

**PK RESOURCES BERHAD (Company No. 17654-P)***(Incorporated in Malaysia)***CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2007**

	<u>2007</u> Current Quarter Ended 31 March (RM '000)	<u>2006</u> Comparative Quarter Ended 31 March (RM '000)	<u>2007</u> 3 months Cumulative to date (RM '000)	<u>2006</u> 3 months Cumulative to date (RM '000)
<b><u>Continuing Operations</u></b>				
Revenue	45,067	33,783	45,067	33,783
Cost Of Sales	(24,737)	(17,012)	(24,737)	(17,012)
Gross Profit	20,330	16,771	20,330	16,771
Other Income	740	744	740	744
Administrative Expenses	(14,753)	(12,753)	(14,753)	(12,753)
Selling and Marketing Expenses	(1,154)	(868)	(1,154)	(868)
Other Expenses	(1,416)	(684)	(1,416)	(684)
Finance costs	(1,878)	(2,039)	(1,878)	(2,039)
Share of loss of Associate	-	(2)	-	(2)
Profit before tax	1,869	1,169	1,869	1,169
Taxation	(255)	(1,674)	(255)	(1,674)
Profit/(loss) for the period from continuing operations	1,614	(505)	1,614	(505)
<b><u>Discontinued Operation</u></b>				
Profit/(loss) for the period from discontinued operation	831	(644)	831	(644)
<b>Profit/(loss) for the period</b>	<b>2,445</b>	<b>(1,149)</b>	<b>2,445</b>	<b>(1,149)</b>
Attributable to:				
Equity holders of the Company	1,422	(1,386)	1,422	(1,386)
Minority interest	1,023	237	1,023	237
	2,445	(1,149)	2,445	(1,149)
Earnings per share attributable equity holders of the Company				
- Basic (sen)	1.25	(1.22)	1.25	(1.22)
- 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 2006 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 MARCH 2007**

	As at 31 Mar 2007  (RM '000)	As at 31 Dec 2006 (Audited) (RM '000)
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	154,708	154,762
Land held for development	102,044	118,372
Investment properties	12,051	12,061
Prepaid land lease payments	5,517	5,565
Investments in associates	970	970
Deferred tax assets	2,643	3,036
Goodwill	842	842
	278,775	295,608
<b>Current Assets</b>		
Property development costs	266,302	261,592
Inventories	78,210	78,664
Trade and other receivables	94,556	93,839
Tax recoverable	5,992	7,297
Cash and bank balances	31,060	15,525
	476,120	456,917
Non-current assets classified as held for sale	57,422	57,424
	533,542	514,341
<b>TOTAL ASSETS</b>	812,317	809,949
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	114,036	114,036
Reserves	314,031	312,609
	428,067	426,645
<b>Minority Interest</b>	133,052	132,204
<b>Total Equity</b>	561,119	558,849
<b>Non Current Liabilities</b>		
Deferred tax liabilities	38,265	38,396
Other long term liabilities	66,812	66,129
	105,077	104,525
<b>Current Liabilities</b>		
Trade and other payables	98,227	98,884
Bank overdraft	7,142	7,170
Short term borrowings	40,316	40,023
Provision for taxation	290	294
	145,975	146,371
Liabilities directly associated with assets classified as held for sale	146	204
	146,121	146,575
<b>Total Liabilities</b>	251,198	251,100
<b>TOTAL EQUITY AND LIABILITIES</b>	812,317	809,949
<b>Net Assets Per Share (RM)</b>	3.75	3.74

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31<sup>st</sup> December 2006 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 QUARTER AND PERIOD ENDED 31 MARCH 2007**

	<b><u>2007</u></b> <b>3 months</b> <b>ended</b> <b>31 March</b> <b>(RM '000)</b>	<b><u>2006</u></b> <b>3 months</b> <b>ended</b> <b>31 March</b> <b>(RM '000)</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	2,699	525
<b>Adjustments for non-cash flow items :</b>		
Depreciation of property, plant and equipment	1,456	2,499
Loss retained in associate	-	2
Writeback of investment	-	(135)
Other non-cash items	1,782	(119)
Operating profit before changes in working capital	5,937	2,772
<b>Changes in working capital</b>		
Net changes in property development expenditure	11,618	7,207
Net changes in current assets	(271)	802
Net changes in current liabilities	(1,343)	(4,797)
Net cash flows generated from operating activities	15,941	5,984
<b>INVESTING ACTIVITIES</b>		
Property, plant & equipment	(1,336)	37
Other investing activities	215	-
Net cash flows (used in)/generated from investing activities	(1,121)	37
<b>FINANCING ACTIVITIES</b>		
Bank borrowings	1,069	(3,032)
Other financing activities	(326)	(69)
Net cash flows generated from/(used in) financing activities	743	(3,101)
Net increase in cash and cash equivalents	15,563	2,920
Cash and cash equivalents at beginning of year	8,355	3,717
Cash and cash equivalents at end of period	23,918	6,637
<b>Cash and cash equivalents comprise the following:</b>		
Cash and Bank Balances	31,060	12,919
Bank Overdraft	(7,142)	(6,282)
	23,918	6,637

