

PANSAR BERHAD (Company No. 18904-M)

INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2014

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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 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.12.2014 RM'000	Preceding year corresponding quarter 31.12.2013 RM'000	Current year to date 31.12.2014 RM'000	Preceding year corresponding year to date 31.12.2013 RM'000
Revenue	101,378	118,026	308,187	338,955
Cost of sales	(87,913)	(102,340)	(265,782)	(295,320)
Gross profit	13,465	15,686	42,405	43,635
Other income	752	1,596	2,399	2,784
Selling and distribution expenses	(2,501)	(2,554)	(7,421)	(7,149)
Administrative expenses	(8,201)	(8,086)	(21,778)	(21,286)
Other operating expenses	(460)	(164)	(783)	(437)
Finance costs	(255)	(253)	(680)	(436)
Share of results in associate, net of tax	557	-	610	-
Profit before taxation	3,357	6,225	14,752	17,111
Income tax expense	(922)	(1,619)	(4,133)	(4,411)
Profit after taxation	2,435	4,606	10,619	12,700
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Cash flow hedge	1	(229)	(103)	216
Foreign currency translation differences	380	31	277	504
Share of associate's foreign currency translation differences	(27)	-	(27)	-
Total other comprehensive income	354	198	147	720
Total comprehensive income for the period	2,789	4,408	10,766	13,420
Profit after taxation attributable to owners of the Company	2,435	4,606	10,619	12,700
Total comprehensive income attributable to owners of the Company	2,789	4,408	10,766	13,420
Weighted average number of shares in issue ('000)	280,000	280,000	280,000	280,000
Earnings per ordinary share (sen):-				
-Basic	0.87	1.65	3.79	4.54
-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 31 DECEMBER 2014

	31.12.2014 RM'000 (Unaudited)	31.3.2014 RM'000 (Audited)
ASSETS		
Non-current assets		
Investment in associate	13,383	-
Property, plant and equipment	4,636	3,824
Intangible assets	236	236
Deferred tax assets	402	363
	<hr/> 18,657	<hr/> 4,423
Current assets		
Inventories	52,581	51,384
Trade and other receivables	153,628	136,256
Derivative assets	66	32
Tax refundable	428	704
Deposits, cash and bank balances	10,117	25,755
	<hr/> 216,820	<hr/> 214,131
TOTAL ASSETS	<hr/> 235,477	<hr/> 218,554
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Reserves	17,313	12,847
Total equity attributable to owners of the Company	<hr/> 157,313	<hr/> 152,847
Non-current liabilities		
Deferred tax liabilities	12	5
Current liabilities		
Trade and other payables	54,152	42,931
Derivative liabilities	23	33
Bank borrowings:-		
- bank overdrafts	10,758	9,366
- other borrowings	10,800	11,200
Provision for employee benefits	2,170	1,894
Provision for taxation	249	278
	<hr/> 78,152	<hr/> 65,702
Total liabilities	<hr/> 78,164	<hr/> 65,707
TOTAL EQUITY AND LIABILITIES	<hr/> 235,477	<hr/> 218,554
Net assets per ordinary share (RM)	<hr/> 0.56	<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 31 DECEMBER 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
9-month period ended 31.12.2014						
Balance at 1.4.2014	140,000	(116,732)	2,017	96	127,466	152,847
Profit after taxation for the period	-	-	-	-	10,619	10,619
Other comprehensive income for the period, net of tax:-						
- Foreign currency translation differences	-	-	277	-	-	277
- Cash flow hedge	-	-	-	(103)	-	(103)
- Share of associate's foreign currency translation differences	-	-	(27)	-	-	(27)
Total comprehensive income for the period	-	-	250	(103)	10,619	10,766
Contributions by and distributions to owners of the Company:-						
- Dividends	-	-	-	-	(6,300)	(6,300)
Balance at 31.12.2014	140,000	(116,732)	2,267	(7)	131,785	157,313

