



**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2023**

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P.A. RESOURCES BERHAD

Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for The First Quarter Ended 30 September 2023

	First Quarter		Year To Date	
	Three (3) Months Ended 30-Sep-23	30-Sep-22	Three (3) Months Ended 30-Sep-23	30-Sep-22
	RM	RM	RM	RM
Revenue	129,420	138,331	129,420	138,331
Cost of sales	(114,467)	(121,851)	(114,467)	(121,851)
Gross profit	14,953	16,480	14,953	16,480
Other income	1,100	86	1,100	86
Administrative & selling expenses	(3,222)	(2,321)	(3,222)	(2,321)
Other expenses - net	(814)	1,111	(814)	1,111
Profit from operations	12,017	15,356	12,017	15,356
Finance costs	(110)	(206)	(110)	(206)
Profit before tax	11,907	15,150	11,907	15,150
Income tax expense	(3,245)	-	(3,245)	-
Profit net of tax	8,662	15,150	8,662	15,150
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	8,662	15,150	8,662	15,150
Profit for the financial period net of tax attributable to:-				
Owners of the Company	8,662	15,150	8,662	15,150
Non-controlling interests	-	-	-	-
	8,662	15,150	8,662	15,150
Total comprehensive income attributable to:-				
Owners of the Company	8,662	15,150	8,662	15,150
Non-controlling interests	-	-	-	-
	8,662	15,150	8,662	15,150
Earnings per ordinary share				
Basic (Sen)	0.60	1.18	0.60	1.18
Diluted (Sen)	0.60	1.08	0.60	1.08

P.A. RESOURCES BERHAD

Unaudited Condensed Consolidated Statements of Financial Position

	As At 30-Sep-23 Unaudited RM'000	As At 30-Jun-23 Audited RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	90,781	86,766
Right-of-use assets	1,963	2,269
Trade receivables	865	883
Deferred tax assets	919	919
	94,528	90,837
Current Assets		
Inventories	51,593	75,183
Trade receivables	126,330	94,264
Other receivables, deposits and prepayments	3,544	5,792
Tax recoverables	2,385	2,015
Cash and bank balances	47,577	30,655
	231,429	207,909
TOTAL ASSETS	325,957	298,746
EQUITY AND LIABILITIES		
Equity		
Share capital	205,721	205,721
Reserves	38,762	38,392
Retained earnings	37,155	35,961
Total Equity Attributable to Owners of the Company	281,638	280,074
Non-controlling interest	-	-
Total Equity	281,638	280,074
Non-Current Liabilities		
Lease liabilities	470	1,017
Borrowings	534	859
Deferred tax liabilities	1,356	1,241
	2,360	3,117
Current Liabilities		
Trade payables	9,889	8,691
Other payables	2,972	3,143
Borrowings	17,384	2,850
Lease liabilities	1,197	871
Current tax liabilities	3,049	-
Dividend payable	7,468	-
	41,959	15,555
Total Liabilities	44,319	18,672
TOTAL EQUITY AND LIABILITIES	325,957	298,746



P.A. RESOURCES BERHAD

Unaudited Condensed Consolidated Statements of Changes in Equity

	← Attributable to Owners of the Company →						Non-Distributable	Non-controlling Interests ("NCI")	Total Equity
	Share Capital	Assets Revaluation Reserve	Warrant Reserve	Capital Reserve	ESOS Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2022	172,709	15,420	9,213	12,065	8,849	3,881	222,137	3	222,140
Profit net of tax, representing total comprehensive income for the financial year	-	-	-	-	-	31,372	31,372	2	31,374
Transaction with owners of the Company									
Exercise of warrants	32,684	-	(8,885)	-	-	-	23,799	-	23,799
Expiry of warrants	328	-	(328)	-	-	-	-	-	-
Addition investments in a subsidiary from NCI	-	-	-	-	-	3	3	(5)	(2)
Capitalisation of ESOS	-	-	-	-	2,763	-	2,763	-	2,763
Forfeiture of ESOS	-	-	-	-	(570)	570	-	-	-
Total transactions with owners of the Company	33,012	-	(9,213)	-	2,193	573	26,565	(5)	26,560
Realisation of asset revaluation reserve	-	(135)	-	-	-	135	-	-	-
As at 30 June 2023	205,721	15,285	-	12,065	11,042	35,961	280,074	-	280,074

