

**PK RESOURCES BERHAD (Company No. 17654-P)***(Incorporated in Malaysia)*
**CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2006**

	<u>2006</u> Current Quarter Ended 31 December (RM '000)	<u>2005</u> Comparative Quarter Ended 31 December (RM '000)	<u>2006</u> 12 months Cumulative to date (RM '000)	(Audited) <u>2005</u> 12 months Cumulative to date (RM '000)
<b><u>Continuing Operations</u></b>				
Revenue	49,084	31,624	162,190	162,321
Cost Of Sales	(20,604)	(8,647)	(72,061)	(67,296)
Gross Profit	28,480	22,977	90,129	95,025
Other Income	1,013	1,773	3,770	5,272
Administrative Expenses	(16,232)	(16,113)	(60,432)	(73,754)
Selling and Marketing Expenses	(212)	(1,112)	(3,515)	(4,409)
Other Expenses	(3,458)	(2,538)	(14,315)	(9,918)
Finance costs	(1,969)	(2,345)	(8,245)	(10,386)
Share of loss of Associate	(106)	(3)	(116)	(10)
Profit before tax	7,516	2,639	7,276	1,820
Taxation	(3,262)	5,641	(6,345)	4,125
Profit for the period/year from continuing operations	4,254	8,280	931	5,945
<b><u>Discontinued Operation</u></b>				
Profit for the period/year from a discontinued operation	-	-	-	1,884
<b>Profit for the period/year</b>	4,254	8,280	931	7,829
Attributable to:				
Equity holders of PK Resources Bhd	3,835	6,076	12	2,393
Minority interest	419	2,204	919	5,436
	4,254	8,280	931	7,829
EPS - Basic (sen)	3.36	5.33	0.01	2.10
- Diluted (sen)	N/A	N/A	N/A	N/A

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31<sup>st</sup> December 2005 and the accompanying explanatory notes attached to the interim financial statements)

**PK RESOURCES BERHAD (Company No. 17654-P)***(Incorporated in Malaysia)***CONDENSED CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2006**

	As at 31 Dec 2006  (RM '000)	As at 31 Dec 2005 (restated) (RM '000)
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, Plant and Equipment	164,916	229,021
Land Held For Development	118,372	125,309
Investments In Associate	945	1,061
Investment Properties	1,811	1,851
Land Use Rights	5,565	5,849
Goodwill	888	888
Other Investments	-	2,518
Deferred Tax Assets	3,078	7,718
	295,575	374,215
Non Current Assets Held For Sale	57,519	-
<b>Current Assets</b>		
Property Development Expenditure	262,919	278,316
Inventories	77,316	80,764
Trade and Other Debtors	94,333	84,824
Tax Recoverable	7,247	9,574
Cash and Bank Balances	15,519	9,909
	457,334	463,387
<b>TOTAL ASSETS</b>	810,428	837,602
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	114,036	114,036
Reserves	312,625	314,967
	426,661	429,003
<b>Minority Interest</b>	132,186	130,786
<b>Total Equity</b>	558,847	559,789
<b>Non Current Liabilities</b>		
Long Term Borrowings	66,265	53,780
Deferred Tax Liabilities	38,396	37,811
	104,661	91,591
<b>Current Liabilities</b>		
Trade and Other Creditors	99,519	108,851
Bank Overdraft	7,018	6,192
Short Term Borrowings	40,088	70,819
Provision For Taxation	295	360
	146,920	186,222
<b>Total Liabilities</b>	251,581	277,813
<b>TOTAL EQUITY AND LIABILITIES</b>	810,428	837,602
<b>Net Assets Per Share (RM)</b>	3.74	3.76

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31<sup>st</sup> December 2005 and the accompanying explanatory notes attached to the interim financial statements)

**PK RESOURCES BERHAD (Company No. 17654-P)***(Incorporated in Malaysia)***CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006**

