

PANSAR BERHAD (Company No. 18904-M)

INTERIM FINANCIAL STATEMENTS
FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding year to date
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
	RM'000	RM'000	RM'000	RM'000
Revenue	88,829	104,660	172,432	206,809
Cost of sales	(77,183)	(89,658)	(150,675)	(177,869)
Gross profit	11,646	15,002	21,757	28,940
Other income	2,116	628	3,104	1,646
Selling and distribution expenses	(2,427)	(2,462)	(4,877)	(4,920)
Administrative expenses	(9,183)	(6,853)	(16,107)	(13,577)
Other operating expenses	(406)	(266)	(772)	(323)
Finance costs	(210)	(226)	(378)	(424)
Share of results in an associate	296	53	47	53
Profit before taxation	1,832	5,876	2,774	11,395
Income tax expense	(471)	(1,676)	(805)	(3,211)
Profit after taxation	1,361	4,200	1,969	8,184
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Cash flow hedge	270	(13)	379	(105)
Foreign currency translation	1,714	3	2,290	(102)
Share of foreign currency translation differences of an associate	190	1	236	1
Total other comprehensive income	2,174	(9)	2,905	(206)
Total comprehensive income for the period	3,535	4,191	4,874	7,978
Profit after taxation attributable to owners of the Company	1,361	4,200	1,969	8,184
Total comprehensive income attributable to owners of the Company	3,535	4,191	4,874	7,978
Weighted average number of shares in issue ('000)	280,000	280,000	280,000	280,000
Earnings per ordinary share (sen):-				
-Basic	0.49	1.50	0.70	2.92
-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 SEPTEMBER 2015

	30.9.2015 RM'000 (Unaudited)	31.3.2015 RM'000 (Audited)
ASSETS		
Non-current assets		
Investment in an associate	13,816	13,533
Property, plant and equipment	6,301	6,353
Intangible assets	245	235
Deferred tax assets	537	279
	<hr/> 20,899	<hr/> 20,400
Current assets		
Inventories	41,186	45,166
Trade and other receivables	141,840	182,050
Derivative assets	660	138
Tax refundable	1,112	388
Deposits, cash and bank balances	25,697	14,404
	<hr/> 210,495	<hr/> 242,146
TOTAL ASSETS	<hr/> 231,394	<hr/> 262,546
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Reserves	20,518	21,944
Total equity attributable to owners of the Company	<hr/> 160,518	<hr/> 161,944
Non-current liabilities		
Deferred tax liabilities	-	16
Current liabilities		
Trade and other payables	56,760	68,525
Derivative liabilities	-	10
Bank borrowings:-		
- bank overdrafts	2,823	14,871
- other borrowings	8,000	14,900
Provision for employee benefits	3,276	2,132
Provision for taxation	17	148
	<hr/> 70,876	<hr/> 100,586
Total liabilities	<hr/> 70,876	<hr/> 100,602
TOTAL EQUITY AND LIABILITIES	<hr/> 231,394	<hr/> 262,546
Net assets per ordinary share (RM)	<hr/> 0.57	<hr/> 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 SEPTEMBER 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
6-month period ended 30.9.2015						
Balance at 1.4.2015	140,000	(116,732)	2,612	13	136,051	161,944
Profit after taxation for the period	-	-	-	-	1,969	1,969
Other comprehensive income for the period, net of tax:-						
- Foreign currency translation	-	-	2,290	-	-	2,290
- Cash flow hedge	-	-	-	379	-	379
- Share of foreign currency translation differences of an associate	-	-	236	-	-	236
Total comprehensive income for the period	-	-	2,526	379	1,969	4,874
Contributions by and distributions to owners of the Company:-						
- Dividends	-	-	-	-	(6,300)	(6,300)
Balance at 30.9.2015	140,000	(116,732)	5,138	392	131,720	160,518