P.A. RESOURCES BERHAD 200401026104 (664612-X)

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Unaudited Condensed Consolidated Statements of Cash Flows

	First Quarter Ended 30-Sep-23 RM'000	Preceding Year Audited 30-Jun-23 RM'000
Cash Flow From Operating Activities		
Profit before tax	11,907	44,352
Adjustments for:-		
Depreciation of property, plant and equipment	1,677	6,583
Depreciation of right-of-use assets	183	648
ESOS expenses	370	2,764
Loss / (gain) on disposal of property, plant and equipment	-	243
Reversal impairment losses on receivables - net	-	(5)
Interest expense	110	445
Interest income	(33)	(149)
Unrealised loss / (gain) on foreign exchange	770	(2,740)
Written back of trade and other payables	-	(102)
Inventories written down	-	613
	14,984	52,652
Changes in working capital		
Inventories	23,590	(12,836)
Receivables	(30,570)	2,198
Payables	1,027	(5,383)
	9,031	36,631
Cash generated from operations		
Interest paid	(110)	(445)
Interest received	33	149
Tax paid - net	(451)	(1,682)
	8,503	34,653
Net cash generated from operating activities		
Cash Flows Used In Investing Activities		
Acquisition of non-controlling interest	-	(2)
Purchase of right-of-use assets	-	(264)
Purchase of property, plant and equipment - net	(5,569)	(8,026)
	(5,569)	(8,290)
Net cash used in investing activities		

P.A. RESOURCES BERHAD

Unaudited Condensed Consolidated Statements of Cash Flows (“cont’d”)

	First Quarter Ended 30-Sep-23 RM'000	Preceding Year Audited 30-Jun-23 RM'000
Cash Flow From / (Used In) Financing Activities		
Net drawdown / (repayment) of borrowings	14,209	(16,174)
Net repayment of lease liabilities	(221)	(727)
Proceeds from exercise of warrants	-	23,799
Dividend paid	-	(6,905)
	13,988	(7)
Net cash generated from / (used in) financing activities	13,988	(7)
Net increase in cash and cash equivalents	16,922	26,356
Cash and cash equivalents at beginning of the financial period / year	30,655	4,519
Effect of exchange rate fluctuations on cash and cash equivalents	-	(220)
Cash and cash equivalent at end of the financial period / year	47,577	30,655

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PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The condensed financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS 134”): Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Securities”)’s Listing Requirements.

The condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2023 except for the adoption of the following which are applicable to the financial statements and are relevant to the operations. The initial application of the new and revised MFRSs, interpretations and amendments have no material impacts to these interim financial statements.

a. Adoption of Amendments / Improvements to MFRS

Malaysian Financial Reporting Standards	Effective for annual reporting periods beginning on or after
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 4 – Extension of the Temporary Exemption from Applying MFRS 9	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 112 – Income Tax)	1 January 2023
Deferred tax related to Assets and Liabilities arising from a Single Transactions (Amendments to MFRS 112 Income Taxes)	1 January 2023
Initial application of MFRS 17 and MFRS 19 – comparative information (Amendments to MFRS 17 Insurance Contracts)	1 January 2023

P.A. RESOURCES BERHAD

b. Standards Issued but Not Yet Effective

Malaysian Financial Reporting Standards	Effective for annual reporting periods beginning on or after
Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 Leases)	1 January 2024
Non-Current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2024
Clarification of Liabilities as Current or Non-Current (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2024
Financial Instruments: Disclosures of Financial Arrangement (Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments)	1 January 2024
Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates Lack of Exchangeability)	1 January 2025
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

3. QUALIFICATION OF FINANCIAL STATEMENTS

There was no qualification to the preceding audited financial statements for the financial year ended 30 June 2023.

4. SEASONAL OR CYCLICAL FACTORS

The operations of the Group were not significantly affected by seasonally and cyclical factors.

5. MATERIAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no material unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial quarter under review.

P.A. RESOURCES BERHAD

6. MATERIAL 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 was no issuance or repayment of debt and equity securities for the financial quarter under review.

8. DIVIDEND PAID

On 16 November 2023, the Company paid an interim dividend of 0.50 Sen per ordinary share totalling to RM7.5m in respect of financial year ended 30 June 2023.

9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT (“PPE”)

There were no changes to the valuation of PPE since the previous audited financial statements. The Group carried out revaluation on freehold land and buildings on 30 June 2021.

10. MATERIAL EVENTS SUBSEQUENT TO THE REPORTING PERIOD

There were no material events subsequent to the end of the reporting date that require disclosure or adjustments to the unaudited interim financial statements.

11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period under review.

12. MATERIAL CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material changes in contingent liabilities and contingent assets during the financial period under review.

P.A. RESOURCES BERHAD

13. MATERIAL CAPITAL COMMITMENTS

Except as disclosed below, there were no material capital commitments not provided for as at 30 September 2023.

	RM'000
Contracted but not provided for	4,502
Approved but not contracted for	-
	<u>4,502</u>

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P.A. RESOURCES BERHAD

14. 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 on the following segments as disclosed below: -

- a. Extrusion and fabrication : The aluminium extrusion and fabrication segments extrude 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, consumer durables and solar panel.
- b. Aluminium billets casting and tooling : 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 specialty formulated and customised according to customer's requirements. The tooling is a service to customer to melt non-confirming profiles, trimming and remnant into aluminium billets.
- c. Money lending : Provide funding needs of the customers who purchase solar power generation devices from solar segment of the Group, these customers are primarily individuals.
- d. Other segment : All other businesses other than above (a, b and c)



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First Quarter Financial Period Ended 30-09-2023	Extrusion and Fabrication RM'000	Aluminium Billets Casting and Tooling RM'000	Money Lending RM'000	Other Segments RM'000	Elimination RM'000	Total RM'000
Revenue						
Inter-segment sales	17,549	78,974	-	-	(96,523)	-
External sales	128,967	425	28	-	-	129,420
Total revenue	146,516	79,399	28	-	(96,523)	129,420
Results						
Profit from operations	9,072	3,126	(12)	(169)	-	12,017
Finance costs	(76)	(34)	-	-	-	(110)
Profit before tax	8,996	3,092	(12)	(169)	-	11,907
Taxation	(2,500)	(745)	-	-	-	(3,245)
Profit after taxation	6,496	2,347	(12)	(169)	-	8,662
Segmental						
Assets	259,237	53,667	2,435	10,618	-	325,957
Liabilities	(26,409)	(17,643)	(11)	(256)	-	(44,319)
Other Information						
Capital expenditure	5,464	105	-	-	-	5,569
Depreciation	1,594	266	-	-	-	1,860

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First Quarter Financial Period Ended 30-09-2022	Extrusion and Fabrication RM'000	Aluminium Billets Casting and Tooling RM'000	Money Lending RM'000	Other Segments RM'000	Elimination RM'000	Total RM'000
Revenue						
Inter-segment sales	20,576	67,538	-	-	(88,114)	-
External sales	137,814	468	49	-	-	138,331
Total revenue	158,390	68,006	49	-	(88,114)	138,331
Results						
Profit from operations	12,769	2,401	28	158	-	15,356
Finance costs	(152)	(54)	-	-	-	(206)
Profit before tax	12,617	2,347	28	158	-	15,150
Taxation	-	-	-	-	-	-
Profit after taxation	12,617	2,347	28	158	-	15,150
Segmental						
Assets	231,231	84,711	2,804	(32,881)	-	285,865
Liabilities	(64,939)	(7,918)	(100)	35,816	-	(37,141)
Other Information						
Capital expenditure	849	-	-	-	-	849
Depreciation	1,611	177	-	-	-	1,788

P.A. RESOURCES BERHAD 200401026104 (664612-X)

