

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

P.A. RESOURCES BERHAD
UNAUDITED INTERIM FINANCIAL STATEMENT

FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2015

(The figures have not been audited)

	As at 30-Sep-15 (Unaudited) RM'000	As at 31-Mar-15 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	73,878	76,136
Deferred tax assets	1,208	844
	<u>75,085</u>	<u>76,980</u>
Current assets		
Inventories	12,688	19,107
Trade receivables	54,592	47,176
Other receivables, deposits and prepayments	10,939	9,522
Tax refund receivables	1,882	1,584
Cash and bank balances	3,807	5,652
	<u>83,907</u>	<u>83,041</u>
Total assets	<u><u>158,993</u></u>	<u><u>160,021</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	94,653	94,653
Reserves	(3,998)	(5,927)
	<u>90,655</u>	<u>88,726</u>
Non-controlling interest	(2,357)	(2,357)
Total equity	<u><u>88,298</u></u>	<u><u>86,369</u></u>
LIABILITIES		
Non-current liabilities		
Borrowings	2,359	2,972
Deferred taxation	-	-
	<u>2,359</u>	<u>2,972</u>
Current liabilities		
Trade payables	12,248	13,490
Other payables and accruals	13,207	11,095
Borrowings	42,500	46,095
Provisions	-	-
Taxation	380	-
	<u>68,335</u>	<u>70,680</u>
Total liabilities	<u>70,695</u>	<u>73,652</u>
Total equity and liabilities	<u><u>158,993</u></u>	<u><u>160,021</u></u>
Net assets per share attributable to equity holders of the Company (sen)	<u><u>10.00</u></u>	<u><u>9.79</u></u>

The condensed consolidated Statement of Financial Position should be read in conjunction with the Audited financial statements for the financial year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

(The figures have not been audited)

	Quarter		Year-to-date	
	3 months ended		6 months ended	
	30-Sep-15	30-Sep-14	30-Sep-15	30-Sep-14
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Revenue	32,177	31,913	68,162	68,263
Cost of sales	(29,798)	(28,161)	(63,073)	(58,937)
Gross profit	2,378	3,752	5,089	9,326
Other income	132	151	213	306
Other operating expenses	1,952	(443)	2,892	(1,570)
Distribution and administrative expenses	(2,427)	(2,580)	(4,715)	(5,754)
Operating profit	2,036	880	3,479	2,308
Finance costs	(756)	(847)	(1,549)	(1,539)
Profit before taxation	1,279	33	1,929	769
Tax expenses	-	-	-	-
Profit for the period	1,279	33	1,929	769
Other comprehensive income				
Deferred tax on revaluation surplus transferred	-	-	-	-
Total comprehensive profit for the period	1,279	33	1,929	769
Profit attributable to:				
Owner of the Company	1,279	40	1,929	761
Non-controlling interest	-	(7)	-	8
	1,279	33	1,929	769
Total comprehensive profit attributable to:				
Owner of the Company	1,279	40	1,929	761
Non-controlling interest	-	(7)	-	8
	1,279	33	1,929	769
Net profit per share for profit attributable to the owners of the Company:				
Net profit per share (sen)	0.14	0.00	0.21	0.08

The condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

P.A. RESOURCES BERHAD (664612-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

(The figure have not been audited)

	Attributable to equity holders of the Company							Distributable Retained Earnings RM'000	Non- controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserves RM'000	Translation Reserve RM'000	Capital Redemption Reserve RM'000	Other Capital Reserve RM'000			
As at 1 April 2014	94,653	1,490	-	3,941	(53)	2,890	12,065	(11,763)	(1,558)	101,665
Total comprehensive profit for the year	-	-	-	-	-	-	-	761	8	769
As at 30 September 2014	94,653	1,490	-	3,941	(53)	2,890	12,065	(11,002)	(1,550)	102,434
As at 1 April 2015	94,653	1,490	-	3,877	(53)	2,890	12,065	(26,196)	(2,357)	86,369
Total comprehensive profit for the year	-	-	-	-	-	-	-	1,929	-	1,929
As at 30 September 2015	94,653	1,490	-	3,877	(53)	2,890	12,065	(24,267)	(2,357)	88,298

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

(The figures have not been audited)

