

PK RESOURCES BERHAD (Company No. 17654-P)*(Incorporated in Malaysia)***CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2008**

	2008 Current Quarter Ended 30 September (RM '000)	2007 Comparative Quarter Ended 30 September (RM '000)	2008 9 months Cumulative to date (RM '000)	2007 9 months Cumulative to date (RM '000)
<u>Continuing Operations</u>				
Revenue	30,939	34,011	145,173	101,581
Cost Of Sales	(15,023)	(13,729)	(66,394)	(46,867)
Gross Profit	15,916	20,282	78,779	54,714
Other Income	1,065	1,039	3,486	2,757
Administrative Expenses	(15,378)	(14,234)	(55,209)	(43,087)
Selling and Marketing Expenses	(435)	(1,120)	(1,392)	(3,589)
Other Expenses	(1,247)	(1,680)	(3,578)	(4,442)
Finance costs	(1,557)	(1,726)	(4,243)	(5,493)
(Loss)/profit before tax	(1,636)	2,561	17,843	860
Taxation	(164)	(276)	(5,150)	(1,047)
(Loss)/profit for the period from continuing operations	(1,800)	2,285	12,693	(187)
<u>Discontinued Operation</u>				
Profit from discontinued operations	-	-	-	3,787
(Loss)/profit for the period	(1,800)	2,285	12,693	3,600
Attributable to:				
Equity holders of the Company	(1,896)	1,164	(1,749)	1,606
Minority interest	96	1,121	14,442	1,994
	(1,800)	2,285	12,693	3,600
(Loss)/earnings per share attributable equity holders of the Company				
- Basic (sen)	(1.66)	1.02	(1.53)	1.41
- Diluted (sen)	(1.66)	1.02	(1.53)	1.41

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31st 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 30 SEPTEMBER 2008**

	As at 30 Sep 2008 (RM '000)	(Audited) As at 31 Dec 2007 (RM '000)
ASSETS		
Non Current Assets		
Property, plant and equipment	168,843	152,914
Land held for development	134,782	116,325
Investment properties	10,249	10,249
Prepaid land lease payments	5,260	5,376
Investments in associates	824	824
Deferred tax assets	682	1,613
Goodwill	842	842
	321,482	288,143
Current Assets		
Property development costs	215,224	257,409
Inventories	72,752	72,652
Trade and other receivables	86,519	112,630
Tax recoverable	4,736	5,564
Cash and bank balances	19,307	27,502
	398,538	475,757
Non-current assets classified as held for sale	1,801	1,801
	400,339	477,558
TOTAL ASSETS	721,821	765,701
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	114,036	114,036
Reserves	306,319	310,526
	420,355	424,562
Minority Interest	137,876	133,466
Total Equity	558,231	558,028
Non Current Liabilities		
Deferred tax liabilities	37,495	38,036
Other long term liabilities	24,396	49,584
	61,891	87,620
Current Liabilities		
Trade and other payables	65,440	70,054
Bank overdraft	977	839
Short term borrowings	32,992	48,868
Provision for taxation	2,290	292
	101,699	120,053
Total Liabilities	163,590	207,673
TOTAL EQUITY AND LIABILITIES	721,821	765,701
Net Assets Per Share (RM)	3.69	3.72

(The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31st 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 AND PERIOD ENDED 30 SEPTEMBER 2008**

	<u>2008</u> 9 months ended 30 September (RM '000)	<u>2007</u> 9 months ended 30 September (RM '000)
OPERATING ACTIVITIES		
Profit before tax		
- Continuing operations	17,843	860
- Discontinuing operations	-	3,787
Adjustments for non-cash flow items :		
Depreciation of property, plant and equipment	3,767	4,305
Other non-cash items	37	(1,966)
Operating profit before changes in working capital	21,647	6,986
Changes in working capital		
Net changes in property development expenditure	23,728	7,296
Net changes in current assets	25,361	6,671
Net changes in liabilities	(6,555)	(13,639)
Net cash flows generated from operating activities	64,181	7,314
INVESTING ACTIVITIES		
Property, plant & equipment	(20,189)	12,878
Other investing activities	-	-
Net cash flows (used in)/generated from investing activities	(20,189)	12,878
FINANCING ACTIVITIES		
Bank borrowings	(39,804)	(9,226)
Other financing activities	(12,521)	(2,671)
Net cash flows used in financing activities	(52,325)	(11,897)
Net (decrease)/increase in cash and cash equivalents	(8,333)	8,295
Cash and cash equivalents at beginning of year	26,663	8,355
Cash and cash equivalents at end of period	18,330	16,650
Cash and cash equivalents comprise the following:		
Cash and Bank Balances	19,307	18,323
Bank Overdraft	(977)	(1,673)
	18,330	16,650

