

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

INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2024

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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 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.03.2024 RM'000	Preceding year corresponding quarter 31.03.2023 RM'000	Current year to date 31.03.2024 RM'000	Preceding year corresponding year to date 31.03.2023 RM'000
Revenue	227,838	227,530	1,035,964	824,942
Cost of sales	(201,370)	(200,208)	(926,299)	(735,978)
Gross profit	26,468	27,322	109,665	88,964
Other income	397	824	4,821	5,370
Selling and distribution expenses	(2,990)	(2,595)	(11,774)	(10,277)
Administrative expenses	(13,683)	(14,768)	(59,106)	(56,455)
Other operating expenses	(6,556)	(3,345)	(8,360)	(4,927)
Finance costs	(3,225)	(2,877)	(12,043)	(8,912)
Net impairment (losses)/gains on financial assets and contract assets	1,311	(1,366)	2,178	(1,231)
Share of results in jointly controlled entities	4	(14)	24	(65)
Share of results in an associate	(199)	541	2,987	1,232
Profit before taxation	1,527	3,722	28,392	13,699
Income tax expense	(454)	(1,047)	(6,650)	(4,757)
Profit after taxation	1,073	2,675	21,742	8,942
Other comprehensive income				
<u>Items that will be reclassified subsequently to profit or loss</u>				
Cash flow hedge	(439)	378	(202)	442
Foreign currency translation	143	234	1,028	1,218
Total other comprehensive income	(296)	612	826	1,660
Total comprehensive income for the period	777	3,287	22,568	10,602

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 2024 (CONT'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31.03.2024 RM'000	Preceding year corresponding quarter 31.03.2023 RM'000	Current year to date 31.03.2024 RM'000	Preceding year corresponding year to date 31.03.2023 RM'000
Profit after taxation attributable to:-				
- Owners of the Company	1,262	2,513	21,886	8,725
- Non-controlling interests	(189)	162	(144)	217
	1,073	2,675	21,742	8,942
Total comprehensive income attributable to:-				
- Owners of the Company	966	3,125	22,712	10,385
- Non-controlling interests	(189)	162	(144)	217
	777	3,287	22,568	10,602
Weighted average number of shares in issue ('000)	465,665	461,601	465,387	460,437
Earnings per ordinary share (sen):-				
-Basic	0.27	0.54	4.70	1.89
-Diluted	0.18	0.27	3.15	0.95

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 2023 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 2024

	31.03.2024	31.03.2023
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Investment in an associate	5,467	6,732
Investment in jointly controlled entities	1,330	1,473
Property, plant and equipment	40,254	47,142
Investment properties	9,123	8,992
Intangible assets	14,330	24,870
Other investments	9,823	9,970
Deferred tax assets	4,196	4,791
Goodwill	52,743	53,138
Trade receivables	6,977	13,099
	<hr/>	<hr/>
	144,243	170,207
	<hr/>	<hr/>
Current assets		
Inventories	69,364	61,072
Trade and other receivables	303,412	264,197
Contract assets	188,853	184,534
Short term investments	10,967	9,363
Derivative assets	34	80
Current tax assets	847	2,784
Deposits, cash and bank balances	25,592	14,157
	<hr/>	<hr/>
	599,069	536,187
	<hr/>	<hr/>
TOTAL ASSETS	743,312	706,394
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PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 31 MARCH 2024 (CONT'D)

	31.03.2024	31.03.2023
	RM'000	RM'000
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES		
Equity		
Share capital	156,379	154,991
Treasury shares	(2,313)	(2,313)
Redeemable convertible preference shares	121,543	121,543
Reserves	50,751	34,531
	<hr/>	<hr/>
Equity attributable to owners of the Company	326,360	308,752
Non-controlling interests	-	674
	<hr/>	<hr/>
Total equity	326,360	309,426
	<hr/>	<hr/>
Non-current liabilities		
Borrowings	14,460	23,018
Deferred tax liabilities	4,025	7,032
	<hr/>	<hr/>
	18,485	30,050
	<hr/>	<hr/>
Current liabilities		
Trade and other payables	140,779	127,692
Contract liabilities	4,604	3,491
Derivative liabilities	210	66
Borrowings:-		
- bank overdrafts	3,631	17,148
- other borrowings	241,766	212,721
Provision for employee benefits	5,641	4,405
Current tax liabilities	1,836	1,395
	<hr/>	<hr/>
	398,467	366,918
	<hr/>	<hr/>
Total liabilities	416,952	396,968
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	743,312	706,394
	<hr/>	<hr/>
Net assets per ordinary share attributable to owners of the Company (RM)	0.70	0.67
	<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 2023 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 2024

