

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

INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.12.2022	Preceding year corresponding quarter 31.12.2021	Current year to date 31.12.2022	Preceding year corresponding year to date 31.12.2021
	RM'000	RM'000	RM'000	RM'000
Revenue	214,495	168,533	597,412	430,080
Cost of sales	(193,673)	(150,962)	(535,770)	(382,950)
Gross profit	20,822	17,571	61,642	47,130
Other income	2,324	1,720	4,545	3,139
Selling and distribution expenses	(2,687)	(2,451)	(7,683)	(7,021)
Administrative expenses	(13,303)	(12,655)	(41,687)	(37,819)
Other operating expenses	(1,316)	(17)	(1,582)	(106)
Finance costs	(2,368)	(1,762)	(6,034)	(4,342)
Net impairment gains on financial assets and contract assets	108	91	136	3,114
Share of results in jointly controlled entities	(21)	50	(51)	220
Share of results in an associate	108	(92)	691	411
Profit before taxation	3,667	2,455	9,977	4,726
Income tax expense	(1,323)	(635)	(3,710)	(2,216)
Profit after taxation	2,344	1,820	6,267	2,510
Other comprehensive income				
<u>Items that will be reclassified subsequently to profit or loss</u>				
Cash flow hedge	260	(127)	64	15
Foreign currency translation	257	60	985	94
Total other comprehensive income	517	(67)	1,049	109
Total comprehensive income for the period	2,861	1,753	7,316	2,619

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 2022 (CONT'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.12.2022 RM'000	Preceding year corresponding quarter 31.12.2021 RM'000	Current year to date 31.12.2022 RM'000	Preceding year corresponding year to date 31.12.2021 RM'000
Profit after taxation attributable to:-				
- Owners of the Company	2,372	1,949	6,212	2,750
- Non-controlling interests	(28)	(129)	55	(240)
	<u>2,344</u>	<u>1,820</u>	<u>6,267</u>	<u>2,510</u>
Total comprehensive income attributable to:-				
- Owners of the Company	2,889	1,882	7,261	2,859
- Non-controlling interests	(28)	(129)	55	(240)
	<u>2,861</u>	<u>1,753</u>	<u>7,316</u>	<u>2,619</u>
Weighted average number of shares in issue ('000)	460,057	460,057	460,057	460,054
Earnings per ordinary share (sen):-				
-Basic	0.52	0.42	1.35	0.60
-Diluted	0.26	0.21	0.68	0.30

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 31 DECEMBER 2022

	31.12.2022	31.03.2022
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Investment in an associate	7,691	8,500
Investment in jointly controlled entities	1,487	1,638
Property, plant and equipment	44,437	39,692
Investment properties	8,809	8,849
Intangible assets	28,437	32,567
Other investments	11,216	13,672
Deferred tax assets	3,858	4,842
Goodwill	53,138	53,138
Trade receivables	12,501	11,774
	<hr/>	<hr/>
	171,574	174,672
	<hr/>	<hr/>
Current assets		
Inventories	53,789	52,461
Trade and other receivables	263,734	226,542
Contract assets	149,127	99,582
Short term investments	13,227	19,913
Derivative assets	450	77
Current tax assets	5,062	5,707
Deposits, cash and bank balances	14,733	21,567
	<hr/>	<hr/>
	500,122	425,849
	<hr/>	<hr/>
TOTAL ASSETS	671,696	600,521
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PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2022 (CONT'D)

	31.12.2022	31.03.2022
	RM'000	RM'000
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES		
Equity		
Share capital	153,182	153,182
Treasury shares	(2,313)	(2,313)
Redeemable convertible preference shares	121,543	121,543
Reserves	31,407	29,008
	<hr/>	<hr/>
Equity attributable to owners of the Company	303,819	301,420
Non-controlling interests	512	457
	<hr/>	<hr/>
Total equity	304,331	301,877
	<hr/>	<hr/>
Non-current liabilities		
Borrowings	25,882	27,846
Deferred tax liabilities	8,220	9,205
	<hr/>	<hr/>
	34,102	37,051
	<hr/>	<hr/>
Current liabilities		
Trade and other payables	107,971	85,278
Contract liabilities	7,642	4,158
Derivative liabilities	505	708
Borrowings:-		
- bank overdrafts	10,902	2,161
- other borrowings	200,506	165,801
Provision for employee benefits	4,708	3,478
Current tax liabilities	1,029	9
	<hr/>	<hr/>
	333,263	261,593
	<hr/>	<hr/>
Total liabilities	367,365	298,644
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	671,696	600,521
	<hr/>	<hr/>
Net assets per ordinary share attributable to owners of the Company (RM)	0.66	0.66
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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 31 DECEMBER 2022

