

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

	<b>2008</b> <b>Current</b> <b>Quarter Ended</b> <b>31 December</b> <b>(RM '000)</b>	<b>2007</b> <b>Comparative</b> <b>Quarter Ended</b> <b>31 December</b> <b>(RM '000)</b>	<b>2008</b> <b>12 months</b> <b>Cumulative</b> <b>to date</b> <b>(RM '000)</b>	<b>2007</b> <b>12 months</b> <b>Cumulative</b> <b>to date</b> <b>(RM '000)</b>
<b><u>Continuing Operations</u></b>				
Revenue	37,336	21,411	182,509	122,933
Cost Of Sales	(18,693)	(7,232)	(85,349)	(53,943)
Gross Profit	18,643	14,179	97,160	68,990
Other Income	1,736	955	5,279	3,650
Administrative Expenses	(16,934)	(12,997)	(72,018)	(55,945)
Selling and Marketing Expenses	(412)	(1,018)	(1,804)	(4,595)
Other Expenses	(1,120)	(1,470)	(4,698)	(5,890)
Finance costs	(762)	(1,693)	(5,005)	(7,167)
Share of loss of Associate	(12)	(11)	(12)	(11)
Profit/(loss) before tax	1,139	(2,055)	18,902	(968)
Taxation	(1,166)	82	(6,316)	(1,115)
(Loss)/profit for the period from continuing operations	(27)	(1,973)	12,586	(2,083)
<b><u>Discontinued Operation</u></b>				
Profit from discontinued operations	-	-	-	3,650
<b>(Loss)/profit for the period</b>	<b>(27)</b>	<b>(1,973)</b>	<b>12,586</b>	<b>1,567</b>
Attributable to:				
Equity holders of the Company	(5,949)	(1,414)	(7,754)	169
Minority interests	5,922	(559)	20,340	1,398
	(27)	(1,973)	12,586	1,567
(Loss)/earnings per share attributable equity holders of the Company				
- Basic (sen)	(5.22)	(1.24)	(6.80)	0.15
- Diluted (sen)	(5.22)	(1.24)	(6.80)	0.15

(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 DECEMBER 2008**

	As at 31 Dec 2008 (RM '000)	(Audited) As at 31 Dec 2007 (RM '000)
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	187,297	152,914
Land held for development	133,987	116,325
Investment properties	11,980	10,249
Prepaid land lease payments	5,187	5,376
Investments in associates	811	824
Deferred tax assets	842	1,613
Goodwill	843	842
	340,947	288,143
<b>Current Assets</b>		
Property development costs	210,057	257,409
Inventories	69,264	72,652
Trade and other receivables	76,640	112,630
Tax recoverable	4,912	5,564
Cash and bank balances	13,625	27,502
	374,498	475,757
Non-current assets classified as held for sale	-	1,801
	374,498	477,558
<b>TOTAL ASSETS</b>	715,445	765,701
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	114,036	114,036
Reserves	300,313	310,526
	414,349	424,562
<b>Minority Interests</b>	133,525	133,466
<b>Total Equity</b>	547,874	558,028
<b>Non Current Liabilities</b>		
Deferred tax liabilities	37,058	38,036
Long term borrowings	23,167	49,584
	60,225	87,620
<b>Current Liabilities</b>		
Trade and other payables	60,939	70,054
Bank overdraft	930	839
Short term borrowings	42,176	48,868
Provision for taxation	3,301	292
	107,346	120,053
<b>Total Liabilities</b>	167,571	207,673
<b>TOTAL EQUITY AND LIABILITIES</b>	715,445	765,701
<b>Net Assets Per Share (RM)</b>	3.63	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 AND PERIOD ENDED 31 DECEMBER 2008**

	<b>2008</b> <b>12 months</b> <b>ended</b> <b>31 December</b> <b>(RM '000)</b>	<b>(Audited)</b> <b>2007</b> <b>12 months</b> <b>ended</b> <b>31 December</b> <b>(RM '000)</b>
<b>OPERATING ACTIVITIES</b>		
Profit/(loss) before tax		
- Continuing operations	18,902	(968)
- Discontinuing operations	-	3,650
<b>Adjustments for non-cash flow items :</b>		
Depreciation and amortisation of property plant & equipment	5,110	5,954
Loss retained in associate	12	11
Other non-cash items	141	3,460
Operating profit before changes in working capital	24,165	12,107
<b>Changes in working capital</b>		
Net changes in property development expenditure	29,690	6,230
Net changes in current assets	39,376	33,623
Net changes in liabilities	(11,985)	(30,372)
Net cash flows generated from operating activities	81,246	21,588
<b>INVESTING ACTIVITIES</b>		
Property, plant & equipment	(39,919)	9,410
Other investing activities	(7,032)	834
Net cash flows (used in)/generated from investing activities	(46,951)	10,244
<b>FINANCING ACTIVITIES</b>		
Bank borrowings	(32,421)	(11,008)
Dividend paid to shareholders of the company	(2,532)	(2,497)
Other financing activities	(13,310)	(19)
Net cash flows used in financing activities	(48,263)	(13,524)
Net (decrease)/increase in cash and cash equivalents	(13,968)	18,308
Cash and cash equivalents at beginning of year	26,663	8,355
Cash and cash equivalents at end of period	12,695	26,663
<b>Cash and cash equivalents comprise the following:</b>		
Cash and Bank Balances	13,625	27,502
Bank Overdraft	(930)	(839)
	12,695	26,663

