

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

INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2023

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PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2023

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.03.2023 RM'000	Preceding year corresponding quarter 31.03.2022 RM'000	Current year to date 31.03.2023 RM'000	Preceding year corresponding year to date 31.03.2022 RM'000
Revenue	227,062	171,471	824,473	601,551
Cost of sales	(200,142)	(154,346)	(735,912)	(537,297)
Gross profit	26,920	17,125	88,561	64,254
Other income	1,191	2,956	5,736	6,096
Selling and distribution expenses	(2,595)	(2,609)	(10,277)	(9,630)
Administrative expenses	(14,730)	(15,361)	(56,417)	(53,179)
Other operating expenses	(3,342)	(2,077)	(4,923)	(2,184)
Finance costs	(2,879)	(1,796)	(8,913)	(6,138)
Net impairment gains on financial assets and contract assets	(1,366)	390	(1,231)	3,504
Share of results in jointly controlled entities	(14)	(28)	(65)	192
Share of results in an associate	541	185	1,232	596
Profit/(loss) before taxation	3,726	(1,215)	13,703	3,511
Income tax expense	(1,048)	(607)	(4,758)	(2,822)
Profit/(loss) after taxation	2,678	(1,822)	8,945	689
Other comprehensive income				
<u>Items that will be reclassified subsequently to profit or loss</u>				
Cash flow hedge	378	(338)	442	(323)
Foreign currency translation	234	111	1,218	205
Total other comprehensive income	612	(227)	1,660	(118)
Total comprehensive income/(expenses) for the period	3,290	(2,049)	10,605	571

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2023 (CONT'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.03.2023 RM'000	Preceding year corresponding quarter 31.03.2022 RM'000	Current year to date 31.03.2023 RM'000	Preceding year corresponding year to date 31.03.2022 RM'000
Profit/(loss) after taxation attributable to:-				
- Owners of the Company	2,516	(1,831)	8,728	920
- Non-controlling interests	162	9	217	(231)
	<u>2,678</u>	<u>(1,822)</u>	<u>8,945</u>	<u>689</u>
Total comprehensive income/(expenses) attributable to:-				
- Owners of the Company	3,128	(2,058)	10,388	802
- Non-controlling interests	162	9	217	(231)
	<u>3,290</u>	<u>(2,049)</u>	<u>10,605</u>	<u>571</u>
Weighted average number of shares in issue ('000)	461,601	460,057	460,437	460,055
Earnings/(loss) per ordinary share (sen):-				
-Basic	0.55	(0.40)	1.90	0.20
-Diluted	0.27	(0.20)	0.95	0.10

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 MARCH 2023

	31.03.2023	31.03.2022
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Investment in an associate	6,732	8,500
Investment in jointly controlled entities	1,473	1,638
Property, plant and equipment	47,142	39,692
Investment properties	8,992	8,849
Intangible assets	24,874	32,567
Other investments	9,970	13,672
Deferred tax assets	4,791	4,842
Goodwill	53,138	53,138
Trade receivables	9,377	11,774
	<hr/>	<hr/>
	166,489	174,672
	<hr/>	<hr/>
Current assets		
Inventories	61,072	52,461
Trade and other receivables	265,115	226,542
Contract assets	187,429	99,582
Short term investments	9,363	19,913
Derivative assets	80	77
Current tax assets	2,784	5,707
Deposits, cash and bank balances	14,125	21,567
	<hr/>	<hr/>
	539,968	425,849
	<hr/>	<hr/>
TOTAL ASSETS	706,457	600,521
	<hr/>	<hr/>

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 31 MARCH 2023 (CONT'D)

