

P.A. RESOURCES BERHAD
Registration No : 200401026104 (664612-X)
(Incorporated in Malaysia)

P.A. RESOURCES BERHAD
UNAUDITED INTERIM FINANCIAL STATEMENT

FOR FINANCIAL PERIOD ENDED 30 SEP 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEP 2020
(The figures have not been audited)

	As at 30-Sep-20 (Unaudited) RM'000	As at 30-Jun-20 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	78,566	78,664
Right of use assets	3,866	3,981
Trade and loan receivables	3,544	3,705
	<u>85,976</u>	<u>86,350</u>
Current assets		
Inventories	26,601	30,509
Trade receivables	27,480	39,110
Other receivables, deposits and prepayments	4,295	5,775
Tax refund receivables	102	55
Fixed deposit with licensed bank	417	415
Cash and bank balances	6,131	2,243
	<u>65,026</u>	<u>78,107</u>
Total assets	<u>151,002</u>	<u>164,457</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	144,203	144,203
Reserves	40,199	40,199
Accumulated losses	(49,297)	(52,703)
	<u>135,105</u>	<u>131,699</u>
Non-controlling interest	(5,947)	(5,947)
Total equity	<u>129,158</u>	<u>125,752</u>
LIABILITIES		
Non-current liabilities		
Lease Liabilities	1,079	1,253
	<u>1,079</u>	<u>1,253</u>
Current liabilities		
Trade payables	7,071	9,251
Other payables and accruals	4,268	13,221
Current tax liabilities	-	8
Borrowings	8,427	13,882
Lease Liabilities	999	1,090
	<u>20,765</u>	<u>37,452</u>
Total liabilities	<u>21,844</u>	<u>38,705</u>
Total equity and liabilities	<u>151,002</u>	<u>164,457</u>
Net assets per share attributable to equity holders of the Company (sen)	<u>6.13</u>	<u>6.24</u>

The condensed consolidated Statement of Financial Position should be read in conjunction with the Audited financial statements for the financial period ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEP 2020**

(The figures have not been audited)

	Quarter 3 months ended		Year-to-date 12 months ended	
	30-Sep-20 (Unaudited) RM'000	30-Sep-19 (Unaudited) RM'000	30-Sep-20 (Unaudited) RM'000	30-Sep-19 (Unaudited) RM'000
Revenue	62,761	43,331	62,761	43,331
Cost of sales	(56,220)	(41,050)	(56,220)	(41,050)
Gross profit	6,541	2,281	6,541	2,281
Other income	316	57	316	57
Distribution and administrative expenses	(1,142)	(1,058)	(1,142)	(1,058)
Other operating expenses	(2,139)	(201)	(2,139)	(201)
Operating profit	3,576	1,079	3,576	1,079
Finance costs	(171)	(427)	(171)	(427)
Profit before taxation	3,405	652	3,405	652
Tax expenses	-	-	-	-
Profit for the period	3,405	652	3,405	652
Other comprehensive income				
Deferred tax on revaluation surplus transferred	-	-	-	-
Total comprehensive profit for the period	3,405	652	3,405	652
Profit attributable to:				
Owner of the Company	3,405	652	3,405	652
Non-controlling interest	-	-	-	-
	3,405	652	3,405	652
Total comprehensive profit attributable to:				
Owner of the Company	3,405	652	3,405	652
Non-controlling interest	-	-	-	-
	3,405	652	3,405	652
Net profit per share for profit attributable to the owners of the Company:				
Net profit per share (sen)	0.15	0.03	0.15	0.03

The condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

P.A. RESOURCES BERHAD
200401026104 (664612-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEP 2020

(The figure have not been audited)

