All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

If you have sold or transferred all your PARB Shares, you should at once hand this Abridged Prospectus together with the NPA and the RSF to the agent/ broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue with Warrants should be addressed to our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (11324-H) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus together with the NPA and the RSF have also been lodged with the Registrar of Companies who takes no responsibility for the contents of these documents.

The approval from our shareholders for the Rights Issue with Warrants was obtained at our EGM held on 5 October 2017. The approval from Bursa Securities has also been obtained vide its letter dated 13 September 2017 for the admission of the Warrants to the Official List and the listing of and quotation for the Rights Shares, the Warrants and the new PARB Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue with Warrants. The admission of the Warrants to the Official List and the listing of and quotation for all the said new securities on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue with Warrants. Bursa Securities does not take any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus. The admission of the Warrants to the Official List and the listing of and quotation for all the said new securities will commence after the receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/ or their renouncee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Our Directors have seen and approved all the documentation relating to the Rights Issue with Warrants. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements in these documents false or misleading.

This Abridged Prospectus together with the accompanying NPA and RSF are only despatched to our Entitled Shareholders whose names appear on our Record of Depositors and who have provided our Share Registrar with a registered address in Malaysia not later than 5.00 p.m. on Wednesday, 22 November 2017. This Abridged Prospectus together with the accompanying NPA and RSF are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/ or their renouncee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/ or other professional advisers as to whether the acceptance and/ or renunciation (as the case may be) of all or any part of their entitlements to the Rights Shares and the Warrants would result in a contravention of any laws of such countries or jurisdictions. Neither we, RHBIB nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/ or renunciation (as the case may be) of the entitlements to the Rights Shares and the Warrants made by the Entitled Shareholders and/ or their renouncee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

RHBIB, being our Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 6 OF THIS ABRIDGED PROSPECTUS.

P.A. RESOURCES BERHAD

(Company No.: 664612-X)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 757,225,327 NEW ORDINARY SHARES IN P.A. RESOURCES BERHAD ("PARB") ("PARB SHARE(S)" OR "SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF 4 RIGHTS SHARES FOR EVERY 5 EXISTING PARB SHARES HELD, TOGETHER WITH UP TO 757,225,327 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR, AS AT 5.00 P.M. ON WEDNESDAY, 22 NOVEMBER 2017 AT AN ISSUE PRICE OF RM0.05 PER RIGHTS SHARE

Adviser

RHB Investment Bank Berhad

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:-

Entitlement Date	: Wednesday, 22 November 2017 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	: Wednesday, 29 November 2017 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	: Tuesday, 5 December 2017 at 4.00 p.m.
Last date and time for acceptance and payment	: Friday, 8 December 2017 at 5.00 p.m.
Last date and time for excess application and payment	: Friday, 8 December 2017 at 5.00 p.m.

This Abridged Prospectus is dated 22 November 2017

Company No. 664612-X

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS HAS BEEN REGISTERED BY THE SC. THE REGISTRATION OF THIS ABRIDGED PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE RIGHTS ISSUE WITH WARRANTS OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS ABRIDGED PROSPECTUS.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

BURSA SECURITIES HAS APPROVED THE ADMISSION OF THE WARRANTS TO THE OFFICIAL LIST AND THE LISTING OF AND QUOTATION FOR THE RIGHTS SHARES, THE WARRANTS, AND ALL THE NEW PARB SHARES TO BE ISSUED ARISING FROM THE EXERCISE OF THE WARRANTS ON THE MAIN MARKET OF BURSA SECURITIES. HOWEVER, THIS IS NOT AN INDICATION THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE WITH WARRANTS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENTS IN THE RIGHTS SHARES AND THE WARRANTS. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, SUCH AS OUR DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE ABRIDGED PROSPECTUS TOGETHER WITH THE NPA AND THE RSF HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE WITH WARRANTS UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THESE DOCUMENTS.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus, the NPA and the RSF:-

"Abridged Prospectus"	:	This abridged prospectus dated 22 November 2017
"Act"	:	The Companies Act 2016 of Malaysia, as amended from time to time, including any re-enactment thereof
"Board"	:	The Board of Directors of PARB
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (635998-W)
"CDS"	:	Central Depository System
"CDS Account"	:	A securities account established by Bursa Depository for a depositor pursuant to the Securities Industry (Central Depository) Act, 1991 and the Rules of Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor
"CMSA"	:	Capital Markets and Services Act, 2007 of Malaysia, as amended from time to time, including any re-enactment thereof
"Dato' Ng"	:	Dato' Ng Tong Hai, a substantial shareholder of PARB
"Deed Poll"	:	The Deed Poll dated 8 November 2017, constituting the Warrants which provides the right to the holder of the Warrants to subscribe for 1 new PARB Shares during the 5-year exercise period of the Warrants at the exercise price of RM0.06 per Warrant
"Director(s)"	:	The director(s) of PARB and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
"EGM"	:	Extraordinary General Meeting
"Entitled Shareholder(s)"	:	Our shareholders who are registered as a member and whose names appear in the Record of Depositors of the Company on the Entitlement Date
"Entitlement Date"	:	At 5.00 p.m. on Wednesday, 22 November 2017, being the time and date on which our Entitled Shareholders must be registered as a member and whose names appear in the Record of Depositors in order to participate in the Rights Issue with Warrants
"EPS/ (LPS)"	:	Earnings per Share/ (Loss per Share)
"Excess Rights Shares with Warrants"	:	Rights Shares with Warrants which are not taken up or not validly taken up by our Entitled Shareholders and/ or their renouncee(s) (if applicable) prior to excess application pursuant to the Rights Issue with Warrants
"Foreign Entitled Shareholder(s)"	:	Entitled Shareholder(s) who have not provided an address in Malaysia for the service of documents to be issued for the purposes of the Rights Issue with Warrants
"FPE"	:	Financial period ended

DEFINITIONS (CONT'D)

"FYE"	:	Financial year ended/ ending
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	31 October 2017, being the latest practicable date prior to the registration of this Abridged Prospectus by the SC
"Market Day(s)"	:	Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"Maximum Scenario"	:	Assuming the Rights Issue with Warrants is undertaken on a full subscription level
"Minimum Scenario"	:	Assuming the Rights Issue with Warrants is undertaken on the Minimum Subscription Level
"Minimum Subscription Level"	:	A minimum level of subscription based upon the irrevocable undertakings provided by certain shareholders of PARB, namely Dato' Ng, Reka Shutter and Liew Yoke Keng, to subscribe in full for their respective entitlements under the Rights Issue with Warrants based on their respective shareholdings in PARB as at the Entitlement Date and based on the issue price of RM0.05 per Rights Share. As at the LPD, Dato' Ng, Reka Shutter and Liew Yoke Keng collectively hold 198,889,600 PARB Shares and pursuant to their irrevocable undertakings, they will collectively subscribe for 159,111,680 Rights Shares. As such, on the minimum level of subscription, the minimum amount to be raised by the Company will amount to RM7,955,584
"NA"	:	Net asset
"NPA"	:	Notice of provisional allotment of the Rights Shares with Warrants pursuant to the Rights Issue with Warrants
"Official List"	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
"PARB" or the "Company"	:	P.A. Resources Berhad (664612-X)
"PARB Group" or the "Group"	:	PARB and its subsidiary companies, collectively
"PARB Share(s)" or "Share(s)"	:	Ordinary share(s) in PARB
"PAT/(LAT)"	:	Profit after tax/ (Loss after tax)
"PBT/ (LBT)"	:	Profit before tax/ (Loss before tax)
"Provisional Rights Shares with Warrants"	:	Rights Shares with the Warrants provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue with Warrants
"Record of Depositors"	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository

DEFINITIONS (CONT'D)

"Reka Shutter"	:	Reka Shutter Sdn Bhd (1089639-A)
"RHBIB" or the "Adviser"	:	RHB Investment Bank Berhad (19663-P)
"Rights Issue with Warrants"	:	The renounceable rights issue of up to 757,225,327 Rights Shares on the basis of 4 Rights Shares for every 5 existing PARB Shares held, together with up to 757,225,327 Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed for on the Entitlement Date at an issue price of RM0.05 per Rights Share
"Rights Share(s)"	:	Up to 757,225,327 new PARB Shares to be issued pursuant to the Rights Issue with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights Subscription Form for the Rights Issue with Warrants
"Rules"	:	Rules on Take-overs, Mergers and Compulsory Acquisitions of Malaysia, as amended from time to time, including any re-enactment thereof
"SC"	:	Securities Commission Malaysia
"TERP"	:	Theoretical ex-rights price
"USD"	:	United States of America Dollar
"VWAMP"	:	Volume-weighted average market price
"Warrant(s)"	:	Up to 757,225,327 free detachable warrants in PARB to be issued pursuant to the Rights Issue with Warrants

All references to "our Company" and "PARB" in this Abridged Prospectus are made to P.A. Resources Berhad (664612-X) and references to "our Group" are made to our Company and our subsidiary companies. All references to "we", "us", "our" and "ourselves" are made to our Company, or where the context requires, our Group or any of our subsidiary companies. All references to "you" in this Abridged Prospectus are made to our Entitled Shareholders and/ or, where the context otherwise requires, their renouncee(s).

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

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APPENDICES

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Nationality	Profession
Dato' Ng *(Chairman/ Non-Independent Non-Executive Director)*	No. 65 Lorong Gopeng Taman Golf, 31350 Ipoh Perak Darul Ridzuan	Malaysian	Company Director/ Businessman
Datuk Seri Lau Kuan Kam *(Group Managing Director/ Executive Director)*	3 Jalan Merah Hati U9/2 40150 Shah Alam Selangor Darul Ehsan	Malaysian	Company Director/ Businessman
Wong Chee Heng *(Executive Director)*	12, Jalan USJ 18/2C UEP 47360 Subang Jaya Selangor Darul Ehsan	Malaysian	Company Director/ Chartered Accountant
Yap Fatt Lam *(Independent Non-Executive Director)*	No. 3 Jalan SU 1A Sering Ukay, 68000 Ampang Selangor Darul Ehsan	Malaysian	Company Director/ Chartered Accountant
Ho Puay Koa *(Independent Non-Executive Director)*	26, Jalan SS24/20 Taman Megah 47301 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Wang Sze Yao @ Wang Ming Way *(Independent Non-Executive Director)*	No. 568-9-10 & 9-11 Kompleks Mutiara 3½ Miles, Jalan Ipoh 51200 Kuala Lumpur	Malaysian	Company Director/ Lawyer

AUDIT COMMITTEE

Name	Designation	Directorship
Yap Fatt Lam	Chairman	Independent Non-Executive Director
Ho Puay Koa	Member	Independent Non-Executive Director
Wang Sze Yao @ Wang Ming Way	Member	Independent Non-Executive Director

COMPANY SECRETARIES : Tia Hwei Ping (MAICSA 7057636)
Teh Ai Lin (MAICSA 7065560)

Level 8, Symphony House, Block D13
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel. No.: 03 - 7841 8000
Fax. No.: 03 - 7841 8199

REGISTERED OFFICE : Level 8, Symphony House, Block D13
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel. No.: 03 - 7841 8000
Fax. No.: 03 - 7841 8199

CORPORATE DIRECTORY (CONT'D)

PRINCIPAL OFFICE	:	Lot 424 & 440, Jalan Kuala Selangor Kampung Batu 8, Ijok 45620 Kuala Selangor Selangor Darul Ehsan Tel. No.: 03 - 3279 3328 Fax. No.: 03 - 3279 3313 Website: www.pagroup.com.my Email: info@pagroup.com.my
SHARE REGISTRAR	:	Tricor Investor & Issuing House Services Sdn Bhd (11324-H) Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3 Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Tel. No.: 03 – 2783 9299 Fax. No.: 03 – 2783 9222
AUDITORS AND REPORTING ACCOUNTANTS	:	Messrs WHLK (AF0891) 10-B, Kompleks Damai Jalan Lumut Off Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: 03 - 4043 6288 Fax. No.: 03 - 4043 7288
PRINCIPAL BANKER	:	AmBank (M) Berhad (8515-D) Level 18, Menara Dion Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: 03 - 2026 3939 Fax. No.: 03 - 2026 6855
DUE DILIGENCE SOLICITORS	:	Tan, Goh & Associates Unit 821, 8th Floor Block A, Lift Lobby 6 Damansara Intan No. 1, Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel. No.: 03 - 7727 7228 Fax. No.: 03 - 7731 9238
ADVISER	:	RHB Investment Bank Berhad (19663-P) Level 9, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: 03 - 9287 3888 Fax. No.: 03 - 9287 4770
STOCK EXCHANGE LISTED AND LISTING SOUGHT	:	Main Market of Bursa Securities

P.A. RESOURCES BERHAD

(Company No.: 664612-X)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

Level 8, Symphony House, Block D13
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya

22 November 2017

Board of Directors

Dato' Ng Tong Hai *(Chairman/ Non-Independent Non-Executive Director)*
Datuk Seri Lau Kuan Kam *(Group Managing Director/ Executive Director)*
Wong Chee Heng *(Executive Director)*
Yap Fatt Lam *(Independent Non-Executive Director)*
Ho Puay Koa *(Independent Non-Executive Director)*
Wang Sze Yao @ Wang Ming Way *(Independent Non-Executive Director)*

To: **Our Entitled Shareholders**

Dear Sir/ Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 757,225,327 RIGHTS SHARES ON THE BASIS OF 4 RIGHTS SHARES FOR EVERY 5 EXISTING PARB SHARES HELD, TOGETHER WITH UP TO 757,225,327 WARRANTS ON THE BASIS OF 1 WARRANT FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR, AS AT 5.00 P.M. ON WEDNESDAY, 22 NOVEMBER 2017 AT AN ISSUE PRICE OF RM0.05 PER RIGHTS SHARE

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1. INTRODUCTION

On 16 June 2017, RHBIB had, on behalf of our Board, announced that we propose to undertake the Rights Issue with Warrants.

On 14 September 2017, RHBIB had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 13 September 2017, resolved to approve the following:-

(a) Admission to the Official List and the initial listing and quotation of up to 757,225,327 Warrants to be issued pursuant to the Rights Issue with Warrants; and

(b) Listing of:-

  (i) Up to 757,225,327 Rights Shares to be issued pursuant to the Rights Issue with Warrants; and

  (ii) Up to 757,225,327 new PARB Shares to be issued arising from the exercise of the Warrants,

on the Main Market of Bursa Securities, subject to the conditions in the following page:-

	Conditions	Status of compliance
(i)	PARB and RHBIB must fully comply with the relevant provisions under the Listing Requirements at all times pertaining to the implementation of the Rights Issue with Warrants	Noted
(ii)	PARB and RHBIB to inform Bursa Securities upon completion of the Rights Issue with Warrants	To be complied
(iii)	PARB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants is completed	To be complied
(iv)	PARB to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders at the forthcoming EGM for the Rights Issue with Warrants	Complied
(v)	Payment of additional listing fees pertaining to the exercise of the Warrants, if relevant. In this respect, PARB is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants respectively as at the end of each quarter together with details of computation of the listing fees payable	To be complied

On 5 October 2017, our shareholders had approved the Rights Issue with Warrants at our EGM. A certified true copy of the resolution pertaining to the Rights Issue with Warrants which was passed at the aforesaid EGM, is set out in Appendix I of this Abridged Prospectus.

On 8 November 2017, RHBIB had, on behalf of our Board, announced that the issue price of the Rights Shares has been fixed at RM0.05 per Rights Share and the exercise price of the Warrants has been fixed at RM0.06 per Warrant. On the same date, RHBIB had also, on behalf of our Board, announced the Entitlement Date and other relevant dates pertaining to the Rights Issue with Warrants.

The admission of the Warrants to the Official List and the listing of and quotation for the Rights Shares and Warrants to be issued pursuant to the Rights Issue with Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to them.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or RHBIB.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Rights Issue with Warrants

The Rights Issue with Warrants entails an issuance of up to 757,225,327 Rights Shares on a renounceable basis of 4 Rights Shares for every 5 existing PARB Shares held, together with up to 757,225,327 Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed for, by the Entitled Shareholders and/ or their renouncees (if applicable), on the Entitlement Date at an issue price of RM0.05 per Rights Share.

The actual number of the Rights Shares and the Warrants to be issued pursuant to the Rights Issue with Warrants will depend on the acceptance by the Entitled Shareholders and/ or their renouncee(s) (if applicable).

As at the LPD, the total issued share capital of PARB is RM99,033,266 comprising 946,531,659 PARB Shares. For the avoidance of doubt, the share premium and capital redemption reserves have become part of our Company's share capital pursuant to Section 618(2) of the Act. The Rights Issue with Warrants is to be undertaken on the Minimum Subscription Level.

The Warrants will be immediately detached from the Rights Shares upon issuance and will be traded separately. The Warrants will be issued in registered form and constituted by the Deed Poll.

The Rights Issue with Warrants is renounceable in full or in part. The renunciation of the Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Warrants to be issued together with the Rights Shares pursuant to the Rights Issue with Warrants. However, if the Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they shall then be entitled to the Warrants in the proportion of their acceptance of their Rights Shares entitlements. Any unsubscribed Rights Shares together with the Warrants, will be made available to other Entitled Shareholders and/ or their renouncee(s) (if applicable) under the Excess Rights Shares with Warrants application. Fractional entitlements of the Rights Shares and the Warrants arising from the Rights Issue with Warrants, if any, shall be dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company. It is the intention of our Board to allocate the Excess Rights Shares with Warrants, if any, in a fair and equitable manner, and on a basis as set out in Section 10.8 of this Abridged Prospectus.

The Rights Issue with Warrants is structured based on the Minimum Subscription Level basis via the undertakings from Dato' Ng, Reka Shutter and Liew Yoke Keng, being the shareholders of PARB, to subscribe in full their respective entitlements under the Rights Issue with Warrants, details of which has been set out in Section 5 of this Abridged Prospectus.

As the Rights Shares and the Warrants are prescribed securities, your CDS Account will be duly credited with the number of Provisional Rights Shares with Warrants which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed in this Abridged Prospectus, the NPA notifying you of the crediting of such securities into your CDS Account and the RSF to enable you to subscribe for the Provisional Rights Shares with Warrants as well as to apply for the Excess Rights Shares with Warrants if you choose to do so.

Any dealings in our securities will be subject to, inter-alia, the provisions of the Securities Industry (Central Depositories) Act, 1991, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares, Warrants and new PARB shares to be allotted and issued arising from the exercise of the Warrants will be credited directly into the respective CDS Accounts of the successful applicants and shareholders who exercise the Warrants (as the case may be). However, no physical share or Warrant Certificates will be issued.

We will allot and issue the Rights Shares with the Warrants, despatch notices of allotment to the successful applicants and make an application for the quotation for the Rights Shares and the Warrants within 8 Market Days from the last date for acceptance and payment for the Rights Shares or such period as may be prescribed by Bursa Securities. The Rights Shares and the Warrants will then be quoted on the Main Market of Bursa Securities 2 Market Days after the application for quotation is made to Bursa Securities.

2.2 Basis of determining and justification for the issue price of the Rights Shares

On 8 November 2017, RHBIB had, on behalf of our Board, announced that our Board has fixed the issue price of the Rights Shares at RM0.05 per Rights Share. This represents a discount of approximately 16.67% to the TERP of PARB Shares of RM0.06, calculated based on the 5-day VWAMP of PARB Shares up to and including 7 November 2017, being the last trading day immediately preceding the price-fixing date, of RM0.07 per PARB Share.

The issue price of the Rights Shares was determined and fixed by our Board after taking into consideration the aforementioned TERP of PARB Shares and the following:-

i. The minimum amount we intend to raise from the Rights Issue with Warrants for the intended utilisation under the Minimum Scenario as set out in Section 4 of this of this Abridged Prospectus;

ii. The issue price of the Rights Shares shall be deemed sufficiently attractive to encourage the subscription of the Rights Shares by the Entitled Shareholders and/ or their renouncee(s) (if applicable) whilst taking into consideration the funding requirements of our Group as set out in Section 4 of this Abridged Prospectus;

iii. The historical trading prices of PARB Shares for the past 12 months; and

iv. The maximum discount for the issue price of the Rights Shares shall not be more than 25% to the TERP of PARB Shares based on the 5-day VWAMP of PARB Shares immediately preceding the price-fixing date. The said maximum discount of not more than 25% was determined by our Board after taking into consideration the need of our Company to price the Rights Shares at an issue price deemed sufficiently attractive to encourage the subscription of the Rights Shares. In any event, it is the intention of our Company to raise the minimum amount of funds from the Rights Issue with Warrants for the intended utilisation under the Minimum Scenario as set out in Section 4 of this Abridged Prospectus.

2.3 Basis of determining and justification for the exercise price of the Warrants

The Warrants attached to the Rights Shares will be issued at no cost to the Entitled Shareholders and/ or their renouncee(s) (if applicable) who subscribe for the Rights Shares.

On 8 November 2017, RHBIB had, on behalf of our Board, announced that our Board has fixed the exercise price of the Warrants at RM0.06 per Warrant. This represents the TERP of PARB Shares of RM0.06, calculated based on the 5-day VWAMP of PARB Shares up to and including 7 November 2017, being the last trading day of PARB Shares immediately preceding the price-fixing date for the Warrants, of RM0.07 per PARB Share.

The exercise price of the Warrants was determined and fixed by our Board after taking into consideration the aforementioned TERP of PARB Shares and the following:-

i. The Warrants will be issued at no cost to the Entitled Shareholders and/ or their renouncee(s) (if applicable) who successfully subscribe for the Rights Shares;

ii. The historical trading prices of PARB Shares for the past 12 months and the TERP of PARB Shares based on the 5-day VWAMP of PARB Shares immediately preceding the price-fixing date; and

iii. The maximum discount for the exercise price of the Warrants shall not be more than 25% to the TERP of PARB Shares based on the 5-day VWAMP of PARB Shares immediately preceding the price-fixing date.

2.4 Ranking of the Rights Shares and new PARB Shares to be issued arising from the exercise of the Warrants

The Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing PARB Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution ("Distribution") that may be declared, made or paid for which the entitlement date for the said Distribution precedes the date of allotment and issuance of the Rights Shares.

The new PARB Shares to be issued arising from the exercise of the Warrants will, upon allotment and issuance, rank *pari passu* in all respects with the existing PARB Shares, save and except that the new PARB Shares to be issued arising from the exercise of the Warrants will not be entitled to any Distribution that may be declared, made or paid for which the entitlement date for the said Distribution precedes the date of allotment and issuance of the said new PARB Shares.

2.5 Principal terms of the Warrants

The principal terms of the Warrants are set out below:-

Issue size	:	Up to 757,225,327 Warrants.
Form	:	The Warrants will be issued in registered form and constituted by the Deed Poll.
Exercise period	:	The Warrants may be exercised at any time within 5 years commencing on and including the date of issuance of the Warrants ("Issue Date") and ending at the close of business at 5.00 p.m. in Kuala Lumpur on a date preceding the fifth (5th) anniversary of the Issue Date, and if such a day is not a Market Day, on the immediately preceding Market Day. Any Warrants not exercised during the exercise period will thereafter lapse and cease to be valid.
Mode of exercise	:	The registered holder of the Warrant is required to lodge a subscription form, as set out in the Deed Poll, with our Company's registrar, duly completed, signed and stamped together with payment of the exercise price by bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia in accordance with the Deed Poll.
Exercise price	:	RM0.06 per Warrant
Exercise rights	:	Each Warrant carries the entitlement, at any time during the exercise period, to subscribe for 1 new PARB Share at the Exercise price, subject to the terms and conditions of the Deed Poll.
Board lot	:	For the purpose of trading on Bursa Securities, 1 board lot of Warrants shall comprise 100 Warrants carrying the right to subscribe for 100 new PARB Shares at any time during the exercise period, or such other denomination as determined by Bursa Securities.

Participating rights of the holders of Warrants in any distribution and/ or offer of further securities	:	The holders of the Warrants are not entitled to vote in any general meeting of the Company or to participate in any Distribution other than on winding-up, compromise or arrangement of our Company as set out below and/ or in any offer of further securities in our Company unless and until the holder of the Warrants becomes a shareholder of our Company by exercising his/ her respective Warrants into new PARB Shares or unless otherwise resolved by our Company in a general meeting.
Adjustments in the exercise price and/ or number of Warrants	:	The exercise price and/ or number of unexercised Warrants shall be adjusted in the event of alteration to the share capital of our Company, capital distribution or issue of shares in accordance with the provisions of the Deed Poll. If our Company in any way modifies the rights attached to any share or loan capital which is not described in the Deed Poll so as to convert or make convertible such share or loan capital into, or attached thereto any rights to acquire or subscribe for new shares, our Company must appoint the adviser or the auditors (who shall act as experts) to consider whether any adjustment is appropriate, and if the Directors after such consultation determines that any adjustment is appropriate, the exercise price or the number of Warrants or both, will be adjusted accordingly.
Rights in the event of winding-up, liquidation, compromise and/ or arrangement	:	Where a resolution has been passed for a members' voluntary winding-up of our Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with 1 or more companies, then to the extent permitted by law every holder of the Warrants shall be entitled upon and subject to the provisions of the Deed Poll at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of our Company or 6 weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his/ her Warrants to our Company, elect to be treated as if he/ she had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the exercise rights represented by his/ her Warrants to the extent specified in the relevant subscription forms and be entitled to receive out of the assets of our Company which would be available in liquidation as if he/ she had on such date been the holder of the new PARB Shares to which he/ she would have been entitled to pursuant to such exercise.
Listing status	:	The Warrants shall be listed and quoted on the Main Market of Bursa Securities.
Modifications	:	Save for manifest error, any modification, amendment, deletion or addition to the Deed Poll shall require the approval of the holders of Warrants sanctioned by special resolution and may be effected only by the Deed Poll, executed by our Company and expressed to be supplemental hereto and subject to the approval of the relevant authorities, if necessary.
Constitution	:	The Warrants will be constituted by the Deed Poll
Governing law	:	Laws and regulations of Malaysia.

2.6 Details of other corporate exercises

As at the LPD, save for the Rights Issue with Warrants, our Board confirms that there are no other outstanding corporate exercises which have been announced and/ or approved by the regulatory authorities but pending completion.

3. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE WITH WARRANTS

After due consideration, our Board is of the view that the Rights Issue with Warrants is the most appropriate avenue for raising funds for the purposes stated in Section 4 of this Abridged Prospectus while potentially enhancing the capital base, as the Rights Issue with Warrants shall:-

i. Enable us to raise funds without incurring interest expenses as compared to bank borrowings;

ii. Enable us to improve our financial position and to optimise our capital structure via increasing our NA and reducing our current gearing level as detailed in Section 8.2 of this Abridged Prospectus. In addition, upon completion of the Rights Issue with Warrants, our Group expects to raise gross proceeds of RM7.96 million and up to RM37.86 million under the Minimum Scenario and Maximum Scenario, respectively based on the issue price of RM0.05 per Rights Share; and

iii. Provide our Entitled Shareholders with an opportunity to further increase their equity participation in our Company via the issuance of new PARB Shares without diluting the existing shareholders' equity interest, assuming all the Entitled Shareholders fully subscribe for their respective entitlements pursuant to the Rights Issue with Warrants.

