

PANSAR BERHAD (Company No. 18904-M)

INTERIM FINANCIAL STATEMENTS
FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2015

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PANSAR BERHAD (Company No. 18904-M)CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2015

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|-------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------|---------------------------------------------|------------------------------------------------------------------|
| | Current year quarter 30.6.2015 RM'000 | Preceding year corresponding quarter 30.6.2014 RM'000 | Current year to date 30.6.2015 RM'000 | Preceding year corresponding year to date 30.6.2014 RM'000 |
| Revenue | 83,603 | 102,149 | 83,603 | 102,149 |
| Cost of sales | (73,492) | (88,211) | (73,492) | (88,211) |
| Gross profit | 10,111 | 13,938 | 10,111 | 13,938 |
| Other income | 988 | 1,019 | 988 | 1,019 |
| Selling and distribution expenses | (2,449) | (2,459) | (2,449) | (2,459) |
| Administrative expenses | (6,924) | (6,724) | (6,924) | (6,724) |
| Other operating expenses | (366) | (57) | (366) | (57) |
| Finance costs | (168) | (198) | (168) | (198) |
| Share of results in an associate | (250) | - | (250) | - |
| Profit before taxation | 942 | 5,519 | 942 | 5,519 |
| Income tax expense | (334) | (1,535) | (334) | (1,535) |
| Profit after taxation | 608 | 3,984 | 608 | 3,984 |
| Other comprehensive income | | | | |
| <u>Items that may be reclassified subsequently to profit or loss</u> | | | | |
| Cash flow hedge | 109 | (92) | 109 | (92) |
| Foreign currency translation | 577 | (106) | 577 | (106) |
| Share of foreign currency translation differences of an associate | 46 | - | 46 | - |
| Total other comprehensive income | 732 | (198) | 732 | (198) |
| Total comprehensive income for the period | 1,340 | 3,786 | 1,340 | 3,786 |
| Profit after taxation attributable to owners of the Company | 608 | 3,984 | 608 | 3,984 |
| Total comprehensive income attributable to owners of the Company | 1,340 | 3,786 | 1,340 | 3,786 |
| Weighted average number of shares in issue ('000) | 280,000 | 280,000 | 280,000 | 280,000 |
| Earnings per ordinary share (sen):- | | | | |
| -Basic | 0.22 | 1.42 | 0.22 | 1.42 |
| -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 2015 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 JUNE 2015

| | 30.6.2015 RM'000 (Unaudited) | 31.3.2015 RM'000 (Audited) |
|-----------------------------------------------------------|------------------------------------|----------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Investment in an associate | 13,329 | 13,533 |
| Property, plant and equipment | 6,428 | 6,353 |
| Intangible assets | 236 | 235 |
| Deferred tax assets | 337 | 279 |
| | 20,330 | 20,400 |
| Current assets | | |
| Inventories | 44,652 | 45,166 |
| Trade and other receivables | 152,239 | 182,050 |
| Derivative assets | 287 | 138 |
| Tax refundable | 700 | 388 |
| Deposits, cash and bank balances | 25,641 | 14,404 |
| | 223,519 | 242,146 |
| TOTAL ASSETS | 243,849 | 262,546 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 140,000 | 140,000 |
| Reserves | 23,284 | 21,944 |
| Total equity attributable to owners of the Company | 163,284 | 161,944 |
| Non-current liabilities | | |
| Deferred tax liabilities | 15 | 16 |
| Current liabilities | | |
| Trade and other payables | 55,248 | 68,525 |
| Derivative liabilities | 4 | 10 |
| Bank borrowings:- | | |
| - bank overdrafts | 9,750 | 14,871 |
| - other borrowings | 13,400 | 14,900 |
| Provision for employee benefits | 2,136 | 2,132 |
| Provision for taxation | 12 | 148 |
| | 80,550 | 100,586 |
| Total liabilities | 80,565 | 100,602 |
| TOTAL EQUITY AND LIABILITIES | 243,849 | 262,546 |
| Net assets per ordinary share (RM) | 0.58 | 0.58 |

