

PK RESOURCES BERHAD (Company No. 17654-P)*(Incorporated in Malaysia)***CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2007**

	<u>2007</u> Current Quarter Ended 30 September (RM '000)	<u>2006</u> Comparative Quarter Ended 30 September (RM '000)	<u>2007</u> 9 months Cumulative to date (RM '000)	<u>2006</u> 9 months Cumulative to date (RM '000)
<u>Continuing Operations</u>				
Revenue	34,011	29,557	101,581	97,751
Cost Of Sales	(13,729)	(13,606)	(46,867)	(48,672)
Gross Profit	20,282	15,951	54,714	49,079
Other Income	1,039	763	2,757	2,506
Administrative Expenses	(14,234)	(13,385)	(43,087)	(38,450)
Selling and Marketing Expenses	(1,120)	(852)	(3,589)	(2,494)
Other Expenses	(1,680)	(1,389)	(4,442)	(4,202)
Finance costs	(1,726)	(1,937)	(5,493)	(5,940)
Share of loss of Associate	-	(3)	-	(10)
Profit before tax	2,561	(852)	860	489
Taxation	(276)	(778)	(1,047)	(3,083)
Profit/(loss) for the period from continuing operations	2,285	(1,630)	(187)	(2,594)
<u>Discontinued Operation</u>				
Profit/(loss) for the period from discontinued operation	-	67	3,787	(729)
Profit/(loss) for the period	2,285	(1,563)	3,600	(3,323)
Attributable to:				
Equity holders of the Company	1,164	(1,542)	1,606	(3,823)
Minority interest	1,121	(21)	1,994	500
	2,285	(1,563)	3,600	(3,323)
Earnings/(loss) per share attributable equity holders of the Company				
- Basic (sen)	1.02	(1.35)	1.41	(3.35)
- Diluted (sen)	NA	NA	NA	NA

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31st 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 30 SEPTEMBER 2007**

	As at 30 Sep 2007 (RM '000)	As at 31 Dec 2006 (Audited) (RM '000)
ASSETS		
Non Current Assets		
Property, plant and equipment	153,325	154,762
Land held for development	117,388	118,372
Investment properties	12,051	12,061
Prepaid land lease payments	5,423	5,565
Investments in associates	971	970
Deferred tax assets	3,103	3,036
Goodwill	842	842
	293,103	295,608
Current Assets		
Property development costs	255,281	261,592
Inventories	76,680	78,664
Trade and other receivables	134,138	93,839
Tax recoverable	5,249	7,297
Cash and bank balances	18,323	15,525
	489,671	456,917
Non-current assets classified as held for sale	-	57,424
	489,671	514,341
TOTAL ASSETS	782,774	809,949
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	114,036	114,036
Reserves	311,718	312,609
	425,754	426,645
Minority Interest	134,023	132,204
Total Equity	559,777	558,849
Non Current Liabilities		
Deferred tax liabilities	39,287	38,396
Other long term liabilities	67,005	66,129
	106,292	104,525
Current Liabilities		
Trade and other payables	83,422	98,884
Bank overdraft	1,673	7,170
Short term borrowings	31,318	40,023
Provision for taxation	292	294
	116,705	146,371
Liabilities directly associated with assets classified as held for sale	-	204
	116,705	146,575
Total Liabilities	222,997	251,100
TOTAL EQUITY AND LIABILITIES	782,774	809,949
Net Assets Per Share (RM)	3.73	3.74

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31st 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 30 SEPTEMBER 2007**

	2007 9 months ended 30 September (RM '000)	2006 9 months ended 30 September (RM '000)
OPERATING ACTIVITIES		
Profit/(loss) before tax		
- Continuing operations	860	489
- Discontinuing operations	3,787	(729)
Adjustments for non-cash flow items :		
Depreciation of property, plant and equipment	4,305	7,547
Loss retained in associate	-	10
Writeback of investment	-	(171)
Other non-cash items	(1,966)	5,898
Operating profit before changes in working capital	6,986	13,044
Changes in working capital		
Net changes in property development expenditure	7,296	19,938
Net changes in current assets	6,671	2,900
Net changes in liabilities	(13,639)	(12,508)
Net cash flows (used in)/generated from operating activities	7,314	23,374
INVESTING ACTIVITIES		
Property, plant & equipment	12,878	(752)
Other investing activities	-	3,819
Net cash flows generated from investing activities	12,878	3,067
FINANCING ACTIVITIES		
Bank borrowings	(9,226)	(18,450)
Other financing activities	(2,671)	(2,815)
Net cash flows used in financing activities	(11,897)	(21,265)
Net increase in cash and cash equivalents	8,295	5,176
Cash and cash equivalents at beginning of year	8,355	3,717
Cash and cash equivalents at end of period	16,650	8,893
Cash and cash equivalents comprise the following:		
Cash and Bank Balances	18,323	15,819
Bank Overdraft	(1,673)	(6,926)
	16,650	8,893

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31st 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 30 SEPTEMBER 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)
9 months ended 30 September 2007							
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	-	-	-	1,606	1,606	1,994	3,600
- Dividend paid for the year ended 31 December 2006	-	-	-	(2,497)	(2,497)	-	(2,497)
- Dividend paid to minority shareholders in a subsidiary for the year ended 31 December 2006	-	-	-	-	-	(175)	(175)
At 30 September 2007	114,036	133,399	333	177,986	425,754	134,023	559,777
9 months ended 30 September 2006							
At 1 January 2006	114,036	133,289	333	181,344	429,002	130,787	559,789
Movements during the period							
- Premium on shares issued to non-participating minority interest	-	-	-	-	-	452	452
- Loss for the period, representing total recognised income and expense for the period	-	-	-	(3,823)	(3,823)	500	(3,323)
- 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	-	-	-	-	-	(156)	(156)
At 30 September 2006	114,036	133,289	333	175,058	422,716	131,583	554,299

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the year ended 31st December 2006 and the accompanying explanatory notes attached to the interim financial statements)



1. BASIS OF PREPARATION

The interim financial report has been prepared in accordance with FRS 134₂₀₀₄ 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 basis of measurement 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, 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 30 September 2007.