The Warrants to be issued pursuant to the Rights Issue with Warrants is expected to provide an incentive to the Entitled Shareholders and/ or their renouncee(s) (if applicable) to subscribe for the Rights Shares. The Warrants will potentially allow the Entitled Shareholders and/ or their renouncee(s) (if applicable) who subscribe for the Rights Shares to benefit from the possible capital appreciation of the Warrants and increase their equity participation in our Company at a predetermined price over the tenure of the Warrants. In addition, our Company would also be able to raise further proceeds as and when the Warrants are exercised.

4. UTILISATION OF PROCEEDS

Based on the issue price of RM0.05 per Rights Share, the total gross proceeds that is expected to be raised from the Rights Issue with Warrants and the intended utilisation are set out below:-

	Timeframe for utilisation	Minimum Scenario RM'000	Maximum Scenario RM'000
Repayment of bank borrowings*1	Within 12 months from completion	5,000	19,000
Working capital*2	Within 24 months from completion	1,256	16,161
Purchase of factory equipment*3	Within 24 months from completion	1,000	2,000
Estimated expenses in relation to the Rights Issue with Warrants*4	Within 1 month from completion	700	700
Total		**7,956**	**37,861**

Notes:-

*1 As at the LPD, the total bank borrowings of PARB amounted to approximately RM40.16 million, details of which are set out below:-.

Type of facility	Purpose of facility	Interest rate per annum	Amount outstanding RM'000
Short-term borrowings			
Trade bills payable	Purchase of raw materials	4.80%-10.10%	20,956
Bank overdrafts	Working capital	7.65%-8.85%	12,923
Revolving credit	Working capital	6.28%	4,000
Term loans	Purchase of machinery	6.07%-8.22%	1,110
Hire purchase payables	Purchase of vehicles	4.55%-5.66%	106
			39,095
Long-term borrowings			
Term loans	Purchase of machinery	6.07%-8.22%	844
Hire purchase payables	Purchase of vehicles	4.55%-5.66%	221
			1,065
			40,160

For illustrative purposes, the repayment of our Group's bank borrowings is expected to result in an interest cost savings of approximately RM0.51 million and RM1.69 million under the Minimum and Maximum Scenario respectively, which translates into an effective interest rate of approximately 10.10% and 8.87% under the Minimum and Maximum Scenario respectively, as set out below:-

Type of facility	Minimum Scenario		Maximum Scenario	
	Repayment amount RM'000	Interest cost savings per annum RM'000	Repayment amount RM'000	Interest cost savings per annum RM'000
Trade bills payable	5,000	505	10,000	1,010
Bank overdraft	-	-	8,000	612
Revolving credit	-	-	1,000	63
Total	**5,000**	**505**	**19,000**	**1,685**
Effective interest rate per annum		**10.10%**		**8.87%**

*2 The proceeds earmarked for working capital will be utilised to finance our Group's day-to-day operations and is expected to be utilised in the following manner:-

	Minimum Scenario RM'000	Maximum Scenario RM'000
Purchase of raw materials (e.g. aluminium ingots and aluminium billets)^	500	15,000
Labour costs#	400	500
Utilities	300	500
Others (e.g. transportation and maintenance costs)	56	161
Total	**1,256**	**16,161**

Notes:-

^ For shareholder's information, for the past 3 financial years/ period up to the FYE 30 June 2017, our average purchase of raw materials is approximately RM96.69 million per annum.

The proceeds earmarked for labour cost is intended to be utilised to expand our sales team. For shareholder's information, the headcount for our Group's sales team as at the LPD was 11 employees. In line with our Group's plan to further grow and expand our operations, we intend to hire additional 5 employees for our sales team.

*3 We intend to utilise up to RM2.00 million for the purchase of 2 units of extrusion press for our Group's existing aluminium extrusion and fabrication business at our factory located in Ijok, Selangor which is expected to increase our factory's monthly output capacity by 200 tons from 1,500 tons to 1,700 tons.

*4 The proceeds earmarked for estimated expenses in relation to the Rights Issue with Warrants shall be utilised as follows:-

	RM'000
Professional fees (i.e. adviser, reporting accountant and solicitors)	600
Regulatory fees	80
Other incidental expenses in relation to the Rights Issue with Warrants	20
Total	**700**

Any variation to the amount of proceeds to be raised, which is dependent upon the actual number of Rights Shares to be issued, will be adjusted against the working capital of our Group.

The gross proceeds to be raised from the exercise of the Warrants is dependent on the total number of Warrants exercised during the tenure of the Warrants. For illustrative purpose only, the gross proceeds that is expected to be raised upon full exercise of the Warrants based on the exercise price of RM0.06 per Warrant is approximately RM9.55 million under the Minimum Scenario and RM45.43 million under the Maximum Scenario. The gross proceeds to be raised from the exercise of the Warrants will be utilised as additional working capital of our Group. The proceeds may be utilised to finance, amongst others, working capital, payment to trade creditors as well as general expenses such as utilities and office expenses. The breakdown of the utilisation of proceeds in respect of each of the additional working capital is not available at this juncture as the actual amount to be utilised by each component of working capital may differ subject to the operating requirements at the time of utilisation as well as the actual number and timing of the exercise of the Warrants.

Pending utilisation of the proceeds from the Rights Issue with Warrants for the above purposes, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments. The interest derived from the deposits with licensed financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group.

5. IRREVOCABLE UNDERTAKINGS AND UNDERWRITING ARRANGEMENT

Our Board has determined to undertake the Rights Issue with Warrants on the Minimum Subscription Level via the issuance of 159,111,680 Rights Shares. The Minimum Subscription Level had been determined by our Board after taking into consideration the minimum amount of funds that our Company intends to raise from the Rights Issue with Warrants which will be channelled towards the proposed utilisation of proceeds as set out in 4 of this Abridged Prospectus.

Certain shareholders of PARB, namely Dato' Ng, Reka Shutter and Liew Yoke Keng (collectively referred to as the "Undertaking Shareholders"), had, on 16 June 2017, provided their respective irrevocable undertakings to subscribe in full for their respective entitlements under the Rights Issue with Warrants based on their shareholdings as at the Entitlement Date.

A summary of the undertakings is set out below:-

Undertaking Shareholders	Shareholdings as at the LPD		Entitlements and Undertakings under the Rights Issue with Warrants				Funding requirements
	No. of Shares	%*1	No. of Rights Shares	%*2	No. of Warrants	%*2	RM*3
Dato' Ng	193,104,600	20.40	154,483,680	97.09	154,483,680	97.09	7,724,184
Reka Shutter	4,445,000	0.47	3,556,000	2.24	3,556,000	2.24	177,800
Liew Yoke Keng	1,340,000*4	0.14	1,072,000	0.67	1,072,000	0.67	53,600
Total	**198,889,600**	**21.01**	**159,111,680**	**100.0**	**159,111,680**	**100.0**	**7,955,584**

Notes:-

*1 Calculated based on 946,531,659 PARB Shares in issue as at the LPD

*2 Calculated based on 159,111,680 Rights Shares together with 159,111,680 Warrants available for subscription under the Minimum Scenario

*3 Calculated based on the issue price of RM0.05 per Rights Share

*4 Including 290,000 PARB Shares held through Maybank Nominees (Tempatan) Sdn Bhd pledged securities account for Liew Yoke Keng

Dato' Ng, Reka Shutter and Liew Yoke Keng had, vide their letters dated 16 June 2017, provided their respective confirmations that they have sufficient financial resources to subscribe for their respective irrevocable undertakings based on the issue price of RM0.05 per Rights Share. The said confirmations have been verified by RHBIB, the Adviser for the Rights Issue with Warrants.

As the Rights Issue with Warrants will be undertaken on the Minimum Subscription Level, PARB will not procure any underwriting arrangement for the remaining portion of the Rights Shares for which no irrevocable undertaking to subscribe for the Rights Shares has been obtained from other shareholders of PARB.

Shareholdings of the Undertaking Shareholders in our Company pursuant to the Rights Issue with Warrants and assuming full exercise of the Warrants under both the Minimum and Maximum Scenario is set out below:-

Minimum Scenario

			I		II	
Undertaking Shareholders	**Shareholdings as at the LPD**		**After the Rights Issue with Warrants**		**After I and assuming full exercise of the Warrants**	
	No. of Shares	**%*1**	**No. of Shares**	**%*2**	**No. of Shares**	**%*3**
Dato' Ng	193,104,600	20.40	347,588,280	31.44	502,071,960	39.70
Reka Shutter	4,445,000	0.47	8,001,000	0.72	11,557,000	0.91
Liew Yoke Keng	1,340,000	0.14	2,412,000	0.22	3,484,000	0.28
Total	**198,889,600**	**21.01**	**358,001,280**	**32.38**	**517,112,960**	**40.89**

Notes:-

*1 Calculated based on 946,531,659 PARB Shares in issue as at the LPD

*2 Calculated based on 1,105,643,339 PARB Shares, being the enlarged pro forma number of PARB Shares in issue after the Rights Issue with Warrants and prior to the exercise of Warrants under the Minimum Scenario.

*3 Calculated based on 1,264,755,019 PARB Shares, being the enlarged pro forma number of PARB Shares in issue after the Rights Issue with Warrants and assuming full exercise of the Warrants under the Minimum Scenario.

Maximum Scenario

			I		II	
Undertaking Shareholders	**Shareholdings as at the LPD**		**After the Rights Issue with Warrants**		**After I and assuming full exercise of the Warrants**	
	No. of Shares	**%*1**	**No. of Shares**	**%*2**	**No. of Shares**	**%*3**
Dato' Ng	193,104,600	20.40	347,588,280	20.40	502,071,960	20.40
Reka Shutter	4,445,000	0.47	8,001,000	0.47	11,557,000	0.47
Liew Yoke Keng	1,340,000	0.14	2,412,000	0.14	3,484,000	0.14
Total	**198,889,600**	**21.01**	**358,001,280**	**21.01**	**517,112,960**	**21.01**

Notes:-

*1 Calculated based on 946,531,659 PARB Shares in issue as at the LPD.

*2 Calculated based on 1,703,756,986 PARB Shares, being the enlarged pro forma number of PARB Shares in issue after the Rights Issue with Warrants and prior to the exercise of Warrants under the Maximum Scenario.

*3 Calculated based on 2,460,982,313 PARB Shares, being the enlarged pro forma number of PARB Shares in issue after the Rights Issue with Warrants and assuming full exercise of the Warrants under the Maximum Scenario.

For shareholder's information, Reka Shutter and Liew Yoke Keng are persons acting in concert with Dato' Ng ("PACs"). Upon completion of the Rights Issue with Warrants and prior to full exercise of the Warrants under the Minimum Scenario, Dato' Ng and the PACs' equity interest in PARB collectively may increase from approximately 21.01% to 32.38%. Further details on their respective shareholdings as at the LPD and after the Rights Issue with Warrants are set out in Section 3 of Appendix II of this Abridged Prospectus. Based on the aforementioned, they do no trigger the obligation to undertake a mandatory take-over offer for all the remaining PARB Shares and Warrants not already held by them pursuant to Paragraph 4.01(a) of the Rules upon completion of the Rights Issue with Warrants.

Further, assuming the full exercise of the Warrants held by Dato' Ng and the PACs upon completion of the Rights Issue with Warrants under the Minimum Scenario, their equity interest in PARB collectively may increase from approximately 32.38% to 40.89% and in such event, they shall have an obligation to undertake a mandatory take-over offer pursuant to the Rules. However, Dato' Ng and the PACs do not intend to undertake a mandatory take-over offer in such event. In this regard, Dato' Ng and the PACs shall observe their shareholdings in our Company at all times as well as prior to any exercise of the Warrants in PARB held by them, to avoid triggering the obligation to undertake a mandatory take-over offer pursuant to the Rules. In addition, should the need arises, they may make an application to the SC to seek an exemption under Paragraph 4.08(1) of the Rules from the obligation to undertake a mandatory take-over offer prior to any exercise of the Warrants in PARB held by them.

For clarity purpose, in the event of the completion of the Rights Issue with Warrants and prior to full exercise of the Warrants under the Minimum Scenario, the total shareholdings of Dato' Ng and the PACs may increase to 32.38%, and assuming full exercise of the Warrants held by them, their total shareholdings in PARB may increase from 32.38% to 40.89%. Accordingly, PARB will still be in compliance with the minimum public shareholding spread of 25% pursuant to Paragraph 8.02(1) of the Listing Requirements upon completion of the Rights Issue with Warrants as well as assuming upon full exercise of the Warrants by Dato' Ng and the PACs.

6. RISK FACTORS

In addition to other information contained elsewhere in this Abridged Prospectus, you and/ or your renouncees (if applicable) should consider carefully the following risk factors which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Issue with Warrants.

6.1 Risks relating to the industries which we operate in

6.1.1 Business and operational risks

Our Group is principally involved in aluminium extrusion, fabrication and related services, manufacturing aluminium billets and tolling, contractor in designing, supplying, fabricating and installing of aluminium products, supply, installation and commissioning of solar panels and provision of after installation services as well as providing funding needs to the customers who purchase our solar power generation devices. Hence, our Group is subject to certain risks inherent in the aluminium industry that include, amongst others, competition from existing players, shortage in skilled workforce, increase in staff cost, increase in cost of sales and operations, changes in government policies affecting the industry and changes in general economic, business and credit conditions.

Whilst our Group may seek to mitigate the abovementioned risks through efforts such as employment of highly skilled technical personnel, implementing prudent business strategies and carrying out continuous review of our operations, there is no assurance that any changes to the abovementioned risk factors will not have a material adverse effect on our Group's business in future.

6.1.2 Competition risk

Our Group faces competition from other local aluminium extrusion players in terms of pricing as well as the sale and marketing of our products. Nevertheless, we expect to remain competitive due to the quality of our products and the generally high cost of entry into the business. While we seek to remain competitive in terms of pricing and constantly upgrading our manufacturing process and technology to better enhance the quality of our products, there is no assurance that our proactive measures can effectively mitigate the potential adverse effects of competition on our financial performance.

6.1.3 Political, economic and regulatory risks

Any adverse development in the political situation and economic uncertainties in Malaysia could materially and adversely affect the financial performance of our Group despite our Group taking necessary measures, including but not limited to, keeping abreast with local policies and laws as well as prudent management and operating procedures.

Any changes in the political situation and/ or government policies in Malaysia may also affect the business of our Group. Political or regulatory changes and changes in interest rates or taxes may impact our Group's business, financial condition, results of operations and prospects. Other adverse political situations include the risks of wars, terrorism, nationalisation and expropriation which may also affect the performance of our Group.

6.2 Risks relating to our Group

6.2.1 Dependence on major customers

Our Group's revenue is mainly derived from our aluminium extrusion and fabrication business segment. We are dependent to a certain extent on some of our major customers, which contributed approximately 47.18% to our total revenue for the FYE 30 June 2017.

Notwithstanding the above, our Group has maintained close business relationships with our major customers and we ensured that our products are satisfactorily delivered to our customers. However, there is no assurance that we would be able to procure future or recurring orders from our major customers.

6.2.2 Pricing and availability of raw materials

Aluminium ingots and aluminium scraps are used in the production of aluminium billets. The prices of most metals, including aluminium ingots, which is a major raw material sourced by our Group is volatile and are determined by the demand and supply in the world market. The price of aluminium is determined and traded on the London Metal Exchange ("LME") in which the trading price had increased from an average of USD1,600/ metric ton to an average of USD1,900/ metric ton during the financial year under review. Further, if there are any shortages of metal, we may find it difficult to obtain the amount of materials required at prices that are commercially acceptable.

In instances of cost fluctuations, we believe we are able to address such costs increase by adjusting the selling price accordingly, and we are also able to procure sufficient amounts of raw materials from our long-term suppliers.

However, there is no assurance that any changes to these factors will not have a material adverse effect on our business.

6.2.3 Foreign exchange risks

Our Group is exposed to foreign exchange risks as we have business transactions which are transacted in foreign currency such as USD, including purchases of raw materials and revenue for sale of our aluminium products. For the FYE 30 June 2017, approximately 10% of our revenue and 30% of our purchases of raw material are transacted in foreign currency. As our Group uses foreign currency for purchases of raw materials and sales receipts of foreign currency for certain business transactions, this would therefore provide, to a certain extent, a natural hedge against foreign exchange fluctuations.

However, there can be no assurance that any future fluctuation in exchange rates will not adversely affect our Group's financial performance.

6.2.4 Borrowings and fluctuations in interest rates

Our total outstanding bank borrowings as at LPD amounted to approximately RM41.60 million, all of which are interest-bearing borrowings and denominated in RM. As such, any additional borrowings and/ or increase in interest rates may result in an increase in interest expense, which may affect our profitability.

Our Group's gearing stood at 0.60 times as at 30 June 2017 and all our borrowings are interest-bearing obligations. Any interest rate hike may affect our business and hence, we manage the net exposure to interest rate risks by maintaining sufficient lines of credits to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. As at the LPD, we have not encountered any default in payment on the bank borrowings.

Our credit facilities may also be subject to periodic review by the banks or financiers and contain certain covenants which may limit our operating and financing flexibility. Any act or omission by us that breaches such covenants may give the rights to the banks or financiers to terminate the relevant credit facilities and/ or enforce any security granted in relation to those credit facilities. This may in turn causes a cross default of other credit facility agreements. As these covenants are commonly contained in the credit facility agreements in Malaysia, we will endeavour to monitor the compliance with all such covenants.

Nevertheless, there can be no assurance that current interest rates will be maintained in the future and/ or that any increase in our borrowings will not have any material effect on our financial performance. Further, there can also be no assurance that our performance will not be adversely affected should we breach such covenants of any of our credit facility agreements.

6.2.5 Credit risks

Generally, the risk of potential bad debts is considered to affect most businesses. We may experience delays in payment from our customers, or in more severe cases, we may not be able to collect payment. In the event of payment defaults, we would have to make provisions for doubtful debts or incur bad debts written off, which will have an adverse impact on our profitability. Generally, most of our clients make their payments on time and thus, the impact of delay in payment on our profitability has not been material. As at the FYE 30 June 2017, approximately RM17.19 million or 46.00% of our total trade and loan receivables under our current assets were from our 2 major customers. Further, these outstanding amount of RM17.19 million represents approximately 17.66% of our total revenue recorded for the FYE 30 June 2017.

To keep our credit risk under control, we assess the financial and credit position of potential clients as well as carrying out checks on their reputation and creditability in terms of timeliness and ability to honour payments. For existing clients, we continually assess and review their credit position and maintain close contact with these clients, thereby allowing us to be in a better position to notice any changes that may have an impact on their credit position and thus affect their ability to make payment for our products.

Nevertheless, there can be no assurance that all our debts would be collected. Our financial performance could be adversely affected in the event of write-offs and/ or provisions for doubtful debts.

6.2.6 Dependence on key management and personnel

The performance and success of our Group's business and operations are dependent, among others, on the skills, abilities, experience, competencies and on-going efforts of our Group's key management and personnel. The loss of and failure to recruit suitable candidates to timely replace any such key management or personnel may adversely affect our Group's business and operations.

In order to mitigate this risk, our Group has taken into consideration effective human resource management and development which includes competitive remuneration packages and training to attract and retain our key management and personnel as well as experienced and competent staff. However, there is no assurance that our staff retention efforts above would be successful.

6.3 Risks relating to the Rights Issue with Warrants

6.3.1 Market risks

The market price of our Shares as traded on Bursa Securities is influenced by, amongst others, the prevailing market sentiments, volatility of the equity markets, the outlook of the industries which we operate in as well as our financial performance. In view of this, there can be no assurance that our Shares will trade at or above the issue price of the Rights Shares or the TERP of our Shares upon or subsequent to the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities.

Shareholders should also consider carefully that each Warrant derives its value from giving its holder the right to subscribe for new PARB Shares at a predetermined exercise price over the exercise period. The Warrants have a finite lifespan during which tenure the holders can exercise the subscription rights comprised in the Warrant. If the sum of the price of the Warrants as quoted on Bursa Securities and the exercise price of the Warrants is higher than the market price of PARB Shares, the Warrants are deemed to be 'out-of-the-money'. The value of the Warrants is directly related to the market price of PARB Shares. The higher the market price of PARB Shares exceeds the exercise price of the Warrants, the higher the value of the Warrants will be. Shareholders are reminded, however, that other factors may also affect the market price of our Warrants or the market price of our Shares. Other than the fundamentals of our Group, the future price performance of the Warrants will also depend on various external factors as mentioned above.

As the Warrants are a new type of securities issued by our Company, there can also be no assurance that an active market for the Warrants will develop upon their listing on Bursa Securities or if developed, that it will sustain.

Accordingly, there can be no assurance that the market price of our Rights Shares and the Warrants will be at a level that meets the specific investment objectives or targets of any holders of the Rights Shares and the Warrants.

6.3.2 Delay in or abortion of the Rights Issue with Warrants

The Rights Issue with Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of any material adverse change of events/ circumstances, unfavourable changes in the governments' policies as well as other force majeure events, which are beyond the control of our Company and RHBIB, arising prior to or during the implementation of the Rights Issue with Warrants.

Nevertheless, our Group will endeavour to ensure the successful listing of the Rights Shares and the Warrants. However, there can be no assurance that the above-mentioned events will not occur and cause a delay in or abortion of the Rights Issue with Warrants. In the event the Rights Issue with Warrants is aborted, our Group will repay without interest all monies received in respect of the accepted application for the subscription of the Rights Shares pursuant to the Rights Issue with Warrants and if such monies are not repaid within 14 days after we become liable to repay, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

In the event that the Rights Shares with Warrants is aborted/ terminated, and the Rights Shares have been allotted to the shareholders, a return of monies to all holders of the Rights Shares could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya. There can be no assurance that such monies can be removed within a short period of time or at all in such circumstances.

6.3.3 Potential mandatory take-over offer

It should be noted that Dato' Ng and the PACs will be obliged to undertake a mandatory take-over offer for all the remaining PARB Shares and Warrants not already held by them pursuant to Paragraph 4.01(a) of the Rules:-

(a) where the acquirer has obtained control of the company i.e. holding more than 33%; or

(b) where the acquirer has triggered the creeping threshold, where the creeping threshold means an acquisition of more than 2% of the voting shares or voting rights of a company in any period of 6 months by an acquirer holding over 33% but not more than 50% of the voting shares or voting rights of the company.

However, Dato' Ng and the PACs do not intend to undertake a mandatory take-over offer in such event. In this regard, Dato' Ng and the PACs shall observe their shareholdings in our Company at all times as well as prior to any exercise of the Warrants in PARB held by them, to avoid triggering the obligation to undertake a mandatory take-over offer pursuant to the Rules. In addition, should the need arises, they may make an application to the SC to seek an exemption under Paragraph 4.08(1) of the Rules from the obligation to undertake a mandatory take-over offer prior to any exercise of the Warrants in PARB held by them.

6.4 Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of the future results and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements contained in this Abridged Prospectus are based on assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, inter-alia, the risk factors as set out in this section. In view of these uncertainties, the inclusion of any forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy recorded a sterling growth of 5.7% during the first 6 months of 2017 underpinned by strong domestic demand and reinforced by improved external sector. Given the robust economic growth during the first half of 2017, real gross domestic product ("GDP") for the year is expected to strengthen further between 5.2% and 5.7%, surpassing the earlier estimates. Accordingly, gross national income ("GNI") at current prices is estimated to expand 9.1% to RM1.3 trillion, with income per capita increasing 7.7% to RM40,713.

Aggregate domestic demand is expected to remain resilient, primarily driven by private sector expenditure, while the public sector gradually consolidates. Of significance, private consumption will continue to support economic growth. The propensity to consume will be enhanced by stable labour market, higher export earnings and manageable inflation amid low interest rate environment.

Meanwhile, private investment is projected to expand at a stronger pace supported by higher capital outlays, particularly in the services and manufacturing sectors. Investments will also be supported by steady inflows of foreign direct investment.

On the supply side, growth will be supported by stronger performance across all sectors with services and manufacturing remaining as the main drivers of growth. The services sector is projected to expand at a faster rate, reflecting stronger expansion across most subsectors, particularly wholesale and retail trade information and communication; as well as food and beverages and accommodation. Within the manufacturing sector, the export-oriented industries are projected to expand significantly following higher global demand for semiconductors.

Similarly, growth in the domestic-oriented industries will strengthen following improved demand for consumer products and construction-related materials. In the agriculture sector, growth is expected to be supported by the recovery in output of crude palm oil and rubber. The construction sector will be led by higher civil engineering activities while the mining sector continues to expand, though at a slower pace supported by higher production of natural gas.

The Malaysian economy is projected to continue its strong growth momentum with real GDP expanding between 5% and 5.5% in 2018. Growth will be mainly driven by resilient domestic demand amid favourable external sector. Given the robust economic development, GNI per capita is estimated to increase 5.1% to RM42,777. Despite the strong growth momentum, Malaysia as an open economy is not immune to external headwinds. These include rising protectionism; policy uncertainties in the advanced countries; and volatility in the financial markets. Nevertheless, structural reforms undertaken over the years to diversify the economy and strengthen the financial system have provided sufficient buffer to weather these external challenges.

On the demand side, household spending will remain as the key source of growth, benefiting from higher income following stable employment conditions and firmer commodity prices. Private investment is forecast to remain resilient primarily attributed to capital outlays in the services and manufacturing sectors. Private sector continues to spearhead growth, while public sector remains committed towards its fiscal consolidation path. The external sector is expected to remain resilient supported by sustained demand from major trading partners. Inflation will remain benign between 2.5% and 3.5% while the economy continues to operate under full employment.

On the supply side, growth is expected to be broad-based with positive contribution from all sectors in the economy. Growth in services sector is expected to remain strong, largely led by the final services group in line with the trends in private consumption. Likewise, the manufacturing sector is anticipated to expand in line with sustained external demand and consumption activities. The agriculture sector is forecast to increase supported by higher output and firmer commodity prices. Growth in the construction sector will be driven by major civil engineering projects while the mining sector is projected to continue expanding at a moderate pace supported by natural gas production.

(Source: Chapter 3: Economic Performance and Prospects, Economic Report 2017/ 2018, Ministry of Finance Malaysia)

7.2 Overview and outlook of the metal industry

Malaysia's basic metal industries, which include the iron and steel industries and the non-ferrous metal industries, have seen significant developments since the last three decades in tandem with the country's industrial development.

The non-ferrous metal sectors in Malaysia cover products like tin, aluminium, copper, zinc and lead. The main players however are companies in the aluminium industries sector which produce aluminium sheets/ foils, aluminium finstock, aluminium ingots (recycled), aluminium rods and aluminium extruded profiles, and the copper related companies which produce copper rods/ wires, copper strips, copper tubes/ extrusions and tin metal. There are currently 285 projects in the non-ferrous metal sectors with total employment of 24,710 workers.

