

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

INTERIM FINANCIAL STATEMENTS
FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30.09.2024 RM'000	Preceding year corresponding quarter 30.09.2023 RM'000	Current year to date 30.09.2024 RM'000	Preceding year corresponding year to date 30.09.2023 RM'000
Revenue	263,434	282,342	507,826	551,553
Cost of sales	(232,305)	(254,162)	(449,789)	(496,749)
Gross profit	31,129	28,180	58,037	54,804
Other income	1,758	788	4,705	2,491
Selling and distribution expenses	(3,431)	(2,860)	(6,468)	(5,655)
Administrative expenses	(15,007)	(14,299)	(27,956)	(29,485)
Other operating expenses	(74)	(783)	(197)	(1,135)
Finance costs	(3,109)	(3,020)	(5,913)	(5,905)
Net impairment (losses)/gains on financial assets and contract assets	(170)	124	(2,391)	921
Share of results in jointly controlled entities	3	4	10	18
Share of results in an associate	240	572	589	1,630
Profit before taxation	11,339	8,706	20,416	17,684
Income tax expense	(3,086)	(2,300)	(5,281)	(4,363)
Profit after taxation	8,253	6,406	15,135	13,321
Other comprehensive income				
<u>Items that will be reclassified subsequently to profit or loss</u>				
Cash flow hedge	204	(312)	(684)	(330)
Foreign currency translation	(1,404)	(80)	(1,602)	633
Total other comprehensive income	(1,200)	(392)	(2,286)	303
Total comprehensive income for the period	7,053	6,014	12,849	13,624

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2024 (CONT'D)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30.09.2024 RM'000	Preceding year corresponding quarter 30.09.2023 RM'000	Current year to date 30.09.2024 RM'000	Preceding year corresponding year to date 30.09.2023 RM'000
Profit after taxation attributable to:-				
- Owners of the Company	8,253	6,371	15,135	13,263
- Non-controlling interests	-	35	-	58
	8,253	6,406	15,135	13,321
Total comprehensive income attributable to:-				
- Owners of the Company	7,053	5,979	12,849	13,566
- Non-controlling interests	-	35	-	58
	7,053	6,014	12,849	13,624
Weighted average number of shares in issue ('000)	507,069	465,665	500,571	465,109
Earnings per ordinary share (sen):-				
-Basic	1.63	1.37	3.02	2.85
-Diluted	1.19	0.92	2.18	1.91

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 2024 and the accompanying explanatory notes attached to the interim financial statements.

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 30 SEPTEMBER 2024

	30.09.2024	31.03.2024
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Investment in an associate	6,056	5,467
Investment in jointly controlled entities	1,338	1,328
Property, plant and equipment	48,945	40,254
Investment properties	9,030	9,123
Intangible assets	13,141	14,330
Other investments	8,980	9,823
Deferred tax assets	5,200	4,195
Goodwill	52,743	52,743
Trade receivables	4,778	6,977
	<hr/>	<hr/>
	150,211	144,240
	<hr/>	<hr/>
Current assets		
Inventories	74,933	69,364
Trade and other receivables	315,105	303,355
Contract assets	194,202	188,853
Short term investments	9,660	10,967
Derivative assets	167	34
Current tax assets	621	848
Deposits, cash and bank balances	21,299	25,592
	<hr/>	<hr/>
	615,987	599,013
	<hr/>	<hr/>
TOTAL ASSETS	766,198	743,253
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PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 30 SEPTEMBER 2024 (CONT'D)

	30.09.2024	31.03.2024
	RM'000	RM'000
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES		
Equity		
Share capital	180,102	156,379
Treasury shares	(2,313)	(2,313)
Redeemable convertible preference shares	97,820	121,543
Reserves	57,532	50,689
Total equity	333,141	326,298
Non-current liabilities		
Borrowings	18,184	14,460
Deferred tax liabilities	3,742	4,025
	21,926	18,485
Current liabilities		
Trade and other payables	130,155	140,782
Contract liabilities	6,181	4,604
Derivative liabilities	759	210
Borrowings:-		
- bank overdrafts	11,420	3,631
- other borrowings	250,435	241,766
Provision for employee benefits	8,223	5,641
Current tax liabilities	3,958	1,836
	411,131	398,470
Total liabilities	433,057	416,955
TOTAL EQUITY AND LIABILITIES	766,198	743,253
Net assets per ordinary share attributable to owners of the Company (RM)	0.65	0.70