	6 months ended	
	30-Sep-15 (Unaudited) RM'000	30-Sep-14 (Unaudited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipt from customers and others	36,859	30,693
Payment to suppliers, contractors and employees	(33,956)	(33,495)
Interest paid	(1,586)	(1,585)
Income tax paid	(120)	(100)
Net cash generated from / (used in) operating activities	1,197	(4,487)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	37	46
Purchase of property, plant and equipment (Note A)	(713)	(16)
Net cash (used in) / from investing activities	(676)	30
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceed from trade bills payables	(1,105)	3,777
Drawdown of hire purchase	-	97
Repayment of term loans	(796)	(597)
Repayment of hire purchase liabilities	20	(63)
Decrease in fixed deposits pledged	1,253	-
Net cash generated (used in) / from financing activities	(628)	3,214
NET DECREASE IN CASH AND CASH EQUIVALENTS	(107)	(1,243)
Effect of foreign exchange fluctuations	20	24
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(8,391)	(6,764)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(8,478)	(7,983)
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank overdrafts	(10,060)	(10,217)
Deposits, cash in hand and at banks	3,807	5,296
Fixed deposits pledged	(2,225)	(3,062)
	(8,478)	(7,983)

NOTE TO THE CASH FLOW STATEMENTS

NOTE A - PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	6 months ended	
	30-Sep-15 (Unaudited) RM'000	30-Sep-14 (Unaudited) RM'000
The Group acquired property, plant and equipment by way of the following:		
Hire purchase	-	97
Cash equivalents payments	713	16
At cost	713	113

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT
(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2015 which was prepared in accordance with Financial Reporting Standards (“FRS”).

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted for the interim financial report are consistent with those of the audited financial statements for the financial year ended 31 March 2015, except for the changes in accounting policies and presentation resulting from the adoption of relevant MFRS, IC Interpretation and Amendments to MFRS that are applicable and effective for the Group’s financial period on or after 1 April 2015 as follows:

Amendments to MFRS 119	Defined Benefit Plan : Employee Contribution
Amendments to MFRSs	Annual Improvements to MFRSs 2010 – 2012 Cycle
Amendments to MFRSs	Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoptions of these standards, amendments and interpretations have no material impact to these interim financial statements

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the audited financial statements of the Group for the financial year ended 31 March 2015 was not subject to any qualification.

4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The business of the Group was not affected materially by any seasonally or cyclical factors for the financial quarter under review.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There are no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial quarter and financial period-to-date.

6. CHANGES IN ESTIMATES

There was no material changes in the estimates used for the presentation of this interim financial statement.

P.A. RESOURCES BERHAD (664612-X)
(Incorporated in Malaysia)

7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities for the financial quarter ended 30 September 2015.

8. DIVIDENDS PAID

No dividend was paid during the current financial period.

9. SEGMENTAL INFORMATION

MFRS 8 requires separate reporting of segmental information for operating segments. Operating segments reflects the Group's management structure and the way financial information is regularly reviewed by the Group's chief operating decision maker, which is defined as the Executive Board.

The Group is focused in six areas of activity, extrusion and fabrication, aluminum billets and tolling, construction contract, renewable energy, money lending and others.

<u>6 months</u> <u>year ended</u> <u>30.9.2015</u>	Extrusion and fabrication RM'000	Aluminium billets and tolling RM'000	Construction contract RM'000	Renewable Energy RM'000	Money Lending RM'000	Others RM'000	Total RM'000
Revenue							
Total Sales	66,500	38,442	11,513	3,542	138	-	120,135
Inter-segment sales	(13,696)	(38,277)	-	-	-	-	(51,973)
External sales	52,804	165	11,513	3,542	138	-	68,162
Results							
Profit from operation	1,648	1,023	42	515	136	115	3,479
Finance costs	(864)	(371)	(28)	(286)	-	-	(1,549)
Taxation	-	-	-	-	-	-	-
Profit after taxation							1,929
Assets							
Segment assets	114,389	51,033	21,855	18,776	8,002	(56,270)	157,785
Liabilities							
Segment liabilities	(103,345)	(31,921)	(29,698)	(13,545)	(5,935)	114,958	(69,486)

P.A. RESOURCES BERHAD (664612-X)
(Incorporated in Malaysia)

9. SEGMENTAL INFORMATION (Cont'd)

<u>6 months</u> <u>year ended</u> <u>30.9.2015</u>	Extrusion and fabrication RM'000	Aluminium billets and tolling RM'000	Construction contract RM'000	Renewable Energy RM'000	Money Lending RM'000	Others RM'000	Total RM'000
Assets							
Other information:							
Capital expenditure	641	-	7	65	-	-	713
Depreciation	2,969	410	125	42	-	-	3,546

