

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

INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.12.2021 RM'000	Preceding year corresponding quarter 31.12.2020 RM'000	Current year to date 31.12.2021 RM'000	Preceding year corresponding year to date 31.12.2020 RM'000
Revenue	168,533	100,936	430,080	225,311
Cost of sales	(150,962)	(87,074)	(382,950)	(193,311)
Gross profit	17,571	13,862	47,130	32,000
Other income	3,028	4,602	8,134	11,112
Selling and distribution expenses	(2,451)	(2,329)	(7,021)	(6,840)
Administrative expenses	(12,655)	(6,553)	(37,819)	(24,363)
Other operating expenses	(1,234)	(936)	(1,987)	(2,659)
Finance costs	(1,762)	(245)	(4,342)	(701)
Share of results in jointly controlled entities	50	-	220	-
Share of results in an associate	(92)	-	411	116
Profit before taxation	2,455	8,401	4,726	8,665
Income tax expense	(635)	(1,046)	(2,216)	(1,564)
Profit after taxation	1,820	7,355	2,510	7,101
Other comprehensive income				
<u>Items that will be reclassified subsequently to profit or loss</u>				
Cash flow hedge	(127)	25	15	(96)
Foreign currency translation	60	61	94	33
Foreign currency translation reserve transferred to profit & loss due to disposal of an associated company	-	-	-	(181)
Total other comprehensive income	(67)	86	109	(244)
Total comprehensive income for the period	1,753	7,441	2,619	6,857

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2021 (CONT'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.12.2021 RM'000	Preceding year corresponding quarter 31.12.2020 RM'000	Current year to date 31.12.2021 RM'000	Preceding year corresponding year to date 31.12.2020 RM'000
Profit after taxation attributable to:-				
- Owners of the Company	1,949	7,165	2,750	7,000
- Non-controlling interests	(129)	190	(240)	101
	<u>1,820</u>	<u>7,355</u>	<u>2,510</u>	<u>7,101</u>
Total comprehensive income attributable to:-				
- Owners of the Company	1,882	7,251	2,859	6,756
- Non-controlling interests	(129)	190	(240)	101
	<u>1,753</u>	<u>7,441</u>	<u>2,619</u>	<u>6,857</u>
Weighted average number of shares in issue ('000)	460,057	458,652	460,054	458,354
Earnings per ordinary share (sen):-				
-Basic	0.42	1.56	0.60	1.53
-Diluted	0.21	1.04	0.30	1.02

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 2021 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 DECEMBER 2021

	31.12.2021	31.03.2021
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Investment in an associate	8,315	-
Investment in jointly controlled entities	1,666	-
Property, plant and equipment	18,806	6,946
Right-of-use assets	21,803	12,357
Investment properties	8,058	8,149
Intangible assets	33,710	1,016
Other investments	17,594	19,940
Deferred tax assets	5,080	5,001
Goodwill	53,142	453
Trade receivables	10,532	-
	<hr/>	<hr/>
	178,706	53,862
	<hr/>	<hr/>
Current assets		
Inventories	47,397	46,551
Trade and other receivables	292,050	108,365
Short term investments	29,287	20,889
Derivative assets	37	162
Current tax assets	5,057	740
Deposits, cash and bank balances	26,533	141,843
	<hr/>	<hr/>
	400,361	318,550
	<hr/>	<hr/>
TOTAL ASSETS	579,067	372,412
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PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2021 (CONT'D)

	31.12.2021	31.03.2021
	RM'000	RM'000
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES		
Equity		
Share capital	153,182	153,121
Treasury shares	(2,313)	(2,313)
Redeemable convertible preference shares	121,543	121,543
Reserves	31,065	31,656
	<hr/>	<hr/>
Equity attributable to owners of the Company	303,477	304,007
Non-controlling interests	448	688
	<hr/>	<hr/>
Total equity	303,925	304,695
	<hr/>	<hr/>
Non-current liabilities		
Bank borrowings	20,500	204
Deferred tax liabilities	9,467	-
Lease liabilities	8,848	5,800
	<hr/>	<hr/>
	38,815	6,004
	<hr/>	<hr/>
Current liabilities		
Lease liabilities	4,715	2,790
Trade and other payables	92,775	51,437
Derivative liabilities	50	-
Bank borrowings:-		
- bank overdrafts	2,149	2,776
- other borrowings	132,649	3,054
Provision for employee benefits	3,654	1,568
Current tax liabilities	335	88
	<hr/>	<hr/>
	236,327	61,713
	<hr/>	<hr/>
Total liabilities	275,142	67,717
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	579,067	372,412
	<hr/> <hr/>	<hr/> <hr/>
Net assets per ordinary share attributable to owners of the Company (RM)	0.66	0.66
	<hr/> <hr/>	<hr/> <hr/>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 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 DECEMBER 2021