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015 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 JUNE 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 |
| 3-month period ended 30.6.2015 | | | | | | |
| Balance at 1.4.2015 | 140,000 | (116,732) | 2,612 | 13 | 136,051 | 161,944 |
| Profit after taxation for the period | - | - | - | - | 608 | 608 |
| Other comprehensive income for the period, net of tax:- | | | | | | |
| - Foreign currency translation | - | - | 577 | - | - | 577 |
| - Cash flow hedge | - | - | - | 109 | - | 109 |
| - Share of foreign currency translation differences of an associate | - | - | 46 | - | - | 46 |
| Total comprehensive income for the period | - | - | 623 | 109 | 608 | 1,340 |
| Contributions by and distributions to owners of the Company:- | | | | | | |
| - Dividends | - | - | - | - | - | - |
| Balance at 30.6.2015 | 140,000 | (116,732) | 3,235 | 122 | 136,659 | 163,284 |

| | < ----- 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 |
| 3-month period ended 30.6.2014 | | | | | | |
| Balance at 1.4.2014 | 140,000 | (116,732) | 2,017 | 96 | 127,466 | 152,847 |
| Profit after taxation for the period | - | - | - | - | 3,984 | 3,984 |
| Other comprehensive income for the period, net of tax:- | | | | | | |
| - Foreign currency translation | - | - | (106) | - | - | (106) |
| - Cash flow hedge | - | - | - | (92) | - | (92) |
| Total comprehensive income for the period | - | - | (106) | (92) | 3,984 | 3,786 |
| Contributions by and distributions to owners of the Company:- | | | | | | |
| - Dividends | - | - | - | - | - | - |
| Balance at 30.6.2014 | 140,000 | (116,732) | 1,911 | 4 | 131,450 | 156,633 |

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 2015 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 JUNE 2015

| | Current year to date 30.6.2015 RM'000 | Preceding year corresponding period 30.6.2014 RM'000 |
|---------------------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------------------|
| CASH FLOWS (FOR) / FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 942 | 5,519 |
| Adjustments for:- | | |
| Allowance for impairment losses on receivables | 362 | 57 |
| Allowance for impairment losses on receivables no longer required | (237) | (467) |
| Amortisation of intangible assets | 4 | 3 |
| Bad debts written off | 3 | - |
| Depreciation of property, plant and equipment | 416 | 299 |
| Fair value gain on derivatives | (10) | (53) |
| (Gain) / loss on disposal of property, plant and equipment | (2) | 16 |
| Interest expense | 168 | 198 |
| Interest income | (132) | (99) |
| Provision for employee benefits | - | 689 |
| Share of results in an associate | 250 | - |
| Unrealised loss on foreign exchange | 70 | 18 |
| Operating profit before working capital changes | 1,834 | 6,180 |
| Decrease in inventories | 568 | 1,725 |
| Decrease / (increase) in trade and other receivables | 28,363 | (17,498) |
| (Decrease) / increase in trade and other payables | (11,537) | 5,874 |
| CASH FROM / (FOR) OPERATIONS | 19,228 | (3,719) |
| Interest paid | (168) | (198) |
| Interest received | 48 | 69 |
| Income tax paid | (1,272) | (1,139) |
| Income tax refunded | 394 | - |
| NET CASH FROM / (FOR) OPERATING ACTIVITIES / BALANCE CARRIED FORWARD | 18,230 | (4,987) |

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015 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 JUNE 2015

| | Current year to date 30.6.2015 RM'000 | Preceding year corresponding period 30.6.2014 RM'000 |
|-------------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------------------|
| NET CASH FROM / (FOR) OPERATING ACTIVITIES / BALANCE BROUGHT FORWARD | 18,230 | (4,987) |
| CASH FLOWS FOR INVESTING ACTIVITIES | | |
| Proceeds from disposal of property, plant and equipment | 4 | 18 |
| Purchase of property, plant and equipment | (491) | (453) |
| NET CASH FOR INVESTING ACTIVITIES | (487) | (435) |
| CASH FLOWS FOR FINANCING ACTIVITIES | | |
| Proceeds from bankers' acceptance | 3,800 | 6,750 |
| Repayment of bankers' acceptance | (5,300) | (7,200) |
| NET CASH FOR FINANCING ACTIVITIES | (1,500) | (450) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | 16,243 | (5,872) |
| EFFECTS OF FOREIGN EXCHANGE TRANSLATION | 115 | (46) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD | (467) | 16,389 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD | 15,891 | 10,471 |
| CASH AND CASH EQUIVALENTS COMPRISE:- | | |
| Deposits, cash and bank balances | 25,641 | 21,303 |
| Bank overdrafts | (9,750) | (10,832) |
| | 15,891 | 10,471 |

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015 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 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 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 2015. 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 2015.