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P.A. RESOURCES BERHAD

PART B – NOTES PURSUANT TO THE LISTING REQUIREMENTS OF BURSA SECURITIES

15. PERFORMANCE REVIEW – FIRST QUARTER RESULTS COMPARISON

	Year To Date Revenue		Year To Date Operating Profit / (Loss)	
	30-09-23 RM'000	30-09-22 RM'000	30-09-23 RM'000	30-09-22 RM'000
Extrusion and fabrication	146,516	158,390	9,072	12,769
Aluminium billets and tolling	79,399	68,006	3,126	2,401
Money lending	28	49	(12)	28
Others	-	-	(169)	158
	225,943	226,445	12,017	15,356
<u>Interco transactions</u>				
Aluminium billets and tolling	(78,974)	(67,538)	-	-
Extrusion and fabrication and others	(17,549)	(20,576)	-	-
	129,420	138,331	12,017	15,356

Revenue and Operating Profit

a. Extrusion and Fabrication

This segment recorded a decrease in revenue of RM11.9m. The decrease was mainly due to lower external customers' order of RM12.7m and lower interco sales of RM3.0m but offset with better exchange rate for export sales of RM3.8m

The decrease in operating profit of RM3.7m mainly due to net effect of unrealised foreign exchange gain resulting a higher operating profit in preceding year corresponding quarter against current quarter by RM4.4 but offset with higher ESOS expense in preceding year corresponding quarter by RM0.4m.

b. Aluminium Billet and Tolling

This segment registered revenue growth of RM11.4m. After offsetting with interco transactions, the effect is negligible. The operating profit increase by RM0.7m mainly due to higher profit from interco. sales.

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c. Money Lending

Semi dormant status. Mainly collecting and recovery of existing loans.

d. Others

It comprised mainly administrative expenses incurred by the holding company.

16. PERFORMANCE REVIEW – PRECEDING QUARTER RESULTS COMPARISON

	Quarter Ended		Quarter Ended	
	Revenue		Operating Profit / (Loss)	
	30-09-23	30-06-23	30-09-23	30-06-23
	RM'000	RM'000	RM'000	RM'000
Extrusion and fabrication	146,516	123,766	9,072	11,970
Aluminium billets and tolling	79,399	94,666	3,126	2,478
Money lending	28	34	(12)	(248)
Others	-	-	(169)	(534)
	225,943	218,466	12,017	13,666
<u>Interco transactions</u>				
Aluminium billets and tolling	(78,974)	(94,053)	-	-
Extrusion and fabrication and others	(17,549)	(19,658)	-	-
	129,420	104,755	12,017	13,666

Revenue and Operating Profit

a. Extrusion and Fabrication

The revenue increased by RM22.7m mainly due to increase in external customers' orders of RM20.8m and better exchange rate for export sales of RM4.0m but offset with lower intero sales of RM2.1m.

Operating profit decreased by RM2.9m mainly due to net effect of unrealised gain resulting a higher operating profit in preceding year corresponding quarter against current quarter by RM4.4m but offset with higher ESOS expenses in preceding year corresponding quarter by RM0.4m and higher realised gain in current quarter by RM0.4m.

b. Aluminium Billets and Tolling

The revenue decreased RM15.3m however, after offsetting with interco sales, the effect is negligible. The operating profit increase by RM0.6m mainly due to higher profit margin from interco sales.

P.A. RESOURCES BERHAD

20. TAXATION

	First Quarter Ended RM'000	Year To Date RM'000
Taxation		
Income tax expense	3,130	3,130
Deferred tax	115	115
	<u>3,245</u>	<u>3,245</u>
Effective tax rate		
Income tax expense	26.3%	26.3%
Deferred tax	1.0%	1.0%
	<u>27.3%</u>	<u>27.3%</u>

The effective tax rate of 27.3% mainly due to unrealised loss of RM0.8m and ESOS expense of RM0.4m which is non tax deductible.

21. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but not completed at the date of issuance of this Interim Financial Statements.

