

PANSAR BERHAD (Company No. 18904-M)

INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2016

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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 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding year to date
	31.3.2016	31.3.2015	31.3.2016	31.3.2015
	RM'000	RM'000	RM'000	RM'000
Revenue	94,639	141,589	360,508	449,776
Cost of sales	(80,109)	(123,094)	(312,725)	(388,876)
Gross profit	14,530	18,495	47,783	60,900
Other income	1,699	1,118	5,526	3,517
Selling and distribution expenses	(2,477)	(2,637)	(9,670)	(10,058)
Administrative expenses	(7,473)	(7,990)	(30,121)	(29,768)
Other operating expenses	(1,587)	(2,512)	(2,530)	(3,296)
Finance costs	(207)	(407)	(636)	(1,087)
Share of results in an associate	(232)	110	(92)	720
Profit before taxation	4,253	6,177	10,260	20,928
Income tax expense	(1,048)	(1,912)	(2,664)	(6,043)
Profit after taxation	3,205	4,265	7,596	14,885
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Cash flow hedge	(443)	21	(84)	(83)
Foreign currency translation	(676)	304	1,246	581
Share of foreign currency translation differences of an associate	(59)	40	144	14
Total other comprehensive income	(1,178)	365	1,306	512
Total comprehensive income for the period	2,027	4,630	8,902	15,397
Profit after taxation attributable to owners of the Company	3,205	4,265	7,596	14,885
Total comprehensive income attributable to owners of the Company	2,027	4,630	8,902	15,397
Weighted average number of shares in issue ('000)	280,000	280,000	280,000	280,000
Earnings per ordinary share (sen):-				
-Basic	1.14	1.52	2.71	5.32
-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 MARCH 2016

	31.3.2016	31.3.2015
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Investment in an associate	13,585	13,533
Property, plant and equipment	6,532	6,353
Investment properties	6,729	6,945
Intangible assets	230	235
Deferred tax assets	469	279
	<hr/> 27,545	<hr/> 27,345
Current assets		
Inventories	33,545	38,221
Trade and other receivables	135,016	182,050
Derivative assets	29	138
Tax refundable	1,135	388
Deposits, cash and bank balances	33,876	14,404
	<hr/> 203,601	<hr/> 235,201
Non-current assets held for sale	180	-
TOTAL ASSETS	<hr/> 231,326	<hr/> 262,546

PANSAR BERHAD (Company No. 18904-M)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D) AT 31 MARCH 2016

	31.3.2016	31.3.2015
	RM'000	RM'000
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Reserves	24,546	21,944
Total equity attributable to owners of the Company	164,546	161,944
Non-current liabilities		
Deferred tax liabilities	-	16
Current liabilities		
Trade and other payables	52,420	68,525
Derivative liabilities	186	10
Bank borrowings:-		
- bank overdrafts	5,445	14,871
- other borrowings	7,000	14,900
Provision for employee benefits	1,516	2,132
Provision for taxation	213	148
Total liabilities	66,780	100,586
TOTAL EQUITY AND LIABILITIES	231,326	262,546
Net assets per ordinary share (RM)	0.59	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 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2016

12-month period ended 31.3.2016	< ----- Non-distributable ----- >			<- Distributable- >		Total equity RM'000
	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	
Balance at 1.4.2015	140,000	(116,732)	2,612	13	136,051	161,944
Profit after taxation for the period	-	-	-	-	7,596	7,596
Other comprehensive income for the period, net of tax:-						
- Foreign currency translation	-	-	1,246	-	-	1,246
- Cash flow hedge	-	-	-	(84)	-	(84)
- Share of foreign currency translation differences of an associate	-	-	144	-	-	144
Total comprehensive income for the period	-	-	1,390	(84)	7,596	8,902
Contributions by and distributions to owners of the Company:-						
- Dividends	-	-	-	-	(6,300)	(6,300)
Balance at 31.3.2016	140,000	(116,732)	4,002	(71)	137,347	164,546

12-month period ended 31.3.2015	< ----- Non-distributable ----- >			<- Distributable- >		Total equity RM'000
	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	
Balance at 1.4.2014	140,000	(116,732)	2,017	96	127,466	152,847
Profit after taxation for the period	-	-	-	-	14,885	14,885
Other comprehensive income for the period, net of tax:-						
- Foreign currency translation	-	-	581	-	-	581
- Cash flow hedge	-	-	-	(83)	-	(83)
- Share of foreign currency translation differences of an associate	-	-	14	-	-	14
Total comprehensive income for the period	-	-	595	(83)	14,885	15,397
Contributions by and distributions to owners of the Company:-						
- Dividends	-	-	-	-	(6,300)	(6,300)
Balance at 31.3.2015	140,000	(116,732)	2,612	13	136,051	161,944

