

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

INTERIM FINANCIAL STATEMENTS  
FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2022

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**PANSAR BERHAD** [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30.06.2022 RM'000	Preceding year corresponding quarter 30.06.2021 RM'000	Current year to date 30.06.2022 RM'000	Preceding year corresponding year to date 30.06.2021 RM'000
Revenue	183,700	97,775	183,700	97,775
Cost of sales	(163,910)	(86,699)	(163,910)	(86,699)
<b>Gross profit</b>	19,790	11,076	19,790	11,076
Other income	1,352	692	1,352	692
Selling and distribution expenses	(2,436)	(2,291)	(2,436)	(2,291)
Administrative expenses	(15,785)	(17,116)	(15,785)	(17,116)
Other operating expenses	(129)	(53)	(129)	(53)
Finance costs	(1,641)	(810)	(1,641)	(810)
Net impairment gains on financial assets and contract assets	662	968	662	968
Share of results in jointly controlled entities	(17)	67	(17)	67
Share of results in an associate	463	125	463	125
<b>Profit/(loss) before taxation</b>	2,259	(7,342)	2,259	(7,342)
Income tax expense	(1,517)	358	(1,517)	358
<b>Profit/(loss) after taxation</b>	742	(6,984)	742	(6,984)
Other comprehensive income				
<u>Items that will be reclassified subsequently to profit or loss</u>				
Cash flow hedge	(402)	(55)	(402)	(55)
Foreign currency translation	296	94	296	94
<b>Total other comprehensive income</b>	(106)	39	(106)	39
<b>Total comprehensive income/(expenses) for the period</b>	636	(6,945)	636	(6,945)

**PANSAR BERHAD** [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2022 (CONT'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30.06.2022 RM'000	Preceding year corresponding quarter 30.06.2021 RM'000	Current year to date 30.06.2022 RM'000	Preceding year corresponding year to date 30.06.2021 RM'000
<b>Profit/(loss) after taxation attributable to:-</b>				
- Owners of the Company	681	(6,978)	681	(6,978)
- Non-controlling interests	61	(6)	61	(6)
	742	(6,984)	742	(6,984)
<b>Total comprehensive income/(expenses) attributable to:-</b>				
- Owners of the Company	575	(6,939)	575	(6,939)
- Non-controlling interests	61	(6)	61	(6)
	636	(6,945)	636	(6,945)
<b>Weighted average number of shares in issue ('000)</b>	460,057	460,048	460,057	460,048
<b>Earnings/(loss) per ordinary share (sen):-</b>				
-Basic	0.15	(1.52)	0.15	(1.52)
-Diluted	0.07	(0.76)	0.07	(0.76)

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 2022 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 30 JUNE 2022

	<b>30.06.2022</b>	<b>31.03.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in an associate	8,962	8,500
Investment in jointly controlled entities	1,521	1,638
Property, plant and equipment	42,001	39,692
Investment properties	8,807	8,849
Intangible assets	31,235	32,567
Other investments	11,180	13,672
Deferred tax assets	4,097	4,842
Goodwill	53,138	53,138
Trade receivables	12,373	11,774
	<hr/>	<hr/>
	173,314	174,672
	<hr/>	<hr/>
<b>Current assets</b>		
Inventories	55,538	52,461
Trade and other receivables	357,235	326,124
Short term investments	18,010	19,913
Derivative assets	35	77
Current tax assets	5,917	5,707
Deposits, cash and bank balances	23,249	21,567
	<hr/>	<hr/>
	459,984	425,849
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>633,298</b>	<b>600,521</b>
	<hr/>	<hr/>