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR TO DATE ENDED 30 SEPTEMBER 2024

6-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 01.04.2024	156,379	(2,313)	121,543	(116,732)	7,110	(181)	160,492	326,298	-	326,298
Profit after taxation for the period	-	-	-	-	-	-	15,135	15,135	-	15,135
Other comprehensive income for the period, net of tax:-										
- Foreign currency translation	-	-	-	-	(1,602)	-	-	(1,602)	-	(1,602)
- Cash flow hedge	-	-	-	-	-	(684)	-	(684)	-	(684)
Total comprehensive income for the period	-	-	-	-	(1,602)	(684)	15,135	12,849	-	12,849
Contributions by and distributions to owners of the Company:-										
- Dividends	-	-	-	-	-	-	(6,006)	(6,006)	-	(6,006)
Total transactions with owners	-	-	-	-	-	-	(6,006)	(6,006)	-	(6,006)
Conversion of redeemable convertible preference shares	23,723	-	(23,723)	-	-	-	-	-	-	-
Balance at 30.09.2024	180,102	(2,313)	97,820	(116,732)	5,508	(865)	169,621	333,141	-	333,141

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR TO DATE ENDED 30 SEPTEMBER 2024 (CONT'D)

6-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	-	-	-	-	-	-	13,263	13,263	58	13,321
Other comprehensive income for the period, net of tax:-										
- Foreign currency translation	-	-	-	-	633	-	-	633	-	633
- Cash flow hedge	-	-	-	-	-	(330)	-	(330)	-	(330)
Total comprehensive income for the period	-	-	-	-	633	(330)	13,263	13,566	58	13,624
Contributions by and distributions to owners of the Company:-										
- 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)	-	(5,104)
Balance at 30.09.2023	156,379	(2,313)	121,543	(116,732)	6,715	(309)	151,931	317,214	732	317,946

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 2024 and the accompanying explanatory notes attached to the interim financial statements.

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR TO DATE ENDED 30 SEPTEMBER 2024

	Current year to date 30.09.2024 RM'000	Preceding year Corresponding year to date 30.09.2023 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	20,416	17,684
Adjustments for:-		
Allowance for impairment losses on receivables	3,158	1,371
Allowance for impairment losses on receivables no longer required	(767)	(1,958)
Allowance for impairment losses on contract assets no longer required	-	(333)
Allowance for slow-moving inventories	197	490
Allowance for slow-moving inventories no longer required	(482)	(136)
Amortisation of intangible assets	1,208	3,613
Bad debts written off	5	-
Depreciation of property, plant and equipment	5,692	6,030
Depreciation of investment properties	94	86
Fair value loss on derivatives	85	-
Fair value loss on other investments	843	37
Loss/(gain) on disposal of property, plant and equipment	6	(189)
Gain on derecognition of leases	(9)	(73)
Impairment losses on intangible assets	-	640
Interest expense	5,913	5,905
Interest income	(227)	(222)
Provision for employee benefits	4,106	2,236
Share of results in jointly controlled entities	(10)	(18)
Share of results in an associate	(589)	(1,630)
Unrealised gain on foreign exchange	(80)	(118)
Operating profit before working capital changes	39,559	33,415
Increase in inventories	(5,486)	(14,316)
Net increase in contract assets	(3,773)	(19,636)
Increase in trade and other receivables	(14,824)	(41,321)
Decrease in trade and other payables	(8,940)	13,795
Employee benefits paid	(1,504)	-
CASH FROM/(FOR) OPERATIONS	5,032	(28,063)
Interest paid	(4,978)	(5,055)
Interest received	224	214
Income tax paid	(4,183)	(2,227)
Income tax refunded	-	344
NET CASH FOR OPERATING ACTIVITIES	(3,905)	(34,787)