<u>6 months</u> <u>period ended</u> <u>30.9.2014</u>	Extrusion and fabrication RM'000	Aluminium billets and tolling RM'000	Construction contract RM'000	Renewable Energy RM'000	Others RM'000	Total RM'000
Revenue						
Total Sales	66,838	35,115	5,660	8,615	-	116,228
Inter-segment sales	(13,220)	(34,745)	-	-	-	(47,965)
External sales	53,618	370	5,660	8,615	-	68,263
Results						
Profit/(Loss) from operation	666	664	47	973	(42)	2,308
Finance costs	(896)	(385)	(20)	(238)	-	(1,539)
Taxation	-	-	-	-	-	-
Profit after taxation						<u>769</u>
Assets						
Segment assets	97,165	47,905	13,878	38,195	5,724	182,865
Liabilities						
Segment liabilities	(76,951)	(29,604)	(19,043)	(29,644)	(975)	(80,426)
Other information:						
Capital expenditure	645	-	-	2	-	647
Depreciation	2,878	408	98	18	2	3,404

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation.

The valuations of land and building have been brought forward without amendment from the previous audited financial statements.

11. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current financial quarter.

12. CHANGES IN COMPOSITION OF THE GROUP

There was no change to the composition of the group during the quarter under review.

13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material changes in contingent liabilities or contingent assets since the last statement of financial position as at 31 March 2015.

14. CAPITAL COMMITMENTS

There was no material capital commitment for the quarter under review.

PART B - NOTES PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

15. PERFORMANCE REVIEW

	Year To Date 30-September Revenue		Year To Date 30-September Operating Profit / (Loss)	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Extrusion and fabrication	52,804	53,618	1,648	666
Aluminium billets and tolling	165	370	1,023	664
Construction contract	11,513	5,660	42	47
Renewable energy	3,542	8,615	515	973
Money lending	138	-	136	-
Others	-	-	115	(42)
	<u>68,162</u>	<u>68,263</u>	<u>3,479</u>	<u>2,308</u>

Extrusion and fabrication

Year to date turnover at RM52.8m is consistent with the previous year's figure of RM53.6m. Operating profits increased to RM1.6m compared to RM0.7m previously. The better performance was mainly due to lower LME prices for aluminium and gains from the higher exchange rates for the USD.

Aluminium billet and tolling

This segment recorded total internal and external sales of RM38.4m which is almost 10% higher than the previous year's turnover of RM35.1m. In line with the higher turnover, operating profit were higher at RM1.0m compared to RM0.7m previously.

Construction contract

Year to date turnover was substantially higher than the previous year, RM11.5m compared to RM5.7m. Operating profits however was consistent at RM0.04m for both years. The low margins for the current jobs were the main reason for the low operating profits despite the higher turnover.

Renewable Energy

Turnover for this segment was also lower, RM3.5m compared to RM8.6m. With the lower sales, operating profit was also lower at RM0.5m compared to RM1.0m previously.

Money Lending

New loans were disbursed during the year and operating profits was RM0.1m. No comparison is done as this segment was not in operation during the same period in the previous year.

Others

This was mainly expenses incurred by the holding company and other dormant companies.

16. QUARTERLY RESULTS COMPARISON

	Quarter ended		Quarter ended	
	Revenue		Operating Profit / (Loss)	
	30-Sept-2015	31-June-2015	30-Sept-2015	31-June-2015
	RM'000	RM'000	RM'000	RM'000
Extrusion and fabrication	24,787	28,017	1,629	19
Aluminium billets and tolling	69	96	585	438
Construction contract	5,576	5,937	(473)	515
Renewable energy	1,607	1,935	191	324
Money lending	138	-	138	(2)
Others	-	-	(34)	149
	<u>32,177</u>	<u>35,985</u>	<u>2,036</u>	<u>1,443</u>

Extrusion and fabrication

Turnover for this segment in the current quarter was RM24.8m which is lower than the previous quarter's turnover of RM28.0m. Operating profits was substantially higher at RM1.6m compared to breaking even in the previous quarter. The better performance was mainly due to the benefits from the sharp increase in the exchange rates for the USD during the quarter.

Aluminium billet and tolling

Sales to external parties for the current quarter was RM0.1m which is consistent with the RM0.1m in the previous quarter. Operating profits were slightly better at RM0.6m compared to RM0.4m.

Construction contract

Turnover for the current quarter was slightly lower than the previous quarter, RM5.5m compared to RM5.9m. However an operating loss of RM0.5m was recorded compared to a profit of RM0.5m in the previous quarter. The poorer performance was due to the absorption of certain costs which were omitted in the previous quarter.

Renewable Energy

This segment recorded a lower turnover of RM1.6m in the current quarter compared to RM1.9m previously. In line with the lower turnover, operating profits was also lower at RM0.2m compared to RM0.3m.

Money Lending

As no turnover was registered in the previous quarter, all profits for this segment were accrued in the current quarter.

