

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

INTERIM FINANCIAL STATEMENTS  
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2015

---

## **CONTENTS**

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ....	1
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION .....	2
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY .....	3
CONDENSED CONSOLIDATED STATEMENTS 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 .....	10

# PANSAR BERHAD (Company No. 18904-M)

## CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.3.2015 RM'000	Preceding year corresponding quarter 31.3.2014 RM'000	Current year to date 31.3.2015 RM'000	Preceding year corresponding year to date 31.3.2014 RM'000
Revenue	141,589	86,835	449,776	425,790
Cost of sales	(123,094)	(74,951)	(388,876)	(370,270)
<b>Gross profit</b>	18,495	11,884	60,900	55,520
Other income	1,118	495	3,517	3,279
Selling and distribution expenses	(2,637)	(2,545)	(10,058)	(9,694)
Administrative expenses	(7,799)	(6,537)	(29,577)	(27,823)
Other operating expenses	(2,512)	(1,133)	(3,296)	(1,570)
Finance costs	(407)	(151)	(1,087)	(587)
Share of results in associate, net of tax	91	-	701	-
<b>Profit before taxation</b>	6,349	2,013	21,100	19,125
Income tax expense	(1,958)	(519)	(6,091)	(4,930)
<b>Profit after taxation</b>	4,391	1,494	15,009	14,195
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Cash flow hedge	21	(177)	(83)	39
Foreign currency translation differences	304	(17)	582	488
Share of associate's foreign currency translation differences	74	-	47	-
<b>Total other comprehensive income</b>	399	(194)	546	527
<b>Total comprehensive income for the period</b>	4,790	1,300	15,555	14,722
<b>Profit after taxation attributable to owners of the Company</b>	4,391	1,494	15,009	14,195
<b>Total comprehensive income attributable to owners of the Company</b>	4,790	1,300	15,555	14,722
<b>Weighted average number of shares in issue ('000)</b>	280,000	280,000	280,000	280,000
<b>Earnings per ordinary share (sen):-</b>				
-Basic	1.57	0.53	5.36	5.07
-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 MARCH 2015

	31.3.2015 RM'000 (Unaudited)	31.3.2014 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in associate	13,548	-
Property, plant and equipment	6,353	3,824
Intangible assets	235	236
Deferred tax assets	279	363
	<hr/> 20,415	<hr/> 4,423
<b>Current assets</b>		
Inventories	45,166	51,384
Trade and other receivables	182,050	136,256
Derivative assets	138	32
Tax refundable	388	704
Deposits, cash and bank balances	14,404	25,755
	<hr/> 242,146	<hr/> 214,131
<b>TOTAL ASSETS</b>	<hr/> <b>262,561</b>	<hr/> <b>218,554</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	140,000	140,000
Reserves	22,102	12,847
<b>Total equity attributable to owners of the Company</b>	<hr/> <b>162,102</b>	<hr/> <b>152,847</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	16	5
<b>Current liabilities</b>		
Trade and other payables	68,334	42,931
Derivative liabilities	10	33
Bank borrowings:-		
- bank overdrafts	14,871	9,366
- other borrowings	14,900	11,200
Provision for employee benefits	2,132	1,894
Provision for taxation	196	278
	<hr/> 100,443	<hr/> 65,702
<b>Total liabilities</b>	<hr/> <b>100,459</b>	<hr/> <b>65,707</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<hr/> <b>262,561</b>	<hr/> <b>218,554</b>
<b>Net assets per ordinary share (RM)</b>	<hr/> <b>0.58</b>	<hr/> <b>0.55</b>

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 MARCH 2015

	< ----- 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
<b>12-month period ended 31.3.2015</b>						
Balance at 1.4.2014	140,000	(116,732)	2,017	96	127,466	152,847
Profit after taxation for the period	-	-	-	-	15,009	15,009
Other comprehensive income for the period, net of tax:-						
- Foreign currency translation differences	-	-	582	-	-	582
- Cash flow hedge	-	-	-	(83)	-	(83)
- Share of associate's foreign currency translation differences	-	-	47	-	-	47
Total comprehensive income for the period	-	-	629	(83)	15,009	15,555
Contributions by and distributions to owners of the Company:-						
- Dividends	-	-	-	-	(6,300)	(6,300)
Balance at 31.3.2015	140,000	(116,732)	2,646	13	136,175	162,102

	< ----- 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
<b>12-month period ended 31.3.2014</b>						
Balance at 1.4.2013	140,000	(116,732)	1,529	57	118,871	143,725
Profit after taxation for the period	-	-	-	-	14,195	14,195
Other comprehensive income for the period, net of tax:-						
- Foreign currency translation	-	-	488	-	-	488
- Cash flow hedge	-	-	-	39	-	39
Total comprehensive income for the period	-	-	488	39	14,195	14,722
Contributions by and distributions to owners of the Company:-						
- Dividends	-	-	-	-	(5,600)	(5,600)
Balance at 31.3.2014	140,000	(116,732)	2,017	96	127,466	152,847

