

PANSAR BERHAD (Company No. 18904-M)

INTERIM FINANCIAL STATEMENTS

FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2015

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PANSAR BERHAD (Company No. 18904-M)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.12.2015 RM'000	Preceding year corresponding quarter 31.12.2014 RM'000	Current year to date 31.12.2015 RM'000	Preceding year corresponding year to date 31.12.2014 RM'000
Revenue	93,437	101,378	265,869	308,187
Cost of sales	(81,942)	(87,913)	(232,617)	(265,782)
Gross profit	11,495	13,465	33,252	42,405
Other income	722	752	3,826	2,399
Selling and distribution expenses	(2,317)	(2,501)	(7,193)	(7,421)
Administrative expenses	(6,541)	(8,201)	(22,647)	(21,778)
Other operating expenses	(170)	(460)	(943)	(783)
Finance costs	(51)	(255)	(429)	(680)
Share of results in an associate	93	557	140	610
Profit before taxation	3,231	3,357	6,006	14,752
Income tax expense	(811)	(922)	(1,616)	(4,133)
Profit after taxation	2,420	2,435	4,390	10,619
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Cash flow hedge	(19)	1	359	(103)
Foreign currency translation	(368)	380	1,922	277
Share of foreign currency translation differences of an associate	(34)	(27)	202	(27)
Total other comprehensive income	(421)	354	2,483	147
Total comprehensive income for the period	1,999	2,789	6,873	10,766
Profit after taxation attributable to owners of the Company	2,420	2,435	4,390	10,619
Total comprehensive income attributable to owners of the Company	1,999	2,789	6,873	10,766
Weighted average number of shares in issue ('000)	280,000	280,000	280,000	280,000
Earnings per ordinary share (sen):-				
-Basic	0.86	0.87	1.57	3.79
-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 31 DECEMBER 2015

	31.12.2015 RM'000 (Unaudited)	31.3.2015 RM'000 (Audited)
ASSETS		
Non-current assets		
Investment in an associate	13,875	13,533
Property, plant and equipment	6,582	6,353
Intangible assets	238	235
Deferred tax assets	674	279
	<hr/> 21,369	<hr/> 20,400
Current assets		
Inventories	42,489	45,166
Trade and other receivables	148,130	182,050
Derivative assets	304	138
Tax refundable	1,453	388
Deposits, cash and bank balances	34,768	14,404
	<hr/> 227,144	<hr/> 242,146
TOTAL ASSETS	<hr/> 248,513	<hr/> 262,546
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Reserves	22,517	21,944
Total equity attributable to owners of the Company	<hr/> 162,517	<hr/> 161,944
Non-current liabilities		
Deferred tax liabilities	-	16
Current liabilities		
Trade and other payables	62,031	68,525
Derivative liabilities	3	10
Bank borrowings:-		
- bank overdrafts	13,315	14,871
- other borrowings	7,000	14,900
Provision for employee benefits	3,647	2,132
Provision for taxation	-	148
	<hr/> 85,996	<hr/> 100,586
Total liabilities	<hr/> 85,996	<hr/> 100,602
TOTAL EQUITY AND LIABILITIES	<hr/> 248,513	<hr/> 262,546
Net assets per ordinary share (RM)	<hr/> 0.58	<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 31 DECEMBER 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
9-month period ended 31.12.2015						
Balance at 1.4.2015	140,000	(116,732)	2,612	13	136,051	161,944
Profit after taxation for the period	-	-	-	-	4,390	4,390
Other comprehensive income for the period, net of tax:-						
- Foreign currency translation	-	-	1,922	-	-	1,922
- Cash flow hedge	-	-	-	359	-	359
- Share of foreign currency translation differences of an associate	-	-	202	-	-	202
Total comprehensive income for the period	-	-	2,124	359	4,390	6,873
Contributions by and distributions to owners of the Company:-						
- Dividends	-	-	-	-	(6,300)	(6,300)
Balance at 31.12.2015	140,000	(116,732)	4,736	372	134,141	162,517