The non-ferrous metal industries provide linkages mainly in the construction industry, electrical/ electronic industry, automotive industry, food and packaging industry

(Source: Malaysian Investment Development Authority (2017). Basic Metal Products Industry)

Within the export-oriented industries, electrical and electronics ("E&E") output expanded 9.3% while sales surged 16.3% to RM169.5 billion. Growth emanated mainly from the expansion in output of printed circuit boards, semiconductor devices and electronic integrated circuits which strengthened further by 24.4%, 11.9% and 16.9%, respectively. This is in line with the trend in global semiconductor sales which is expected to expand 11.5% in 2017, the highest level since 2010. Within the domestic-oriented industries, output of construction-related materials recorded a sustained growth of 4.8%. Growth was led by higher production of basic metal, particularly basic iron and steel which rebounded 6.2%. Likewise, both non-metallic mineral and fabricated metal products grew 5.4% and 4.6%, respectively supported by increased demand for fabricated construction materials and concrete, cement and plaster following vibrant construction activities.

(Source: Chapter 3: Economic Performance and Prospects, Economic Report 2017/ 2018, Ministry of Finance Malaysia)

7.3 Overview and outlook of the manufacturing industry

Value added of the manufacturing sector expanded further by 5.8% during the first half of 2017 with expansion across a wide range of outputs in both export- and domestic-oriented industries. During the first 8 months of 2017, production increased by 6.4%, while sales rebounded significantly by 15.6% to RM500.2 billion. Output of export oriented industries rose 6.5% led by an upturn in global electronics cycle and further enhanced by strong demand for resource-based products. Meanwhile, domestic-oriented industries expanded 6.2% benefiting from vibrant consumption and construction activities. Against this backdrop, the capacity utilisation rate remained stable at 86.6% and 82.8% during the first and second quarter of 2017 amid continuous expansion of the manufacturing sector. Likewise, Purchasing Manager's Index improved to 49.9 points in September 2017 reflecting a more optimistic outlook. In consonant with higher production during the first 8 months of 2017, number of employees turned around 2.3% with average wage per working increasing 5.5% to RM3,252. For the year, the manufacturing sector is projected to expand further by 5.5% mainly attributed to an upturn in global semiconductor sales as well as higher demand for consumer products and construction materials.

The manufacturing sector is forecast to increase 5.3% in 2018. Output of export-oriented industries is projected to expand on account of sustained demand for E&E, refined petroleum and woods products. Likewise, growth in the domestic-oriented industries is anticipated to remain resilient supported by ongoing construction of infrastructure projects as well as strong demand for consumer products, especially food and transport equipment.

(Source: Chapter 3: Economic Performance and Prospects, Economic Report 2017/ 2018, Ministry of Finance Malaysia)

7.4 Future prospects of our Group

Our Group's plans to improve its financial performance which include but not limited to implementing measures to reduce the cost of sales and increasing production efficiency, of which further details are set out in the ensuing paragraphs and a summary of our Groups operating profit and/ or loss for each of its operating segments for the past 3 financial years/ periods are set out as follows:-

	<---------------------------Audited	-------------------------------------	------>
	12-month FYE 31 March 2015 RM	**15-month FPE 30 June 2016 RM**	**12-month FYE 30 June 2017 RM**
Aluminium extrusion and fabrication	(2,830,648)	2,987,211	(743,051)
Aluminium billets and tolling	2,151,918	3,338,240	2,273,933
Construction contract	(2,389,021)	(2,835,122)	(4,411,756)
Solar industry	(3,059,882)	60,939	(200,087)
Money lending	(66,926)	289,262	(273,251)
Total	**(6,194,559)**	**3,840,530**	**(3,354,212)**

As illustrated in the table above, the construction contract segment has consistently been making operating losses for the past 3 financial years/ periods. It is the intention of our Board to downsize the construction contract segment which includes relocation of the Cheras office which is currently owned by us to our Group's main office in Ijok, Selangor which was effected in April 2017. Pursuant to the relocation, our Group expects to enjoy cost savings of approximately RM2.40 million per annum from the relocation of the Cheras office. The cost savings arises mainly due to savings from the reduction in the number of employees pursuant to the relocation as well as utilities expenses.

Our aluminium billets and tolling segment had consistently generated operating profits for the past 3 years/ financial periods. Notwithstanding the fluctuation in operating profit for our aluminium extrusion and fabrication segments, this segment represents our Group's main revenue driver as it had, on an increasing trend, contributed approximately 70.0%, 85.1% and 96.5% to our Group's revenue for the 12-month FYE 31 March 2015, 15-month FPE 30 June 2016 and 12-month FYE 30 June 2017 respectively. The Board has identified these 2 segments as our Group's main profit drivers and it is the Board's intention to utilise the savings from the relocation of the Cheras office to further grow and expand these 2 segments. In addition to the cost savings enjoyed from the relocation of the Cheras office, our Board is also exploring other avenues to either rent or sell the Cheras office where the rental income or income from the disposal of the Cheras office will be utilised for the growth and expansion of the abovementioned segments.

In addition, our Group has already in place a plan to reduce the cost of sales by eliminating the outsourcing of labour to third parties and instead rely upon hiring of in-house labour for its operations. As our Group phases out the outsourcing of labour to third parties complemented by the hiring of our own in-house labour, our Group expects to enjoy cost savings of approximately RM3.00 million per annum and the cost savings is expected to contribute to the overall improvement of the production cost.

As set out in Section 4 of this Abridged Prospectus, the utilisation of proceeds from the Rights Issue with Warrants is also expected to provide the necessary impetus to our Group's plans to improve the financial condition of PARB Group.

The interest savings from the repayment of bank borrowings of RM0.51 million under the Minimum Scenario and up to RM1.69 million under the Maximum Scenario is expected to further strengthen our Group's cash position of which the cash from the interest savings can be used for, amongst others, working capital for the purchase of materials and capital expenditure for the acquisition of new machineries.

The purchase of factory machinery from the proceeds to be raised from the Rights Issue with Warrants is expected to increase our Group's factory's monthly output capacity for our aluminium extrusion and fabrication operations by 200 tons. Assuming the Rights Issue with Warrants is completed by the fourth quarter of 2017, our Board intends to utilise the proceeds from the Rights Issue with Warrants as set out in Section 4 of this Abridged Prospectus within 24 months from completion of the Rights Issue with Warrants for the purchase of factory equipment. Maintenance work on the older machineries is expected to commence in November 2017 for a period of 2 months and barring any unforeseen circumstances, the maintenance work will not affect the factory's operations as maintenance work will only be undertaken when the machinery is not in operation. For further clarification, our factory's current utilisation rate is approximately 70%, hence maintenance work on the older machineries will not affect our factory's operation.

With the addition of the new machinery, our Group will be able to perform maintenance work on the older machineries without sacrificing production output. In the long run, our Board is cautiously optimistic that it will be able to achieve and maintain optimal output capacity and further increase output capacity as our Group gradually replaces its older machineries with newer and more efficient machineries. The newer and more efficient machineries will allow our Group to enjoy better economies of scale and reduction in cost of sales which in turn will improve profit margin.

The management realises that in order to further grow and expand our Group's operations, it is necessary to expand the sales team. The management is on the lookout to bring in the right personnel that will contribute to the sales team. The expansion of our Group's sales team is expected to increase our Group's revenue and contribute positively to our Group's bottom line.

The Rights Issue with Warrants will enable our Group to raise additional funds without having to incur interest costs or service principal payment arising from conventional bank borrowings, which may otherwise affect our Group's financial performance going forward. Notwithstanding that our Group had recorded net cash generated from operating activities of RM10.29 million for the FYE 30 June 2017, our Group still recorded a net decrease of RM13.45 million in cash and cash equivalents for the FYE 30 June 2017 and the Rights Issue with Warrants is expected to enable our Group to preserve cash flow for operational purposes. As set out in Section 4 of this Abridged Prospectus, the intended utilisation of proceeds from the Rights Issue with Warrants will not only allow our Group to enjoy interest cost savings, it will also be used to acquire additional machinery for our Group's existing operations which will increase the factory's monthly output capacity for our aluminium and extrusion operations by 200 tons and the proceeds earmarked for working capital is also allocated for labour costs, which will provide the necessary funding to expand the sales team without affecting current cash flow.

Premised on the above, the management believes that the plans outlined above will improve our Group's financial condition and the Rights Issue with Warrants will further enhance our Group's ability to bring to fruition the results of the plans outlined above and allow our Group to return to profitability.

Company No. 664612-X

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

8.1 Issued share capital

The pro forma effects of the Rights Issue with Warrants are set out as follows:-

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	946,531,659	99,033,266*1	946,531,659	99,033,266*1
Rights Shares to be issued pursuant to the Rights Issue with Warrants	159,111,680	4,391,482*2	757,225,327	20,899,419*2
	1,105,643,339	103,424,748	1,703,756,986	119,932,685
Shares to be issued arising from the full exercise of the Warrants	159,111,680	9,546,701*3	757,225,327	45,433,520*3
Reversal of warrants reserves upon full exercise of the Warrants	-	3,564,102*4	-	16,961,847*4
Enlarged issued share capital	**1,264,755,019**	**116,535,551**	**2,460,982,313**	**182,328,052**

Notes:-

*1 The share premium and the capital redemption reserves have become part of our Company's share capital pursuant to Section 618(2) of the Act

*2 Calculated based on the issue price of RM0.05 per Rights Share less the theoretical fair value of the Warrants of RM0.0224 based on the Trinomial option pricing model as extracted from Bloomberg

*3 Calculated based on the exercise price of RM0.06 per Warrant

*4 Calculated based on the theoretical fair value of the Warrants of RM0.0224 based on the Trinomial option pricing model as extracted from Bloomberg

8.2 NA per Share and gearing

Based on the latest audited consolidated statement of financial position of PARB Group as at 30 June 2017, the pro forma effects of the Rights Issue with Warrants on the NA per Share and gearing of our Group are set out as follows:-

Minimum Scenario

		I	II
	Audited as at 30 June 2017 RM'000	After the Rights Issue with Warrants RM'000	After I and assuming full exercise of the Warrants RM'000
Share capital	99,033*1	103,425*2	116,536*6
Other reserves	23,567	23,567	23,567
Warrants reserves	-	3,564*3	-
Accumulated losses	(47,277)	(47,977)*4	(47,977)
Shareholders' fund/ NA	**75,323**	**82,579**	**92,126**
Non-controlling interests	(4,684)	(4,684)	(4,684)
Total equity	**70,639**	**77,895**	**87,442**

	Audited as at 30 June 2017 RM'000	I After the Rights Issue with Warrants RM'000	II After I and assuming full exercise of the Warrants RM'000
No. of Shares in issue ('000)	946,532	1,105,643	1,264,755
NA per Share (RM)	0.08	0.07	0.07
Total borrowings (RM'000)	42,687	37,687*5	37,687
Gearing ratio (times)	0.60	0.48	0.43

Notes:-

*1 The share premium and the capital redemption reserves have become part of our Company's share capital pursuant to Section 618(2) of the Act

*2 Calculated based on the issue price of RM0.05 per Rights Share less the theoretical fair value of the Warrants of RM0.0224 based on the Trinomial option pricing model as extracted from Bloomberg

*3 After the recognition of 159,111,680 Warrants to be issued at the theoretical fair value of RM0.0224 per Warrant based on the Trinomial option pricing model as extracted from Bloomberg

*4 After deducting estimated expenses of approximately RM700,000 in relation to the Rights Issue with Warrants

*5 After the repayment of bank borrowings of RM5.00 million from the utilisation of proceeds as set out in Section 4 of this Abridged Prospectus

*6 After adjusting for the full exercise of the Warrants at the exercise price of RM0.06 per Warrant and the reversal of warrants reserves upon full exercise of the Warrants

Maximum Scenario

	Audited as at 30 June 2017 RM'000	I After the Rights Issue with Warrants RM'000	II After I and assuming full exercise of the Warrants RM'000
Share capital	99,033*1	119,932*2	182,328 *6
Other reserves	23,567	23,567	23,567
Warrants reserves	-	16,962*3	-
Accumulated losses	(47,277)	(47,977)*4	(47,977)
Shareholders' fund/ NA	**75,323**	**112,484**	**157,918**
Non-controlling interests	(4,684)	(4,684)	(4,684)
Total equity	**70,639**	**107,800**	**153,234**
No. of Shares in issue ('000)	946,532	1,703,757	2,460,982
NA per Share (RM)	0.08	0.07	0.06
Total borrowings (RM'000)	42,687	23,687*5	23,687
Gearing ratio (times)	0.60	0.22	0.15

Notes:-

*1 The share premium and the capital redemption reserves have become part of our Company's share capital pursuant to Section 618(2) of the Act

*2 Calculated based on the issue price of RM0.05 per Rights Share less the theoretical fair value of the Warrants of RM0.0224 based on the Trinomial option pricing model as extracted from Bloomberg

*3 After the recognition of 757,225,327 Warrants to be issued at the theoretical fair value of RM0.0224 per Warrant based on the Trinomial option pricing model as extracted from Bloomberg

*4 After deducting estimated expenses of approximately RM700,000 in relation to the Rights Issue with Warrants

*5 After the repayment of bank borrowings of RM19.00 million from the utilisation of proceeds as set out in Section 4 of this Abridged Prospectus

*6 After adjusting for the full exercise of the Warrants at the exercise price of RM0.06 per Warrant and the reversal of warrants reserves upon full exercise of the Warrants

8.3 Earnings and EPS

The Rights Issue with Warrants is expected to be completed by the fourth quarter of 2017. Save for the interest cost savings as highlighted in Section 4 of this Abridged Prospectus, the Rights Issue with Warrants is not expected to have any material effect on the earnings of our Group for the FYE 30 June 2018. However, the EPS/ (LPS) of our Group may be diluted as a result of the increase in the number of PARB Shares in issue upon the completion of the Rights Issue with Warrants, and as and when the Warrants are exercised into new PARB Shares during the tenure of the Warrants.

Notwithstanding the above, the proceeds from the Rights Issue with Warrants may contribute positively to the earnings of our Group with the additional funds for working capital purposes as well as interest savings from the repayment of bank borrowings.

For illustrative purpose only, assuming the Rights Issue with Warrants had been completed and all the Warrants had been exercised into new PARB Shares on 1 July 2016, being the beginning of the FYE 30 June 2017, the pro forma dilution effect on the basic EPS/ (LPS) of our Group as a result of the increase in number of PARB Shares in issue, is set out below:-

Minimum Scenario

	Audited FYE 30 June 2017	I After the Rights Issue with Warrants	II After I and assuming full exercise of the Warrants
(LAT) attributable to the equity holders of the Company (RM'000)	(12,230)	(12,230)	(12,230)
No. of Shares in issue ('000)	946,532	1,105,643	1,264,755
Basic (LPS) (sen)	(1.29)	(1.11)	(0.97)

Maximum Scenario

	Audited FYE 30 June 2017	I After the Rights Issue with Warrants	II After I and assuming full exercise of the Warrants
(LAT) attributable to the equity holders of the Company (RM'000)	(12,230)	(12,230)	(12,230)
No. of Shares in issue ('000)	946,532	1,703,757	2,460,982
Basic (LPS) (sen)	(1.29)	(0.72)	(0.50)

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that, after taking into consideration our cash flow generated from our operations, current cash in hand and banking facilities available as well as proceeds from the Rights Issue with Warrants, our Group will have sufficient working capital for the next 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM40.16 million. All the borrowings are denominated in local currency, interest-bearing and comprise the following:-

	RM'000
Long term borrowings:-	
Term loans	844
Hire purchase payables	221
	1,065
Short term borrowings:-	
Trade bills payable	20,956
Bank overdrafts	12,923
Revolving credit	4,000
Term loans	1,110
Hire purchase payables	106
	39,095
Total	**40,160**

As at the LPD, our Group does not have any non-interest bearing borrowings from local and foreign financial institutions.

There has been no default on payments of either interest and/ or principal sums in respect of any borrowings during the FYE 30 June 2017 and the subsequent financial period up to the LPD.

9.3 Contingent liabilities

Save as disclosed below, as at the LPD, our Board confirms that there are no other contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial result/ position of our Group:-

(i) During the previous financial period, P.A. Projects Sdn. Bhd. ("PAP"), a subsidiary company completed a contract about 4 months after the stipulated date. The contract imposes a penalty of RM5,500 per day for late completion.

The management has attributed the delay to the sudden change in the main contractor mid-way through the project and has caused PAP's contracting work schedule to be disrupted. After considering the facts surrounding the case, the management finds that it is unlikely PAP will be held liable for the delay. Accordingly, no provision has been made in the financial statements in respect of the matter.

(ii) In another separate contract, PAP was appointed as a sub-contractor that required it to complete its contracting work in March 2016. Instead, the contract was completed in February 2017. The contract imposes a penalty of RM50,000 for each day the entire project is delayed (LAD). The contract does not specify how the LAD, if any is to be shared among the main contractor and sub-contractors involved in the entire project.

The management strongly believes that PAP had diligently kept to its contract work schedule only to be disrupted due to work delayed by the main contractor and other sub-contractors. PAP is therefore not responsible and cannot be held liable for the delay. As such, no provision has been made with regard to this matter. Furthermore, a reasonable estimate of the potential liability attributable to PAP cannot be made out due to the lack of further information.

9.4 Material commitments

As at the LPD, our Board confirms that there are no material commitments for capital expenditure incurred or known to be incurred by our Group that have not been provided for which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group.

10. INSTRUCTIONS FOR ACCEPTANCE, SALE OR TRANSFER, EXCESS APPLICATION AND PAYMENT

10.1 General

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Rights Shares with Warrants which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such securities into your CDS Account and the RSF to enable you to subscribe for the Provisional Rights Shares with Warrants, as well as to apply for Excess Rights Shares with Warrants if you choose to do so.

10.2 NPA

The Provisional Rights Shares with Warrants are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, all dealings in the Provisional Rights Shares with Warrants will be by book entries through the CDS Accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository. You and/ or your renouncee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

10.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Rights Shares with Warrants is at **5.00 p.m.** on **Friday, 8 December 2017**.

10.4 Procedure for full acceptance and payment

Acceptance of and payment for the Provisional Rights Shares with Warrants to you as an Entitled Shareholder or your renouncee(s) (if applicable) must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not strictly conform to the terms of this Abridged Prospectus, the NPA or the RSF or the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS, EXCESS RIGHTS SHARES WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/ OR YOUR RENOUNCEE(S) (IF APPLICABLE) WISH TO SELL/ TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.
YOU AND/ OR YOUR RENOUNCEE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

If you and/ or your renouncee(s) (if applicable) wish to accept either in full or in part of the Provisional Rights Shares with Warrants of your entitlement, please complete Parts I(a) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be sent to our Share Registrar using the envelope provided (at your own risk) by **ORDINARY POST, COURIER** or **DELIVERED BY HAND** at the following address:-

Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel. No.: 03 – 2783 9299
Fax. No.: 03 – 2783 9222

OR

Tricor Customer Service Centre
Unit G-3 Ground Floor
Vertical Podium
Avenue 3 Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur

so as to arrive **not later than 5.00 p.m.** on **Friday, 8 December 2017**, being the last date and time for acceptance and payment for the Provisional Rights Shares with Warrants.

If you and/ or your renouncee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you and/ or your renouncee(s) (if applicable) may obtain additional copies from your stockbroker, our Share Registrar at the address stated above, our Registered Office or the website of Bursa Securities (http://www.bursamalaysia.com).

1 RSF can only be used for acceptance of Provisional Rights Shares with Warrants standing to the credit of 1 CDS Account belonging. Separate RSF(s) must be used for the acceptance of Provisional Rights Shares with Warrants standing to the credit of more than 1 CDS Account(s). If successful, the Rights Shares with Warrants subscribed for will be credited into your CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed in this Abridged Prospectus. To facilitate the processing of the RSF(s) by our Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

The minimum number of Rights Shares that can be subscribed for or accepted is 1 Rights Share. Successful applicants of the Rights Shares will be given the Warrant on the basis of 1 Warrant for every 1 Rights Share successfully subscribed for. However, you and/ or your renouncee(s) (if applicable) should take note that a trading board lot for the Rights Shares and the Warrants comprises of 100 Rights Shares and 100 Warrants, respectively. Fractions of Rights Shares with Warrants, if any, shall be disregarded, and dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance of and payment for the Provisional Rights Shares with Warrants allotted to you and/ or your renouncee(s) (if applicable) is not received by our Share Registrar by **5.00 p.m.** on **Friday, 8 December 2017**, being the last date and time for acceptance of and payment for the Provisional Rights Shares with Warrants, you and/ or your renouncee(s) (if applicable) will be deemed to have declined the provisional entitlement made to you and it will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

In the event that the Rights Shares with Warrants are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants to the applicants who have applied for the Excess Rights Shares with Warrants in the manner as set out in Section 10.8 of this Abridged Prospectus. Our Board reserves the right to accept any application in full or in part only without assigning any reasons.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES WITH WARRANTS D ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "PARB RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT AS SET OUT IN THE COVER PAGE OF THIS ABRIDGED PROSPECTUS.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

ALL RIGHTS SHARES AND WARRANT TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANT WILL BE ALLOTTED BY WAY OF CREDITING SUCH RIGHTS SHARES AND THE WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) (IF APPLICABLE). NO PHYSICAL SHARE OR WARRANT CERTIFICATES WILL BE ISSUED.

10.5 Procedure for part acceptance by Entitled Shareholders

You are entitled to accept part of your Provisional Rights Shares with Warrants provided always that the minimum number of Rights Shares that can be subscribed for or accepted is one 1 Rights Share. Fractional of a Rights Shares with Warrants shall be dealt with in a fair and equitable manner as our Board deems fit and expedient and in the best interests of our Company.

You must complete both Parts I(a) and II of the RSF by specifying the number of the Rights Shares which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 10.4 of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

The portion of the Provisional Rights Shares with Warrants that have not been accepted shall be allotted to any other persons allowed under the law, regulations or rules to accept the transfer of the Provisional Rights Shares with Warrants.

10.6 Procedure for sale or transfer of the Provisional Rights Shares with Warrants

As the Provisional Rights Shares with Warrants are prescribed securities, you may dispose or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants to 1 or more person(s) through your stockbrokers without first having to request for a split of the Provisional Rights Shares with Warrants standing to the credit of your CDS Account. To dispose or transfer all or part of your entitlement to the Provisional Rights Shares with Warrants, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have disposed or transferred only part of the Provisional Rights Shares with Warrants, you may still accept the balance of the Provisional Rights Shares with Warrants by completing Parts 1(a) and II of the RSF. Please refer to Sections 10.4 and 10.5 of this Abridged Prospectus for the procedure for acceptance and payment.

In disposing or transferring all or part of your Provisional Rights Shares with Warrants, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is sufficient Provisional Rights Shares with Warrants standing to the credit of your CDS Account that are available for settlement of the sale or transfer.

Purchaser(s) or transferee(s) of the Provisional Rights Shares with Warrants may obtain a copy of this Abridged Prospectus and the RSF from our Share Registrar or at our Registered Office. This Abridged Prospectus and the RSF are also available on the Bursa Securities' website at http://www.bursamalaysia.com.

10.7 Procedure for acceptance by renouncees

Renouncees who wish to accept the Provisional Rights Shares with Warrants must obtain a copy of the RSF from our Share Registrar or at our Registered Office or from Bursa Securities' website at http://www.bursamalaysia.com, and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in Section 10.4 of this Abridged Prospectus also applies to renouncees who wish to accept the Provisional Rights Shares with Warrants.

RENOUNCEES ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

10.8 Procedure for application of Excess Rights Shares with Warrants

You and/ or your renouncee(s) (if applicable) may apply for the Excess Rights Shares with Warrants in excess of your entitlement by completing Part I(b) of the RSF (in addition to Parts I(a) and II) and forward it (together with a **separate remittance made in RM** for the full amount payable in respect of the Excess Rights Shares with Warrants applied for) to our Share Registrar **not later than 5.00 p.m.** on **Friday, 8 December 2017**, being the last date and time for acceptance and payment for Excess Rights Shares with Warrants.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 10.4 OF THIS ABRIDGED PROSPECTUS, AND IN THE FORM OF BANKER'S DRAFT(S)/ CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "PARB EXCESS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR EXCESS APPLICATION AND PAYMENT AS SET OUT IN THE COVER PAGE OF THIS ABRIDGED PROSPECTUS.

EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. THE BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

It is the intention of our Board to allot the Excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the following priority:-

i. Firstly, to minimise the incidence of odd lots;

ii. Secondly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in our Company as at the Entitlement Date;

iii. Thirdly, for allocation to Entitled Shareholders who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants applied for; and

iv. Finally, for allocation to renouncee(s) who have applied for Excess Rights Shares with Warrants, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares with Warrants applied for.

In the event there is any remaining balance of the Excess Rights Shares with Warrants applied for by the Entitled Shareholders and/ or renouncee(s) who have applied for the Excess Rights Shares with Warrants after carrying out steps (i) to (iv) as set out above, steps (ii) to (iv) will be repeated again in the same sequence to allocate the remaining balance of the Excess Rights Shares with Warrants to the Entitled Shareholders and/ or renouncee(s) who have applied for the Excess Rights Shares with Warrants until such balance is fully allocated.

Nevertheless, our Board reserves the right to allot any Excess Rights Shares with Warrants applied for under Part I(b) of the RSF in such manner as our Board deems fit and expedient in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in steps (i)-(iv) above are achieved. Our Board also reserves the rights at its absolute discretion to accept in full or in part any application for the Excess Rights Shares with Warrants without assigning any reason thereof.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR EXCESS APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS. HOWEVER, IF YOUR EXCESS APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE LAST DATE FOR APPLICATION AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

WHERE AN APPLICATION FOR THE EXCESS RIGHTS SHARES WITH WARRANTS IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR APPLICATION OF AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS.

10.9 Form of issuance

Bursa Securities has already prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares and the Warrants are prescribed securities and as such, the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository shall apply to the dealings in the Rights Shares and the Warrants.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical share or Warrant Certificates shall be issued to you under the Rights Issue with Warrants. Instead, the Rights Shares and the Warrants will be credited directly into your CDS Account.

A notice of allotment will be despatched to you and/ or your renouncee(s) (if applicable) by ordinary post to the address shown in our Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the last date for acceptance of and payment for the Rights Shares with Warrants.

10.9.1 Subscription for the Rights Shares with Warrants by the Entitled Shareholders

Where the Rights Shares and Warrants are provisionally allotted to you as an Entitled Shareholder in respect of your existing PARB Shares standing credit to your CDS Account on the Entitlement Date, the acceptance by you of the Provisional Rights Shares with Warrants shall mean that you consent to receive such Rights Shares and Warrants as prescribed or deposited securities which will be credited directly into your CDS Account.

