATE ENDED 31 DECEMBER 2013

	Current year to date 31.12.2013 RM'000	Preceding year corresponding period 31.12.2012 RM'000
CASH FLOWS (FOR) / FROM OPERATING ACTIVITIES		
Profit before taxation	17,111	19,071
Adjustments for:-		
Allowance for impairment losses on receivables	409	412
Allowance for impairment losses on receivables no longer required	(1,015)	(1,287)
Amortisation of intangible assets	4	3
Amount owing by contract customers written off	914	-
Bad debts written off	28	96
Depreciation of plant and equipment	1,010	960
Fair value loss / (gain) on derivatives	48	(142)
Gain on disposal of plant and equipment	(33)	(118)
Gain on disposal of property held for resale	(10)	-
Interest expense	436	692
Interest income	(316)	(238)
Inventories written down	-	96
Provision for employee benefits	1,563	2,485
Unrealised loss / (gain) on foreign exchange	1	(112)
Operating profit before working capital changes	20,150	21,918
Increase in inventories	(6,598)	(4,917)
Increase in trade and other receivables	(26,729)	(15,288)
Increase in trade and other payables	7,874	7,857
Employee benefits paid	(1,767)	(1,185)
CASH (FOR) / FROM OPERATIONS	(7,070)	8,385
Interest paid	(436)	(692)
Interest received	285	207
Income tax paid	(4,567)	(4,477)
Income tax refunded	14	272
NET CASH (FOR) / FROM OPERATING ACTIVITIES / BALANCE CARRIED FORWARD	(11,774)	3,695

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.

PANSAR BERHAD (Company No. 18904-M)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D) FOR THE YEAR TO DATE ENDED 31 DECEMBER 2013

	Current year to date 31.12.2013 RM'000	Preceding year corresponding period 31.12.2012 RM'000
NET CASH (FOR) / FROM OPERATING ACTIVITIES / BALANCE BROUGHT FORWARD	(11,774)	3,695
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceeds from disposal of plant and equipment	52	118
Proceeds from disposal of property held for resale	150	-
Purchase of intangible assets	(34)	(4)
Purchase of plant and equipment	(976)	(1,161)
NET CASH FOR INVESTING ACTIVITIES	(808)	(1,047)
CASH FLOWS FROM / (FOR) FINANCING ACTIVITIES		
Dividend paid	(5,600)	(4,900)
Proceeds from bankers' acceptance	13,500	16,800
Repayment of bankers' acceptance	(6,200)	(15,400)
NET CASH FROM / (FOR) FINANCING ACTIVITIES	1,700	(3,500)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,882)	(852)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	61	(65)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	9,110	7,222
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	(1,711)	6,305
CASH AND CASH EQUIVALENTS COMPRISE:-		
Deposits, cash and bank balances	16,683	15,115
Bank overdrafts	(18,394)	(8,810)
	(1,711)	6,305

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2013

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 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 2013. 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 2013.

A2 Comments about seasonality or cyclical 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 single tier dividend of two (2) sen per ordinary share for the financial year ended 31 March 2013 totaling RM5,600,000 was paid on 28 October 2013.

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 31.12.2013 RM'000
Revenue						
External revenue	108,306	125,426	28,833	31,256	45,134	338,955
Inter-segment revenue	120	6	-	1,162	31	1,319
	<u>108,426</u>	<u>125,432</u>	<u>28,833</u>	<u>32,418</u>	<u>45,165</u>	<u>340,274</u>
Adjustments and eliminations						(1,319)
Consolidated revenue						<u><u>338,955</u></u>

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2013

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

A7 Segmental information (cont'd)

(a) Business segments (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 31.12.2013 RM'000
Results						
Segment results	14,682	9,536	2,471	2,934	3,043	32,666
Adjustments and eliminations	-	-	-	-	1,287	1,287
	14,682	9,536	2,471	2,934	4,330	33,953
Unallocated income						942
Unallocated expenses						(17,784)
Consolidated profit before taxation						17,111
Assets						
Segment assets	83,395	52,292	23,298	24,472	35,134	218,591
Unallocated assets						18,120
Deferred tax assets						161
Consolidated total assets						236,872
Revenue						
External revenue	123,163	112,568	32,333	26,669	34,725	329,458
Inter-segment revenue	790	66	-	1,456	56	2,368
	123,953	112,634	32,333	28,125	34,781	331,826
Adjustments and eliminations						(2,368)
Consolidated revenue						329,458
Results						
Segment results	15,357	8,268	2,673	2,812	5,952	35,062
Adjustments and eliminations	-	-	-	-	944	944
	15,357	8,268	2,673	2,812	6,896	36,006
Unallocated income						486
Unallocated expenses						(17,421)
Consolidated profit before taxation						19,071

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2013

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

A7 Segmental information (cont'd)

(a) Business segments (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						216,113

(b) Geographical segments

	Year to date 31.12.2013 RM'000	31.12.2012 RM'000
Total revenue from external customers		
- Malaysia	329,956	319,127
- Singapore	8,999	10,331
	338,955	329,458

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 recognized since the end of last financial year.