	< ----- Non-distributable ----- >				<- Distributable- >	
	Share Capital RM'000	Reverse acquisition reserve RM'000	Foreign exchange translation reserve RM'000	Cash flow hedge reserve RM'000	Retained profits RM'000	Total equity RM'000
9-month period ended 31.12.2014						
Balance at 1.4.2014	140,000	(116,732)	2,017	96	127,466	152,847
Profit after taxation for the period	-	-	-	-	10,619	10,619
Other comprehensive income for the period, net of tax:-						
- Foreign currency translation	-	-	277	-	-	277
- Cash flow hedge	-	-	-	(103)	-	(103)
- Share of foreign currency translation differences of an associate	-	-	(27)	-	-	(27)
Total comprehensive income for the period	-	-	250	(103)	10,619	10,766
Contributions by and distributions to owners of the Company:-						
- Dividends	-	-	-	-	(6,300)	(6,300)
Balance at 31.12.2014	140,000	(116,732)	2,267	(7)	131,785	157,313

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 31 DECEMBER 2015

	Current year to date 31.12.2015 RM'000	Preceding year corresponding period 31.12.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,006	14,752
Adjustments for:-		
Allowance for impairment losses on receivables	939	746
Allowance for impairment losses on receivables no longer required	(1,496)	(952)
Amortisation of intangible assets	11	11
Bad debts written off	3	38
Depreciation of property, plant and equipment	1,268	915
Fair value gain on derivatives	(58)	(40)
Gain on disposal of property, plant and equipment	(20)	(19)
Interest expense	429	680
Interest income	(521)	(352)
Provision for employee benefits	1,498	1,888
Share of results in an associate	(140)	(610)
Unrealised loss on foreign exchange	122	98
Operating profit before working capital changes	8,041	17,155
Decrease / (increase) in inventories	2,859	(1,156)
Decrease / (increase) in trade and other receivables	39,989	(19,189)
(Decrease) / increase in trade and other payables	(10,541)	13,366
Employee benefit paid	-	(1,616)
CASH FROM OPERATIONS	40,348	8,560
Interest paid	(429)	(680)
Interest received	362	251
Income tax paid	(3,666)	(3,920)
Income tax refunded	395	2
NET CASH FROM OPERATING ACTIVITIES / BALANCE CARRIED FORWARD	37,010	4,213

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 31 DECEMBER 2015

	Current year to date 31.12.2015 RM'000	Preceding year corresponding period 31.12.2014 RM'000
NET CASH FROM OPERATING ACTIVITIES / BALANCE BROUGHT FORWARD	37,010	4,213
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	82	98
Purchase of investment in associate	-	(12,800)
Purchase of intangible assets	-	(8)
Purchase of property, plant and equipment	(1,544)	(1,805)
NET CASH FOR INVESTING ACTIVITIES	(1,462)	(14,515)
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividend paid	(6,300)	(6,300)
Drawdown of bankers' acceptance	5,800	21,850
Drawdown of revolving credit	2,000	-
Repayment of bankers' acceptance	(15,700)	(22,250)
NET CASH FOR FINANCING ACTIVITIES	(14,200)	(6,700)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	21,348	(17,002)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	572	(28)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	(467)	16,389
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	21,453	(641)
CASH AND CASH EQUIVALENTS COMPRISE:-		
Deposits, cash and bank balances	34,768	10,117
Bank overdrafts	(13,315)	(10,758)
	21,453	(641)

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 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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

During the current quarter under review, a first and final single tier dividend of two point two five (2.25) sen per ordinary share for the financial year ended 31 March 2015 totalling RM6,300,000 was paid on 8 October 2015.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 31.12.2015 RM'000
Revenue						
External revenue	51,634	117,294	27,849	18,901	50,191	265,869
Inter-segment revenue	52	41	1	445	3,918	4,457
	<u>51,686</u>	<u>117,335</u>	<u>27,850</u>	<u>19,346</u>	<u>54,109</u>	<u>270,326</u>
Adjustments and eliminations						(4,457)
Consolidated revenue						<u><u>265,869</u></u>
Results						
Segment results	7,269	7,620	2,709	1,943	3,724	23,265
Adjustments and eliminations	-	-	-	-	1,475	1,475
	<u>7,269</u>	<u>7,620</u>	<u>2,709</u>	<u>1,943</u>	<u>5,199</u>	<u>24,740</u>
Share of results in an associate						140
Unallocated income						327
Unallocated expenses						(19,201)
Consolidated profit before taxation						<u><u>6,006</u></u>
Assets						
Segment assets	42,839	57,342	20,882	21,374	49,115	191,552
Investment in an associate						13,875
Unallocated assets						42,412
Deferred tax assets						674
Consolidated total assets						<u><u>248,513</u></u>