	31.03.2023	31.03.2022
	RM'000	RM'000
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES		
Equity		
Share capital	154,991	153,182
Treasury shares	(2,313)	(2,313)
Redeemable convertible preference shares	121,543	121,543
Reserves	34,534	29,008
	<hr/>	<hr/>
Equity attributable to owners of the Company	308,755	301,420
Non-controlling interests	674	457
	<hr/>	<hr/>
Total equity	309,429	301,877
	<hr/>	<hr/>
Non-current liabilities		
Borrowings	23,019	27,846
Deferred tax liabilities	7,033	9,205
	<hr/>	<hr/>
	30,052	37,051
	<hr/>	<hr/>
Current liabilities		
Trade and other payables	127,777	85,278
Contract liabilities	3,491	4,158
Derivative liabilities	66	708
Borrowings:-		
- bank overdrafts	17,122	2,161
- other borrowings	212,720	165,801
Provision for employee benefits	4,405	3,478
Current tax liabilities	1,395	9
	<hr/>	<hr/>
	366,976	261,593
	<hr/>	<hr/>
Total liabilities	397,028	298,644
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	706,457	600,521
	<hr/>	<hr/>
Net assets per ordinary share attributable to owners of the Company (RM)	0.67	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 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 MARCH 2023

12-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 01.04.2022	153,182	(2,313)	121,543	(116,732)	4,864	(421)	141,297	301,420	457	301,877
Profit after taxation for the period	-	-	-	-	-	-	8,728	8,728	217	8,945
Other comprehensive income for the period, net of tax:-										
- Foreign currency translation	-	-	-	-	1,218	-	-	1,218	-	1,218
- Cash flow hedge	-	-	-	-	-	442	-	442	-	442
Total comprehensive income for the period	-	-	-	-	1,218	442	8,728	10,388	217	10,605
Contributions by and distributions to owners of the Company:-										
- Exercise of warrants	1,809	-	-	-	-	-	-	1,809	-	1,809
- Dividends	-	-	-	-	-	-	(4,862)	(4,862)	-	(4,862)
Total transactions with owners	1,809	-	-	-	-	-	(4,862)	(3,053)	-	(3,053)
Balance at 31.03.2023	154,991	(2,313)	121,543	(116,732)	6,082	21	145,163	308,755	674	309,429

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR TO DATE ENDED 31 MARCH 2023 (CONT'D)

12-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	-	-	-	-	-	-	920	920	(231)	689
Other comprehensive income for the period, net of tax:-										
- Foreign currency translation	-	-	-	-	205	-	-	205	-	205
- Cash flow hedge	-	-	-	-	-	(323)	-	(323)	-	(323)
Total comprehensive income for the period	-	-	-	-	205	(323)	920	802	(231)	571
Contributions by and distributions to owners of the Company:-										
- Exercise of warrants	61	-	-	-	-	-	-	61	-	61
- Dividends	-	-	-	-	-	-	(3,450)	(3,450)	-	(3,450)
Total transactions with owners	61	-	-	-	-	-	(3,450)	(3,389)	-	(3,389)
Balance at 31.03.2022	153,182	(2,313)	121,543	(116,732)	4,864	(421)	141,297	301,420	457	301,877

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 MARCH 2023

	Current year to date 31.03.2023 RM'000	Preceding year corresponding year to date 31.03.2022 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	13,703	3,511
Adjustments for:-		
Allowance for impairment losses on receivables	4,808	3,095
Allowance for impairment losses on receivables no longer required	(4,589)	(7,320)
Allowance for impairment losses on contract assets	1,087	956
Allowance for impairment losses on contract assets no longer required	(75)	(235)
Allowance for impairment losses on investment in an associate	1,500	-
Allowance for slow-moving inventories	311	87
Allowance for slow-moving inventories no longer required	(563)	(1,866)
Amortisation of intangible assets	5,188	3,526
Bad debts written off	39	408
Contract assets written off	549	-
Depreciation of property, plant and equipment	11,496	9,836
Depreciation of investment properties	169	157
Dividend income	-	(147)
Fair value (gain)/loss on derivatives	(26)	129
Fair value loss on other investments	3,702	6,268
Fair value gain on short-term investments	(424)	(219)
Gain on disposal of investment properties	(41)	(37)
Gain on disposal of property, plant and equipment	(170)	(165)
Gain on derecognition of leases	(21)	(21)
Goodwill written off	-	4
Impairment losses on intangible assets	2,524	1,684
Interest expense	8,913	6,138
Interest income	(590)	(935)
Provision for employee benefits	3,032	3,281
Share of results in jointly controlled entities	65	(192)
Share of results in an associate	(1,232)	(596)
Unrealised gain on foreign exchange	(39)	(130)
Operating profit before working capital changes	49,316	27,217
Increase in inventories	(8,225)	(4,118)
Net increase in contract assets	(90,074)	(67,513)
Increase in trade and other receivables	(35,832)	(44,726)
Increase in trade and other payables	42,664	1,510
Employee benefits paid	(2,113)	(1,372)
CASH FOR OPERATING ACTIVITIES/ BALANCE CARRIED FORWARD	(44,264)	(89,002)