9-month period ended	Share Capital	Treasury Shares	Redeemable Convertible Preference Shares	< ----- Non-distributable ----- >			< distributable >		Non- Controlling Interests	Total Equity
				Reverse Acquisition Reserve	Foreign Exchange Translation Reserve	Cash Flow Hedge Reserve	Retained Profits	Attributable to Owners of the Company		
31.12.2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 01.04.2021	153,121	(2,313)	121,543	(116,732)	4,659	(98)	143,827	304,007	688	304,695
Profit after taxation for the period	-	-	-	-	-	-	2,750	2,750	(240)	2,510
Other comprehensive income for the period, net of tax:-										
- Foreign currency translation	-	-	-	-	94	-	-	94	-	94
- Cash flow hedge	-	-	-	-	-	15	-	15	-	15
Total comprehensive income for the period	-	-	-	-	94	15	2,750	2,859	(240)	2,619
Contributions by and distributions to owners of the Company:-										
- Issuance of shares	61	-	-	-	-	-	-	61	-	61
- Dividends	-	-	-	-	-	-	(3,450)	(3,450)	-	(3,450)
Total transactions with owners	61	-	-	-	-	-	(3,450)	(3,389)	-	(3,389)
Balance at 31.12.2021	153,182	(2,313)	121,543	(116,732)	4,753	(83)	143,127	303,477	448	303,925

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

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

9-month period ended	Share Capital RM'000	Treasury Shares RM'000	Redeemable Convertible Preference Shares RM'000	< ----- Non-distributable ----- >			< distributable >		Non- Controlling Interests RM'000	Total Equity RM'000
				Reverse Acquisition Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Cash Flow Hedge Reserve RM'000	Retained Profits RM'000	Attributable to Owners of the Company 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	-	-	-	-	-	-	7,000	7,000	101	7,101
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	-	-	-	-	33	-	-	33	-	33
- Cash flow hedge	-	-	-	-	-	(96)	-	(96)	-	(96)
Total comprehensive income for the period	-	-	-	-	(148)	(96)	7,000	6,756	101	6,857
Contributions by and distributions to owners of the Company:-										
- Acquisition of a subsidiary company	-	-	-	-	-	-	-	-	1,064	1,064
- Issuance of shares	425	-	-	-	-	-	-	425	-	425
- Dividends	-	-	-	-	-	-	(6,880)	(6,880)	-	(6,880)
Total transactions with owners	425	-	-	-	-	-	(6,880)	(6,455)	1,064	(5,391)
Balance at 31.12.2020	152,381	(2,313)	-	(116,732)	4,538	66	140,120	178,060	1,165	179,225

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 2021 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 DECEMBER 2021

	Current year to date 31.12.2021 RM'000	Preceding year corresponding year to date 31.12.2020 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Profit before taxation	4,726	8,665
Adjustments for:-		
Allowance for impairment losses on receivables	1,881	2,092
Allowance for impairment losses on receivables no longer required	(4,994)	(3,350)
Allowance for slow-moving inventories	103	562
Allowance for slow-moving inventories no longer required	(85)	(47)
Amortisation of intangible assets	4,066	4
Bad debts written off	3	4
Depreciation of property, plant and equipment	2,906	994
Depreciation of investment properties	112	333
Depreciation of right-of-use assets	4,247	2,028
Dividend income	(147)	(220)
Fair value loss on derivatives	-	2
Fair value loss/(gain) on other investments	2,346	(2,029)
Fair value gain on short-term investments	(105)	(28)
Gain on disposal of an associated company	-	(1,969)
Gain on disposal of other investments	-	(75)
Gain on disposal of right-of-use assets	(20)	(30)
Gain on disposal of property, plant and equipment	(128)	(152)
Interest expense	4,342	1,217
Interest income	(585)	(821)
Property, plant and equipment written off	1	-
Provision for employee benefits	3,384	1,568
Share of results in jointly controlled entities	(220)	-
Share of results in an associate	(411)	(116)
Unrealised (gain)/loss on foreign exchange	(47)	25
Operating profit before working capital changes	21,375	8,657
Increase in inventories	(858)	(2,964)
(Increase)/Decrease in trade and other receivables	(79,157)	9,174
Increase/(Decrease) in trade and other payables	6,795	(1,208)
Employee benefits paid	(1,299)	-
CASH (FOR)/FROM OPERATING ACTIVITIES / BALANCE CARRIED FORWARD	(53,144)	13,659

