

PANSAR BERHAD (Company No. 18904-M)

INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2017

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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 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.03.2017 RM'000	Preceding year corresponding quarter 31.03.2016 RM'000	Current year to date 31.03.2017 RM'000	Preceding year corresponding year to date 31.03.2016 RM'000
Revenue	89,552	94,527	358,896	360,396
Cost of sales	(76,125)	(79,990)	(309,684)	(312,607)
Gross profit	13,427	14,537	49,212	47,789
Other income	1,411	1,700	4,852	5,526
Selling and distribution expenses	(2,363)	(2,478)	(9,454)	(9,671)
Administrative expenses	(7,307)	(7,489)	(30,355)	(30,136)
Other operating expenses	(3,629)	(1,587)	(4,836)	(2,530)
Finance costs	(307)	(207)	(833)	(636)
Share of results in an associate	(23)	52	(663)	192
Profit before taxation	1,209	4,528	7,923	10,534
Income tax expense	(816)	(1,039)	(3,039)	(2,655)
Profit after taxation	393	3,489	4,884	7,879
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Cash flow hedge	61	(443)	132	(84)
Foreign currency translation	584	(676)	1,444	1,246
Share of foreign currency translation differences of an associate	(30)	(71)	40	131
Total other comprehensive income	615	(1,190)	1,616	1,293
Total comprehensive income for the period	1,008	2,299	6,500	9,172
Profit after taxation attributable to owners of the Company	393	3,489	4,884	7,879
Total comprehensive income attributable to owners of the Company	1,008	2,299	6,500	9,172
Weighted average number of shares in issue ('000)	280,000	280,000	280,000	280,000
Earnings per ordinary share (sen):-				
-Basic	0.14	1.25	1.74	2.81
-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 31 MARCH 2017

	31.03.2017	31.03.2016
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Investment in an associate	12,232	13,855
Property, plant and equipment	4,425	6,532
Investment properties	7,561	6,729
Intangible assets	294	230
Deferred tax assets	301	479
	<hr/>	<hr/>
	24,813	27,825
	<hr/>	<hr/>
Current assets		
Inventories	41,975	33,545
Trade and other receivables	130,706	135,016
Derivative assets	145	29
Current tax assets	1,244	1,170
Deposits, cash and bank balances	39,310	33,876
	<hr/>	<hr/>
	213,380	203,636
	<hr/>	<hr/>
Non-current assets held for sale	-	180
	<hr/>	<hr/>
	213,380	203,816
	<hr/>	<hr/>
TOTAL ASSETS	238,193	231,641
	<hr/>	<hr/>

PANSAR BERHAD (Company No. 18904-M)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D) AT 31 MARCH 2017

	31.03.2017	31.03.2016
	RM'000	RM'000
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES		
Equity		
Share capital	140,000	140,000
Reserves	25,716	24,816
Total equity attributable to owners of the Company	165,716	164,816
Current liabilities		
Trade and other payables	54,033	52,430
Derivative liabilities	12	186
Bank borrowings:-		
- bank overdrafts	2,288	5,445
- other borrowings	14,900	7,000
Provision for employee benefits	1,071	1,516
Current tax liabilities	173	248
Total liabilities	72,477	66,825
TOTAL EQUITY AND LIABILITIES	238,193	231,641
Net assets per ordinary share (RM)	0.59	0.59

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 31 MARCH 2017

	< ----- 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
12-month period ended 31.03.2017						
Balance at 1.4.2016	140,000	(116,732)	3,989	(71)	137,630	164,816
Profit after taxation for the period	-	-	-	-	4,884	4,884
Other comprehensive income for the period, net of tax:-						
- Foreign currency translation	-	-	1,444	-	-	1,444
- Cash flow hedge	-	-	-	132	-	132
- Share of foreign currency translation differences of an associate	-	-	40	-	-	40
Total comprehensive income for the period	-	-	1,484	132	4,884	6,500
Contributions by and distributions to owners of the Company:-						
- Dividends	-	-	-	-	(5,600)	(5,600)
Balance at 31.03.2017	140,000	(116,732)	5,473	61	136,914	165,716

	< ----- 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
12-month period ended 31.03.2016						
Balance at 1.4.2015	140,000	(116,732)	2,612	13	136,051	161,944
Profit after taxation for the period	-	-	-	-	7,879	7,879
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	-	-	131	-	-	131
Total comprehensive income for the period	-	-	1,377	(84)	7,879	9,172
Contributions by and distributions to owners of the Company:-						
- Dividends	-	-	-	-	(6,300)	(6,300)
Balance at 31.03.2016	140,000	(116,732)	3,989	(71)	137,630	164,816