(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 AND PERIOD ENDED 31 DECEMBER 2008**

	← Attributable to Equity Holders of the Company →				Total (RM '000)	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)			
<b><u>12 months ended 31 December 2008</u></b>							
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 interests	-	51	-	-	51	17	68
- Profit for the period, representing total recognised income and expense for the period	-	-	-	(7,754)	(7,754)	20,340	12,586
- Realisation of reserve on consolidation due to acquisition of shares in subsidiaries	-	-	-	(111)	(111)	(6,921)	(7,032)
- 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 2008	-	-	-	-	-	(13,377)	(13,377)
- Share options granted under ESOS	-	133	-	-	133	-	133
At 31 December 2008	114,036	133,829	-	166,484	414,349	133,525	547,874
<b><u>12 months ended 31 December 2007</u></b>							
At 1 January 2007	114,036	133,399	332	178,877	426,644	132,204	558,848
Movements during the period							
- Premium on shares issued to non-participating minority interests	-	119	-	-	119	39	158
- Profit for the period, representing total recognised income and expense for the period	-	-	-	169	169	1,398	1,567
- 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	-	-	-	-	-	(175)	(175)
- Effects of winding up a subsidiary	-	-	(332)	332	-	-	-
- Share options granted under ESOS	-	127	-	-	127	-	127
At 31 December 2007	114,036	133,645	-	176,881	424,562	133,466	558,028

(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 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**

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 2008.

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

(Incorporated in Malaysia)



## NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2008

### 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			
	2008	2007	2008	2007
	RM '000	RM '000	RM '000	RM '000
<b><u>Continuing Operations</u></b>				
Property development	126,370	71,471	20,099	6,214
Hospitality	8,505	7,957	(417)	660
Education	39,678	35,198	1,971	2,912
Unallocated reconciling items	7,956	8,307	(3,013)	(7,226)
	182,509	122,933	18,640	2,560
<b><u>Discontinued Operation</u></b>				
Hotelling	-	7,370	-	3,900
	182,509	130,303	18,640	6,460

### 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 9 December 2008, the Company entered into a Sale and Purchase Agreement to acquire the remaining 30% equity stake in Advance Point (M) Sdn Bhd of 16,500,000 shares for a total consideration of RM7,000,000.

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

(Incorporated in Malaysia)



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

	<b>As At 31.12.2008 RM'000</b>	<b>Audited As At 31.12.2007 RM'000</b>
Approved and contracted for	31,748	2,227
Approved but not contracted for	6,039	41,673
	<u>37,787</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 31.12.2008 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	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 achieved a higher turnover of RM37.34 million compared to the preceding year's corresponding quarter of RM21.41 million. The higher turnover for the current quarter compared to the preceding year's corresponding quarter was attributed to the higher percentage of completion of projects such as Acacia Park, Jati Park and Impiana Residence in the Group's property sector. This sector contributed revenue of RM23.78 million for the current quarter as compared to RM11.76 million for the preceding year's corresponding quarter.

The higher turnover for the current quarter compared to the preceding year's corresponding quarter, resulted in the Group achieving a pre-tax profit of RM1.14 million as compared to a pre-tax loss of RM2.06 million 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 RM1.14 million for the current quarter as compared to the pre-tax loss of RM1.64 million for the immediate preceding quarter. As mentioned above, this was achieved through higher percentage of completion of projects.

**16. PROSPECTS FOR FINANCIAL YEAR 2009**

In view of the current economic environment, the Group expects 2009 to be a challenging year.

**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:

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2008</b>	<b>31.12.2007</b>	<b>31.12.2008</b>	<b>31.12.2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current taxation	1,750	(458)	6,561	(144)
Under/(over) provision for prior year	16	196	(35)	196
Deferred tax	(600)	180	(210)	1,063
Total	1,166	(82)	6,316	1,115



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

(Incorporated in Malaysia)



## **NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2008**

### **18. TAXATION (CONTD.)**

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

	<b>3 months ended 31.12.2008 RM'000</b>	<b>12 months ended 31.12.2008 RM'000</b>
Profit before tax	1,139	18,902
Taxation at Malaysian statutory tax rate of 26%	296	4,915
Effect of expenses not deductible	(1,509)	1,571
Tax benefit not recognised during the year	2,363	(135)
Over provision of income tax expense in prior year	16	(35)
Taxation for the period	1,166	6,316

### **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 25 February 2009.

### **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 31.12.2008 RM'000</b>	<b>Audited As At 31.12.2007 RM'000</b>
Total secured borrowings	65,343	98,452
Total unsecured borrowings	930	839
Total borrowings	66,273	99,291

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

(Incorporated in Malaysia)



## **NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2008**

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

- (b) Short-term and long-term

	<b>As At 31.12.2008 RM'000</b>	<b>Audited As At 31.12.2007 RM'000</b>
Total short-term borrowings	43,106	49,707
Total long-term borrowings	23,167	49,584
Total short-term and long-term borrowings	<u>66,273</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 as at 25 February 2009.

### **23. MATERIAL LITIGATION**

As at 25 February 2009, 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 scheduled for 10 February 2009, was subsequently postponed to 4 March 2009.

### **24. DIVIDENDS**

- a) The Board of Directors is recommending a first and final dividend of 2% less 25% tax (2007: 3% less 26% tax) for the financial year ended 31 December 2008.
- b) The net dividend payable amounting to RM1,710,533 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.

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

*(Incorporated in Malaysia)*



**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2008**

---

**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 RM5.95 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

25 February 2009