

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2021

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PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.03.2021 RM'000	Preceding year corresponding quarter 31.03.2020 RM'000	Current year to date 31.03.2021 RM'000	Preceding year corresponding year to date 31.03.2020 RM'000
Revenue	78,684	79,474	303,995	338,681
Cost of sales	(68,846)	(67,573)	(262,157)	(288,773)
Gross profit	9,838	11,901	41,838	49,908
Other income	9,097	5,717	20,209	13,453
Selling and distribution expenses	(2,277)	(2,407)	(9,118)	(9,826)
Administrative expenses	(9,287)	(8,154)	(33,651)	(32,505)
Other operating expenses	(3,852)	(7,143)	(6,511)	(11,380)
Finance costs	(183)	(993)	(883)	(1,686)
Share of results in an associate	-	544	116	2,001
Profit/(loss) before taxation	3,336	(535)	12,000	9,965
Income tax expense	334	7	(1,230)	(2,617)
Profit/(loss) after taxation	3,670	(528)	10,770	7,348
Other comprehensive income				
<u>Items that will be reclassified subsequently to profit or loss</u>				
Cash flow hedge	(164)	166	(260)	69
Foreign currency translation	121	20	154	190
Foreign currency translation reserve transferred to profit or loss due to disposal of an associated company	-	-	(181)	-
Total other comprehensive income	(43)	186	(287)	259
Total comprehensive income/(expenses) for the period	3,627	(342)	10,483	7,607

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(CONT'D)
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.03.2021 RM'000	Preceding year corresponding quarter 31.03.2020 RM'000	Current year to date 31.03.2021 RM'000	Preceding year corresponding year to date 31.03.2020 RM'000
Profit/(loss) after taxation attributable to:-				
- Owners of the Company	3,707	(528)	10,706	7,348
- Non-controlling interests	(37)	-	64	-
	<u>3,670</u>	<u>(528)</u>	<u>10,770</u>	<u>7,348</u>
Total comprehensive income/(expenses) attributable to:-				
- Owners of the Company	3,664	(342)	10,419	7,607
- Non-controlling interests	(37)	-	64	-
	<u>3,627</u>	<u>(342)</u>	<u>10,483</u>	<u>7,607</u>
Weighted average number of shares in issue ('000)	458,722	457,977	458,445	457,977
Earnings/(loss) per ordinary share (sen):-				
-Basic	0.81	(0.12)	2.34	1.60
-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 2020 and the accompanying explanatory notes attached to the interim financial statements.

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 31 MARCH 2021

	31.03.2021	31.03.2020
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Investment in an associate	-	16,780
Property, plant and equipment	5,567	4,908
Right-of-use assets	7,901	10,979
Investment properties	13,984	14,961
Intangible assets	1,016	294
Other investments	19,940	-
Deferred tax assets	5,001	4,537
Goodwill	453	54
	<hr/>	<hr/>
	53,862	52,513
	<hr/>	<hr/>
Current assets		
Inventories	46,551	43,306
Trade and other receivables	108,366	119,990
Short term investments	20,889	5,018
Derivative assets	162	156
Current tax assets	739	96
Deposits, cash and bank balances	141,843	41,990
	<hr/>	<hr/>
	318,550	210,556
	<hr/>	<hr/>
TOTAL ASSETS	372,412	263,069
	<hr/> <hr/>	<hr/> <hr/>

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)
AT 31 MARCH 2021

	31.03.2021	31.03.2020
	RM'000	RM'000
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES		
Equity		
Share capital	153,121	151,956
Treasury shares	(2,313)	(2,313)
Redeemable convertible preference shares	121,543	-
Reserves	31,655	28,116
	<hr/>	<hr/>
Equity attributable to owners of the Company	304,006	177,759
Non-controlling interests	689	-
	<hr/>	<hr/>
Total equity	304,695	177,759
	<hr/>	<hr/>
Non-current liability		
Bank borrowings	204	-
Lease liabilities	5,500	8,607
	<hr/>	<hr/>
	5,704	8,607
	<hr/>	<hr/>
Current liabilities		
Lease liabilities	3,090	2,727
Trade and other payables	51,437	56,895
Bank borrowings:-		
- bank overdrafts	2,776	6,156
- other borrowings	3,054	7,700
Provision for employee benefits	1,568	2,304
Current tax liabilities	88	921
	<hr/>	<hr/>
	62,013	76,703
	<hr/>	<hr/>
Total liabilities	67,717	85,310
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	372,412	263,069
	<hr/> <hr/>	<hr/> <hr/>
Net assets per ordinary share attributable to owners of the Company (RM)	0.66	0.39