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

	Current year to date 31.12.2021 RM'000	Preceding year corresponding year to date 31.12.2020 RM'000
CASH (FOR)/FROM OPERATING ACTIVITIES / BALANCE CARRIED FORWARD	(53,144)	13,659
Interest paid	(4,342)	(718)
Interest received	443	426
Income tax paid	(3,131)	(2,271)
Income tax refunded	56	49
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(60,118)	11,145
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of a subsidiary, net of cash and cash equivalents acquired	(147,266)	(132)
Addition to right-of-use assets	(368)	-
Dividend received from jointly controlled entities, associate and other investments	2,647	220
Increase in pledged fixed deposits with licensed bank	(3)	-
Proceeds from disposal of property, plant and equipment	145	161
Proceeds from disposal of an associated company	-	6,540
Proceeds from disposal of other investments	-	174
Purchase of intangible assets	(26)	-
Purchase of investment properties	(21)	-
Purchase of property, plant and equipment	(8,228)	(983)
Purchase of short-term investments	(8,293)	(21,714)
NET CASH FOR INVESTING ACTIVITIES	(161,413)	(15,734)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES		
Dividend paid	(3,450)	(6,880)
Net of drawdown/(repayment) of bankers' acceptance	13,802	(1,700)
Net of drawdown of invoice financing	26,175	-
Net of drawdown/(repayment) of revolving credit	48,050	(3,000)
Net of drawdown of term loans	26,243	6
Proceeds from issuance of ordinary shares	61	425
Repayment of lease liabilities	(4,034)	(2,392)
NET CASH FROM/(FOR) FINANCING ACTIVITIES	106,847	(13,541)

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

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

	Current year to date 31.12.2021 RM'000	Preceding year corresponding year to date 31.12.2020 RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(114,684)	(18,130)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	(1)	(19)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	138,801	35,570
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	24,116	17,421
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	26,265	20,264
Bank overdrafts	(2,149)	(2,843)
	24,116	17,421

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2021 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 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 2021. 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 2021.

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 2021, except as follows:

On 1 April 2021, the Group adopted the following Amendments to MFRSs mandatory for annual financial periods beginning on or after 1 January 2021:-

- Amendments to *MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2*
- Amendments to *MFRS 16 Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

The adoption of the abovementioned Amendments to MFRSs did not have any material impact on the financial statements of the Group.

A2 Comments about seasonality or cyclical 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 for the current quarter under review.

A6 Dividend paid

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

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2021

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 & Construction Materials RM'000	Agro Engineering RM'000	Electrical & Air Conditioning RM'000	Heavy Equipment RM'000	Mechanical & Electrical RM'000	Construction & Infrastructure RM'000	Year to date 31.12.2021 RM'000
Revenue								
External revenue	70,684	67,500	23,336	21,022	17,969	55,058	174,511	430,080
Inter-segment revenue	255	4,159	-	762	17,599	562	-	23,337
	70,939	71,659	23,336	21,784	35,568	55,620	174,511	453,417
Adjustments and eliminations								(23,337)
Consolidated revenue								430,080
Results								
Segment results	13,564	6,100	2,055	1,122	1,313	2,048	849	27,051
Adjustments and eliminations	-	-	-	-	390	1,295	-	1,685
	13,564	6,100	2,055	1,122	1,703	3,343	849	28,736
Share of results in jointly controlled entities								220
Share of results in an associate								411
Unallocated income								816
Unallocated expenses								(25,457)
Consolidated profit before taxation								4,726