17. COMING QUARTER PROSPECTS

Extrusion and fabrication

More than half of the sales for this sector is for export. With the current high rates of exchange for the US dollar, this segment is expected to benefit with higher sales values.

Aluminium billet and tolling

This segment should continue to be positive as volume has been consistent in the past and this is expected to continue.

Construction contract

Competition for this sector continues to be intense. The management is working hard to compete effectively.

Renewable Energy

This management is working hard to secure more sales in the light of intense competition as well as the lower tariff rates from TNB. This segment should still be able to contribute positively to the group in the coming quarters.

Money Lending

This business is expected to maintain its profitability in the coming quarters.

18. PROFIT FORECAST OR PROFIT GUARANTEE

No profit forecast or profit guarantee has been issued by the Group.

19. RELATED PARTY TRANSACTIONS

- (i) There were no related party transactions entered into by the Company and/or its subsidiaries during the financial period to date.
- (ii) There were no transactions with the directors and key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment.

P.A. RESOURCES BERHAD (664612-X)
(Incorporated in Malaysia)

20. TAXATION

	Current Quarter 30-Sept-2015 RM'000	Current Year To Date 30-Sept-2015 RM'000
Current period / year:		
- current taxation	-	-
- deferred taxation	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The taxation of the Group and the Company, is determined by applying the Malaysian income tax rate @ 25% to profit before taxation as stipulated in paragraph 2A, schedule 1, part 1 of the Income tax Act, 1967.

21. STATUS OF CORPORATE PROPOSALS

There were no new corporate proposals during the quarter under review.

22. GROUP BORROWINGS

The Group's borrowings as at 30 September 2015 comprise the following:-

	RM'000	RM'000
(a) Current		
Bank Overdraft (Secured)	10,060	
Trade bills payable (Secured)	21,102	
Revolving credit (Secured)	10,000	
Foreign Currency Trade Loan	-	
Hire purchase liabilities	210	
Term loans (Secured)	<u>1,128</u>	
		42,500
(b) Non-current		
Term loans (Secured)	1,897	
Hire purchase liabilities	<u>462</u>	
		<u>2,359</u>
		<u>44,859</u>

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 deposits of the Group;
- (d) Corporate guarantee given by the Company; and
- (e) Joint and several guarantees by certain directors.

23. REALISED AND UNREALISED PROFITS AND LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad (“Bursa Malaysia”) issued a directive to all issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and format required.

The breakdown of accumulated losses of the Group as at the reporting date, into realised and unrealised losses, pursuant to the directive, is as follows:

	Year to date 30-Sept-2015 RM'000
Total accumulated losses of the Company and it's subsidiaries:	
- Realised	(102,278)
- Unrealised	(4,324)
	<hr/>
	(106,602)
Consolidation adjustments	82,335
Accumulated losses as per financial statements	<hr/> <hr/>
	(24,267)

24. DIVIDEND

No dividend has been recommended for the current financial quarter.

25. EARNINGS PER SHARE

The basic earnings per share for the financial period has been calculated by dividing the net profit/loss after tax and non-controlling interest attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

a. Basic earning per share	Quarter Ended		Year To Date	
	30-Sept-2015	30-Sept-2014	30-Sept-2015	30-Sept-2014
Net profit attributable to shareholders (RM'000)	1,279	40	1,929	761
Weighted average number of ordinary shares in issue ('000)	906,241	906,241	906,241	906,241
Net profit per share (sen)	0.14	0.00	0.21	0.08

b. Diluted earnings per share

There is no potential ordinary shares that are diluted given that the average market price of ordinary shares during the period is less than the exercise price of the warrants.

26. PROFIT / (LOSS) BEFORE TAXATION

	Quarter Ended		Year Ended	
	30-September		30-September	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
This is stated after charging :-				
Depreciation on property, plant & equipment	3,546	646	1,777	1,292
Foreign exchange losses / (gain)				
- realised	(2,218)	(24)	(1,670)	(48)
- unrealised	(1,957)	354	(935)	708
Interest expense:				
- term loans	441	249	216	498
- hire purchase	18	7	10	14
- bank overdrafts	430	211	218	322
- trade line facilities	662	447	302	751
- revolving credits	-	-	-	-
And after crediting:-				
- allowance for doubtful debt	-	-	-	-
- agency fee, net of foreign exchange effect	-	-	-	-
- miscellaneous	213	8	33	16
- interest income	37	24	13	46

There was no gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, impairment of receivables, written down of inventories, gain or loss on derivatives and exceptional items for the current quarter under review and financial year-to-date ended 30 September 2015.

27. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of directors in accordance with a resolution of the directors on 20th November 2015.