PANSAR BERHAD [Registration No. 197401002551 (18904-M)]CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR TO DATE ENDED 30 SEPTEMBER 2024 (CONT'D)

	Current year to date 30.09.2024 RM'000	Preceding year Corresponding year to date 30.09.2023 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Dividend received from jointly controlled entities and associate	-	2,400
Proceeds from disposal of property, plant and equipment	122	200
Purchase of intangible assets	(37)	(4)
Purchase of investment properties	-	(174)
Purchase of property, plant and equipment	(3,351)	(1,011)
NET CASH (FOR)/FROM INVESTING ACTIVITIES	(3,266)	1,411
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Dividend paid	(6,006)	(6,492)
Decrease/(increase) in pledged deposits with licensed bank	282	(4)
Interest paid on long-term borrowings	(936)	(850)
Net of drawdown/(repayment) of bankers' acceptance	8,832	16,175
Net of drawdown/(repayment) of invoice financing	1,282	15,207
Net of (repayment)/drawdown of revolving credit	(3,000)	(5,857)
Proceeds from exercise of warrants	-	1,388
Repayment of hire purchase liabilities	(1,291)	(1,195)
Repayment of lease liabilities	(1,580)	(1,803)
Repayment of term loans	(3,000)	(3,000)
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(5,417)	13,569
NET DECREASE IN CASH AND CASH EQUIVALENTS	(12,588)	(19,807)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	(519)	165
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	32,646	6,098
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	19,539	(13,544)
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	21,299	12,846
Bank overdrafts	(11,420)	(33,457)
Short-term investments	9,660	7,067
	19,539	(13,544)

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 2024. 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 2024.

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 2024, except as follows:

On 1 April 2024, the Group adopted the following Amendments to MFRSs mandatory for annual financial periods beginning on or after 1 January 2024:-

- Amendments to *MFRS 16: Lease Liability in a Sale and Leaseback*
- Amendment to *MFRS 101: Classification of Liabilities as Current or Non-current*
- Amendments to *MFRS 101: Non-current Liabilities with Covenants*
- Amendments to *MFRS 107 and MFRS 7: Supplier Finance Arrangements*

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:-

During the quarter under review, a total of 9,509,300 RCPS were converted into ordinary shares. As at 30 September 2024, the number of ordinary shares stood at 514,449,375. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares.

A6 Dividend paid

During the current quarter under review, the Board of Directors declared the following dividends:

- (a) An interim dividend of 0.40 sen per ordinary share in respect of the financial year ended 31 March 2024. The total dividend of RM2,029,690 was paid on 27 September 2024.
- (b) An interim dividend of 2.12 sen per Redeemable Convertible Preference Share (RCPS) in respect of the financial year ended 31 March 2024. The total dividend of RM3,976,453 was paid on 27 September 2024.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 30.09.2024 RM'000
Revenue								
External revenue	113,582	83,266	19,536	25,198	15,058	39,748	211,438	507,826
Inter-segment revenue	107	10,873	1	472	7,926	575	-	19,954
	113,689	94,139	19,537	25,670	22,984	40,323	211,438	527,780
Adjustments and eliminations								(19,954)
Consolidated revenue								507,826
Results								
Segment results	17,438	4,383	1,363	1,706	1,551	2,890	5,827	35,158
Adjustments and eliminations	-	-	-	-	373	673	-	1,046
	17,438	4,383	1,363	1,706	1,924	3,563	5,827	36,204
Share of results in jointly controlled entities								10
Share of results in an associate								589
Unallocated income								1,115
Unallocated expenses								(17,502)
Consolidated profit before taxation								20,416