10.9.2 Subscription of Rights Shares with Warrants by the renouncees

Any person who has purchased the Provisional Rights Shares with Warrants or to whom the Provisional Rights Shares with Warrants has been transferred and intends to subscribe for the Rights Shares with Warrants must state his CDS Account number in the space provided in the RSF. The Rights Shares and the Warrants will be credited directly as prescribed or deposited securities into his/ her CDS Account upon allotment and issuance.

10.9.3 Application for the Excess Rights Shares with Warrants by the Entitled Shareholder and/ or renouncee(s) (if applicable)

The Excess Rights Shares with Warrants, if allotted to the successful applicant who applies for the Excess Rights Shares with Warrants, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the Excess Rights Shares with Warrants will be made on a fair and equitable basis as disclosed in Section 10.8 of this Abridged Prospectus.

10.10 Laws of foreign jurisdiction

This Abridged Prospectus, and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) for subscription of any foreign jurisdiction. The Rights Issue with Warrants will not be made or offered for subscription in any foreign jurisdiction.

Accordingly, this Abridged Prospectus, and the accompanying NPA and RSF will not be sent to the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) may collect this Abridged Prospectus, and the accompanying NPA and RSF from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting these documents relating to the Rights Issue with Warrants.

The Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so. RHBIB, our Share Registrar, our Company, our Directors and officers and other professional advisers would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) are or may be subject. Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. RHBIB, our Share Registrar, our Company, our Directors, officers and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Entitled Shareholders and/ or renouncee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) will be responsible for payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) for any such issue, transfer or other taxes or other requisite payments. They will have no claims whatsoever against us and/ or RHBIB in respect of their rights and entitlements under the Rights Issue with Warrants. Such Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue with Warrants.

By signing the RSF, the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) RHBIB, our Share Registrar, our Company, our Directors and officers and other professional advisers that:-

i. we would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/ or renouncee(s) (if applicable) are or may be subject to;

ii. the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Rights Shares with Warrants;

iii. the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) are not nominees or agents of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Rights Shares with Warrants, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

iv. the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) are aware that the Rights Shares and the Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

v. the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) have received a copy of this Abridged Prospectus, had access to such financial and other information and have been provided the opportunity to ask such questions to our representatives and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares with Warrants; and

vi. the Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and the Warrants.

Persons receiving this Abridged Prospectus, and the accompanying NPA and RSF (including without limitation to custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any country or jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, and the accompanying NPA and RSF are received by any persons in such country or jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus and the accompanying NPA and RSF to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares with Warrants from any such application by Foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) in any jurisdiction other than Malaysia.

We reserve the right, in our absolute discretion, to treat any acceptance of the Rights Shares as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements.

11. TERMS AND CONDITIONS

The issuance of the Rights Shares and the Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions set out in this Abridged Prospectus, and the accompanying NPA and RSF enclosed herewith.

12. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of our Board of
P.A. RESOURCES BERHAD

DATO' NG TONG HAI
Chairman/ Non-Independent Non-Executive Director

APPENDIX I

CERTIFIED TRUE COPY OF THE RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT OUR EGM HELD ON 5 OCTOBER 2017

P.A. RESOURCES BERHAD
(Company No. 664612-X)
(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF P.A. RESOURCES BERHAD ("PARB" OR "THE COMPANY") HELD AT KELAB RAHMAN PUTRA MALAYSIA, JALAN BRP 2/1, BUKIT RAHMAN PUTRA, 47000 SUNGAI BULOH, SELANGOR DARUL EHSAN ON THURSDAY, 5 OCTOBER 2017 AT 10.00 A.M.

PRESENT: As per attendance list.

PRELIMINARY

Dato' Ng Tong Hai presided as the Chairman of the Meeting and welcomed everyone present at the Meeting. The Chairman then introduced the Board members and the Company Secretary to the floor. The Chairman informed the shareholders that:-

(a) In compliance with the Main Market Listing Requirements of Bursa Securities Malaysia Berhad, all resolutions set out in the Notice of Extraordinary General Meeting will be put into consideration by way of poll voting.

(b) The Company has appointed Tricor Investor and Issuing House Services Sdn Bhd to conduct the poll voting manually and Ms. Siow Pui Yee as Scrutineer to verify the poll results. The poll on the resolutions would be taken at the end of the Meeting.

QUORUM

With the requisite quorum being present, the Chairman declared the Meeting duly convened.

NOTICE OF MEETING

The notice of the Meeting having been circulated to all members on 18 September 2017 was taken as read.

ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 757,225,327 NEW ORDINARY SHARES IN PARB ("PARB SHARE(S)" OR "SHARE(S)") ("RIGHT SHARE(S)") ON THE BASIS OF 4 RIGHTS SHARES FOR EVERY 5 EXISTING PARB SHARES HELD TOGETHER WITH UP TO 757,225,327 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR, BASED ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

The Chairman informed the shareholders that the item on the agenda of the Meeting was to approve the Proposed Rights Issue With Warrants which entails an issuance of up to 757,225,327 Rights Shares on the basis of 4 Rights Shares for every 5 existing PARB Shares held together with up to 757,225,327 free detachable Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed based on the entitlement date to be determined later.

As there were no questions from the floor, the Chairman put the motion to vote afterwards by poll.

POLLING PROCESS

For the polling process, the Chairman declared the closure of the registration for attendance at the Extraordinary General Meeting and adjourned the Extraordinary General Meeting for approximately 20 minutes for the polling.

ANNOUCEMENT OF POLL RESULTS

The Extraordinary General Meeting re-convened and the Chairman called the meeting to order for the declaration of the results. The Chairman informed the shareholders that the appointed scrutineer, Ms. Siow Pui Yee had verified the poll voting results. The poll voting results is attached herewith as Annexure A.

Based on the poll results verified by the Scrutineers, the Chairman declared that the resolution tabled at the Extraordinary General Meeting carried.

Therefore, it was **RESOLVED:-**

ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 757,225,327 NEW ORDINARY SHARES IN PARB ("PARB SHARE(S)" OR "SHARE(S)") ("RIGHT SHARE(S)") ON THE BASIS OF 4 RIGHTS SHARES FOR EVERY 5 EXISTING PARB SHARES HELD TOGETHER WITH UP TO 757,225,327 FREE DETACHABLE WARRANTS ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 1 RIGHTS SHARE SUBSCRIBED FOR, BASED ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

THAT, subject to the approvals of all relevant authorities being obtained, where required, approval be and is hereby given to the Directors of the Company ("Board") for the following:-

i. to provisionally allot and issue by way of a renounceable rights issue of up to 757,225,327 Rights Shares at an indicative issue price of RM0.05 per Rights Share on the basis of 4 Rights Shares for every 5 existing PARB Shares held, together with up to 757,225,327 free detachable Warrants on the basis of 1 free Warrant for every 1 Rights Share subscribed for, by the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board ("Entitlement Date");

ii. to determine the final issue price of the Rights Shares and the exercise price of Warrants after taking into consideration the basis and justification for determining such prices, as set out in the Circular;

iii. wherein each of the Warrant will carry the right to subscribe, subject to any adjustment in accordance with the Deed Poll, at any time during the exercise period, for 1 new PARB Share at an exercise price to be determined and fixed at a later date by the Board;

iv. to allot and issue such number of new PARB Shares arising from the exercise of the Warrants, from time to time during the tenure of the Warrants, in accordance with the provisions of the Deed Poll;

v. to allot and issue such further Warrants and new PARB Shares arising from the exercise of such further Warrants as a consequence of any adjustment in accordance with the provisions of the Deed Poll and/ or as may be required by the relevant authorities; and

vi. to do all such acts and things including but not limited to the application to Bursa Malaysia Securities Berhad for the listing of and quotation for the new PARB Shares which may from time to time be allotted and issued arising from the exercise of the Warrants.

THAT any fractional entitlements of the Rights Shares and the Warrants arising from the Proposed Rights Issue with Warrants shall be dealt with in such manner as the Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of the Company;

THAT the Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing PARB Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotment and/ or other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Rights Shares;

THAT the new PARB Shares arising from the exercise of the Warrants will, upon allotment and issuance, rank *pari passu* in all respects with the existing PARB Shares, save and except that the new PARB Shares to be issued arising from the exercise of the Warrants will not be entitled to any dividends, rights, allotments and/ or other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the said new PARB Shares;

THAT the Directors of the Company be and are hereby authorised to enter into and execute the Deed Poll with full powers to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required by the relevant authorities or deemed necessary by the Directors of the Company, and with full powers to implement and give effect to the terms and conditions of the Deed Poll;

AND THAT the Directors of the Company be and are hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the aforesaid Proposed Rights Issue with Warrants with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as they may deem fit, necessary and/ or expedient to implement, finalise and give full effect to the Proposed Rights Issue with Warrants.

CONCLUSION

There being no other business, the Chairman declared the Meeting closed at 11.00 a.m. and thanked all present at the Meeting.

CONFIRMED AND SIGNED AS A CORRECT RECORD

DATO' NG TONG HAI
Chairman

INFORMATION ON OUR COMPANY

1. HISTORY AND PRINCIPAL ACTIVITIES

Our Company was incorporated in Malaysia on 1 September 2004 under the Act as a private limited company under the name of P.A. Resources Sdn Bhd. We were subsequently converted into a public limited company and assumed our present name on 28 April 2005. On 18 April 2006, we were listed on the former Second Board of Bursa Securities and transferred to the former Main Board (now known as Main Market) of Bursa Securities on 23 July 2007.

We are an investment holding company and our subsidiary companies are principally involved in aluminium extrusion and fabrication, manufacturing aluminium billets and tolling, contractor in designing, supplying, fabricating and installation of aluminium products, supply, installation and commissioning of solar panels and provision of after installation services under our solar industry segment as well as providing funding needs to the customers who purchase our solar power generation devices.

Further details on the principal activities of our subsidiary companies are set out in Section 5 of this Appendix II.

2. SHARE CAPITAL

As at the LPD, our issued share capital are set out below:-

	No. of Shares	RM
Issued share capital	946,531,659	99,033,266[*1]

Note:-

*1 includes the share premium of RM1,489,750 and the capital redemption reserves of RM2,890,350 pursuant to Section 618(2) of the Act

There are no changes in our issued share capital for the past 3 financial years/ periods preceding the LPD save for the share premium and capital redemption reserves having become part of our Company's share capital pursuant to Section 618(2) of the Act.

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3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The shareholdings of our substantial shareholders as at the LPD and after the Rights Issue with Warrants are set out below:-

Minimum Scenario

	Shareholding as at the LPD				I After the Rights Issue with Warrants				II After I and assuming full exercise of the Warrants			
	<---------Direct--------->		<---------Indirect------>		<---------Direct-------->		<---------Indirect-------->		<---------Direct-------->		<--------Indirect-------->	
Substantial shareholders	No. of Shares	%*1	No. of Shares	%*1	No. of Shares	%*2	No. of Shares	%*2	No. of Shares	%*3	No. of Shares	%*3
Fajarbaru Builder Group Berhad	78,843,300	8.33	-	-	78,843,300	7.13	-	-	78,843,300	6.23	-	-
Dato' Ng	193,104,600	20.40	5,785,000*4	0.61	347,588,280	31.44	10,413,000*4	0.94	502,071,960	39.70*5	15,041,000*4	1.19*5

Notes:-

*1 Calculated based on 946,531,659 PARB Shares in issue as at the LPD.

*2 Calculated based on 1,105,643,339 PARB Shares, being the enlarged pro forma number of PARB Shares in issue after the Rights Issue with Warrants and prior to the exercise of any Warrants under the Minimum Scenario.

*3 Calculated based on 1,264,755,019 PARB Shares, being the enlarged pro forma number of PARB Shares in issue after the Rights Issue with Warrants and assuming full exercise of the Warrants under the Minimum Scenario.

*4 Deemed interest by virtue of his shareholdings in Reka Shutter (4,445,000) and PARB Shares held by his wife, Liew Yoke Keng (1,050,000) and (290,000) via Maybank Nominees (Tempatan) Sdn Bhd pledged securities account for Liew Yoke Keng.

*5 Assuming full exercise of the Warrants held by Dato' Ng and the PACs upon completion of the Rights Issue with Warrants under the Minimum Scenario, their equity interest in PARB collectively may increase from approximately 32.38% to 40.89% and in such event, they shall have an obligation to undertake a mandatory take-over offer pursuant to the Rules. However, Dato' Ng and the PACs do not intend to undertake a mandatory take-over offer in such event. In this regard, Dato' Ng and the PACs shall observe their shareholdings in our Company at all times as well as prior to any exercise of the Warrants in PARB held by them, to avoid triggering the obligation to undertake a mandatory take-over offer pursuant to the Rules. In addition, should the need arise, they may make an application to the SC to seek an exemption under Paragraph 4.08(1) of the Rules from the obligation to undertake a mandatory take-over offer prior to any exercise of the Warrants in PARB held by them.

Maximum Scenario

					I				II			
	Shareholding as at the LPD				After the Rights Issue with Warrants				After I and assuming full exercise of the Warrants			
	<---------Direct--------->		<---------Indirect------>		<---------Direct-------->		<---------Indirect-------->		<---------Direct-------->		<--------Indirect-------->	
Substantial shareholders	**No. of Shares**	**%[*1]**	**No. of Shares**	**%[*1]**	**No. of Shares**	**%[*2]**	**No. of Shares**	**%[*2]**	**No. of Shares**	**%[*3]**	**No. of Shares**	**%[*3]**
Fajarbaru Builder Group Berhad	78,843,300	8.33	-	-	141,917,940	8.33	-	-	204,992,580	8.33	-	-
Dato' Ng	193,104,600	20.40	5,785,000[*4]	0.61	347,588,280	20.40	10,413,000[*4]	0.61	502,071,960	20.40	15,041,000[*4]	0.61

Note:-

*1 Calculated based on 946,531,659 PARB Shares in issue as at the LPD.

*2 Calculated based on 1,703,756,986 PARB Shares, being the enlarged pro forma number of PARB Shares in issue after the Rights Issue with Warrants and prior to the exercise of any Warrants under the Maximum Scenario.

*3 Calculated based on 2,460,982,313 PARB Shares, being the enlarged pro forma number of PARB Shares in issue after the Rights Issue with Warrants and assuming full exercise of the Warrants under the Maximum Scenario.

*4 Deemed interest by virtue of his shareholdings in Reka Shutter (4,445,000) and PARB Shares held by his wife, Liew Yoke Keng (1,050,000) and (290,000) via Maybank Nominees (Tempatan) Sdn Bhd pledged securities account for Liew Yoke Keng.

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4. DIRECTORS

The particulars of our Directors as at the LPD are set out below:-

Name	Address	Age	Nationality	Profession	Designation
Dato' Ng	No. 65 Lorong Gopeng Taman Golf 31350 Ipoh Perak Darul Ridzuan	63	Malaysian	Company Director/ Businessman	Chairman/ Non-Independent Non-Executive Director
Datuk Seri Lau Kuan Kam	3 Jalan Merah Hati U9/2 40150 Shah Alam Selangor Darul Ehsan	54	Malaysian	Company Director/ Businessman	Group Managing Director/ Executive Director
Wong Chee Heng	12, Jalan USJ 18/2C UEP 47360 Subang Jaya Selangor Darul Ehsan	59	Malaysian	Company Director/ Chartered Accountant	Executive Director
Yap Fatt Lam	No. 3 Jalan SU 1A Sering Ukay 68000 Ampang Selangor Darul Ehsan	49	Malaysian	Company Director/ Chartered Accountant	Independent Non-Executive Director
Ho Puay Koa	26, Jalan SS24/20 Taman Megah 47301 Petaling Jaya Selangor Darul Ehsan	63	Malaysian	Company Director	Independent Non-Executive Director
Wang Sze Yao @ Wang Ming Way	No. 568-9-10 & 9-11 Kompleks Mutiara 3½ Miles, Jalan Ipoh 51200 Kuala Lumpur	50	Malaysian	Company Director/ Lawyer	Independent Non-Executive Director

The shareholdings of our Directors as at the LPD and after the Rights Issue with Warrants (assuming all the Directors fully subscribe for their respective entitlements, if any, save for the Minimum Scenario where only Dato' Ng subscribes for his entitlements) are set out below:-

Minimum Scenario

	Shareholdings as at the LPD				I After the Rights Issue with Warrants				II After I and assuming full exercise of the Warrants			
	<---------Direct--------->		<----------Indirect---------->		<----------Direct---------->		<----------Indirect---------->		<----------Direct---------->		<----------Indirect---------->	
Directors	**No. of Shares**	**%[*1]**	**No. of Shares**	**%[*1]**	**No. of Shares**	**%[*2]**	**No. of Shares**	**%[*2]**	**No. of Shares**	**%[*3]**	**No. of Shares**	**%[*3]**
Dato' Ng	193,104,600	20.40	5,785,000[*4]	0.61	347,588,280	31.44	10,413,000[*4]	0.94	502,071,960	39.70[*5]	15,041,000[*4]	1.19[*5]
Datuk Seri Lau Kuan Kam	14,367,600	1.52	14,446,000[*6]	1.53	14,367,600	1.30	14,446,000[*6]	1.31	14,367,600	1.14	14,446,000[*6]	1.14
Wong Chee Heng	-	-	-	-	-	-	-	-	-	-	-	-
Yap Fatt Lam	132,000	0.01	-	-	132,000	0.01	-	-	132,000	0.01	-	-
Ho Puay Koa	35,000,000	3.70	-	-	35,000,000	3.17	-	-	35,000,000	2.77	-	-
Wang Sze Yao @ Wang Ming Way	1,000,000	0.11	-	-	1,000,000	0.09	-	-	1,000,000	0.08	-	-

Notes:-

*1 Calculated based on 946,531,659 PARB Shares in issue as at the LPD.

*2 Calculated based on 1,105,643,339 PARB Shares, being the enlarged pro forma number of PARB Shares in issue after the Rights Issue with Warrants and prior to the exercise of any Warrants under the Minimum Scenario.

*3 Calculated based on 1,264,755,019 PARB Shares, being the enlarged pro forma number of PARB Shares in issue after the Rights Issue with Warrants and assuming full exercise of the Warrants under the Minimum Scenario.

*4 Deemed interest by virtue of his shareholdings in Reka Shutter (4,445,000) and PARB Shares held by his wife, Liew Yoke Keng (1,050,000) and (290,000) via Maybank Nominees (Tempatan) Sdn Bhd pledged securities account for Liew Yoke Keng.

*5 Assuming full exercise of the Warrants held by Dato' Ng and the PACs upon completion of the Rights Issue with Warrants under the Minimum Scenario, their equity interest in PARB collectively may increase from approximately 32.38% to 40.89% and in such event, they shall have an obligation to undertake a mandatory take-over offer pursuant to the Rules. However, Dato' Ng and the PACs do not intend to undertake a mandatory take-over offer in such event. In this regard, Dato' Ng and the PACs shall observe their shareholdings in our Company at all times as well as prior to any exercise of the Warrants in PARB held by them, to avoid triggering the obligation to undertake a mandatory take-over offer pursuant to the Rules. In addition, should the need arise, they may make an application to the SC to seek an exemption under Paragraph 4.08(1) of the Rules from the obligation to undertake a mandatory take-over offer prior to any exercise of the Warrants in PARB held by them.

*6 Deemed interest by virtue of the shareholdings of his spouse and children pursuant to Section 59(11)(C) of the Act.

Maximum Scenario

	Shareholdings as at the LPD				I After the Rights Issue with Warrants				II After I and assuming full exercise of the Warrants			
	<---------Direct--------->		<----------Indirect---------->		<----------Direct---------->		<----------Indirect---------->		<----------Direct---------->		<----------Indirect---------->	
Directors	**No. of Shares**	**%*1**	**No. of Shares**	**%*1**	**No. of Shares**	**%*2**	**No. of Shares**	**%*2**	**No. of Shares**	**%*3**	**No. of Shares**	**%*3**
Dato' Ng	193,104,600	20.4	5,785,000*4	0.61	347,588,280	20.40	10,413,000*4	0.61	502,071,960	20.40	15,041,000*4	0.61
Datuk Seri Lau Kuan Kam	14,367,600	1.52	14,446,000*5	1.53	25,861,680	1.52	26,002,800*5	1.53	37,355,760	1.52	37,559,600*5	1.53
Wong Chee Heng	-	-	-	-	-	-	-	-	-	-	-	-
Yap Fatt Lam	132,000	0.01	-	-	237,600	0.01	-	-	343,200	0.01	-	-
Ho Puay Koa	35,000,000	3.7	-	-	63,000,000	3.70	-	-	91,000,000	3.70	-	-
Wang Sze Yao @ Wang Ming Way	1,000,000	0.11	-	-	1,800,000	0.11	-	-	2,600,000	0.11	-	-

Notes:-

*1 Calculated based on 946,531,659 PARB Shares in issue as at the LPD.

*2 Calculated based on 1,703,756,986 PARB Shares, being the enlarged pro forma number of PARB Shares in issue after the Rights Issue with Warrants and prior to the exercise of any Warrants under the Maximum Scenario.

*3 Calculated based on 2,460,982,313 PARB Shares, being the enlarged pro forma number of PARB Shares in issue after the Rights Issue with Warrants and assuming full exercise of the Warrants under the Maximum Scenario.

*4 Deemed interest by virtue of his shareholdings in Reka Shutter (4,445,000) and PARB Shares held by his wife, Liew Yoke Keng (1,050,000) and (290,000) via Maybank Nominees (Tempatan) Sdn Bhd pledged securities account for Liew Yoke Keng.

*5 Deemed interest by virtue of the shareholdings of his spouse and children pursuant to Section 59(11)(C) of the Act.

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5. SUBSIDIARY AND ASSOCIATE COMPANIES

As at the LPD, our subsidiary companies are set out below:-

Name of company	Date and place of incorporation	Issued share capital RM	Effective equity interest %	Principal activities
P.A. Extrusion (M) Sdn Bhd	18.04.1996 Malaysia	30,000,000	100.0	Aluminium extrusion, fabrication and related services
Professional Aluminium Smelting Sdn Bhd	29.04.2003 Malaysia	24,000,000	100.0	Manufacturing of aluminium billets and tolling
Dominasi Reka Sdn Bhd	08.02.2013 Malaysia	2,000,000	100.0	Money lender
P.A. Projects Sdn Bhd	18.02.2009 Malaysia	2,000,000	70.0	Contractor in design, supply, fabricate and install of aluminium products
Subsidiary companies of P.A. Extrusion (M) Sdn Bhd				
PAR Metal Casting Sdn Bhd	23.02.2005 Malaysia	2	100.0	Dormant
PA Metal Processing Sdn Bhd	15.03.2005 Malaysia	2	100.0	Dormant
PA Solar Energy Sdn Bhd	26.09.2012 Malaysia	5,000,000	100.0	Supply, installation and commissioning of solar panels and provision of after installation services

As at the LPD, we do not have any associate companies.

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6. PROFIT AND DIVIDEND RECORDS

For shareholder's information, we had changed our financial year end from 31 March to 30 June for the 15-month FPE 30 June 2016.

The following table sets out a summary of our audited consolidated financial statements for the past 3 financial years/ periods up to the FYE 30 June 2017:-

	<------------Audited	------------	------------>
	12-month FYE 31 March 2015 RM'000	**15-month FPE 30 June 2016 RM'000**	**12-month FYE 30 June 2017 RM'000**
Revenue	143,717	143,839	97,322
Cost of sales	(144,769)	(136,450)	(99,432)
Gross profit/ (loss)	**(1,052)**	**7,389**	**(2,110)**
Other operating income	2,502	3,593	2,434
Selling expenses	(3,581)	(3,501)	(2,199)
Administration expenses	(7,051)	(7,845)	(5,503)
Other operating expenses	(3,967)	(5,022)	(3,525)
(Loss) from operations	**(13,149)**	**(5,386)**	**(10,903)**
Finance costs	(2,993)	(4,227)	(2,710)
(LBT)	**(16,142)**	**(9,613)**	**(13,613)**
Taxation	846	(392)	19
(LAT)	**(15,296)**	**(10,005)**	**(13,594)**
Other comprehensive income, net of tax	-	7,817	53
Total comprehensive (loss)	**(15,296)**	**(2,188)**	**(13,541)**
(Loss) attributable to:-			
Owners of the parent	(14,497)	(9,043)	(12,230)
Non-controlling interests	(799)	(962)	(1,364)
	(15,296)	**(10,005)**	**(13,594)**
Total comprehensive (loss) attributable to:-			
Owners of the parent	(14,497)	(1,226)	(12,177)
Non-controlling interests	(799)	(962)	(1,364)
	(15,296)	**(2,188)**	**(13,541)**
Earnings/ (Loss) before interests, taxes, depreciation and amortisation	(5,461)	3,046	(3,698)
Gross profit/ (loss) margin (%)	(0.73)	5.14	(2.17)
(LAT) margin (%)	(10.64)	(6.96)	(13.97)
Weighted average number of shares in issue ('000)	946,532	946,532	946,532
(LPS) (sen)			
- Basic	(1.53)	(0.96)	(1.29)
- Diluted	-	-	-
Dividend paid (RM'000)	-	-	-

Commentary on past performance:-

Audited 12-month FYE 31 March 2015

For the 12-month FYE 31 March 2015, our Group recorded revenue of RM143.72 million which represents an increase of approximately RM12.14 million or 9.2% as compared to the preceding financial year of RM131.58 million. The increase in revenue is mainly attributable to higher revenue from the construction contract segment of RM12.49 million mainly due to higher progress billings for our construction projects. The aluminium extrusion and fabrication segment recorded a decrease in revenue of RM2.64 million mainly due to lesser orders received during the financial year under review. The aluminium billets and tolling segment recorded a decrease in revenue of RM1.18 million mainly due to lower volume of external sales during the financial year under review. The solar industry segment recorded an increase in revenue of RM3.43 million mainly due to an increase in orders received for the supply and installation of solar panels during the financial year under review.

Our Group recorded gross loss of RM1.05 million for the financial year under review as compared to a gross profit of RM13.54 million for the preceding financial year. The gross loss was mainly attributable to the write off of obsolete aluminium profiles which were accumulated from the FYE 31 March 2013 to the FYE 31 March 2015 amounting to approximately RM10.00 million which was recognised in our cost of sales as well as higher cost incurred for our solar farm construction project in Kuala Terengganu amounting to approximately RM5.00 million. The obsolete aluminium profiles were subsequently reprocessed as raw materials used for our production of other aluminium profiles.

The other operating income for the financial year under review was RM2.50 million which represents an increase of approximately RM0.50 million or 25.00% as compared to the preceding financial year of RM2.00 million. The increase in other operating income was mainly attributable to die cost recovered from customer. Die is a specialised tool that is used in our aluminium extrusion and fabrication segment.

