

PANSAR BERHAD (Company No. 18904-M)

INTERIM FINANCIAL STATEMENTS
FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2014

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PANSAR BERHAD (Company No. 18904-M)CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30.9.2014 RM'000	Preceding year corresponding quarter 30.9.2013 RM'000	Current year to date 30.9.2014 RM'000	Preceding year corresponding year to date 30.9.2013 RM'000
Revenue	104,660	116,738	206,809	220,929
Cost of sales	(89,658)	(102,650)	(177,869)	(192,980)
Gross profit	15,002	14,088	28,940	27,949
Other income	628	594	1,646	1,188
Selling and distribution expenses	(2,462)	(2,305)	(4,920)	(4,594)
Administrative expenses	(6,853)	(6,306)	(13,577)	(13,200)
Other operating expenses	(266)	(121)	(323)	(273)
Finance costs	(226)	(96)	(424)	(183)
Share of results in associate, net of tax	53	-	53	-
Profit before taxation	5,876	5,854	11,395	10,887
Income tax expense	(1,676)	(1,513)	(3,211)	(2,792)
Profit after taxation	4,200	4,341	8,184	8,095
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Cash flow hedge	(13)	17	(105)	445
Foreign currency translation differences	3	398	(102)	473
Share of associate's foreign currency translation differences	1	-	1	-
Total other comprehensive income	(9)	415	(206)	918
Total comprehensive income for the period	4,191	4,756	7,978	9,013
Profit after taxation attributable to owners of the Company	4,200	4,341	8,184	8,095
Total comprehensive income attributable to owners of the Company	4,191	4,756	7,978	9,013
Weighted average number of shares in issue ('000)	280,000	280,000	280,000	280,000
Earnings per ordinary share (sen):-				
-Basic	1.50	1.55	2.92	2.89
-Diluted	N/A	N/A	N/A	N/A

The condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.

PANSAR BERHAD (Company No. 18904-M)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 30 SEPTEMBER 2014

	30.9.2014 RM'000 (Unaudited)	31.3.2014 RM'000 (Audited)
ASSETS		
Non-current assets		
Investment in associate	12,854	-
Property, plant and equipment	3,918	3,824
Intangible assets	237	236
Deferred tax assets	687	363
	<hr/> 17,696	<hr/> 4,423
Current assets		
Inventories	50,188	51,384
Trade and other receivables	157,620	136,256
Derivative assets	112	32
Tax refundable	334	704
Deposits, cash and bank balances	19,403	25,755
	<hr/> 227,657	<hr/> 214,131
TOTAL ASSETS	<hr/> 245,353	<hr/> 218,554
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Reserves	14,525	12,847
Total equity attributable to owners of the Company	<hr/> 154,525	<hr/> 152,847
Non-current liabilities		
Deferred tax liabilities	-	5
Current liabilities		
Trade and other payables	55,255	42,931
Derivative liabilities	9	33
Bank borrowings:-		
- bank overdrafts	9,117	9,366
- other borrowings	22,050	11,200
Provision for employee benefits	3,272	1,894
Provision for taxation	1,125	278
	<hr/> 90,828	<hr/> 65,702
Total liabilities	<hr/> 90,828	<hr/> 65,707
TOTAL EQUITY AND LIABILITIES	<hr/> 245,353	<hr/> 218,554
Net assets per ordinary share (RM)	<hr/> 0.55	<hr/> 0.55

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014 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 30 SEPTEMBER 2014

	< ----- 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
6-month period ended 30.9.2014						
Balance at 1.4.2014	140,000	(116,732)	2,017	96	127,466	152,847
Profit after taxation for the period	-	-	-	-	8,184	8,184
Other comprehensive income for the period, net of tax:-						
- Foreign currency translation differences	-	-	(102)	-	-	(102)
- Cash flow hedge	-	-	-	(105)	-	(105)
- Share of associate's foreign currency translation differences	-	-	1	-	-	1
Total comprehensive income for the period	-	-	(101)	(105)	8,184	7,978
Contributions by and distributions to owners of the Company:-						
- Dividends	-	-	-	-	(6,300)	(6,300)
Balance at 30.9.2014	140,000	(116,732)	1,916	(9)	129,350	154,525

	< ----- 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
6-month period ended 30.9.2013						
Balance at 1.4.2013	140,000	(116,732)	1,529	57	118,871	143,725
Profit after taxation for the period	-	-	-	-	8,095	8,095
Other comprehensive income for the period, net of tax:-						
- Foreign currency translation	-	-	473	-	-	473
- Cash flow hedge	-	-	-	445	-	445
Total comprehensive income for the period	-	-	473	445	8,095	9,013
Contributions by and distributions to owners of the Company:-						
- Dividends	-	-	-	-	(5,600)	(5,600)
Balance at 30.9.2013	140,000	(116,732)	2,002	502	121,366	147,138