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR TO DATE ENDED 31 MARCH 2021

12-month period ended	Share Capital RM'000	Treasury Shares RM'000	< ----- Non-distributable ----- >		< distributable >			Attributable to Owners of the Company RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
			Redeemable Convertible Preference Shares 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 01.04.2020	151,956	(2,313)	-	(116,732)	4,686	162	140,000	177,759	-	177,759
Profit after taxation for the period	-	-	-	-	-	-	10,706	10,706	64	10,770
Other comprehensive income for the period, net of tax:-										
- Foreign currency translation reserve transferred to profit or loss due to disposal of an associated company	-	-	-	-	(181)	-	-	(181)	-	(181)
- Foreign currency translation	-	-	-	-	154	-	-	154	-	154
- Cash flow hedge	-	-	-	-	-	(260)	-	(260)	-	(260)
Total comprehensive income for the period	-	-	-	-	(27)	(260)	10,706	10,419	64	10,483
Contributions by and distributions to owners of the Company:-										
- Acquisition of a subsidiary company	-	-	-	-	-	-	-	-	625	625
- Issuance of shares	1,165	-	-	-	-	-	-	1,165	-	1,165
- Dividends	-	-	-	-	-	-	(6,880)	(6,880)	-	(6,880)
Total transactions with owners	153,121	(2,313)	-	(116,732)	4,659	(98)	143,826	182,463	689	183,152
Issuance of redeemable convertible preference shares	-	-	121,543	-	-	-	-	121,543	-	121,543
Balance at 31.03.2021	153,121	(2,313)	121,543	(116,732)	4,659	(98)	143,826	304,006	689	304,695

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE YEAR TO DATE ENDED 31 MARCH 2021

12-month period ended	Share Capital RM'000	Treasury Shares RM'000	< ----- Non-distributable ----- >		< distributable >			Attributable to Owners of the Company RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
			Redeemable Convertible Preference Shares 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 01.04.2019	151,956	(2,313)	-	(116,732)	4,496	93	137,232	174,732	-	174,732
Profit after taxation for the period	-	-	-	-	-	-	7,348	7,348	-	7,348
Other comprehensive income for the period, net of tax:-										
- Foreign currency translation	-	-	-	-	190	-	-	190	-	190
- Cash flow hedge	-	-	-	-	-	69	-	69	-	69
Total comprehensive income for the period	-	-	-	-	190	69	7,348	7,607	-	7,607
Contributions by and distributions to owners of the Company:-										
- Dividends	-	-	-	-	-	-	(4,580)	(4,580)	-	(4,580)
Balance at 31.03.2020	151,956	(2,313)	-	(116,732)	4,686	162	140,000	177,759	-	177,759

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR TO DATE ENDED 31 MARCH 2021