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

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 SEPTEMBER 2015

	Current year to date 30.9.2015 RM'000	Preceding year corresponding period 30.9.2014 RM'000
CASH FLOWS FROM / (FOR) OPERATING ACTIVITIES		
Profit before taxation	2,774	11,395
Adjustments for:-		
Allowance for impairment losses on receivables	769	285
Allowance for impairment losses on receivables no longer required	(1,243)	(545)
Amortisation of intangible assets	7	7
Bad debts written off	3	38
Depreciation of property, plant and equipment	839	600
Fair value gain on derivatives	(33)	(98)
Gain on disposal of property, plant and equipment	(18)	-
Interest expense	378	424
Interest income	(311)	(212)
Provision for employee benefits	1,124	1,379
Share of results in an associate	(47)	(53)
Unrealised loss / (gain) on foreign exchange	205	(88)
Operating profit before working capital changes	4,447	13,132
Decrease in inventories	4,199	1,183
Decrease / (increase) in trade and other receivables	44,639	(22,768)
(Decrease) / increase in trade and other payables	(20,731)	7,682
CASH FROM / (FOR) OPERATIONS	32,554	(771)
Interest paid	(378)	(424)
Interest received	218	185
Income tax paid	(2,455)	(2,323)
Income tax refunded	394	-
NET CASH FROM / (FOR) OPERATING ACTIVITIES / BALANCE CARRIED FORWARD	30,333	(3,333)

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 SEPTEMBER 2015

	Current year to date 30.9.2015 RM'000	Preceding year corresponding period 30.9.2014 RM'000
NET CASH FROM / (FOR) OPERATING ACTIVITIES / BALANCE BROUGHT FORWARD	30,333	(3,333)
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	61	78
Purchase of investment in associate	-	(12,800)
Purchase of intangible assets	-	(8)
Purchase of property, plant and equipment	(812)	(773)
NET CASH FOR INVESTING ACTIVITIES	(751)	(13,503)
CASH FLOWS (FOR) / FROM FINANCING ACTIVITIES		
Drawdown of bankers' acceptance	4,800	19,050
Drawdown of revolving credit	2,000	-
Repayment of bankers' acceptance	(13,700)	(8,200)
NET CASH (FOR) / FROM FINANCING ACTIVITIES	(6,900)	10,850
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	22,682	(5,986)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	659	(117)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	(467)	16,389
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	22,874	10,286
CASH AND CASH EQUIVALENTS COMPRISE:-		
Deposits, cash and bank balances	25,697	19,403
Bank overdrafts	(2,823)	(9,117)
	22,874	10,286

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 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 30.9.2015 RM'000
Revenue						
External revenue	35,603	74,856	17,221	9,774	34,978	172,432
Inter-segment revenue	11	9	-	305	3,232	3,557
	<u>35,614</u>	<u>74,865</u>	<u>17,221</u>	<u>10,079</u>	<u>38,210</u>	<u>175,989</u>
Adjustments and eliminations						<u>(3,557)</u>
Consolidated revenue						<u>172,432</u>
Results						
Segment results	4,950	4,742	1,639	1,064	2,733	15,128
Adjustments and eliminations	-	-	-	-	1,031	1,031
	<u>4,950</u>	<u>4,742</u>	<u>1,639</u>	<u>1,064</u>	<u>3,764</u>	<u>16,159</u>
Share of results in an associate						47
Unallocated income						182
Unallocated expenses						<u>(13,614)</u>
Consolidated profit before taxation						<u>2,774</u>
Assets						
Segment assets	45,420	51,905	19,949	19,112	62,017	198,403
Investment in an associate						13,816
Unallocated assets						18,638
Deferred tax assets						537
Consolidated total assets						<u>231,394</u>

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 30.9.2014 RM'000
Revenue						
External revenue	60,792	72,020	18,830	17,741	37,426	206,809
Inter-segment revenue	185	188	-	2,066	-	2,439
	60,977	72,208	18,830	19,807	37,426	209,248
Adjustments and eliminations						(2,439)
Consolidated revenue						206,809
Results						
Segment results	9,507	5,494	1,440	2,005	2,772	21,218
Adjustments and eliminations	-	-	-	-	994	994
	9,507	5,494	1,440	2,005	3,776	22,212
Associate						53
Unallocated income						439
Unallocated expenses						(11,309)
Consolidated profit before taxation						11,395
Assets						
Segment assets	62,352	46,387	25,070	33,397	46,577	213,783
Associate						12,854
Unallocated assets						18,029
Deferred tax assets						687
Consolidated total assets						245,353

(b) Geographical segments

	Year to date	
	30.9.2015 RM'000	30.9.2014 RM'000
Total revenue from external customers		
- Malaysia	166,070	199,754
- Singapore	6,362	7,055
	172,432	206,809

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 September 2015, the Group did not have any revalued assets.

A9 Subsequent events

There were no material subsequent events as at 13 November 2015.