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR TO DATE ENDED 31 MARCH 2023 (CONT'D)

	Current year to date 31.03.2023 RM'000	Preceding year corresponding year to date 31.03.2022 RM'000
CASH FOR OPERATING ACTIVITIES/ BALANCE CARRIED FORWARD	(44,264)	(89,002)
Interest paid	(6,874)	(3,994)
Interest received	554	569
Income tax paid	(5,380)	(4,622)
Income tax refunded	2,711	56
NET CASH FOR OPERATING ACTIVITIES	(53,253)	(96,993)
 CASH FLOWS 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	(6)	(4)
Proceeds from disposal of investment properties	180	160
Proceeds from disposal of property, plant and equipment	323	240
Purchase of intangible assets	(5)	(26)
Purchase of investment properties	(451)	(912)
Purchase of property, plant and equipment	(11,006)	(9,099)
NET CASH FOR INVESTING ACTIVITIES	(9,365)	(154,260)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(4,862)	(3,450)
Drawdown of term loans	-	30,000
Interest paid on long-term borrowings	(2,039)	(2,013)
Net of (repayment)/drawdown of bankers' acceptance	(6,436)	30,178
Net of drawdown/(repayment) of invoice financing	6,602	31,629
Net of drawdown/(repayment) of revolving credit	45,600	54,550
Proceeds from exercise of warrants	1,809	61
Repayment of hire purchase liabilities	(2,281)	(1,956)
Repayment of lease liabilities	(3,462)	(3,359)
Repayment of term loans	(6,000)	(5,257)
NET CASH FROM FINANCING ACTIVITIES	28,931	130,383

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR TO DATE ENDED 31 MARCH 2023 (CONT'D)

	Current year to date 31.03.2023 RM'000	Preceding year corresponding year to date 31.03.2022 RM'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(33,687)	(120,870)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	729	229
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	39,050	159,691
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>6,092</u>	<u>39,050</u>
 CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	13,851	21,298
Bank overdrafts	(17,122)	(2,161)
Short-term investments	9,363	19,913
	<u>6,092</u>	<u>39,050</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 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2023

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 except as disclosed below:-

A total of 3,173,600 units of Warrant 2018/2023 were converted into ordinary shares at an exercise price of RM0.57 per unit. As at 31 March 2023, the total number of Warrants unexercised stood at 225,746,550. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares.

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 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2023

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 31.03.2023 RM'000
Revenue								
External revenue	96,587	158,435	46,177	35,360	44,064	125,428	318,422	824,473
Inter-segment revenue	394	17,344	8	1,850	38,021	1,370	38	59,025
	96,981	175,779	46,185	37,210	82,085	126,798	318,460	883,498
Adjustments and eliminations								(59,025)
Consolidated revenue								824,473
Results								
Segment results	20,820	7,064	3,188	3,238	3,643	7,498	6,075	51,526
Adjustments and eliminations	-	-	-	-	522	1,637	-	2,159
	20,820	7,064	3,188	3,238	4,165	9,135	6,075	53,685
Share of results in jointly controlled entities								(65)
Share of results in an associate								1,232
Unallocated income								921
Unallocated expenses								(42,070)
Consolidated profit before taxation								13,703

