



PT RESOURCES HOLDINGS BERHAD

(Registration No.: 201901032139 (1341469-P))
(Incorporated in Malaysia under the Companies Act 2016)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2022



UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

	Note	Individual Quarter		Cumulative Quarter	
		Unaudited 31.07.2022 RM'000	Unaudited 31.07.2021 RM'000	Unaudited 31.07.2022 RM'000	Unaudited 31.07.2021 RM'000
Revenue	A9	115,277	74,063	115,277	74,063
Cost of sales		(102,096)	(65,080)	(102,096)	(65,080)
Gross profit		13,181	8,983	13,181	8,983
Other income		740	11	740	11
Administrative expenses		(5,613)	(3,743)	(5,613)	(3,743)
Impairment gain of financial assets, net		-	62	-	62
Profit from operations		8,308	5,313	8,308	5,313
Finance income		47	55	47	55
Finance costs		(632)	(648)	(632)	(648)
Profit before tax		7,723	4,720	7,723	4,720
Tax expense	B4	(202)	(42)	(202)	(42)
Profit/Total comprehensive income for the financial period	B11	7,521	4,678	7,521	4,678
Profit/Total comprehensive income for the financial period after taxation attributable to:					
Owners of the Company		7,521	4,678	7,521	4,678
		7,521	4,678	7,521	4,678
Earnings per share					
Basic/Diluted (sen) ⁽²⁾⁽³⁾	B10	1.88	1.17	1.88	1.17

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 30 August 2022 ("**Prospectus**") and the accompanying explanatory notes attached to this unaudited interim financial report.
- (2) Computed based on the profit attributable to the owners of the Company divided by the weighted average number of ordinary shares of 400,020,000 for the financial period ended 31 July 2021 and 31 July 2022.
- (3) The diluted earnings per share ("**EPS**") for the current and cumulative quarter are equivalent to the basic EPS as the Company does not have any dilutive instruments for the financial period ended 31 July 2021 and 31 July 2022.



UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	Unaudited As at 31.07.2022 RM'000	Audited As at 30.04.2022 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	20,317	20,482
Right-of-use assets	6,329	6,522
Fixed deposits with licensed banks	10,215	9,859
	36,861	36,863
Current Assets		
Inventories	16,442	11,623
Trade receivables	43,415	43,146
Other receivables	1,205	1,167
Tax recoverable	366	331
Fixed deposits with licensed banks	1	1
Cash and bank balances	50,873	45,526
	112,302	101,794
TOTAL ASSETS	149,163	138,657
EQUITY AND LIABILITIES		
Equity		
Share capital	20,001	20,001
Merger deficit	(13,400)	(13,400)
Retained earnings	74,251	66,730
Total equity	80,852	73,331
Non-current Liabilities		
Borrowings	10,572	10,965
Lease liabilities	3,167	3,294
Provision for restoration costs	1,688	1,336
Deferred tax liabilities	272	272
	15,699	15,867
Current Liabilities		
Trade payables	4,509	3,687
Other payables	9,476	9,276
Borrowings	38,093	35,925
Lease liabilities	445	562
Tax payable	89	9
	52,612	49,459
Total liabilities	68,311	65,326
TOTAL EQUITY AND LIABILITIES	149,163	138,657
Number of issued shares ('000)	400,020	400,020
Net assets per share attributable to owners of the company (RM) ⁽²⁾	0.20	0.18



UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2022
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D) ⁽¹⁾

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this unaudited interim financial report.
- (2) Computed based on total equity divided by the number of ordinary shares of 400,020,000 as at 30 April 2022 and 31 July 2022.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