A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the period ended 30 September 2015.

A11 Contingent liabilities or contingent assets

As at 13 November 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	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	593	490	1,183	980
Transactions with other related parties	12,316	14,579	22,251	28,458

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 September 2015, the Group's revenue decreased by 16.6% to RM172.4 million which was RM34.4 million lower than the previous year's corresponding period of RM206.8 million.

Profit after taxation (PAT) on a y-o-y comparison came in lower at RM2.0 million. Lower gross profit coupled with higher administrative expenses which were mitigated by higher other operating income resulted in the overall decrease in PAT by RM6.2 million.

Marine & Industrial Segment

Quarterly results

For 2QFY16, Marine & Industrial segment posted a 45.5% decrease in revenue of RM15.0 million on the back of lower sales volume mainly from marine engines.

In tandem with the decrease in revenue, PBT for the quarter decreased to RM3.1 million as compared to RM5.0 million achieved in 2QFY15.

Financial year-to-date

The segment's YTD 2QFY16 PBT declined to RM5.0 million from RM9.5 million a year ago. The lower performance was attributed to the decreased revenue which was down by RM25.2 million vis-à-vis previous corresponding period.

Building Products Segment

Quarterly results

Building Products segment achieved revenue and PBT for the current quarter of RM42.4 million and RM2.8 million respectively. This represents a 20.3% improvement in revenue and a 3.1% improvement in PBT over the corresponding quarter of previous year.

Financial year-to-date

For YTD 2QFY16, Building Products segment registered a 3.9% increase in revenue year on year attributed mainly to higher sales volume from roofing products and building structural products.

PBT however for the current financial period was down by RM0.8 million when compared to previous corresponding period, mainly attributed to lower gross profit margin in the current financial period.

Wood Engineering and Supplies Segment

Quarterly results

Compared to corresponding quarter of previous year, Wood Engineering & Supplies segment recorded a 9.3% increase in revenue from RM9.0 million in 2QFY15 to RM9.9 million in 2QFY16. PBT of RM1.2 million in 2QFY16 was RM0.5 million higher than that of 2QFY15, largely attributed to improved sales and higher write back of allowance for impairment losses on receivables in the current financial quarter.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 and Supplies Segment (cont'd)

Financial year-to-date

On a y-o-y comparison, Wood Engineering and Supplies segment's revenue dropped by 8.5% to RM17.2 million in YTD 2QFY16, with PBT however up 13.8% to RM1.6 million as a result of higher gross profit margin and write back of allowance for impairment losses on receivables in the current financial period.

Electrical & Office Automation Segment

Quarterly results

Electrical & Office Automation segment's revenue on q-o-q basis decreased 42.0% on the back of lower sales volume mainly from air conditioning products and lighting products.

PBT for the quarter was down by RM0.6 million compared to 2QFY15.

Financial year-to-date

The segment's revenue eased 44.9% from RM17.7 million recorded in the previous corresponding period. In tandem with the decrease in revenue, PBT for this segment decreased by RM0.9 million to RM1.1 million against RM2.0 million recorded in YTD 2QFY15.

Mechanical & Electrical Segment

Quarterly results

For 2QFY16, the segment posted a lower PBT of RM1.8 million on the back of lower revenue of RM13.2 million compared to PBT of RM1.9 million on revenue of RM18.2 million recorded in the previous corresponding quarter. For the quarter under review, other operating income was much higher than that of 2QFY15 largely attributed to higher write back of amount owing by contract customers written off previously.

Financial year-to-date

Compared to previous corresponding period, the segment's YTD 2QFY16 revenue decreased by RM2.4 million on account of lower work performed from the on-going projects. PBT however maintained flat at RM3.8 million mainly due to the recognition of higher other operating income relating to the write back of amount owing by contract customers written off previously.

B2 Material changes in profit before tax for the quarter

For the current quarter under review, the Group achieved a higher profit before taxation (PBT) of RM1.8 million on the back of higher revenue of RM88.8 million as compared to PBT of RM0.9 million and revenue of RM83.6 million in the immediate preceding quarter. Against the immediate preceding quarter, the increase in PBT was mainly attributed to higher gross profit from operations by RM1.5 million, higher other operating income by RM1.1 million and higher share of results in associate by RM0.5 million which were partially offset by the increase in administrative expenses by RM2.3 million in the current financial quarter.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2015

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

B3 Commentary on prospects

Global and regional economy is expected to be weak, especially with the continued sluggish Chinese economy.