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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	Construction & Infrastructure RM'000	Year to date 31.12.2021 RM'000
Assets								
Segment assets	33,287	42,444	13,902	13,400	10,760	42,755	223,991	380,539
Investment in an associate								8,315
Investment in jointly controlled entities								1,666
Goodwill								53,142
Unallocated assets								130,325
Deferred tax assets								5,080
Consolidated total assets								<u>579,067</u>

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 31.12.2020 RM'000
Revenue							
External revenue	67,434	60,891	18,734	16,047	11,080	51,125	225,311
Inter-segment revenue	149	560	-	538	6,173	13	7,433
	67,583	61,451	18,734	16,585	17,253	51,138	232,744
Adjustments and eliminations							(7,433)
Consolidated revenue							225,311
Results							
Segment results	10,837	4,415	1,534	896	668	2,761	21,111
Adjustments and eliminations	-	-	-	-	308	1,459	1,767
	10,837	4,415	1,534	896	976	4,220	22,878
Share of results in an associate							116
Unallocated income							5,503
Unallocated expenses							(19,832)
Consolidated profit before taxation							8,665
Assets							
Segment assets	53,643	33,322	13,724	11,558	7,906	55,943	176,096
Goodwill							192
Unallocated assets							78,166
Deferred tax assets							4,861
Consolidated total assets							259,315

(b) Geographical segments

	Year to date	
	31.12.2021 RM'000	31.12.2020 RM'000
Total revenue from external customers		
- Malaysia	422,846	219,136
- Singapore	7,234	6,175
	430,080	225,311

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2021

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

A8 Property, plant and equipment

(a) Acquisition and disposal of property, plant and equipment

There was no material acquisition or disposal of property, plant and equipment since the end of last financial year.

(b) Impairment losses

Neither loss from impairment of property, plant and equipment nor reversal of such impairment losses was recognised since the end of last financial year.

(c) Valuation

As at 31 December 2021, the Group did not have any revalued assets.

A9 Subsequent events

There were no material subsequent events as at 17 February 2022.

A10 Changes in the composition of the Group

On 13 April 2021, the Company has acquired 100% equity interest in Perbena Emas Sdn Bhd (“PESB”) from PE Holdings Sdn Bhd for a purchase consideration of RM151.0 million settled entirely in cash.

PESB was incorporated in Malaysia on 7 November 1977 as a private limited company under the laws of Malaysia. PESB is principally engaged in the business of construction and property development.

A11 Contingent liabilities

As at 17 February 2022, 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

The capital commitments of the Group as at 31 December 2021 were as follows:

	RM'000
Purchase of property, plant and equipment	2,516
Purchase of investment properties	409
	<u>2,925</u>

A13 Significant related party transactions

	Quarterly ended		Year to date	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	541	517	1,646	1,555
Transactions with other related parties	11,337	6,799	22,812	19,890

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2021

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

B1 Review of performance

The Group registered revenue of RM430.1 million for the period ended 31 December 2021, an increase of 90.9% or RM204.8 million from RM225.3 million in the previous corresponding period. The significant increase was primarily due to the broad-based growth in revenue across all business segments and the addition of construction and infrastructure revenue from newly acquired subsidiary.

The Group saw its net profit for the period ended 31 December 2021 fall by 64.7% to RM2.5 million from RM7.1 million a year earlier, mainly due to higher administrative expenses, coupled with the absence of fair value gain on quoted investment as well as gain on disposal of an associate in the current financial period.

Marine & Industrial Segment

Quarterly results

For the quarter ended 31 December 2021, Marine & Industrial segment's operating profit rose 21.0% y-o-y to RM4.8 million while revenue had fallen by 34.2% y-o-y to RM20.3 million. Despite decrease in revenue, the improved earnings for the current quarter was mainly attributed to favourable sales mix.

Financial year-to-date

The segment saw its operating profit for YTD 3QFY22 increase 25.2% to RM13.6 million from RM10.8 million in the same period last year, while revenue increased 4.8% to RM70.7 million from RM67.4 million a year earlier.