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 MARCH 2015

	Current year to date 31.3.2015 RM'000	Preceding year corresponding period 31.3.2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	21,100	19,125
<b>Adjustments for:-</b>		
Allowance for impairment losses on receivables	3,063	1,217
Allowance for impairment losses on receivables no longer required	(1,129)	(1,105)
Allowance for slow-moving inventories	183	302
Allowance for slow-moving inventories no longer required	(90)	-
Amortisation of intangible assets	14	7
Amount owing by contract customers written off	456	826
Bad debts written off	49	51
Depreciation of property, plant and equipment	1,288	1,329
Fair value gain on derivatives	(117)	(90)
Gain on disposal of plant and equipment	(63)	(54)
Interest expense	1,087	587
Interest income	(523)	(400)
Inventories written off	-	41
Provision for employee benefits	1,949	1,599
Share of results in associates	(701)	-
Unrealised loss on foreign exchange	117	113
Operating profit before working capital changes	26,683	23,548
Decrease / (Increase) in inventories	6,190	(5,409)
(Increase) / Decrease in trade and other receivables	(46,297)	1,505
Increase / (Decrease) in trade and other payables	23,790	(2,849)
Employee benefits paid	(1,716)	(1,809)
<b>CASH FROM OPERATIONS</b>	<b>8,650</b>	<b>14,986</b>
Interest paid	(1,087)	(587)
Interest received	347	400
Income tax paid	(5,798)	(6,107)
Income tax refunded	31	15
<b>NET CASH FROM OPERATING ACTIVITIES / BALANCE CARRIED FORWARD</b>	<b>2,143</b>	<b>8,707</b>

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 MARCH 2015

	<b>Current year to date 31.3.2015 RM'000</b>	<b>Preceding year corresponding period 31.3.2014 RM'000</b>
NET CASH FROM OPERATING ACTIVITIES / BALANCE BROUGHT FORWARD	2,143	8,707
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	143	77
Purchase of investment in associate	(12,800)	-
Purchase of intangible assets	(8)	(39)
Purchase of property, plant and equipment	(3,895)	(1,150)
NET CASH FOR INVESTING ACTIVITIES	(16,560)	(1,112)
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Dividend paid	(6,300)	(5,600)
Proceeds from bankers' acceptance	31,750	18,100
Repayment of bankers' acceptance	(28,050)	(12,900)
NET CASH FOR FINANCING ACTIVITIES	(2,600)	(400)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(17,017)	7,195
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	161	84
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	16,389	9,110
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	(467)	16,389
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Deposits, cash and bank balances	14,404	25,755
Bank overdrafts	(14,871)	(9,366)
	(467)	16,389

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 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2015

---

### 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 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2015

### 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 31.3.2015 RM'000
<b>Revenue</b>						
External revenue	123,276	160,291	36,981	40,206	89,022	449,776
Inter-segment revenue	1,107	283	20	2,766	1,571	5,747
	124,383	160,574	37,001	42,972	90,593	455,523
Adjustments and eliminations						(5,747)
Consolidated revenue						449,776
<b>Results</b>						
Segment results	17,467	10,598	2,587	3,263	8,063	41,978
Adjustments and eliminations	-	-	-	-	2,275	2,275
	17,467	10,598	2,587	3,263	10,338	44,253
Associate						701
Unallocated income						735
Unallocated expenses						(24,589)
Consolidated profit before taxation						21,100
<b>Assets</b>						
Segment assets	63,090	60,941	23,464	23,970	55,528	226,993
Associate						13,548
Unallocated assets						21,741
Deferred tax assets						279
Consolidated total assets						262,561



# PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2015

## 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 31.3.2014 RM'000
<b>Revenue</b>						
External revenue	131,622	159,702	38,253	38,516	57,697	425,790
Inter-segment revenue	120	10	-	1,522	50	1,702
	131,742	159,712	38,253	40,038	57,747	427,492
Adjustments and eliminations						(1,702)
Consolidated revenue						425,790
<b>Results</b>						
Segment results	17,182	11,867	3,123	3,326	4,234	39,732
Adjustments and eliminations	-	-	-	-	1,597	1,597
	17,182	11,867	3,123	3,326	5,831	41,329
Unallocated income						1,061
Unallocated expenses						(23,265)
Consolidated profit before taxation						19,125
<b>Assets</b>						
Segment assets	67,605	46,942	21,651	21,893	34,661	192,752
Unallocated assets						25,439
Deferred tax assets						363
Consolidated total assets						218,554

#### (b) Geographical segments

	Year to date	
	31.3.2015 RM'000	31.3.2014 RM'000
Total revenue from external customers		
- Malaysia	435,548	413,901
- Singapore	14,228	11,889
	449,776	425,790

# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2015

### 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 March 2015, the Group did not have any revalued assets.

#### A9 Subsequent events

There were no material subsequent events as at 21 May 2015.