22. GROUP BORROWINGS

The Group's borrowings denominated in functional currency are as follows: -

Current	RM'000
Revolving credit	1,250
Term loans	6,186
Banker acceptance	9,948
	<u>17,384</u>
Non-current – Term loans	<u>534</u>
Total borrowings	<u>17,918</u>

The bank borrowings are secured by the followings: - (a) registered legal charge on freehold land and buildings, fixed and floating charge on plant and machinery and corporate guarantee of the holding company.

P.A. RESOURCES BERHAD

23. DIVIDEND

On 16 November 2023, the Company paid an interim dividend of 0.50 Sen per ordinary share totalling to RM7.5 m in respect of financial year ended 30 June 2023.

No dividend was proposed or declared for the current quarter under review.

24. EARNINGS PER SHARE (“EPS”)

The basic EPS for the financial period has been calculated by dividing the net profit after tax and non-controlling interest attributable to shareholders by the weighted average number of ordinary shares in issue. The basic EPS and diluted EPS were calculated as follows: -

a. Basic EPS

	First Quarter Ended		Year To Date	
	30-09-23	30-09-22	30-09-23	30-09-22
Net profit attributable to Owners of the Company (RM'000)	8,662	15,150	8,662	15,150
Weighted average number of ordinary shares in issue ('000)	1,433,497	1,284,361	1,433,497	1,284,361
Basic EPS (Sen)	0.60	1.18	0.60	1.18

b. Diluted EPS

- Diluted EPS 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.
- During the current quarter under review, the Group has no dilution in its EPS as: -

i. **Batch 1 - ESOS granted on 18 May 2021 at an offer price of RM0.45 per ordinary share**

The exercise price of the ESOS of RM0.45 exceeded the market price of ordinary shares and therefore, this ESOS will not have any dilutive effect on the weighted average number of ordinary shares.

ii. **Batch 2 – ESOS granted on 25 August 2023 at an offer price of RM0.223 per ordinary share**

The closing date on acceptance of this Batch 2 ESOS is after the current quarter under review therefore the effect of dilution, if any, will only be reflected in the next quarter.

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- The effect of dilution in EPS in preceding financial year calculated as follows: -

	First Quarter Ended		Year To Date	
	30-09-23	30-09-22	30-09-23	30-09-22
Net profit attributable to Owners of the Company (RM'000)	8,662	15,150	8,662	15,150
Weighted average number of ordinary shares in issue ('000)	1,433,497	1,284,361	1,433,497	1,284,361
Effect of dilutive potential ordinary shares – warrants ('000)	*-	116,520	*-	116,520
	<u>1,433,497</u>	<u>1,400,881</u>	<u>1,433,497</u>	<u>1,400,881</u>
Dilutive EPS (Sen)	<u>0.60</u>	<u>1.08</u>	<u>0.60</u>	<u>1.08</u>

* : The warrants expired on 16 December 22.

25. NET ASSETS PER SHARE

The net assets per share have been derived by dividing the Group's net asset by the number of shares in issue and is calculated as follows: -

	30-09-23	30-09-22
Net assets attributable to Owners of the Company (RM'000)	281,638	248,720
Total number of ordinary shares in issue ('000)	1,433,497	1,384,345
Net assets per share (Sen)	<u>19.65</u>	<u>17.97</u>

P.A. RESOURCES BERHAD

26. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging / (crediting): -

	First Quarter Ended		Year To Date	
	30-09-23 RM'000	30-09-22 RM'000	30-09-23 RM'000	30-09-22 RM'000
Depreciation of PPE	1,677	1,666	1,677	1,666
Depreciation of right-of-use of assets	183	121	183	121
Foreign exchange losses / (gain) realised – net	(1,556)	(1,374)	(1,556)	(1,374)
unrealised – net	770	(3,630)	770	(3,630)
Interest expense				
Term loans	54	60	54	60
Lease liabilities	21	13	21	13
Bank overdraft	4	13	4	13
Trade line facilities and revolving Credit	31	120	31	120
Loss / (gain) on disposal of PPE	-	(25)	-	(25)
ESOS expense	370	739	370	739
Reversal for doubtful debts	-	(6)	-	(6)
Interest income	(33)	(12)	(33)	(12)

27. AUTHORISATION FOR ISSUE

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 November 2023.