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 2014 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 30 SEPTEMBER 2014

	Current year to date 30.9.2014 RM'000	Preceding year corresponding period 30.9.2013 RM'000
CASH FLOWS (FOR) / FROM OPERATING ACTIVITIES		
Profit before taxation	11,395	10,887
Adjustments for:-		
Allowance for impairment losses on receivables	285	260
Allowance for impairment losses on receivables no longer required	(545)	(83)
Amortisation of intangible assets	7	2
Bad debts written off	38	12
Depreciation of property, plant and equipment	600	684
Fair value gain on derivatives	(98)	(426)
Gain on disposal of plant and equipment	-	(12)
Interest expense	424	183
Interest income	(212)	(226)
Provision for employee benefits	1,379	1,233
Share of results in associate	(53)	-
Unrealised (gain) / loss on foreign exchange	(88)	88
Operating profit before working capital changes	13,132	12,602
Decrease / (increase) in inventories	1,183	(429)
Increase in trade and other receivables	(22,768)	(14,429)
Increase in trade and other payables	7,682	8,163
CASH (FOR) / FROM OPERATIONS	(771)	5,907
Interest paid	(424)	(183)
Interest received	185	220
Income tax paid	(2,323)	(2,504)
NET CASH (FOR) / FROM OPERATING ACTIVITIES / BALANCE CARRIED FORWARD	(3,333)	3,440

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014 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 30 SEPTEMBER 2014

	Current year to date 30.9.2014 RM'000	Preceding year corresponding period 30.9.2013 RM'000
NET CASH (FOR) / FROM OPERATING ACTIVITIES / BALANCE BROUGHT FORWARD	(3,333)	3,440
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	78	28
Purchase of investment in associate	(12,800)	-
Purchase of intangible assets	(8)	-
Purchase of property, plant and equipment	(773)	(641)
NET CASH FOR INVESTING ACTIVITIES	(13,503)	(613)
CASH FLOWS FROM / (FOR) FINANCING ACTIVITIES		
Proceeds from bankers' acceptance	19,050	5,200
Repayment of bankers' acceptance	(8,200)	(7,200)
NET CASH FROM / (FOR) FINANCING ACTIVITIES	10,850	(2,000)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(5,986)	827
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	(117)	155
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	16,389	9,110
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	10,286	10,092
CASH AND CASH EQUIVALENTS COMPRISE:-		
Deposits, cash and bank balances	19,403	18,392
Bank overdrafts	(9,117)	(8,300)
	10,286	10,092

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014 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 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2014

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, *IAS 34: Interim Financial Reporting* issued by International Accounting Standards Board and *paragraph 9.22 of the Main Market 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 2014. 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 2014.

The significant accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2014, except as follows:

On 1 April 2014, the Group adopted the following new and revised MFRSs, Amendments to MFRSs and IC Interpretations (including the consequential amendments) mandatory for annual financial periods beginning on or after 1 January 2014:-

- Amendments to *MFRS 10, MFRS 12* and *MFRS 127* (2011): Investment Entities
- Amendments to *MFRS 132*: Offsetting Financial Assets and Financial Liabilities
- Amendments to *MFRS 136*: Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to *MFRS 139*: Novation of Derivatives and Continuation of Hedge Accounting
- *IC Interpretation 21* Levies

The adoption of the abovementioned MFRSs, Amendments to MFRSs and IC Interpretations (including the consequential amendments) did not have any material impact on the financial statements of the Group.

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 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2014

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 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 30.9.2014 RM'000
Revenue						
External revenue	60,792	72,020	18,830	17,741	37,426	206,809
Inter-segment revenue	185	188	-	2,066	-	2,439
	<u>60,977</u>	<u>72,208</u>	<u>18,830</u>	<u>19,807</u>	<u>37,426</u>	<u>209,248</u>
Adjustments and eliminations						(2,439)
Consolidated revenue						<u><u>206,809</u></u>
Results						
Segment results	9,507	5,494	1,440	2,005	2,772	21,218
Adjustments and eliminations	-	-	-	-	994	994
	<u>9,507</u>	<u>5,494</u>	<u>1,440</u>	<u>2,005</u>	<u>3,776</u>	<u>22,212</u>
Associate						53
Unallocated income						439
Unallocated expenses						(11,309)
Consolidated profit before taxation						<u><u>11,395</u></u>
Assets						
Segment assets	62,352	46,387	25,070	33,397	46,577	213,783
Associate						12,854
Unallocated assets						18,029
Deferred tax assets						687
Consolidated total assets						<u><u>245,353</u></u>