Building & Construction Materials Segment

Quarterly results

For 3QFY22, Building & Construction Materials segment's revenue increased 19.2% to RM28.1 million while operating profit inched up 2.6% to RM2.1 million from RM2.0 million, mainly due to lower write back of impairment losses on trade receivables.

Financial year-to-date

The segment's operating profit grew 38.2% to RM6.1 million, against RM4.4 million in the same period last year. This profit was achieved on the back of lower operating expenses and higher revenue that increased 10.9% to RM67.5 million from RM60.9 million a year earlier.

Agro Engineering Segment

Quarterly results

For 3QFY22, Agro Engineering segment's revenue increased 24.4% to RM8.3 million from RM6.7 million in the previous corresponding quarter.

With the increase in revenue, operating profit for the quarter increased 64.1% to RM0.9 million from RM0.6 million reported a year earlier.

Financial year-to-date

Agro Engineering segment recorded revenue and operating profit for YTD 3QFY22 of RM23.3 million and RM2.1 million respectively. This represents a 24.6% and 34.0% increase in revenue and operating profit respectively as compared to the same period last 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's operating profit grew 43.7% to RM0.5 million from RM0.4 million a year ago, on the back of higher revenue that increased 41.9% to RM8.4 million from RM5.9 million in the previous corresponding quarter.

Financial year-to-date

For the current financial period, the segment recorded a 31.0% increase in revenue to RM21.0 million on higher sales largely from M & E ancillary products, air conditioners and lighting products.

With the increase in revenue, operating profit for the period was up 25.2% to RM1.1 million.

Heavy Equipment Segment

Quarterly results

Heavy Equipment segment posted an operating profit of RM1.0 million in 3QFY22, an increase of 109.5% from RM0.5 million a year ago, attributed to higher revenue that increased 64.8% to RM7.3 million from RM4.4 million in the previous corresponding quarter.

Financial year-to-date

The segment achieved revenue and operating profit for the current financial period of RM18.0 million and RM1.7 million respectively. This represents a 62.2% and 74.5% increase in revenue and operating profit respectively as compared to the same period last year.

Mechanical & Electrical Segment

Quarterly results

Mechanical & Electrical segment recorded an operating loss for the quarter of RM0.1 million as opposed to operating profit of RM3.0 million in the previous corresponding quarter. Revenue was down 27.9% y-o-y to RM21.3 million from RM29.6 million.

The loss for the current quarter under review was mainly due to the rising project costs.

Financial year-to-date

Mechanical & Electrical segment's operating profit declined 20.8% to RM3.3 million for YTD 3QFY22 from RM4.2 million a year ago. Revenue rose 7.7% y-o-y to RM55.1 million from RM51.1 million.

Construction & Infrastructure Segment

Quarterly results

No comparative financial results were available as this business segment from the newly acquired subsidiary only came in during the first quarter of current financial year.

For the quarter under review, the segment posted an operating profit of RM1.3 million on the back of revenue of RM74.9 million.

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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)

Construction & Infrastructure Segment

Financial year-to-date

For YTD 3QFY22, the segment posted an operating profit of RM0.8 million on the back of revenue of RM174.5 million.

B2 Material changes in profit before tax for the quarter

Against immediate preceding quarter, the Group saw its profit before tax for the third quarter ended 31 December 2021 fall by 74.5% to RM2.5 million from RM9.6 million, mainly due to higher administrative expenses and impairment losses on receivables. This was despite a 2.9% increase in revenue to RM168.5 million, from RM163.8 million in the immediate preceding quarter.

B3 Commentary on prospects

The impact of Covid has led to delays to projects progress leading to slower revenue recognition, and rising raw material costs. However the gradual easing of movement restrictions is expected to have a positive impact on economic activities. We have sufficient projects in hand to tide over this period.

B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was announced.