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 30.09.2024 RM'000
Assets								
Segment assets	86,184	63,831	18,122	27,105	20,162	63,966	354,291	633,661
Investment in an associate								6,056
Investment in jointly controlled entities								1,338
Goodwill								52,743
Unallocated assets								67,200
Deferred tax assets								5,200
Consolidated total assets								<u>766,198</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 30.09.2023 RM'000
Revenue								
External revenue	80,935	120,897	24,016	18,983	11,032	61,478	234,212	551,553
Inter-segment revenue	128	4,887	-	1,661	19,234	4,597	-	30,507
	81,063	125,784	24,016	20,644	30,266	66,075	234,212	582,060
Adjustments and eliminations								(30,507)
Consolidated revenue								551,553
Results								
Segment results	14,938	4,924	1,135	1,490	998	4,923	6,020	34,428
Adjustments and eliminations	-	-	-	-	364	815	-	1,179
	14,938	4,924	1,135	1,490	1,362	5,738	6,020	35,607
Share of results in jointly controlled entities								18
Share of results in an associate								1,630
Unallocated income								232
Unallocated expenses								(19,803)
Consolidated profit before taxation								17,684

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 30.09.2023 RM'000
Assets								
Segment assets	72,743	78,913	18,399	17,253	28,363	64,209	383,895	663,775
Investment in an associate								5,961
Investment in jointly controlled entities								1,491
Goodwill								53,138
Unallocated assets								44,689
Deferred tax assets								4,536
Consolidated total assets								773,590

(b) Geographical segments

	Year to date	
	30.09.2024 RM'000	30.09.2023 RM'000
Total revenue from external customers		
- Malaysia	500,852	543,148
- Singapore	6,974	8,405
	507,826	551,553

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 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 30 September 2024, the Group did not have any revalued assets.

A9 Subsequent events

There were no material subsequent events as at 18 November 2024.

A10 Changes in the composition of the Group

There were no changes in the composition of the Group for the period ended 30 September 2024.

A11 Contingent liabilities

As at 18 November 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 were no commitments in respect of the Group since the last annual reporting date to the date of this report.

A13 Significant related party transactions

	Quarterly ended		Year to date	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Transactions with holding company	561	557	1,096	1,104
Transactions with other related parties	10,262	12,610	19,151	23,834

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2024

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

B1 Review of performance

For the period ended 30 September 2024, the Group registered revenue of RM507.8 million, a decrease of 7.9% or RM43.7 million compared to RM551.6 million reported in the previous corresponding period.

Despite an overall decrease in revenue of RM43.7 million for the financial period ended 30 September 2024, the Group posted a net profit of RM15.1 million compared with RM13.3 million reported in the previous corresponding period.

Marine & Industrial Segment

Quarterly results

Compared to the corresponding quarter of previous year, Marine and Industrial segment posted a 48.1% increase in revenue to RM58.0 million in 2QFY25 on higher sales of marine engines.

With the increase in revenue, operating profit for the quarter rose 11.2% to RM8.6 million from RM7.7 million a year earlier.

Financial year-to-date

Revenue increased by 40.3% year-on-year to RM113.6 million, driven mainly by higher sales of marine engines.

For YTD 2QFY25, operating profit was up by 16.7% to RM17.4 million from RM14.9 million a year earlier, driven by improved sales.

Building & Construction Materials Segment

Quarterly results

For the quarter under review, Building Products segment revenue decreased by 33.2% to RM39.1 million from RM58.5 million a year ago, primarily due to the completion of the supply of infrastructure construction materials to a project.

Operating profit for the quarter, however, slipped marginally by 1.1% year-on-year to RM3.2 million, aided by a reversal of impairment losses on trade receivables.

Financial year-to-date

For YTD 2QFY25, the segment recorded a 31.1% decline in revenue to RM83.3 million, largely due to the completion of the supply of infrastructure construction materials to a project.

Operating profit for the same period fell 11.0% year-on-year to RM4.4 million, compared to RM4.9 million previously.