	<b><u>2006</u></b> <b>12 months</b> <b>ended</b> <b>31 December</b> <b>(RM '000)</b>	<b>(Audited)</b> <b><u>2005</u></b> <b>12 months</b> <b>ended</b> <b>31 December</b> <b>(RM '000)</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	7,276	4,428
<b>Adjustments for non-cash flow items :</b>		
Depreciation of property, plant and equipment	9,337	10,780
Loss retained in associate	116	10
Loss on disposal of subsidiaries	-	7,503
(Writeback)/impairment of investment	(171)	914
Other non-cash items	9,516	12,863
Operating profit before changes in working capital	26,074	36,498
<b>Changes in working capital</b>		
Net changes in property development expenditure	22,333	(17,304)
Net changes in current assets	(7,775)	(80,867)
Net changes in current liabilities	(16,434)	46,334
Net cash flows generated from/(used in) operating activities	24,198	(15,339)
<b>INVESTING ACTIVITIES</b>		
Property, plant & equipment	(2,559)	(3,776)
Proceeds from disposal of subsidiaries	-	22,558
Other investing activities	4,135	(5,772)
Net cash flows generated from investing activities	1,576	13,010
<b>FINANCING ACTIVITIES</b>		
Bank borrowings	(18,517)	(21,379)
Other financing activities	(2,473)	24,656
Net cash flows (used in)/generated from financing activities	(20,990)	3,277
Net increase in cash and cash equivalents	4,784	948
Cash and cash equivalents at beginning of year	3,717	2,769
Cash and cash equivalents at end of period	8,501	3,717
<b>Cash and cash equivalents comprise the following:</b>		
Cash and Bank Balances	15,519	9,909
Bank Overdraft	(7,018)	(6,192)
	8,501	3,717

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31<sup>st</sup> December 2005 and the accompanying explanatory notes attached to the interim financial statements)

**PK RESOURCES BERHAD (Company No. 17654-P)**

(Incorporated in Malaysia)



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006**

	← Attributable to Equity Holders of the Parent →				Total (RM '000)	Minority Interest (RM '000)	Total Equity (RM '000)
	← Non-Distributable →		Distributable				
	Share Capital (RM '000)	Reserve attributable to Capital (RM '000)	Reserve attributable to Revenue (RM '000)	Retained Profits (RM '000)			
<b>12 months ended 31 December 2006</b>							
At 1 January 2006	114,036	133,291	332	181,344	429,003	130,786	559,789
Movements during the period							
- Premium on shares issued to non-participating minority interest	-	109	-	-	109	36	145
- Profit for the period	-	-	-	12	12	919	931
- Dividend paid for the year ended 31 December 2005	-	-	-	(2,463)	(2,463)	-	(2,463)
- Dividend paid to minority shareholders in a subsidiary for the year ended 31 December 2005	-	-	-	-	-	(155)	(155)
- Disposal of investment in a subsidiary to minority interest	-	-	-	-	-	600	600
At 31 December 2006	114,036	133,400	332	178,893	426,661	132,186	558,847
<b>(restated) 12 months ended 31 December 2005</b>							
At 1 January 2005	114,036	134,904	357	180,292	429,589	125,552	555,141
Movements during the period							
- Premium on shares issued to non-participating minority interest	-	15	-	-	15	5	20
- Profit for the period	-	-	-	2,393	2,393	5,436	7,829
- Disposal of subsidiaries	-	-	-	(506)	(506)	-	(506)
- Currency translation differences	-	-	(25)	-	(25)	-	(25)
- Dividend paid for the year ended 31 December 2004	-	-	-	(2,463)	(2,463)	-	(2,463)
- Dividend paid to minority shareholders in a subsidiary for the year ended 31 December 2004	-	-	-	-	-	(207)	(207)
- Transfer	-	(1,628)	-	1,628	-	-	-
At 31 December 2005	114,036	133,291	332	181,344	429,003	130,786	559,789

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31<sup>st</sup> December 2005 and the accompanying explanatory notes attached to the interim financial statements)



**1. BASIS OF PREPARATION**

The interim financial statements are unaudited and have been prepared in accordance with FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2005. These explanatory notes attached to the interim financial statements provide explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2005.

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2005 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

In addition to the above, the Group has also taken the option of early adoption of the following new FRS for the financial period beginning 1 January 2006:

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of FRS 2, 5, 102, 108, 110, 116, 121, 124, 127, 128, 131, 132 and 133 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below:

**a) FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets**

The new FRS 3 has resulted in consequential amendments to two other accounting standards, FRS 136 and FRS 138.