**PANSAR BERHAD** [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AT 30 JUNE 2022 (CONT'D)

	30.06.2022	31.03.2022
	RM'000	RM'000
	(Unaudited)	(Audited)
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	153,182	153,182
Treasury shares	(2,313)	(2,313)
Redeemable convertible preference shares	121,543	121,543
Reserves	29,583	29,008
	<hr/>	<hr/>
<b>Equity attributable to owners of the Company</b>	301,995	301,420
Non-controlling interests	518	457
	<hr/>	<hr/>
<b>Total equity</b>	302,513	301,877
	<hr/>	<hr/>
<b>Non-current liabilities</b>		
Borrowings	27,319	27,846
Deferred tax liabilities	8,887	9,205
	<hr/>	<hr/>
	36,206	37,051
	<hr/>	<hr/>
<b>Current liabilities</b>		
Trade and other payables	102,103	89,436
Derivative liabilities	1,088	708
Borrowings:-		
- bank overdrafts	4,205	2,161
- other borrowings	183,037	165,801
Provision for employee benefits	4,137	3,478
Current tax liabilities	9	9
	<hr/>	<hr/>
	294,579	261,593
	<hr/>	<hr/>
<b>Total liabilities</b>	330,785	298,644
	<hr/>	<hr/>
<b>TOTAL EQUITY AND LIABILITIES</b>	633,298	600,521
	<hr/> <hr/>	<hr/> <hr/>
<b>Net assets per ordinary share attributable to owners of the Company (RM)</b>	0.66	0.66

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 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 30 JUNE 2022

3-month period ended	Share Capital RM'000	Treasury Shares RM'000	Redeemable Convertible Preference Shares RM'000	< ----- Non-distributable ----- >			< distributable >		Attributable to Owners of the Company RM'000	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				
Balance at 01.04.2022	153,182	(2,313)	121,543	(116,732)	4,864	(421)	141,297	301,420	457	301,877	
Profit after taxation for the period	-	-	-	-	-	-	681	681	61	742	
Other comprehensive income for the period, net of tax:-											
- Foreign currency translation	-	-	-	-	296	-	-	296	-	296	
- Cash flow hedge	-	-	-	-	-	(402)	-	(402)	-	(402)	
Total comprehensive income for the period	-	-	-	-	296	(402)	681	575	61	636	
Balance at 30.06.2022	153,182	(2,313)	121,543	(116,732)	5,160	(823)	141,978	301,995	518	302,513	

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR TO DATE ENDED 30 JUNE 2022 (CONT'D)

3-month period ended	Share Capital	Treasury Shares	Redeemable Convertible Preference Shares	< ----- Non-distributable ----- >			<distributable>		Attributable to Owners of the Company	Non-Controlling Interests	Total Equity
				Reverse Acquisition Reserve	Foreign Exchange Translation Reserve	Cash Flow Hedge Reserve	Retained Profits				
30.06.2021	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	
Loss after taxation for the period	-	-	-	-	-	-	(6,978)	(6,978)	(6)	(6,984)	
Other comprehensive income for the period, net of tax:-											
- Foreign currency translation	-	-	-	-	94	-	-	94	-	94	
- Cash flow hedge	-	-	-	-	-	(55)	-	(55)	-	(55)	
Total comprehensive income for the period	-	-	-	-	94	(55)	(6,978)	(6,939)	(6)	(6,945)	
Contributions by and distributions to owners of the Company:-											
- Issuance of shares	61	-	-	-	-	-	-	61	-	61	
Total transactions with owners	61	-	-	-	-	-	-	61	-	61	
Balance at 30.06.2021	153,182	(2,313)	121,543	(116,732)	4,753	(153)	136,849	297,129	682	297,811	

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 2022 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 30 JUNE 2022

