

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

INTERIM FINANCIAL STATEMENTS  
FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2016

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# 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 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30.9.2016 RM'000	Preceding year corresponding quarter 30.9.2015 RM'000	Current year to date 30.9.2016 RM'000	Preceding year corresponding year to date 30.9.2015 RM'000
Revenue	84,793	88,829	183,454	172,432
Cost of sales	(73,311)	(77,183)	(159,511)	(150,675)
<b>Gross profit</b>	11,482	11,646	23,943	21,757
Other income	974	2,116	2,245	3,104
Selling and distribution expenses	(2,366)	(2,427)	(4,662)	(4,877)
Administrative expenses	(7,779)	(9,183)	(15,505)	(16,107)
Other operating expenses	(599)	(406)	(938)	(772)
Finance costs	(164)	(210)	(329)	(378)
Share of results in an associate	(224)	296	(361)	47
<b>Profit before taxation</b>	1,324	1,832	4,393	2,774
Income tax expense	(457)	(471)	(1,320)	(805)
<b>Profit after taxation</b>	867	1,361	3,073	1,969
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Cash flow hedge	28	270	85	379
Foreign currency translation	324	1,714	743	2,290
Share of foreign currency translation differences of an associate	17	190	50	236
<b>Total other comprehensive income</b>	369	2,174	878	2,905
<b>Total comprehensive income for the period</b>	1,236	3,535	3,951	4,874
<b>Profit after taxation attributable to owners of the Company</b>	867	1,361	3,073	1,969
<b>Total comprehensive income attributable to owners of the Company</b>	1,236	3,535	3,951	4,874
<b>Weighted average number of shares in issue ('000)</b>	280,000	280,000	280,000	280,000
<b>Earnings per ordinary share (sen):-</b>				
-Basic	0.31	0.49	1.10	0.70
-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 2016 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 2016

	<b>30.9.2016</b>	<b>31.3.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in an associate	13,544	13,855
Property, plant and equipment	6,067	6,532
Investment properties	6,671	6,729
Intangible assets	229	230
Deferred tax assets	717	479
	<hr/> 27,228	<hr/> 27,825
<b>Current assets</b>		
Inventories	32,262	33,545
Trade and other receivables	133,410	135,016
Derivative assets	168	29
Current tax assets	863	1,170
Deposits, cash and bank balances	38,781	33,876
	<hr/> 205,484	<hr/> 203,636
<b>Non-current assets held for sale</b>	40	180
	<hr/> 205,524	<hr/> 203,816
<b>TOTAL ASSETS</b>	<hr/> <hr/> 232,752	<hr/> <hr/> 231,641

# PANSAR BERHAD (Company No. 18904-M)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)  
AT 30 SEPTEMBER 2016

	<b>30.9.2016</b>	<b>31.3.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	140,000	140,000
Reserves	23,167	24,816
<b>Total equity attributable to owners of the Company</b>	<b>163,167</b>	<b>164,816</b>
<b>Current liabilities</b>		
Trade and other payables	48,897	52,430
Derivative liabilities	1	186
Bank borrowings:-		
- bank overdrafts	9,772	5,445
- other borrowings	8,000	7,000
Provision for employee benefits	2,880	1,516
Current tax liabilities	35	248
<b>Total liabilities</b>	<b>69,585</b>	<b>66,825</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>232,752</b>	<b>231,641</b>
<b>Net assets per ordinary share (RM)</b>	<b>0.58</b>	<b>0.59</b>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016 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 2016

6-month period ended 30.9.2016	< ----- 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
Balance at 1.4.2016	140,000	(116,732)	3,989	(71)	137,630	164,816
Profit after taxation for the period	-	-	-	-	3,073	3,073
Other comprehensive income for the period, net of tax:-						
- Foreign currency translation	-	-	743	-	-	743
- Cash flow hedge	-	-	-	85	-	85
- Share of foreign currency translation differences of an associate	-	-	50	-	-	50
Total comprehensive income for the period	-	-	793	85	3,073	3,951
Contributions by and distributions to owners of the Company:-						
- Dividends	-	-	-	-	(5,600)	(5,600)
Balance at 30.9.2016	140,000	(116,732)	4,782	14	135,103	163,167

6-month period ended 30.9.2015	< ----- 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
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

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 2016 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 2016

