

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

P.A. RESOURCES BERHAD
UNAUDITED FINANCIAL STATEMENT

FOR SIX MONTHS ENDED 31 DECEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	As at 31-Dec-21 (Unaudited) RM'000	As at 30-Jun-21 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	82,417	80,482
Right of use assets	3,340	3,543
Trade receivable	2,543	2,773
Deferred taxation assets	10,700	6,700
	<u>99,000</u>	<u>93,498</u>
Current assets		
Inventories	52,497	38,062
Trade receivables	61,748	30,247
Other receivables, deposits and prepayments	8,376	11,197
Tax refund receivables	347	253
Fixed deposit with licensed bank	427	422
Cash and bank balances	10,586	18,300
	<u>133,981</u>	<u>98,481</u>
Total assets	<u>232,981</u>	<u>191,979</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	167,470	162,844
Reserves	44,274	42,611
Accumulated losses	(3,947)	(27,156)
	<u>207,797</u>	<u>178,299</u>
Non-controlling interest	(5,739)	(5,739)
Total equity	<u>202,058</u>	<u>172,560</u>
LIABILITIES		
Non-current liabilities		
Lease Liabilities	699	551
Borrowings	-	-
Deferred taxation	-	-
	<u>699</u>	<u>551</u>
Current liabilities		
Trade payables	13,555	8,122
Other payables and accruals	4,479	2,543
Contract liabilities	3,554	1,622
Current tax liabilities	-	-
Borrowings	8,017	5,878
Lease Liabilities	619	703
	<u>30,224</u>	<u>18,868</u>
Total liabilities	<u>30,923</u>	<u>19,419</u>
Total equity and liabilities	<u>232,981</u>	<u>191,979</u>
Net assets per share attributable to equity holders (refer Note 25) of the Company (sen)	<u>16.45</u>	<u>14.43</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 2021 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Quarter		6 months ended	
	3 months ended		31-Dec-21	31-Dec-20
	31-Dec-21 (Unaudited) RM'000	31-Dec-20 (Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000
Revenue	112,821	73,370	173,931	136,131
Cost of sales	(98,297)	(63,442)	(148,322)	(119,662)
Gross profit	14,524	9,928	25,609	16,469
Other income	304	383	328	699
Distribution and administrative expenses (Note 27)	(2,650)	(1,149)	(4,818)	(2,291)
Other operating expenses	(928)	(2,481)	(1,728)	(4,620)
Operating profit	11,251	6,681	19,391	10,257
Finance costs	(151)	(119)	(182)	(290)
Profit before taxation	11,100	6,562	19,209	9,967
Tax expenses (refer Note 20)	2,000	-	4,000	-
Profit for the period	13,100	6,562	23,209	9,967
Other comprehensive income				
Deferred tax on revaluation surplus transferred	-	-	-	-
Total comprehensive profit for the period	13,100	6,562	23,209	9,967
Profit attributable to:				
Owner of the Company	13,100	6,562	23,209	9,967
Non-controlling interest	-	-	-	-
	13,100	6,562	23,209	9,967
Total comprehensive profit attributable to:				
Owner of the Company	13,100	6,562	23,209	9,967
Non-controlling interest	-	-	-	-
	13,100	6,562	23,209	9,967
Net profit per share for profit attributable to the owners (refer Note 24) of the Company:				
Net profit per share (sen)	1.07	0.58	1.90	0.89

The condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Attributable to equity holders of the Company					Distributable Retained Earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
	<-----Non-distributable----->								
	Share Capital RM'000	Revaluation Reserves RM'000	Warrants Reserve RM'000	Other Capital Reserve RM'000	Share Option Reserve				
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	-	-	-	-	-	31,379	31,379	208	31,587
Revaluation surplus on property, plant and equipment	-	4,519	-	-	-	-	4,519	-	4,519
Conversion of Warrants	18,641	-	(5,068)	-	-	-	13,573	-	13,573
Performance-based employee share option scheme	-	-	-	-	3,096	-	3,096	-	3,096
Dividends on ordinary shares	-	-	-	-	-	(5,967)	(5,967)	-	(5,967)
Transfer to retained earnings	-	(135)	-	-	-	135	-	-	-
As at 30 June 2021	162,844	15,556	11,894	12,065	3,096	(27,156)	178,299	(5,739)	172,560
As at 1 July 2021	162,844	15,556	11,894	12,065	3,096	(27,156)	178,299	(5,739)	172,560
Total comprehensive profit for the year	-	-	-	-	-	23,209	23,209	-	23,209
Conversion of Warrants	4,626	-	(1,257)	-	-	-	3,369	-	3,369
Performance-based employee share option scheme	-	-	-	-	2,920	-	2,920	-	2,920
As at 31 December 2021	167,470	15,556	10,637	12,065	6,016	(3,947)	207,797	(5,739)	202,058

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 DECEMBER 2021

	31-Dec-21 (Unaudited) RM'000	30-Jun-21 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	19,209	24,547
Adjustment for :		
Impairment losses on :		
- trade receivables	-	251
Trade receivables written off	-	11
Depreciation of property, plant and equipment	3,341	6,693
Depreciation of right of use assets	203	436
(Gain) / Loss on disposal of plant and equipment	(55)	88
(Gain) on lease modification	-	0
Unrealised (gain) / loss on foreign exchange	(214)	801
Interest Expenses	182	475
Interest Income	(30)	(195)
Reversal of impairment losses on :		
- trade receivables	(11)	(137)
Share Option Expenses	2,920	3,096
Operating profit before working capital changes	25,545	36,066
(Increase) in inventories	(14,435)	(7,553)
(Increase) / Decrease in receivables	(28,226)	4,873
Increase / (Decrease) in payables	9,301	(10,236)
Cash generated from operations	(7,815)	23,150
Interest paid	(182)	(475)
Income tax paid	(94)	(187)
Interest received	30	195
Income tax refundable	-	3
Net cash generated from operating activities	(8,061)	22,686
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,276)	(3,843)
Proceeds from disposal of property, plant and equipment	55	80
Proceeds from conversion of warrants	3,369	13,574
Net cash outflow from investing activities	(1,852)	9,811
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment for the principal portion of lease liabilities	(390)	(1,086)
Repayment of borrowings	2,139	(3,396)
Proceed from finance lease payables	454	-
(Increase) in fixed deposits pledged	(4)	(7)
Dividend on Ordinary shares	-	(5,967)
Net cash Inflow from financing activities	2,199	(10,456)
NET INCREASE (OUT)/ IN CASH AND CASH EQUIVALENTS	(7,714)	22,041
Effect of foreign exchange fluctuations	-	(1,376)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	18,300	(2,365)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	10,586	18,300
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank overdrafts	-	-
Deposits, cash in hand and at banks	10,586	18,300
Fixed deposits with licensed banks	427	422
	11,013	18,722
Fixed deposits pledged	(427)	(422)
	10,586	18,300

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL REPORT

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The 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 2021 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 2021, 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 2021 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.

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

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

7. DEBT AND EQUITY SECURITIES

A total of 17,065,000 new ordinary shares were issued following the conversion of 17,065,000 warrants in the financial quarter ended 31 December 2021. For the six months ended 31 December 2021 a total of 28,072,100 new ordinary shares were issued.

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, aluminium billets and tolling, construction contract, renewable energy, money lending and others.

6 months period ended	Extrusion and fabrication	Aluminium billets and tolling	Construction	Renewable Energy	Money Lending	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31.12.2021							
Revenue							
Total Sales	199,073	102,736	-	1	133	-	302,196
Inter-segment sales	(26,165)	(101,847)	-	-	-	-	(128,012)
External sales	172,908	889	-	1	133	-	173,931
Results							
Profit from operation	17,256	2,497	(1)	142	61	(564)	19,391
Finance costs	(126)	(53)	-	(1)	-	-	(182)
Taxation	4,000	-	-	-	0	-	4,000
Profit after taxation							23,209