	Current year to date 31.03.2021 RM'000	Preceding year corresponding period 31.03.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,000	9,965
Adjustments for:-		
Allowance for impairment losses on receivables	5,936	9,217
Allowance for impairment losses on receivables no longer required	(4,600)	(6,946)
Allowance for slow-moving inventories	571	2,151
Allowance for slow-moving inventories no longer required	(65)	(189)
Amortisation of intangible assets	18	6
Bad debts written off	4	12
Depreciation of property, plant and equipment	1,300	1,667
Depreciation of investment properties	443	349
Depreciation of right-of-use assets	2,786	2,829
Dividend income	(220)	-
Fair value loss on derivatives	2	30
Fair value gain on other investments	(7,893)	-
Fair value (gain)/loss on short-term investments	(59)	8
Gain on disposal of an associated company	(1,969)	-
Gain on disposal of investment properties	(146)	-
Gain on disposal of other investments	(75)	-
(Gain)/loss on disposal of property, plant and equipment	(253)	55
Gain on disposal of right-of-use assets	(30)	-
Interest expense on lease liabilities	648	843
Interest expense	235	843
Interest income	(1,025)	(2,055)
Provision for employee benefits	383	828
Share of results in an associate	(116)	(2,001)
Unrealised loss on foreign exchange	106	303
Operating profit before working capital changes	7,981	17,915
(Increase)/Decrease in inventories	(3,735)	5,270
Decrease in trade and other receivables	17,562	5,481
(Decrease)/Increase in trade and other payables	(11,671)	371
Employee benefits paid	(1,119)	(892)
CASH FROM OPERATING ACTIVITIES	9,018	28,145
Interest paid	(235)	(843)
Interest received	542	1,374
Income tax paid	(3,172)	(3,479)
Income tax refunded	49	4,492
CASH FROM OPERATING ACTIVITIES / BALANCE CARRIED FORWARD	6,202	29,689

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE YEAR TO DATE ENDED 31 MARCH 2021

	Current year to date 31.03.2021 RM'000	Preceding year Corresponding Period 31.03.2020 RM'000
CASH FROM OPERATING ACTIVITIES / BALANCE CARRIED FORWARD	6,202	29,689
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Dividend received	220	-
Net cash outflow arising from acquisition of a subsidiary	(332)	-
Proceeds from disposal of other investments	174	-
Proceeds from disposal of property, plant and equipment	413	16
Proceeds from disposal of an associated company	6,540	-
Proceeds from disposal of investment properties	680	-
Purchase of short-term investments	(15,813)	(5,025)
Purchase of property, plant and equipment	(2,020)	(884)
Purchase of intangible assets	(739)	(29)
Purchase of investment properties	-	(6,450)
Uplift of fixed deposits with licensed banks	-	22,260
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(10,877)	9,888
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Dividend paid	(6,880)	(4,580)
Net proceeds from issuance of redeemable convertible preference shares	121,543	-
Net of repayment of bankers' acceptance	(1,700)	(300)
Net of repayment of revolving credit	(3,000)	(2,000)
Net of drawdown of term loan	2	-
Proceeds from issuance of ordinary shares	1,165	-
Repayment of lease liabilities	(3,219)	(3,317)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	107,911	(10,197)
NET INCREASE IN CASH AND CASH EQUIVALENTS	103,236	29,380
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	(3)	73
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	35,834	6,381
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	139,067	35,834

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D) FOR THE YEAR TO DATE ENDED 31 MARCH 2021

	Current year to date 31.03.2021 RM'000	Preceding year Corresponding Period 31.03.2020 RM'000
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	141,578	41,730
Fixed deposits with licensed banks	265	260
Bank overdrafts	(2,776)	(6,156)
	<hr/> 139,067	<hr/> 35,834

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2021

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 2020. 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 2020.

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 2020, except as follows:

On 1 April 2020, 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 2020:-

- *MFRS 17: Insurance Contracts*
- Amendments to *MFRS 3: Definition of a Business*
- Amendments to *MFRS 3: Reference to the Conceptual Framework*
- Amendments to *MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform*
- Amendments to *MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to *MFRS 16: COVID-19 - Related Rent Concessions*
- Amendments to *MFRS 101 and MFRS 108: Definition of Material*
- Amendments to *MFRS 101: Classification of Liabilities as Current or Non-Current*
- Amendments to *MFRS 116: Property, Plant and Equipment - Proceeds Before Intended Use*
- Amendments to *MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to References to the Conceptual Framework in MFRS Standards
- Annual Improvements to MFRS Standards 2018 – 2020

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.

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2021

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A5 Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities for the current quarter under review except as disclosed below:-

(a) A total of 1,297,250 units of Warrant 2018/2023 were converted into ordinary shares at an exercise price of RM0.57 per unit. As at 31 March 2021, the total number of Warrants unexercised stood at 229,027,650. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares.