	Attributable to owners of the Company			
	Non-Distributable		Distributable	
	Share capital RM'000	Merger deficit RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 May 2021	20,001	(13,400)	45,618	52,219
Total comprehensive income for the financial period	-	-	4,678	4,678
Balance as at 31 July 2021	<u>20,001</u>	<u>(13,400)</u>	<u>50,296</u>	<u>56,897</u>
Balance as at 1 May 2022	20,001	(13,400)	66,730	73,331
Total comprehensive income for the financial period	-	-	7,521	7,521
Balance as at 31 July 2022	<u>20,001</u>	<u>(13,400)</u>	<u>74,251</u>	<u>80,852</u>

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this unaudited interim financial report.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	Cumulative Quarter	
	Unaudited 31.07.2022 RM'000	Unaudited 31.07.2021 RM'000
Cash flows from operating activities		
Profit before tax	7,723	4,720
Adjustments for:		
Depreciation of property, plant and equipment	476	466
Depreciation of right-of-use assets	193	184
Gain on disposal of property, plant and equipment	(96)	-
Impairment gain of financial assets, net	-	(62)
Interest expenses	632	648
Interest income	(47)	(55)
Unrealised loss on foreign exchange	29	-
Operating profit before changes in working capital	8,910	5,901
Changes in working capital:		
Inventories	(4,819)	4,299
Receivables	51	(12,874)
Payables	1,022	9,322
Bankers' acceptance	595	(1,054)
Invoice financing	3	(25)
Revolving financing	743	267
Cash generated from operations	6,505	5,836
Interest paid	(370)	(368)
Tax paid	(157)	(98)
Net cash from operating activities	5,978	5,370
Cash flows from investing activities		
Purchase of property, plant and equipment	(16)	(13)
Purchase of right-of-use assets	-	(161)
Proceeds from disposal of property, plant and equipment	96	-
Net cash from/(used in) investing activities	80	(174)
Cash flows from financing activities		
Interest paid	(206)	(260)
Interest received	47	55
Repayment of term loans	(392)	(531)
Repayment of lease liabilities	(244)	(178)
Placement of fixed deposits pledged	(356)	(342)
Net cash used in financing activities	(1,151)	(1,256)
Net increase in cash and cash equivalents	4,907	3,940
Cash and cash equivalents at the beginning of the financial period	43,687	26,366
Effect of foreign exchange difference	(386)	-
Cash and cash equivalents at the end of the financial period	48,208	30,306



UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 JULY 2022
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D) ⁽¹⁾

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Accountant's Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this unaudited interim financial report.

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A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

A1. Basis of Preparation

This unaudited interim financial report of PT Resources Holdings Berhad (“**Company**”) and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRSs**”) 134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

This unaudited interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus and the accompanying notes attached to this unaudited interim financial report.

A2. Significant Accounting Policies

The accounting policies adopted for this unaudited interim financial report are consistent with those adopted for the Accountant’s Report as disclosed in the Prospectus except for the adoption of amendments/improvements to MFRSs that are mandatory for the Group for the financial period beginning 1 May 2022:

Amendments to MFRS 3	Business combinations: Reference to the conceptual framework
Amendments to MFRS 116	Property, plant and equipment: Proceeds before intended use
Amendments to MFRS 137	Provision, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract
Annual improvements to MFRS standard 2018 – 2020 (MFRS 1*, 9 and 141*)	

The adoption of these amendments/improvements to MFRSs did not have any material impact on this unaudited interim financial report of the Group.

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the current financial period:

MFRSs and Amendments to MFRSs effective for the financial period beginning on or after 1 January 2023:-

MFRS 17*	Insurance contracts
Amendments to MFRS 17*	Insurance contracts
Amendments to MFRS 4*	Insurance contracts: Extension of the temporary exemption from applying MFRS 9
Amendments to MFRS 17*	Insurance contracts: Initial application of MFRS 17 and MFRS 9 – Comparative information
Amendments to MFRS 101	Presentation of financial statements: Classification of liabilities as current or non-current
Amendments to MFRS 101	Presentation of financial statements: Disclosure of accounting policies
Amendments to MFRS 108	Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates
Amendments to MFRS 112	Income taxes: Deferred tax related to assets and liabilities arising from a single transaction



A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONT'D)

A2. Significant Accounting Policies (Cont'd)

Amendments to MFRSs – Effective date deferred indefinitely:-

Amendments to MFRS 10 and MFRS 128*	Consolidated financial statements and investments in associate and joint ventures – Sale or contribution of assets between an investor and its associate or joint venture
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* Not applicable to the Group

The initial application of the above accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group upon its first adoption.