(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 2006 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 QUARTER AND PERIOD ENDED 31 MARCH 2007**

	← Attributable to Equity Holders of the Company →					Minority Interest (RM '000)	Total Equity (RM '000)
	Share Capital (RM '000)	Reserve attributable to Capital (RM '000)	Reserve attributable to Revenue (RM '000)	Retained Profits (RM '000)	Total (RM '000)		
<b>3 months ended 31 March 2007</b>							
At 1 January 2007	114,036	133,399	333	178,877	426,645	132,204	558,849
Movements during the period							
- Profit for the period, representing total recognised income and expense for the period	-	-	-	1,422	1,422	1,023	2,445
- Dividend paid to minority shareholders in a subsidiary for the year ended 31 December 2006	-	-	-	-	-	(175)	(175)
At 31 March 2007	114,036	133,399	333	180,299	428,067	133,052	561,119
<b>3 months ended 31 March 2006</b>							
At 1 January 2006	114,036	133,289	333	181,344	429,002	130,787	559,789
Movements during the period							
- Loss for the period, representing total recognised income and expense for the period	-	-	-	(1,386)	(1,386)	237	(1,149)
At 31 March 2006	114,036	133,289	333	179,958	427,616	131,024	558,640

(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 2006 and the accompanying explanatory notes attached to the interim financial statements)



**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2007**

---

**1. BASIS OF PREPARATION**

The interim financial report has been prepared in accordance with FRS 134<sub>2004</sub> Interim Financial Reporting and Chapter 9 part K of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2006.

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 2006.

The new FRS 6, amendments to FRS 119 and FRS 121, and Issue Committee Interpretation ("IC Interpretations") 1, 2, 5, 6, 7 and 8 which are effective for financial periods beginning on or after 1 January 2007 are not applicable to the Group.

**2. AUDIT QUALIFICATION OF PRECEDING AUDITED ANNUAL REPORT**

There were no audit qualifications in the Group's preceding audited annual report.

**3. SEASONAL OR CYCLICAL FACTORS**

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

**4. UNUSUAL ITEMS**

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

**5. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED IN PRIOR INTERIM PERIODS OR FINANCIAL YEARS**

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

**6. 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 period ended 31 March 2007.

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

(Incorporated in Malaysia)



## NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2007

### 7. SEGMENTAL INFORMATION

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

	Segment Revenue		Segment Result	
	3 months ended 31 March			
	2007	2006	2007	2006
	RM '000	RM '000	RM '000	RM '000
<b><u>Continuing Operations</u></b>				
Property development	31,421	18,353	1,702	478
Hospitality	1,889	1,994	148	75
Education	9,543	8,656	1,806	2,015
Unallocated reconciling items	2,214	4,780	(649)	(102)
	45,067	33,783	3,007	2,466
<b><u>Discontinued Operation</u></b>				
Hotelling	4,809	4,668	602	(614)
	49,876	38,451	3,609	1,852

### 8. 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 2006.

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

In the opinion of the Board, save as disclosed below, 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.

- a) On 6 April 2007, the disposal of the hotel property in Nilai to Al-Hasry Trevel & Tours Sdn Bhd was completed. Based on the latest audited financial statements for the FYE 31 December 2006, the Group will record a gain on disposal set out as follows :

	RM
Disposal consideration	12,613,290
Less : carrying value of the property disposed	<u>(9,179,676)</u>
Gain arising from disposal	<u>3,433,614</u>

- b) On 26 April 2007, Advance Point (M) Sdn Bhd ("APM") and Emerald Spirit Sdn Bhd ("EMS"), both subsidiaries of the Company, entered into a Subscription Agreement with Gen Glamour Sdn. Bhd. ("GGR"). Following subscription of 1,000,000 ordinary shares of RM1.00 each by GGR in EMS for a cash consideration of RM1,000,000, EMS became a 99.99% owned subsidiary of GGR. Because of this divestment, the Company and APM shall receive RM39,309,859 in cash.