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 01.04.2023	154,991	(2,313)	121,543	(116,732)	6,082	21	145,160	308,752	674	309,426
Profit after taxation for the period	-	-	-	-	-	-	21,886	21,886	(144)	21,742
Other comprehensive income for the period, net of tax:-										
- Foreign currency translation	-	-	-	-	1,028	-	-	1,028	-	1,028
- Cash flow hedge	-	-	-	-	-	(202)	-	(202)	-	(202)
Total comprehensive income for the period	-	-	-	-	1,028	(202)	21,886	22,712	(144)	22,568
Contributions by and distributions to owners of the Company:-										
- Disposal of a subsidiary	-	-	-	-	-	-	-	-	(530)	(530)
- Exercise of warrants	1,388	-	-	-	-	-	-	1,388	-	1,388
- Dividends	-	-	-	-	-	-	(6,492)	(6,492)	-	(6,492)
Total transactions with owners	1,388	-	-	-	-	-	(6,492)	(5,104)	(530)	(5,634)
Balance at 31.03.2024	156,379	(2,313)	121,543	(116,732)	7,110	(181)	160,554	326,360	-	326,360

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR TO DATE ENDED 31 MARCH 2024 (CONT'D)

12-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				
31.03.2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	-	-	-	-	8,725	8,725	217	8,942	
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	8,725	10,385	217	10,602	
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	145,160	308,752	674	309,426	

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 2023 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 2024

	Current year to date 31.03.2024 RM'000	Preceding year Corresponding year to date 31.03.2023 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before taxation	28,392	13,699
Adjustments for:-		
Allowance for impairment losses on receivables	2,691	4,808
Allowance for impairment losses on contract assets	1,443	1,087
Allowance for impairment losses on receivables no longer required	(4,562)	(4,589)
Allowance for impairment losses on contract assets no longer required	(1,750)	(75)
Allowance for impairment losses on investment in an associate	1,851	1,500
Allowance for impairment losses on investment in jointly controlled entities	168	-
Allowance for slow-moving inventories	1,135	311
Allowance for slow-moving inventories no longer required	(225)	(563)
Amortisation of intangible assets	5,378	5,188
Bad debts recovered	(49)	-
Bad debts written off	5	39
Contract assets written back	(549)	-
Contract assets written off	-	549
Depreciation of property, plant and equipment	12,110	11,496
Depreciation of investment properties	172	169
Fair value gain on derivatives	(12)	(26)
Fair value loss on other investments	147	3,702
Gain on disposal of property, plant and equipment	(441)	(170)
Gain on derecognition of leases	(67)	(21)
Gain on disposal of investment properties	-	(41)
Gain on disposal of a subsidiary	(98)	-
Impairment losses on intangible assets	3,972	2,527
Intangible assets written off	1,228	-
Interest expense	12,042	8,911
Interest income	(479)	(591)
Provision for employee benefits	3,416	3,861
Share of results in jointly controlled entities	(24)	65
Share of results in an associate	(2,987)	(1,232)
Unrealised gain on foreign exchange	(70)	(39)
Operating profit before working capital changes	62,837	50,565

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR TO DATE ENDED 31 MARCH 2024 (CONT'D)