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 2015, except as follows:

On 1 April 2015, 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 July 2014:-

- Amendments to *MFRSs* classified as “*Annual Improvements to MFRSs 2010 – 2012 Cycle*”
- Amendments to *MFRSs* classified as “*Annual Improvements to MFRSs 2011 – 2013 Cycle*”
- Amendments to *MFRS 119: Defined Benefits Plans – Employee Contributions*

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 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 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 30.6.2015 RM'000 |
|-------------------------------------|-----------------------------------------------|-----------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------|----------------------------------------------|
| Revenue | | | | | | |
| External revenue | 17,587 | 32,474 | 7,366 | 4,429 | 21,747 | 83,603 |
| Inter-segment revenue | 10 | 6 | - | 250 | 2,372 | 2,638 |
| | <u>17,597</u> | <u>32,480</u> | <u>7,366</u> | <u>4,679</u> | <u>24,119</u> | <u>86,241</u> |
| Adjustments and eliminations | | | | | | (2,638) |
| Consolidated revenue | | | | | | <u>83,603</u> |
| Results | | | | | | |
| Segment results | 1,883 | 1,979 | 431 | 747 | 1,359 | 6,399 |
| Adjustments and eliminations | - | - | - | - | 637 | 637 |
| | <u>1,883</u> | <u>1,979</u> | <u>431</u> | <u>747</u> | <u>1,996</u> | <u>7,036</u> |
| Share of results in an associate | | | | | | (250) |
| Unallocated income | | | | | | 76 |
| Unallocated expenses | | | | | | (5,920) |
| Consolidated profit before taxation | | | | | | <u>942</u> |
| Assets | | | | | | |
| Segment assets | 56,006 | 48,991 | 24,635 | 21,983 | 62,237 | 213,852 |
| Investment in an associate | | | | | | 13,329 |
| Unallocated assets | | | | | | 16,331 |
| Deferred tax assets | | | | | | 337 |
| Consolidated total assets | | | | | | <u>243,849</u> |

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 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 30.6.2014 RM'000 |
|-------------------------------------|----------------------------------|--------------------------------|---------------------------------------------|------------------------------------------------|--------------------------------------|-------------------------------------|
| Revenue | | | | | | |
| External revenue | 27,733 | 36,790 | 9,816 | 8,520 | 19,290 | 102,149 |
| Inter-segment revenue | 181 | 40 | - | 1,349 | - | 1,570 |
| | 27,914 | 36,830 | 9,816 | 9,869 | 19,290 | 103,719 |
| Adjustments and eliminations | | | | | | (1,570) |
| Consolidated revenue | | | | | | 102,149 |
| Results | | | | | | |
| Segment results | 4,536 | 2,813 | 728 | 1,068 | 1,351 | 10,496 |
| Adjustments and eliminations | - | - | - | - | 503 | 503 |
| | 4,536 | 2,813 | 728 | 1,068 | 1,854 | 10,999 |
| Unallocated income | | | | | | 129 |
| Unallocated expenses | | | | | | (5,609) |
| Consolidated profit before taxation | | | | | | 5,519 |
| Assets | | | | | | |
| Segment assets | 72,456 | 45,383 | 25,363 | 20,217 | 41,941 | 205,360 |
| Unallocated assets | | | | | | 21,039 |
| Deferred tax assets | | | | | | 449 |
| Consolidated total assets | | | | | | 226,848 |

(b) Geographical segments

| | Year to date | |
|---------------------------------------|---------------------|---------------------|
| | 30.6.2015 RM'000 | 30.6.2014 RM'000 |
| Total revenue from external customers | | |
| - Malaysia | 79,812 | 98,591 |
| - Singapore | 3,791 | 3,558 |
| | 83,603 | 102,149 |

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 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 30 June 2015, the Group did not have any revalued assets.