	< ----- 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

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 31 DECEMBER 2014

	Current year to date 31.12.2014 RM'000	Preceding year corresponding period 31.12.2013 RM'000
CASH FLOWS FROM / (FOR) OPERATING ACTIVITIES		
Profit before taxation	14,752	17,111
Adjustments for:-		
Allowance for impairment losses on receivables	746	409
Allowance for impairment losses on receivables no longer required	(952)	(1,015)
Amortisation of intangible assets	11	4
Amount owing by contract customers written off	-	914
Bad debts written off	38	28
Depreciation of property, plant and equipment	915	1,010
Fair value (gain) / loss on derivatives	(40)	48
Gain on disposal of plant and equipment	(19)	(33)
Interest expense	680	436
Interest income	(352)	(316)
Provision for employee benefits	1,888	1,563
Share of results in associates	(610)	-
Unrealised loss on foreign exchange	98	1
Operating profit before working capital changes	17,155	20,160
Increase in inventories	(1,156)	(6,458)
Increase in trade and other receivables	(19,189)	(26,729)
Increase in trade and other payables	13,366	7,874
Employee benefits paid	(1,616)	(1,767)
CASH FROM / (FOR) OPERATIONS	8,560	(6,920)
Interest paid	(680)	(436)
Interest received	251	285
Income tax paid	(3,920)	(4,567)
Income tax refunded	2	14
NET CASH FROM / (FOR) OPERATING ACTIVITIES / BALANCE CARRIED FORWARD	4,213	(11,624)

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 31 DECEMBER 2014

	Current year to date 31.12.2014 RM'000	Preceding year corresponding period 31.12.2013 RM'000
NET CASH FROM / (FOR) OPERATING ACTIVITIES / BALANCE BROUGHT FORWARD	4,213	(11,624)
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	98	52
Purchase of investment in associate	(12,800)	-
Purchase of intangible assets	(8)	(34)
Purchase of property, plant and equipment	(1,805)	(976)
NET CASH FOR INVESTING ACTIVITIES	(14,515)	(958)
CASH FLOWS (FOR) / FROM FINANCING ACTIVITIES		
Dividend paid	(6,300)	(5,600)
Proceeds from bankers' acceptance	21,850	25,500
Repayment of bankers' acceptance	(22,250)	(18,200)
NET CASH (FOR) / FROM FINANCING ACTIVITIES	(6,700)	1,700
NET DECREASE IN CASH AND CASH EQUIVALENTS	(17,002)	(10,882)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	(28)	61
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	16,389	9,110
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	(641)	(1,711)
CASH AND CASH EQUIVALENTS COMPRISE:-		
Deposits, cash and bank balances	10,117	16,683
Bank overdrafts	(10,758)	(18,394)
	(641)	(1,711)

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 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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

During the current quarter under review, a first and final single tier dividend of two point two five (2.25) sen per ordinary share for the financial year ended 31 March 2014 totalling RM6,300,000 was paid on 8 October 2014.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 31.12.2014 RM'000
Revenue						
External revenue	85,501	108,733	27,241	26,281	60,431	308,187
Inter-segment revenue	267	258	-	2,456	-	2,981
	85,768	108,991	27,241	28,737	60,431	311,168
Adjustments and eliminations						(2,981)
Consolidated revenue						308,187
Results						
Segment results	13,350	7,803	1,935	2,417	4,413	29,918
Adjustments and eliminations	-	-	-	-	1,607	1,607
	13,350	7,803	1,935	2,417	6,020	31,525
Associate						610
Unallocated income						605
Unallocated expenses						(17,988)
Consolidated profit before taxation						14,752
Assets						
Segment assets	61,665	47,353	25,721	23,411	46,103	204,253
Associate						13,383
Unallocated assets						17,439
Deferred tax assets						402
Consolidated total assets						235,477

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 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
	108,426	125,432	28,833	32,418	45,165	340,274
Adjustments and eliminations						(1,319)
Consolidated revenue						338,955
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

(b) Geographical segments

	Year to date	
	31.12.2014 RM'000	31.12.2013 RM'000
Total revenue from external customers		
- Malaysia	298,118	329,956
- Singapore	10,069	8,999
	308,187	338,955

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 31 December 2014, the Group did not have any revalued assets.