The selling expenses for the financial year under review was RM3.58 million which represents an increase of approximately RM0.29 million or 8.71% as compared to the preceding financial year of RM3.29. The increase in selling expenses is mainly attributable to freight and forwarding charges in relation to our exports as well as transportation costs incurred during the financial year under review.

The administration expenses for the financial year under review was RM7.05 million which represents an increase of approximately RM0.11 million or 1.59% as compared to the preceding financial year of RM6.94 million. The increase in administration expenses is mainly due to an increase in our staff cost during the financial year under review.

The other operating expenses for the financial year under review was RM3.97 million, which represents an increase of approximately RM1.06 million or 36.43% as compared to the preceding financial year of RM2.91 million. The increase in other operating expenses is mainly due to allowance for impairment loss on trade receivables and testing fees for the design and quality of our products to meet our customer's specifications during the financial year under review.

Our Group recorded LBT of RM16.14 million which represents an increase of approximately RM15.78 million as compared to the LBT of the preceding financial year of RM0.36 million. The increase in LBT was mainly due to higher gross loss recorded arising from the write off of obsolete stock and the higher cost incurred for our solar farm construction project in Kuala Terengganu as well as the increase in operating expenses incurred during the financial year under review.

Audited 15-month FPE 30 June 2016

On 24 February 2016, our Company had announced the change in our Group's financial year end from 31 March to 30 June. As such, the comparative figures for the 15-month FPE 30 June 2016 and the 12-month FYE 31 March 2015 may not be entirely comparable.

For the 15-month FPE 30 June 2016, our Group recorded revenue of RM143.84 million which represents an increase of approximately RM0.12 million as compared to the preceding 12-month FYE 31 March 2015 of RM143.72 million. However, it should be noted that the financial figures reported for the FPE 30 June 2016 was based on a 15-month period whereas the financial figures reported for the FYE 31 March 2015 was based on a 12-month period. For avoidance of doubt, the annualised revenue for the 15-month FPE 30 June 2016 was approximately RM115.07 million, representing a decrease in revenue of approximately RM28.65 million or 19.93% on an annualised basis as compared to the preceding 12-month FYE 31 March 2015.

Notwithstanding the above, the aluminium extrusion and fabrication segment recorded an increase in revenue of RM21.85 million for the 15-month FPE 30 June 2016 as compared to 12-month FYE 31 March 2015 mainly due to increased orders received from customers as a result of our marketing efforts to expand our customer base during the financial period under review. The aluminium billets and tolling segment recorded a decrease in revenue of RM0.15 million for the 15-month FPE 30 June 2016 as compared to 12-month FYE 31 March 2015 mainly due to lesser orders received during the financial period under review. The construction contract segment recorded an increase in revenue of RM0.96 million for the 15-month FPE 30 June 2016 as compared to 12-month FYE 31 March 2015 mainly due to higher progress billings for our construction projects the financial period under review. The solar industry segment recorded a decrease in revenue of RM23.00 million for the 15-month FPE 30 June 2016 as compared to 12-month FYE 31 March 2015 as we had completed our existing contract, namely the solar farm construction project in Kuala Terengganu and had not secured any new major contracts for the financial period under review.

Our Group recorded gross profit of RM7.39 million for the financial period under review as compared to a gross loss of RM1.05 million for the preceding financial year. The gross profit was mainly attributable to the lower cost of sales for our purchase of raw materials i.e. aluminium as well as the absence of the written off of obsolete aluminium profiles amounting to approximately RM10.00 million incurred during the preceding financial year. The price of aluminium had decreased from an average of USD1,800/ metric ton to an average of USD1,600/ metric ton during the financial period under review. The obsolete aluminium profiles that was written off during the preceding financial year had also been reprocessed as raw materials for our production of other aluminium profiles which contributed to our lower cost of sales for the financial period under review.

The other operating income for the financial period under review was RM3.59 million which represents an increase of approximately RM1.09 million or 43.60% as compared to the preceding financial year of RM2.50 million. The increase in other operating income was mainly attributable to realised gain on foreign exchange for the financial period under review.

The selling expenses for the financial period under review was RM3.50 million which represents a decrease of approximately RM0.08 million or 2.23% as compared to the preceding financial year of RM3.58 million. The decrease in selling expenses is mainly attributable to lower freight and forwarding charges in relation to our exports during the financial period under review.

The administration expenses for the financial period under review was RM7.85 million which represents an increase of approximately RM0.80 million or 11.35% as compared to the preceding financial year of RM7.05 million. The increase in administration expenses is mainly due to an increase in our staff cost during the financial period under review.

The other operating expenses for the financial period under review was RM5.02 million, which represents an increase of approximately RM1.05 million or 26.45% as compared to the preceding financial year of RM3.97 million. The increase in other operating expenses is mainly due to loss on disposal of property, plant equipment and unrealised loss on foreign exchange during the financial period under review.

Our Group recorded LBT of RM9.61 million for the 15-month FPE 30 June 2016 which represents an improvement of approximately RM6.53 million as compared to the LBT of the preceding 12-month FYE 31 March 2015 of RM16.14 million. The improvement in LBT is mainly attributable to the gross profit recorded which was partially offset by offset by higher finance cost. Finance cost increased by approximately RM1.24 million as compared to the preceding financial year as we had higher utilisation of bank overdrafts to finance the working capital requirement of our Group.

Audited 12-month FYE 30 June 2017

Due to the change in our Group's financial year end as mentioned above, the comparative figures for the 12-month FYE 30 June 2017 and the 15-month FPE 30 June 2016 may not be entirely comparable.

For the 12-month FYE 30 June 2017, our Group recorded revenue of RM97.32 million which represents a decrease of approximately RM46.52 million as compared to the preceding 15-month FPE 30 June 2016 of RM143.84 million. However, it should be noted that the financial figures reported for the FYE 30 June 2017 was based on a 12-month period whereas the financial figures reported for the FPE 30 June 2017 was based on a 15-month period. For avoidance of doubt, our revenue of RM97.32 million for the 12-month FYE 30 June 2017 represented a decrease of approximately RM17.75 million or 15.43% as compared to the annualised revenue of RM115.07 million for the 15-month FPE 30 June 2016.

The decrease in revenue was mainly attributable to the decrease in revenue from the aluminium extrusion and fabrication segment of RM28.51 million for the 12-month FYE 30 June 2017 as compared to 15-month FPE 30 June 2016 mainly due to lesser orders from our customers during the financial year under review. The aluminium billets and tolling segment recorded a decrease in revenue of RM0.05 million for the 12-month FYE 30 June 2017 as compared to 15-month FPE 30 June 2016 due to lesser orders received during the financial year under review. The construction contract segment recorded a decrease in revenue of RM14.45 million for the 12-month FYE 30 June 2017 as compared to 15-month FPE 30 June 2016 as majority of our projects have been completed and we have not secured any new projects for our construction contract segment. The solar industry segment recorded a decrease in revenue of RM3.53 million for the 12-month FYE 30 June 2017 as compared to 15-month FPE 30 June 2016 mainly due to intense competition and competitive pricing during the financial year under review.

Our Group recorded gross loss of RM2.11 million for the financial year under review as compared to a gross profit of RM7.39 million for the preceding financial period. The gross loss was mainly attributable to lower revenue generated which were not sufficient to cover our operational cost, coupled with higher cost of sales for the purchase of raw materials during the financial year under review. The price of aluminium had increased from an average of USD1,600/ metric ton to an average of USD1,900/ metric ton during the financial year under review.

The other operating income for the financial year under review was RM2.43 million which represents a decrease of approximately RM1.16 million or 32.31% as compared to the preceding financial period of RM3.59 million. The decrease was mainly attributable to lower realised gain on foreign exchange recognised during the financial year under review.

The selling expenses for the financial year under review was RM2.20 million which represents a decrease of approximately RM1.30 million or 37.14% as compared to the preceding financial period of RM3.50. The decrease in selling expenses is mainly attributable to lower freight and forwarding charges in relation to our exports during the financial year under review.

The administration expenses for the financial year under review was RM5.50 million which represents a decrease of approximately RM2.35 million or 29.94% as compared to the preceding financial period of RM7.85 million. The decrease in administration expenses is mainly due to a decrease in staff cost pursuant to relocating the Cheras office which was effected in April 2017 which is currently owned by us to our Group's main office in Ijok, Selangor during the financial year under review.

The other operating expenses for the financial year under review was RM3.53 million, which represents a decrease of approximately RM1.49 million or 29.68% as compared to the preceding financial period of RM5.02 million. The decrease in other operating expenses is mainly due to lower unrealised loss on foreign exchange during the financial year under review.

Our Group recorded LBT of RM13.61 million for the 12-month FYE 30 June 2017 which represents an increase of RM4.00 million or approximately 41.62% as compared to the LBT of RM9.61 million for the 15-month FPE 30 June 2016. The LBT is mainly attributable to higher cost of sales due to the increase in the prices of raw materials which resulted in gross loss but partially offset by the lower operating expenses during the financial year under review as a result of cost cutting measures undertaken by our Group.

7. HISTORICAL PRICES

The monthly highest and lowest market prices of our Shares as traded on Bursa Securities for the past 12 months from November 2016 to October 2017 are set out below:-

	High RM	Low RM
2016		
November	0.075	0.055
December	0.075	0.065
2017		
January	0.080	0.065
February	0.075	0.065
March	0.080	0.060
April	0.085	0.070
May	0.085	0.070
June	0.080	0.065
July	0.070	0.060
August	0.060	0.050
September	0.060	0.050
October	0.080	0.060

Last transacted market price of PARB Shares on 13 June 2017[*1] (being the date prior to the announcement on the Rights Issue with Warrants)	RM0.075
Last transacted market price of PARB Shares on 30 October 2017[*2]	RM0.065
Last transacted market price of PARB Shares on 17 November 2017 (being the date prior to the ex-date for the Rights Issue with Warrants)	RM0.070

(Source: Bloomberg Finance LP)

Notes:-

*1 There were no transactions for PARB Shares on 14 June 2017 and 15 June 2017, being the 2 Market Days prior to the announcement of the Rights Issue with Warrants

*2 There were no transactions for PARB Shares on 31 October 2017, being the LPD of this Abridged Prospectus

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' REPORT THEREON

WHLK

10-B, Kompleks Damai, Jalan Lumut
Off Jalan Tun Razak
50400 Kuala Lumpur
Tel: (6) 03 – 4043 6288
Fax: (6) 03 – 4043 7288
Email: info@whlk.biz

Date: 10 November 2017

The Board of Directors
P.A. Resources Berhad ("PARB")
Lot 424 & 440, Jalan Kuala Selangor
Kampung Batu 8, Ijok
45620 Kuala Selangor
Selangor Darul Ehsan

Dear Sirs,

P.A. RESOURCES BERHAD
REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2017

1. Introduction

We have completed our assurance engagement to report on the compilation of the Pro Forma Consolidated Statements of Financial Position of P.A. Resources Berhad ("PARB" or "the Company") and its subsidiary companies (collectively "PARB Group" or "the Group") as at 30 June 2017 ("Pro Forma Statements"), as set out in Annexure I (which we have stamped for the purpose of identification), which have been compiled by the Directors of the Company for inclusion in the Abridged Prospectus to the shareholders of PARB in connection with the Rights Issue with Warrants set out in Section 3 below.

2. Basis and Assumptions

The applicable basis and assumptions on which the Directors of PARB have compiled the Pro Forma Statements are described in the notes of Annexure I.

3. Corporate Exercise

The Pro Forma Statements have been compiled by the Directors of PARB for illustrative purposes only, to show the effects of the following corporate exercise:

Renounceable rights issue of up to 757,225,327 new ordinary shares in PARB ("PARB Share(s)" or "Share(s)") ("Rights Share(s)") on the basis of 4 Rights Shares for every 5 existing PARB Shares held, together with up to 757,225,327 free detachable warrants ("Warrant(s)") on the basis of 1 Warrant for every 1 Rights Share subscribed for, as at 5.00 p.m. on Wednesday, 22 November 2017 at an issue price of RM0.05 per Rights Share ("Rights Issue with Warrants")

on the audited consolidated statements of financial position of the Group as at 30 June 2017 had the Rights Issue with Warrants been effected on that date. As part of this process, information about the Group's consolidated financial position has been extracted by the Directors of PARB from the Group's audited consolidated statements of financial position as at 30 June 2017.

4. The Directors' Responsibility for the Pro Forma Statements

The Directors of PARB are responsible for compiling the Pro Forma Statements on the basis and assumptions set out in Annexure I and in accordance with the requirements of the Prospectus Guidelines issued by the Securities Commission Malaysia.

5. Our Responsibilities

Our responsibility is to express an opinion as required by the Prospectus Guidelines about whether the Pro Forma Statements have been compiled in all material respects, by the Directors of PARB on the basis and assumptions as set out in Annexure I.

We conducted our engagement in accordance with International Standard on Assurance Engagements ISAE 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors of PARB have compiled, in all material respects, the Pro Forma Statements on the basis and assumptions as set out in Annexure I.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the Pro Forma Statements, nor have we, in the course of this engagement, performed an audit or review of the financial information used in their compiling.

The purpose of the Pro Forma Statements to be included in the Abridged Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Statements have been compiled in all material respects, on the basis and assumptions as stated involves performing procedures to assess whether the basis and assumptions used by the Directors of PARB in the compilation of the Pro Forma Statements provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

(i) The related pro forma adjustments give appropriate effect to those criteria; and
(ii) The Pro Forma Statements reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Statements have been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the Pro Forma Statements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

6. Opinion

In our opinion,

a) the Pro Forma Statements have been compiled, in all material respects, on the basis and assumptions as set out in Annexure I and such basis is consistent with both the format of the financial statements and accounting policies adopted by the Group; and

b) each material adjustment made to the information used in the preparation of the Pro Forma Statements are appropriate for the purpose of preparing such pro forma statement.

7. Other Matter

This report is issued for the sole purpose of inclusion in the Abridged Prospectus in connection with the Rights Issue with Warrants and should not be used or relied upon for any other purpose. We accept no duty of responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this report in connection with any other transactions.

Yours truly,

WHLK
[No. AF: 0891]
Chartered Accountants

Siow Hock Lee
[No. 1489/02/18(J)]
Chartered Accountant

WHLK AF: 0891 AUDITORS

ANNEXURE I

P.A. RESOURCES BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2017

MINIMUM SCENARIO

	Note	**Audited** As at 30 June 2017	**Pro Forma I** After Rights Issue with Warrants	**Pro Forma II** After I and conversion of Warrants
		RM'000	RM'000	RM'000
NON-CURRENT ASSETS				
Property, plant and equipment		73,009	73,009	73,009
Trade and loans receivables		7,087	7,087	7,087
		80,096	80,096	80,096
CURRENT ASSETS				
Inventories		9,867	9,867	9,867
Trade and loan receivables		37,377	37,377	37,377
Other receivables, deposits and prepayments		2,032	2,032	2,032
Current tax assets		928	928	928
Cash and bank balances	5	1,517	3,773	13,320
		51,721	53,977	63,524
TOTAL ASSETS		131,817	134,073	143,620
EQUITY				
Share capital	6	99,033	103,425	116,536
Revaluation reserves		11,502	11,502	11,502
Warrant reserves	7	-	3,564	-
Other capital reserves		12,065	12,065	12,065
Retained earnings	8	(47,277)	(47,977)	(47,977)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		75,323	82,579	92,126
Non-controlling interests		(4,684)	(4,684)	(4,684)
TOTAL EQUITY		70,639	77,895	87,442

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ANNEXURE I

P.A. RESOURCES BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2017

MINIMUM SCENARIO

	Note	**Audited** As at 30 June 2017	**Pro Forma I** After Rights Issue with Warrants	**Pro Forma II** After I and conversion of Warrants
		RM'000	RM'000	RM'000
NON-CURRENT LIABILITIES				
Borrowings	9	1,339	1,339	1,339
		1,339	1,339	1,339
CURRENT LIABILITIES				
Trade payables		12,798	12,798	12,798
Other payables, accruals and deposits received		5,693	5,693	5,693
Borrowings	9	41,348	36,348	36,348
		59,839	54,839	54,839
TOTAL LIABILITIES		61,178	56,178	56,178
TOTAL EQUITY AND LIABILITIES		131,817	134,073	143,620
No. of ordinary shares in issue ('000)		946,532	1,105,643	1,264,755
Net assets per share (RM)		0.08	0.07	0.07
Total borrowings (RM'000)	9	42,687	37,687	37,687
Gearing ratio (times)		0.60	0.48	0.43

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ANNEXURE I

P.A. RESOURCES BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2017

MAXIMUM SCENARIO

	Note	**Audited** As at 30 June 2017	**Pro Forma I** After Rights Issue with Warrants	**Pro Forma II** After I and conversion of Warrants
		RM'000	RM'000	RM'000
NON-CURRENT ASSETS				
Property, plant and equipment		73,009	73,009	73,009
Trade and loans receivables		7,087	7,087	7,087
		80,096	80,096	80,096
CURRENT ASSETS				
Inventories		9,867	9,867	9,867
Trade and loan receivables		37,377	37,377	37,377
Other receivables, deposits and prepayments		2,032	2,032	2,032
Current tax assets		928	928	928
Cash and bank balances	5	1,517	19,678	65,112
		51,721	69,882	115,316
TOTAL ASSETS		131,817	149,978	195,412
EQUITY				
Share capital	6	99,033	119,932	182,328
Revaluation reserves		11,502	11,502	11,502
Warrant reserves	7	-	16,962	-
Other capital reserves		12,065	12,065	12,065
Retained earnings	8	(47,277)	(47,977)	(47,977)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		75,323	112,484	157,918
Non-controlling interests		(4,684)	(4,684)	(4,684)
TOTAL EQUITY		70,639	107,800	153,234

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ANNEXURE I

P.A. RESOURCES BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2017

MAXIMUM SCENARIO

	Note	**Audited** As at 30 June 2017	**Pro Forma I** After Rights Issue with Warrants	**Pro Forma II** After I and conversion of Warrants
		RM'000	RM'000	RM'000
NON-CURRENT LIABILITIES				
Borrowings	9	1,339	1,339	1,339
		1,339	1,339	1,339
CURRENT LIABILITIES				
Trade payables		12,798	12,798	12,798
Other payables, accruals and deposits received		5,693	5,693	5,693
Borrowings	9	41,348	22,348	22,348
		59,839	40,839	40,839
TOTAL LIABILITIES		61,178	42,178	42,178
TOTAL EQUITY AND LIABILITIES		131,817	149,978	195,412
No. of ordinary shares in issue ('000)		946,532	1,703,757	2,460,982
Net assets per share (RM)		0.08	0.07	0.06
Total borrowings (RM'000)	9	42,687	23,687	23,687
Gearing ratio (times)		0.60	0.22	0.15

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ANNEXURE I

P.A. RESOURCES BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2017

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF P.A. RESOURCES BERHAD ("PARB") AS AT 30 JUNE 2017

1. Introduction

   The Pro Forma Consolidated Statements of Financial Position of PARB Group, for which the Directors of the Company are solely responsible, have been prepared for illustrative purposes only, in connection with the renounceable rights issue of up to 757,225,327 new ordinary shares in PARB at an issue price of RM0.05 per share on the basis of four (4) Rights Shares for every five (5) existing ordinary shares in PARB held as at 5.00 p.m. on Wednesday, 22 November 2017, together with up to 757,225,327 free warrants ("Warrants") on the basis of one (1) Warrant for every Rights Share subscribed for ("Rights Issue with Warrants").

2. Basis of preparation

   The Pro Forma Consolidated Statements of Financial Position together with the notes thereon have been prepared to show the effects of the Rights Issue with Warrants on the Audited Consolidated Statements of Financial Position of PARB Group as at 30 June 2017 (which were prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards and in a manner consistent with both the format of the financial statements and accounting policies adopted by the Group) had the Rights Issue with Warrants been effected on that date.

3. Pro Forma Consolidated Statements of Financial Statements
   – Minimum Scenario: Assuming the Rights Issue with Warrants is undertaken on the minimum subscription level basis based upon the irrevocable undertakings provided by certain shareholders of PARB, namely Dato' Ng Tong Hai, Reka Shutter Sdn. Bhd. and Liew Yoke Keng, to subscribe in full for their respective entitlements under the Rights Issue with Warrants.

3.1 Pro Forma I: Minimum scenario

Pro Forma I incorporates the effects of the Rights Issue with Warrants on the audited consolidated statements of financial position of PARB Group as at 30 June 2017:

a) the issuance and subscription of 159,111,680 Rights Shares at an issue price of RM0.05 per share together with 159,111,680 free Warrants, coupled with the recognition of the theoretical fair value of RM0.0224 per Warrant give rise to a recognition of RM4,391,482 in the share capital account.

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ANNEXURE I

The theoretical fair value of RM0.0224 per Warrant is determined using the Trinomial option pricing model based on the following input as at 31 October 2017:-

Theoretical ex-rights price	:	RM0.06
Exercise price of Warrants	:	RM0.06
Tenure of Warrants	:	5 years
Volatility	:	Historical volatility extracted from Bloomberg of 35.445%

b) The issuance of 159,111,680 free Warrants gives rise to a creation of RM3,564,102 in the warrant reserves based on the theoretical fair value of RM0.0224 per Warrant; and

c) The gross proceeds expected to be raised from the Rights Issue with Warrants is intended to be utilised as follows:

	Note	RM'000
Repayment of bank borrowings	(i)	5,000
Working capital	(ii)	1,256
Purchase of factory equipment	(ii)	1,000
Estimated expenses in relation to the Rights Issue with Warrants	(iii)	700
Gross proceeds		7,956

Notes and assumptions:

(i) Repayment is made against that portion of the bank borrowings which is repayable within twelve months (current portion);

(ii) The amounts earmarked for working capital and purchase of factory equipment are retained in cash and in bank in the interim pending utilisation;

(iii) Estimated expenses of RM700,000 incurred in relation to the Rights Issue with Warrants is deducted against retained earnings of the Company.

3.2 Pro Forma II: Minimum scenario

Pro Forma II incorporates the effects of Pro Forma I and the effects assuming full exercise of the Warrants as follows:

a) The issuance of 159,111,680 new PARB Shares arising from the exercise of 159,111,680 Warrants at the exercise price of RM0.06 per Warrant which raises gross proceeds of RM9,546,701 and gives rise to an increase in the share capital account of RM9,546,701; and

b) Upon the full exercise of the Warrants, the warrant reserves of RM3,564,102 is transferred to share capital.

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ANNEXURE I

4. Pro Forma Consolidated Statements of Financial Position
   – Maximum Scenario: Assuming the Rights Issue with Warrants is undertaken on a full subscription level by the entitled shareholders and/ or their renouncee(s) (if applicable).

4.1 Pro Forma I: Maximum scenario

Pro Forma I incorporates the effects of the Rights Issue with Warrants on the audited consolidated statements of financial position of PARB Group as at 30 June 2017:

a) The issuance and subscription of 757,225,327 Rights Shares at an issue price of RM0.05 per share together with 757,225,327 free Warrants, coupled with the recognition of the theoretical fair value of RM0.0224 per Warrant give rise to a recognition of RM20,899,419 in the share capital account.

   The theoretical fair value of RM0.0224 per Warrant is determined using the Trinomial option pricing model based on the following input as at 31 October 2017:-

Theoretical ex-rights price	:	RM0.06
Exercise price of Warrants	:	RM0.06
Tenure of Warrants	:	5 years
Volatility	:	Historical volatility extracted from Bloomberg of 35.445%

b) The issuance of 757,225,327 free Warrants gives rise to a creation of RM16,961,847 in the warrant reserves based on the theoretical fair value of RM0.0224 per Warrant; and

c) The gross proceeds expected to be raised from the Rights Issue with Warrants is intended to be utilised as follows:

	Note	RM'000
Repayment of bank borrowings	(i)	19,000
Working capital	(ii)	16,161
Purchase of factory equipment	(ii)	2,000
Estimated expenses in relation to the Rights Issue with Warrants	(iii)	700
Gross proceeds		37,861

<u>Notes and assumptions:</u>

(i) Repayment is made against that portion of the bank borrowings which is repayable within twelve months (current portion);

(ii) The amounts earmarked for working capital and purchase of factory equipment are retained in cash and in bank in the interim pending utilisation;

(iii) Estimated expenses of RM700,000 incurred in relation to the Rights Issue with Warrants is deducted against retained earnings of the Company.

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4.2 Pro Forma II: Maximum scenario

Pro Forma II incorporates the effects of Pro Forma I and the effects assuming full exercise of the Warrants as follows:

a) The issuance of 757,225,327 new PARB Shares arising from the exercise of 757,225,327 Warrants at the exercise price of RM0.06 per Warrant which raises gross proceeds of RM45,433,520 and gives rise to an increase in the share capital account of RM45,433,520; and

b) Upon the full exercise of the Warrants, the warrant reserves of RM16,961,847 is transferred to share capital.

5. Cash and bank balances

	Minimum Scenario RM'000	Maximum Scenario RM'000
Audited as at 30 June 2017	1,517	1,517
Add: Gross proceeds from issuance of Rights Shares	7,956	37,861
Less: Repayment of bank borrowings	(5,000)	(19,000)
Estimated expenses in relation to the Rights Issue with Warrants	(700)	(700)
As per Pro Forma I	3,773	19,678
Add: Gross proceeds from full exercise of Warrants	9,547	45,434
As per Pro Forma II	13,320	65,112

6. Share capital

	Minimum Scenario RM'000	Maximum Scenario RM'000
Audited as at 30 June 2017	99,033	99,033
Add: Issuance of Rights Shares	7,956	37,861
Less: Recognition of theoretical fair value of Warrants	(3,564)	(16,962)
As per Pro Forma I	103,425	119,932
Add: Issuance of new shares pursuant to full exercise of Warrants	9,547	45,434
Transfer from Warrant reserves	3,564	16,962
As per Pro Forma II	116,536	182,328

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ANNEXURE I

7. Warrant reserves

	Minimum Scenario RM'000	Maximum Scenario RM'000
Audited as at 30 June 2017	-	-
Add: Issuance of Warrants pursuant to the Rights Issue with Warrants	3,564	16,962
As per Pro Forma I	3,564	16,962
Less: Transfer to share capital upon full exercise of Warrants	(3,564)	(16,962)
As per Pro Forma II	-	-

8. Retained earnings

	Minimum Scenario RM'000	Maximum Scenario RM'000
Audited as at 30 June 2017	(47,277)	(47,277)
Less: Estimated expenses in relation to the Rights Issue with Warrants	(700)	(700)
As per Pro Forma I & II	(47,977)	(47,977)

9. Total borrowings

	Minimum Scenario RM'000	Maximum Scenario RM'000
Audited as at 30 June 2017	42,687	42,687
Less: Repayment out of gross proceeds from Rights Issue with Warrants (current liabilities)	(5,000)	(19,000)
As per Pro Forma I & II	37,687	23,687

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 30 JUNE 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON

WHLK (AF 0891)
CERTIFIED TRUE COPY

SIOW HOCK LEE
CA (M), FCCA
Approved No: 1489/02/18 (J)
Partner

P.A. RESOURCES BERHAD

(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

Company No. 664612-X

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

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P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2017.