**1. BASIS OF PREPARATION (CONTD.)**

Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognised in profit and loss and subsequent reversal is not allowed. Prior to 1 January 2006, goodwill was amortised on a straight-line basis over its estimated useful life of 25 years. The carrying amount of goodwill as at 1 January 2006 ceased to be amortised.

**b) FRS 5: Non-current Assets Held for Sale**

Prior to 1 January 2006, non-current assets held for sale were neither classified nor presented as current assets or liabilities. There were no differences in the measurement of non-current assets held for sale. Upon the adoption of FRS 5, non-current assets held for sale are classified as current assets and are stated at the lower of carrying amount and fair value less costs to sell

**c) FRS 101 - Presentation of Financial Statements**

The adoption of the revised FRS 101 has affected the presentation of minority interest and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are now presented as an allocation of the total profit or loss for the period/year. A similar requirement is also applicable to the statement of changes in equity.

The current period/year's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period/year's presentation.

**d) FRS 117 - Leases**

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term. Prior to 1 January 2006, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation. A portion of the leasehold land was stated at valuation less accumulated depreciation.

Upon adoption of the revised FRS 117 at 1 January 2006, the unamortised revalued amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and as disclosed in Note 2, certain comparative amounts as at 31 December 2005 have been restated.

These prepaid lease payments are classified as "Land Use Rights" in the Balance Sheet.

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## **NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2006**

### **1. BASIS OF PREPARATION (CONTD.)**

#### **e) FRS 140 - Investment Property**

The adoption of this new FRS has resulted in a change in accounting policy for investment properties.

Investment properties are land or buildings held to earn rentals or for capital appreciation or both and not for:

- i) Use in the production or supply of goods and services or for administrative purposes;
- ii) Sale in the ordinary course of business.

Investment properties are measured at depreciated cost less any accumulated impairment losses under the Cost Model.

In accordance with the transitional provisions of FRS 140, this change in accounting policy is applied retrospectively and the comparatives as at 31 December 2005 are restated, as disclosed in Note 2.

### **2. COMPARATIVES**

The following comparative amounts have been restated due to the adoption of new and revised FRSs:

	<b>Previously stated RM '000</b>	<b>FRS 140 Note 1(e) RM '000</b>	<b>FRS 117 Note 1(d) RM '000</b>	<b>Restated RM '000</b>
<b>At 31 December 2005</b>				
Property, plant and equipment	236,575	(1,705)	(5,849)	229,021
Investment properties	-	1,851	-	1,851
Land use rights	-	-	5,849	5,849
Property development expenditure	278,462	(146)	-	278,316

### **3. AUDIT QUALIFICATION OF PRECEDING AUDITED FINANCIAL STATEMENTS**

There were no audit qualifications in the Group's preceding audited financial statements.

### **4. SEASONAL OR CYCLICAL FACTORS**

The Group's operations are not materially affected by any seasonal or cyclical events.

### **5. UNUSUAL ITEMS**

There were no unusual items that affect assets, liabilities, equity, net income or cashflows for the current interim quarter and financial year to date.

# PK RESOURCES BERHAD (Company No. 17654-P)

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## NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2006

### 6. CHANGES IN ESTIMATES

There were no material changes in the estimates of amounts reported in prior interim periods that have material effect in the current interim period.

### 7. CHANGES IN SHARE CAPITAL

There has been no issuance or repayment of debts and equity securities, shares buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the current interim quarter and year ended 31 December 2006.

### 8. SEGMENTAL INFORMATION

The segment revenue and results for the Company and its subsidiaries are set out below:

	Segment Revenue		Segment Result	
	12 months ended 31 December			
	2006	2005	2006	2005
	RM '000	RM '000	RM '000	RM '000
<b><u>Continuing Operations</u></b>				
Property development	84,795	91,864	11,315	20,513
Hotelling	29,033	25,607	(373)	(2,472)
Education	33,723	29,636	4,661	5,060
Unallocated reconciling items	14,639	15,214	(3,736)	(16,157)
	162,190	162,321	11,867	6,944
<b><u>Discontinued Operation*</u></b>				
Fertilizers & agrochemical products	-	148,881	-	4,307
	162,190	311,202	11,867	11,251

\* The Group disposed off the fertilizer and agrochemical business on 21 June 2005.