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 31 MARCH 2017

	Current year to date 31.03.2017 RM'000	Preceding year corresponding period 31.03.2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,923	10,534
Adjustments for:-		
Allowance for impairment losses on receivables	3,547	2,124
Allowance for impairment losses on receivables no longer required	(1,710)	(1,620)
Allowance for slow-moving inventories	256	400
Allowance for slow-moving inventories no longer required	(32)	(55)
Impairment loss on investment in associate	1,000	-
Amortisation of intangible assets	12	14
Bad debts written off	33	6
Depreciation of property, plant and equipment	1,571	1,684
Depreciation of investment properties	118	116
Fair value loss / (gain) on derivatives	(126)	184
Gain on disposal of property, plant and equipment	(1)	(33)
Loss on disposal of non-current assets held for resale	10	-
Interest expense	832	636
Interest income	(1,056)	(802)
Provision for employee benefits	1,508	384
Share of results in an associate	663	(192)
Unrealised loss on foreign exchange	94	42
Operating profit before working capital changes	14,642	13,422
(Increase) / decrease in inventories	(8,558)	4,434
Decrease in trade and other receivables	4,642	40,138
Increase / (decrease) in trade and other payables	446	(8,744)
Employee benefit paid	(1,959)	(1,007)
CASH FROM OPERATIONS	9,213	48,243
Interest paid	(832)	(636)
Interest received	847	521
Income tax paid	(3,069)	(3,927)
Income tax refunded	18	395
NET CASH FROM OPERATING ACTIVITIES / BALANCE CARRIED FORWARD	6,177	44,596

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 31 MARCH 2017

	Current year to date 31.03.2017 RM'000	Preceding year Corresponding Period 31.03.2016 RM'000
NET CASH FROM OPERATING ACTIVITIES / BALANCE CARRIED FORWARD	6,177	44,596
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	10	96
Proceeds from disposal of non-current assets held for resale	170	-
Placement of fixed deposits with licensed banks	(3,936)	(19,143)
Purchase of investment properties	(24)	-
Purchase of intangible assets	(63)	-
Purchase of property, plant and equipment	(387)	(1,918)
NET CASH FOR INVESTING ACTIVITIES	(4,230)	(20,965)
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividend paid	(5,600)	(6,300)
Proceeds from bankers' acceptance	17,400	6,800
Proceeds from revolving credit	-	2,000
Repayment of bankers' acceptance	(9,500)	(16,700)
NET CASH (FOR)/ FROM FINANCING ACTIVITIES	2,300	(14,200)
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,247	9,431
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	409	324
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	5,894	(3,861)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	10,550	5,894
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	12,838	11,339
Bank overdrafts	(2,288)	(5,445)
	10,550	5,894

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 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2017

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

There was no dividend paid by the Company during the 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 2017

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 31.03.2017 RM'000
Revenue						
External revenue	94,327	146,093	37,114	23,922	57,440	358,896
Inter-segment revenue	345	204	-	482	-	1,031
	<u>94,672</u>	<u>146,297</u>	<u>37,114</u>	<u>24,404</u>	<u>57,440</u>	<u>359,927</u>
Adjustments and eliminations						(1,031)
Consolidated revenue						<u>358,896</u>
Results						
Segment results	11,540	10,741	3,641	1,309	5,637	32,868
Adjustments and eliminations	-	-	-	-	1,532	1,532
	<u>11,540</u>	<u>10,741</u>	<u>3,641</u>	<u>1,309</u>	<u>7,169</u>	<u>34,400</u>
Share of results in an associate						(663)
Unallocated income						880
Unallocated expenses						(26,694)
Consolidated profit before taxation						<u>7,923</u>
Assets						
Segment assets	54,837	49,666	16,418	14,857	58,948	194,726
Investment in an associate						12,232
Unallocated assets						30,934
Deferred tax assets						301
Consolidated total assets						<u>238,193</u>