(b) Issuance of 229,325,975 Redeemable Convertible Preference Shares (“RCPS”) at RM0.53 per RCPS.

A6 Dividend paid

There was no dividend paid by the Company during the quarter under review.

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 & Construction Materials RM'000	Agro Engineering RM'000	Electrical & Air Conditioning RM'000	Heavy Equipment RM'000	Mechanical & Electrical RM'000	Year to date 31.03.2021 RM'000
Revenue							
External revenue	88,213	82,028	25,692	22,166	16,654	69,242	303,995
Inter-segment revenue	517	670	-	817	10,773	20	12,797
	88,730	82,698	25,692	22,983	27,427	69,262	316,792
Adjustments and eliminations							(12,797)
Consolidated revenue							303,995
Results							
Segment results	13,787	5,565	2,061	470	807	1,523	24,213
Adjustments and eliminations	-	-	-	-	535	1,920	2,455
	13,787	5,565	2,061	470	1,342	3,443	26,668
Share of results in an associate							116
Unallocated income							12,597
Unallocated expenses							(27,381)
Consolidated profit before taxation							12,000

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2021

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 & Construction Materials RM'000	Agro Engineering RM'000	Electrical & Air Conditioning RM'000	Heavy Equipment RM'000	Mechanical & Electrical RM'000	Year to date 31.03.2021 RM'000
Assets							
Segment assets	51,194	34,032	13,891	12,011	9,031	43,433	163,592
Goodwill							453
Unallocated assets							203,366
Deferred tax assets							5,001
Consolidated total assets							372,412
	Marine & Industrial RM'000	Building & Construction Materials RM'000	Agro Engineering RM'000	Electrical & Air Conditioning RM'000	Heavy Equipment RM'000	Mechanical & Electrical RM'000	Year to date 31.03.2020 RM'000
Revenue							
External revenue	107,793	115,776	24,947	20,863	13,109	56,193	338,681
Inter-segment revenue	94	184	-	204	9,398	4	9,884
	107,887	115,960	24,947	21,067	22,507	56,197	348,565
Adjustments and eliminations							(9,884)
Consolidated revenue							338,681
Results							
Segment results	20,296	7,339	1,180	879	282	302	30,278
Adjustments and eliminations	-	-	-	-	380	1,567	1,947
	20,296	7,339	1,180	879	662	1,869	32,225
Share of results in an associate							2,001
Unallocated income							1,765
Unallocated expenses							(26,026)
Consolidated profit before taxation							9,965
Assets							
Segment assets	48,282	46,194	15,371	9,880	11,959	49,685	181,371
Investment in an associate							16,780
Goodwill							54
Unallocated assets							60,327
Deferred tax assets							4,537
Consolidated total assets							263,069

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2021

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134 (Cont'd)

A7 Segmental information (cont'd)

(b) Geographical segments

	Year to date	
	31.03.2021	31.03.2020
	RM'000	RM'000
Total revenue from external customers		
- Malaysia	295,981	325,224
- Singapore	8,014	13,457
	<u>303,995</u>	<u>338,681</u>

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 2021, the Group did not have any revalued assets.

A9 Subsequent events

There were no material subsequent events as at 20 May 2021.

A10 Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter and period ended 31 March 2021 except for:-

On 15 August 2020, Pansar Berhad has subscribed for 1,050,000 new ordinary shares in Terminal Aman Sdn Bhd (“TASB”) for a total cash consideration of RM1,050,000. Pursuant to the subscription, the total issued share capital of TASB has increased from 1,000,000 to 2,050,000 ordinary shares. This has resulted in TASB becoming a 51.22% subsidiary of Pansar Berhad.

A11 Contingent liabilities

As at 20 May 2021, 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	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	550	576	2,105	2,309
Transactions with other related parties	7,698	4,971	27,588	27,211

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2021

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of performance

Amid a slowing economy and the continuing disruption of the Covid-19 pandemic, the Group registered revenue of RM304.0 million, a decrease of 10.2% or RM34.7 million compared to RM338.7 million reported in the previous year. The year-on-year decrease was mainly due to lower sales generated from Marine & Industrial segment as well as Building & Construction Materials segment, partially mitigated by higher revenue derived from Mechanical & Electrical segment.

