

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

P.A. RESOURCES BERHAD
UNAUDITED INTERIM FINANCIAL STATEMENT

FOR NINE MONTHS ENDED 31 MAR 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MAR 2021
(The figures have not been audited)

	As at 31-Mar-21 (Unaudited) RM'000	As at 30-Jun-20 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	76,476	78,664
Right of use assets	3,648	3,981
Trade and loan receivables	3,390	3,705
	<u>83,514</u>	<u>86,350</u>
Current assets		
Inventories	32,218	30,509
Trade receivables	45,394	39,110
Other receivables, deposits and prepayments	6,152	5,775
Tax refund receivables	189	55
Fixed deposit with licensed bank	421	415
Cash and bank balances	1,917	2,243
	<u>86,291</u>	<u>78,107</u>
Total assets	<u>169,805</u>	<u>164,457</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	155,966	144,203
Reserves	37,001	40,199
Accumulated losses	(41,508)	(52,703)
	<u>151,459</u>	<u>131,699</u>
Non-controlling interest	(5,947)	(5,947)
Total equity	<u>145,512</u>	<u>125,752</u>
LIABILITIES		
Non-current liabilities		
Lease Liabilities	702	1,253
	<u>702</u>	<u>1,253</u>
Current liabilities		
Trade payables	10,058	9,251
Other payables and accruals	7,516	13,221
Current tax liabilities	-	8
Borrowings	5,210	13,882
Lease Liabilities	807	1,090
	<u>23,591</u>	<u>37,452</u>
Total liabilities	<u>24,293</u>	<u>38,705</u>
Total equity and liabilities	<u>169,805</u>	<u>164,457</u>
Net assets per share attributable to equity holders (refer Note 25) of the Company (sen)	<u>13.29</u>	<u>12.48</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 31 MAR 2021**

(The figures have not been audited)

	Quarter		9 months ended			
	3 months ended		31-Mar-21		31-Mar-20	
	31-Mar-21	31-Mar-20	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	71,243	51,532	207,374	148,758		
Cost of sales	(63,681)	(48,294)	(183,343)	(137,806)		
Gross profit	7,562	3,238	24,031	10,952		
Other income	78	80	777	300		
Distribution and administrative expenses	(1,734)	(1,255)	(4,025)	(3,416)		
Other operating expenses	1,378	1,510	(3,242)	(594)		
Operating profit	7,284	3,573	17,541	7,242		
Finance costs	(89)	(299)	(379)	(1,055)		
Profit before taxation	7,195	3,274	17,162	6,187		
Tax expenses	(1)	(64)	(1)	(64)		
Profit for the period	7,194	3,210	17,161	6,123		
Other comprehensive income						
Deferred tax on revaluation surplus transferred	-	-	-	-		
Total comprehensive profit for the period	7,194	3,210	17,161	6,123		
Profit attributable to:						
Owner of the Company	7,194	3,210	17,161	6,123		
Non-controlling interest	-	-	-	-		
	7,194	3,210	17,161	6,123		
Total comprehensive profit attributable to:						
Owner of the Company	7,194	3,210	17,161	6,123		
Non-controlling interest	-	-	-	-		
	7,194	3,210	17,161	6,123		
Net profit per share for profit attributable to the owners (refer Note 24) of the Company:						
Net profit per share (sen)	0.63	0.32	1.51	0.61		

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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MAR 2021

(The figure have not been audited)

	Attributable to equity holders of the Company				Distributable	Total	Non-controlling interests	Total Equity
	<-----Non-distributable----->		Warrants	Other Capital				
	Share Capital	Revaluation Reserves	Reserve	Reserve	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	-	-	-	-	17,161	17,161	-	17,161
Transfer to retained earnings	-	-	-	-	1	1	-	1
Conversion of Warrants B	11,763	-	(3,198)	-	-	8,565	-	8,565
Dividends on ordinary shares	-	-	-	-	(5,967)	(5,967)	-	(5,967)
As at 31 March 2021	155,966	11,172	13,764	12,065	(41,508)	151,459	(5,947)	145,512

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 31 MAR 2021

(The figures have not been audited)