PANSAR BERHAD (Company No. 18904-M)

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

(b) Geographical segments

	Year to date	
	31.12.2015 RM'000	31.12.2014 RM'000
Total revenue from external customers		
- Malaysia	257,374	298,118
- Singapore	8,495	10,069
	265,869	308,187

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 December 2015, the Group did not have any revalued assets.

A9 Subsequent events

There were no material subsequent events as at 17 February 2016.

A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the period ended 31 December 2015.

A11 Contingent liabilities or contingent assets

As at 17 February 2016, there were no material contingent liabilities or contingent assets which, upon being enforceable, might have a material impact on the financial position or business of the Group.

A12 Capital commitment

There were no commitments in respect of the Group since the last annual reporting date to the date of this report.

A13 Significant related party transactions

	Quarterly ended		Year to date	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	589	503	1,772	1,483
Transactions with other related parties	19,134	10,664	41,385	39,122

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 31 December 2015, the Group's revenue decreased by 13.7% to RM265.9 million which was RM42.3 million lower than the previous year's corresponding period of RM308.2 million.

Profit after taxation (PAT) on a y-o-y comparison came in lower at RM4.4 million. Lower gross profit coupled with higher administrative expenses which were partially mitigated by higher other operating income resulted in the overall decrease in PAT by RM6.2 million.

Marine & Industrial Segment

Quarterly results

For 3QFY16, Marine & Industrial segment posted a 35.1% decrease in revenue of RM8.7 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 RM2.3 million as compared to RM3.8 million achieved in 3QFY15.

Financial year-to-date

The segment saw its PBT for the third quarter ended 31 December 2015 plunge 45.6% to RM7.3 million from RM13.4 million a year ago due to lower sales and higher cost of sales resulted from weaker Ringgit.

Building Products Segment

Quarterly results

Against the corresponding quarter of previous year, Building Products segment saw its net profit for 3QFY16 jump 24.6% to RM2.9 million on higher sales. Revenue for the quarter came in 15.6% higher at RM42.4 million from RM36.7 million in 3QFY15.

Financial year-to-date

For YTD 3QFY16, Building Products segment registered a 7.9% 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 RM0.2 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

Wood Engineering & Supplies segment recorded a PBT of RM1.1 million for 3QFY16, double the RM0.5 million seen a year ago, due to higher sales and lower operating expenses in the current financial quarter.

PANSAR BERHAD (Company No. 18904-M)

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

Wood Engineering and Supplies segment's PBT for YTD 3QFY16 had increased 40% to RM2.7 million from RM1.9 million a year ago, largely attributed to higher revenue, improved margins and higher write back of allowance for impairment losses on receivables in the current financial period

Electrical & Office Automation Segment

Quarterly results

Revenue for the quarter on q-o-q basis came in 6.9% higher at RM9.1 million on the back of higher sales mainly from lighting system products.

PBT for the quarter was up RM0.5 million compared with 3QFY15.

Financial year-to-date

The segment saw its PBT for the third quarter ended 31 December 2015 decrease 19.6% to RM1.9 million from RM2.4 million in the same period last year, largely on lower revenue which eased 28.1% compared with YTD 3QFY15.

Mechanical & Electrical Segment

Quarterly results

For 3QFY16, the segment posted a lower PBT of RM1.4 million on the back of lower revenue of RM15.2 million. This represents a 36.3% and a 33.9% decrease in PBT and revenue respectively compared with previous corresponding quarter.