For the financial year ended 31 March 2021, our Group's net profit climbed 46.6% to RM10.8 million from RM7.3 million a year earlier. The higher profit was driven by a one-off gain on disposal of an associate of RM2.0 million and a fair value gain on quoted equity investment of RM7.9 million which were both classified under "other operating income".

Marine & Industrial Segment

Quarterly results

Marine & Industrial segment saw its operating profit for 4QFY21 drop 32.0% to RM3.0 million from RM4.3 million in the same quarter last year, while revenue dipped 21.0% to RM20.8 million from RM26.3 million a year earlier.

Financial year-to-date

The segment's operating profit for FY21 fell 32.1% to RM13.8 million from RM20.3 million in YTD 4QFY20, weighed down by lower revenue which decreased by 18.2% to RM88.2 million from RM107.8 million in the previous year.

The lower performance was primarily due to weaker sales largely from marine engines and spare parts.

Building & Construction Materials Segment

Quarterly results

Building & Construction Materials segment's operating profit for 4QFY21 rose 48.6% to RM1.2 million from RM0.8 million in 4QFY20 on the back of lower impairment losses on trade receivables. This was despite revenue decreasing 9.7% to RM21.1 million from RM23.4 million previously due to competitive pricing and soft market demand.

Financial year-to-date

The segment saw its operating profit for financial year ended 31 March 2021 fall 24.2% to RM5.6 million from RM7.3 million a year ago, dragged by lower revenue and interest income.

Revenue fell sharply by 29.2% from RM115.8 million in FY20 to RM82.0 million in FY21, impacted by weaker sales largely from roofing and building structural products.

Agro Engineering Segment

Quarterly results

Agro Engineering segment's revenue rose 32.8% to RM7.0 million from RM5.2 million a year ago on the back of higher sales from fertilizers.

With higher gross profit on the back of lower operating expenses, operating profit rose to RM0.5 million from RM5K in 4QFY20.

Financial year-to-date

On a y-o-y comparison, Agro Engineering segment's revenue increased by 3.0% to RM25.7 million with operating profit jumped 74.7% to RM2.1 million in FY21.

The higher operating profit was due in part to the lower doubtful debt provision in the current financial year.

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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 & Air Conditioning Segment

Quarterly results

Electrical & Air Conditioning segment reported revenue and operating loss for the current quarter of RM6.1 million and RM0.4 million respectively as compared to revenue and operating profit of RM4.5 million and RM48K respectively in the previous corresponding quarter.

The operating loss was mainly due to higher doubtful debt provision in the current quarter.

Financial year-to-date

The segment's operating profit for FY21 decreased 46.5% to RM0.5 million, from RM0.9 million a year earlier, on the back of higher allowance for impairment losses on trade receivables.

Revenue on y-o-y comparison increased 6.3% to RM22.2 million from RM20.9 million largely attributed to the increased sales from consumer electronic products.

Heavy Equipment Segment

Quarterly results

Heavy Equipment segment recorded a 41.6% increase in revenue to RM5.6 million from RM3.9 million in the previous corresponding quarter, led largely by higher sales from backhoe loaders.

For 4QFY21, operating profit rose 69.0% to RM0.4 million from RM0.2 million a year earlier largely attributed to the decrease in allowance for impairment losses on receivables.

Financial year-to-date

Revenue on a y-o-y basis increased 27.0% to RM16.7 million on the back of higher sales mainly from telescopic handlers and backhoe loaders.

For FY21, operating profit climbed 102.7% to RM1.3 million from RM0.7 million a year earlier, driven by improved sales.

Mechanical & Electrical Segment

Quarterly results

Mechanical & Electrical segment reported a lower loss from operations of RM0.8 million for the current quarter compared with RM0.9 million a year earlier.

On q-o-q comparison, gross profit fell 48.3% despite revenue increasing 12.5% to RM18.1 million from RM16.1 million previously due to margin compression. This decrease in gross profit was however mitigated by the lower allowance for impairment losses in the current quarter.