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 MARCH 2016

	Current year to date 31.3.2016 RM'000	Preceding year corresponding period 31.3.2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,260	20,928
Adjustments for:-		
Allowance for impairment losses on receivables	2,124	3,063
Allowance for impairment losses on receivables no longer required	(1,620)	(1,129)
Allowance for slow-moving inventories	400	183
Allowance for slow-moving inventories no longer required	(55)	(90)
Amount owing by contract customer written off	-	456
Bad debts written off	6	50
Depreciation and amortisation		
- intangible assets	14	14
- investment properties	116	-
- property, plant and equipment	1,684	1,288
Fair value loss / (gain) on derivatives	184	(117)
Gain on disposal of investment properties	-	(4)
Gain on disposal of property, plant and equipment	(33)	(63)
Interest expense	636	1,087
Interest income	(802)	(523)
Provision for employee benefits	384	1,949
Share of results in an associate	92	(720)
Unrealised loss on foreign exchange	42	117
Operating profit before working capital changes	13,432	26,489
Decrease in inventories	4,434	7,813
Decrease / (increase) in trade and other receivables	45,089	(47,960)
(Decrease) / increase in trade and other payables	(13,705)	23,980
Employee benefit paid	(1,007)	(1,716)
CASH FROM OPERATIONS	48,243	8,606
Interest paid	(636)	(1,087)
Interest received	521	347
Income tax paid	(3,927)	(5,798)
Income tax refunded	395	31
NET CASH FROM OPERATING ACTIVITIES / BALANCE CARRIED FORWARD	44,596	2,099

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 MARCH 2016

	Current year to date 31.3.2016 RM'000	Preceding year Corresponding Period 31.3.2015 RM'000
NET CASH FROM OPERATING ACTIVITIES / BALANCE BROUGHT FORWARD	44,596	2,099
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceeds from disposal of investment properties	-	44
Proceeds from disposal of property, plant and equipment	96	143
Purchase of investment in associate	-	(12,800)
Purchase of intangible assets	-	(8)
Purchase of property, plant and equipment	(1,918)	(3,895)
NET CASH FOR INVESTING ACTIVITIES	(1,822)	(16,516)
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividend paid	(6,300)	(6,300)
Drawdown of bankers' acceptance	6,800	31,750
Drawdown of revolving credit	2,000	-
Repayment of bankers' acceptance	(16,700)	(28,050)
NET CASH FOR FINANCING ACTIVITIES	(14,200)	(2,600)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	28,574	(17,017)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	324	161
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	(467)	16,389
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	28,431	(467)
CASH AND CASH EQUIVALENTS COMPRISE:-		
Deposits, cash and bank balances	33,876	14,404
Bank overdrafts	(5,445)	(14,871)
	28,431	(467)

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 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2016

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 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2016

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 31.3.2016 RM'000
Revenue						
External revenue	70,192	156,300	37,501	25,350	71,165	360,508
Inter-segment revenue	54	47	1	492	4,974	5,568
	<u>70,246</u>	<u>156,347</u>	<u>37,502</u>	<u>25,842</u>	<u>76,139</u>	<u>366,076</u>
Adjustments and eliminations						(5,568)
Consolidated revenue						<u>360,508</u>
Results						
Segment results	9,870	9,784	3,599	2,144	6,696	32,093
Adjustments and eliminations	-	-	-	-	2,066	2,066
	<u>9,870</u>	<u>9,784</u>	<u>3,599</u>	<u>2,144</u>	<u>8,762</u>	<u>34,159</u>
Share of results in an associate						(92)
Unallocated income						1,517
Unallocated expenses						(25,324)
Consolidated profit before taxation						<u>10,260</u>
Assets						
Segment assets	41,825	52,557	21,740	19,958	40,151	176,231
Investment in an associate						13,585
Unallocated assets						41,041
Deferred tax assets						469
Consolidated total assets						<u>231,326</u>

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2016

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 31.3.2015 RM'000
Revenue						
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
Results						
Segment results	17,467	10,598	2,587	3,263	8,063	41,978
Adjustments and eliminations	-	-	-	-	2,245	2,245
	17,467	10,598	2,587	3,263	10,308	44,223
Associate						720
Unallocated income						735
Unallocated expenses						(24,750)
Consolidated profit before taxation						20,928
Assets						
Segment assets	62,784	60,933	23,410	23,907	55,831	226,865
Associate						13,533
Unallocated assets						21,869
Deferred tax assets						279
Consolidated total assets						262,546
(b) Geographical segments						

	Year to date	
	31.3.2016 RM'000	31.3.2015 RM'000
Total revenue from external customers		
- Malaysia	349,860	435,548
- Singapore	10,648	14,228
	360,508	449,776

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2016

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 2016, the Group did not have any revalued assets.