9-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	-	-	-	-	-	-	6,212	6,212	55	6,267	
Other comprehensive income for the period, net of tax:-											
- Foreign currency translation	-	-	-	-	985	-	-	985	-	985	
- Cash flow hedge	-	-	-	-	-	64	-	64	-	64	
Total comprehensive income for the period	-	-	-	-	985	64	6,212	7,261	55	7,316	
Contributions by and distributions to owners of the Company:-											
- Dividends	-	-	-	-	-	-	(4,862)	(4,862)	-	(4,862)	
Total transactions with owners	-	-	-	-	-	-	(4,862)	(4,862)	-	(4,862)	
Balance at 31.12.2022	153,182	(2,313)	121,543	(116,732)	5,849	(357)	142,647	303,819	512	304,331	

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR TO DATE ENDED 31 DECEMBER 2022 (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 01.04.2021	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

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 31 DECEMBER 2022

	Current year to date 31.12.2022 RM'000	Preceding year corresponding year to date 31.12.2021 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	9,977	4,726
Adjustments for:-		
Allowance for impairment losses on receivables	3,031	1,881
Allowance for impairment losses on receivables no longer required	(3,614)	(4,994)
Allowance for impairment losses on contract assets	490	-
Allowance for impairment losses on contract assets no longer required	(42)	-
Allowance for slow-moving inventories	186	103
Allowance for slow-moving inventories no longer required	(421)	(85)
Amortisation of intangible assets	3,337	4,066
Bad debts written off	39	3
Contract assets written off	549	-
Depreciation of property, plant and equipment	8,410	7,153
Depreciation of investment properties	124	112
Dividend income	-	(147)
Fair value gain on derivatives	(105)	(15)
Fair value loss on other investments	2,456	2,346
Fair value gain on short-term investments	(296)	(105)
Gain on disposal of property, plant and equipment	(164)	(147)
Gain on derecognition of leases	(20)	-
Impairment losses on intangible assets	808	-
Interest expense	6,034	4,342
Interest income	(300)	(585)
Provision for employee benefits	3,727	3,384
Share of results in jointly controlled entities	51	(220)
Share of results in an associate	(691)	(411)
Unrealised gain on foreign exchange	(46)	(47)
Operating profit before working capital changes	33,520	21,360
Increase in inventories	(1,002)	(858)
Net increase in contract assets	(47,057)	(39,857)
Increase in trade and other receivables	(37,243)	(39,300)
Increase in trade and other payables	22,981	6,811
Employee benefits paid	(2,504)	(1,299)
CASH FOR OPERATING ACTIVITIES/ BALANCE CARRIED FORWARD	(31,305)	(53,143)

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR TO DATE ENDED 31 DECEMBER 2022 (CONT'D)

	Current year to date 31.12.2022 RM'000	Preceding year corresponding year to date 31.12.2021 RM'000
CASH FOR OPERATING ACTIVITIES/ BALANCE CARRIED FORWARD	(31,305)	(53,143)
Interest paid	(4,515)	(3,614)
Interest received	293	443
Income tax paid	(2,812)	(3,131)
Income tax refunded	700	56
NET CASH FOR OPERATING ACTIVITIES	(37,639)	(59,389)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Acquisition of a subsidiary, net of cash and cash equivalents acquired	-	(147,266)
Dividend received from jointly controlled entities, associate and other investments	1,600	2,647
Increase in pledged deposits with licensed bank	(4)	(3)
Proceeds from disposal of property, plant and equipment	285	145
Purchase of intangible assets	(5)	(26)
Purchase of investment properties	(84)	(21)
Purchase of property, plant and equipment	(5,409)	(8,596)
Purchase of short-term investments	(21,019)	(15,293)
Redemption of short-term investments	28,000	7,000
NET CASH FROM/(FOR) INVESTING ACTIVITIES	3,364	(161,413)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(4,862)	(3,450)
Drawdown of term loans	-	30,000
Interest paid on long-term borrowings	(1,519)	(729)
Net of (repayment)/drawdown of bankers' acceptance	(12,820)	13,802
Net of drawdown/(repayment) of invoice financing	2,804	26,175
Net of drawdown/(repayment) of revolving credit	43,620	48,050
Proceeds from issuance of ordinary shares	-	61
Repayment of hire purchase liabilities	(1,628)	(1,542)
Repayment of lease liabilities	(2,579)	(2,492)
Repayment of term loans	(4,500)	(3,757)
NET CASH FROM FINANCING ACTIVITIES	18,516	106,118