B5 Income tax expense

	Quarter ended		Year to date	
	31.12.2021 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.12.2020 RM'000
Income tax:-				
- Malaysian tax	876	1,185	2,449	1,859
- Foreign tax	1	2	5	3
	<u>877</u>	<u>1,187</u>	<u>2,454</u>	<u>1,862</u>
(Over)/Under provision in the previous financial year:-				
- Malaysian tax	(100)	14	(100)	14
	<u>777</u>	<u>1,201</u>	<u>2,354</u>	<u>1,876</u>
Deferred tax:-				
- Origination and reversal of temporary differences	(181)	(153)	(323)	(341)
- Under/(Over) provision in the previous financial year	39	(2)	185	29
	<u>(142)</u>	<u>(155)</u>	<u>(138)</u>	<u>(312)</u>
	<u>635</u>	<u>1,046</u>	<u>2,216</u>	<u>1,564</u>

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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

As at 17 February 2022, there were no corporate proposals announced.

B7 Bank borrowings

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

	Short-term RM'000	Long-term RM'000	Total RM'000
Secured:-			
Bank overdrafts	1,597	-	1,597
Bankers' acceptance	19,711	-	19,711
Invoice financing	28,377	-	28,377
Revolving credit	77,550	-	77,550
Term loans	6,000	20,500	26,500
	133,235	20,500	153,735
Unsecured:-			
Bank overdrafts	552	-	552
Invoice financing	1,011	-	1,011
	1,563	-	1,563
Total bank borrowings	134,798	20,500	155,298

B8 Derivative financial instruments

The outstanding foreign currency forward contracts as at 31 December 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	4,075	19	(3)
<u>Derivative designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	5,372	18	(47)
	9,447	37	(50)

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

B8 Derivative financial instruments (Cont'd)

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

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

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

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

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

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

	Current quarter loss RM'000	Year to date loss RM'000
Foreign currency forward contracts	50	50

B10 Changes in material litigation

As at 17 February 2022, 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.

In the same arbitration, BPSB counterclaimed PESSB for the alleged sum of RM2,386,714.59 alleging delayed by PESSB and defects not completed by PESSB, which were denied.

Arbitration hearing of the claim and counterclaim has been held via zoom from 11 October 2021 to 16 October 2021 and 22 October 2021. Both parties have completed with the final submission of claims on 17 December 2021. As at 17 February 2022, the arbitration decision is still pending.

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

B10 Changes in material litigation (Cont'd)

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 December 2021.

B12 Earnings per share

(a) Basic earnings per share

	Quarter ended		Year to date	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	1,949	7,165	2,750	7,000
Weight average number of ordinary shares in issue ('000)	460,057	458,652	460,054	458,354
Basic earnings per share based on weighted average number of shares issue (sen)	0.42	1.56	0.60	1.53

(b) Diluted earnings per share

	Quarter ended		Year to date	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	1,949	7,165	2,750	7,000
Weight average number of ordinary shares in issue ('000)	918,303	688,977	918,303	688,677
Basic earnings per share based on weighted average number of shares issue (sen)	0.21	1.04	0.30	1.02

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 2021 was not subject to any qualification.

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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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Allowance for slow-moving inventories	15	451	103	562
Allowance for slow-moving inventories no longer required	(23)	(31)	(85)	(47)
Bad debts written off	2	-	3	4
Depreciation and amortisation	4,687	1,137	11,331	3,359
Dividend income	(147)	(220)	(147)	(220)
Fair value (gain)/loss on other investments	-	(4,399)	2,346	(2,029)
Fair value gain on short-term investments	(38)	(38)	(105)	(28)
Individual impairment losses on receivables	1,218	485	1,881	2,092
Individual impairment losses on receivables no longer required	(1,308)	(1,191)	(4,994)	(3,350)
Interest expense on lease liabilities	206	166	665	499
Interest expense	1,556	595	3,677	718
Interest income	(241)	(214)	(585)	(821)
Loss on forward foreign currency contracts	105	2	127	21
Gain on disposal of property, plant and equipment	(124)	(62)	(128)	(152)
Gain on disposal of an associated company	-	-	-	(1,969)
Gain on disposal of other investments	-	(75)	-	(75)
Gain on disposal of right-of-use assets	-	-	(20)	(30)
Property, plant and equipment written off	1	-	1	-
Provision for employee benefits no longer required	(197)	-	(197)	-
Realised gain on foreign exchange	(217)	(357)	(394)	(984)
Realised (gain)/loss on derivatives	(1)	-	16	18
Unrealised (gain)/loss on foreign exchange	(10)	31	(47)	25
Unrealised loss/(gain) on derivatives	14	(9)	(16)	(16)