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2023

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 31.03.2023 RM'000
Assets								
Segment assets	49,613	69,539	17,575	15,390	14,875	70,196	335,143	572,331
Investment in an associate								6,732
Investment in jointly controlled entities								1,473
Goodwill								53,138
Unallocated assets								67,992
Deferred tax assets								4,791
Consolidated total assets								<u>706,457</u>

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2023

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 31.03.2022 RM'000
Revenue								
External revenue	96,525	90,844	34,244	27,623	27,929	94,715	229,671	601,551
Inter-segment revenue	287	8,997	-	1,615	24,539	1,350	-	36,788
	96,812	99,841	34,244	29,238	52,468	96,065	229,671	638,339
Adjustments and eliminations								(36,788)
Consolidated revenue								601,551
Results								
Segment results	17,057	6,885	2,574	1,704	1,651	6,359	1,394	37,624
Adjustments and eliminations	-	-	-	-	529	1,616	-	2,145
	17,057	6,885	2,574	1,704	2,180	7,975	1,394	39,769
Share of results in jointly controlled entities								192
Share of results in an associate								596
Unallocated income								1,198
Unallocated expenses								(38,244)
Consolidated profit before taxation								3,511

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2023

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 31.03.2022 RM'000
Assets								
Segment assets	36,010	40,335	18,819	12,026	9,374	55,256	279,379	451,199
Investment in an associate								8,500
Investment in jointly controlled entities								1,638
Goodwill								53,138
Unallocated assets								81,204
Deferred tax assets								4,842
Consolidated total assets								600,521

(b) Geographical segments

	Year to date	
	31.03.2023 RM'000	31.03.2022 RM'000
Total revenue from external customers		
- Malaysia	808,607	589,854
- Singapore	15,866	11,697
	824,473	601,551

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2023

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

A8 Property, plant and equipment

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

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

(b) Impairment losses

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

(c) Valuation

As at 31 March 2023, the Group did not have any revalued assets.

A9 Subsequent events

There were no material subsequent events as at 19 May 2023.

A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the period ended 31 March 2023.

A11 Contingent liabilities

As at 19 May 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 March 2023 were as follows:

	RM'000
Purchase of investment properties	304

A13 Significant related party transactions

	Quarterly ended		Year to date	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	527	529	2,158	2,175
Transactions with other related parties	12,396	18,826	53,321	41,638

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2023

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 RM824.5 million for the year ended 31 March 2023, an increase of 37.1% or RM222.9 million compared to RM601.6 million reported in the previous corresponding period. The revenue growth was driven by higher revenue from all business segments.

The Group posted a net profit of RM8.9 million compared with RM0.7 million a year earlier. Included in the net profit of current financial period was a recognition of fair value loss on quoted investment of RM3.7 million.

Marine & Industrial Segment

Quarterly results

Marine & Industrial segment posted operating profit of RM6.7 million in 4QFY23, an increase of 90.8% from RM3.5 million a year ago, underpinned by improved product margins and higher revenue which increased 12.8% to RM29.1 million from RM25.8 million in the previous corresponding quarter.

Financial year-to-date

For YTD 4QFY23, the segment's revenue remained flat but operating profit rose 22.1% to RM20.8 million from RM17.1 million the same period last year, driven by better product mix and improved product margins due to the strengthening of the Ringgit against the Japanese Yen.

Building & Construction Materials Segment

Quarterly results

For 4QFY23, the segment's revenue increased 78.2% to RM41.6 million from RM23.3 million a year ago. Operating profit for the quarter however declined 2.7% year-on-year to RM0.8 million, mainly due to an unfavourable sales mix and higher impairment losses on financial assets.

Financial year-to-date

Despite revenue increasing 74.4% to RM158.4 million for YTD 4QFY23 from RM90.8 million a year ago, Building & Construction Materials segment's operating profit was only up 2.6% to RM7.1 million from RM6.9 million. This was mainly due to higher allowances for credit losses on financial assets and lower contribution achieved from the products' sales mix.