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR TO DATE ENDED 31 DECEMBER 2022 (CONT'D)

	Current year to date 31.12.2022 RM'000	Preceding year corresponding year to date 31.12.2021 RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(15,759)	(114,684)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	182	(1)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	19,136	138,801
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>3,559</u>	<u>24,116</u>
 CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	14,461	26,265
Bank overdrafts	(10,902)	(2,149)
	<u>3,559</u>	<u>24,116</u>

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 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2022

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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 31.12.2022 RM'000
Revenue								
External revenue	67,449	116,831	36,851	27,221	37,888	81,943	229,229	597,412
Inter-segment revenue	159	14,427	8	934	34,567	255	-	50,350
	67,608	131,258	36,859	28,155	72,455	82,198	229,229	647,762
Adjustments and eliminations								(50,350)
Consolidated revenue								597,412
Results								
Segment results	14,155	6,299	2,778	2,775	3,200	3,041	3,100	35,348
Adjustments and eliminations	-	-	-	-	393	1,177	-	1,570
	14,155	6,299	2,778	2,775	3,593	4,218	3,100	36,918
Share of results in jointly controlled entities								(51)
Share of results in an associate								691
Unallocated income								640
Unallocated expenses								(28,221)
Consolidated profit before taxation								9,977

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 31.12.2022 RM'000
Assets								
Segment assets	37,667	58,734	19,517	16,572	18,223	56,724	330,891	538,328
Investment in an associate								7,691
Investment in jointly controlled entities								1,487
Goodwill								53,138
Unallocated assets								67,194
Deferred tax assets								3,858
Consolidated total assets								<u>671,696</u>

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

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 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								579,067

(b) Geographical segments

	Year to date	
	31.12.2022 RM'000	31.12.2021 RM'000
Total revenue from external customers		
- Malaysia	584,969	422,846
- Singapore	12,443	7,234
	597,412	430,080

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 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 31 December 2022, the Group did not have any revalued assets.

A9 Subsequent events

There were no material subsequent events as at 15 February 2023.

A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the period ended 31 December 2022.

A11 Contingent liabilities

As at 15 February 2023, 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 2022 were as follows:

	RM'000
Purchase of property, plant and equipment	513
Purchase of investment properties	304
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	817
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A13 Significant related party transactions

	Quarterly ended		Year to date	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	575	541	1,631	1,646
Transactions with other related parties	12,389	11,337	40,925	22,812
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PANSAR BERHAD [Registration No. 197401002551 (18904-M)]

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2022

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 RM597.4 million for the period ended 31 December 2022, an increase of 38.9% or RM167.3 million compared to RM430.1 million reported in the previous corresponding period. The revenue growth was driven by higher revenue from all business segments except Marine & Industrial segment.

The Group posted a net profit of RM6.3 million compared with RM2.5 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

Marine & Industrial segment posted operating profit of RM3.8 million in 3QFY23, a decrease of 21.0% from RM4.8 million a year ago, underpinned by lower revenue which fell 8.3% to RM18.6 million from RM20.3 million in the previous corresponding quarter.

Financial year-to-date

Despite a lower year-on-year revenue which eased 4.6% to RM67.4 million, the segment's operating profit for YTD 3QFY23 rose 4.4% to RM14.2 million from RM13.6 million the same period last year. Better product mix and the strengthening of the Ringgit against the Japanese Yen had contributed to the improved results.

Building & Construction Materials Segment

Quarterly results

For 3QFY23, the segment's revenue increased 40.9% to RM39.6 million from RM28.1 million a year ago. Operating profit for the quarter however slipped 1.7% y-o-y to RM2.0 million mainly due to unfavourable product mix and higher allowance for impairment losses on trade receivables.