A3. Auditors' Report on Preceding Annual Financial Statements

There was no qualification on the audited financial statements of the Group for the financial year ended 30 April 2022.

A4. Seasonal or Cyclical Factors

The Group's performance is subject to seasonal demand whereby demand is higher prior to the commencement and during festive seasons such as Chinese New Year, Hari Raya, Deepavali and Christmas.

A5. Items or Incidence of an Unusual Nature

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

A6. Material Changes in Estimates

There were no material changes in estimates for the current quarter and financial year-to-date.

A7. Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, share held as treasury shares and resale of treasury shares during the current quarter and financial year-to-date.

A8. Dividend Paid

There was no dividend paid for the current quarter and financial year-to-date.


A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONT'D)
A9. Segmental Reporting

The Group is principally involved in the processing and trading of frozen seafood products, and retail trading of other products. The Group's segmental revenue by business segments for the financial period ended 31 July 2022 is as follows:

	Processing and trading of frozen seafood products	Trading of other product	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000
Unaudited				
Revenue:				
Revenue from external customers	105,893	9,384	-	115,277
Inter-segment revenue	13,228	2,556	(15,784)	-
	<u>119,121</u>	<u>11,940</u>	<u>(15,784)</u>	<u>115,277</u>
Segment profit:				
Profit from operations				8,308
Finance income				47
Finance costs				(632)
Profit before tax				7,723
Tax expense				(202)
Profit for the financial period				7,521
Result:				
<i>Included in the measure of segment profit are:</i>				
Depreciation of property, plant and equipment				(476)
Depreciation of right-of-use assets				(193)
Unrealised loss on foreign exchange				(29)


A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONT'D)
A9. Segmental Reporting (Cont'd)

The Group's segmental revenue by business segments for the financial period ended 31 July 2021 is as follows:

	Processing and trading of frozen seafood products RM'000	Trading of other product RM'000	Adjustment and eliminations RM'000	Total RM'000
Unaudited				
Revenue:				
Revenue from external customers	69,450	4,613	-	74,063
Inter-segment revenue	5,448	1,888	(7,336)	-
	74,898	6,501	(7,336)	74,063
Segment profit:				
Profit from operations				5,313
Finance income				55
Finance costs				(648)
Profit before tax				4,720
Tax expense				(42)
Profit for the financial period				4,678
Result:				
<i>Included in the measure of segment profit are:</i>				
Depreciation of property, plant and equipment				(466)
Depreciation of right-of-use assets				(184)



A. NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (CONT'D)

A10. Material Events Subsequent to the End of the Current Quarter

Save as disclosed in Note B5 "Status of Corporate Proposals", there are no other material events subsequent to the end of the current quarter.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year-to-date.

A12. Contingent Assets and Contingent Liabilities

There were no material changes in contingent assets and contingent liabilities arising since the last audited consolidated financial statement for the financial year ended 30 April 2022.

A13. Capital Commitments

There were no material changes in capital commitments arising since the last audited consolidated financial statement for the financial year ended 30 April 2022.

A14. Related Party Transactions

There were no related party transactions during the current quarter and financial year-to-date.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Performance Review

Comparison with the Corresponding Quarter (1QFY2023 vs 1QFY2022)

The Group's revenue increased by RM41.2 million or 55.6% to RM115.3 million in the 1QFY2023 as compared to 1QFY2022, which was mainly due to the increase in domestic demand with the positive outlook upon transition to the COVID-19 endemic phase by the Malaysian Government effective 1 April 2022. The domestic demand rose by RM52.4 million in the 1QFY2023 as compared to 1QFY2022.