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

There were no changes in the composition of the Group for the 4<sup>th</sup> quarter and year to date ended 31 March 2015 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 21 May 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	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	508	487	1,991	1,967
Transactions with other related parties	16,017	13,866	55,139	57,294

# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2015

---

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

#### **B1 Review of performance**

For the financial year ended 31 March 2015, the Group registered record revenue of RM 450.0 million, an increase of RM24.0 million or 5.6% compared with RM425.8 million recorded in the previous financial year. Improved revenue performance of the Group was mainly contributed by RM31.3 million revenue increase in M & E segment from the progress of the on-going projects.

With the improvement in overall revenue and gross profit margins as well as the additional share of results of associated company, the Group reported a commendable 5.7% year-on year increase in profit after tax to RM15.0 million for FY ended 2015. The associated company, Reservoir Link Sdn Bhd only started contributing to the Group's performance from 1<sup>st</sup> September 2014, it had accounted for 4.7% of the Group's profit after tax for the year.

#### Marine & Industrial Segment

##### Quarterly results

For the quarter under review, Marine and Industrial segment chalked up a revenue growth of 62.0% to reach RM37.8 million compared with revenue of RM23.3 million in the previous corresponding quarter.

PBT rose by a commendable 64.5% to RM4.1 million quarter-on-quarter. The improved PBT was mainly contributed by higher gross profit achieved in 4QFY15.

##### Financial year-to-date

Marine & Industrial segment registered revenue of RM123.3 million in FY15, a 6.3% decrease compared to FY14. This segment remained the second largest contributor to the Group's revenue, accounting for 27.4% in FY15.

Despite a 6.3% dip in revenue and amid rising cost pressure from weaker Ringgit, Marine & Industrial segment recorded a slight 1.7% growth in PBT to RM17.5 million over the previous year. The improvement in net profit for FY15 was mainly due to the higher gross profit margin arising from the change in product mix.

#### Building products Segment

##### Quarterly results

For 4QFY15, Building Products segment registered an impressive 50.4% increase in revenue attributed mainly to higher sales volume from roofing products and building structural products.

The segment posted a higher PBT of RM2.8 million which was up 19.9% quarter-on-quarter. The higher PBT was broadly a result of higher gross profit achieved vis-à-vis previous corresponding quarter.

##### Financial year-to-date

Building products segment, which is the Group's largest revenue generator, registered a PBT of RM10.6 million on a revenue of RM160.3 million, versus a PBT of RM11.9 million on a revenue of RM159.7 million in FY14.

The decline in PBT was mainly due to the higher allowance for impairment loss on receivables in FY15 over previous year.

#### Wood Engineering & Supplies Segment

##### Quarterly results

For 4QFY15, Wood Engineering and Supplies segment posted a marginally higher revenue of RM9.7 million compared to RM9.4 million for 4QFY14.

PBT for the quarter remained flat at RM0.7 million compared to 4QFY14.

# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2015

---

### **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)**

##### Wood Engineering & Supplies Segment (cont'd)

###### Financial year-to-date

Wood Engineering and Supplies segment posted a lower revenue and PBT of RM37.0 million and RM2.6 million respectively in FY15. This represents a 3.3% decrease in revenue and 17.2% decrease in PBT respectively vis-à-vis previous year. The lower profit for FY15 was also attributed to the higher operating costs that went up 24.3% primarily due to higher impairment of outstanding receivables.

##### Electrical & Office Automation Segment

###### Quarterly results

For 4QFY15, Electrical & Office Automation segment posted an impressive 91.8% improvement in revenue of RM13.9 million on the back of stronger sales volume mainly from air conditioners, lighting and M & E ancillary products

In tandem with the increase in revenue, the segment's PBT doubled to RM0.8 million in 4QFY15 from RM0.4 million a year ago.

###### Financial year-to-date

Despite achieving a 4.4% growth in revenue for the full year, Electrical & Office Automation segment had delivered a flat PBT of RM3.3 million in FY15. The segment's PBT was largely affected by the lower gross profit margin over the same corresponding year.

##### Mechanical & Electrical Segment

###### Quarterly results

Compared to previous corresponding quarter, Mechanical & Electrical segment's PBT surged to RM4.3 million from RM1.5 million a year earlier. Revenue rose to RM28.6 million from the progress of the on-going projects compared with RM12.6 million previously.

###### Financial year-to-date

For FY15, Mechanical & Electrical segment delivered revenue growth of 54.3% to RM89.0 million as compared to RM57.7 million in FY14. This was mainly due to several on-going projects which were undergoing their active stages of execution during the financial year under review.