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2017

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 31.03.2016 RM'000
Revenue						
External revenue	70,182	156,199	37,501	25,350	71,164	360,396
Inter-segment revenue	54	47	1	492	4,974	5,568
	70,236	156,246	37,502	25,842	76,138	365,964
Adjustments and eliminations						(5,568)
Consolidated revenue						360,396
Results						
Segment results	10,070	10,036	3,694	2,212	6,717	32,729
Adjustments and eliminations	-	-	-	-	2,066	2,066
	10,070	10,036	3,694	2,212	8,783	34,795
Share of results in an associate						192
Unallocated income						1,521
Unallocated expenses						(25,974)
Consolidated profit before taxation						10,534
Assets						
Segment assets	41,249	52,534	21,717	19,842	53,181	188,523
Investment in an associate						13,855
Unallocated assets						28,785
Deferred tax assets						478
Consolidated total assets						231,641

(b) Geographical segments

	Year to date	
	31.03.2017 RM'000	31.03.2016 RM'000
Total revenue from external customers		
- Malaysia	344,532	349,748
- Singapore	14,364	10,648
	358,896	360,396

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2017

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 2017, the Group did not have any revalued assets.

A9 Subsequent events

There were no material subsequent events as at 16 May 2017.

A10 Changes in the composition of the Group

The Company has acquired 100% shares of a Company, Pansar Singapore Pte Ltd on 3 January 2017.

Pansar Singapore Pte Ltd is a Company incorporated in Singapore with an issued and fully paid up share capital of 1 ordinary share of S\$1.00. The nature of business of the Company is in the sale and distribution of various building materials, marine and industrial products, wood-engineering equipment and supplies, electrical products and office automation supplies.

A11 Contingent liabilities or contingent assets

As at 16 May 2017, 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	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	590	589	2,362	2,361
Transactions with other related parties	12,094	11,927	67,708	53,312

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2017

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 2017, the Group's revenue of RM358.9 million marked a slight decrease of 0.4% as compared to RM360.4 million a year ago.

Compared to last year's profit after taxation (PAT) of RM7.9 million, PAT of RM4.9 million for FY17 was down by RM3.0 million mainly due to impairment loss on investment in associate and higher impairment loss on trade receivables in the current financial year.

Marine & Industrial Segment

Quarterly results

Marine & Industrial segment's revenue had shown encouraging q-o-q improvement of 49.3% mainly supported by higher sales of OEM gensets. PBT for the current quarter of RM2.5 million was however down by 5.7% due to contracted margins in the current quarter.

Financial year-to-date

For the year ended 31 March 2017, Marine & Industrial division achieved a higher growth in both revenue and PBT as compared to the previous year. The division recorded a revenue growth of RM24.1 million, equivalent to an increase of 34.4% as compared to previous financial year. PBT increased by RM1.7 million or 16.9% over the same period last year.

Building Products Segment

Quarterly results

Against the corresponding quarter of previous year, Building Products segment saw its revenue for 4QFY17 decrease 17.7% to RM32.0 million. PBT for the quarter came in 4.4% lower to RM2.1 million mainly attributed to higher impairment loss on trade receivables.

Financial year-to-date

Building Products division has remained our top revenue earner. Despite registering 6.5% drop in revenue from previous financial year, Building Products segment's PBT grew by 9.8% y-o-y attributed to better margins largely from building structural products.

Wood Engineering and Supplies Segment

Quarterly results

Wood Engineering & Supplies segment's revenue on q-o-q comparison came in 14.6% lower to RM8.2 million. PBT for the quarter was also down 16.9% to RM0.7 million from RM0.9 million in 4QFY16.

Financial year-to-date

Revenue for Wood Engineering & Supplies division declined marginally by 1.0% year-on-year to RM37.1 million in FY17.

Full year FY17 PBT however rose by 1.2% to RM3.6 million mainly underpinned by higher gross profit as a result of better sales mix of higher product margins.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2017

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

Compared to previous corresponding quarter, the segment posted a loss before taxation of RM0.3 million on the back of revenue of RM6.3 million. This represents q-o-q decrease in PBT and revenue of 266.2% and 2.0% respectively. The lower PBT was impacted by lower gross profit margins and higher impairment loss on trade receivables.

Financial year-to-date

Revenue on y-o-y basis eased 5.6% to RM23.9 million on the back of lower sales mainly from lighting system products, domestic appliances and personal care products.

PBT for FY17 of RM1.3 million was also down 39.0% compared to RM2.1 million a year ago.

Mechanical & Electrical Segment

Quarterly results

For 4QFY17, Mechanical & Electrical segment posted a PBT of RM3.3 million on the back of revenue of RM15.3 million. This represents 8.5% and 27.3% decrease in PBT and revenue respectively compared to previous corresponding quarter.

Apart from lower value of work performed that had brought down the PBT in the current quarter, the weaker performance was also due in part to the higher other operating expenses incurred as a result of higher impairment loss on doubtful receivables.