Financial year-to-date

Compared to previous year, Mechanical & Electrical segment's operating profit grew by 84.2% to RM3.4 million from RM1.9 million a year earlier, while revenue increased 23.2% to RM69.2 million from RM56.2 million previously due to increased M & E activities.

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

B2 Material changes in profit before tax for the quarter

For the current quarter under review, weaker revenue generated by the Mechanical and Electrical segment as well as Marine & Industrial segment contributed to the 22.0% or RM22.3 million decline in the Group's revenue to RM78.7 million from RM100.9 million in the immediate preceding quarter.

The Group recorded a profit before taxation (PBT) of RM3.3 million for the current quarter, as compared to RM8.4 million achieved in the immediate preceding quarter.

Against the immediate preceding quarter, the Group's PBT in Q4 was affected by lower gross profit and higher operating expenses but cushioned by higher other operating income arising from the fair value gain on quoted equity investment.

B3 Commentary on prospects

Malaysia's GDP continued shrinking 0.5% in Q1 2021 and is expected to continue being weak given the new wave of Covid-19 cases, and the continued implementation of movement controls. However, we do see silver linings in certain sectors, such as infrastructure projects and improved palm oil price.

B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was announced.

B5 Income tax expense

	Quarter ended		Year to date	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Income tax:-				
- Malaysian tax	(186)	1,170	1,673	4,046
- Foreign tax	5	-	8	7
	(181)	1,170	1,681	4,053
(Over)/Under provision in the previous financial year:-				
- Malaysian tax	-	(1)	14	7
	(181)	1,169	1,695	4,060
Deferred tax:-				
- Origination and reversal of temporary differences	(153)	(1,176)	(494)	(1,443)
- Under provision in the previous financial year	-	-	29	-
	(153)	(1,176)	(465)	(1,443)
	(334)	(7)	1,230	2,617

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

B6 Corporate proposals

Proposed Acquisition, Proposed Rights Issue of Redeemable Convertible Preference Shares (“RCPS”), Proposed Diversification, and Proposed Amendments

On 9 September 2020, UOB Kay Hian Securities (M) Sdn Bhd (“UOBKH”), on behalf of Board of Directors of Pansar (“Board”) announced that the Company had on 9 September 2020 entered into a conditional share purchase agreement with PE Holdings Sdn Bhd (“PE Holdings” or “Vendor”) to acquire 100% equity interest in the issued share capital of Perbena Emas Sdn Bhd from the Vendor for a purchase consideration of RM151.0 million to be satisfied entirely in cash (“Proposed Acquisition”).

In conjunction with the Proposed Acquisition, the Company also intends to undertake the following:-

- (a) A proposed renounceable rights issue of up to 346,500,000 new redeemable convertible preference shares in Pansar (“RCPS”), on the basis of 1 RCPS for every 2 existing ordinary shares in Pansar held on an entitlement date to be determined later (“Proposed Rights Issue”);
- (b) Proposed diversification of the principal activities of Pansar and its subsidiaries to include construction and civil engineering (“Proposed Diversification”); and
- (c) Proposed amendments to the Constitution of the Company to facilitate the issuance of the RCPS under the Proposed Right Issues (“Proposed Amendments”).

(collectively referred to as the “Proposals”)

On 9 October 2020, the application in relation to the Proposals has been submitted to Bursa Securities.

On 30 October 2020, Bursa Securities had vide its letter dated 30 October 2020, resolved to approve the following:-

- (a) Admission to the Official List and listing and quotation of up to 346,500,000 RCPS to be issued pursuant to the Proposed Rights Issue; and
- (b) Listing and quotation of up to 346,500,000 Pansar Shares to be issued pursuant to the conversion of the RCPS.

The approval granted by Bursa Securities for the Proposed Right Issue is subject to the conditions set out in its letter.

On 30 November 2020, the Company issued the Circular to the shareholders.