	<b>Current year to date 30.06.2022 RM'000</b>	<b>Preceding year corresponding year to date 30.06.2021 RM'000</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit before taxation	2,259	(7,342)
<b>Adjustments for:-</b>		
Allowance for impairment losses on receivables	347	478
Allowance for impairment losses on receivables no longer required	(967)	(1,445)
Allowance for impairment losses on contract assets no longer required	(42)	-
Allowance for slow-moving inventories	38	53
Allowance for slow-moving inventories no longer required	(216)	(30)
Amortisation of intangible assets	1,278	795
Bad debts written off	30	-
Depreciation of property, plant and equipment	2,698	2,250
Depreciation of investment properties	41	37
Fair value gain on derivatives	(30)	(16)
Fair value loss on other investments	2,492	5,571
Fair value gain on short-term investments	(91)	(34)
Gain on disposal of property, plant and equipment	(13)	(28)
Gain on derecognition of leases	(1)	-
Impairment losses on intangible assets	61	-
Interest expense	1,641	817
Interest income	(101)	(183)
Provision for employee benefits	1,160	1,088
Share of results in jointly controlled entities	17	(67)
Share of results in an associate	(463)	(125)
Unrealised gain on foreign exchange	(292)	(23)
Operating profit before working capital changes	9,846	1,796
Increase in inventories	(2,876)	(7,840)
Increase in trade and other receivables	(26,754)	(52,851)
Increase/(decrease) in trade and other payables	8,944	(1,629)
Employee benefits paid	(502)	-
<b>CASH FOR OPERATING ACTIVITIES</b>	(11,342)	(60,524)
Interest paid	(1,002)	(574)
Interest received	(160)	112
Income tax paid	(1,158)	(1,257)
<b>NET CASH FOR OPERATING ACTIVITIES/ BALANCE CARRIED FORWARD</b>	(13,662)	(62,243)



**PANSAR BERHAD** [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR TO DATE ENDED 30 JUNE 2022 (CONT'D)

	Current year to date 30.06.2022 RM'000	Preceding year corresponding year to date 30.06.2021 RM'000
NET CASH FOR OPERATING ACTIVITIES/ BALANCE CARRIED FORWARD	(13,662)	(62,243)
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Acquisition of a subsidiary, net of cash and cash equivalents acquired	-	(147,266)
Dividend received from jointly controlled entities	100	-
Increase in pledged deposits with licensed bank	(1)	-
Proceeds from disposal of property, plant and equipment	20	8
Purchase of intangible assets	(4)	-
Purchase of property, plant and equipment	(2,274)	(2,816)
Purchase of short-term investments	(6,007)	(7,094)
Redemption of short-term investments	8,000	-
NET CASH FOR INVESTING ACTIVITIES	(166)	(157,168)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of term loans	-	30,000
Interest paid on long-term borrowings	(508)	(243)
Net of drawdown/(repayment) of bankers' acceptance	(11,501)	(493)
Net of drawdown/(repayment) of invoice financing	3,295	7,549
Net of drawdown/(repayment) of revolving credit	25,000	56,400
Proceeds from issuance of ordinary shares	-	61
Repayment of hire purchase liabilities	(468)	(630)
Repayment of lease liabilities	(854)	(781)
Repayment of term loans	(1,500)	(7)
NET CASH FROM FINANCING ACTIVITIES	13,464	91,856
NET DECREASE IN CASH AND CASH EQUIVALENTS	(364)	(127,555)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	2	(11)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	19,136	138,801
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	18,774	11,235

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

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR TO DATE ENDED 30 JUNE 2022 (CONT'D)

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	<b>Current year to date 30.06.2022 RM'000</b>	<b>Preceding year corresponding year to date 30.06.2021 RM'000</b>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	22,979	16,148
Bank overdrafts	(4,205)	(4,913)
	<hr/> 18,774	<hr/> 11,235

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The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022 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 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2022

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### PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

#### A1 Basis of preparation

The unaudited interim financial statements have been prepared in accordance with *MFRS 134: Interim Financial Reporting* issued by Malaysian Accounting Standards Board, *IAS 34: Interim Financial Reporting* issued by International Accounting Standards Board and *paragraph 9.22 of the Main Market Listing Requirements* of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2022. 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 2022.

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 2022, except as follows:

On 1 April 2022, the Group adopted the following Amendments to MFRSs mandatory for annual financial periods beginning on or after 1 January 2022:-

- Amendments to *MFRS 3: Reference to the Conceptual Framework*
- Amendments to *MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to *MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract*
- 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.