Financial year-to-date

The segment registered a PBT of RM5.2 million for YTD 3QFY16, down 13.6% from RM6.0 million a year ago due to lower work performed from the on-going projects. PBT for YTD 3QFY16 included the recognition of other operating income relating to the write back of amount owing by contract customers amounting to RM1.0 million.

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 RM3.2 million on the back of higher revenue of RM93.4 million as compared to PBT of RM1.8 million and revenue of RM88.8 million in the immediate preceding quarter. Against the immediate preceding quarter, the increase in PBT was mainly attributed to the decrease in administrative expenses by RM2.6 million in the current financial quarter.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2015

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

B3 Commentary on prospects

Moving into 2016, global economic concerns remain, from depressed commodities prices to excess manufacturing capacities as well as a slowing China together with a tight monetary fiscal budget.

Domestically, Malaysia's economy is under pressure on many fronts.

Given all of this, the general macro economy suggests caution and realism in the outlook we should take. The Company will continue its prudent cost control policies and measures Group-wide and its strategic thrust of widening our customer base, promoting our new and sustainable engineered solutions to existing and also new customers. The Company is also aggressively enhancing our parts and service network. That being said, we prefer to remain cautious and prudent in our expectations.

B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was announced.

B5 Income tax expense

	Quarter ended		Year to date	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Income tax:-				
- Malaysian tax	652	644	1,816	3,920
- Foreign tax	8	11	32	74
	660	655	1,848	3,994
Under / (over) provision in the previous financial year:-				
- Malaysian tax	194	(32)	199	170
	854	623	2,047	4,164
Deferred tax:-				
- Origination and reversal of temporary differences	(54)	299	(441)	(44)
- Under provision in the previous financial year	11	-	10	13
	(43)	299	(431)	(31)
	811	922	1,616	4,133

B6 Corporate proposals

As at 17 February 2016, there were no corporate proposals announced.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 December 2015 were as follows:-

	RM'000
Bank overdrafts, secured	53
Bank overdrafts, unsecured	13,262
Bankers' acceptance, unsecured	1,000
Revolving credit, secured	6,000
	<hr/>
	20,315
	<hr/>

B8 Derivative financial instruments

The outstanding foreign currency forward contracts as at 31 December 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	6,808	188	(3)
<u>Derivative designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	2,859	116	-
		<hr/>	<hr/>
		304	(3)
		<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 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 loss RM'000	Year to date gain RM'000
Foreign currency forward contracts	(3)	7

B10 Breakdown of realised and unrealised profits

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

	RM'000
Total retained profits of the Company and its subsidiaries:-	
- Realised	129,020
- Unrealised	767
	<hr/> 129,787
Total share of retained profits of associate:-	
- Realised	1,078
- Unrealised	(218)
	<hr/> 860
Add: Consolidation adjustments	3,494
	<hr/> 134,141
At 31 December 2015	<hr/> <hr/> 134,141

B11 Changes in material litigation

As at 17 February 2016, there was no material litigation against the Group.

B12 Dividend payable

No interim dividend has been declared for the financial period ended 31 December 2015.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	2,420	2,435	4,390	10,619
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)	0.86	0.87	1.57	3.79

(b) Diluted earnings per share

Not applicable as at 31 December 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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Bad debts written off	-	-	3	38
Collective impairment losses on receivables	39	147	668	432
Collective impairment losses on receivables no longer required	(131)	(359)	(487)	(442)
Depreciation and amortisation	433	319	1,279	926
Individual impairment losses on receivables	131	313	271	313
Individual impairment losses on receivables no longer required	(122)	(48)	(1,009)	(510)
Interest expense	51	256	429	680
Interest income	(210)	(140)	(521)	(352)
Gain on disposal of property, plant and equipment	(2)	(19)	(20)	(19)
Realised (gain) / loss on foreign exchange	(251)	(68)	1,331	(248)
Realised (gain) / loss on derivatives	1	25	(103)	185
Unrealised (gain) / loss on foreign exchange	(83)	186	122	98
Unrealised gain on derivatives	(39)	59	(184)	(34)

Other than the above, there were no gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, and exceptional items for the current quarter and financial period ended 31 December 2015.