On 22 December 2020, the Company announced that the resolutions as set out in the Circular dated 30 November 2020 was duly passed by way of poll voting at the Meeting of Members of the Company held on 22 December 2020.

On 22 February 2021, UOBKH announced that:

- (a) The Board had resolved to fix the issue price of the RCPS at RM0.53 per RCPS (“Issue Price”). The Issue Price of RM0.53 per RCPS represents a discount of approximately 23.19% of the TERP of Pansar Shares of RM0.69, calculated based on the 5-day VWAP of Pansar Shares up to and including 19 February 2021 of RM0.77, being the Market Day immediately prior to the price-fixing date.
- (b) Based on the Issue Price and the conversion ratio of the RCPS of 1 new Pansar Share for every 1 RCPS converted, the implied conversion price for the RCPS is RM0.53 for every new Pansar Share, representing a discount of approximately 23.19% to the TERP of Pansar Shares of RM0.69. The RCPS will also carry a dividend rate of 4% per annum based on the Issue Price, payable in arrears on an annual basis at the discretion and option of the Board.
- (c) Pansar had on even date entered into an underwriting agreement with UOBKH for the underwriting of up to 78,575,974 RCPS, representing approximately 34.26% of the total RCPS to be issued pursuant to the Rights Issue under the Minimum Scenario. The remaining 150,750,001 RCPS representing approximately 65.74% of the total RCPS under the Minimum Scenario, represents the entitlements of Pan Sarawak, the major shareholder of Pansar, who has provided their Undertaking to subscribe in full for their respective entitlements under the Rights Issue.

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B6 Corporate proposals (Cont'd)

Proposed Acquisition, Proposed Rights Issue of Redeemable Convertible Preference Shares (“RCPS”), Proposed Diversification, and Proposed Amendments (Cont'd)

On 22 February 2021, UOBKH announced that: (cont'd)

(d) The Entitlement Date for the Rights Issue of RCPS has been fixed at 5.00 p.m. on 8 March 2021.

On 9 March 2021, UOBKH announced that the Company and the Vendor had mutually agreed to extend the Cut-off Date by 4 weeks until 6 April 2021 for the fulfilment of conditions precedent as set out in the SPA.

On 29 March 2021, UOBKH announced that as at the close of acceptance, excess application and payment for the Rights Issue at 5.00 p.m. on 23 March 2021, the total acceptances and excess applications for the Rights Issue were 230,102,214 RCPS, which represents an over-subscription of 0.34% over the total number of RCPS available for subscription under the Rights Issue.

On 30 March 2021, the Company advised that its 229,325,975 RCPS issued pursuant to the Rights Issue will be admitted to the Official List of the Exchange and the listing and quotation of the RCPS on the Main Market, will be granted with effect from 9.00 a.m., Thursday, 1 April 2021. The Stock Short Name, Stock Number and ISIN Code of the RCPS are “PANSAR-PA”, “8419PA” and “MYL8419PA637” respectively.

On 1 April 2021, UOBKH announced that 229,325,975 RCPS issued pursuant to the Rights Issue were listed and quoted on the Main Market of Bursa Securities with effect from 9.00 a.m. on Thursday, 1 April 2021, marking the completion of the Rights Issue.

On 6 April 2021, UOBKH announced that the Company had on 6 April 2021 entered into a supplemental share purchase agreement (“Supplement SPA”) with PE Holdings, to amend certain terms of the SPA dated 9 September 2020 in relation to the Acquisition (“SPA Amendments”). Pursuant to the fulfilment of all the conditions precedent under the SPA on 6 April 2021, the Acquisition has become unconditional.

On 13 April 2021, UOBKH announced that the Acquisition has been completed on 13 April 2021.

Except as disclosed, there is no corporate proposal announced but not completed as at 20 May 2021.

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

B7 Bank borrowings

The Group's bank borrowings as at 31 March 2021 were as follows:-

	Short-term RM'000	Long term RM'000	Total RM'000
Secured:-			
Bank overdrafts	2,776	-	2,776
Bankers' acceptance	3,000	-	3,000
Term loans	54	204	258
Total bank borrowings	5,830	204	6,034

B8 Derivative financial instruments

The outstanding foreign currency forward contracts as at 31 March 2021 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	2,338	16	-
<u>Derivative designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	9,026	146	-
	11,364	162	-

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.