(c) Valuation

As at 31 December 2013, the Group did not have any revalued assets.

A9 Subsequent events

There were no material subsequent events as at 20 February 2014.

A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the period ended 31 December 2013.

A11 Contingent liabilities or contingent assets

As at 20 February 2014, 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.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2013

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

A13 Significant related party transactions

	Quarterly ended		Year to date	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	488	492	1,480	1,482
Transactions with other related parties	14,965	13,340	43,428	33,330

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2013

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 31 December 2013, the Group registered an increase of 2.9% in revenue to RM339.0 million which was RM9.5 million higher than the previous year's RM329.5 million.

Profit after taxation (PAT) on a year-on-year comparison came in lower at RM12.7 million for the period ended 31 December 2013. Lower gross profit coupled with higher administrative expenses resulted in the overall decrease in PAT for 9MFY14.

Marine & Industrial Segment

Quarterly results

Compared to the corresponding quarter of previous year, Marine & Industrial segment registered a marginal revenue growth rate of 1.3% from RM40.4 million in 3QFY13 to RM40.9 million in 3QFY14. PBT however increased by RM1.3 million, attributed to higher q-o-q margin in 3QFY14.

Financial year-to-date

For YTD 3QFY14, the segment's revenue eased 12.1% to RM108.3 million from RM123.2 million a year ago. As a result of the decreased revenue due mainly to a lower volume of marine engines, PBT on a y-o-y comparison was down RM0.7 million.

Building Products Segment

Quarterly results

For 3QFY14, Building Products segment registered a 7.3% improvement in revenue of RM42.3 million backed largely by the stronger sales volume from structural building products.

PBT for the quarter of RM3.7 million was up 38.5% quarter-on-quarter. The higher PBT vis-à-vis previous corresponding quarter was broadly a result of higher gross profit achieved as well as higher other operating income arising from the write back of impairment loss on receivables in the current quarter.

Financial year-to-date

Building products segment, being the largest source of revenue for the Group, contributing 37.0% in YTD 3QFY14. For the financial period under review, this segment registered a PBT of RM9.5 million on a revenue of RM125.4 million, versus a PBT of RM8.3 million on a revenue of RM112.6 million in YTD 3QFY13.

Compared to the previous corresponding period, PBT for the segment rose by a commendable 15.3% due mainly to the improved gross profit as a result of higher revenue and gross profit margin in YTD 3QFY14.

Wood Engineering and Supplies Segment

Quarterly results

For 3QFY14, Wood Engineering and Supplies segment posted a lower revenue of RM9.2 million on the back of lower sales volume from fertilizers.

In tandem with the decrease in revenue, PBT for the quarter was RM0.7 million, a decrease of 13.6% compared to 3QFY13.

Financial year-to-date

For YTD 3QFY14, Wood Engineering and Supplies segment posted a lower revenue and PBT of RM28.8 million and RM2.5 million respectively. This represents a 10.8% decrease in revenue and 7.6% decrease in PBT respectively over the corresponding period of previous year.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2013

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 3QFY14, Electrical & OA segment achieved a PBT of RM1.0 million on the back of higher revenue of RM12.2 million. This represents a 26.2% increase in PBT and 48.6% expansion in revenue vis-à-vis previous corresponding quarter. The lower growth rate in PBT was mainly attributed to a decrease in gross profit margin resulting mainly from lower purchase discounts in the current quarter.

Financial year-to-date

Compared to the previous corresponding period, revenue of the segment grew steadily by RM4.6 million with PBT increasing from RM2.8 million in YTD 3QFY13 to RM2.9 million in YTD 3QFY14. Despite achieving higher revenue over the previous corresponding period, gross margin moderated as a result of intense market competition and pricing pressure especially for consumer electronics products.

Mechanical & Electrical Segment

Quarterly results

For the current quarter, Mechanical & Electrical segment recorded a lower PBT of RM1.3 million despite a higher revenue of RM13.4 million compared to PBT of RM2.3 million on revenue of RM14.8 million recorded in 3QFY13. The lower PBT on q-o-q comparison was primarily due to a higher profit margin for timely completion of several major projects in the previous corresponding quarter.

Financial year-to-date

Compared to previous corresponding period, revenue of the segment increased by RM10.4 million. However, PBT decreased by 37.2% from RM6.9 million to RM4.3 million for YTD 3QFY14. As most projects completed in the same period last year were at a higher margin, gross profit on a y-o-y comparison for YTD 3QFY14 was much lower than that of YTD 3QFY13.