Agro Engineering Segment

Quarterly results

For 4QFY23, Agro Engineering segment's revenue decreased 14.5% to RM9.3 million from RM10.9 million a year ago. Similarly, operating profit for the quarter fell 20.9% year-on-year to RM0.4 million primarily due to unfavourable product mix.

Financial year-to-date

Agro Engineering segment recorded revenue and operating profit for YTD 4QFY23 of RM46.2 million and RM3.2 million respectively. This represents a 34.9% and 23.9% increase in revenue and operating profit respectively as compared to the same period last year.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2023

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 achieved revenue and operating profit for the current quarter of RM8.1 million and RM0.5 million respectively. This represents a 23.3% increase in revenue and a 20.5% decrease in operating profit over the previous corresponding quarter. The lower operating profit in the current quarter was largely attributed to higher impairment losses on trade receivables.

Financial year-to-date

For YTD 4QFY23, the segment recorded a 28.0% increase in revenue to RM35.4 million on higher sales largely from air conditioners and M & E ancillary products.

Operating profit for the period was up 90.0% to RM3.2 million from RM1.7 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 revenue decreased 38.0% to RM6.2 million in 4QFY23 from RM10.0 million previously. However, quarterly operating profit increased 19.9% to RM0.6 million, against RM0.5 million in last year's corresponding quarter.

Financial year-to-date

For YTD 4QFY23, the segment's operating profit increased 91.1% to RM4.2 million from 2.2 million in the previous corresponding period, with revenue improving 57.8% to RM44.1 million from RM27.9 million.

Mechanical & Electrical Segment

Quarterly results

Mechanical & Electrical segment's operating profit for the current quarter was up 6.2% to RM4.9 million from RM4.6 million a year ago as revenue rose 9.7% to RM43.5 million from RM39.7 million.

Financial year-to-date

In tandem with the surge in revenue, Mechanical & Electrical segment posted an operating profit of RM9.1 million in YTD 4QFY23 from RM8.0 million in YTD 4QFY22.

Revenue was up 32.4% year-on-year to RM125.4 million from RM94.7 million, on account of higher work performed from the on-going projects.

Construction & Infrastructure Segment

Quarterly results

For 4QFY23, Construction & infrastructure segment's revenue rose 61.7% to RM89.2 million, while operating profit hit nearly RM3.0 million, more than five times the RM0.5 million posted a year ago.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2023

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 four-fold rise in operating profit to RM6.1 million for YTD 4QFY23 from RM1.4 million a year earlier, as revenue climbed 38.6% to RM318.4 million from RM230.0 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 fourth quarter ended 31 March 2023 increased by 1.6% to RM3.7 million, mainly due to higher contribution achieved from the Marine & Industrial, Mechanical & Electrical as well as Construction & Infrastructure divisions. This was however partially offset by an increase in overall operating expenses.

B3 Commentary on prospects

Overall, economic activities have picked up significantly. We are focused on improving our major projects progression. Steady growth will depend on continued global economic improvements, and political stability. High inflation and the weakening Ringgit are our key concerns.

B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was announced.

B5 Income tax expense

	Quarter ended		Year to date	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Income tax:-				
- Malaysian tax	3,195	510	6,930	2,960
- Foreign tax	4	5	11	9
	<hr/>	<hr/>	<hr/>	<hr/>
	3,199	515	6,941	2,969
Under/(over) provision in the previous financial year:-				
- Malaysian tax	-	-	36	(100)
	<hr/>	<hr/>	<hr/>	<hr/>
	3,199	515	6,977	2,869
Deferred tax:-				
- Origination and reversal of temporary differences	(2,155)	85	(2,418)	(239)
- Under provision in the previous financial year	4	7	199	192
	<hr/>	<hr/>	<hr/>	<hr/>
	(2,151)	92	(2,219)	(47)
	<hr/>	<hr/>	<hr/>	<hr/>
	1,048	607	4,758	2,822
	<hr/>	<hr/>	<hr/>	<hr/>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2023

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

B6 Corporate proposals

As at 19 May 2023, there were no corporate proposals announced.