Correspondingly, PBT climbed 77.3% year on year to reach a record of RM10.3 million in FY15.

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

PBT for the current quarter under review came in higher at RM6.3 million, up RM3.0 million from that of immediate preceding quarter. The improved profit was mainly due to the higher gross profit on the back of higher revenue of RM141.6 million which increased by RM40.2 million from RM101.4 million recorded in the immediate preceding quarter.

#### **B3 Commentary on prospects**

Global growth remains moderate with uneven prospects across main countries and emerging market economies. While momentum is building across the euro zone, growth remains sub-par in other regional economies.

The Malaysian economy is projected to remain on a steady growth path moving into the second quarter of 2015, though at a decelerated momentum from a growth of 5.6% recorded in the first quarter supported by robust private consumption and investments with support from the manufacturing, services and construction sector. Domestic demand will remain the key driver of growth although household consumption may likely moderate while consumers adjust to the GST regime.

# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2015

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

#### B3 Commentary on prospects (cont'd)

Whilst the Company remains vigilant of the challenges of the market, we are cautiously optimistic that business volume in all our business segments should pick up in the coming quarters riding on the continued growth expected in all major sectors of the economy. We are streamlining our marketing focus as a total solutions provider; at the same time as we continue building on our fundamentals and putting in place measures to enhance and strengthen our operational efficiencies.

#### B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was announced.

#### B5 Income tax expense

	Quarter ended		Year to date	
	31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.3.2014 RM'000
Income tax:-				
- Malaysian tax	1,806	683	5,726	5,093
- Foreign tax	28	10	102	47
	1,834	693	5,828	5,140
Under / (over) provision in the previous financial				
- Malaysian tax	-	-	169	(12)
	1,834	693	5,997	5,128
Deferred tax:-				
- Origination and reversal of temporary differences	124	(179)	81	(213)
- Under provision in the previous financial year	-	5	13	15
	124	(174)	94	(198)
	1,958	519	6,091	4,930

#### B6 Corporate proposals

As at 21 May 2015, there were no corporate proposals announced.

# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2015

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

#### B7 Short-term borrowings

The Group's borrowings as at 31 March 2015 were as follows:-

	RM'000
Bank overdrafts, secured	143
Bank overdrafts, unsecured	14,728
Bankers' acceptance, secured	1,000
Bankers' acceptance, unsecured	9,900
Revolving credit, secured	4,000
	<hr/>
	29,771
	<hr/>

#### B8 Derivative financial instruments

The outstanding foreign currency forward contracts as at 31 March 2015 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	5,312	121	(10)
<u>Derivative designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	459	17	-
		<hr/>	<hr/>
		138	(10)
		<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.

# PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2015

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

### 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	14	23

### B10 Breakdown of realised and unrealised profits

The breakdown of retained profits of the Group as at 31 March 2015 into realised and unrealised profits are presented as follows:-

	RM'000
Total retained profits:-	
- Realised	132,531
- Unrealised	150
	<hr/>
	132,681
Add: Consolidation adjustments	3,494
	<hr/>
At 31 March 2015	136,175

### B11 Changes in material litigation

As at 21 May 2015, there was no material litigation against the Group.

### B12 Dividend payable

No interim dividend has been declared for the financial year ended 31 March 2015.

### B13 Earnings per share

#### (a) Basic earnings per share

	Quarter ended		Year to date	
	31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.3.2014 RM'000
Profit for the period attributable to the owners of the Company (RM'000)	4,391	1,494	15,009	14,195
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)	1.57	0.53	5.36	5.07

#### (b) Diluted earnings per share

Not applicable as at 31 March 2015.

# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 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	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
	RM'000	RM'000	RM'000	RM'000
Amount owing by contract customer written off	456	(88)	456	826
Allowance for slow-moving inventories	183	302	183	302
Allowance for slow-moving inventories no longer required	(90)	-	(90)	-
Bad debts written off	11	24	49	52
Collective impairment losses on receivables	73	391	505	824
Collective impairment losses on receivables no longer required	(15)	(17)	(457)	(74)
Depreciation and amortisation	376	322	1,302	1,336
Gain on disposal of property, plant and equipment	(44)	(21)	(63)	(54)
Individual impairment losses on receivables	2,245	156	2,558	393
Individual impairment losses on receivables no longer required	(162)	(73)	(672)	(1,031)
Interest expense	407	151	1,087	587
Interest income	(171)	217	(523)	(99)
Inventory written off	-	41	-	41
Realised (gain) / loss on foreign exchange	208	(127)	(40)	(77)
Realised (gain) / loss on derivatives	1	(81)	186	(189)
Unrealised loss on foreign exchange	19	112	117	113
Unrealised (gain) / loss on derivatives	(77)	(138)	(111)	6

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 March 2015.