Financial year-to-date

Despite revenue increasing 73.1% to RM116.8 million for YTD 3QFY23 from RM67.5 million a year ago, Building & Construction Materials segment's operating profit was only up 3.2% to RM6.3 million from RM6.1 million. This was mainly due to higher allowance for impairment losses on trade receivables and lower contribution achieved from the products' sales mix.

Agro Engineering Segment

Quarterly results

For 3QFY23, Agro Engineering segment's revenue increased 46.2% to RM12.1 million from RM8.3 million a year ago. Operating profit for the quarter however fell 25.8% year-on-year to RM0.7 million mainly due to unfavourable product mix.

Financial year-to-date

Agro Engineering segment recorded revenue and operating profit for YTD 3QFY23 of RM36.9 million and RM2.8 million respectively. This represents a 57.9% and 35.2% 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 revenue on year-on-year basis maintained flat at RM8.4 million for 3QFY23. Operating profit however grew three-fold to RM1.5 million from RM0.5 million a year ago, supported by improved margins and higher write back of impairment losses on trade receivables.

Financial year-to-date

For the current financial period, the segment recorded a 29.5% increase in revenue to RM27.2 million on higher sales largely from air conditioners and M & E ancillary products.

Operating profit for the period was up 147.3% to RM2.8 million from RM1.1 million a year earlier, on the back of revenue growth and higher reversal of doubtful debts.

Heavy Equipment Segment

Quarterly results

Heavy Equipment segment's operating profit increased 80.7% to RM1.8 million in 3QFY23, against RM1.0 million in last year's corresponding quarter. Similarly, quarterly revenue also increased 55.1% to RM11.3 million from RM7.3 million previously.

Financial year-to-date

For YTD 3QFY23, the segment's operating profit increased 111.0% to RM3.6 million from 1.7 million in the previous corresponding period, with revenue improving 110.9% to RM37.9 million from RM18.0 million.

Mechanical & Electrical Segment

Quarterly results

In tandem with the surge in revenue, Mechanical & Electrical segment posted a turnaround operating profit of RM2.1 million in 3QFY23 from an operating loss of RM0.1 million in 3QFY22.

Revenue was up 77.4% y-o-y to RM37.8 million from RM21.3 million, on account of higher work performed from the on-going projects.

Financial year-to-date

For cumulative nine-month period, Mechanical & Electrical segment's operating profit was up 26.2% to RM4.2 million from RM3.3 million a year ago as revenue rose 48.8% to RM81.9 million from RM55.1 million.

Construction & Infrastructure Segment

Quarterly results

For 3QFY23, Construction & infrastructure segment's revenue rose 15.7% to RM86.6 million, while operating profit was down 9.7% to RM1.2 million from RM1.3 million a year ago on the back of higher operating expenses.

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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

The segment reported a more than three-fold rise in operating profit to RM3.1 million for YTD 3QFY23 from RM0.8 million a year earlier, as revenue climbed 31.4% to RM229.2 million from RM174.5 million due to better site progress from the ongoing projects.

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 2022 fall by 9.5% to RM3.7 million from RM4.1 million, mainly due to lower contribution achieved from the Marine & Industrial, Building & Construction Materials and Heavy Equipment divisions. This was despite a 7.7% increase in the overall current quarter's revenue to RM214.5 million, from RM199.2 million in the immediate preceding quarter.

B3 Commentary on prospects

With markets re-opening, economic activities have picked up. We are focused on improving projects progression. Steady growth will depend on supply chain improvements, new projects and political stability.

B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was announced.

B5 Income tax expense

	Quarter ended		Year to date	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Income tax:-				
- Malaysian tax	1,111	876	3,734	2,449
- Foreign tax	5	1	7	5
	<u>1,116</u>	<u>877</u>	<u>3,741</u>	<u>2,454</u>
Under/(over) provision in the previous financial year:-				
- Malaysian tax	36	(100)	36	(100)
	<u>1,152</u>	<u>777</u>	<u>3,777</u>	<u>2,354</u>
Deferred tax:-				
- Origination and reversal of temporary differences	163	(181)	(262)	(323)
- Under provision in the previous financial year	8	39	195	185
	<u>171</u>	<u>(142)</u>	<u>(67)</u>	<u>(138)</u>
	<u>1,323</u>	<u>635</u>	<u>3,710</u>	<u>2,216</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 15 February 2023, there were no corporate proposals announced.