Agro Engineering Segment

Quarterly results

On a quarter-on-quarter basis, Agro Engineering segment saw its operating profit for 2QFY25 drop 6.7% to RM0.5 million, while revenue dipped 12.5% to RM10.3 million from RM11.7 million a year earlier.

Financial year-to-date

For YTD 2QFY25, the segment's revenue on year-on-year basis came in 18.7% lower to RM19.5 million largely due to lower fertilizer sales. Operating profit, however, rose by 20.1% to RM1.4 million compared to the same period last year, primarily attributed to a favourable product mix and a reversal 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)

Electrical & Air Conditioning Segment

Quarterly results

Compared to the previous corresponding quarter, the segment's revenue for 2QFY25 increased by 36.8% to RM13.3 million, while operating profit rose by 38.8% to RM0.6 million, driven by increased sales and a favourable product mix.

Financial year-to-date

For the current financial period, the segment recorded a 32.7% increase in revenue to RM25.2 million on higher sales largely from M & E ancillary products, air conditioners and lighting products.

With the increase in revenue, operating profit for the period rose by 14.5% to RM1.7 million, despite higher impairment losses on trade receivables and operating expenses.

Heavy Equipment Segment

Quarterly results

Heavy Equipment segment posted an operating profit of RM1.3 million in 2QFY25, an increase of 41.2% from RM0.9 million a year ago, attributed to higher revenue that increased 95.9% to RM9.4 million from RM4.8 million in the previous corresponding quarter.

Financial year-to-date

The segment achieved revenue and operating profit for the current financial period of RM15.1 million and RM1.9 million respectively. This represents a 36.5% and 41.3% increase in revenue and operating profit respectively as compared to the same period last year.

Mechanical & Electrical Segment

Quarterly results

Revenue for Mechanical & Electrical segment decreased by 17.0% from RM28.9 million in 2QFY24 to RM24.0 million in 2QFY25, due to lower work progress on projects.

Operating profit for 2QFY25 decreased by 5.1% year-on-year to RM2.3 million. This was primarily attributable to a decline in revenue and net impairment gains on financial assets, partially offset by a higher contribution due to improved margins.

Financial year-to-date

Revenue for Mechanical & Electrical segment decreased by 35.4% from RM61.5 million in YTD 2QFY24 to RM39.7 million in YTD 2QFY25, as a few major projects had been completed, resulting in lower revenue compared to the same period last year.

Operating profit on year-on-year perspective decreased 37.9% to RM3.6 million, due to lower revenue and the absence of net impairment gains on financial assets.

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B1 Review of performance (Cont'd)

Construction & Infrastructure Segment

Quarterly results

Compared to the previous corresponding quarter, the segment's revenue for 2QFY25 decreased 15.5% to RM109.3 million, while operating profit remained flat at RM3.1 million. This was mainly due to higher margins achieved on new projects.

Financial year-to-date

The segment reported a 3.2% decrease in operating profit to RM5.8 million for YTD 2QFY25 from RM6.0 million a year earlier, as revenue dipped 9.7% to RM211.4 million from RM234.2 million, primarily due to slower site progress on a key project.

B2 Material changes in profit before tax for the quarter

For the current quarter under review, the Group recorded profit before tax of 11.3 million on the back of revenue of RM263.4 million, compared to profit before tax of RM9.1 million and revenue of RM244.4 million in the immediate preceding quarter. This improvement was bolstered by higher contributions from Mechanical & Electrical and Construction & Infrastructure Segments, driven by a higher value of work done and improved margins.

B3 Commentary on prospects

The Malaysian economy grew by 5.3% in Q3 2024 with stable inflation. Economic activities particularly in the marine and industrial segment and infrastructure construction sectors continued to grow. We are focused on delivering our ongoing projects on time and on cost while being selective in new projects.

B4 Profit forecast and profit guarantee

Not applicable as no profit forecast was announced.