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2007

7. SEGMENTAL INFORMATION

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

	Segment Revenue		Segment Results	
	9 months ended 30 September			
	2007	2006	2007	2006
	RM '000	RM '000	RM '000	RM '000
<u>Continuing Operations</u>				
Property development	60,378	53,745	1,881	2,025
Hospitality	5,789	5,323	75	(540)
Education	29,039	26,294	4,919	4,938
Unallocated reconciling items	6,375	12,389	(3,279)	(2,490)
	101,581	97,751	3,596	3,933
<u>Discontinued Operation</u>				
Hotelling	7,311	15,354	1,123	(645)
	108,892	113,105	4,719	3,288

8. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment have been brought forward from the financial statements for the year ended 31 December 2006 at cost.

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

In the opinion of the Board, 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.

10. CHANGES IN THE COMPOSITION OF THE GROUP

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.

11. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2007

12. CAPITAL COMMITMENTS

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

	As At 30.09.2007 RM'000	Audited As At 31.12.2006 RM'000
Approved and contracted for	401	-
Approved and not contracted for	-	162
	<u>401</u>	<u>162</u>

13. RELATED PARTY TRANSACTIONS

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

	As At 30.09.2007 RM'000	Audited As At 31.12.2006 RM'000
Rental paid to a company in which certain directors have financial interests - G.O. Construction Sdn Bhd	102	135

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

For the current quarter, the Group's continuing operations achieved a turnover of RM34.01 million as compared with the preceding year's corresponding quarter of RM29.56 million.

The property sector contributed RM20.61 million of revenue for the quarter as compared with RM16.37 million for the preceding year's corresponding quarter. As a result, the Group achieved a pre-tax profit of RM2.56 million compared with preceding year's corresponding quarter pre-tax loss of RM0.85 million.

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

The Group's continuing operations posted a pre-tax profit of RM2.56 million for the current quarter compared to pre-loss of RM3.50 million for the immediate preceding quarter. The higher pre-tax profit for the current quarter was mainly due to higher percentage of completion for housing projects in Acacia Park, Freesia Home, Impiana Residence & Desa Kolej.

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2007

16. CURRENT YEAR'S PROSPECTS

The Group's performance for the 4th quarter is expected to be no less favourable than the 3rd quarter results.

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		9 months ended	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
	RM'000	RM'000	RM'000	RM'000
Current tax expense	92	259	164	1,744
Under provision for prior year	-	46	-	281
Deferred tax expense	184	473	883	1,058
Total	276	778	1,047	3,083

The effective tax rate for the quarter and period ended 30 September 2007 which was higher than the statutory tax rate, is reconciled as follows :

	3 months ended	9 months ended
	30.09.2007	30.09.2007
	RM'000	RM'000
Profit before tax	2,561	4,647
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	692	1,255
Tax savings in small and medium scale company	(11)	(14)
Tax effect of expenses that are not deductible in determining taxable profit	(85)	414
Tax benefit not recognised during the year	(320)	(608)
Taxation for the period	276	1,047

19. SALE OF INVESTMENTS AND PROPERTIES

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

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2007

20. STATUS OF CORPORATE PROPOSALS

Save as disclosed below, there were no corporate proposals announced but not completed as at 16 November 2007.

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 Glen 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. In return, the Company and APM shall receive RM39,309,859 in cash from the proposed divestment.

21. GROUP BORROWINGS

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

(a) Secured and unsecured :

	As At 30.09.2007 RM'000	Audited As At 31.12.2006 RM'000
Total secured borrowings	98,323	112,621
Total unsecured borrowings	1,673	905
Total borrowings	<u>99,996</u>	<u>113,526</u>

(b) Short-term and long-term

	As At 30.09.2007 RM'000	Audited As At 31.12.2006 RM'000
Total short-term borrowings	32,991	47,397
Total long-term borrowings	67,005	66,129
Total short-term and long-term borrowings	<u>99,996</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 was fixed for trial on 30 and 31 October 2007 at the Seremban High Court. Subsequently, the trial was deferred to 1 April 2008.

24. DIVIDENDS

- a) On 31 July 2007, the Company paid a first and final dividend of 3 sen per share less income tax of 27% in respect of the financial year ended 31 December 2006, amounted to RM2,497,377. The first and final dividend had been approved for payment to shareholders at the Company's 33rd Annual General Meeting held on 28 June 2007.
- b) No interim dividend has been declared for the current quarter ended 30 September 2007.

25. EARNINGS PER SHARE

- a) Basic (loss)/earnings per share

Basic earnings per share for the current quarter is based on the net profit attributable to ordinary shareholders of RM1.16 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 outstanding ESOS have been excluded from the computation of fully diluted profit per share as their conversion to ordinary shares would be anti-dilutive in nature. Accordingly, the basic and fully diluted profit per share are the same.

BY ORDER OF THE BOARD

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

Company Secretaries
16 November 2007