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2014

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 30.9.2013 RM'000
Revenue						
External revenue	67,367	83,130	19,655	19,029	31,748	220,929
Inter-segment revenue	120	-	-	494	31	645
	67,487	83,130	19,655	19,523	31,779	221,574
Adjustments and eliminations						(645)
Consolidated revenue						220,929
Results						
Segment results	8,967	5,863	1,798	1,912	2,160	20,700
Adjustments and eliminations	-	-	-	-	900	900
	8,967	5,863	1,798	1,912	3,060	21,600
Unallocated income						206
Unallocated expenses						(10,919)
Consolidated profit before taxation						10,887
Assets						
Segment assets	79,969	47,942	19,490	21,935	33,802	203,138
Unallocated assets						17,469
Deferred tax assets						346
Consolidated total assets						220,953

(b) Geographical segments

	Year to date	
	30.9.2014 RM'000	30.9.2013 RM'000
Total revenue from external customers		
- Malaysia	199,754	215,224
- Singapore	7,055	5,705
	206,809	220,929

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2014

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

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 2014, the Group did not have any revalued assets.

A9 Subsequent events

There were no material subsequent events as at 14 November 2014.

A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the 2nd quarter and year to date ended 30 September 2014 save as below:

Reservoir Link Sdn Bhd (“RLSB”)

On 2 September 2014, Pansar Berhad entered into a Sale and Purchase agreement with the shareholders of RLSB, for the acquisition of 88,890 ordinary shares and subscription of 88,888 new ordinary shares, for a purchase consideration of RM12.8 million, representing 20% of the total number of issued ordinary shares in RLSB.

RLSB is a fully Malaysian owned and operated upstream oil and gas service provider in Malaysia and is principally involved in the provision of perforating solutions and services and ancillary equipment for the oil and gas field services industry. Upon satisfaction of conditions precedents, RLSB effectively became an associate of the Group on 23 September 2014. The financial impact of the acquisition for the current financial period is not material to the Group.

A11 Contingent liabilities or contingent assets

As at 14 November 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.

A13 Significant related party transactions

	Quarterly ended		Year to date	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	490	491	980	992
Transactions with other related parties	14,579	15,611	28,458	28,463

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2014

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

B1 Review of performance

For the financial period ended 30 September 2014, the Group registered a decrease of 6.4% in revenue to RM206.8 million which was RM14.1 million lower than the previous year's corresponding period of RM220.9 million.

Compared to last year's profit after taxation (PAT) of RM8.1 million, PAT on a y-o-y comparison came in higher at RM8.2 million for the period ended 30 September 2014. Higher gross profit margin and other operating income in relation to the write back of impairment losses on receivables resulted in overall increase in PAT for 1HFY15.

Marine & Industrial Segment

Quarterly results

Compared to previous corresponding quarter, Marine & Industrial segment recorded a 12.0% decrease in revenue from RM37.6 million in 2QFY14 to RM33.0 million in 2QFY15. PBT of RM5.0 million in 2QFY15 was higher than that of 2QFY14, attributed to better profit margin in 2QFY15.

Financial year-to-date

On a y-o-y comparison, Marine & Industrial segment's revenue dropped by 9.8% to RM60.8 million in YTD 2QFY15, with PBT however rising 6.0% to RM9.5 million as a result of higher gross profit margin in the current financial period.

Building products Segment

Quarterly results

Building Products segment achieved revenue and PBT for the current quarter of RM35.2 million and RM2.7 million respectively. This represents a 16.3% decrease in revenue and 10.9% decrease in PBT over the previous corresponding quarter.

Financial year-to-date

For YTD 2QFY15, Building Products segment registered a 13.4% drop in revenue year on year attributed mainly to lower sales volume from roofing products and building structural products.

In tandem with the decrease in revenue, PBT for the current financial period was down by RM0.4 million when compared to previous corresponding period.

Wood Engineering & Supplies Segment

Quarterly results

For 2QFY15, Wood Engineering & Supplies segment posted a 10.4% decrease in revenue of RM9.0 million on the back of lower sales volume mainly from fertilizers.

In tandem with the decrease in revenue, PBT for the quarter decreased to RM0.7 million as compared to RM0.9 million achieved in 2QFY14.

Financial year-to-date

The segment's YTD 2QFY15 PBT declined to RM1.4 million from RM1.8 million a year ago. In view of intense market competition, revenue had decreased to RM18.8 million for YTD 2QFY15, down RM0.8 million vis-à-vis previous corresponding period.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2014

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

Compared to previous corresponding quarter, Electrical & Office Automation segment's revenue decreased by RM1.0 million and PBT however increased slightly by 5.0% in 2QFY15. The improved PBT in the current quarter was attributed to the increase in gross profit margin mainly from air conditioners and lighting products.

Financial year-to-date

Electrical & Office Automation segment recorded a 6.8% decrease in revenue from RM19.0 million in YTD 2QFY14 to RM17.7 million in YTD 2QFY15. PBT improved slightly by 4.9%, attributed to better profit margin in YTD 2QFY15.