The increase in the Group's revenue translated to an increase in gross profit ("GP") by RM4.2 million or 46.7% to RM13.2 million in the 1QFY2023 as compared to the 1QFY2022. Nevertheless, the Group recorded a GP margin ("GPM") of 11.4% in the 1QFY2023, which was 0.7 percentage point lower as compared to 1QFY2022. This was mainly due to the competitive pricing of the Group's frozen seafood products accorded to local wholesalers in order to secure more orders from these wholesalers, which translated to higher domestic demand in the 1QFY2023 as mentioned above.

The Group's administrative expenses increased by RM1.9 million or 52.5% to RM5.6 million in the 1QFY2023 as compared to 1QFY2022 which was mainly due to an increase in carriage outwards and COVID-19 related expenses incurred for safety and cleanliness measures prior to the shipment of products to the Group's customers.

The increase in the Group's revenue contributed to an increase in the Group's overall profitability which was reflected in the Group's profit before tax ("PBT") of RM7.7 million as compared to RM4.7 million in the 1QFY2022. The Group's PBT rose by 0.3 percentage point to 6.7% in the 1QFY2023 as compared to 1QFY2022.

Comparison with the Immediate Preceding Quarter (1QFY2023 vs 4QFY2022)

The Group's revenue increased by RM41.5 million or 56.3% to RM115.3 million in the 1QFY2023 as compared to 4QFY2022. The increase was mainly due to the increase in domestic demand by RM37.4 million in the 1QFY2023 as compared to 4QFY2022 following the COVID-19 endemic phase by the Malaysian Government effective 1 April 2022.

The Group's GP increased by RM5.8 million or 79.0% to RM13.2 million and recorded an improved GPM by 1.4 percentage point to 11.4% as compared to 4QFY2022. This was mainly due to the decrease in carriage inwards as the Group procured higher raw materials from local suppliers in the 1QFY2023.

The Group's administrative expenses decreased by RM0.4 million or 7.3% to RM5.6 million in the 1QFY2023 as compared to 4QFY2022 mainly due to absence of staff incentive which was provided in 4QFY2022 based on staff's performance.

The Group's PBT increased by RM4.2 million or 120.2% to RM7.7 million and recorded improved PBT margin by 0.2 percentage point to 6.7% as compared to 4QFY2022. This was mainly attributable to the increase in revenue contributing to higher GP and lower administrative expenses as mentioned above.



B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B2. Group's Prospects

In view of the COVID-19 transition to the endemic phase effective 1 April 2022, social and business activities can be seen gaining traction throughout 2022, leading to a rebound in economic activities in Malaysia, which can be seen in the Group's revenue growth from quarter to quarter. Despite growing concerns on a global cost push inflationary pressures as a result of the COVID-19 pandemic that has affected the Group's direct and indirect operating cost, the Group will be taking a two-pronged strategy in reducing cost and increasing selling prices marginally to cushion the impact of increasing operating costs and improve profitability.

Notwithstanding the cost pressures, the Group is optimistic on the long-term growth for the demand of its products both domestically and internationally. The Group remains committed to growing its products demand domestically by strengthening access to channel partners and establishing more "MO Foodmart™" outlets prioritising the East Coast region of Peninsular of Malaysia. On the international markets, the Group will look to further increase supply to China and the Middle East in view of easing of global COVID-19 export-import requirements.

B3. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current quarter and financial year-to-date.

