

**PK RESOURCES BERHAD (Company No. 17654-P)***(Incorporated in Malaysia)***CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE QUARTER ENDED 31 MARCH 2008**

	<b><u>2008</u></b> Current Quarter Ended 31 March (RM '000)	<b><u>2007</u></b> Comparative Quarter Ended 31 March (RM '000)	<b><u>2008</u></b> 3 months Cumulative to date (RM '000)	<b><u>2007</u></b> 3 months Cumulative to date (RM '000)
<b><u>Continuing Operations</u></b>				
Revenue	84,684	45,067	84,684	45,067
Cost Of Sales	(24,542)	(24,737)	(24,542)	(24,737)
Gross Profit	60,142	20,330	60,142	20,330
Other Income	1,344	740	1,344	740
Administrative Expenses	(23,637)	(14,753)	(23,637)	(14,753)
Selling and Marketing Expenses	(464)	(1,154)	(464)	(1,154)
Other Expenses	(1,222)	(1,416)	(1,222)	(1,416)
Finance costs	(1,507)	(1,878)	(1,507)	(1,878)
Profit before tax	34,656	1,869	34,656	1,869
Taxation	(9,803)	(255)	(9,803)	(255)
Profit for the period from continuing operations	24,853	1,614	24,853	1,614
<b><u>Discontinued Operation</u></b>				
Profit from discontinued operations	-	831	-	831
<b>Profit for the period</b>	<b>24,853</b>	<b>2,445</b>	<b>24,853</b>	<b>2,445</b>
Attributable to:				
Equity holders of the Company	18,274	1,422	18,274	1,422
Minority interest	6,579	1,023	6,579	1,023
	24,853	2,445	24,853	2,445
Earnings per share attributable equity holders of the Company				
- Basic (sen)	16.02	1.25	16.02	1.25
- 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 31<sup>st</sup> December 2007 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 2008**

	As at 31 Mar 2008  (RM '000)	As at 31 Dec 2007 (Audited) (RM '000)
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	153,046	152,914
Land held for development	96,713	116,325
Investment properties	10,249	10,249
Prepaid land lease payments	5,328	5,376
Investments in associates	824	824
Deferred tax assets	621	1,613
Goodwill	843	842
	267,624	288,143
<b>Current Assets</b>		
Property development costs	269,128	257,409
Inventories	72,601	72,652
Trade and other receivables	109,370	112,630
Tax recoverable	4,839	5,564
Cash and bank balances	39,683	27,502
	495,621	475,757
Non-current assets classified as held for sale	1,801	1,801
	497,422	477,558
<b>TOTAL ASSETS</b>	765,046	765,701
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	114,036	114,036
Reserves	328,800	310,526
	442,836	424,562
<b>Minority Interest</b>	140,045	133,466
<b>Total Equity</b>	582,881	558,028
<b>Non Current Liabilities</b>		
Deferred tax liabilities	37,277	38,036
Other long term liabilities	47,086	49,584
	84,363	87,620
<b>Current Liabilities</b>		
Trade and other payables	55,782	70,054
Bank overdraft	953	839
Short term borrowings	31,283	48,868
Provision for taxation	9,784	292
	97,802	120,053
<b>Total Liabilities</b>	182,165	207,673
<b>TOTAL EQUITY AND LIABILITIES</b>	765,046	765,701
<b>Net Assets Per Share (RM)</b>	3.88	3.72

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31<sup>st</sup> December 2007 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 ENDED 31 MARCH 2008**

	<b><u>2008</u></b> <b>3 months</b> <b>ended</b> <b>31 March</b> <b>(RM '000)</b>	<b><u>2007</u></b> <b>3 months</b> <b>ended</b> <b>31 March</b> <b>(RM '000)</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax		
- Continuing operations	34,656	1,869
- Discontinuing operations	-	831
<b>Adjustments for non-cash flow items :</b>		
Depreciation of property, plant and equipment	1,064	1,456
Other non-cash items	(1,675)	1,781
Operating profit before changes in working capital	34,045	5,937
<b>Changes in working capital</b>		
Net changes in property development expenditure	7,893	11,618
Net changes in current assets	3,273	(271)
Net changes in liabilities	(12,119)	(1,343)
Net cash flows generated from operating activities	33,092	15,941
<b>INVESTING ACTIVITIES</b>		
Property, plant & equipment	(593)	(1,336)
Other investing activities	206	215
Net cash flows used in investing activities	(387)	(1,121)
<b>FINANCING ACTIVITIES</b>		
Bank borrowings	(20,638)	1,069
Other financing activities	-	(326)
Net cash flows (used in)/generated from financing activities	(20,638)	743
Net increase in cash and cash equivalents	12,067	15,563
Cash and cash equivalents at beginning of year	26,663	8,355
Cash and cash equivalents at end of period	38,730	23,918
<b>Cash and cash equivalents comprise the following:</b>		
Cash and Bank Balances	39,683	31,060
Bank Overdraft	(953)	(7,142)
	38,730	23,918

(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 2007 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 ENDED 31 MARCH 2008**

	← 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 2008</b>							
At 1 January 2008	114,036	133,645	-	176,881	424,562	133,466	558,028
Movements during the period							
- Profit for the period, representing total recognised income and expense for the period	-	-	-	18,274	18,274	6,579	24,853
At 31 March 2008	114,036	133,645	-	195,155	442,836	140,045	582,881
<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

(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 2007 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 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 2007.