B5 Income tax expense

	Quarter ended		Year to date	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Income tax:-				
- Malaysian tax	3,922	2,451	6,530	4,848
- Foreign tax	1	6	2	6
	<u>3,923</u>	<u>2,457</u>	<u>6,532</u>	<u>4,854</u>
Deferred tax:-				
- Origination and reversal of temporary differences	(837)	(157)	(1,251)	(491)
	<u>(837)</u>	<u>(157)</u>	<u>(1,251)</u>	<u>(491)</u>
	<u>3,086</u>	<u>2,300</u>	<u>5,281</u>	<u>4,363</u>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2024

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B6 Corporate proposals

As at 18 November 2024, there were no corporate proposals announced.

B7 Borrowings

The Group's borrowings as at 30 September 2024 were as follows:-

	Total RM'000
Long-term borrowings:-	
Hire purchase liabilities, secured	3,309
Lease liabilities	10,875
Term loans, secured	4,000
	<hr/> 18,184
Short-term borrowings:-	
Bank overdrafts, secured	9,778
Bank overdrafts, unsecured	1,642
Bankers' acceptance, secured	35,700
Bankers' acceptance, unsecured	14,847
Hire purchase liabilities, secured	2,485
Invoice financing, unsecured	65,166
Lease liabilities	3,237
Revolving credit, secured	4,000
Revolving credit, unsecured	119,000
Term loans, secured	6,000
	<hr/> 261,855
Total borrowings	<hr/> 280,039 <hr/>

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2024

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B8 Derivative financial instruments

The outstanding foreign currency forward contracts as at 30 September 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	9,960	42	(127)
<u>Derivative designated as hedging instruments:-</u>			
Forward foreign currency contracts			
- Less than 1 year	44,522	125	(632)
	54,482	167	(759)

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	(216)	(549)

B10 Changes in material litigation

As at 18 November 2024, 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.

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B11 Dividend payable

No interim dividend has been declared for the financial period ended 30 September 2024.

B12 Earnings per share

(a) Basic earnings per share

	Quarter ended		Year to date	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	8,253	6,371	15,135	13,263
Weight average number of ordinary shares in issue ('000)	507,069	465,665	500,571	465,109
Basic earnings per share based on weighted average number of shares in issue (sen)	1.63	1.37	3.02	2.85

(b) Diluted earnings per share

	Quarter ended		Year to date	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to the owners of the Company (RM'000)	8,253	6,371	15,135	13,263
Weight average number of ordinary shares in issue ('000)	694,991	694,991	694,991	694,435
Basic earnings per share based on weighted average number of shares issue (sen)	1.19	0.92	2.18	1.91

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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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2ND QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2024

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	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Allowance for slow-moving inventories	74	138	197	490
Allowance for slow-moving inventories no longer required	25	12	(482)	(136)
Bad debts written off	-	-	5	-
Collective impairment losses on receivables	(38)	457	2,354	1,262
Collective impairment losses on receivables no longer required	(25)	282	(215)	(289)
Depreciation and amortisation	3,568	4,863	6,994	9,729
Fair value loss/(gain) on other investments	990	(220)	843	37
Fair value gain on short-term investments	(81)	(92)	(154)	(163)
Impairment losses on intangible assets	-	640	-	640
Impairment losses on intangible assets no longer required	-	287	-	-
Impairment losses on contract assets no longer required	-	(64)	-	(333)
Individual impairment losses on receivables	455	16	804	109
Individual impairment losses on receivables no longer required	(222)	(814)	(552)	(1,669)
Interest expense	3,109	3,020	5,913	5,905
Interest income	(106)	(123)	(227)	(222)
Loss on forward foreign currency contracts	-	-	-	12
Gain on derecognition of leases	-	(2)	(9)	(73)
Loss/(gain) on disposal of property, plant and equipment	269	(191)	6	(189)
Realised (gain)/loss on foreign exchange	(1,438)	(339)	(1,789)	100
Realised loss on derivatives	-	-	12	26
Unrealised loss/(gain) on foreign exchange	161	(273)	(80)	(118)
Unrealised loss on derivatives	85	10	85	-