A9 Subsequent events

There were no material subsequent events as at 18 August 2015.

A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the year ended 30 June 2015.

A11 Contingent liabilities or contingent assets

As at 18 August 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 | |
|-----------------------------------------|-----------------|-----------|--------------|-----------|
| | 30.6.2015 | 30.6.2014 | 30.6.2015 | 30.6.2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Transactions with holding company | 590 | 490 | 590 | 490 |
| Transactions with other related parties | 9,935 | 13,879 | 9,935 | 13,879 |

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 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 period ended 30 June 2015, the Group registered a decrease of 18.2% in revenue to RM83.6 million which was RM18.5 million lower than the previous year's corresponding period of RM102.1 million.

Compared to last year's profit after taxation (PAT) of RM4.0 million, PAT for 1QFY16 at RM0.6 million was down by RM3.4 million. PAT for 1QFY16 included a RM0.2 million other operating income in relation to the write back of impairment losses on receivables.

Marine & Industrial Segment

The segment's revenue eased 36.6% to RM17.6 million in the current quarter from RM27.7 million recorded in the previous corresponding quarter. As a result of the lower revenue, PBT for this segment decreased substantially to RM1.9 million from RM4.5 million a year ago.

Building Products Segment

For the quarter under review, Building Products segment posted a 11.7% lower revenue of RM32.5 million on lower sales volume mainly from roofing products and decorative interior furnishing products. In tandem with the decrease in revenue, the segment posted a lower PBT of RM2.0 million which was down 30.0% quarter-on-quarter.

Wood Engineering and Supplies Segment

For 1QFY16, Wood Engineering and Supplies segment achieved a lower PBT of RM0.4 million on the back of lower revenue of RM7.4 million. This represents a decline in PBT and revenue of 40.8% and 25.0% respectively vis-à-vis previous corresponding quarter.

Electrical & Office Automation Segment

Electrical & Office Automation segment also posted a lower revenue q-o-q on the back of lower sales volume mainly from air conditioning products and lighting products.

In tandem with the decrease in revenue, PBT for the quarter of RM0.7 million was down by 30.0% compared to 1QFY15.

Mechanical & Electrical Segment

Mechanical & Electrical segment's revenue however increased by 12.7% to RM21.7 million in 1QFY16 from RM19.3 million in 1QFY15 on account of higher work performed from on-going projects. On the back of higher revenue, PBT was up by RM0.1 million to RM2.0 million from RM1.9 million in the previous corresponding quarter.

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 RM0.9 million on the back of lower revenue of RM83.6 million as compared to PBT of RM6.3 million and revenue of RM141.6 million in the immediate preceding quarter. Against the immediate preceding quarter, the decrease in PBT was mainly attributed to lower gross profit from operations of RM10.1 million and share of loss in an associate of RM0.25 million, partially mitigated by the decrease in overall operating expenses of RM3.6 million in the current financial quarter.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2015

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

B3 Commentary on prospects

Globally, effects of economic pressures linger with sustained downward pressure expected on oil prices and most other commodities given supply overhang possibly worsening with Iran's entry. With the Greek debt crisis in Europe still unfolding and emerging markets economies remaining under pressure, uncertainty continues to cloud the horizon with lower demands from China given the turmoil in its financial market which further threaten to affect other regional economies.

Effects still reverberate from the recently introduced 6% GST and uncertainty in the value of the Malaysian Ringgit, precipitating a general lack of confidence in the overall Malaysian economy. Domestic business conditions are reporting a bearish and bleak outlook for local and export sales, with expectations of capacity utilisation rate dipping further. Consumer sentiment degrade further as more experience financial deterioration, and inflationary anxieties remain high, resulting in spending likely to be even less robust going forward. The domestic economy is thus expected to weaken further moving forward into the final quarter of the year.

The implementation of GST beginning April 2015 had directly affected our 2nd Quarter results and continual poor sentiments will impact negatively on our results moving forward. Amidst these challenging times, the Company expects the 3rd Quarter 2015 to remain subdued with only moderate demand for our goods and services across all our business segments although we are still cautiously positive that business will pick up in the remaining quarters of our financial year.