B4. Tax Expense

	Individual Quarter		Cumulative Quarter	
	Unaudited 31.07.2022 RM'000	Unaudited 31.07.2021 RM'000	Unaudited 31.07.2022 RM'000	Unaudited 31.07.2021 RM'000
Income tax	202	42	202	42
Effective tax rate (%)	2.6	0.9	2.6	0.9
Statutory tax rate (%)	24.0	24.0	24.0	24.0

The Group's effective tax rates were lower than the statutory tax rate of 24%, which was mainly attributable to the income tax exemption granted by the Malaysian Investment Development Authority to one of the Group's subsidiaries, MHC Coldstorage Sdn Bhd ("MHC"), for a period of 10 years commencing from the year of assessment 2018. This has allowed MHC to enjoy 100% income tax exemption for income earned from processing of frozen seafood products during the said period, which is conditional upon MHC operating in the KIFPP Processing Facility.

The higher effective tax rate recorded in the 1QFY2023 as compared to the 1QFY2022 was mainly due to higher PBT generated by the Group's taxable operating subsidiaries.



B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B5. Status of Corporate Proposals

Subsequent to the current quarter, the Company issued 135,000,000 new ordinary shares at an issue price of RM0.36 (“IPO”) in conjunction with its listing on the ACE Market of Bursa Securities. The entire enlarged issued share capital of the Company of RM68.6 million comprising 535,020,000 ordinary shares were listed on the ACE Market of Bursa Securities on 27 September 2022.

There are no corporate proposals announced by the Company but not completed as at the date of this unaudited interim financial report.

B6. Use of Proceeds Raised from Corporate Proposals

The gross proceeds of approximately RM48.6 million from the IPO is intended to be utilised in the following manner:

Detail of utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended timeframe for utilisation from the date of listing
Capital expenditure for new cold storage warehouse	17,635	-	Within 36 months
Working capital	27,175	-	Within 12 months
Estimated listing expenses	3,790	-	Within 3 months
Total	48,600	-	

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B7. Borrowings

The details of the Group's borrowings are as follows:

	Unaudited 31.07.2022 RM'000	Audited 30.04.2022 RM'000
Non-current		
<i>Secured</i>		
Term loans	10,572	10,965
	10,572	10,965
Current		
<i>Secured</i>		
Bank overdrafts	2,666	1,840
Term loans	2,471	2,470
Bankers' acceptance	27,276	26,378
Invoice financing	514	511
Revolving financing	5,166	4,423
<i>Unsecured</i>		
Bankers' acceptance	-	303
	38,093	35,925
Total	48,665	46,890

All the borrowings are denominated in Ringgit Malaysia.

B8. Material Litigation

As at the date of this report, the Group is not engaged in any material litigation.

B9. Dividend

No dividend was declared or recommended for payment by the Board of Directors of the Company during the current quarter and financial year-to-date.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B10. Basic and Diluted EPS

The basic and diluted EPS for the current quarter and financial year-to-date are computed as follows:

	Individual Quarter		Cumulative Quarter	
	Unaudited 31.07.2022	Unaudited 31.07.2021	Unaudited 31.07.2022	Unaudited 31.07.2021
Profit attributable to owners of the Company (RM'000)	7,521	4,678	7,521	4,678
Weighted average number of shares ('000)	400,020	400,020	400,020	400,020
Basic/Diluted EPS (sen) ⁽¹⁾	1.88	1.17	1.88	1.17

Note:

- (1) The diluted EPS for the current and cumulative quarter are equivalent to the basic EPS as the Company does not have any dilutive instruments for the financial period ended 31 July 2021 and 31 July 2022.

B11. Notes to the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Individual Quarter		Cumulative Quarter	
	Unaudited 31.07.2022 RM'000	Unaudited 31.07.2021 RM'000	Unaudited 31.07.2022 RM'000	Unaudited 31.07.2021 RM'000
Interest income	47	55	47	55
Interest expenses	(632)	(648)	(632)	(648)
Depreciation of property, plant and equipment	(476)	(466)	(476)	(466)
Depreciation of right-of-use assets	(193)	(184)	(193)	(184)
Gain on disposal of property, plant and equipment	96	-	96	-
Impairment gain of financial assets, net	-	62	-	62
Realised gain on foreign exchange	629	-	629	-
Unrealised loss on foreign exchange	(29)	-	(29)	-