	Attributable to equity holders of the Company				Distributable	Total	Non-controlling interests	Total Equity
	<-----Non-distributable----->							
	Share Capital	Revaluation Reserves	Warrants Reserve	Other Capital Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 July 2019,	127,433	11,282	16,962	12,065	(62,090)	105,652	(5,817)	99,835
Total comprehensive profit for the year	-	-	-	-	9,277	9,277	(130)	9,147
Issuance of share capital	16,912	-	-	-	-	16,912	-	16,912
Share issues expenses incurred	(142)	-	-	-	-	(142)	-	(142)
Transfer to retained earnings	-	(110)	-	-	110	-	-	-
As at 30 June 2020	144,203	11,172	16,962	12,065	(52,703)	131,699	(5,947)	125,752
As at 1 July 2020	144,203	11,172	16,962	12,065	(52,703)	131,699	(5,947)	125,752
Total comprehensive profit for the year	-	-	-	-	3,405	3,405	-	3,405
Transfer to retained earnings	-	-	-	-	1	1	-	1
As at 30 Sep 2020	144,203	11,172	16,962	12,065	(49,297)	135,105	(5,947)	129,158

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial period ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 SEP 2020

(The figures have not been audited)

	30-Sep-20 (Unaudited) RM'000	30-Jun-20 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,405	9,288
Adjustment for :		
Impairment losses on :		
- trade receivables	85	784
- other receivables	-	4
Trade receivables written off		8
Other receivables written off		5
Depreciation of property, plant and equipment	1,670	6,613
Depreciation of right of use assets	121	457
Loss on disposal of plant and equipment	(64)	199
(Gain) on lease modification	-	(1)
Unrealised loss on foreign exchange	833	153
Interest Expenses	171	1,202
Interest Income	(3)	(28)
Reversal of impairment losses on :		
- trade receivables	(8)	(210)
Operating profit before working capital changes	6,210	18,475
Decrease /(Increase) in inventories	3,909	(8,347)
Decrease/(Increase) in receivables	12,149	(3,165)
(Decrease)/Increase in payables	(11,132)	5,149
Cash generated from operations	11,136	12,112
Interest paid	(171)	(1,202)
Income tax paid	(56)	(213)
Interest received	3	28
Income tax refundable	-	58
Net cash generated from operating activities	10,912	10,783
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,457)	(17,667)
Proceeds from disposal of property, plant and equipment	64	150
Net cash outflow from investing activities	(1,393)	(17,517)
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of ROU assets	-	(1,462)
Repayment for the principal portion of lease liabilities	(265)	(1,032)
Repayment of borrowings	(1,853)	(4,889)
Increase in fixed deposits pledged	(2)	(12)
Proceeds from private placement	-	16,770
Net cash Inflow from financing activities	(2,120)	9,375
NET INCREASE (OUT)/ IN CASH AND CASH EQUIVALENTS	7,399	2,641
Effect of foreign exchange fluctuations	92	92
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(2,365)	(5,098)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5,126	(2,365)
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank overdrafts	(1,006)	(4,608)
Deposits, cash in hand and at banks	6,131	2,243
Fixed deposits with licensed banks	417	416
	5,544	(1,949)
Fixed deposits pledged	(417)	(416)
	5,126	(2,365)

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

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 period ended 30 June 2020 which was prepared in accordance with Financial Reporting Standards (“FRS”).

2. SIGNIFICANT ACCOUNTING POLICIES

The Group has adopted the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia for accounting period beginning 1 Jul 2020. As disclosed in the Group’s annual financial statements for the financial statements for the financial year ended 30 June 2020, the following are new/revised accounting standards effective for annual periods beginning on or after 1 July 2020 as follows:

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Clarifications to MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transaction
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 128	Investments in Associates and Joint Ventures
Amendments to MFRS 140	Investment Property (Transfers of Investment Property)
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Annual Improvements to MFRSs 2014-2016 Cycle	

The adoption of the other new MFRSs, Amendments/Improvements and IC Int did not have any significant effect on the financial statements of the Company.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the audited financial statements of the Group for the financial period ended 30 June 2020 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.

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

6. CHANGES IN ESTIMATES

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

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 2020.