#### 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 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2022

## 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 30.06.2022 RM’000
<b>Revenue</b>								
External revenue	29,119	32,029	13,219	9,051	3,768	17,929	78,585	183,700
Inter-segment revenue	117	8,737	-	144	1,154	51	-	10,203
	29,236	40,766	13,219	9,195	4,922	17,980	78,585	193,903
Adjustments and eliminations								(10,203)
Consolidated revenue								183,700
<b>Results</b>								
Segment results	6,059	2,176	951	591	(114)	586	1,642	11,891
Adjustments and eliminations	-	-	-	-	131	393	-	524
	6,059	2,176	951	591	17	979	1,642	12,415
Share of results in jointly controlled entities								(17)
Share of results in an associate								463
Unallocated income								87
Unallocated expenses								(10,689)
Consolidated profit before taxation								2,259

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2022

## 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 30.06.2022 RM'000
<b>Assets</b>								
Segment assets	47,677	47,001	18,399	14,776	6,182	43,646	303,132	480,813
Investment in an associate								8,962
Investment in jointly controlled entities								1,521
Goodwill								53,138
Unallocated assets								84,767
Deferred tax assets								4,097
Consolidated total assets								<u>633,298</u>

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2022

## 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 30.06.2021 RM'000
<b>Revenue</b>								
External revenue	13,958	18,434	8,015	5,930	5,359	9,676	36,403	97,775
Inter-segment revenue	56	907	-	258	4,348	143	-	5,712
	14,014	19,341	8,015	6,188	9,707	9,819	36,403	103,487
Adjustments and eliminations								(5,712)
Consolidated revenue								97,775
<b>Results</b>								
Segment results	1,937	1,870	609	142	297	225	(589)	4,491
Adjustments and eliminations	-	-	-	-	136	258	-	394
	1,937	1,870	609	142	433	483	(589)	4,885
Share of results in jointly controlled entities								67
Share of results in an associate								125
Unallocated income								169
Unallocated expenses								(12,588)
Consolidated loss before taxation								(7,342)

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2022

## 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 30.06.2021 RM'000
<b>Assets</b>								
Segment assets	45,763	33,674	15,720	14,114	10,597	39,953	232,901	392,722
Investment in an associate								5,577
Investment in jointly controlled entities								2,945
Goodwill								57,432
Unallocated assets								90,235
Deferred tax assets								5,559
Consolidated total assets								554,470

#### (b) Geographical segments

	Year to date	
	30.06.2022 RM'000	30.06.2021 RM'000
Total revenue from external customers		
- Malaysia	179,192	95,229
- Singapore	4,508	2,546
	183,700	97,775

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

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2022

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

#### A8 Property, plant and equipment

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

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

##### (b) Impairment losses

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

##### (c) Valuation

As at 30 June 2022, the Group did not have any revalued assets.

#### A9 Subsequent events

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

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

There were no changes in the composition of the Group for the period ended 30 June 2022.

#### A11 Contingent liabilities

As at 17 August 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 30 June 2022 were as follows:

	<b>RM'000</b>
Purchase of property, plant and equipment	141
Purchase of investment properties	388
	<u>529</u>

#### A13 Significant related party transactions

	<b>Quarterly ended</b>		<b>Year to date</b>	
	<b>30.06.2022</b>	<b>30.06.2021</b>	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Transactions with holding company	528	567	528	567
Transactions with other related parties	15,012	5,707	15,012	5,707



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

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2022

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

#### **B1 Review of performance**

The Group registered stronger revenue of RM183.7 million for the period ended 30 June 2022, an increase of 87.9% or RM85.9 million compared to RM97.8 million reported in the previous corresponding period. Other than Heavy Equipment division, the growth was supported by improved performance from all our other business segments.

The Group posted a net profit of RM0.7 million compared with a net loss of RM7.0 million a year earlier. Included in the net profit of current financial period was a recognition of fair value loss on quoted investment of RM2.5 million.

#### Marine & Industrial Segment

##### Quarterly results

Compared to the corresponding quarter of previous year, Marine and Industrial segment posted 108.6% increase in revenue to RM29.1 million in 1QFY23 on higher sales from marine engines and spare parts.

With the increase in revenue, operating profit more than tripled to RM6.1 million for the current quarter, compared with RM1.9 million a year earlier.