A9 Subsequent events

There were no material subsequent events as at 6 February 2015.

A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the 3rd quarter and year to date ended 31 December 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 6 February 2015, 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	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	503	488	1,483	1,480
Transactions with other related parties	10,664	14,965	39,122	43,428

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 31 December 2014, the Group registered a decrease of 9.1% in revenue to RM308.2 million which was RM30.8 million lower than the previous year's corresponding period of RM339.0 million.

Compared to last year's profit after taxation (PAT) of RM12.7 million, PAT on a y-o-y comparison came in lower at RM10.6 million for the period ended 31 December 2014. Lower gross profit coupled with higher operating expenses resulted in overall decrease in PAT for 9MFY15.

Marine & Industrial Segment

Quarterly results

For 3QFY15, Marine & Industrial segment registered a PBT of RM3.8 million on revenue of RM24.7 million, versus a PBT of RM5.7 million on revenue of RM40.9 million. This represents a 39.6% decrease in revenue and 32.7% decrease in PBT over the previous corresponding quarter.

Financial year-to-date

For YTD 3QFY15, the segment's revenue eased 21.1% to RM85.5 million from RM108.3 million a year ago. As a result of the decreased revenue, PBT on a y-o-y comparison decreased by RM1.3 million.

Building products Segment

Quarterly results

For 3QFY15, Building Products segment registered a 13.2% decrease in revenue attributed mainly to lower sales volume from roofing products and building structural products.

The segment posted a lower PBT of RM2.3 million which was down 37.1% quarter-on-quarter. The lower PBT was broadly a result of lower revenue achieved as well as the absence of gain from a major write back of impairment loss on receivables vis-à-vis previous corresponding quarter.

Financial year-to-date

Building products segment, being the largest source of revenue for the Group, contributing 35.3% in YTD 3QFY15. For the financial period under review, Building Products segment registered a PBT of RM7.8 million on a revenue of RM108.7 million, versus a PBT of RM9.5 million on a revenue of RM125.4 million in YTD 3QFY14.

Wood Engineering & Supplies Segment

Quarterly results

For 3QFY15, Wood Engineering and Supplies segment posted a lower revenue of RM8.4 million on the back of lower sales volume from fertilizers.

In tandem with the decrease in revenue, PBT for the quarter was RM0.5 million, a decrease of 26.5% compared to 3QFY14.

Financial year-to-date

For YTD 3QFY15, Wood Engineering and Supplies segment posted a lower revenue and PBT of RM27.2 million and RM1.9 million respectively. This represents a 5.5% decrease in revenue and 21.7% 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 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

Electrical & Office Automation segment achieved a lower PBT of RM0.4 million on the back of lower revenue of RM8.5 million. This represents 60.0% and 30.2% decrease in PBT and revenue respectively vis-à-vis previous corresponding quarter.

Financial year-to-date

Revenue had decreased to RM26.3 million for YTD 3QFY15, down RM5.0 million as compared to YTD 3QFY14 due to intense market competition. In tandem with the decrease in revenue, PBT of the segment decreased by 17.6% to RM2.4 million.

Mechanical & Electrical Segment

Quarterly results

Compared to previous corresponding quarter, Mechanical & Electrical segment's revenue grew steadily by RM9.6 million and PBT increased by RM1.0 million from RM1.3 million in 3QFY14 to RM2.3 million in 3QFY15.

Financial year-to-date

Compared to previous corresponding period, the segment's revenue and PBT for YTD 3QFY15 increased by RM15.3 million and RM1.7 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 lower profit before taxation (PBT) of RM3.4 million on the back of lower revenue of RM101.4 million as compared to PBT of RM5.9 million and revenue of RM104.7 million in the immediate preceding quarter. Lower gross profit coupled with higher overall operating expenses in the current quarter resulted in the overall decrease in PBT as compared to immediate preceding quarter.