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>3 months</u> <u>period ended</u> <u>30.09.2020</u>	Extrusion and fabrication RM'000	Aluminium billets and tolling RM'000	Construction RM'000	Renewable Energy RM'000	Money Lending RM'000	Others RM'000	Total RM'000
Revenue							
Total Sales	71,899	37,153	85	1	96	-	109,234
Inter-segment sales	(9,627)	(36,846)	-	-	-	-	(46,473)
External sales	62,272	307	85	1	96	-	62,761
Results							
Profit from operation	2,780	872	(5)	(34)	53	(90)	3,576
Finance costs	(127)	(44)	-	(5)	-	5	(171)
Taxation	-	-	-	-	-	-	-
Profit after taxation							3,405

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

9. SEGMENTAL INFORMATION (Cont'd)

3 months period ended	Extrusion and fabrication	Aluminium billets and tolling	Construction	Renewable Energy	Money Lending	Others	Total
30.09.2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets							
Segment assets	115,007	62,051	231	6,375	7,144	(39,806)	151,002
Liabilities							
Segment liabilities	(96,676)	(35,196)	(20,061)	(6,921)	(4,572)	141,581	(21,845)
Other information:							
Capital expenditure	1,457	-	-	-	-	-	1,457
Depreciation	1,486	184	-	0	0	-	1,670
3 months period ended	Extrusion and fabrication	Aluminium billets and tolling	Construction	Renewable Energy	Money Lending	Others	Total
30.09.2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
Total Sales	51,468	30,621	39	2	110	-	82,240
Inter-segment sales	(8,413)	(30,457)	(39)	0	-	-	(38,909)
External sales	43,055	164	(0)	2	110	-	43,331
Results							
Profit from operation	554	676	2	(38)	61	(176)	1,079
Finance costs	(178)	(249)	(0)	(0)	(0)	-	(427)
Taxation	-	-	-	-	-	-	-
Profit after taxation							652
Assets							
Segment assets	143,486	64,768	704	831	8,608	(72,596)	145,801
Liabilities							
Segment liabilities	(138,042)	(40,493)	(20,091)	(1,222)	(5,972)	160,506	(45,314)

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

9. SEGMENTAL INFORMATION (Cont'd)

<u>3 months</u> <u>year ended</u> <u>30.09.2019</u>	Extrusion and fabrication	Aluminium billets and tolling	Construction contract	Renewable Energy	Money Lending	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000

Assets**Other information:**

Capital expenditure	4,521	29	-	-	-	-	4,550
Depreciation	1,550	183	-	4	0	-	1,737

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation carried out in the financial period ended 30 June 2020.

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 30 June 2020.

14. CAPITAL COMMITMENTS

There was no material capital commitment for the quarter under review except as below: -

	RM'000
Contracted but not provided for	514
Approved but not contracted for	-

	514
	=====

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

PART B - NOTES PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**15. PERFORMANCE REVIEW**

	Year To Date 30-Sep Revenue		Year To Date 30-Sep Operating Profit / (Loss)	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Extrusion and fabrication	62,272	43,055	2,780	554
Aluminium billets and tolling	307	164	872	676
Construction	85	-	(5)	2
Renewable energy	1	2	(34)	(38)
Money lending	96	110	53	61
Others	-	-	(90)	(176)
	<u>62,761</u>	<u>43,331</u>	<u>3,576</u>	<u>1,079</u>

Extrusion and fabrication

Turnover recorded for the quarter under review was RM62.3m which is 45% higher than the RM43m recorded in the corresponding quarter in the previous year. In line with the higher turnover, operating profits jumped 400% from RM0.6m to RM2.8m. The significantly better performance was mainly due to benefits from economy of scale as well as extensive cost saving measures implemented by the management.

Aluminium billet and tolling

Total internal and external sales for this segment was 21% higher at RM36.8m compared to RM30.4m in the previous year. Operating profits is correspondingly higher at RM0.9m compared to RM0.7m previously.

Construction

A small turnover was recorded for this quarter.

Renewable Energy

This segment was also dormant during the quarter.

Money Lending

Turnover for this segment was consistent at RM0.1m for the current quarter and the corresponding quarter in the previous year. Operating profits was also consistent at around RM0.01m.

Others

This is mainly due to operating costs in the holding company during the year.

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

16. QUARTERLY RESULTS COMPARISON

	Quarter ended		Quarter ended	
	Revenue		Operating Profit / (Loss)	
	30-Sep-2020	30-Jun-2020	30-Sep-2020	30-Jun-2020
	RM'000	RM'000	RM'000	RM'000
Extrusion and fabrication	62,272	53,257	2,780	5,301
Aluminium billets and tolling	307	221	872	1,118
Construction	85	-	(5)	(469)
Renewable energy	1	8	(34)	(53)
Money lending	96	134	53	(142)
Others	-	-	(90)	(2,507)
	<u>62,761</u>	<u>53,620</u>	<u>3,576</u>	<u>3,248</u>

Extrusion and fabrication

Revenue for the current quarter increased slightly from RM53.2m in the last quarter to RM62.3m currently. Operating profits however was lower at RM2.8m compared to RM5.3m. The current quarter's profits was impacted by the stronger Malaysian Ringgit while the previous quarter was better due to a reversal of impairments previously.