#### Building & Construction Materials Segment

##### Quarterly results

For the quarter under review, Building & Construction Material segment's revenue increased by 73.8% to RM32.0 million from RM18.4 million a year earlier.

With higher gross profit, the segment recorded a higher operating profit of RM2.2 million in the current quarter as compared with RM1.9 million in the previous corresponding quarter.

#### Agro Engineering Segment

##### Quarterly results

Agro Engineering segment's revenue on y-o-y basis came in 64.9% higher to RM13.2 million on the back of higher sales volume mainly from fertilizers.

With the increase in revenue, operating profit for the quarter increased 56.2% to RM1.0 million.

#### Electrical & Air Conditioning Segment

##### Quarterly results

For the current quarter under review, Electrical & Air Conditioning segment reported an operating profit of RM0.6 million as compared to RM0.1 million a year ago.

Revenue increased 52.6% to RM9.1 million in 1QFY23 from RM5.9 million in the previous corresponding quarter, largely due to higher sales volume from M & E ancillary and air conditioning products.

#### Heavy Equipment Segment

##### Quarterly results

Heavy Equipment segment achieved revenue and operating profit for the current quarter of RM3.8 million and RM17K respectively. This represents a 29.7% and 96.1% decrease in revenue and operating profit respectively as compared to the previous corresponding quarter.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS  
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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)**

#### Mechanical & Electrical Segment

##### Quarterly results

Revenue for Mechanical & Electrical segment increased by 85.3% from RM9.7 million in 1QFY22 to RM17.9 million in 1QFY23 due to higher work progress during the quarter.

Operating profit rose 102.7% y-o-y to RM1.0 million from RM0.5 million in the previous corresponding quarter.

#### Construction & Infrastructure Segment

##### Quarterly results

In tandem with the surge in revenue, Construction & Infrastructure segment posted a turnaround operating profit of RM1.6 million in 1QFY23 from an operating loss of RM0.6 million in 1QFY22.

Revenue was up 115.9% y-o-y to RM78.6 million from RM36.4 million, on account of higher work performed from the on-going projects.

### **B2 Material changes in profit before tax for the quarter**

For the current quarter under review, the Group recorded profit before tax of RM2.3 million on the back of revenue of RM183.7 million as compared to loss before tax of RM1.2 million and revenue of RM171.5 million in the immediate preceding quarter.

Against the immediate preceding quarter, the better performance was largely driven by improved performance from Marine & Industrial division, Building & Construction Materials division as well as Construction & Infrastructure division.

### **B3 Commentary on prospects**

With Covid coming under control, project progress has improved and economic activities have picked up. However global supply chain disruptions and geopolitical uncertainties remain. We have a strong order book and projects in hand to tide over this period while we continue to look for new opportunities.

### **B4 Profit forecast and profit guarantee**

Not applicable as no profit forecast was announced.

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

### B5 Income tax expense

	Quarter ended		Year to date	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Income tax:-				
- Malaysian tax	949	76	949	76
- Foreign tax	-	2	-	2
	<u>949</u>	<u>78</u>	<u>949</u>	<u>78</u>
Deferred tax:-				
- Origination and reversal of temporary differences	110	(366)	110	(366)
- Under/(over) provision in the previous financial year	458	(70)	458	(70)
	<u>568</u>	<u>(436)</u>	<u>568</u>	<u>(436)</u>
	<u>1,517</u>	<u>(358)</u>	<u>1,517</u>	<u>(358)</u>

### B6 Corporate proposals

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

### B7 Borrowings

The Group's borrowings as at 30 June 2022 were as follows:-

	Total RM'000
<b>Long-term borrowings:-</b>	
Hire purchase liabilities, secured	4,738
Lease liabilities	5,081
Term loans, secured	17,500
	<u>27,319</u>
<b>Short-term borrowings:-</b>	
Bank overdrafts, secured	269
Bank overdrafts, unsecured	3,936
Bankers' acceptance, secured	3,000
Bankers' acceptance, unsecured	21,586
Hire purchase liabilities, secured	1,914
Invoice financing, unsecured	38,137
Lease liabilities	3,350
Revolving credit, unsecured	109,050
Term loans, secured	6,000
	<u>187,242</u>
<b>Total borrowings</b>	<u><b>214,561</b></u>