	<b>Current year to date 30.9.2016 RM'000</b>	<b>Preceding year corresponding period 30.9.2015 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,393	2,774
<b>Adjustments for:-</b>		
Allowance for impairment losses on receivables	935	769
Allowance for impairment losses on receivables no longer required	(691)	(1,243)
Allowance for slow-moving inventories no longer required	(3)	-
Amortisation of intangible assets	6	7
Bad debts written off	3	3
Depreciation of property, plant and equipment	790	839
Depreciation of investment properties	58	-
Fair value gain on derivatives	(221)	(33)
Gain on disposal of property, plant and equipment	(1)	(18)
Interest expense	329	378
Interest income	(515)	(311)
Provision for employee benefits	1,359	1,124
Share of results in an associate	361	(47)
Unrealised loss on foreign exchange	130	205
Operating profit before working capital changes	6,933	4,447
Decrease in inventories	1,335	4,199
Decrease in trade and other receivables	1,831	44,639
Decrease in trade and other payables	(3,467)	(20,731)
<b>CASH FROM OPERATIONS</b>	<b>6,632</b>	<b>32,554</b>
Interest paid	(329)	(378)
Interest received	323	218
Income tax paid	(1,505)	(2,455)
Income tax refunded	17	394
<b>NET CASH FROM OPERATING ACTIVITIES / BALANCE CARRIED FORWARD</b>	<b>5,138</b>	<b>30,333</b>

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016 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 2016

	<b>Current year to date 30.9.2016 RM'000</b>	<b>Preceding year Corresponding Period 30.9.2015 RM'000</b>
NET CASH FROM OPERATING ACTIVITIES / BALANCE CARRIED FORWARD	5,138	30,333
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	11	61
Proceeds from disposal of non-current assets held for resale	140	-
Placement of fixed deposits with licensed banks	(3,323)	(56)
Purchase of property, plant and equipment	(328)	(812)
NET CASH FOR INVESTING ACTIVITIES	(3,500)	(807)
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Dividend paid	(5,600)	-
Proceeds from bankers' acceptance	4,000	4,800
Proceeds from revolving credit	-	2,000
Repayment of bankers' acceptance	(3,000)	(13,700)
NET CASH FOR FINANCING ACTIVITIES	(4,600)	(6,900)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(2,962)	22,626
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	217	659
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	5,894	(3,860)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	3,149	19,425
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Cash and bank balances	12,921	22,248
Bank overdrafts	(9,772)	(2,823)
	3,149	19,425

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016 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 2016

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### 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 2016. 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 2016.

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 2016, except as follows:

On 1 April 2016, the Group adopted the following new and revised MFRSs, Amendments to MFRSs and IC Interpretations (including the consequential amendments) mandatory for annual financial periods beginning on or after 1 January 2016:-

- Amendments to *MFRSs* classified as “*Annual Improvements to MFRSs 2012 – 2014 Cycle*”
- Amendments to *MFRS 11: Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to *MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities - Applying the Consolidation Exception*
- Amendments to *MFRS 101: Presentation of Financial Statements - Disclosure Initiative*
- Amendments to *MFRS 116 and MFRS 138: Clarification of Acceptable Method of Depreciation and Amortisation*
- Amendments to *MFRS 116 and MFRS 141: Agriculture - Bearer Plants*
- Amendments to *MFRS 127 (2011): Equity Method in Separate Financial Statements*
- *MFRS 14 : Regulatory Deferral Accounts*

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 (2.0) sen per ordinary share for financial year ended 31 March 2016 totalling RM5,600,000 was paid on 23 September 2016.



# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 30.9.2016 RM'000
<b>Revenue</b>						
External revenue	50,480	70,330	20,340	12,029	30,275	183,454
Inter-segment revenue	16	-	-	109	-	125
	50,496	70,330	20,340	12,138	30,275	183,579
Adjustments and eliminations						(125)
Consolidated revenue						183,454
<b>Results</b>						
Segment results	6,735	5,092	2,076	1,063	1,771	16,737
Adjustments and eliminations	-	-	-	-	811	811
	6,735	5,092	2,076	1,063	2,582	17,548
Share of results in an associate						(361)
Unallocated income						247
Unallocated expenses						(13,041)
Consolidated profit before taxation						4,393
<b>Assets</b>						
Segment assets	50,375	47,175	21,035	15,551	54,219	188,355
Investment in an associate						13,544
Unallocated assets						30,136
Deferred tax assets						717
Consolidated total assets						232,752

# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 30.9.2015 RM'000
<b>Revenue</b>						
External revenue	35,603	74,856	17,221	9,774	34,978	172,432
Inter-segment revenue	11	9	-	305	3,232	3,557
	35,614	74,865	17,221	10,079	38,210	175,989
Adjustments and eliminations						(3,557)
Consolidated revenue						172,432
<b>Results</b>						
Segment results	4,950	4,742	1,639	1,064	2,733	15,128
Adjustments and eliminations	-	-	-	-	1,031	1,031
	4,950	4,742	1,639	1,064	3,764	16,159
Share of results in an associate						47
Unallocated income						182
Unallocated expenses						(13,614)
Consolidated profit before taxation						2,774
<b>Assets</b>						
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						231,394

##### (b) Geographical segments

	Year to date	
	30.9.2016 RM'000	30.9.2015 RM'000
Total revenue from external customers		
- Malaysia	177,060	166,070
- Singapore	6,394	6,362
	183,454	172,432

# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2016

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### 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 2016, the Group did not have any revalued assets.

#### A9 Subsequent events

There were no material subsequent events as at 21 November 2016.

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

There were no changes in the composition of the Group for the year ended 30 September 2016.

#### A11 Contingent liabilities or contingent assets

As at 21 November 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	
	30.9.2016	30.9.2015	30.9.2016	30.9.2015
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	589	593	1,183	1,183
Transactions with other related parties	15,499	12,316	34,450	22,251

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# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2016

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### **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 2016, the Group registered an increase of 6.4% in revenue to RM183.4 million which was RM11.0 million higher than the previous year's corresponding period of RM172.4 million.

Compared to last year's profit after taxation (PAT) of RM2.0 million, PAT of RM3.1 million for YTD 2QFY17 was up by RM1.1 million. The higher PAT was mainly attributed to better sales performance coupled with higher gross profit margin and lower operating expenses in the current financial period.

#### Marine & Industrial Segment

##### Quarterly results

On a q-o-q comparison, Marine & Industrial segment's revenue increased by 22.4% to RM22.1 million in 2QFY17, with PBT however dropped slightly by 3.2% to RM3.0 million as a result of lower gross profit margin and lower write back of allowance for impairment loss on receivables in the current financial quarter.

##### Financial year-to-date

For YTD 2QFY17, the segment posted a PBT of RM6.7 million, up by RM1.8 million from RM4.9 million a year ago. The better performance was attributed to higher revenue which increased by RM14.9 million vis-à-vis previous corresponding period.

#### Building Products Segment

##### Quarterly results

Building Products segment achieved revenue and PBT for the current quarter of RM30.6 million and RM2.2 million respectively. This represents a 27.9% decrease in revenue and a 19.9% decrease in PBT over the previous corresponding quarter. Gross profit margin in the current quarter was slightly better than that of 2QFY16.

##### Financial year-to-date

For YTD 2QFY17, Building Products segment registered a 6.1% decrease in revenue year on year attributed mainly to lower sales volume from roofing products and building structural products.

PBT however was up by RM0.4 million over the previous corresponding period, mainly attributed to higher gross profit margin realized in the current financial period.

#### Wood Engineering and Supplies Segment

##### Quarterly results

Wood Engineering & Supplies segment achieved revenue and PBT for the current quarter of RM9.9 million and RM1.0 million respectively. This represents a 0.7% increase in revenue and a 15.1% decrease in PBT over the previous corresponding quarter. The lower PBT in the current quarter was largely attributed to lower write back of impairment loss on receivables amounting to RM0.3 million.

##### Financial year-to-date

On a y-o-y comparison, Wood Engineering and Supplies segment's revenue increased by 18.1% to RM20.3 million in YTD 2QFY17, with PBT up by 26.7% to RM2.1 million as a result of higher gross profit achieved in the current financial period.

# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2016

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### **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

Electrical & Office Automation segment's revenue on q-o-q basis increased by RM0.2 million.

PBT for the quarter was also up by RM0.2 million as compared to 2QFY16.

##### Financial year-to-date

Compared to previous corresponding period, Electrical & Office Automation segment's revenue increased by RM2.3 million.

PBT however maintained flat at RM1.1 million, mainly attributed to the decrease in gross profit margins largely from air conditioners and lighting products.

##### Mechanical & Electrical Segment

##### Quarterly results

Compared to previous corresponding quarter, the segment's 2QFY17 revenue increased by RM3.4 million on account of higher work performed from the on-going projects.

The segment however posted a PBT of RM1.5 million which was down 17.2% quarter-on-quarter. The lower PBT was mainly due to higher impairment loss on receivables in the current quarter.

##### Financial year-to-date

Mechanical & Electrical segment's revenue eased 13.5% to RM30.3 million in the current financial period from RM35.0 million recorded in YTD 2QFY16.