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 2007 except for the adoption of FRS 107, 118, 119, 134 and 137 which became effective for this financial period. The adoption of these standards did not have any significant impact on the financial statements.

The new FRS 111 and 120, amendments to FRS 121, and Issues Committee Interpretations ("IC Interpretations") 1,2,5,6,7 and 8 that have been issued on 1 July 2007 are not applicable to the Group and the Company.

**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 2008.

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

(Incorporated in Malaysia)



## NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2008

### 7. SEGMENTAL INFORMATION

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

	Segment Revenue		Segment Results	
	← 2008	3 months ended 31 March	2008	→ 2007
	RM '000	RM '000	RM '000	RM '000
<b><u>Continuing Operations</u></b>				
Property development	72,641	31,421	36,957	1,702
Hospitality	2,131	1,889	(153)	148
Education	7,720	9,543	(1,211)	1,806
Unallocated reconciling items	2,192	2,214	(774)	(649)
	84,684	45,067	34,819	3,007
<b><u>Discontinued Operation</u></b>				
Hotelling	-	4,809	-	602
	84,684	49,876	34,819	3,609

### 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 2007 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.

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

(Incorporated in Malaysia)



## **NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2008**

### **12. CAPITAL COMMITMENTS**

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

	<b>As At 31.03.2008 RM'000</b>	<b>Audited As At 31.12.2007 RM'000</b>
Approved and contracted for	2,520	2,227
Approved and not contracted for	41,431	41,673
	<u>43,951</u>	<u>43,900</u>

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

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

	<b>As At 31.03.2008 RM'000</b>	<b>Audited As At 31.12.2007 RM'000</b>
Rental paid to a company in which certain directors have financial interests - G.O. Construction Sdn Bhd	34	135

### **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 RM84.68 million as compared with the preceding year's corresponding quarter of RM49.88 million (inclusive of RM4.81 million revenue from the discontinued hotelling operations). The turnover of the current quarter includes a land sale of RM64.95 million. Following this land sale, the Group registered a pre-tax profit of RM34.66 million compared to RM2.70 million (inclusive of discontinued hotelling operations) for the preceding year's corresponding quarter.

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

The Group posted a pre-tax profit of RM34.66 million for the current quarter as compared to the pre-tax loss of RM2.05 million for the immediate preceding quarter following the land sale as disclosed in Note 14.

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

(Incorporated in Malaysia)



## **NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2008**

### **16. CURRENT YEAR'S PROSPECTS**

Whilst the property market is expected to be cautious in 2008, the Board is optimistic that the Group's operations will continue to perform satisfactorily in the coming quarters.

### **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:-

	<b>3 months ended</b>	
	<b>31.03.2008</b>	<b>31.03.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Current tax expense	9,621	-
Over provision for prior year	(51)	(7)
Deferred tax expense	233	262
Total	<u>9,803</u>	<u>255</u>

The effective tax rate for the quarter and period ended 31 March 2008 which was higher than the statutory tax rate, is reconciled as follows :

	<b>3 months ended 31.03.2008 RM'000</b>
Profit before tax	<u>34,656</u>
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	9,011
Tax effect of expenses that are not deductible in determining taxable profit	447
Tax benefit not recognised during the year	396
Over provision for prior year	<u>(51)</u>
Taxation for the period	<u>9,803</u>

### **19. SALE OF INVESTMENTS AND PROPERTIES**

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



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

(Incorporated in Malaysia)



## **NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2008**

### **20. STATUS OF CORPORATE PROPOSALS**

There were no corporate proposals announced but not completed as at 29 May 2008.

### **21. GROUP BORROWINGS**

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

(a) Secured and unsecured :

	<b>As At 31.03.2008 RM'000</b>	<b>Audited As At 31.12.2007 RM'000</b>
Total secured borrowings	78,369	98,452
Total unsecured borrowings	953	839
Total borrowings	<u>79,322</u>	<u>99,291</u>

(b) Short-term and long-term

	<b>As At 31.03.2008 RM'000</b>	<b>Audited As At 31.12.2007 RM'000</b>
Total short-term borrowings	32,236	49,707
Total long-term borrowings	47,086	49,584
Total short-term and long-term borrowings	<u>79,322</u>	<u>99,291</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 1 and 2 July 2008 to be held at Seremban High Court.

**24. DIVIDENDS**

The Board of Directors are recommending a first and final dividend of 3% less 26% tax (2007-3% less 27% tax) for the financial year ended 31 December 2007. The net dividend payable amounting to RM2,531,588, 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 2008.

**25. EARNINGS PER SHARE**

a) Basic earnings per share

Basic earnings per share for the current quarter is based on the net profit attributable to ordinary shareholders of RM18.27 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**

Company Secretary

29 May 2008