### 9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2005.

### 10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

In the opinion of the Board of Directors, there were no material events or transactions which have arisen during the period from the end of the interim quarter to the date of this announcement that would materially affect the results or operations of the Group.



**PK RESOURCES BERHAD (Company No. 17654-P)**

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**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2006**

**11. CHANGES IN THE COMPOSITION OF THE GROUP**

Saved as disclosed below, there were no changes to the composition of the Group during the interim period including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinuing operations.

On 30 November 2006, Advance Point (M) Sdn Bhd, a 70% owned subsidiary, acquired 100% of the paid-up capital of Emerald Spirit Sdn Bhd comprising of 2 ordinary shares of RM1.00 each for a total cash consideration of RM2.00.

**12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2005.

**13. CAPITAL COMMITMENTS**

The amount of capital commitments not provided for as at 31 December 2006 is:

	<b>As At 31.12.2006 RM'000</b>
Approved and contracted for	-
Approved and not contracted for	161
	<u>161</u>

**14. RELATED PARTY TRANSACTIONS**

The significant related party transactions for the financial year to date are as follows:

	<b>As At 31.12.2006 RM'000</b>	<b>Audited As At 31.12.2005 RM'000</b>
Rental paid to a company in which certain directors have financial interests		
- G.O. Construction Sdn Bhd	135	135
Sales of fertilizers to a substantial shareholder of PK Resources Bhd		
- FELDA	-	16,943
Sale of subsidiaries to a company in which a director have financial interest		
- Pristine Acres Sdn Bhd	-	31,300
	<u>-</u>	<u>31,300</u>

# **PK RESOURCES BERHAD (Company No. 17654-P)**

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## **NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2006**

### **15. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES FOR THE CURRENT QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2006.**

For the current quarter, the Group achieved a turnover of RM49.08 million as compared with the preceding year's corresponding quarter of RM31.62 million.

The property segment contributed RM32.1 million of the total revenue for the quarter of which RM26.3 million was in respect of the land sale to Pesuruhjaya Tanah Persekutuan on behalf of KUIM (Kolej Universiti Islam Malaysia).

As disclosed in Note 8, the Group's current year segment result of RM11.87 was higher compared to the segment result for the previous year ended 2005. However, profit for the year was lower by RM6.90 million compared to the previous year ended 2005. This was mainly attributable to higher tax provisions for its property segment which arose from deferred tax recognised in the year due to the reversal of its temporary differences.

### **16. MATERIAL CHANGES IN THE PROFIT BEFORE TAXATION FOR THE QUARTER COMPARED TO THE IMMEDIATE PRECEDING QUARTER**

The Group posted a pre-tax profit of RM7.52 million for the current quarter compared with a pre-tax loss of RM0.79 million for the immediate preceding quarter, mainly due to the land sale as mentioned in Note 15 above.

### **17. PROSPECTS FOR FINANCIAL YEAR 2007**

As the Group's results is largely dependent on its property development activity, the Board of Directors expects financial year 2007 to continue to be challenging as the property market is expected to remain soft. Barring any unforeseen circumstances, the Board of Directors is still optimistic that the Group's performance for the financial year 2007 will remain satisfactory.

### **18. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT**

The Group did not issue any profit forecast or profit guarantee in a public document during the financial year ended 31 December 2006.

### **19. TAXATION**

Taxation is made up as follows:-

	3 months		12 months	
	Ended 31.12.2006 RM'000	Ended 31.12.2005 RM'000	Ended 31.12.2006 RM'000	Ended 31.12.2005 RM'000
Current tax expense	(943)	(1,208)	801	48
Deferred tax expense	3,546	(4,420)	4,604	(3,872)
Under/(over) provision for prior year	659	(13)	940	(301)
Total	3,262	(5,641)	6,345	(4,125)

**PK RESOURCES BERHAD (Company No. 17654-P)***(Incorporated in Malaysia)*
**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2006**
**19. TAXATION (CONTD.)**

The effective tax rates for the quarter and year ended 31 December 2006 which were higher than the statutory tax rate, are reconciled as follows :

	<b>3 months Ended 31.12.2006 RM'000</b>	<b>12 months Ended 31.12.2006 RM'000</b>
Profit before tax	7,516	7,276
Taxation at Malaysian statutory tax rate of 28%	2,104	2,037
Tax savings in small and medium scale company	(33)	(58)
Tax effect of expenses that are not deductible in determining taxable profit	132	1,818
Tax benefit not recognised during the year	400	1,608
Under provision for prior year	659	940
Taxation for the period/year	3,262	6,345

**20. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES**

There were no sale of unquoted investments and/or assets for the current quarter and financial year ended 31 December 2006.