	31-Mar-21 (Unaudited) RM'000	30-Jun-20 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	17,162	9,288
Adjustment for :		
Impairment losses on :		
- trade receivables	272	784
- other receivables	-	4
Trade receivables written off	-	8
Other receivables written off	-	6
Depreciation of property, plant and equipment	5,046	6,613
Depreciation of right of use assets	349	457
Loss on disposal of plant and equipment	18	199
(Gain) on lease modification	(9)	(1)
Unrealised loss on foreign exchange	450	153
Interest Expenses	379	1,202
Interest Income	(7)	(28)
Reversal of impairment losses on :		
- trade receivables	(64)	(210)
Operating profit before working capital changes	23,596	18,475
(Increase) in inventories	(1,709)	(8,347)
(Increase) in receivables	(7,097)	(3,165)
(Decrease)/Increase in payables	(4,898)	5,149
Cash generated from operations	9,892	12,112
Interest paid	(379)	(1,202)
Income tax paid	(143)	(213)
Interest received	7	28
Income tax refundable	-	58
Net cash generated from operating activities	9,377	10,783
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,950)	(17,667)
Proceeds from disposal of property, plant and equipment	74	150
Net cash outflow from investing activities	(2,876)	(17,517)
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of ROU assets	(6)	(1,462)
Repayment for the principal portion of lease liabilities	(834)	(1,032)
Repayment of borrowings	(4,065)	(4,889)
(Increase) in fixed deposits pledged	(5)	(12)
Proceeds from private placement	-	16,770
Proceeds from conversion of warrants B	8,565	-
Dividend on Ordinary shares	(5,967)	-
Net cash Inflow from financing activities	(2,312)	9,375
NET INCREASE (OUT)/ IN CASH AND CASH EQUIVALENTS	4,189	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	1,916	(2,365)
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank overdrafts	(1)	(4,608)
Deposits, cash in hand and at banks	1,917	2,243
Fixed deposits with licensed banks	421	416
	2,337	(1,949)
Fixed deposits pledged	(421)	(416)
	1,916	(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.

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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.

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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

A total of 24,864,350 new ordinary shares were issued following the conversion of 24,864,350 warrants in the financial quarter ended 31 March 2021.

8. DIVIDENDS PAID

A total RM5,967 mil was paid as an interim single tier dividend of 0.5 sen per ordinary share on 26 March 2021.

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>9 months</u> <u>period ended</u> <u>31.03.2021</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	240,064	127,852	745	17	260	-	368,938
Inter-segment sales	(34,609)	(126,955)	-	-	-	-	(161,564)
External sales	205,455	897	745	17	260	-	207,374
Results							
Profit from operation	14,587	3,596	464	(89)	147	(1,164)	17,541
Finance costs	(309)	(69)	-	(16)	-	15	(379)
Taxation	-	(1)	-	-	-	-	(1)
Profit after taxation							17,161

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9. SEGMENTAL INFORMATION (Cont'd)

9 months period ended	Extrusion and fabrication	Aluminium billets and tolling	Construction	Renewable Energy	Money Lending	Others	Total
31.03.2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets							
Segment assets	133,663	64,923	84	1,934	4,577	(35,376)	169,805
Liabilities							
Segment liabilities	(103,708)	(35,370)	(19,445)	(2,545)	(1,911)	138,686	(24,293)
Other information:							
Capital expenditure	2,818	132	-	-	-	-	2,950
Depreciation	4,825	552	-	18	0	-	5,395
9 months period ended	Extrusion and fabrication	Aluminium billets and tolling	Construction	Renewable Energy	Money Lending	Others	Total
31.03.2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
Total Sales	172,616	97,181	118	(6)	321	-	270,230
Inter-segment sales	(24,689)	(96,665)	(118)	-	-	-	(121,472)
External sales	147,927	516	(0)	(6)	321	-	148,758
Results							
Profit from operation	6,016	1,676	33	(77)	110	(516)	7,242
Finance costs	(497)	(556)	(0)	(2)	(0)	-	(1,055)
Taxation	(64)	-	-	-	-	-	(64)
Profit after taxation							6,123
Assets							
Segment assets	117,199	62,147	705	797	8,237	(37,175)	151,910
Liabilities							
Segment liabilities	(106,676)	(37,180)	(20,060)	(1,229)	(5,547)	141,652	(29,040)

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9. SEGMENTAL INFORMATION (Cont'd)

<u>6 months</u> <u>year ended</u> <u>31.12.2019</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	10,742	29	-	-	-	-	10,771
Depreciation	4,631	552	-	13	0	-	5,196

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	1,402
Approved but not contracted for	-

	1,402
	=====

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

	Year To Date 31-Mar Revenue		Year To Date 31-Mar Operating Profit / (Loss)	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Extrusion and fabrication	205,455	147,927	14,587	6,016
Aluminium billets and tolling	897	516	3,596	1,676
Construction	745	-	464	33
Renewable energy	17	(6)	(89)	(77)
Money lending	260	321	147	110
Others	-	-	(1,164)	(516)
	<u>207,374</u>	<u>148,758</u>	<u>17,541</u>	<u>7,242</u>

Extrusion and fabrication

Turnover for the period under review was RM205.5m which is almost 40% higher than the RM147.9m in the corresponding period in the previous year. In line with the higher turnover operating profits was RM14.6m which is 240% higher than the previous year. The good performance was mainly due to significantly better efficiency arising from the increased capacity. Improvement in the production process also contributed.

Aluminium billet and tolling

Total internal and external sales for this segment was 30% higher at RM127.0m compared to RM96.7m in the previous year. Operating profits was significantly higher at RM3.6m compared to RM1.7m, a jump of almost 130%. The higher profits are mainly due to better efficiency.

Construction

A revenue of RM0.7m with an operating profit of RM0.5m was recorded for the period under review.

Renewable Energy

This segment was dormant during the period under review.

Money Lending

Turnover for this segment was slightly lower at RM0.2m compared to RM0.3m previously. Operating profits was flat at around RM0.1m.