Aluminium billet and tolling

Total internal and external sales was higher at RM36.9m compared to RM23.5m in the preceding quarter. Despite the higher revenue, operating profits was slightly lower at RM0.9m compared to RM1.1m. This was mainly due to higher operating costs in the current quarter.

Construction

No turnover was recorded for this segment in this quarter.

Renewable Energy

This segment was largely dormant during the quarter under review.

Money Lending

Turnover was consistent for the current and previous quarters. However, the current quarter recorded a slight profit compared to a loss in the previous quarter. The poorer performance in the last quarter was due to the provision of doubtful debts.

Others

The operating loss incurred in the previous quarter was mainly due to inter-company impairment charges.

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

17. COMING QUARTER PROSPECTS

Extrusion and fabrication

Revenue for this segment is expected to grow as there is good demand for our products. The management is hopeful of maintaining its current good performance.

Aluminium billet and tolling

The performance for this segment is expected to be positive in line with the demand of our extrusion products.

Construction

This segment is expected to remain dormant for the time being.

Renewable Energy

Revenue is not expected to be high in view of the stiff competition in this segment.

Money Lending

Revenue and operating profits are expected to remain steady.

18. PROFIT FORECAST OR PROFIT GUARANTEE

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

19. MATERIAL LITIGATION

There were no material litigations during the quarter under review.

20. TAXATION

	Current Quarter 30-Sep-2020 RM'000	Current Year To Date 30-Sep-2020 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 @ 24% to profit before taxation as stipulated in paragraph 2A, schedule 1, part 1 of the Income tax Act, 1967.

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

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 2020 comprise the following: -

	RM'000	RM'000
(a) Current		
Bank Overdraft (Secured)	1,006	
Trade bills payable (Secured)	3,873	
Revolving credit (Secured)	3,000	
Term loans (Secured)	<u>548</u>	
		8,427
(b) Non-current		
Term loans (Secured)	-	
		<u>-</u>
		<u><u>8,427</u></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(s) given by the Company; and
- (e) Joint and several guarantees by certain directors.

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

23. DIVIDEND

No dividend has been recommended for the current financial quarter.

24. 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-Sep-2020	30-Sep-2019	30-Sep-2020	30-Sep-2019
Net profit attributable to shareholders (RM'000)	3,405	652	3,405	652
Weighted average number of ordinary shares in issue ('000)	2,204,785	1,869,054	2,204,785	1,869,054
Net profit per share (sen)	0.15	0.03	0.15	0.03

b. Diluted earnings per share

There is no potential diluted earnings per share during the period.

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

25. PROFIT BEFORE TAXATION

	Quarter Ended		Year Ended	
	30-Sep		30-Sep	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
This is stated after charging: -				
Depreciation on property, plant & equipment	1,670	1,737	1,670	1,737
Depreciation of right of use asset	121	-	121	-
Foreign exchange losses / (gain)				
- realized	946	(178)	946	(178)
- unrealized	833	(138)	833	(138)
Interest expense:				
- term loans	56	164	56	164
- hire purchase	25	34	25	34
- lease liabilities	12	-	12	-
- bank overdrafts	58	135	58	135
- trade line facilities	21	85	21	85
- revolving credits				
Amount paid/payable to a legal firm in which a director has an interest				
- fees	-	5	-	5
- others	-	-	-	-
Loss/(gain) on disposal of plant and equipment	(64)	-	(64)	-
Provision for Doubtful Debt	85	-	85	-
Plant and equipment written off	-	-	-	-
And after crediting: -				
- allowance for doubtful debt	8	-	8	-
- agency fee, net of foreign exchange effect				
- miscellaneous	306	53	306	53
- interest income	3	4	3	4

26. 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 23rd November 2020.