B3 Commentary on prospects

The first quarter of 2015 is expected to see slower economic growth continuing from the previous year with a weaker projected global growth of 3.5 percent for the year. While recent proactive and vigorous fiscal measures by central banks of the major economies are expected to encourage business confidence and renewed investment, desired results may not be achieved until later in the year.

On the domestic front, despite waning business and consumer sentiments from current incomes losing ground, growing concerns over near-term finances and hirings, and continued uptrend in prices, a short-term spike is expected in pre-GST shopping plans. A slowdown is however expected in most manufacturing activities along with a rise in inventories. Nonetheless, lower oil prices may boost consumer spending and the depreciated ringgit should help improve export competitiveness and inbound tourism although their net effect on the local economy may only be minimal. Socioeconomic development is also likely to hamper FDI and many development initiatives.

2015 will be another challenging year for our Company due to these market uncertainties and shifts in sentiments, especially with the impending implementation of GST. Of concern is the continued depressed prices of commodities leading to an oversupply of vessels catering to the mining and oil & gas sectors, which will affect performance of our marine & industrial division. We will nonetheless continue to consolidate and build up our fundamentals to ensure greater efficiencies across all business segments, and to focus on better quality businesses so as to maintain returns.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2014

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	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Income tax:-				
- Malaysian tax	644	1,365	3,920	4,410
- Foreign tax	11	22	74	36
	655	1,387	3,994	4,446
Under / (over) provision in the previous financial				
- Malaysian tax	(32)	-	170	(12)
	623	1,387	4,164	4,434
Deferred tax:-				
- Origination and reversal of temporary differences	299	230	(44)	(33)
- Under provision in the previous financial year	-	2	13	10
	299	232	(31)	(23)
	922	1,619	4,133	4,411

B6 Corporate proposals

As at 6 February 2015, there were no corporate proposals announced.

B7 Short-term borrowings

The Group's borrowings as at 31 December 2014 were as follows:-

	RM'000
Bank overdrafts, secured	96
Bank overdrafts, unsecured	10,662
Bankers' acceptance, secured	2,000
Bankers' acceptance, unsecured	4,800
Revolving credit, secured	4,000
	21,558

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
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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 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	4,209	57	(23)
<u>Derivative designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	469	9	-
		<hr/>	<hr/>
		66	(23)
		<hr/>	<hr/>

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 loss RM'000	Year to date gain RM'000
Foreign currency forward contracts	(14)	10
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PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 31 December 2014 into realised and unrealised profits are presented as follows:-

	RM'000
Total retained profits:-	
- Realised	127,998
- Unrealised	293
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	128,291
Add: Consolidation adjustments	3,494
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At 31 December 2014	<u>131,785</u>

B11 Changes in material litigation

As at 6 February 2015, there was no material litigation against the Group.

B12 Dividend payable

No interim dividend has been declared for the financial period ended 31 December 2014.

B13 Earnings per share

(a) Basic earnings per share

	Quarter ended		Year to date	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	2,435	4,606	10,619	12,700
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)	0.87	1.65	3.79	4.54

(b) Diluted earnings per share

Not applicable as at 31 December 2014.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Amount owing by contract customer written off	-	914	-	914
Bad debts written off	-	16	38	28
Collective impairment losses on receivables	147	290	432	433
Collective impairment losses on receivables no longer required	(359)	(3)	(442)	(57)
Depreciation and amortisation	319	328	926	1,014
Gain on disposal of property, plant and equipment	(19)	(21)	(19)	(33)
Individual impairment losses on receivables	313	1	313	119
Individual impairment losses on receivables no longer required	(48)	(929)	(510)	(958)
Interest expense	256	253	680	436
Interest income	(140)	(90)	(352)	(316)
Realised (gain) / loss on foreign exchange	(68)	(402)	(248)	50
Realised (gain) / loss on derivatives	25	(14)	185	(108)
Unrealised (gain) / loss on foreign exchange	186	(87)	98	1
Unrealised (gain) / loss on derivatives	59	474	(34)	144

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 2014.