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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

There were no gains or losses arising from fair value changes in financial liabilities for the current quarter ended 31 March 2021.

B10 Changes in material litigation

As at 20 May 2021, save as disclosed below, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board is not aware and has no knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group:-

Via a Writ Summons dated 27 July 2020, the wholly owned subsidiary, Pansar Engineering Services Sdn Bhd (“PESSB”) brought an action (Suit No. BKI-22 NCvC-59/7 of 2020) against Bina Puri Sdn Bhd (“BPSB”) for the outstanding balance of RM2,846,951.28 being total final payment for works done under 2 Letters of Award in respect of the air conditioning and mechanical ventilation system for Blocks A, B and C and Interior Design Works for Blocks A and C at Pusat Pentadbiran Negeri Sabah.

Further in the same suit, PESSB claimed against BPSB for the sum of RM17,196.65 being costs and expenses incurred in the sub-sales of the Apartment Units purportedly as payment in kind by BPSB to PESSB which sub-sales were rescinded.

On 14 August 2020, PESSB applied to enter summary judgement. BPSB then applied to stay proceedings of the suit pending arbitration. PESSB and BPSB have agreed to proceed to arbitration and an arbitrator has been appointed. The arbitration hearing has been scheduled for 12 July 2021 to 16 July 2021.

PESSB’s counsel for this suit is of the opinion that PESSB has a good case on the merits against BPSB.

Despite the above, the Board is of the view that the abovementioned case has no material adverse impact on the financial position or business of the Company and/or the Group.

B11 Dividend payable

No interim dividend has been declared for the financial period ended 31 March 2021.

B12 Earnings/(loss) per share

(a) Basic earnings/(loss) per share

	Quarter ended		Year to date	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the period attributable to the owners of the Company (RM'000)	3,707	(528)	10,706	7,348
Weight average number of ordinary shares in issue ('000)	458,722	457,977	458,445	457,977
Basic earnings/(loss) per share based on weighted average number of issue (sen)	0.81	(0.12)	2.34	1.60

(b) Diluted earnings per share

Not applicable as at 31 March 2021.

B13 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 2020 was not subject to any qualification.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2021

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

B14 Profit for the year

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

	Quarter ended		Year to date	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Allowance for slow-moving inventories	9	1,758	571	2,151
Allowance for slow-moving inventories no longer required	(18)	21	(65)	(189)
Bad debts written off	-	-	4	12
Collective impairment losses on receivables	2,352	34	2,352	93
Collective impairment losses on receivables no longer required	(26)	-	(26)	-
Depreciation and amortisation	1,188	3,413	4,547	4,851
Dividend income	-	-	(220)	-
Fair value gain on other investments	(5,864)	-	(7,893)	-
Fair value (gain)/loss on short-term investments	(31)	8	(59)	8
Individual impairment losses on receivables	1,492	5,352	3,584	9,124
Individual impairment losses on receivables no longer required	(1,224)	(2,605)	(4,574)	(6,946)
Interest expense on lease liabilities	149	843	648	843
Interest expense	(483)	150	235	843
Interest income	(204)	(365)	(1,025)	(2,055)
(Gain)/Loss on forward foreign currency contracts	(1)	(50)	20	(58)
(Gain)/Loss on disposal of property, plant and equipment	(101)	51	(253)	55
Gain on disposal of an associated company	-	-	(1,969)	-
Gain on disposal of investment properties	(146)	-	(146)	-
Gain on disposal of other investments	-	-	(75)	-
Gain on disposal of right-of-use assets	-	-	(30)	-
Provision for employee benefits no longer required	(1,185)	(1,252)	(1,185)	(1,475)
Realised gain on foreign exchange	(69)	(547)	(1,053)	(992)
Realised loss on derivatives	-	-	18	49
Unrealised loss on foreign exchange	81	411	106	303
Unrealised gain on derivatives	-	(15)	(16)	(19)