PRINCIPAL ACTIVITIES

The Company's principal activity is that of investment holding.

The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

RESULTS

	GROUP RM	COMPANY RM
Loss for the year attributable to:		
Owners of the Company	(12,229,803)	(100,074)
Non-controlling interests	(1,364,348)	-
	(13,594,151)	(100,074)

COMPARATIVE FIGURES

In the previous financial period, the Company changed its financial year end from 31 March to 30 June. Accordingly, the previous financial statements were prepared for fifteen months from 1 April 2015 to 30 June 2016.

DIVIDENDS

No dividends have been paid, declared or proposed by the Company since the end of the previous financial period.

The directors do not recommend the payment of a dividend for the financial year ended 30 June 2017.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

There were no shares or debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up any unissued shares of the Company during the financial year.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Ng Tong Hai
Yap Fatt Lam
Lee Peng Seng (Resigned on 1 April 2017)
Ho Puay Koa
Datuk Seri Lau Kuan Kam
Wang Sze Yao @ Wang Ming Way
Wong Chee Heng

DIRECTORS' BENEFITS

Since the end of the previous financial period, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate of the emoluments received or due and receivable by the directors as disclosed in the financial statements or the fixed salary of a full-time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest other than as disclosed in Note 30.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 21 to the financial statements.

DIRECTORS' INTEREST IN SHARES

According to the register of directors' shareholdings, the interest of those directors who held office at the end of the financial year in shares of the Company were as follows:

	Number of Ordinary Shares			
	At 01.07.2016	Bought	(Sold)	At 30.06.2017
Direct interest				
Dato' Ng Tong Hai	193,104,600	-	-	193,104,600
Yap Fatt Lam	132,000	-	-	132,000
Ho Puay Koa	35,000,000	-	-	35,000,000
Datuk Seri Lau Kuan Kam	14,367,600	-	-	14,367,600
Wang Sze Yao @ Wang Ming Way	1,000,000	-	-	1,000,000
Indirect interest				
Dato' Ng Tong Hai *	5,785,000	-	-	5,785,000
Datuk Seri Lau Kuan Kam**	14,446,000	-	-	14,446,000

* *Deemed interested via his substantial shareholdings in Reka Shutter Sdn. Bhd. and also his spouse's shareholdings in the Company.*

** *Deemed interested via his spouse, daughter and son's shareholdings in the Company.*

The directors who have substantial interest in the shares of the Company are also deemed to have an interest in the shares of all the subsidiary companies to the extent the Company has an interest.

None of the other Directors in office at the end of the year had any interest in shares of the Company or its related corporations during the year.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

OTHER STATUTORY INFORMATION (CONT'D)

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(d) No contingent or other liabilities has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

(e) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in the report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(f) In the opinion of the Directors:

(i) the results of the operations of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which the report is made.

CONTINGENT LIABILITIES

Contingent liabilities are disclosed into Note 31 to the financial statements.

SIGNIFICANT EVENT

Significant event is disclosed in Note 33 to the financial statements.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 20 to the financial statements.

AUDITORS

The auditors, Messrs. WHLK, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 2 6 OCT 2017

....
WONG CHEE HENG

....
DATUK SERI LAU KUAN KAM

Kuala Lumpur

Company No. 664612-X

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Datuk Seri Lau Kuan Kam and Wong Chee Heng, being two of the directors of P.A. Resources Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements as set out on pages 12 to 76, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017 and of their financial performance and cash flows for the year then ended.

The supplementary information set out in Note 36 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad ("Bursa") Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa, and is not part of the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 26 OCT 2017

....
WONG CHEE HENG

....
DATUK SERI LAU KUAN KAM

Kuala Lumpur

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Wong Chee Heng, being the director primarily responsible for the financial management of P.A. Resources Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 12 to 76 and the supplementary information set out on page 77 are correct, and I make this solemn declaration conscientiously, believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at Kuala Lumpur in the state of Federal Territory on

26 OCT 2017

PESURUHJAYA SUMPAH
No: W 678
Name: KAPT (B) AFFANDI BIN AHMAD
MALAYSIA

....
WONG CHEE HENG

Before me:

COMMISSIONER FOR OATHS

No. 86, Tingkat Bawah
Jalan Putra
50350 Kuala Lumpur

WHLK CHARTERED ACCOUNTANTS
10-B, Kompleks Damai, Jalan Lumut Off Jalan Tun Razak, 50400 Kuala Lumpur.
Tel: (6) 03 – 4043 6288 (Hunting Line)
Fax: (6) 03 – 4043 7288 (Audit Dept); (6) 03 - 4041 8999 (Tax Dept)
Email: info@whlk.biz; GST No: 000014573568

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF P.A. RESOURCES BERHAD

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of P.A. Resources Berhad, which comprise the statements of financial position as at 30 June 2017 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 12 to 76.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017, and of their financial performance and their cash flows for the year ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Cont'd)

Key audit matters ("KAM")	How we addressed KAM in our audit
The Group: Going concern Refer to Note 3.1 to the financial statements We regard the Directors' assessment on the Group's ability to continue as a going concern a key audit matter as the assessment requires the exercise of significant judgment and the use of assumptions.	We reviewed the appropriateness the management's assessment in relation to going concern. We reviewed the amounts due to directors and obtained confirmation that they will continue to provide and will not withdraw their financial support within the next twelve months. We reviewed the progress of the corporate exercise stated in Note 33 to the financial statements to obtain assurance that it will be successfully implemented within the time frame.
The Company: Impairment on investment in subsidiaries and amount due by subsidiaries Refer to Note 5 and 10 to the financial statements The Company's assessment on the recoverable amount and accordingly, the impairment of the investment in and amount due by subsidiaries is a key audit matter as it requires management's significant judgement and estimates on the expected future operating cash flows of the subsidiaries.	Our procedures included, amongst others the following:- - Reviewed the cash flow forecast and assumptions used to assess their reasonableness and achievability. - Assessed the reasonableness of the methods and assumptions used in estimating the recoverable amount and impairment loss. - Discussed and assessed the business plan and strategies available to the subsidiaries which may impact their future cash flows to meet repayment obligations.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Responsibilities

The supplementary information set out in Note 36 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

WHLK
[No : AF - 0891]
Chartered Accountants

SIOW HOCK LEE
[No : 1489/02/18(J)]
Chartered Accountant

Date: 26 October 2017
Kuala Lumpur, Malaysia

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2017

	NOTE	GROUP 2017 RM	GROUP 2016 RM	COMPANY 2017 RM	COMPANY 2016 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	4	73,009,249	78,199,600	-	-
Investment in subsidiaries	5	-	-	76,230,000	76,734,000
Trade and loan receivables	7	7,087,507	7,894,570	-	-
		80,096,756	86,094,170	76,230,000	76,734,000
CURRENT ASSETS					
Inventories	6	9,867,292	10,857,092	-	-
Trade and loan receivables	7	37,376,745	47,341,656	-	-
Other receivables, deposits and prepayments	9	2,031,758	3,515,358	-	-
Current tax assets		928,096	1,910,327	-	-
Amount due by subsidiaries	10	-	-	3,454,891	2,998,964
Cash and bank balances	11	1,517,084	1,981,192	37,464	50,138
		51,720,975	65,605,625	3,492,355	3,049,102
TOTAL ASSETS		131,817,731	151,699,795	79,722,355	79,783,102

(The accompanying notes form an integral part of these financial statements)

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2017

		GROUP		COMPANY	
		2017	2016	2017	2016
	NOTE	RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	99,033,266	94,653,166	99,033,266	94,653,166
Reserves	17	(23,709,725)	(7,152,844)	(19,636,821)	(15,156,647)
Total equity attributable to the owners of the Company		75,323,541	87,500,322	79,396,445	79,496,519
Non-controlling interests		(4,683,853)	(3,319,505)	-	-
TOTAL EQUITY		70,639,688	84,180,817	79,396,445	79,496,519
NON-CURRENT LIABILITIES					
Borrowings	14	1,338,686	1,441,326	-	-
Deferred tax liabilities	18	-	30	-	-
		1,338,686	1,441,356	-	-
CURRENT LIABILITIES					
Trade payables	12	12,798,207	10,666,287	-	-
Other payables, accruals and deposits received	13	5,693,412	5,659,028	325,910	286,583
Current tax liabilities		-	63,108	-	-
Borrowings	14	41,347,738	49,689,199	-	-
		59,839,357	66,077,622	325,910	286,583
TOTAL LIABILITIES		61,178,043	67,518,978	325,910	286,583
TOTAL EQUITY AND LIABILITIES		131,817,731	151,699,795	79,722,355	79,783,102

(The accompanying notes form an integral part of these financial statements)

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

		GROUP		COMPANY	
	NOTE	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM
REVENUE	19	97,321,626	143,838,814	-	-
COST OF SALES		(99,432,462)	(136,450,433)	-	-
GROSS (LOSS) / PROFIT		(2,110,836)	7,388,381	-	-
OTHER OPERATING INCOME		2,434,647	3,592,634	785,105	381
SELLING EXPENSES		(2,198,824)	(3,500,934)	-	-
ADMINISTRATION EXPENSES		(5,502,784)	(7,844,985)	(263,213)	(340,502)
OTHER OPERATING EXPENSES		(3,525,044)	(5,022,040)	(621,966)	(2,461,855)
LOSS FROM OPERATIONS		(10,902,841)	(5,386,944)	(100,074)	(2,801,976)
FINANCE COSTS		(2,710,347)	(4,226,640)	-	-
LOSS BEFORE TAXATION	20	(13,613,188)	(9,613,584)	(100,074)	(2,801,976)
TAXATION	23	19,037	(391,733)	-	-
LOSS FOR THE YEAR / PERIOD		(13,594,151)	(10,005,317)	(100,074)	(2,801,976)
LOSS ATTRIBUTABLE TO:					
Owners of the Company		(12,229,803)	(9,042,835)	(100,074)	(2,801,976)
Non-controlling interests		(1,364,348)	(962,482)	-	-
LOSS FOR THE YEAR / PERIOD		(13,594,151)	(10,005,317)	(100,074)	(2,801,976)

(The accompanying notes form an integral part of these financial statements)

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

		GROUP		COMPANY	
		12 months ended 30.06.2017	15 months ended 30.06.2016	12 months ended 30.06.2017	15 months ended 30.06.2016
	NOTE	RM	RM	RM	RM
LOSS FOR THE YEAR / PERIOD		(13,594,151)	(10,005,317)	(100,074)	(2,801,976)
OTHER COMPREHENSIVE INCOME					
Items that may not be reclassified subsequently to profit or loss:					
- Revaluation of property, plant and equipment, net of deferred tax		-	7,816,924	-	-
Items that may be reclassified subsequently to profit or loss:					
- Foreign currency translation differences of foreign subsidiary written off		53,022	-	-	-
OTHER COMPREHENSIVE INCOME, NET OF TAX		53,022	7,816,924	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR / PERIOD		(13,541,129)	(2,188,393)	(100,074)	(2,801,976)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
Owners of the Company		(12,176,781)	(1,225,911)	(100,074)	(2,801,976)
Non-controlling interests		(1,364,348)	(962,482)	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR / PERIOD		(13,541,129)	(2,188,393)	(100,074)	(2,801,976)
NET LOSS PER ORDINARY SHARE (SEN)	24	(1.29)	(0.96)		

(The accompanying notes form an integral part of these financial statements)

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Attributable to owners of the Company									
	Non - distributable						*Distributable*			
GROUP	**Share Capital RM**	**Share Premium RM**	**Revaluation reserves RM**	**Translation Reserves RM**	**Capital Redemption Reserves RM**	**Other Capital Reserves RM**	**Retained Earnings RM**	**Total RM**	**Non-Controlling Interests RM**	**Total Equity RM**
At 1 April 2015	94,653,166	1,489,750	3,876,561	(53,022)	2,890,350	12,065,045	(26,195,617)	88,726,233	(2,357,023)	86,369,210
Loss for the period	-	-	-	-	-	-	(9,042,835)	(9,042,835)	(962,482)	(10,005,317)
Other comprehensive income for the period	-	-	7,816,924	-	-	-	-	7,816,924	-	7,816,924
Total comprehensive loss for the period	-	-	7,816,924	-	-	-	(9,042,835)	(1,225,911)	(962,482)	(2,188,393)
Transfer to retained earnings	-	-	(81,562)	-	-	-	81,562	-	-	-
At 30 June 2016	94,653,166	1,489,750	11,611,923	(53,022)	2,890,350	12,065,045	(35,156,890)	87,500,322	(3,319,505)	84,180,817

(The accompanying notes form an integral part of these financial statements)

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Attributable to owners of the Company									
	Non - distributable						*Distributable*			
GROUP	**Share Capital RM**	**Share Premium RM**	**Revaluation reserves RM**	**Translation Reserves RM**	**Capital Redemption Reserves RM**	**Other Capital Reserves RM**	**Retained Earnings RM**	**Total RM**	**Non-Controlling Interests RM**	**Total Equity RM**
At 1 July 2016	94,653,166	1,489,750	11,611,923	(53,022)	2,890,350	12,065,045	(35,156,890)	87,500,322	(3,319,505)	84,180,817
Loss for the year	-	-	-	-	-	-	(12,229,803)	(12,229,803)	(1,364,348)	(13,594,151)
Other comprehensive income for the year	-	-	-	53,022	-	-	-	53,022	-	53,022
Total comprehensive loss for the year	-	-	-	53,022	-	-	(12,229,803)	(12,176,781)	(1,364,348)	(13,541,129)
Transfer to retained earnings	-	-	(109,865)	-	-	-	109,865	-	-	-
Effect from adoption of Companies Act 2016 ^	4,380,100	(1,489,750)	-	-	(2,890,350)	-	-	-	-	-
At 30 June 2017	99,033,266	-	11,502,058	-	-	12,065,045	(47,276,828)	75,323,541	(4,683,853)	70,639,688

^ The new Companies Act, 2016 in Malaysia ("the Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account and capital redemption reserve account become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM1,489,750 and capital redemption reserve account of RM2,890,350 for purposes as set out in Sections 618(3) and 618(4) of the Act respectively. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

(The accompanying notes form an integral part of these financial statements)

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	Attributable to owners of the Company					
	Non-Distributable				*Distributable*	
COMPANY	**Share Capital RM**	**Share Premium RM**	**Capital Redemption Reserves RM**	**Other Capital Reserves RM**	**Retained Earnings RM**	**Total RM**
At 1 April 2015	94,653,166	1,489,750	2,890,350	12,065,045	(28,799,816)	82,298,495
Loss and total comprehensive loss for the period	-	-	-	-	(2,801,976)	(2,801,976)
At 30 June 2016	94,653,166	1,489,750	2,890,350	12,065,045	(31,601,792)	79,496,519
At 1 July 2016	94,653,166	1,489,750	2,890,350	12,065,045	(31,601,792)	79,496,519
Loss and total comprehensive loss for the year	-	-	-	-	(100,074)	(100,074)
Effect from adoption of Companies Act 2016 ^	4,380,100	(1,489,750)	(2,890,350)	-	-	-
At 30 June 2017	99,033,266	-	-	12,065,045	(31,701,866)	79,396,445

^ The new Companies Act, 2016 in Malaysia ("the Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account and capital redemption reserve account become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM1,489,750 and capital redemption reserve account of RM2,890,350 for purposes as set out in Sections 618(3) and 618(4) of the Act respectively. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

(The accompanying notes form an integral part of these financial statements)

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	GROUP		COMPANY	
	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before taxation	(13,613,188)	(9,613,584)	(100,074)	(2,801,976)
Adjustments for:				
Allowance for impairment losses on:				
- trade receivables	624,511	721,363	-	-
- investment in subsidiaries	-	-	504,000	2,400,000
- amount due by subsidiaries	-	-	93,237	-
Bad debts written off	28,000	-	-	-
Depreciation of property, plant and equipment	7,296,668	8,988,151	-	-
Deconsolidation of subsidiary	55,282	-	-	-
Loss on disposal of plant and equipment	127,026	568,951	-	-
Unrealised loss on foreign exchange	325,470	636,131	-	-
Interest expenses	2,647,625	4,128,671	-	-
Interest income	(30,360)	(66,196)	(285)	(381)
Plant and equipment written off	46,710	4,984	-	-
Reversal of impairment losses on:				
- trade receivables	(138,690)	(152,100)	-	-
- amount due by subsidiaries	-	-	(784,820)	-
Operating (loss) / profit before working capital changes	(2,630,946)	5,216,371	(287,942)	(402,357)
Decrease in inventories	989,800	8,250,230	-	-
Decrease / (Increase) in receivables	11,447,186	(3,385,351)	-	-
Increase / (Decrease) in payables	2,197,773	(8,101,506)	39,327	35,260
Cash generated from / (used in) operations	12,003,813	1,979,744	(248,615)	(367,097)
Interest paid	(2,647,625)	(4,128,671)	-	-
Tax paid	(221,889)	(342,062)	-	-
Tax refunded	1,160,019	-	-	-
Net cash generated from / (used in) operating activities	10,294,318	(2,490,989)	(248,615)	(367,097)

(The accompanying notes form an integral part of these financial statements)

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	GROUP		COMPANY	
	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	30,360	66,196	285	381
Purchase of property, plant and equipment (Note 28)	(2,447,012)	(3,280,771)	-	-
Proceeds from disposal of plant and equipment	233,959	195,695	-	-
Advances from subsidiaries	-	-	235,656	360,129
Net cash (outflow) / inflow from investing activities	(2,182,693)	(3,018,880)	235,941	360,510
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of hire purchase payables	(302,255)	(337,341)	-	-
Net repayment of receivables finance	-	(1,705,544)	-	-
(Repayment of) / proceeds from trade bills payables	(3,762,000)	2,386,448	-	-
Repayment of revolving credit	(3,000,000)	(2,000,000)	-	-
Repayment of term loans	(1,127,684)	(1,554,257)	-	-
Proceeds from term loans	1,400,000	-	-	-
(Increase) / Decrease in fixed deposits pledged	(29,461)	2,555,441	-	-
Net cash outflow from financing activities	(6,821,400)	(655,253)	-	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,290,225	(6,165,122)	(12,674)	(6,587)

(The accompanying notes form an integral part of these financial statements)

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

	GROUP		COMPANY	
	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(64,632)	(119,593)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR / PERIOD	(14,676,164)	(8,391,449)	50,138	56,725
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR / PERIOD	(13,450,571)	(14,676,164)	37,464	50,138

Represented by:

CASH AND CASH EQUIVALENTS				
Bank overdrafts	(14,015,421)	(15,734,583)	-	-
Cash and bank balances	564,850	1,058,419	37,464	50,138
Fixed deposits with licensed banks	952,234	922,773	-	-
	(12,498,337)	(13,753,391)	37,464	50,138
Fixed deposits pledged	(952,234)	(922,773)	-	-
	(13,450,571)	(14,676,164)	37,464	50,138

(The accompanying notes form an integral part of these financial statements)

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

1. GENERAL INFORMATION

The Company's principal activity is that of investment holding.

The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The address of the registered office of the Company is as follows:

Level 8 Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya

The address of the principal place of business of the Company is as follows:

Lot 424 & 440,
Jalan Kuala Selangor,
Kg. Batu 8, Ijok,
45620 Kuala Selangor,
Selangor Darul Ehsan.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention other than the revaluation of freehold land and factory buildings as stated in Note 2.3 and unless indicated otherwise.

The financial statements are presented in Ringgit Malaysia (RM), which is the Group's and the Company's functional currency.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(a) Summary of significant accounting policies and changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 July 2016, the Group and the Company adopted the following new and amended MFRS:

- MFRS 14 Regulatory Deferral Accounts
- Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities - Applying the Consolidation Exception
- Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to MFRS 101: Presentation of Financial Statements - Disclosure Initiative
- Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 127: Equity Method in Separate Financial Statements
- Amendments to MFRSs: Annual Improvements to MFRSs 2012-2014 Cycle

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and of the Company.

(b) Standards, revised and amendments to published standards that are applicable to the Group and the Company but not yet effective

	Effective date
Amendments to MFRS 12 Annual Improvements to MFRS Standards 2014 - 2016 Cycle	1 January 2017
Amendments to MFRS 107: Statement of Cash Flows - Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 9: Financial Instruments	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 1 Annual Improvements to MFRS Standards 2014 - 2016 Cycle	1 January 2018
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 128 Annual Improvements to MFRS Standards 2014 - 2016 Cycle	1 January 2018
Amendments to MFRS 140 Transfers of Investment Property	1 January 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

(b) Standards, revised and amendments to published standards that are applicable to the Group and the Company but not yet effective (cont'd)

	Effective date
Clarification of MFRS 15	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16: Leases	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an investor and its Associate or Joint Venture	to be announced

The Group and the Company intend to adopt the above standards, if applicable, when they become effective.

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application, other than the following which impact is still being assessed:

MFRS 9 Financial Instruments

MFRS 9 addresses the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities, as well as general hedge accounting. It replaces MFRS 139. MFRS 9 requires financial assets to be classified into two measurement categories, i.e. at fair value and at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to changes in an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. MFRS 9 contains a new impairment model based on expected losses (as oppose to 'incurred loss' model under MFRS 139), i.e. a loss event need not occur before an impairment loss is recognised, which will result in earlier recognition of losses.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:-

- Identify the contracts with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

(b) Standards, revised and amendments to published standards that are applicable to the Group and the Company but not yet effective (cont'd)

MFRS 16 Leases

MFRS 16 introduces a single accounting model to Lessees instead of classification as either operating lease or finance lease. Under MFRS 16, Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Leases are "capitalised" by recognising the present value of the lease as "right-of-use assets", with a corresponding lease liability. Such assets and liabilities should be distinguished from other assets and liabilities either by separate presentation in the statement of financial position or by disclosure in the notes to the financial statements. The new standard permits Lessees to use either a full retrospective or a modified retrospective approach on transition for leases existing at the date of transition, with options to use certain transition reliefs.

2.2 Basis of consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Company, other vote holders or other parties;

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Basis of consolidation (Cont'd)

Subsidiaries (cont'd)

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

Loss of control

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

The results of those subsidiaries acquired via an internal group reorganisation exercise in 2005 which met the conditions of a merger in accordance with FRS 122_{2004} "Business Combinations" are consolidated using the merger method of accounting.

Under the merger method of accounting, the results of the subsidiaries are consolidated and presented as if the merger had been effected throughout the current and previous financial years. On consolidation, the difference between the carrying value of the investment in subsidiaries over the nominal value of the shares acquired is taken to merger deficit. The merger deficit is set off against the retained profits.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Basis of consolidation (Cont'd)

Business combinations (cont'd)

In all other cases, acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed off and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within the equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Property, plant and equipment

(a) Measurement

Freehold land and factory buildings are initially recorded at cost.

Freehold land and factory buildings are subsequently shown at valuation, based on valuation by external independent valuers, less subsequent depreciation (on factory buildings) and impairment losses. The freehold land and factory buildings are to be appraised by external independent professional valuers at least once in every five years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment (including additions of factory buildings between and after revaluation periods) are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to profit or loss. Each year the difference between the depreciation based on the revalued carrying amount of the asset charged to the profit or loss and depreciation based on the asset's original cost is transferred from 'revaluation reserves' to 'retained earnings'.

(b) Depreciation

Freehold land is not depreciated.

Other property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets, or their revalued amounts, to their residual values over their estimated useful lives, summarised as follows:

	Useful lives
Freehold factory buildings	remaining live of 40 years
Leasehold land	79 years
Leasehold building	50 years
Plant and machinery	6 to 16 years
Extrusion die	5 years
Electrical installation	8 to 9 years
Tools and equipment	10 years
Office equipment, furniture and fittings, renovation and motor vehicle	5 years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with the expected pattern of consumption of the future economic benefits embodied the items of property, plant and equipment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Property, plant and equipment (Cont'd)

(c) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

(d) Disposals

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings.

2.4 Investment in subsidiaries

In the Company's separate financial statements, investment in subsidiaries is accounted for at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and its carrying amounts is recognised in the profit or loss.

2.5 Non-current assets (or disposal groups) classified as assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell, if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

2.6 Inventories

Inventories comprising raw materials, work in progress and finished goods, are valued at the lower of cost and net realisable value. Costs of raw materials and finished goods are determined on the first in first out basis, and includes all expenses incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price less the estimated costs necessary to make the sale.

2.7 Receivables

Trade, loan/financing and other receivables are categorised and measured as loans and receivables in accordance with Note 2.21(ii)(c).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Construction work-in-progress

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work-in-progress is presented as part of trade receivables as amount due by contract customers in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as deferred income in the statement of financial position.

2.9 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

Cash and cash equivalents (other than bank overdrafts) are categorised and measured as loans and receivables in accordance with policy Note 2.21(ii)(c).

2.10 Payables

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

2.11 Related party

The Group treats a related party (other than holding, subsidiary or associated company) as a company in which the shareholders and directors are substantially in common with those of the Group.

2.12 Borrowings

(a) Classification

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the end of the reporting period are included in current borrowings in the statement of financial position even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period and before the financial statements are authorised for issue. Other borrowings due to be settled more than twelve months after the end of the reporting period are included in non-current borrowings in the statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Borrowings (Cont'd)

(b) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

2.13 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

When issued shares of the Company are repurchased, the consideration paid, including any attributable transaction costs is presented as a change in equity. Repurchased shares that have not been cancelled are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the profit or loss on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued or resale, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity.

2.14 Leases

(a) Finance Lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequently to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Leases (Cont'd)

(b) Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the Group's statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on the straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

2.15 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

2.16 Income tax

Income tax on the profit or loss for the financial year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial period and is measured using the tax rates that have been enacted at the end of the reporting period.

Deferred tax is provided for, using the liability method, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Income tax (Cont'd)

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period. Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

2.17 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

(b) Defined contribution plans

Obligations for contributions to defined contribution plan are recognised as an expense in the profit or loss as incurred.

2.18 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sales of goods

Revenue from the sales of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer.

(b) Sales and installation of solar panels

Revenue associated with the sales and installation of solar panels is recognised when the significant risks and rewards of ownership are transferred to the customer.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Revenue recognition (Cont'd)

(c) Services

Revenue from tolling services rendered is recognised in profit or loss upon completion and delivery of the finished products.

(d) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and contract cost are recognised in the profit or loss in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to the proportion that contract costs incurred for work performed to-date bear to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the profit or loss.

(e) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(f) Interest income on loan/financing receivables

Interest on loans/financing income is recognised under "Interest income" in profit or loss using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest/financing income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. Significant fees and transaction costs integral to the effective interest rate, as well as premiums or discounts are also considered.