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31st 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 AND PERIOD ENDED 30 SEPTEMBER 2008**

	Attributable to Equity Holders of the Company					Minority Interest	Total Equity
	Share Capital (RM '000)	Reserve attributable to Capital (RM '000)	Reserve attributable to Revenue (RM '000)	Retained Profits (RM '000)	Total (RM '000)	(RM '000)	(RM '000)
9 months ended 30 September 2008							
At 1 January 2008	114,036	133,645	-	176,881	424,562	133,466	558,028
Movements during the period							
- Premium on shares issued to non-participating minority interest	-	43	-	-	43	14	57
- Profit for the period, representing total recognised income and expense for the period	-	-	-	(1,749)	(1,749)	14,442	12,693
- Dividend paid for the year ended 31 December 2007	-	-	-	(2,532)	(2,532)	-	(2,532)
- Dividend paid to minority shareholders in a subsidiary for the year ended 31 December 2007	-	-	-	-	-	(10,046)	(10,046)
- Share options granted under ESOS	-	31	-	-	31	-	31
At 30 September 2008	114,036	133,719	-	172,600	420,355	137,876	558,231
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

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31st December 2007 and the accompanying explanatory notes attached to the interim financial statements)



**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2008**

1. BASIS OF PREPARATION

The interim financial report has been prepared in accordance with FRS 134 Interim Financial Reporting and Chapter 9 part 9.22 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 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, 112, 118, 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 revised FRS 111, FRS 120 and amendments to FRS 121, and Issues Committee Interpretations ("IC Interpretations") 1,2,5,6,7 and 8 that became effective on 1 July 2007 are not applicable to the Group and the Company.

FRS 139, Financial Instruments : Recognition and Measurement application has been fixed to be effective on 1 January 2010. The Company is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

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

Saved as disclosed in Note 21(c), 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 2008.



**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2008**

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			
	2008	2007	2008	2007
	RM '000	RM '000	RM '000	RM '000
<u>Continuing Operations</u>				
Property development	102,628	60,378	18,715	1,881
Hospitality	6,320	5,789	(121)	75
Education	30,113	29,039	2,269	4,919
Unallocated reconciling items	6,112	6,375	(2,263)	(3,279)
	145,173	101,581	18,600	3,596
<u>Discontinued Operation</u>				
Hotelling	-	7,311	-	1,123
	145,173	108,892	18,600	4,719

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

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 10 November 2008, Healthcom Pharma Sdn Bhd ("HPSB"), a dormant subsidiary of the Company held a Board of Directors' meeting to approve the proposed dissolution of HPSB by way of members' voluntary winding-up. An EGM will be held on 3 December 2008 to obtain HPSB's shareholders' approval to wind up HPSB pursuant to Section 254(1) (b) of the Companies Act, 1965.

**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2008****11. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no changes in contingent liabilities or contingent assets since the last annual report.

12. CAPITAL COMMITMENTS

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

	As At 30.09.2008 RM'000	Audited As At 31.12.2007 RM'000
Approved and contracted for	48,524	2,227
Approved but not contracted for	683	41,673
	49,207	43,900

13. RELATED PARTY TRANSACTIONS

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

	As At 30.09.2008 RM'000	Audited As At 31.12.2007 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 achieved a turnover of RM30.94 million compared to the preceding year's corresponding quarter of RM34.01 million as the turnover in respect of the preceding year's corresponding quarter included a land sale of RM5.77 million.