PBT for YTD 2QFY17 of RM2.6 million was down by 31.4% year-on-year as a result of lower gross profit achieved and higher impairment loss on receivables.

#### **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 RM1.3 million on revenue of RM84.8 million. Against the immediate preceding quarter, PBT and revenue for the current quarter decreased by RM1.8 million and RM13.9 million respectively. The decrease in PBT was mainly attributed to lower gross profit achieved, lower recognition of other operating income coupled with higher other operating expenses largely because of the increase in impairment loss on receivables in the current financial quarter.

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

The continuous uncertainty surrounding the global economy and recent geo political developments are expected to have a negative domestic business environment in Malaysia.

This is further exacerbated by the weakening and volatile Ringgit regime especially impacting us as a net importing company.

We will continue to develop new quality customer base, put extra effort in market coverage, branding and marketing. We will continue to focus on stock and credit control whilst being vigilant with managing costs to ride out these uncertain times.

# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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	
	30.9.2016	30.9.2015	30.9.2016	30.9.2015
	RM'000	RM'000	RM'000	RM'000
Income tax:-				
- Malaysian tax	610	757	1,591	1,164
- Foreign tax	(29)	4	(10)	24
	581	761	1,581	1,188
Under provision in the previous financial year:-				
- Malaysian tax	-	6	-	6
	581	767	1,581	1,194
Deferred tax:-				
- Origination and reversal of temporary differences	(124)	(295)	(261)	(388)
- Over provision in the previous financial year	-	(1)	-	(1)
	(124)	(296)	(261)	(389)
	457	471	1,320	805

#### B6 Corporate proposals

As at 21 November 2016, there were no corporate proposals announced.

#### B7 Short-term borrowings

The Group's borrowings as at 30 September 2016 were as follows:-

	RM'000
Bank overdrafts, secured	66
Bank overdrafts, unsecured	9,706
Bankers' acceptance, unsecured	2,000
Revolving credit, secured	6,000
	17,772

# PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 30 September 2016 were as follows:-

	<b>Contract / notional amount RM'000</b>	<b>Assets RM'000</b>	<b>Liabilities RM'000</b>
<u>Derivative not designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	4,775	150	(1)
<u>Derivative designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	324	18	-
	5,099	168	(1)

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

	<b>Current quarter gain RM'000</b>	<b>Year to date gain RM'000</b>
Foreign currency forward contracts	32	185

# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 30 September 2016 into realised and unrealised profits are presented as follows:-

	RM'000
Total retained profits of the Company and its subsidiaries:-	
- Realised	130,328
- Unrealised	731
	131,059
Total share of retained profits of associate:-	
- Realised	508
- Unrealised	42
	550
Add: Consolidation adjustments	3,494
	135,103

#### B11 Changes in material litigation

As at 21 November 2016, there was no material litigation against the Group.

#### B12 Dividend payable

No interim dividend has been declared for the financial period ended 30 September 2016.

#### B13 Earnings per share

##### (a) Basic earnings per share

	Quarter ended		Year to date	
	30.9.2016	30.9.2015	30.9.2016	30.9.2015
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	867	1,361	3,073	1,969
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)	0.31	0.49	1.10	0.70

##### (b) Diluted earnings per share

Not applicable as at 30 September 2016.



# PANSAR BERHAD (Company No. 18904-M)

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2016

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

#### B14 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the Company and its subsidiaries for the financial year ended 31 March 2016 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	
	30.9.2016	30.9.2015	30.9.2016	30.9.2015
	RM'000	RM'000	RM'000	RM'000
Allowance for slow-moving inventories no longer required	(3)	-	(3)	-
Bad debts written off	-	-	3	3
Collective impairment losses on receivables	41	267	258	629
Collective impairment losses on receivables no longer required	(165)	(328)	(529)	(356)
Depreciation and amortisation	422	426	854	846
Individual impairment losses on receivables	558	140	677	140
Individual impairment losses on receivables no longer required	(49)	(678)	(162)	(887)
Interest expense	164	210	329	378
Interest income	(250)	(179)	(515)	(311)
Gain on forward foreign currency contracts	(33)	(246)	(75)	(216)
Loss / (gain) on disposal of property, plant and equipment	1	(16)	(1)	(18)
Realised loss on foreign exchange	395	1,738	525	1,582
Realised gain on derivatives	-	-	(72)	112
Unrealised (gain) / loss on foreign exchange	(19)	135	130	205
Unrealised gain on derivatives	(108)	(23)	(149)	(145)

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 2016.