In Malaysia, soft consumer spending is expected to persist in the last quarter of 2015 on the perception that daily costs of living are rising as the effects of consumption tax, higher price of imported goods and the withdrawal of subsidies for petrol and road tolls take hold. Consumer sentiment is further dampened by continuing economic uncertainties and the Ringgit depreciation, which is among the weakest emerging market currencies this year.

Given the tough business environment, we expect a challenging quarter ahead in all our business segments as businesses look at cost control measures on all fronts.

B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was announced.

B5 Income tax expense

	Quarter ended		Year to date	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
	RM'000	RM'000	RM'000	RM'000
Income tax:-				
- Malaysian tax	757	1,666	1,164	3,276
- Foreign tax	4	44	24	63
	<hr/>	<hr/>	<hr/>	<hr/>
	761	1,710	1,188	3,339
Under / (over) provision in the previous financial year:-				
- Malaysian tax	6	202	6	202
	<hr/>	<hr/>	<hr/>	<hr/>
	767	1,912	1,194	3,541
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred tax:-				
- Origination and reversal of temporary differences	(295)	(249)	(388)	(343)
- Under / (Over) provision in the previous financial year	(1)	13	(1)	13
	<hr/>	<hr/>	<hr/>	<hr/>
	(296)	(236)	(389)	(330)
	<hr/>	<hr/>	<hr/>	<hr/>
	471	1,676	805	3,211
	<hr/>	<hr/>	<hr/>	<hr/>

B6 Corporate proposals

As at 13 November 2015, there were no corporate proposals announced.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 September 2015 were as follows:-

	RM'000
Bank overdrafts, secured	591
Bank overdrafts, unsecured	2,232
Bankers' acceptance, unsecured	2,000
Revolving credit, secured	6,000
	10,823

B8 Derivative financial instruments

The outstanding foreign currency forward contracts as at 30 September 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	1,672	145	-
<u>Derivative designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	2,276	515	-
	3,948	660	-

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 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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	4	10

B10 Breakdown of realised and unrealised profits

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

	RM'000
Total retained profits of the Company and its subsidiaries:-	
- Realised	126,855
- Unrealised	605
	<hr/>
	127,460
Total share of retained profits of associate:-	
- Realised	785
- Unrealised	(19)
	<hr/>
	766
Add: Consolidation adjustments	3,494
	<hr/>
At 30 September 2015	131,720
	<hr/> <hr/>

B11 Changes in material litigation

As at 13 November 2015, there was no material litigation against the Group.

B12 Dividend payable

At the Annual General Meeting held on 31 July 2015, a first and final single tier dividend of 2.25 sen per ordinary shares amounting to RM6,300,000 in respect of the financial year ended 31 March 2015 which was proposed by the Board of Directors on 17 June 2015 has been approved by shareholders and will be paid on 8 October 2015.

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

- (a) shares transferred into the Depositor's Securities Account before 5.00 p.m. on 9 September 2015 in respect of ordinary transfers;
and
- (b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2015

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

B13 Earnings per share

(a) Basic earnings per share

	Quarter ended		Year to date	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	1,361	4,200	1,969	8,184
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)	0.49	1.50	0.70	2.92

(b) Diluted earnings per share

Not applicable as at 30 September 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	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
	RM'000	RM'000	RM'000	RM'000
Bad debts written off	-	38	3	38
Collective impairment losses on receivables	267	228	629	285
Collective impairment losses on receivables no longer required	(328)	258	(356)	(83)
Depreciation and amortisation	426	305	846	607
Individual impairment losses on receivables	140	-	140	-
Individual impairment losses on receivables no longer required	(678)	(336)	(887)	(462)
Interest expense	210	226	378	424
Interest income	(179)	(113)	(311)	(212)
Loss / (gain) on disposal of property, plant and equipment	(16)	(16)	(18)	-
Realised (gain) / loss on foreign exchange	1,738	(43)	1,582	(180)
Realised (gain) / loss on derivatives	(246)	125	(104)	160
Unrealised (gain) / loss on foreign exchange	135	(106)	205	(88)
Unrealised gain on derivatives	(23)	(46)	(145)	(93)

Other than the above, there were no gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, and exceptional items for the current quarter and financial period ended 30 September 2015.