**21. QUOTED SECURITIES**

Details of investment in quoted securities are as follows :

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2006 RM'000</b>	<b>31.12.2005 RM'000</b>	<b>31.12.2006 RM'000</b>	<b>31.12.2005 RM'000</b>
Sale proceeds	-	905	2,688	905
Purchase consideration (at cost)	-	1,404	4,946	1404
			<b>As At 31.12.2006 RM'000</b>	<b>As At 31.12.2005 RM'000</b>
Investment in quoted securities: *				
At cost			-	4,946
At book value			-	2,518
At market value			-	2,518

\* Quoted shares received as consideration from sale of Asiaprise Biotech Sdn Bhd. in 2004.

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## NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2006

### 22. STATUS OF CORPORATE PROPOSALS

Save as disclosed below, there were no corporate proposals announced but not completed as at 27 February 2007.

Subsequent to the disposal of its subsidiary's hotel building together with the furniture, fittings and equipment on 9 November 2006, the due diligence had been completed in December 2006 and the sale of the hotel is expected to be completed by 2nd Quarter 2007. Based on the latest unaudited financial statements for the FYE 31 December 2006, the Group is expected to record an estimated gain on disposal of approximately RM3,434,443 which is set out as follows :

	RM
Disposal consideration	12,613,290
Less : carrying value of the property disposed in PK Hotels	<u>(9,178,847)</u>
Estimated gain arising from disposal	<u>3,434,443</u>

### 23. GROUP BORROWINGS

The Group's borrowings as at the end of the reporting period are as follows :-

	12 months ended	
	31.12.2006	31.12.2005
	RM '000	RM'000
(a) <b>Secured and unsecured :</b>		
Total secured borrowings	111,968	130,245
Total unsecured borrowings	1,403	546
	<u>113,371</u>	<u>130,791</u>
(b) <b>Short-term and long-term</b>		
Total short-term borrowings	47,106	77,011
Total long-term borrowings	66,265	53,780
	<u>113,371</u>	<u>130,791</u>

(c) All the debts/borrowings are denominated in Ringgit Malaysia.

### 24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 27 February 2007.



**25. CHANGES IN MATERIAL LITIGATION**

There is a pending claim of RM10.00 million against a subsidiary, Nilai Springs Bhd for an alleged breach of contract. Nilai Springs Bhd has denied the claim, and its application to the High Court to strike off the claim was allowed on 28 November 2001.

The plaintiff filed a notice of appeal to the Court of Appeal against the High Court's decision on 20 December 2001. The appeal was heard on 22 November 2005 and was allowed with costs.

Nilai Springs Berhad had subsequently filed a Notice of Appeal to the Federal Court and the Federal Court had dismissed Nilai Springs Berhad's application for leave to appeal against the Court of Appeal's decision, on 13 April 2006. The case has been fixed for trial on 8 & 9 May 2007 to be held at the Seremban High Court.

As at 27 February 2007, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 31 December 2005, except as disclosed above.

**26. DIVIDEND PAYABLE**

- a) The Board of Directors is recommending a first and final dividend of 3% less 28% tax (2005: 3% less 28% tax) for the financial year ended 31 December 2006.
- b) The net dividend payable amounting to RM2,463,167, if approved by the shareholders of the Company at the forthcoming Annual General Meeting of the Company will be paid on a date to be announced.

**27. EARNINGS PER SHARE**

- a) Basic earnings per share

The calculation of basic earnings per share for the current quarter is based on the net profit attributable to ordinary shareholders of RM3.84 million and the weighted average number of ordinary shares outstanding during the current year to date of 114,035,500 ordinary shares.

- b) Fully diluted earnings per share

The fully diluted earnings per share is anti-dilutive and hence it is not presented.

**BY ORDER OF THE BOARD**

**PAUL YONG POW CHOY  
IRENE WONG SOOK PING**

Company Secretaries  
27 February 2007