Others

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

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16. QUARTERLY RESULTS COMPARISON

	Quarter ended		Quarter ended	
	Revenue		Operating Profit / (Loss)	
	31-Mar-2021	31-Dec-2020	31-Mar-2021	31-Dec-2020
	RM'000	RM'000	RM'000	RM'000
Extrusion and fabrication	70,396	72,789	6,284	5,523
Aluminium billets and tolling	301	288	1,390	1,334
Construction	450	210	447	22
Renewable energy	15	-	(28)	(27)
Money lending	81	83	30	64
Others	-	-	(839)	(235)
	<u>71,243</u>	<u>73,370</u>	<u>7,284</u>	<u>6,681</u>

Extrusion and fabrication

Revenue for the current quarter dipped slightly to RM70.3m from RM72.8m in the preceding quarter. Operating profits however was higher at RM6.3m compared to RM5.5m, an increase of 14%. The better performance is mainly due to better efficiency and improvement in production process.

Aluminium billet and tolling

Total internal and external sales was higher at RM50.1m compared to RM40.0m previously. Operating profits was slightly higher at RM1.4m compared to RM1.3m

Construction

A turnover of RM0.4m was recorded for this quarter. This is mainly additional billing for job done of which the costs have been absorbed previously.

Renewable Energy

This segment was largely dormant during the quarter under review.

Money Lending

Turnover and operating profits were consistent for both quarters.

Others

The operating losses is mainly due to administrative expenses incurred by the holding company.

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17. COMING QUARTER PROSPECTS

Extrusion and fabrication

In light of the recent RM800mil contract with First Solar, the financial performance of this segment is expected to continue to be positive barring any unforeseen circumstances.

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 taper off.

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

Taxation was not provided as the group have unabsorbed tax credit amounting to RM67.8mil.

21. STATUS OF CORPORATE PROPOSALS

No new corporate exercise was proposed during the quarter under review.

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22. GROUP BORROWINGS

The Group's borrowings as at 31 March 2021 comprise the following: -

	RM'000	RM'000
(a) Current		
Bank Overdraft (Secured)	1	
Trade bills payable (Secured)	2,209	
Revolving credit (Secured)	3,000	
Hire Purchases	648	
Term loans (Secured)	-	
	<hr/>	5,858
(b) Non-current		
Hire Purchases	208	
Term loans (Secured)	-	
	<hr/>	208
		<hr/> <hr/>
		6,066

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.

23. DIVIDEND

An interim single tier dividend of 0.5 sen per ordinary share is declared and RM5,967 mil paid on 26 March 2021 in respect of the financial year ending 30 June 2021.

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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 after the share consolidation on 08.02.2021

a. Basic earning per share

	Quarter Ended		Year To Date	
	31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Mar-2020
Net profit attributable to shareholders (RM'000)	7,194	3,210	17,161	6,123
Weighted average number of ordinary shares in issue ('000)	1,140,033	1,008,615	1,140,033	1,008,615
Net profit per share (sen)	0.63	0.32	1.51	0.61

b. Diluted earnings per share

Diluted earnings per ordinary share for the financial period is calculated by dividing the profit after tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares.

Net Profit attributable to shareholders (RM'000)	7,194
Weighted average number of ordinary shares	
Weighted average number of ordinary shares in issued ('000)	1,122,253
Effect of dilutive potential ordinary shares – Warrants ('000)	17,780
Weighted average number of ordinary shares	<u>1,140,033</u>
Diluted earnings per ordinary share (sen)	<u>0.63</u>

25. NET ASSET PER SHARE

The net asset per share has been calculated by dividing the net asset by the weighted average number of ordinary shares in issue after the share consolidation on 08.02.2021.

Net asset per share

	31-Mar-2021	30-Jun-2020
Net asset per share attributable to shareholders (RM'000)	151,459	131,699
Weighted average number of ordinary shares in issue ('000)	1,140,033	1,055,248
Net asset per share (sen)	13.29	12.48

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26. PROFIT BEFORE TAXATION

	Quarter Ended		9 Months Ended	
	31-Mar		31-Mar	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
This is stated after charging: -				
Depreciation on property, plant & equipment	1,688	1,727	5,046	5,196
Depreciation of right of use asset	113	-	349	-
Foreign exchange losses / (gain)				
- realized	181	(785)	1,371	(604)
- unrealized	(2,050)	(1,171)	450	(636)
Interest expense:				
- term loans	33	117	126	420
- hire purchase	17	34	63	103
- lease liabilities	10	-	33	-
- bank overdrafts	19	56	113	260
- trade line facilities	10	36	44	178
- revolving credits				
Amount paid/payable to a legal firm in which a director has an interest				
- fees	14	-	26	5
- others	-	-	-	-
Loss/(gain) on disposal of plant and equipment	83	-	18	199
Provision for Doubtful Debt	-	-	272	75
Plant and equipment written off	-	-	-	-
And after crediting: -				
- allowance for doubtful debt	4	1	64	94
- agency fee, net of foreign exchange effect				
- miscellaneous	339	69	973	180
- interest income	3	10	7	25

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 28th May 2021.