	Current year to date 31.03.2024 RM'000	Preceding year Corresponding year to date 31.03.2023 RM'000
BALANCE BROUGHT FORWARD	62,837	50,565
Increase in inventories	(9,065)	(8,225)
Net increase in contract assets	(6,146)	(87,180)
Increase in trade and other receivables	(31,696)	(37,628)
Increase in trade and other payables	15,092	41,571
Employee benefits paid	(2,149)	(2,941)
CASH FROM/(FOR) OPERATIONS	28,873	(43,838)
Interest paid	(10,493)	(6,969)
Interest received	456	556
Income tax paid	(7,205)	(5,380)
Income tax refunded	344	2,711
NET CASH FROM/(FOR) OPERATING ACTIVITIES	11,975	(52,920)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES		
Dividend received from jointly controlled entities and associate	2,400	1,600
Disposal of a subsidiary, net of cash and cash equivalents disposed of	1,478	-
Proceeds from disposal of property, plant and equipment	825	323
Proceeds from disposal of investment properties	-	180
Purchase of intangible assets	(27)	(5)
Purchase of investment properties	(304)	(451)
Purchase of property, plant and equipment	(3,667)	(11,006)
NET CASH FROM/(FOR) INVESTING ACTIVITIES	705	(9,359)

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR TO DATE ENDED 31 MARCH 2024 (CONT'D)

	Current year to date 31.03.2024 RM'000	Preceding year corresponding year to date 31.03.2023 RM'000
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Dividend paid	(6,493)	(4,862)
Increase in pledged deposits with licensed bank	(7)	(6)
Interest paid on long-term borrowings	(1,549)	(1,942)
Net of drawdown/(repayment) of bankers' acceptance	12,064	(6,436)
Net of drawdown of invoice financing	23,929	6,602
Net of (repayment)/drawdown of revolving credit	(3,650)	45,600
Proceeds from exercise of warrants	1,388	1,809
Repayment of hire purchase liabilities	(2,427)	(2,281)
Repayment of lease liabilities	(3,657)	(3,462)
Repayment of term loans	(6,000)	(6,000)
NET CASH FROM FINANCING ACTIVITIES	13,598	29,022
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	26,278	(33,257)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	270	305
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	6,098	39,050
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	32,646	6,098
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	25,310	13,883
Bank overdrafts	(3,631)	(17,148)
Short-term investments	10,967	9,363
	32,646	6,098

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023 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 2024

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 2023. 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 2023.

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 2023, except as follows:

On 1 April 2023, the Group adopted the following Amendments to MFRSs mandatory for annual financial periods beginning on or after 1 January 2023:-

- *MFRS 17 Insurance Contracts*
- Amendments to *MFRS 17: Insurance Contracts*
- Amendment to *MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to *MFRS 101: Disclosure of Accounting Policies*
- Amendments to *MFRS 108: Definition of Accounting Estimates*
- Amendments to *MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2024

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 31.03.2024 RM'000
Revenue								
External revenue	160,120	209,472	44,623	38,064	26,526	110,334	446,825	1,035,964
Inter-segment revenue	164	12,232	18	2,156	24,241	6,576	-	45,387
	160,284	221,704	44,641	40,220	50,767	116,910	446,825	1,081,351
Adjustments and eliminations								(45,387)
Consolidated revenue								1,035,964
Results								
Segment results	26,897	11,047	2,097	2,594	2,046	11,989	10,766	67,436
Adjustments and eliminations	-	-	-	-	744	1,626	-	2,370
	26,897	11,047	2,097	2,594	2,790	13,615	10,766	69,806
Share of results in jointly controlled entities								24
Share of results in an associate								2,987
Unallocated income								465
Unallocated expenses								(44,890)
Consolidated profit before taxation								28,392

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2024

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 31.03.2024 RM'000
Assets								
Segment assets	78,091	67,991	16,598	18,524	21,576	58,626	359,805	621,211
Investment in an associate								5,467
Investment in jointly controlled entities								1,330
Goodwill								52,743
Unallocated assets								58,365
Deferred tax assets								4,196
Consolidated total assets								<u>743,312</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 2024

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	318,891	824,942
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	318,929	883,967
Adjustments and eliminations								(59,025)
Consolidated revenue								824,942
Results								
Segment results	20,820	7,064	3,188	3,238	3,643	7,431	6,075	51,459
Adjustments and eliminations	-	-	-	-	554	1,605	-	2,159
	20,820	7,064	3,188	3,238	4,197	9,036	6,075	53,618
Share of results in jointly controlled entities								(65)
Share of results in an associate								1,232
Unallocated income								987
Unallocated expenses								(42,073)
Consolidated profit before taxation								13,699

