

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

	<u>2007</u> Current Quarter Ended 31 December (RM '000)	<u>2006</u> Comparative Quarter Ended 31 December (RM '000)	<u>2007</u> 12 months Cumulative to date (RM '000)	<u>2006</u> 12 months Cumulative to date (RM '000)
<u>Continuing Operations</u>				
Revenue	21,411	43,380	122,993	141,147
Cost Of Sales	(7,232)	(19,578)	(54,099)	(66,380)
Gross Profit	14,179	23,802	68,894	74,767
Other Income	955	748	3,705	3,258
Administrative Expenses	(12,997)	(14,932)	(56,078)	(54,652)
Selling and Marketing Expenses	(1,018)	61	(4,606)	(2,431)
Other Expenses	(1,470)	(1,266)	(5,911)	(6,100)
Finance costs	(1,693)	(1,856)	(7,186)	(7,794)
Share of loss of Associate	(11)	(106)	(11)	(91)
(Loss)/profit before tax	(2,055)	6,451	(1,193)	6,957
Taxation	82	(3,262)	(966)	(6,336)
(Loss)/profit for the period from continuing operations	(1,973)	3,189	(2,159)	621
<u>Discontinued Operation</u>				
Profit for the period from discontinued operation	-	1,065	3,787	312
(Loss)/profit for the period	(1,973)	4,254	1,628	933
Attributable to:				
Equity holders of the Company	(1,414)	3,835	193	(4)
Minority interest	(559)	419	1,435	937
	(1,973)	4,254	1,628	933
(Loss)/earnings per share attributable equity holders of the Company				
- Basic (sen)	(1.24)	3.36	0.17	-
- 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 31 DECEMBER 2007**

	As at 31 Dec 2007 (RM '000)	(Audited) As at 31 Dec 2006 (RM '000)
ASSETS		
Non Current Assets		
Property, plant and equipment	152,914	154,762
Land held for development	101,780	118,372
Investment properties	12,051	12,061
Prepaid land lease payments	5,375	5,565
Investments in associates	824	970
Deferred tax assets	1,608	3,036
Goodwill	842	842
	275,394	295,608
Current Assets		
Property development costs	273,246	261,592
Inventories	71,340	78,664
Trade and other receivables	110,750	93,839
Tax recoverable	5,719	7,297
Cash and bank balances	27,554	15,525
	488,609	456,917
Non-current assets classified as held for sale	-	57,424
	488,609	514,341
TOTAL ASSETS	764,003	809,949
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	114,036	114,036
Reserves	310,529	312,609
	424,565	426,645
Minority Interest	133,496	132,204
Total Equity	558,061	558,849
Non Current Liabilities		
Deferred tax liabilities	38,036	38,396
Other long term liabilities	65,462	66,129
	103,498	104,525
Current Liabilities		
Trade and other payables	70,193	98,884
Bank overdraft	840	7,170
Short term borrowings	31,119	40,023
Provision for taxation	292	294
	102,444	146,371
Liabilities directly associated with assets classified as held for sale	-	204
	102,444	146,575
Total Liabilities	205,942	251,100
TOTAL EQUITY AND LIABILITIES	764,003	809,949
Net Assets Per Share (RM)	3.72	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 FINANCIAL YEAR ENDED 31 DECEMBER 2007**

	<u>2007</u> 12 months ended 31 December (RM '000)	(Audited) <u>2006</u> 12 months ended 31 December (RM '000)
OPERATING ACTIVITIES		
(Loss)/profit before tax		
- Continuing operations	(1,193)	6,957
- Discontinuing operations	3,787	312
Adjustments for non-cash flow items :		
Depreciation of property, plant and equipment	5,957	9,417
Loss retained in associate	147	91
Writeback of investment	-	(141)
Other non-cash items	(1,831)	9,215
Operating profit before changes in working capital	6,867	25,851
Changes in working capital		
Net changes in property development expenditure	4,938	23,069
Net changes in current assets	37,475	(8,611)
Net changes in liabilities	(27,012)	(17,027)
Net cash flows generated from operating activities	22,268	23,282
INVESTING ACTIVITIES		
Property, plant & equipment	9,641	896
Other investing activities	-	849
Net cash flows generated from investing activities	9,641	1,745
FINANCING ACTIVITIES		
Bank borrowings	(11,008)	(18,514)
Other financing activities	(2,542)	(1,875)
Net cash flows used in financing activities	(13,550)	(20,389)
Net increase in cash and cash equivalents	18,359	4,638
Cash and cash equivalents at beginning of year	8,355	3,717
Cash and cash equivalents at end of period	26,714	8,355
Cash and cash equivalents comprise the following:		
Cash and Bank Balances	27,554	15,525
Bank Overdraft	(840)	(7,170)
	26,714	8,355

(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 FINANCIAL YEAR ENDED 31 DECEMBER 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)
12 months ended 31 December 2007							
At 1 January 2007	114,036	133,399	333	178,877	426,645	132,204	558,849
Movements during the period							
- Premium on shares issued to non-participating minority interest	-	97	-	-	97	32	129
- Profit for the period, representing total recognised income and expense for the period	-	-	-	193	193	1,435	1,628
- Share options granted under ESOS	-	127	-	-	127	-	127
- 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 31 December 2007	114,036	133,623	333	176,573	424,565	133,496	558,061
12 months ended 31 December 2006							
At 1 January 2006	114,036	133,290	333	181,343	429,002	130,787	559,789
Movements during the period							
- Premium on shares issued to non-participating minority interest	-	109	-	-	109	36	145
- Issuance of shares in subsidiaries to non-participating minority interests	-	-	-	-	-	600	600
- Loss for the period, representing total recognised income and expense for the period	-	-	-	(3)	(3)	937	934
- 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 31 December 2006	114,036	133,399	333	178,877	426,645	132,204	558,849

(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 method 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 December 2007.