Financial year-to-date

The segment's revenue of RM57.4 million in FY17 was 19.3% lower as compared with RM71.2 million in the previous financial year. Owing to lower revenue caused by slower work progress, the segment registered a PBT of RM7.2 million in FY17, down 18.2% from RM8.8 million a year ago.

B2 Material changes in profit before tax for the quarter

For the current quarter under review, the Group recorded profit before taxation of RM1.2 million on revenue of RM89.6 million. Against the PBT of RM2.3 million in the immediate preceding quarter, the lower profit for the current quarter was mainly dragged by impairment loss on investment in associate and provision made on doubtful receivables.

B3 Commentary on prospects

While the overall business sentiment across our business segments remains challenging, we are starting to see some improvements in certain sectors especially in the non oil & gas related marine sector. Moving forward, we will continue to seek new areas of business and new customer base and also to improve in our operating efficiency aided by improvement in the Ringgit performance.

We are cautiously optimistic heading into the new financial year.

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2017

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	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	RM'000	RM'000	RM'000	RM'000
Income tax:-				
- Malaysian tax	512	807	2,715	2,623
- Foreign tax	(2)	(11)	32	21
	510	796	2,747	2,644
Under/ (over) provision in the previous financial year:-				
- Malaysian tax	-	-	186	203
- Foreign tax	(1)	-	(33)	(3)
	509	796	2,900	2,844
Deferred tax:-				
- Origination and reversal of temporary differences	307	242	144	(200)
- Over provision in the previous financial year	-	1	(5)	11
	307	243	139	(189)
	816	1,039	3,039	2,655

B6 Corporate proposals

As at 16 May 2017, there were no corporate proposals announced.

B7 Short-term borrowings

The Group's borrowings as at 31 March 2017 were as follows:-

	RM'000
Bank overdrafts, secured	104
Bank overdrafts, unsecured	2,184
Bankers' acceptance, unsecured	7,900
Revolving credit, secured	6,000
Revolving credit, unsecured	1,000
	<u>17,188</u>

PANSAR BERHAD (Company No. 18904-M)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2017

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 2017 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	2,447	57	(4)
<u>Derivative designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	5,771	88	(8)
	8,218	145	(12)

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 gain RM'000	Year to date gain RM'000
Foreign currency forward contracts	114	174

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2017

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 2017 into realised and unrealised profits are presented as follows:-

	RM'000
Total retained profits of the Company and its subsidiaries:-	
- Realised	132,931
- Unrealised	241
	<hr/> 133,172
Total share of retained profits of associate:-	
- Realised	254
- Unrealised	(6)
	<hr/> 248
Add: Consolidation adjustments	3,494
	<hr/> 136,914
At 31 March 2017	<hr/> <hr/>

B11 Changes in material litigation

As at 16 May 2017, there was no material litigation against the Group.

B12 Dividend payable

No interim dividend has been declared for the financial period ended 31 March 2017.

B13 Earnings per share

(a) Basic earnings per share

	Quarter ended		Year to date	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	393	3,489	4,884	7,879
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)	0.14	1.25	1.74	2.81

(b) Diluted earnings per share

Not applicable as at 31 March 2017.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2017

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	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	RM'000	RM'000	RM'000	RM'000
Allowance for slow-moving inventories	256	400	256	400
Allowance for slow-moving inventories no longer required	(29)	(55)	(32)	(55)
Impairment loss on investment in associate	1,000	-	1,000	-
Bad debts written off	30	3	33	6
Collective impairment losses on receivables	(188)	577	349	1,245
Collective impairment losses on receivables no longer required	(251)	(10)	(928)	(497)
Depreciation and amortisation	425	535	1,701	1,814
Individual impairment losses on receivables	2,531	608	3,198	879
Individual impairment losses on receivables no longer required	(597)	(114)	(782)	(1,123)
Interest expense	307	207	832	636
Interest income	(243)	(281)	(1,056)	(802)
(Gain)/ loss on forward foreign currency contracts	72	47	(12)	(168)
Gain on disposal of property, plant and equipment	-	(13)	(1)	(33)
Realised (gain)/ loss on foreign exchange	(67)	(637)	36	694
Realised (gain)/ loss on derivatives	-	-	(72)	112
Unrealised (gain) / loss on foreign exchange	153	(80)	94	42
Unrealised (gain)/ loss on derivatives	(146)	256	(53)	72

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 2017.