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2024

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	52,282	69,539	17,575	15,389	16,549	74,217	337,776	583,327
Investment in an associate								6,732
Investment in jointly controlled entities								1,473
Goodwill								53,138
Unallocated assets								56,933
Deferred tax assets								4,791
Consolidated total assets								706,394

(b) Geographical segments

	Year to date	
	31.03.2024 RM'000	31.03.2023 RM'000
Total revenue from external customers		
- Malaysia	1,021,330	809,076
- Singapore	14,634	15,866
	1,035,964	824,942

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2024

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 2024, the Group did not have any revalued assets.

A9 Subsequent events

There were no material subsequent events as at 17 May 2024.

A10 Changes in the composition of the Group

On 28 March 2024, the Company disposed of its entire 1,050,000 ordinary shares, representing 51.22% shareholdings in Terminal Aman Sdn Bhd (“TASB”) to non-related parties for a total cash consideration of RM1,050,000. Consequent to the disposal, TASB has ceased to be a subsidiary of the Group.

A11 Contingent liabilities

As at 17 May 2024, there were no material contingent liabilities or contingent assets which, upon being enforceable, might have a material impact on the financial position or business of the Group.

A12 Capital commitment

There was no material capital commitment as at the end of the financial year.

A13 Significant related party transactions

	Quarterly ended		Year to date	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	544	527	2,178	2,158
Transactions with other related parties	11,396	12,396	45,955	53,321

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2024

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

B1 Review of performance

The Group registered higher revenue of RM1.0 billion for the year ended 31 March 2024, an increase of 25.6% or RM211.0 million compared to RM824.9 million reported in the previous financial year. The Construction & Infrastructure, Marine & Industrial and Building & Construction Materials segments remained pivotal contributors to the majority of this revenue growth.

For the year ended 31 March 2024, the Group posted a net profit of RM21.7 million compared with RM8.9 million a year earlier.

Marine & Industrial Segment

Quarterly results

Compared to the corresponding quarter of previous year, Marine and Industrial segment posted a 26.4% increase in revenue to RM36.8 million in 4QFY24 on higher sales from marine engines.

Despite registering a higher revenue, the segment's operating profit only increased by 3.0% to RM6.9 million from RM6.7 million a year ago, weighed down by lower margins.

Financial year-to-date

Revenue on a year-on-year basis increased 65.8% to RM160.1 million on the back of higher sales mainly from marine engines.

For YTD 4QFY24, operating profit was up by 29.2% to RM26.9 million from RM20.8 million a year earlier, driven by improved sales.

Building & Construction Materials Segment

Quarterly results

Building & Construction Materials segment saw its operating profit increase by more than three times in 4QFY24 to RM2.8 million, from RM0.8 million, primarily due to higher contribution achieved from the products' sales mix and higher net impairment gains on financial assets. Revenue for the quarter gained 2.5% to RM42.6 million from RM41.6 million a year ago.

Financial year-to-date

For YTD 4QFY24, the segment's revenue rose 32.2% to RM209.5 million from RM158.4 million recorded in the same period last year, while operating profit increased 56.4% to RM11.0 million from RM7.1 million previously, driven by revenue growth and impairment gains on trade receivables.

Agro Engineering Segment

Quarterly results

For 4QFY24, Agro Engineering segment's revenue on y-o-y basis came in 15.5% higher to RM10.8 million on the back of higher sales mainly from fertilisers. Operating profit for the quarter doubled to RM0.8 million due to increased revenue and higher write back of impairment losses on trade receivables.

Financial year-to-date

For YTD 4QFY24, the segment's revenue decreased by 3.4% to RM44.6 million from RM46.2 million in the corresponding period of the previous year, while operating profit dropped by 34.3% to RM2.1 million from RM3.2 million. This was mainly due to higher allowance for impairment losses on trade receivables and decreased revenue.