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

7. SEGMENTAL INFORMATION

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

	Segment Revenue		Segment Results	
	12 months ended 31 December			
	2007	2006	2007	2006
	RM '000	RM '000	RM '000	RM '000
<u>Continuing Operations</u>				
Property development	71,511	84,862	4,495	15,919
Hospitality	7,917	6,797	275	(1,019)
Education	35,198	33,723	2,653	3,896
Unallocated reconciling items	8,367	15,765	(5,124)	(7,212)
	122,993	141,147	2,299	11,584
<u>Discontinued Operation</u>				
Hotelling	7,311	21,060	1,121	202
	130,304	162,207	3,420	11,786

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

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 12 October 2007, PK Properties Sdn Bhd ("PKP"), a wholly owned subsidiary, acquired additional 3 ordinary shares of RM1.00 each in PK Innovations Sdn Bhd ("PKI") for a cash consideration of RM3 representing 30% equity interest in PKI. As a result, PKI became a wholly-owned subsidiary of PKP.

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 31 DECEMBER 2007

12. CAPITAL COMMITMENTS

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

	As At 31.12.2007 RM'000	Audited As At 31.12.2006 RM'000
Approved and contracted for	672	-
Approved and not contracted for	-	162
	<u>672</u>	<u>162</u>

13. RELATED PARTY TRANSACTIONS

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

	As At 31.12.2007 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	135	135
	<u>135</u>	<u>135</u>

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 RM21.41 million as compared with the preceding year's corresponding quarter of RM43.38 million.

The property segment contributed RM11.76 million of revenue for the quarter as compared with RM33.70 million (inclusive of RM26.3 million land sale to Pesuruhjaya Tanah Persekutuan on behalf of USIM (Universiti Sains Islam Malaysia) for the preceding year's corresponding quarter. As a result, the Group's continuing operations performance declined with a pre-tax loss of RM2.05 million compared with preceding year's corresponding quarter pre-tax profit of RM6.45 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 loss of RM2.05 million for the current quarter compared to pre-tax profit of RM2.56 million for the immediate preceding quarter. This was mainly due to the lower contribution from the property segment as mentioned above.

The loss was also due to lower revenue from the Group's education arm, Nilai International University College ("NIUC") in line with the shorter school semester compared to the immediate preceding quarter with revenue contributed by NIUC for the quarter at RM6.16 million compared to RM9.64 million for the immediate preceding quarter.

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

16. PROSPECTS FOR FINANCIAL YEAR 2008

With the progressive implementation of the Ninth Malaysia Plan, the RPGT exemption to spur the property market and the recent salary increase for civil service, the Board is optimistic of an improvement in the property market. The Board expects the Company's performance for 2008 to improve as compared to 2007.

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		12 months ended	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	RM'000	RM'000	RM'000	RM'000
Current tax expense	(526)	(977)	(303)	767
Under provision for prior year	200	21	200	302
Deferred tax expense	244	4,218	1,069	5,267
Total	(82)	3,262	966	6,336

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

	3 months ended	12 months ended
	31.12.2007	31.12.2007
	RM'000	RM'000
(Loss)/profit before tax	(2,054)	2,593
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	(556)	700
Tax savings in small and medium scale company	11	(3)
Tax effect of expenses that are not deductible in determining taxable profit	(499)	(85)
Tax benefit not recognised during the year	762	154
Under provision in prior year	200	200
Taxation for the period	(82)	966

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

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

There were no corporate proposals announced but not completed as at 27 February 2008.

21. GROUP BORROWINGS

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

(a) Secured and unsecured :

	As At 31.12.2007 RM'000	Audited As At 31.12.2006 RM'000
Total secured borrowings	96,581	112,621
Total unsecured borrowings	840	905
Total borrowings	<u>97,421</u>	<u>113,526</u>

(b) Short-term and long-term

	As At 31.12.2007 RM'000	Audited As At 31.12.2006 RM'000
Total short-term borrowings	31,959	47,397
Total long-term borrowings	65,462	66,129
Total short-term and long-term borrowings	<u>97,421</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. The trial was subsequently deferred to 1 April 2008.

24. DIVIDENDS

- a) The Board of Directors is recommending a first and final dividend of 3% less 26% tax (2006: 3% less 27% tax) for the financial year ended 31 December 2007.
- b) The net dividend payable amounting to RM2,531,588, 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.

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

25. EARNINGS PER SHARE

a) Basic loss per share

Basic loss per share for the current quarter is based on the net loss attributable to ordinary shareholders of RM1.41 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

27 February 2008