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

9. SEGMENTAL INFORMATION (Cont'd)

6 months period ended	Extrusion and fabrication	Aluminium billets and tolling	Construction	Renewable Energy	Money Lending	Others	Total
31.12.2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets							
Segment assets	184,506	73,940	270	953	3,970	(30,658)	232,981
Liabilities							
Segment liabilities	(117,880)	(37,631)	(19,403)	(1,445)	(1,228)	146,664	(30,923)
Other information:							
Capital expenditure	5,252	24	-	-	-	-	5,276
Depreciation	3,178	366	-	-	-	-	3,544
6 months period ended	Extrusion and fabrication	Aluminium billets and tolling	Construction	Renewable Energy	Money Lending	Others	Total
31.12.2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
Total Sales	156,619	77,445	295	2	179	-	234,540
Inter-segment sales	(21,559)	(76,850)	-	-	-	-	(98,409)
External sales	135,060	595	295	2	179	-	136,131
Results							
Profit from operation	8,303	2,206	17	(61)	117	(325)	10,257
Finance costs	(230)	(59)	-	(11)	-	10	(290)
Taxation	-	-	-	-	-	-	-
Profit after taxation							9,967
Assets							
Segment assets	121,379	62,487	242	6,210	6,931	(37,008)	160,241
Liabilities							
Segment liabilities	(97,629)	(34,313)	(20,050)	(6,787)	(4,295)	144,134	(18,940)

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

9. SEGMENTAL INFORMATION (Cont'd)

<u>6 months</u> <u>year ended</u> <u>31.12.2020</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	1,994	132	-	-	-	-	2,126
Depreciation	3,213	368	-	12	0	-	3,593

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation carried out in the financial period ended 31 December 2021.

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 2021.

14. CAPITAL COMMITMENTS

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

	RM'000
Contracted but not provided for	13,987
Approved but not contracted for	-

	13,987
	=====

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 31-Dec Revenue		Year To Date 31-Dec Operating Profit / (Loss)	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Extrusion and fabrication	172,908	135,060	17,256	8,303
Aluminium billets and tolling	889	595	2,497	2,206
Construction	-	295	(1)	17
Renewable energy	1	2	142	(61)
Money lending	133	179	61	117
Others	-	-	(564)	(325)
	<u>173,931</u>	<u>136,131</u>	<u>19,391</u>	<u>10,257</u>

Extrusion and fabrication

Turnover for the period under review was RM172.9m which is 28% higher than the RM135.1m recorded in the corresponding period in the previous year. Operating profits jumped 108% from RM8.3m to RM17.3m. The better performance is mainly due to savings from economy of scale and gains from foreign exchange. The use of generating sets also contributed to the higher cost in the previous year.

Aluminium billet and tolling

Total internal (RM101.8m) and external sales (RM0.889m) for this segment was 33% higher at RM102.3m compared to RM76.9m in the previous year. Operating profits is 13% higher at RM2.5m compared to RM2.2m previously. The lower margin is mainly due to higher material cost compared to the previous year.

Construction

This segment was dormant during the period under review.

Renewable Energy

This segment was dormant during the period under review.

Money Lending

Turnover for this segment was lower at RM0.13m compared to RM0.18m previously. Operating profits was also lower at RM0.06m compared to RM0.11m.

Others

This is mainly due to operating costs in the holding company during the year and inter company cost adjustments.

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

16. QUARTERLY RESULTS COMPARISON

	Quarter ended		Quarter ended	
	Revenue		Operating Profit / (Loss)	
	31-Dec-2021	30-Sep-2021	31-Dec-2021	30-Sep-2021
	RM'000	RM'000	RM'000	RM'000
Extrusion and fabrication	112,162	60,746	9,457	7,799
Aluminium billets and tolling	596	294	2,049	448
Construction	-	-	(0)	(1)
Renewable energy	-	1	101	41
Money lending	63	69	25	36
Others	-	-	(381)	(183)
	<u>112,821</u>	<u>61,110</u>	<u>11,251</u>	<u>8,140</u>

Extrusion and fabrication

Revenue for the current quarter was RM112.2m compared to RM60.7m in the previous quarter, an increase of 85%. In line with the higher turnover operating profits is 21% higher at RM9.4m compared to RM7.8m.