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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

For 4QFY24, Electrical & Air Conditioning segment's revenue on y-o-y basis came in 2.4% higher to RM8.3 million from RM8.1 million in the same quarter last year. Operating profit increased by 24.0% to RM0.6 million from RM0.5 million previously, primarily attributed to higher reversal of doubtful debts.

Financial year-to-date

On a y-o-y comparison, the segment's revenue increased 7.7% to RM38.1 million for YTD 4QFY24. However, the operating profit for the same period decreased by 19.9% to RM2.6 million, mainly due to higher operating expenses and lower write back of impairment losses on trade receivables.

Heavy Equipment Segment

Quarterly results

Heavy Equipment segment saw its operating profit for 4QFY24 drop 91.1% to RM0.05 million from RM0.6 million in the same quarter last year, while revenue dipped 26.2% to RM4.6 million from RM6.2 million a year earlier.

Financial year-to-date

The segment's operating profit for YTD 4QFY24 slipped 33.5% to RM2.8 million from RM4.2 million in YTD 4QFY23, weighed down by lower revenue which decreased by 39.8% to RM26.5 million from RM44.1 million in the same period last year.

The lower performance was primarily due to weaker sales largely from backhoe loaders.

Mechanical & Electrical Segment

Quarterly results

Compared to previous corresponding quarter, Mechanical & Electrical segment's revenue decreased by 39.3% to RM26.4 million on account of lower work performed from the on-going projects.

Operating profit decreased 13.9% to RM4.2 million from RM4.8 million a year ago.

Financial year-to-date

The segment's operating profit grew by 50.7% to RM13.6 million, compared to RM9.0 million in the same period last year. The improved performance was achieved through a combination of better margins, lower operating expenses, and higher impairment gains on financial assets. This reported growth occurred despite a 12.0% drop in revenue, which decreased to RM110.3 million from RM125.4 million a year earlier.

Construction & Infrastructure Segment

Quarterly results

Compared to the corresponding quarter of previous year, Construction & infrastructure segment posted a 9.6% increase in revenue to RM98.3 million in 4QFY24, while operating profit decreased 48.2% to RM1.5 million from RM3.0 million previously. This decline in operating profit was attributed to lower margins, higher finance costs and the absence of write back of impairment losses on trade receivables.

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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 (Cont'd)

Financial year-to-date

The segment reported a 77.2% increase in operating profit to RM10.8 million for YTD 4QFY24 from RM6.1 million a year earlier. Revenue climbed 40.1% to RM446.8 million from RM318.9 million due to better site progress from the ongoing projects.

B2 Material changes in profit before tax for the quarter

For the current quarter under review, the Group recorded profit before tax of 1.5 million on the back of revenue of RM227.8 million as compared to profit before tax of 9.2 million and revenue of RM256.6 million in the immediate preceding quarter.

The lower profit was mainly due to decreased revenue, higher other operating expenses, and a lower share of results from an associate.

B3 Commentary on prospects

We see economic activities particularly in the marine and industrial segment sustaining their momentum, while several government infrastructure projects are coming up particularly in Sarawak. Growth is also expected to come from new product lines and services that we will introduce. Inflation, geopolitical tensions with lingering supply chain issues, and the weak Ringgit are risks that we are monitoring closely.

B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was announced.

B5 Income tax expense

	Quarter ended		Year to date	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Income tax:-				
- Malaysian tax	2,319	3,195	9,189	6,930
- Foreign tax	-	4	6	11
	<u>2,319</u>	<u>3,199</u>	<u>9,195</u>	<u>6,941</u>
(Over)/under provision in the previous financial year:-				
- Malaysian tax	(71)	-	(150)	36
	<u>2,248</u>	<u>-</u>	<u>9,045</u>	<u>6,977</u>
Deferred tax:-				
- Origination and reversal of temporary differences	(1,647)	(2,156)	(2,417)	(2,419)
- Under provision in the previous financial year	(147)	4	22	199
	<u>(1,794)</u>	<u>(2,152)</u>	<u>(2,395)</u>	<u>(2,220)</u>
	<u>454</u>	<u>1,047</u>	<u>6,650</u>	<u>4,757</u>

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

B6 Corporate proposals

As at 17 May 2024, there were no corporate proposals announced.