The lower turnover as mentioned above and the higher construction cost incurred in the current quarter, resulted in the Group's pre-tax loss of RM1.64 million as compared to a pre-tax profit of RM2.56 million for the preceding year corresponding quarter.

**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2008****15. MATERIAL CHANGES IN THE PROFIT BEFORE TAXATION FOR THE QUARTER COMPARED TO THE IMMEDIATE PRECEDING QUARTER**

The Group posted a pre-tax loss of RM1.64 million for the current quarter as compared to the pre-tax loss of RM15.17 million for the immediate preceding quarter. The higher pre-tax loss of the preceding quarter was attributable to the adjustment for an additional charge of RM13.27 million resulting from the revision of cost to complete the remaining common infrastructure in Putra Nilai following the increase in building materials costs.

16. CURRENT YEAR'S PROSPECTS

In view of the current global financial crisis, the fourth quarter is expected to be challenging. Nevertheless the Group expects to remain profitable for the financial year ending 31 December 2008.

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.

18. TAXATION

Taxation is made up as follows:

	3 months ended		9 months ended	
	30.09.2008	30.09.2007	30.09.2008	30.09.2007
	RM'000	RM'000	RM'000	RM'000
Current taxation	(194)	92	4,811	164
Over provision for prior year	-	-	(51)	-
Deferred tax	358	184	390	883
Total	164	276	5,150	1,047



**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2008**

18. TAXATION (CONTD.)

The effective tax rate for the quarter and period ended 30 September 2008 which was lower than the statutory tax rate, is reconciled as follows :

	3 months ended 30.09.2008 RM'000	9 months ended 30.09.2008 RM'000
(Loss)/profit before tax	(1,636)	17,843
Taxation at Malaysian statutory tax rate of 26%	(425)	4,639
Effect of expenses not deductible	618	3,060
Tax benefit not recognised during the year	(29)	(2,498)
Over provision of income tax expense in prior year	-	(51)
Taxation for the period	164	5,150

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 November 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 30.09.2008 RM'000	Audited As At 31.12.2007 RM'000
Total secured borrowings	57,388	98,452
Total unsecured borrowings	977	839
Total borrowings	58,365	99,291

PK RESOURCES BERHAD (Company No. 17654-P)

(Incorporated in Malaysia)



NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2008

21. GROUP BORROWINGS (CONTD.)

- (b) Short-term and long-term

	As At 30.09.2008 RM'000	Audited As At 31.12.2007 RM'000
Total short-term borrowings	33,969	49,707
Total long-term borrowings	24,396	49,584
Total short-term and long-term borrowings	<u>58,365</u>	<u>99,291</u>

- (c) During the quarter, BBN Development Sdn. Bhd., a subsidiary of the Company, redeemed RM25 million of the RM50 million Medium Term Notes ("MTN") issued on 31 December 2004 under the Murabahah Notes Issuance Facility ("MUNIF"). The MTNs of RM20 million and RM5 million are due for maturity on 31 December 2009 and 31 December 2010 respectively.

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

22. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments 27 November 2008.

23. MATERIAL LITIGATION

As at 27 November 2008, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 31 December 2007, except for the pending claim of RM10.00 million against a subsidiary, Nilai Springs Berhad as disclosed in the preceding quarter this year. The trial was held on 14 October 2008 and will be continued on 10 February 2009.

24. DIVIDENDS

- a) On 31 July 2008, the Company paid a first and final dividend of 3 sen per share less income tax of 26% in respect of the financial year ended 31 December 2007, amounting to RM2,531,588. The first and final dividend had been approved for payment to shareholders at the Company's 34th Annual General Meeting held on 26 June 2008.
- b) No interim dividend has been declared for the current quarter ended 30 September 2008.

PK RESOURCES BERHAD (Company No. 17654-P)

(Incorporated in Malaysia)



NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2008

25. EARNINGS PER SHARE

a) Basic (loss)/earnings per share

Basic loss per share for the current quarter is based on the net loss attributable to ordinary shareholders of RM1.90 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 (loss)/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
27 November 2008