For impaired financial assets where the value of the financial asset has been written down as a result of an impairment loss, interest/financing income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Foreign Currencies

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at the fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

The principal exchange rates (in unit of foreign currency per Ringgit Malaysia) used at the end of the reporting date are as follows:

	GROUP	
	2017	**2016**
- US Dollar	4.2925	4.0200
- Australia Dollar	3.3044	2.9869
- Renminbi	0.6342	0.6049
- Singapore Dollar	3.1164	2.9795

(b) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains or losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the FCTR.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Impairment

(a) Financial assets

The Group assess at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost (except for investment in subsidiaries) has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Impairment (Cont'd)

(b) Non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

2.21 Financial Instruments

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Company categorise financial instruments as follows:

<u>Financial assets</u>

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Financial Instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial assets (cont'd)

(a) Financial assets at fair value through profit or loss - cont'd

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Held-to-maturity investments

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and the Group has the positive intention and ability to hold till maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

(c) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and loan/financing and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(d) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading and other financial assets not classified under 2.21(ii) (a), (b) and (c) above.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Financial Instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

2.22 Fair value measurements

The fair values of financial instruments are disclosed in Note 26.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or
(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Fair value measurements (Cont'd)

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as disclosed in Note 26.

2.23 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimating uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.1 Going concern

As at reporting date, Group current liabilities (RM59,839,357) have exceeded current assets (RM51,720,975) by RM8,118,382 and it poses an uncertainty in the Group's ability to continue as a going concern.

Despite this, the financial statements have been prepared on the going concern basis as certain directors have pledged continuous and will not withdraw their financial support and the directors are confident that the proposed corporate exercise as stated in Note 33 will be successfully implemented as planned.

3.2 Recoverable amounts for property, plant and equipment and investment in subsidiaries

The Group tests whether property, plant and equipment and investment in subsidiaries have suffered any impairment, in accordance with the accounting policy stated in Note 2.20 above. The recoverable amounts of the assets and cash-generating units have been determined based on value-in-use calculations. These calculations require use of judgements and estimates.

3.3 Allowance for impairment of investment in subsidiaries and receivables

The Group and Company make allowance for impairment of investment in subsidiaries and trade and other receivables including amount due by subsidiaries. Allowances for impairment are applied where events or changes in circumstances indicate that the relevant assets may not be recoverable. The assessment of recoverability requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of the relevant assets and the allowance for impairment in the period in which such estimate has been changed.

3.4 Construction contracts

Profit from construction contracts is the excess of contract revenue over contract cost.

The Group recognise contract revenue based on percentage of completion method unless the outcome of the construction contracts cannot be estimated reliably. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to-date bear to the estimated total contract costs. Significant judgement is required in determining the stage of completion. Total contract revenue also includes an estimation of the recoverable variation works that are recoverable from the customers. In making the judgement, the Group relied on past experience and the work of specialists.

3.5 Depreciation of property, plant and equipment

Property, plant and equipment is depreciated on the straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

COST / VALUATION	Freehold land RM	Factory buildings RM	Leasehold land and building RM	Plant, equipment and machinery RM	Extrusion die, Tools and Electrical installation RM	Office equipment, Renovation and Motor vehicles RM	2017 Total RM	2016 Total RM
At beginning of year / period	13,000,000	31,500,000	850,000	55,890,146	21,310,158	6,246,357	128,796,661	124,828,316
Additions	-	113,500	-	174,234	2,133,490	92,788	2,514,012	3,472,771
Revaluation surplus	-	-	-	-	-	-	-	8,348,089
Elimination of accumulated depreciation on revaluation	-	-	-	-	-	-	-	(5,259,774)
Disposals	-	-	-	(571,744)	(42,090)	(822,120)	(1,435,954)	(2,583,336)
Written off	-	-	-	(71,913)	(40,958)	(128,537)	(241,408)	(9,405)
At end of year / period	13,000,000	31,613,500	850,000	55,420,723	23,360,600	5,388,488	129,633,311	128,796,661
Representing:								
At cost	-	113,500	850,000	55,420,723	23,360,600	5,388,488	85,133,311	84,296,661
At valuation	13,000,000	31,500,000	-	-	-	-	44,500,000	44,500,000
	13,000,000	31,613,500	850,000	55,420,723	23,360,600	5,388,488	129,633,311	128,796,661

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP ACCUMULATED DEPRECIATION	Freehold land RM	Factory buildings RM	Leasehold land and building RM	Plant, equipment and machinery RM	Extrusion die, Tools and Electrical installation RM	Office equipment, Renovation and Motor vehicles RM	2017 Total RM	2016 Total RM
At beginning of year / period	-	-	159,739	30,088,621	15,288,094	5,060,607	50,597,061	48,691,795
Charge for the year / period	-	788,756	15,128	3,612,498	2,324,371	555,915	7,296,668	8,988,151
Reversal on revaluation	-	-	-	-	-	-	-	(5,259,774)
Disposals	-	-	-	(363,337)	(6,248)	(705,384)	(1,074,969)	(1,818,690)
Written off	-	-	-	(48,831)	(20,388)	(125,479)	(194,698)	(4,421)
At end of year / period	-	788,756	174,867	33,288,951	17,585,829	4,785,659	56,624,062	50,597,061
NET CARRYING AMOUNT								
At 30 June 2017	13,000,000	30,824,744	675,133	22,131,772	5,774,771	602,829	73,009,249	-
At 30 June 2016	13,000,000	31,500,000	690,261	25,801,525	6,022,064	1,185,750	-	78,199,600
Depreciation for the financial period ended 30 June 2016	-	1,071,670	18,910	4,515,285	2,545,616	836,670	-	8,988,151

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Analysis of net carrying amount of revalued properties:

	GROUP 2017 RM	GROUP 2016 RM
At valuation		
Freehold land	13,000,000	13,000,000
Freehold factory buildings	31,500,000	31,500,000
	44,500,000	44,500,000
At cost		
Addition to freehold factory buildings	113,500	-
	44,613,500	44,500,000
Less: Accumulated depreciation		
Freehold factory buildings	788,756	-
Net carrying amount	43,824,744	44,500,000

The valuations of the freehold land and factory buildings were carried out by TD Aziz Sdn. Bhd., an external independent firm of valuers, on 28 October 2015 and 30 June 2016 respectively using the comparison and cost method.

The resultant surplus, net of deferred tax were credited to revaluation reserves in the financial period ended 30 June 2016.

Net carrying amount of the revalued freehold land and factory buildings at the end of the reporting period that would have been included in the financial statements, had these assets been carried at cost less accumulated depreciation and impairment losses is as follows:

	GROUP 2017 RM	GROUP 2016 RM
Freehold land	5,231,500	5,231,500
Freehold factory buildings	25,629,742	26,203,162
	30,861,242	31,434,662

Net carrying amount of plant and equipment acquired under hire purchase arrangements for which instalments are still outstanding at the end of the reporting period:

	GROUP 2017 RM	GROUP 2016 RM
Motor vehicles	341,903	603,049

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

As at 30 June 2017, net carrying amount of the following assets have been pledged to banks for borrowings as disclosed in Note 14 to the financial statements:

	GROUP	
	2017	**2016**
	RM	**RM**
Freehold land and factory buildings	43,824,744	44,500,000
Leasehold land and building	675,133	690,261
Plant and machinery	20,448,189	23,453,480
	64,948,066	68,643,741

5. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2017	**2016**
	RM	**RM**
Unquoted shares		
At cost	118,500,000	118,500,290
Less: Allowance for impairment losses		
At beginning of year / period	41,766,290	39,366,290
Additions for the year / period	504,000	2,400,000
Written off during the year / period	(290)	-
At end of year / period	42,270,000	41,766,290
At carrying amount	76,230,000	76,734,000

At the end of the reporting period, management carried out a review of the recoverable amount of the investment in subsidiaries. The carrying amount of investment in subsidiaries recorded at the end of the reporting period does not exceed the recoverable amount. The recoverable amount was based on the value in use method, determined by discounting the future cash flows expected from the continuing use of the asset. The pre-tax discount rate used was 7.76% (2016: 7.3%).

Unless indicated otherwise, all the subsidiaries were incorporated in Malaysia and have the same financial year-end as the Company. The details of the subsidiaries are as follows:

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of Subsidiaries	Principal Activities	% of Effective Equity Ownership Interest^ 2017	2016
P.A. Extrusion (M) Sdn. Bhd.	Aluminium extrusion, fabrication and related services	100	100
and its subsidiary companies:			
P.A. Solar Energy Sdn. Bhd.	Supply, installation and commissioning of solar panels and provision of after installation services	100	100
PAR Metal Casting Sdn. Bhd.	Dormant	100	100
PA Metal Processing Sdn. Bhd.	Dormant	100	100
Professional Aluminium Smelting Sdn. Bhd.	Manufacturing of aluminium billets and tolling	100	100
P. A. Projects Sdn. Bhd.	Contractor in design, supply, fabricate and install of aluminium products	70	70
Dominasi Reka Sdn. Bhd.	Money lender	100	100
P.A. Resources (Australia) Pty Ltd ("PAA") *	Ceased operation and deregistered	-	100

^ *Equals to the proportion of voting rights held*

* PAA which was incorporated in Australia has been deregistered and cancelled from Australian Business Register. Accordingly, PAA ceased to be a subsidiary and its financial statements have been deconsolidated. The impact of deconsolidation of this subsidiary is immaterial.

Non-controlling interests ("NCI") in subsidiary

GROUP Name of Subsidiary	Principal Activities	% of Equity Ownership Interest held by NCI^ 2017	2016
P. A. Projects Sdn. Bhd.	Contractor in design, supply, fabricate and install of aluminium products	30	30

^ *Equals to the proportion of voting rights held*

	2017 RM	2016 RM
Carrying amount of NCI	(4,683,853)	(3,319,505)
Loss for the year / period attributable to NCI	(1,364,348)	(962,482)

6. INVENTORIES

	GROUP 2017 RM	GROUP 2016 RM
At Cost		
- Raw materials and consumables	5,154,515	5,634,995
- Finished goods	4,712,777	5,176,299
	9,867,292	10,811,294
At Net Realisable Value		
- Finished goods	-	45,798
	9,867,292	10,857,092

7. TRADE AND LOAN RECEIVABLES

	GROUP 2017 RM	GROUP 2016 RM
Trade receivables	33,326,110	42,231,229
Loan/financing receivables	8,745,257	8,740,560
Less: Allowance for impairment losses		
At beginning of year / period	2,572,746	2,167,559
Addition during the year / period	624,511	721,363
Written off during the year / period	(1,161,442)	(164,076)
Reversal during the year / period	(138,690)	(152,100)
At end of year / period	1,897,125	2,572,746
Amount receivables	40,174,242	48,399,043
Less: Amount shown under non-current assets	7,087,507	7,894,570
	33,086,735	40,504,473
Amount due by contract customers (Note 8)	4,290,010	6,837,183
Amount shown under current assets	37,376,745	47,341,656

7. TRADE AND LOAN RECEIVABLES (CONT'D)

	GROUP	
	2017	2016
	RM	RM
Amount shown under non-current assets:		
More than 1 year and less than 2 years	938,797	835,294
More than 2 years and less than 5 years	2,939,355	2,817,655
More than 5 years	3,209,355	4,241,621
	7,087,507	7,894,570

The Group's normal trade credit terms vary from 30 to 120 days. Other trade credit terms are assessed and approved on a case-by-case basis. Trade receivables are non-interest bearing.

Included in the trade receivables of the Group is an amount of RM683,209 (2016: RM1,697,155) representing contract sum retained in relation to contracting work performed.

Loan/financing receivables
These are loans/financing primarily provided to individual customers to purchase solar power generation devices from a subsidiary company and bear effective interest from 6.85% to 8.96% (2016: 6.85% to 8%) per annum. Loan/financing receivables are unsecured.

8. AMOUNT DUE BY/(TO) CONTRACT CUSTOMERS

	GROUP	
	2017	2016
	RM	RM
Construction costs	24,761,635	47,494,465
Attributable losses	(1,172,928)	(1,499,771)
Foreseeable losses	-	(150,000)
	23,588,707	45,844,694
Progress billings received and receivable	(19,298,697)	(39,652,814)
	4,290,010	6,191,880
Represented by:		
Amount due by contract customers	4,290,010	6,837,183
Amount due to contract customers	-	(645,303)
	4,290,010	6,191,880

8. AMOUNT DUE BY/(TO) CONTRACT CUSTOMERS (CONT'D)

	GROUP 2017 RM	GROUP 2016 RM
Construction costs incurred during the financial year / period	4,571,369	16,313,941
Construction costs recognised as contract expenses during the financial year / period	4,571,369	16,313,941
Included in construction costs incurred during the financial year / period are:		
- Depreciation of plant and equipment	36,335	85,803
- Staff costs (excluding directors' remuneration)		
- wages and incentive	1,012,715	1,243,340
- pension costs - defined contribution plan	31,449	51,497
- social security costs	4,468	6,545
- other staff related benefits	59,293	58,189
- Rental of factory	170,660	377,700
- Rental of machinery	163,587	957,349

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP 2017 RM	GROUP 2016 RM
Other receivables	366,311	128,812
Deposits	331,443	474,370
Prepayments		
- down payment for purchase of plant and machinery	970,922	410,200
- trade purchase	245,894	2,294,402
- others	117,188	207,574
	1,334,004	2,912,176
	2,031,758	3,515,358

10. AMOUNT DUE BY SUBSIDIARIES

	COMPANY 2017 RM	COMPANY 2016 RM
Non-trade:		
Amounts receivable from subsidiaries	58,010,177	58,245,833
Less: Allowance for impairment losses		
At beginning / end of year / period	55,246,869	55,246,869
Addition during the year / period	93,237	-
Reversal during the year / period	(784,820)	-
At end of year / period	54,555,286	55,246,869
	3,454,891	2,998,964

The amount due by subsidiaries is unsecured, interest-free and repayable on demand.

11. CASH AND BANK BALANCES

	GROUP 2017 RM	GROUP 2016 RM	COMPANY 2017 RM	COMPANY 2016 RM
Cash and bank balances	564,850	1,058,419	37,464	50,138
Fixed deposits with licensed banks	952,234	922,773	-	-
	1,517,084	1,981,192	37,464	50,138

The fixed deposits with licensed banks are pledged to banks to secure credit facilities granted to the Group.

The effective interest rates of the fixed deposits at the end of the reporting period ranged from 2.95% to 3.10% (2016: 3.15% to 3.35%) per annum.

The maturities of the fixed deposits as at the end of the financial year / period were between 1 month to 12 months (2016: 1 month to 12 months).

12. TRADE PAYABLES

	GROUP	
	2017	2016
	RM	RM
Trade payables	12,798,207	10,020,984
Amount due to contract customers (Note 8)	-	645,303
	12,798,207	10,666,287

The normal trade credit terms granted to the Group vary from 0 to 120 days.

Included in the trade payables of the Group is an amount of RM154,516 (2016: RM352,708) representing retention sum for the contracting work performed.

Included in trade payables is another amount of Nil (2016: RM508,877) which is due to a related party in respect of sub-contract work done on earthwork and drainage system for the construction of a solar farm undertaken by a subsidiary.

The related party is Gimpai Jaya Sdn. Bhd., a company in which Dato' Ng Tong Hai is also a director and substantial shareholder. The amount due to the related party is unsecured and interest free.

13. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM	RM	RM	RM
Other payables	3,529,432	2,303,263	143,102	100,883
Accruals	2,141,980	3,226,765	182,808	185,700
Deposits received	22,000	129,000	-	-
	5,693,412	5,659,028	325,910	286,583

Included in other payables of the Group and of the Company are amounts due to certain directors of RM1,492,755 (2016: RM590,000) and RM30,500 (2016: Nil) respectively which are unsecured, interest free and repayable on demand.

14. BORROWINGS

	GROUP 2017 RM	GROUP 2016 RM
Current		
Bank overdrafts (secured)	14,015,421	15,734,583
Trade bills payables (secured)	20,854,000	24,616,000
Revolving credit (secured)	5,000,000	8,000,000
Term loans (secured)	1,368,319	1,128,000
	41,237,740	49,478,583
Hire purchase payables (Note 15)	109,998	210,616
	41,347,738	49,689,199
Non-current		
Term loans (secured)	1,082,793	1,050,796
Hire purchase payables (Note 15)	255,893	390,530
	1,338,686	1,441,326
Total Borrowings		
Bank overdrafts (secured)	14,015,421	15,734,583
Trade bills payables (secured)	20,854,000	24,616,000
Revolving credit (secured)	5,000,000	8,000,000
Term loans (secured)	2,451,112	2,178,796
	42,320,533	50,529,379
Hire purchase payables (Note 15)	365,891	601,146
	42,686,424	51,130,525
Maturities of borrowings (excluding hire purchase payables):		
Within one year	41,237,740	49,478,583
More than 1 year and less than 2 years	402,477	1,008,319
More than 2 years and less than 5 years	680,316	42,477
	42,320,533	50,529,379

14. BORROWINGS (CONT'D)

The effective interest rates per annum at the end of the reporting period for the above borrowings were as follows:

	GROUP	
	2017	2016
Bank overdrafts	7.65% - 8.85%	7.85% - 8.85%
Trade bills payables	4.80% - 5.28%	5.01% - 5.28%
Revolving credit	6.28%	6.28% - 6.33%
Term loans	6.07% - 8.22%	6.16% - 7.35%
Hire purchase payables	4.55% - 5.66%	3.78% - 6.73%

The above banking facilities of the Group are secured by way of :-

(a) The Group's freehold land and factory buildings;
(b) The Group's leasehold land and building;
(c) Fixed and floating charge over the plant and machinery of a subsidiary;
(d) Fixed deposits of the Group as stated in Note 11 above;
(e) A third party pledged fixed deposit of RM12 million together with the interest accrued thereon;
(f) Corporate guarantee given by the Company; and
(g) Jointly and severally guaranteed by certain directors of the Group.

15. HIRE PURCHASE PAYABLES

	GROUP	
	2017 RM	2016 RM
Hire purchase obligations repayable:		
Within one year	125,099	233,210
More than 1 year and less than 5 years	265,046	389,374
More than 5 years	9,622	31,594
	399,767	654,178
Future finance charges	(33,876)	(53,032)
Present value of hire purchase payables	365,891	601,146
Principal amount repayable:		
Current		
Within 1 year	109,998	210,616
Non-current		
More than 1 year and less than 5 years	236,447	360,870
More than 5 years	19,446	29,660
	255,893	390,530
	365,891	601,146

16. SHARE CAPITAL

	GROUP AND COMPANY			
	Number of ordinary shares		2017	2016
	2017	2016	RM	RM
Authorised:				
Ordinary shares	N/A	1,500,000,000	N/A	1,500,000,000
Issued and fully paid:				
Ordinary shares				
At beginning of year / period	946,531,659	946,531,659	94,653,166	94,653,166
Effect from adoption of Companies Act 2016 ^	-	-	4,380,100	-
At end of year / period	946,531,659	946,531,659	99,033,266	94,653,166

^ The new Companies Act, 2016 in Malaysia ("the Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account and capital redemption reserve account become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM1,489,750 and capital redemption reserve account of RM2,890,350 for purposes as set out in Sections 618(3) and 618(4) of the Act respectively. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

17. RESERVES

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM	RM	RM	RM
Non-distributable:				
Share premium	-	1,489,750	-	1,489,750
Revaluation reserves	11,502,058	11,611,923	-	-
Translation reserves	-	(53,022)	-	-
Capital redemption reserves	-	2,890,350	-	2,890,350
Other capital reserves	12,065,045	12,065,045	12,065,045	12,065,045
Distributable:				
Retained earnings	(47,276,828)	(35,156,890)	(31,701,866)	(31,601,792)
	(23,709,725)	(7,152,844)	(19,636,821)	(15,156,647)

18. DEFERRED TAX LIABILITIES

	GROUP 2017 RM	GROUP 2016 RM
At beginning of year / period	30	(843,949)
Amount recognised in profit or loss	(30)	312,814
Amount recognised in other comprehensive income	-	531,165
At end of year / period	-	30

The amounts, determined after appropriate offsetting, are as follows:

Deferred tax liabilities	-	30

The components and movements of deferred tax liabilities / (assets) during the financial year / period prior to offsetting are as follows:

	GROUP 2017 RM	GROUP 2016 RM
Deferred tax liabilities:		
- **Property, plant and equipment**		
At beginning of year / period	6,856,134	7,701,999
Amount recognised in profit or loss	(555,928)	(845,865)
At end of year / period	6,300,206	6,856,134
- **Revaluation surplus on property**		
At beginning of year / period	1,212,304	673,045
Amount recognised in other comprehensive income	-	531,165
Amount recognised in profit or loss	(33,514)	8,094
At end of year / period	1,178,790	1,212,304
Total deferred tax liabilities	7,478,996	8,068,438
Deferred tax assets:		
- **Unabsorbed capital allowances**		
At beginning of year / period	(6,435,460)	(7,573,023)
Amount recognised in profit or loss	678,381	1,137,563
At end of year / period	(5,757,079)	(6,435,460)
- **Unused tax losses**		
At beginning of year / period	(1,632,948)	(1,645,970)
Amount recognised in profit or loss	(88,969)	13,022
At end of year / period	(1,721,917)	(1,632,948)
Total deferred tax assets	(7,478,996)	(8,068,408)

18. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the unused tax credits can be utilised.

	GROUP	
	2017	2016
	RM	RM
Deferred tax assets have not been recognised in respect of the following temporary differences:		
- Property, plant and equipment	(17,958)	12,297
- Unused tax losses	(17,282,591)	(15,967,378)
- Unabsorbed capital allowances	(6,906,361)	(5,359,764)
- Unutilised reinvestment allowances	(8,378,789)	(8,353,699)
	(32,585,699)	(29,668,544)

19. REVENUE

	GROUP	
	12 months ended 30.06.2017	15 months ended 30.06.2016
	RM	RM
Revenue comprise of:		
- Sales of aluminium profile	93,881,827	122,388,803
- Sales of aluminium scrap	378,137	433,049
- Contract revenue	1,068,079	15,521,710
- Sales and installation of solar panels	1,456,630	4,993,720
- Interest income	536,953	501,532
	97,321,626	143,838,814

20. LOSS BEFORE TAXATION

	GROUP		COMPANY	
	12 months ended 30.06.2017	15 months ended 30.06.2016	12 months ended 30.06.2017	15 months ended 30.06.2016
	RM	RM	RM	RM
This is stated after charging:-				
Allowance for impairment losses on:				
- trade receivables	624,511	721,363	-	-
- investment in subsidiaries	-	-	504,000	2,400,000
- amount due by subsidiaries	-	-	93,237	-

20. LOSS BEFORE TAXATION (CONT'D)

	GROUP		COMPANY	
	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM
This is stated after charging (cont'd):-				
Auditors' remuneration				
- current year / period	131,900	165,850	25,000	28,000
- over provision in respect of prior period	(20,850)	-	(3,000)	-
Bad debts written off	28,000	-	-	-
Deconsolidation of subsidiary	55,282	-	-	-
Depreciation of property, plant and equipment	7,260,333	8,902,348	-	-
Directors' remuneration (Note 21)	1,273,147	1,570,828	126,000	169,500
Employee benefits expense (Note 22)	12,338,860	16,107,438	-	-
Interest expense:				
- term loans	132,955	274,893	-	-
- hire purchase	24,992	42,711	-	-
- bank overdraft	1,153,281	1,259,485	-	-
- trade line facilities	928,024	1,739,283	-	-
- revolving credit	408,373	793,521	-	-
- others	-	18,778	-	-
Loss on disposal of plant and equipment	127,026	568,951	-	-
Loss on foreign exchange				
- unrealised	325,470	636,131	-	-
Plant and equipment written off	46,710	4,984	-	-
Rental of premises	112,750	99,550	-	-
and after crediting:-				
Gain on disposal of property, plant and equipment	18,867	-	-	-
Gain on foreign exchange				
- realised	1,736,809	3,105,102	-	-
Interest income	30,360	66,196	285	381
Reversal of impairment losses on:				
- trade receivables	138,690	152,100	-	-
- amount due by subsidiaries	-	-	784,820	-

21. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM
Executive				
- Salaries and other emoluments	953,000	1,196,000	-	-
- Defined contribution plan	169,020	210,860	-	-
- Social security costs	2,527	3,168	-	-
- Estimated money value of benefits-in-kind	22,600	15,300	-	-
	1,147,147	1,425,328	-	-
Non-executive				
- Fees				
- current year / period	126,000	127,500	126,000	127,500
- under provision in respect of prior years	-	18,000	-	42,000
	1,273,147	1,570,828	126,000	169,500

22. EMPLOYEE BENEFITS EXPENSE

	GROUP	
	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM
Salaries, bonus, wages and allowances	11,123,930	14,632,375
Pension costs - defined contribution plan	660,908	864,365
Social security costs	89,756	178,170
Other staff related expenses	457,191	426,028
Estimated money value of benefits-in-kind	7,075	6,500
	12,338,860	16,107,438

23. TAXATION

	GROUP		COMPANY	
	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM
Malaysian taxation based on results for the year / period:				
- Current year / period	-	78,919	-	-
- Prior period	(19,007)	-	-	-
	(19,007)	78,919	-	-
Deferred tax:				
- Relating to origination and reversal of temporary differences	(30)	337,328	-	-
- Prior years	-	(24,514)	-	-
	(30)	312,814	-	-
	(19,037)	391,733	-	-

The taxation of the Group and the Company, is determined by applying the Malaysian income tax rate of 24% to profit before taxation as stipulated in paragraph 2A, schedule 1, part 1 of the Income Tax Act, 1967.

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	GROUP		COMPANY	
	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM
Loss before taxation	(13,613,188)	(9,613,584)	(100,074)	(2,801,976)

23. TAXATION

	GROUP		COMPANY	
	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM
Taxation at Malaysian statutory tax rate of 24%	(3,267,165)	(2,307,260)	(24,018)	(672,474)
Tax effects of:				
- Expenses not deductible for tax purpose	453,176	544,347	24,018	672,474
- Income not subject to tax	(11,078)	(298)	-	-
- Utilisation of tax assets	(389,974)	(1,134,516)	-	-
- Deferred tax assets not recognised	3,248,525	3,338,256	-	-
- Deferred tax on revaluation surplus transferred	(33,514)	(24,282)	-	-
- Current tax in respect of prior period	(19,007)	-	-	-
- Deferred tax in respect of prior years	-	(24,514)	-	-
	(19,037)	391,733	-	-

24. NET LOSS PER ORDINARY SHARE

(i) Basic

Net loss per ordinary share of the Group is calculated based on the loss for the financial year attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue.

	GROUP	
	2017	2016
Net loss attributable to equity holders of the Company (RM)	(12,229,803)	(9,042,835)
Number of ordinary shares	946,531,659	946,531,659
Net loss per ordinary share (sen)	(1.29)	(0.96)

24. NET LOSS PER ORDINARY SHARE (CONT'D)

(ii) Diluted

There is no potential ordinary shares that are dilutive due to their conversion to ordinary shares that would increase profit or reduce loss per share from continuing operations.

25. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The Group is exposed to a variety of financial risks, including credit risk, interest rate risk, liquidity and cash flow risk. The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions. Financial instruments arising from the operations of the Group comprises trade receivables, other receivables and deposits, trade payables, other payables and accruals, and borrowings. Various risk management policies are in place to control and manage risks associated with these financial instruments.

Credit Risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its trade and other receivables. The Company's exposure to credit risk arises principally from loans / advances to subsidiaries and financial guarantees given.

Trade and other receivables

Management has a credit policy in place and manages the exposure to credit risk through the application of credit approvals, credit limits, insurance programme and monitoring procedures on an ongoing basis. Where appropriate, guarantees or securities are obtained from counter parties as a means of mitigating losses in the event of default.

At the end of the reporting period, the Group has no significant concentration of credit risk except for two major customers whose aggregate amount outstanding constitutes approximately 46% of total Trade and Loan Receivables under Current Assets.

The ageing analysis of trade receivables as at the end of the reporting period was:

25. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

Credit Risk (cont'd)

Trade and other receivables (cont'd)

GROUP

As at 30.06.2017	**RM**
Neither past due nor impaired (including retention sum)	30,669,313
Past due but not impaired:	
- Past due 1 to 30 days	3,937,142
- Past due 31 to 60 days	3,439,820
- Past due 61 to 90 days	441,250
- Past due 91 to 120 days	335,224
- Past due more than 120 days	1,351,493
	9,504,929
Impaired	1,897,125
	42,071,367
As at 30.06.2016	
Neither past due nor impaired (including retention sum)	36,764,718
Past due but not impaired:	
- Past due 1 to 30 days	5,247,730
- Past due 31 to 60 days	1,549,076
- Past due 61 to 90 days	2,253,941
- Past due 91 to 120 days	251,813
- Past due more than 120 days	2,331,765
	11,634,325
Impaired	2,572,746
	50,971,789

Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The maximum exposure to credit risk amounted to RM36,060,570 (2016: RM44,045,359) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

25. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

Credit Risk (cont'd)

Inter company loans

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

The Company does not specifically monitor the ageing of the advances to subsidiaries. However, an appropriate allowance will be made subsequently if the debt-owing company's financial condition is considered not satisfactory, regardless of whether it still carries on business operation, and there is insufficient evidence to indicate that its financial condition would improve in the foreseeable future.

Foreign currency exchange risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than the Group's functional currency. The currencies giving rise to this risk are primarily US Dollar ("USD"), Australia Dollar ("AUD"), Renminbi ("RMB") and Singapore Dollar ("SGD"). The Group maintains a natural hedge that minimises the foreign exchange exposure by matching foreign currency income with foreign currency costs.

The Group has not hedged against this risk as the management does not deem it necessary due to the short term duration of the contracts involved.

The Group's exposure to currency translation risk arising from its net investment in a foreign subsidiary is considered not material.

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period was:

GROUP

	As at 30.06.2017 Denominated in			
In Ringgit Malaysia	**USD**	**AUD**	**RMB**	**SGD**
Trade receivables	16,067,764	-	-	1,963,890
Bank balances	6,204	8,966	-	4,656
Trade payables	(112,270)	-	(92,024)	-
Net exposure in the statements of financial position	15,961,698	8,966	(92,024)	1,968,546

25. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

Foreign currency exchange risk (cont'd)

	As at 30.06.2016 Denominated in			
In Ringgit Malaysia	**USD**	**AUD**	**RMB**	**SGD**
Trade receivables	24,976,848	-	-	2,403,894
Bank balances	427,771	8,105	-	6,850
Trade payables	(176,193)	-	(77,917)	-
Net exposure in the statements of financial position	25,228,426	8,105	(77,917)	2,410,744

Sensitivity analysis for foreign currency risk

A 5% strengthening of Ringgit Malaysia against the following currencies at the end of the reporting period would have increased/(decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

GROUP	As at 30.06.2017 RM	As at 30.06.2016 RM
Effect on profit before tax		
- USD	(798,085)	(1,261,421)
- AUD	(448)	(405)
- RMB	4,601	3,896
- SGD	(98,427)	(120,537)
	(892,359)	(1,378,467)

A 5% weakening of Ringgit Malaysia against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest Rate Risk

The Group's exposure to interest rate risk relates primarily to deposits and debt obligations with financial institutions.

The interest rates on the Group's debt obligations are comparable to interest rates of similar instruments in the market and is managed through a fair mix of fixed and floating rate debts. The Group does not generally hedge interest rate risk as it does not invest significantly in activities that require interest rates hedging.

Fixed deposits are placed with licensed banks to satisfy conditions for bank facilities granted to the Group. The Group manages its interest rate risk by monitoring market rates and placing such funds with varying maturity periods.

25. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

Interest Rate Risk (cont'd)

Exposure to interest rate risk

The interest rate profile of the Group's significant interest bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

GROUP	As at 30.06.2017 RM	As at 30.06.2016 RM
Fixed rate instruments		
Financial assets	9,697,491	9,663,333
Financial liabilities	(26,219,891)	(33,217,146)
	(16,522,400)	(23,553,813)
Floating rate instruments		
Financial liabilities	(16,466,533)	(17,913,379)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase/decrease of 100 basis points (bp) in interest rate at the end of the reporting period would have decreased/increased profit before tax by RM160,632 (2016: RM193,327). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Liquidity and Cash Flow Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's exposure to liquidity risk arises principally from its trade and other payables and bank borrowings.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure all operating, investing and financing needs are met. To mitigate liquidity risk, management measures and forecasts its cash commitments, monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operation. In addition, the Group strives to maintain available banking facilities at a reasonable level against its overall debt position.

25. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

Liquidity and Cash Flow Risk (cont'd)

Maturity analysis:

The maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments is as follows:

GROUP

	Carrying amount RM	Contractual interest rate per annum	Contractual cash flow RM	Under 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
As at 30.06.2017							
Bank overdraft	14,015,421	7.65% - 8.85%	14,015,421	14,015,421	-	-	-
Trade bills payables	20,854,000	4.80% - 5.28%	20,854,000	20,854,000	-	-	-
Revolving credit	5,000,000	6.28%	5,000,000	5,000,000	-	-	-
Term loans	2,451,112	6.07% - 8.22%	2,915,901	1,697,778	468,714	749,409	-
Hire purchase liabilities	365,891	4.55% - 5.66%	399,767	125,099	116,304	148,742	9,622
Trade and other payables	16,327,639	-	16,327,639	16,327,639	-	-	-
	59,014,063		59,512,728	58,019,937	585,018	898,151	9,622

25. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (Cont'd)

Liquidity and Cash Flow Risk (cont'd)

GROUP	Carrying amount RM	Contractual interest rate per annum	Contractual cash flow RM	Under 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
As at 30.06.2016							
Bank overdraft	15,734,583	7.85% - 8.85%	15,734,583	15,734,583	-	-	-
Trade bills payables	24,616,000	5.01% - 5.28%	24,616,000	24,616,000	-	-	-
Revolving credit	8,000,000	6.28% - 6.33%	8,000,000	8,000,000	-	-	-
Term loans	2,178,796	6.16% - 7.35%	2,406,176	1,281,210	1,082,489	42,477	-
Hire purchase liabilities	601,146	3.78% - 6.73%	654,178	233,210	162,928	226,446	31,594
Trade and other payables	12,969,550	-	12,969,550	12,969,550	-	-	-
	64,100,075		64,380,487	62,834,553	1,245,417	268,923	31,594
COMPANY							
As at 30.06.2017							
Other payables	143,102	-	143,102	143,102	-	-	-
As at 30.06.2016							
Other payables	100,883	-	100,883	100,883	-	-	-

26. FAIR VALUES

(a) Determination of fair value

Set out below are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

- Trade and other receivables
- Amount due by/to subsidiaries
- Cash equivalents
- Trade and other payables
- Amount due to a related party
- Loans and borrowings
- Hire purchase payables

(i) The carrying amount of trade and loan receivables with maturity period of more than one year is reasonable approximation of fair value. The fair value is estimated based on present value of future principal and interest cash flows, discounted at the Group's lending rate prevailing at the reporting date.

(ii) The carrying amounts of cash equivalents, receivables, payables, amounts due by subsidiaries and amount due to a related party with a maturity period of less than one year are reasonable approximation of fair values at the end of the reporting period due to their relatively short term maturity.

(iii) The carrying amounts of loans and borrowings are reasonable approximation of fair values at the end of the reporting period as they are floating rates instruments that are re-priced to market interest rates on or near reporting date.

The fair values of loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending or borrowing arrangements at the reporting date.

(iv) Hire purchase payables

GROUP	2017 Carrying amounts RM	2017 Fair values RM	2016 Carrying amounts RM	2016 Fair values RM
Non-current				
Hire purchase payables	255,893	238,273	390,530	379,315

The fair values of non-current portion of hire purchase payables are estimated by discounting expected future cash flows at market incremental lending rate for similar types of leasing arrangements at the reporting date.

The carrying amounts of the current portion of hire purchase payables are reasonable approximation of fair values due to the insignificant impact of discounting.

(v) The Company provides financial guarantees to banks for credit facilities extended to certain subsidiaries. The fair value of such financial guarantees is not expected to be material.

26. FAIR VALUES (CONT'D)

(b) Fair value hierarchy

The Group and the Company classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1	-	Quoted prices in active markets for identical assets or liabilities;
Level 2	-	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3	-	Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Group and the Company does not have any financial assets and financial liabilities carried at fair value nor any instruments classified as Level 1, Level 2 and Level 3 as at 30 June 2017.

27. CAPITAL COMMITMENTS

	GROUP	
	2017	2016
	RM	RM
Capital expenditures not provided for in the financial statements in respect of purchase of property, plant and equipment:		
- Approved but not contracted	631,126	1,020,083

28. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	GROUP	
	2017	2016
	RM	RM
The Group acquired property, plant and equipment by way of the following:		
- Hire purchase payables	67,000	192,000
- Cash purchase	2,447,012	3,280,771
At cost	2,514,012	3,472,771

29. OPERATING SEGMENTS

The Group has 5 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chief Executive Officer reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

(i) The aluminium extrusion and fabrication segment extrudes a wide range of aluminium profiles for a variety of applications, ranging from simple architectural needs to high precision electronics applications. These profiles may be custom-made or of standard design. The aluminium profiles manufactured are mainly used in the product manufacturing industry which include, electrical and electronics, furniture and consumer durables.

(ii) The aluminium billet casting and tolling segment casts the standard aluminium billet for general or miscellaneous use where moderate bending and forming is permissible. The chemical properties of these billets can be specially formulated and customised according to customer's requirements. The tolling is a service to customers to melt non-conforming profiles, trimming and remnant into aluminium billets.

(iii) Construction contract segment involves the design, supply, fabricating and installation of aluminium products. This operating segment is to undertake architectural projects such as the supply and installation of metal cladding, curtain walling, windows and doors for residential and commercial properties.

(iv) Solar industry segment involves supply, installation and commissioning of solar panels and provision of after installation services. The equipment supplied under this segment comprise an array of photovoltaic cells, power inverters, roof mounting brackets, associated wiring and other connections terminating at a point selected by TNB. The services provided under this segment comprise the FIT and REPPA application, followed by installation and commissioning services, working in conjunction with TNB to connect the said equipment to TNB's power supply grid. To enable full life cycle serviceability of the said equipment, this segment is required to provide maintenance services for a period of 21 years at an agreed annual maintenance fee.

(v) Money lending segment provides funding needs to the customers who purchase solar power generation devices from solar segment of the Group. These customers are primarily individuals.

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer, who is the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Chief Executive Officer. Hence, no disclosure is made on segment liability.

29. OPERATING SEGMENTS (CONT'D)

	Extrusion and fabrication		Aluminium billets and tolling		Construction contract		Solar industry		Money Lending		Total	
	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM
Segment profit/(loss)	(743,051)	2,987,211	2,273,933	3,338,240	(4,411,756)	(2,835,122)	(200,087)	60,939	(273,251)	289,262	(3,354,212)	3,840,530
Included in the measure of segment profit/(loss) are:												
Revenue from external customers	93,881,827	122,388,803	378,137	433,049	1,068,079	15,521,710	1,456,630	4,993,720	536,953	501,532	97,321,626	143,838,814
Inter-segment revenue	25,468,819	30,721,675	81,507,741	92,710,688	-	15,478	-	-	-	-	106,976,560	123,447,841
Allowance for impairment loss on financial assets	(77,468)	(332,356)	-	(8,095)	-	-	-	(297,212)	(547,043)	(83,700)	(624,511)	(721,363)
Bad debts written off	-	-	-	-	-	-	(28,000)	-	-	-	(28,000)	-
(Loss) / Gain on disposal of plant and equipment	-	(568,951)	18,867	-	(127,026)	-	-	-	-	-	(108,159)	(568,951)
(Loss) / Gain on foreign exchange												
- realised	1,735,071	3,236,924	1,738	(131,822)	-	-	-	-	-	-	1,736,809	3,105,102
- unrealised	(356,033)	(607,908)	30,563	(28,223)	-	-	-	-	-	-	(325,470)	(636,131)
Plant and equipment written off	-	-	-	-	(46,710)	-	-	(4,984)	-	-	(46,710)	(4,984)
Reversal of impairment loss on trade receivables	-	-	-	-	-	-	138,690	152,100	-	-	138,690	152,100
Not included in the measure of segment profit/(loss) but provided to Chief Executive Officer:												
Depreciation and amortisation	(6,302,838)	(7,514,871)	(767,624)	(1,031,507)	(140,165)	(335,302)	(86,122)	(108,346)	(585)	(625)	(7,297,334)	(8,990,651)
Finance costs	(1,242,626)	(2,280,484)	(848,755)	(1,175,330)	(7,595)	(37,850)	(611,371)	(732,976)	-	-	(2,710,347)	(4,226,640)
Interest income	17,770	22,479	614	39,930	11,691	-	-	3,406	-	-	30,075	65,815
Taxation	-	149,151	-	376,619	-	-	-	(827,947)	19,037	(89,556)	19,037	(391,733)

29. OPERATING SEGMENTS (CONT'D)

	Extrusion and fabrication		Aluminium billets and tolling		Construction contract		Solar industry		Money Lending		Total	
	As at 30.06.2017 RM	As at 30.06.2016 RM	As at 30.06.2017 RM	As at 30.06.2016 RM	As at 30.06.2017 RM	As at 30.06.2016 RM	As at 30.06.2017 RM	As at 30.06.2016 RM	As at 30.06.2017 RM	As at 30.06.2016 RM	As at 30.06.2017 RM	As at 30.06.2016 RM
Segment assets	180,194,210	114,420,448	61,932,587	63,912,614	8,115,092	13,118,561	16,520,895	17,806,914	10,289,255	10,629,676	277,052,039	219,888,213
Included in the measure of segment assets are:												
Additions to non-current assets other than financial instruments	2,366,115	3,011,557	114,067	335,720	32,550	37,390	856	88,104	424	-	2,514,012	3,472,771

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM
Profit or loss		
Total profit for reportable segments	(3,354,212)	3,840,530
Components not monitored by chief executive officer	(109,182)	(2,813,073)
Adjustments and eliminations	(173,139)	2,507,554
Depreciation and amortisation	(7,296,668)	(8,988,151)
Finance costs	(2,710,347)	(4,226,640)
Interest income	30,360	66,196
Consolidated loss before taxation	(13,613,188)	(9,613,584)

29. OPERATING SEGMENTS (CONT'D)

	External revenue RM	Depreciation and amortisation RM	Finance costs RM	Interest income RM	Segment assets RM	Additions to non-current assets RM
12 months year ended 30 June 2017						
Total reportable segments	97,321,626	(7,297,334)	(2,710,347)	30,075	277,052,039	2,514,012
Other non-reportable segments	-	-	-	285	78,946,776	-
Adjustments and eliminations	-	666	-	-	(224,181,084)	-
Consolidated total	97,321,626	(7,296,668)	(2,710,347)	30,360	131,817,731	2,514,012
15 months period ended 30 June 2016						
Total reportable segments	143,838,814	(8,990,651)	(4,226,640)	65,815	219,888,213	3,472,771
Other non-reportable segments	-	-	-	381	82,189,386	-
Adjustments and eliminations	-	2,500	-	-	(150,377,804)	-
Consolidated total	143,838,814	(8,988,151)	(4,226,640)	66,196	151,699,795	3,472,771

Geographical segments

No geographical segment information is presented as the Group operates principally in Malaysia.

Major customers

Revenue from major customers of the Group amounted to RM45.92 million (2016: RM73.55 million) arising from revenue by the extrusion and fabrication segment.

30. SIGNIFICANT RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including directors of that entity.

The remuneration of key management personnel during the financial year / period was as follows:

	GROUP		COMPANY	
	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM	12 months ended 30.06.2017 RM	15 months ended 30.06.2016 RM
Executive Director				
- Salaries and other emoluments	953,000	1,196,000	-	-
- Defined contribution plan	169,020	210,860	-	-
- Social security costs	2,527	3,168	-	-
- Benefits-in-kind	22,600	15,300	-	-
	1,147,147	1,425,328	-	-
Non-Executive Director				
- Fees				
- current year / period	126,000	127,500	126,000	127,500
- under provision in respect of prior years	-	18,000	-	42,000
	126,000	145,500	126,000	169,500
Other Senior Personnel				
- Salaries and other emoluments	375,400	448,200	-	-
- Defined contribution plan	53,028	63,144	-	-
- Social security costs	2,486	2,342	-	-
- Benefits-in-kind	10,375	9,800	-	-
	441,289	523,486	-	-
	1,714,436	2,094,314	126,000	169,500

31. CONTINGENT LIABILITIES

(a) During the previous financial period, P.A. Projects Sdn. Bhd. ("PAP"), a subsidiary company completed a contract about four months after the stipulated date. The contract imposes a penalty of RM5,500 per day for late completion.

The management has attributed the delay to the sudden change in the main contractor mid-way through the project and has caused PAP's contracting work schedule to be disrupted. After considering the facts surrounding the case, the management finds that it is unlikely PAP will be held liable for the delay. Accordingly, no provision has been made in the financial statements in respect of the matter.

(b) In another separate contract, PAP was appointed as a sub-contractor that required it to complete its contracting work in March 2016. Instead, the contract was completed in February 2017. The contract imposes a penalty of RM50,000 for each day the entire project is delayed (LAD). The contract does not specify how the LAD, if any is to be shared among the main contractor and sub-contractors involved in the entire project.

The management strongly believes that PAP had diligently kept to its contract work schedule only to be disrupted due to work delayed by the main contractor and other sub-contractors. PAP is therefore not responsible and cannot be held liable for the delay. As such, no provision has been made with regard to this matter. Furthermore, a reasonable estimate of the potential liability attributable to PAP cannot be made out due to the lack of further information.

32. CAPITAL MANAGEMENT

The Group's and Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group and the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on the Group and the Company net gearing (times). The Group's and the Company's net gearing (times) is calculated as net debts divided by total capital. Net debts are calculated as borrowings plus trade and other payables less cash and cash equivalent. Total capital refers to capital employed under equity.

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Net debts	60,613,193	66,397,421	288,446	236,445
Total capital	99,033,266	94,653,166	99,033,266	94,653,166
Net gearing (times)	0.61	0.70	0.003	0.002

33. SIGNIFICANT EVENT

During the financial year, the Company undertook a renounceable rights issue with warrants of up to 757,225,327 new ordinary shares on the basis of four (4) rights share for every five (5) existing ordinary shares held together with up to 757,225,327 free detachable warrants ("warrant(s)") on the basis of one (1) warrant for every one (1) rights share subscribed for at an issue price of RM0.05 per rights share. The approval for the rights issue with warrants has been obtained from the shareholders at an Extraordinary General Meeting held on 5 October 2017. Approval has also been obtained from Bursa Malaysia Securities Berhad ("Bursa") vide its letter dated 13 September 2017 for the admission and listing of the warrants to the Official List of Bursa and the listing of and quotation for the rights shares, warrants and all the new securities arising from the exercise of the warrants on the Main Market of Bursa.

34. COMPARATIVES FIGURES

The comparative figures for the Group and the Company relate to the 15 months period from 1 April 2015 to 30 June 2016, as opposed to current reporting period of 12 months ended 30 June 2017, as a result of the change in financial year end during the last financial period. Consequently, the information disclosed for the previous financial period may not be entirely comparable.

35. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 26 October 2017.

36. SUPPLEMENTARY INFORMATION-BREAKDOWN OF ACCUMULATED LOSSES INTO REALISED AND UNREALISED

The breakdown of the accumulated losses of the Group and of the Company as at 30 June 2017 into realised and unrealised losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	GROUP		COMPANY	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Total accumulated losses of the Company and its subsidiaries				
- Realised	(133,993,694)	(120,842,544)	(31,701,866)	(31,601,792)
- Unrealised	853,320	576,143	-	-
	(133,140,374)	(120,266,401)	(31,701,866)	(31,601,792)
Consolidation adjustments	85,863,546	85,109,511	-	-
Accumulated losses as per financial statements	(47,276,828)	(35,156,890)	(31,701,866)	(31,601,792)

Company No. 664612-X

APPENDIX V

DIRECTORS' REPORT

P.A. RESOURCES BERHAD (664612-X)

專藝資源有限公司

Lot 424 & 440, Jalan Kuala Selangor, Kg Batu 8, Ijok, 45620 Kuala Selangor, Selangor D. E., Malaysia.
Tel: +603-3279 3328 Fax: +603-3279 3313 Email: info@pagroup.com.my Website: www.pagroup.com.my

Registered Office:-

Level 8, Symphony House, Block D13
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Date: 10 NOV 2017

To: The Shareholders of P.A. Resources Berhad ("PARB" or the "Company")

On behalf of the Board of Directors of PARB ("Board"), I wish to report that after making due enquiries in relation to PARB and its subsidiary companies ("Group") during the period between 30 June 2017, being the date to which the latest audited consolidated financial statements of our Group have been made up, and the date of this letter, being a date not earlier than 14 days before the date of this Abridged Prospectus:-

i. In the opinion of the Board, the business of our Group has been satisfactorily maintained;

ii. In the opinion of the Board, no circumstances have arisen since the latest audited consolidated financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;

iii. The current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;

iv. Save as disclosed in this Abridged Prospectus, there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;

v. There has been no default or any known event that could give rise to a default situation in respect of payment of either interest and/ or principal sums in relation to any borrowings in our Group since the latest audited consolidated financial statements of our Group; and

vi. Save as disclosed in this Abridged Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the profits of our Group since the latest audited consolidated financial statements of our Group.

Yours faithfully,
For and on behalf of the Board
P.A. RESOURCES BERHAD

DATUK SERI LAU KUAN KAM
Group Managing Director

ADDITIONAL INFORMATION

1. SHARE CAPITAL

i. Save for the Rights Shares, Warrants and new PARB Shares to be issued arising from the exercise of the Warrants, no securities in our Company will be allotted or issued on the basis of this Abridged Prospectus later than 12 months after the date of this Abridged Prospectus.

ii. As at the date of this Abridged Prospectus, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only 1 class of shares in our Company, namely the ordinary shares of PARB, all of which rank *pari passu* with one another.

iii. As at the date of this Abridged Prospectus, save for the Provisional Rights Shares with Warrants, no person has been or is entitled to be granted an option to subscribe for any of our securities.

iv. All the Rights Shares and the new PARB Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the existing PARB Shares, save and except that such Shares will not be entitled to any dividends, rights, allotments and/ or other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such Shares.

2. DIRECTORS' REMUNERATION

The provisions in our Constitution in relation to the remuneration of our Directors are set out below:-

Article 110

Subject to these Articles, the remuneration of the Directors shall from time to time be determined by our Company in general meeting and such remuneration and/or fees shall be divided among the Directors in such proportions and manner as the Director may determine provided always that:-

(1) fees payable to Directors not holding any executive office in our Company shall be a fixed sum and shall not be payable by a commission on or percentage of profits or turnover;

(2) salaries payable to Directors holding executive office in our Company may not include a commission on or a percentage of turnover;

(3) all remuneration payable to Directors shall be deemed to accrue from day to day;

(4) Fees payable to Directors shall not be increased except pursuant to a resolution passed by our Company in general meeting, where notice of the proposed increase has been given in the notice convening the meeting; or

(5) any fee paid to an alternate Director shall be agreed between him and his appointor and shall be deducted from his appointor's remuneration.

3. MATERIAL CONTRACT

Save for the Deed Poll, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the 2 years preceding the date of this Abridged Prospectus.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and after having made all reasonable enquiries, our Board is not aware of any such proceedings pending or threatened against our Group, or any facts likely to give rise to any proceedings, which may materially or adversely affect the financial position or business of our Group.

5. GENERAL

i. There is no other existing or proposed service contract (contract for services) entered into or to be entered into between our Group and our Directors proposed Director, other than those which are expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within 1 year from the date of this Abridged Prospectus.

ii. Save as disclosed in this Abridged Prospectus, after having made all reasonable enquiries and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:-

  a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;

  b) material commitments for capital expenditure of our Group, the purpose of such commitments and the sources of funding;

  c) unusual, infrequent events or transactions or significant economic changes which materially affect the amount of reported income from operations of our Group;

  d) known trends or uncertainties which have had, or will have, a material favourable or unfavourable impact on our Group's revenue or operating income;

  e) substantial increase in revenues; and

  f) material information, including special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits.

6. CONSENTS

Our Adviser, Company Secretaries, Share Registrar, Principal Banker, Due Diligence Solicitors for the Rights Issue with Warrants and Bloomberg Finance L.P. have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear in this Abridged Prospectus.

Our Auditors and Reporting Accountants have given and have not subsequently withdrawn their written consent to the inclusion in this Abridged Prospectus of its name, the pro forma consolidated statements of financial position of our Group as at 30 June 2017 together with the reporting accountants' report thereon, the audited consolidated financial statements of our Group for the 12-month FYE 30 June 2017 together with the auditors' report thereon and all references thereto in the form and context in which they appear in this Abridged Prospectus.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Level 8, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan during normal business hours (except public holidays) for a period of 12 months from the date of this Abridged Prospectus:-

i. Our Constitution;

ii. Audited consolidated financial statements of our Group for the past 2 financial years up to the 12-month FYE 30 June 2017;

iii. The pro forma consolidated statements of financial position of our Group as at 30 June 2017 together with reporting accountants' report thereon, as set out in Appendix III of this Abridged Prospectus;

iv. The irrevocable undertaking letters referred to in Section 5 of this Abridged Prospectus;

v. The Directors' Report, as set out in Appendix V of this Abridged Prospectus;

vi. The material contract referred to in Section 3 of this Appendix VI; and

vii. The letters of consent referred to in Section 6 of this Appendix VI.

8. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with the accompanying NPA and RSF have been seen and approved by our Board. They collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement herein false or misleading.

RHBIB, being the Adviser for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

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