A9 Subsequent events

There were no material subsequent events as at 6 May 2016.

A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the period ended 31 March 2016.

A11 Contingent liabilities or contingent assets

As at 6 May 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	
	31.3.2016	31.3.2015	31.3.2016	31.3.2015
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	589	508	2,361	1,991
Transactions with other related parties	11,927	16,017	53,312	55,139

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2016

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 2016, the Group's revenue decreased by 19.9% to RM360.5 million which was RM89.3 million lower than the previous financial year of RM449.8 million.

In tandem with the decrease in revenue, the Group saw its profit after tax (PAT) fall 49.0% to RM7.6 million for the year ended 31 March 2016. PAT declined by RM7.3 million despite an increase in other operating income of RM2.0 million and a reduction in total operating expenses of RM1.3 million.

Marine & Industrial Segment

Quarterly results

For 4QFY16, Marine & Industrial segment posted a 50.9% decrease in revenue on the back of lower sales volume mainly from marine engines.

In tandem with the decrease in revenue, PBT for the quarter decreased to RM2.6 million as compared to RM4.1 million achieved in 4QFY15.

Financial year-to-date

The segment saw its PBT for FY16 plunge 43.5% to RM9.9 million from RM17.5 million a year ago due to lower revenue which slipped 43.1% vis-à-vis previous year.

Building Products Segment

Quarterly results

Building Products segment's revenue on q-o-q basis decreased 24.3% on the back of lower sales volume mainly from roofing products and building structural products.

PBT for the quarter was down by RM0.6 million to RM2.2 million compared to 4QFY15.

Financial year-to-date

The segment's revenue eased 2.5% from RM160.3 million recorded in the previous year. In tandem with the decrease in revenue, PBT for this segment decreased by RM0.8 million to RM9.8 million against RM10.6 million recorded in FY15.

Wood Engineering and Supplies Segment

Quarterly results

Although Wood Engineering & Supplies segment's revenue declined slightly in 4QFY16, its PBT on q-o-q basis however increased by 36.5% to RM0.9 million, mainly due to lower impairment loss on receivables in the current quarter.

Financial year-to-date

The segment's PBT for FY16 had increased 39.1% to RM3.6 million from RM2.6 million a year ago, mainly due to higher revenue, improved margins and higher write back of allowance for impairment losses on receivables.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2016

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

B1 Review of performance (cont'd)

Electrical & Office Automation Segment

Quarterly results

Revenue for the quarter on q-o-q basis came in lower at RM6.4 million, down by 53.7% as a result of lower sales mainly from lighting products and M & E ancillary products.

In tandem with the decrease in revenue, PBT for the quarter was down by RM0.6 million compared to 4QFY15.

Financial year-to-date

The segment saw its PBT for FY16 decreased 34.3% to RM2.1 million from RM3.3 million recorded last year, largely on lower revenue which eased 37.0% compared to FY15.

Mechanical & Electrical Segment

Quarterly results

For 4QFY16, the segment posted a lower PBT of RM3.5 million on the back of lower revenue of RM21.0 million. This represents a decrease of 17.9% in PBT and 26.7% in revenue compared with previous corresponding quarter.

Financial year-to-date

PBT of RM8.8 million for FY16 was down 15.2% due to slower progress of work from the on-going projects, leading to lower contributions in FY16.

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 RM4.3 million in tandem with higher revenue of RM94.6 million as compared to PBT of RM3.2 million on revenue of RM93.4 million in the immediate preceding quarter. Against the immediate preceding quarter, the increase in PBT was mainly attributed to better gross profit margin achieved in the current quarter.

B3 Commentary on prospects

In Malaysia, the new minimum wage come 1 July 2016 will particularly impact the SMEs and businesses with large unskilled labour force with possible trimming of work force. However, financial markets are comforted by the smooth transition in the governorship of the Central Bank of Malaysia and are confident of strong leadership and policies into the future.

Following the successful conclusion of the Sarawak State Legislative Assembly Election and the announcement of numerous infrastructure and rural development projects in the State, we should see significant governmental spending in the next few years leading up to the federal election. However with the volatile foreign exchange and expected weak commodity prices, the overall economy in general for the rest of the country and region may remain soft.

Thus, Pansar is hopeful of enjoying the spin-off from the state and federal spending which will see some robust economic activities in Sarawak. The Group will continue to streamline its business and concentrate on sector which it has good knowledge and experience in along with stringent efforts in keeping cost under control.

Opportunities will continually be explored and weighed to strengthen the Group's ongoing businesses with emphasis on improving and expanding our service network and solutions to bring us closer to our customers.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2016

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

B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was announced.