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

(Incorporated in Malaysia)



## **NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2007**

### **10. 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.

- a) On 1 January 2007, APM transferred its hotel business together with the carrying amounts of assets and liabilities to EMS, its wholly-owned subsidiary.
- b) On 16 March 2007, a final members' meeting was held in Singapore to resolve the winding up of Peladang Chemicals (S) Pte Ltd ("PC"), a wholly-owned subsidiary of the Company.

### **11. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities or contingent assets since the last audited accounts.

### **12. CAPITAL COMMITMENTS**

The changes in capital commitments not provided for since the last annual report are as follows :

	<b>As At 31.03.2007 RM'000</b>	<b>Audited As At 31.12.2006 RM'000</b>
Approved and contracted for	382	-
Approved and not contracted for	-	162
	<hr/>	<hr/>
	382	162
	<hr/>	<hr/>

### **13. RELATED PARTY TRANSACTIONS**

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

	<b>As At 31.03.2007 RM'000</b>	<b>Audited As At 31.12.2006 RM'000</b>
Rental paid to a company in which certain directors have financial interests - G.O. Construction Sdn Bhd	34	135
	<hr/>	<hr/>



**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2007**

**14. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES FOR THE CURRENT QUARTER.**

For the current quarter, the Group achieved a turnover of RM49.88 million as compared with the preceding year's corresponding quarter of RM38.45 million.

The property sector contributed RM31.42 million of the turnover for the quarter as compared with RM18.35 million for the preceding year's corresponding quarter. As a result, the Group achieved a pre-tax profit of RM2.70 million, as compared with preceding year's corresponding quarter pre-tax profit of RM0.53 million.

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

The Group's pre-tax profit of RM2.70 million for the current quarter was lower than the pretax profit of RM7.52 million for the immediate preceding quarter which took into account the sale of land of RM26.3 million to Pesuruhjaya Tanah Persekutuan on behalf of Universiti Sains Islam Malaysia (USIM).

**16. CURRENT YEAR'S PROSPECTS**

The Group's results is largely dependent on its property development activity. As the property sector is expected to continue to be slow, the Group's performance for the next three quarters is not expected to improve significantly from its first quarter.

**17. 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 period to date.

**18. TAXATION**

Taxation is made up as follows:-

	3 months ended	
	31.03.2007	31.03.2006
	RM'000	RM'000
Current tax expense	-	1,038
(Over)/under provision for prior year	(7)	235
Deferred tax expense	262	401
Total	255	1,674



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

(Incorporated in Malaysia)



**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2007**

**18. TAXATION (CONTD.)**

The effective tax rate for the quarter and period ended 31 March 2007 which was higher than the statutory tax rate, is reconciled as follows :

	3 months ended	
	31.03.2007	31.03.2006
	RM'000	RM'000
Profit before tax	2,700	525
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	729	147
Tax savings in small and medium scale company	(22)	-
Tax effect of expenses that are not deductible in determining taxable profit	417	518
Tax benefit not recognised during the year	(862)	774
(Over)/under provision for prior year	(7)	235
Taxation for the period	255	1,674

**19. SALE OF INVESTMENTS AND PROPERTIES**

There were no sale of investments and/or assets for the current quarter and financial period to date.

**20. STATUS OF CORPORATE PROPOSALS**

Save as disclosed in Note 9 and 10, there were no corporate proposals announced but not completed as at 29 May 2007.

**21. GROUP BORROWINGS**

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

(a) Secured and unsecured :

	As At	Audited
	31.03.2007	As At
	RM'000	RM'000
Total secured borrowings	113,579	112,621
Total unsecured borrowings	837	905
Total borrowings	114,416	113,526

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

(Incorporated in Malaysia)



**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2007**

**21. GROUP BORROWINGS (CONTD.)**

(b) Short-term and long-term

	<b>As At 31.03.2007 RM'000</b>	<b>Audited As At 31.12.2006 RM'000</b>
Total short-term borrowings	47,458	47,397
Total long-term borrowings	66,958	66,129
Total short-term and long-term borrowings	<u>114,416</u>	<u>113,526</u>

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

**22. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no off balance sheet financial instruments at the latest practicable date.

**23. 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 30 and 31 October 2007 to be held at the Seremban High Court.

As at 29 May 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 2006, except as disclosed above.

**24. DIVIDENDS**

The Board of Directors are recommending a first and final dividend of 3% less 27% tax (2006-3% less 28% tax) for the financial year ended 31 December 2006. The net dividend payable amounting to RM2,497,377, subject to the approval by the shareholders of the Company at the forthcoming Annual General Meeting of the Company, will be paid on 31 July 2007.

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

*(Incorporated in Malaysia)*



**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2007**

---

**25. 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 RM1.42 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  
29 May 2007