Mechanical & Electrical Segment

Quarterly results

For 2QFY15, the segment posted a higher PBT of RM1.9 million on the back of higher revenue of RM18.2 million compared to PBT of RM1.5 million on revenue of RM16.8 million recorded in the previous corresponding quarter. Gross profit margin was higher on a q-o-q comparison, supported by timely completion of projects in the current quarter.

Financial year-to-date

Compared to previous corresponding period, the segment's revenue and PBT for YTD 2QFY15 increased by RM5.7 million and RM0.7 million respectively mainly due to contribution from a number of completed and ongoing projects in the Group's portfolio.

B2 Material changes in profit before tax for the quarter

For the current quarter under review, the Group achieved a higher profit before taxation (PBT) of RM5.9 million on the back of higher revenue of RM104.7 million as compared to PBT of RM5.5 million and revenue of RM102.1 million in the immediate preceding quarter. Against the immediate preceding quarter, the increase in PBT was mainly attributed to higher gross profit from operations of RM1.1 million.

B3 Commentary on prospects

The global economy is expected to perform tumultuously due to various geo-political and economic issues. Together with political as well as economic policies, this will have a negative effect on the domestic economy. Both business conditions and consumer sentiments appear dampened and a slightly lower economic growth is expected for the second half of 2014.

The Company's strategies emphasising on customised engineered solutions and combined efforts to rein in costs have had a positive effect. Margins have improved and income achievements appear to be on track. With the coming peak buying seasons in FY2015's Q3 and early Q4, we are cautiously optimistic that performance for both the coming quarter and the full year will generally be within expectations across all our five business segments.

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 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2014

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	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
Income tax:-				
- Malaysian tax	1,666	1,620	3,276	3,045
- Foreign tax	44	8	63	14
	1,710	1,628	3,339	3,059
Under / (over) provision in the previous financial				
- Malaysian tax	202	(12)	202	(12)
	1,912	1,616	3,541	3,047
Deferred tax:-				
- Origination and reversal of temporary differences	(249)	(111)	(343)	(263)
- Under provision in the previous financial year	13	8	13	8
	(236)	(103)	(330)	(255)
	1,676	1,513	3,211	2,792

B6 Corporate proposals

As at 14 November 2014, there were no corporate proposals announced.

B7 Short-term borrowings

The Group's borrowings as at 30 September 2014 were as follows:-

	RM'000
Bank overdrafts, secured	105
Bank overdrafts, unsecured	9,012
Bankers' acceptance, secured	6,250
Bankers' acceptance, unsecured	11,800
Revolving credit, secured	4,000
	31,167

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2014

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 30 September 2014 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	7,008	102	(9)
<u>Derivative designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	872	10	-
		<u>112</u>	<u>(9)</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.

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 RM'000	Year to date gain RM'000
Foreign currency forward contracts	(4)	23

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2014

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 30 September 2014 into realised and unrealised profits are presented as follows:-

	RM'000
Total retained profits:-	
- Realised	125,078
- Unrealised	778
	<hr/> 125,856
Add: Consolidation adjustments	3,494
	<hr/> 129,350
At 30 September 2014	<hr/> <hr/>

B11 Changes in material litigation

As at 14 November 2014, there was no material litigation against the Group.

B12 Dividend payable

At the Annual General Meeting held on 15 August 2014, a first and final single tier dividend of 2.25 sen per ordinary shares amounting to RM6,300,000 in respect of the financial year ended 31 March 2014 which was proposed by the Board of Directors on 1 July 2014 has been approved by shareholders and will be paid on 8 October 2014.

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

- (a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 9 September 2014 in respect of ordinary transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

B13 Earnings per share

(a) Basic earnings per share

	Quarter ended		Year to date	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	4,200	4,341	8,184	8,095
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)	1.50	1.55	2.92	2.89

(b) Diluted earnings per share

Not applicable as at 30 September 2014.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2014

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 2014 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	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
Bad debts written off	38	8	38	12
Collective impairment losses on receivables	228	(5)	285	143
Collective impairment losses on receivables no longer required	258	(16)	(83)	(54)
Depreciation and amortisation	305	328	607	686
Individual impairment losses on receivables	-	118	-	118
Individual impairment losses on receivables no longer required	(336)	(17)	(462)	(29)
Interest expense	226	96	424	183
Interest income	(113)	(143)	(212)	(226)
Loss / (gain) on disposal of property, plant and equipment	(16)	(5)	-	(12)
Realised (gain) / loss on foreign exchange	(43)	268	(180)	452
Realised loss / (gain) on derivatives	125	(52)	160	(94)
Unrealised loss on foreign exchange	(106)	(122)	(88)	88
Unrealised gain on derivatives	(46)	(151)	(93)	(330)

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 30 September 2014.