Aluminium billet and tolling

Total internal (RM72.4m) and external sales (RM0.596m) was 148% higher at RM72.9m compared to RM29.4m previously. The lower turnover in the previous quarter was mainly due to the MCO which affected production significantly. The higher profits for the current quarter was due to savings from the economy of scale.

Construction

This segment was dormant during the quarter under review.

Renewable Energy

This segment was largely dormant during the quarter under review.

Money Lending

Turnover was consistent for the current and previous quarters.

Others

The operating losses is mainly due to administrative expenses incurred by the holding company and inter company costs adjustments.

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

17. COMING QUARTER PROSPECTS

Extrusion and fabrication

Production is expected to be at full capacity in the coming months. With the higher production turnover will continue to increase.

Aluminium billet and tolling

The performance for this segment is also expected to be positive in tandem with the production in the extrusion segment.

Construction

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

Renewable Energy

The segment is also expected to be dormant for the time being.

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

Taxation was derived from recognition of deferred tax asset of RM4.0mil.

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

21. STATUS OF CORPORATE PROPOSALS

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

22. GROUP BORROWINGS

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

	RM'000
Bank Overdraft (Secured)	0
Trade bills payable (Secured)	5,017
Revolving credit (Secured)	3,000
	<hr/>
	8,017
	<hr/> <hr/>

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

No dividend has been recommended for the current financial quarter.

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

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-Dec-2021	31-Dec-2020	31-Dec-2021	31-Dec-2020
Net profit attributable to shareholders (RM'000)	13,100	6,562	23,209	9,967
Weighted average number of ordinary shares in issue ('000)	1,224,079	1,123,264	1,224,079	1,123,264
Net profit per share (sen)	1.07	0.58	1.90	0.89

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)	13,100
Weighted average number of ordinary shares	
Weighted average number of ordinary shares in issued ('000)	1,224,079
Effect of dilutive potential ordinary shares – Warrants ('000)	237,424
Weighted average number of ordinary shares	<u>1,461,503</u>
Diluted earnings per ordinary share (sen)	<u>0.90</u>

25. NET ASSET PER SHARE

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

Net asset per share

	31-Dec-2021	30-Jun-2021
Net asset attributable to shareholders (RM'000)	207,797	178,299
Total number of ordinary shares in issue ('000)	1,263,441	1,235,369
Net asset per share (sen)	16.45	14.43

P.A. RESOURCES BERHAD

200401026104 (664612-X)

(Incorporated in Malaysia)

26. PROFIT BEFORE TAXATION

	Quarter Ended		3 Months Ended	
	31-Dec		31-Dec	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
This is stated after charging: -				
Depreciation on property, plant & equipment	1,707	1,687	3,341	3,357
Depreciation of right of use asset	99	115	203	236
Foreign exchange losses / (gain)				
- realized	(184)	244	(228)	1,190
- unrealized	(44)	1,667	(214)	2,049
Interest expense:				
- term loans	56	37	69	93
- lease liabilities	10	32	37	68
- bank overdrafts	8	36	24	94
- trade line facilities	(72)	13	(76)	35
Amount paid/payable to a legal firm in which a director has an interest				
- fees	44	12	44	12
- others	-	-	-	-
Loss/(gain) on disposal of plant and equipment	-	0	(55)	(64)
Provision for Doubtful Debt	-	187	-	272
Plant and equipment written off	-	-	-	-
And after crediting: -				
- allowance for doubtful debt	10	51	11	59
- agency fee, net of foreign exchange effect				
- miscellaneous	44	328	421	633
- interest income	8	3	30	6

27. EMPLOYEE SHARE OPTION SCHEME (ESOS)

An ESOS charge of RM1.46 mil was included in the current financial quarter.

28. 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 25th February 2022.