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## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2022

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

#### B8 Derivative financial instruments

The outstanding foreign currency forward contracts as at 30 June 2022 were as follows:-

	<b>Contract / notional amount RM'000</b>	<b>Assets RM'000</b>	<b>Liabilities RM'000</b>
<u>Derivative not designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	3,208	35	(5)
<u>Derivative designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	11,489	-	(1,083)
	14,697	35	(1,088)

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

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

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

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

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

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

	<b>Current quarter loss RM'000</b>	<b>Year to date loss RM'000</b>
Foreign currency forward contracts	(380)	(380)

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## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2022

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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**

As at 17 August 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.

On 10 May 2022, a Final Award was obtained in favour of PESSB in which BPSB shall pay PESSB the sum of RM2,685,112.92 as full and final settlement within 21 days after the day upon which either party shall have taken up the Final Award.

BPSB shall also pay to PESSB, interest at the rate of 5% simple interest per annum on the sum of RM2,685,112.92 from 22 July 2020 until the actual realization.

On 14 July 2022, PESSB filed Originating Summons No. WA-24NCC(ARB)-39-07/2022 (“OS 39”) to register the Arbitration Award and OS 39 proceeding is assigned to High Court of Malaya at Kuala Lumpur, “Mahkamah Dagang 6 (NCC 6)”. On 27 July 2022, BPSB filed Originating Summons No. WA-24NCC-802-07/2022 (“OS 802”) to set aside the Arbitration Award. OS 802 is currently fixed at a different court. PESSB is in the midst to file an application to transfer OS 802 to the same Court hearing OS 39.

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 30 June 2022.

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

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2022

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

#### B12 Earnings/(loss) per share

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

	Quarter ended		Year to date	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the period attributable to the owners of the Company (RM'000)	681	(6,978)	681	(6,978)
Weight average number of ordinary shares in issue ('000)	460,057	460,048	460,057	460,048
Basic earnings/(loss) per share based on weighted average number of issue (sen)	0.15	(1.52)	0.15	(1.52)

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

	Quarter ended		Year to date	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the period attributable to the owners of the Company (RM'000)	681	(6,978)	681	(6,978)
Weight average number of ordinary shares in issue ('000)	918,303	918,303	918,303	918,303
Basic earnings/(loss) per share based on weighted average number of issue (sen)	0.07	(0.76)	0.07	(0.76)

#### 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 2022 was not subject to any qualification.

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

## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER AND YEAR TO DATE ENDED 30 JUNE 2022

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

#### B14 Profit/(loss) for the year

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

	Quarter ended		Year to date	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM'000	RM'000	RM'000	RM'000
Allowance for slow-moving inventories	38	53	38	53
Allowance for slow-moving inventories no longer required	(216)	(30)	(216)	(30)
Bad debts written off	30	-	30	-
Depreciation and amortisation	4,017	3,082	4,017	3,082
Fair value loss on other investments	2,492	5,571	2,492	5,571
Fair value gain on short-term investments	(91)	(34)	(91)	(34)
Impairment losses on intangible assets	61	-	61	-
Impairment losses on contract assets no longer required	(42)	-	(42)	-
Individual impairment losses on receivables	347	478	347	478
Individual impairment losses on receivables no longer required	(967)	(1,445)	(967)	(1,445)
Interest expense	1,641	817	1,641	817
Interest income	(101)	(183)	(101)	(183)
Loss on forward foreign currency contracts	391	14	391	14
Gain on disposal of property, plant and equipment	(13)	(28)	(13)	(28)
Realised loss/(gain) on foreign exchange	284	(97)	284	(97)
Realised (gain)/loss on derivatives	(129)	17	(129)	17
Unrealised gain on foreign exchange	(292)	(23)	(292)	(23)
Unrealised gain on derivatives	(30)	(16)	(30)	(16)