B5 Income tax expense

	Quarter ended		Year to date	
	31.3.2016	31.3.2015	31.3.2016	31.3.2015
	RM'000	RM'000	RM'000	RM'000
Income tax:-				
- Malaysian tax	807	1,759	2,623	5,678
- Foreign tax	(11)	28	21	102
	796	1,787	2,644	5,780
Under provision in the previous financial year:-				
- Malaysian tax	-	-	200	169
	796	1,787	2,844	5,949
Deferred tax:-				
- Origination and reversal of temporary differences	252	125	(191)	81
- Under provision in the previous financial year	-	-	11	13
	252	125	(180)	94
	1,048	1,912	2,664	6,043

B6 Corporate proposals

As at 6 May 2016, there were no corporate proposals announced.

B7 Short-term borrowings

The Group's borrowings as at 31 March 2016 were as follows:-

	RM'000
Bank overdrafts, secured	71
Bank overdrafts, unsecured	5,374
Bankers' acceptance, unsecured	1,000
Revolving credit, secured	6,000
	12,445

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2016

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

B8 Derivative financial instruments

The outstanding foreign currency forward contracts as at 31 March 2016 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	6,538	28	(101)
<u>Derivative designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	1,561	1	(85)
	8,099	29	(186)

The Group enters into foreign currency forward contracts to hedge against the Group's exposure to foreign currency risks as a result of purchases denominated in currencies other than its functional currency for which firm commitments existed at the end of the reporting period.

There were no cash requirements for these derivatives and they are not subject to significant credit risk, market risk and liquidity risk.

In line with the Group's foreign currency hedging policy, hedging is only considered for firm commitments. These derivatives and their underlying exposures will be monitored on an on-going basis.

With respect to derivatives not designated as hedging instruments, they are stated at fair value, with any gains/losses arising on remeasurement recognised in profit or loss. These fair value changes are attributable to changes in foreign exchange spot and forward rates.

For those derivatives designated as hedging instruments (cash flow hedge), the effective portion of changes in fair value of those derivatives is recognised in other comprehensive income. The gain or loss in relation to ineffective portion is recognised immediately in profit or loss.

B9 Gain / (loss) arising from fair value changes in financial liabilities

	Current quarter loss RM'000	Year to date loss RM'000
Foreign currency forward contracts	(183)	(176)

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2016

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

B10 Breakdown of realised and unrealised profits

The breakdown of retained profits of the Group as at 31 March 2016 into realised and unrealised profits are presented as follows:-

	RM'000
Total retained profits of the Company and its subsidiaries:-	
- Realised	132,817
- Unrealised	408
	<hr/> 133,225
Total share of retained profits of associate:-	
- Realised	846
- Unrealised	(218)
	<hr/> 628
Add: Consolidation adjustments	3,494
	<hr/> 137,347
At 31 March 2016	<hr/> <hr/>

B11 Changes in material litigation

As at 6 May 2016, there was no material litigation against the Group.

B12 Dividend payable

No interim dividend has been declared for the financial year ended 31 March 2016.

B13 Earnings per share

(a) Basic earnings per share

	Quarter ended		Year to date	
	31.3.2016	31.3.2015	31.3.2016	31.3.2015
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	3,205	4,265	7,596	14,885
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)	1.14	1.52	2.71	5.32

(b) Diluted earnings per share

Not applicable as at 31 March 2016.

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.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2016

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

B15 Profit for the year

Profit before taxation is arrived at after charging / (crediting):-

	Quarter ended		Year to date	
	31.3.2016	31.3.2015	31.3.2016	31.3.2015
	RM'000	RM'000	RM'000	RM'000
Allowance for slow-moving inventories	400	183	400	183
Allowance for slow-moving inventories no longer required	(55)	(90)	(55)	(90)
Amount owing by contract customers written off	-	456	-	456
Bad debts written off	3	11	6	49
Collective impairment losses on receivables	577	73	1,245	505
Collective impairment losses on receivables no longer required	(10)	(15)	(497)	(457)
Depreciation and amortisation	535	376	1,814	1,302
Individual impairment losses on receivables	608	2,245	879	2,558
Individual impairment losses on receivables no longer required	(114)	(162)	(1,123)	(672)
Interest expense	207	407	636	1,087
Interest income	(281)	(171)	(802)	(523)
Gain on disposal of investment properties	-	(4)	-	(4)
Gain on disposal of property, plant and equipment	(13)	(44)	(33)	(63)
Realised (gain) / loss on foreign exchange	(637)	208	694	(40)
Realised (gain) / loss on derivatives	47	1	(56)	186
Unrealised (gain) / loss on foreign exchange	(80)	19	42	117
Unrealised (gain) / loss on derivatives	256	(77)	72	(111)

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 March 2016.