B2 Material changes in profit before tax for the quarter

For the quarter under review, the Group achieved a higher profit before tax (PBT) of RM6.2 million on the back of higher revenue of RM118.0 million as compared to PBT of RM5.9 million and revenue of RM116.7 million in the immediate preceding quarter. Against the immediate preceding quarter, the increase in PBT was mainly attributed to higher gross profit of RM1.6 million and other operating income of RM1.0 million, offset partially by a higher overall operating expenses of RM2.2 million in the current quarter under review.

B3 Commentary on prospects

Global recovery remains shaky as downside risks remain with possible deflation in advanced economies, coupled with weak domestic demand and capital outflow volatility in some emerging markets.

In Malaysia, 2014 will be a challenging year with rising cost of living and inflation as our fiscal consolidation process gets underway with fiscal structural adjustments gaining momentum. Tightening credit conditions coupled with weakening Ringgit and rising wages could significantly dampen domestic demand and investments.

We shall focus on quality business opportunities and cost control measures even whilst we continue to pursue with our strategy of structuring our market approaches emphasising on services and quality differentiation and engineering solutions packaging for our building products and electrical and office automation products as well as our mechanical and electrical segment. The shipbuilding industry remains sluggish but elsewhere particularly in the oil and gas and oil palm sectors, prospects for our marine and industrial and agro engineering segments are expected to show sustainable results.

B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was announced.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2013

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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Income tax:-				
- Malaysia tax	1,365	1,180	4,410	5,225
- Foreign tax	22	10	36	59
	<u>1,387</u>	<u>1,190</u>	<u>4,446</u>	<u>5,284</u>
Over provision in the previous financial year				
- Malaysia tax	-	(3)	(12)	574
	<u>1,387</u>	<u>1,187</u>	<u>4,434</u>	<u>4,710</u>
Deferred tax:-				
- Origination and reversal of temporary differences	230	(146)	(33)	(346)
- Under provision in the previous financial year	2	-	10	327
	<u>232</u>	<u>(146)</u>	<u>(23)</u>	<u>(19)</u>
	<u>1,619</u>	<u>1,041</u>	<u>4,411</u>	<u>4,691</u>

B6 Corporate proposals

As at 20 February 2014, there were no corporate proposals announced.

B7 Short-term borrowings

The Group's borrowings as at 31 December 2013 were as follows:-

	RM'000
Bank overdrafts, secured	2,161
Bank overdrafts, unsecured	16,233
Bankers' acceptance, secured	6,700
Bankers' acceptance, unsecured	2,600
Revolving credit, secured	4,000
	<u>31,694</u>

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2013

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

B8 Derivative financial instruments

The outstanding foreign currency forward contracts as at 31 December 2013 were as follows:-

	Contract / notional amount RM'000	Assets RM'000	Liabilities RM'000
<u>Derivative not designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	11,481	12	(156)
<u>Derivative designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	3,426	33	-
		<hr/>	<hr/>
		45	(156)

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 Gain / (loss) arising from fair value changes in financial liabilities

	Current quarter gain / (loss) RM'000	Year to date gain / (loss) RM'000
Foreign currency forward contracts	(156)	(37)

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2013

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

B10 Breakdown of realised and unrealised profits

The breakdown of retained profits of the Group as at 31 December 2013 into realised and unrealised profits are presented as follows:-

	RM'000
Total retained profits:-	
- Realised	122,446
- Unrealised	31
	<hr/>
	122,477
Add: Consolidation adjustments	3,494
	<hr/>
At 31 December 2013	125,971
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B11 Changes in material litigation

As at 20 February 2014, there was no material litigation against the Group.

B12 Dividend payable

No interim dividend has been declared for the financial period ended 31 December 2013.

B13 Earnings per share

(a) Basic earnings per share

	Quarter ended		Year to date	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	4,606	3,870	12,700	14,380
Weight 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 weighted average number of shares in issue (sen)	1.65	1.38	4.54	5.14
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(b) Diluted earnings per share

Not applicable as at 31 December 2013.

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 2013 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 2013

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

B15 Profit for the year

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

	Quarter ended		Year to date	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Amount owing by contract customers written off	914	-	914	-
Bad debts written off	16	84	28	96
Collective impairment losses on receivables	290	13	433	151
Collective impairment losses on receivables no longer required	(3)	(12)	(57)	(155)
Depreciation and amortisation	328	337	1,014	963
Gain on disposal of property, plant and equipment	(21)	(79)	(33)	(118)
Gain on disposal of property held for resale	-	-	(10)	-
Individual impairment losses on receivables	1	115	119	261
Individual impairment losses on receivables no longer required	(929)	(28)	(958)	(1,132)
Interest expense	253	300	436	692
Interest income	(90)	(75)	(316)	(238)
Inventories written down	-	-	-	96
Realised foreign exchange (gain) / loss	(402)	(62)	50	(289)
Realised (gain) / loss on derivatives	(14)	162	(108)	(9)
Unrealised (gain) / loss on foreign exchange	(87)	(139)	1	(112)
Unrealised loss on derivatives	474	95	144	72

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 2013.