B7 Borrowings

The Group's borrowings as at 31 March 2024 were as follows:-

	Total RM'000
Long-term borrowings:-	
Hire purchase liabilities, secured	3,995
Lease liabilities	3,465
Term loans, secured	7,000
	<hr/> 14,460
Short-term borrowings:-	
Bank overdrafts, unsecured	3,631
Bankers' acceptance, secured	28,700
Bankers' acceptance, unsecured	13,015
Hire purchase liabilities, secured	2,410
Invoice financing, unsecured	63,884
Lease liabilities	1,757
Revolving credit, secured	7,000
Revolving credit, unsecured	119,000
Term loans, secured	6,000
	<hr/> 245,397
Total borrowings	<hr/> 259,857 <hr/>

B8 Derivative financial instruments

The outstanding foreign currency forward contracts as at 31 March 2024 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	1,088	12	-
<u>Derivative designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	25,065	22	(210)
	<hr/> 26,153	<hr/> 34	<hr/> (210) <hr/>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4TH QUARTER AND YEAR TO DATE ENDED 31 MARCH 2024

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 Loss arising from fair value changes in financial liabilities

	Current quarter Loss RM'000	Year to date loss RM'000
Foreign currency forward contracts	(210)	(144)

B10 Changes in material litigation

As at 17 May 2024, 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 2024

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 2024.

B12 Earnings per share

(a) Basic earnings per share

	Quarter ended		Year to date	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	1,262	2,513	21,886	8,725
Weight average number of ordinary shares in issue ('000)	465,665	461,601	465,387	460,437
Basic earnings per share based on weighted average number of shares in issue (sen)	0.27	0.54	4.70	1.89

(b) Diluted earnings per share

	Quarter ended		Year to date	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	1,262	2,513	21,886	8,725
Weight average number of ordinary shares in issue ('000)	694,991	918,303	694,713	918,303
Basic earnings per share based on weighted average number of shares issue (sen)	0.18	0.27	3.15	0.95

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 2024 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	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Allowance for slow-moving inventories	557	125	1,135	311
Allowance for slow-moving inventories no longer required	(59)	(142)	(225)	(563)
Bad debts recovered	-	-	(49)	-
Bad debts written off	-	-	5	39
Collective impairment losses on receivables	(170)	1,412	1,812	3,609
Collective impairment losses on receivables no longer required	(678)	25	(1,505)	(1,351)
Contract assets written back	-	-	(549)	-
Contract assets written off	-	-	-	549
Depreciation and amortisation	3,267	4,982	17,660	16,853
Fair value loss on other investments	(73)	1,246	147	3,702
Fair value gain on short-term investments	(78)	(128)	(287)	(424)
Impairment losses on intangible assets	3,972	1,716	3,972	2,527
Impairment losses on intangible assets no longer required	981	-	-	-
Impairment losses on contract assets	1,443	597	1,443	1,087
Impairment losses on contract assets no longer required	(1,298)	(33)	(1,750)	(75)
Individual impairment losses on receivables	221	365	879	1,199
Individual impairment losses on receivables no longer required	(829)	(1,000)	(3,057)	(3,238)
Impairment loss on investment in associate	1,851	1,500	1,851	1,500
Impairment loss on investment in jointly controlled entities	168	-	168	-
Intangible assets written off	7	-	1,228	-
Interest expense	3,225	2,879	12,042	8,911
Interest income	(132)	(290)	(479)	(591)
(Gain)/loss on forward foreign currency contracts	-	39	12	388
Gain on derecognition of leases	6	(1)	(67)	(21)
Gain on disposal of property, plant and equipment	(246)	(6)	(441)	(170)
Gain on disposal of investment properties	-	(41)	-	(41)
Realised loss on foreign exchange	(100)	(108)	212	210
Realised loss/(gain) on derivatives	-	-	26	(129)
Unrealised loss/(gain) on foreign exchange	(118)	7	(70)	(39)
Unrealised gain on derivatives	12	79	(12)	(26)