B7 Borrowings

The Group's borrowings as at 31 December 2022 were as follows:-

	Total RM'000
Long-term borrowings:-	
Hire purchase liabilities, secured	7,267
Lease liabilities	4,115
Term loans, secured	14,500
	<hr/> 25,882
Short-term borrowings:-	
Bank overdrafts, secured	8,109
Bank overdrafts, unsecured	2,793
Bankers' acceptance, secured	9,000
Bankers' acceptance, unsecured	17,267
Hire purchase liabilities, secured	2,460
Invoice financing, unsecured	32,266
Lease liabilities	3,463
Revolving credit, unsecured	130,050
Term loans, secured	6,000
	<hr/> 211,408
Total borrowings	<hr/> 237,290 <hr/>

B8 Derivative financial instruments

The outstanding foreign currency forward contracts as at 31 December 2022 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	8,254	121	(16)
<u>Derivative designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	24,753	329	(489)
	<hr/> 33,007	<hr/> 450	<hr/> (505) <hr/>

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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 gain RM'000	Year to date gain RM'000
Foreign currency forward contracts	371	203

B10 Changes in material litigation

As at 15 February 2023, 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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER AND YEAR TO DATE ENDED 31 DECEMBER 2022

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)

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-24C(ARB)-34-08/2022 ("OS 34") to register and enforce the Arbitration Award. On 27 July 2022, BPSB filed Originating Summons No. WA-24C(ARB)-30-07/2022 ("OS 30") to set aside the Arbitration Award. PESSB applied to dismiss OS 30 & allow OS 34. Hearing for both OS 34 and OS 30 was fixed on 28 November 2022, but was further extended to 19 January 2023 in view of the unforeseen public holiday on 28 November 2022.

On 17 January 2023, PESSB and BPSB had mutually agreed to enter into a settlement agreement to resolve the dispute amicably. A consent judgement has been scheduled to be recorded on 23 February 2023.

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 2022.

B12 Earnings per share

(a) Basic earnings per share

	Quarter ended		Year to date	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	2,372	1,949	6,212	2,750
Weight average number of ordinary shares in issue ('000)	460,057	460,057	460,057	460,054
Basic earnings per share based on weighted average number of shares in issue (sen)	0.52	0.42	1.35	0.60

(b) Diluted earnings per share

	Quarter ended		Year to date	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	2,372	1,949	6,212	2,750
Weight average number of ordinary shares in issue ('000)	918,303	918,303	918,303	918,303
Basic earnings per share based on weighted average number of shares issue (sen)	0.26	0.21	0.68	0.30

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.

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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	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Allowance for slow-moving inventories	54	15	186	103
Allowance for slow-moving inventories no longer required	(203)	(23)	(421)	(85)
Bad debts written off	-	2	39	3
Contract assets written off	549	-	549	-
Collective impairment losses on receivables	36	-	2,197	-
Collective impairment losses on receivables no longer required	(256)	-	(1,376)	-
Depreciation and amortisation	4,238	4,687	11,871	11,331
Dividend income	-	(147)	-	(147)
Fair value loss on other investments	147	-	2,456	2,346
Fair value gain on short-term investments	(103)	(38)	(296)	(105)
Impairment losses on intangible assets	714	-	808	-
Impairment losses on contract assets	490	-	490	-
Impairment losses on contract assets no longer required	-	-	(42)	-
Individual impairment losses on receivables	32	1,218	834	1,881
Individual impairment losses on receivables no longer required	(410)	(1,308)	(2,238)	(4,994)
Interest expense	2,367	1,762	6,034	4,342
Interest income	(96)	(241)	(300)	(585)
Gain on derecognition of leases	(19)	-	(20)	-
(Gain)/loss on forward foreign currency contracts	(42)	105	349	127
Gain on disposal of property, plant and equipment	(135)	(123)	(164)	(147)
Realised loss/(gain) on foreign exchange	44	(217)	318	(394)
Realised (gain)/loss on derivatives	-	(1)	(129)	16
Unrealised gain on foreign exchange	(463)	(10)	(46)	(47)
Unrealised (gain)/loss on derivatives	(49)	14	(105)	(15)