B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was announced.

B5 Income tax expense

| | Quarter ended | | Year to date | |
|-----------------------------------------------------|---------------|-----------|--------------|-----------|
| | 30.6.2015 | 30.6.2014 | 30.6.2015 | 30.6.2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income tax:- | | | | |
| - Malaysia tax | 407 | 1,610 | 407 | 1,610 |
| - Foreign tax | 20 | 19 | 20 | 19 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 427 | 1,629 | 427 | 1,629 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Deferred tax:- | | | | |
| - Origination and reversal of temporary differences | (93) | (94) | (93) | (94) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | (93) | (94) | (93) | (94) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 334 | 1,535 | 334 | 1,535 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

B6 Corporate proposals

As at 18 August 2015, there were no corporate proposals announced.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 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 30 June 2015 were as follows:-

| | RM'000 |
|--------------------------------|--------|
| Bank overdrafts, secured | 425 |
| Bank overdrafts, unsecured | 9,325 |
| Bankers' acceptance, secured | 1,000 |
| Bankers' acceptance, unsecured | 8,400 |
| Revolving credit, secured | 4,000 |
| | <hr/> |
| | 23,150 |
| | <hr/> |

B8 Derivative financial instruments

The outstanding foreign currency forward contracts as at 30 June 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 | 3,100 | 127 | (4) |
| <u>Derivative designated as hedging instruments:-</u> | | | |
| Forward foreign currency contracts | | | |
| - Less than 1 year | 3,677 | 160 | - |
| | <hr/> | <hr/> | <hr/> |
| | 6,777 | 287 | (4) |
| | | | <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 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 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 | 6 | 6 |

B10 Breakdown of realised and unrealised profits

The breakdown of retained profits of the Group as at 30 June 2015 into realised and unrealised profits are presented as follows:-

| | RM'000 |
|--------------------------------------------------------------|---------------|
| Total retained profits of the Company and its subsidiaries:- | |
| - Realised | 132,279 |
| - Unrealised | 416 |
| | <hr/> 132,695 |
| Total share of retained profits of associate:- | |
| - Realised | 489 |
| - Unrealised | (19) |
| | <hr/> 470 |
| Add: Consolidation adjustments | 3,494 |
| At 30 June 2015 | <hr/> 136,659 |

B11 Changes in material litigation

As at 18 August 2015, there was no material litigation against the Group.

B12 Dividend payable

No interim dividend has been declared for the financial period ended 30 June 2015.

B13 Earnings per share

(a) Basic earnings per share

| | Quarter ended | | Year to date | |
|------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 30.6.2015 RM'000 | 30.6.2014 RM'000 | 30.6.2015 RM'000 | 30.6.2014 RM'000 |
| Profit for the period attributable to the owners of the Company (RM'000) | 608 | 3,984 | 608 | 3,984 |
| 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) | 0.22 | 1.42 | 0.22 | 1.42 |

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2015

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

B13 Earnings per share

(b) Diluted earnings per share

Not applicable as at 30 June 2015.

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 2015 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 | |
|----------------------------------------------------------------|---------------|-----------|--------------|-----------|
| | 30.6.2015 | 30.6.2014 | 30.6.2015 | 30.6.2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Bad debts written off | 3 | - | 3 | - |
| Collective impairment losses on receivables | 362 | 57 | 362 | 57 |
| Collective impairment losses on receivables no longer required | (28) | (341) | (28) | (341) |
| Depreciation and amortisation | 420 | 302 | 420 | 302 |
| Individual impairment losses on receivables no longer required | (209) | (126) | (209) | (126) |
| Interest expense | 168 | 198 | 168 | 198 |
| Interest income | (132) | (99) | (132) | (99) |
| Loss / (gain) on disposal of property, plant and equipment | (2) | 16 | (2) | 16 |
| Realised (gain) / loss on foreign exchange | (156) | (137) | (156) | (137) |
| Realised loss / (gain) on derivatives | 142 | 35 | 142 | 35 |
| Unrealised loss on foreign exchange | 70 | 18 | 70 | 18 |
| Unrealised gain on derivatives | (122) | (47) | (122) | (47) |

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 June 2015.