B7 Borrowings

The Group's borrowings as at 31 March 2023 were as follows:-

	Total RM'000
Long-term borrowings:-	
Hire purchase liabilities, secured	6,646
Lease liabilities	3,373
Term loans, secured	13,000
	<hr/> 23,019
Short-term borrowings:-	
Bank overdrafts, secured	15,174
Bank overdrafts, unsecured	1,948
Bankers' acceptance, secured	19,400
Bankers' acceptance, unsecured	13,251
Hire purchase liabilities, secured	2,427
Invoice financing, unsecured	41,444
Lease liabilities	3,548
Revolving credit, unsecured	126,650
Term loans, secured	6,000
	<hr/> 229,842
Total borrowings	<hr/> 252,861 <hr/>

B8 Derivative financial instruments

The outstanding foreign currency forward contracts as at 31 March 2023 were as follows:-

	Contract / notional amount RM'000	Assets RM'000	Liabilities RM'000
<u>Derivative not designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	2,686	26	-
<u>Derivative designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	9,504	54	(66)
	<hr/> 12,190	<hr/> 80	<hr/> (66) <hr/>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2023

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	439	642

B10 Changes in material litigation

As at 19 May 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 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2023

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.

PESSB and BPSB had on 19 April 2023 executed a Settlement Agreement in which BPSB agreed to make fifteen (15) monthly instalment payments totalling RM3,200,000.00 as a full and final settlement.

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

B11 Dividend payable

No interim dividend has been declared for the financial period ended 31 March 2023.

B12 Earnings/(loss) per share

(a) Basic earnings/(loss) per share

	Quarter ended		Year to date	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the period attributable to the owners of the Company (RM'000)	2,516	(1,831)	8,728	920
Weight average number of ordinary shares in issue ('000)	461,601	460,057	460,437	460,055
Basic earnings/(loss) per share based on weighted average number of shares in issue (sen)	0.55	(0.40)	1.90	0.20

(b) Diluted earnings/(loss) per share

	Quarter ended		Year to date	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) for the period attributable to the owners of the Company (RM'000)	2,516	(1,831)	8,728	920
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 shares issue (sen)	0.27	(0.20)	0.95	0.10

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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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2023

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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment losses on investment in an associate	1,500	-	1,500	-
Allowance for slow-moving inventories	125	(16)	311	87
Allowance for slow-moving inventories no longer required	(142)	(1,781)	(563)	(1,866)
Bad debts written off	-	405	39	408
Contract assets written off	-	-	549	-
Collective impairment losses on receivables	1,412	2,384	3,609	2,384
Collective impairment losses on receivables no longer required	25	(278)	(1,351)	(278)
Depreciation and amortisation	4,982	2,188	16,853	13,519
Dividend income	-	-	-	(147)
Fair value loss on other investments	1,246	3,922	3,702	6,268
Fair value gain on short-term investments	(128)	(114)	(424)	(219)
Goodwill written off	-	4	-	4
Impairment losses on intangible assets	1,716	1,684	2,524	1,684
Impairment losses on contract assets	597	956	1,087	956
Impairment losses on contract assets no longer required	(33)	(235)	(75)	(235)
Individual impairment losses on receivables	365	(1,170)	1,199	711
Individual impairment losses on receivables no longer required	(1,000)	(2,048)	(3,238)	(7,042)
Interest expense	2,879	1,796	8,913	6,138
Interest income	(290)	(350)	(590)	(935)
Loss on forward foreign currency contracts	39	247	388	374
Gain on derecognition of leases	(1)	(1)	(21)	(21)
Gain on disposal of investment properties	(41)	(37)	(41)	(37)
Gain on disposal of property, plant and equipment	(6)	(38)	(170)	(165)
Realised (gain)/loss on foreign exchange	(108)	(154)	210	(548)
Realised (gain)/loss on derivatives	-	-	(129)	16
Unrealised loss/(gain) on foreign exchange	7	(83)	(39)	(130)
Unrealised loss/(gain) on derivatives	79	144	(26)	129