All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

If you have sold or transferred all your PARB Shares, you should at once hand this Abridged Prospectus, and the accompanying NPA and RSF to the agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue should be addressed to our Share Registrar, Tricor Investor Services Sdn Bhd (118401-V) at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

A copy of this Abridged Prospectus has been registered with the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus, and the accompanying NPA and RSF have also been lodged with the Registrar of Companies who takes no responsibility for the contents of these documents. You are advised to note that recourse for false or misleading statements or acts made in connection with this Abridged Prospectus are directly available through Sections 248, 249 and 357 of the CMSA.

The approval from our shareholders for the Rights Issue was obtained at our EGM held on 2 May 2012. Approval from Bursa Securities has also been obtained on 30 March 2012 for, amongst others, the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue. The listing of and quotation for the Rights Shares on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue. The official listing of and quotation for the Rights Shares will commence after the receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/ or their renouncee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Neither the SC nor Bursa Securities takes any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus.

Our Directors have seen and approved all the documentation relating to this Rights Issue. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make the statements in these documents false or misleading.

This Abridged Prospectus, and the accompanying NPA and RSF are only despatched to our shareholders whose names appear on our Record of Depositors and who have provided our Share Registrar with an address in Malaysia not later than 5.00 p.m. on 19 October 2012. This Abridged Prospectus, and the accompanying NPA and RSF are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/ or their renouncee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and other professional advisers as to whether the acceptance and/ or renunciation (as the case may be) of all or any part of their entitlements to the Rights Shares would result in a contravention of any laws of such countries or jurisdictions. Neither we, OSK nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/ or renunciation (as the case may be) of the entitlements to the Rights Shares made by the Entitled Shareholders and/ or their renouncee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

OSK, being our Principal Adviser for this Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 6 OF THIS ABRIDGED PROSPECTUS.

P.A. RESOURCES BERHAD

(Company No.: 664612-X)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 894,623,100 NEW ORDINARY SHARES OF RM0.10 EACH IN P.A. RESOURCES BERHAD ("PARB") ("PARB SHARE(S)") ("RIGHTS SHARE(S)") AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE ON THE BASIS OF SEVEN (7) RIGHTS SHARES FOR EVERY TWO (2) PARB SHARES HELD AS AT 5.00 P.M. ON 19 OCTOBER 2012

Principal Adviser

OSK

OSK Investment Bank Berhad (14152-V)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:-

Entitlement Date	:	Friday, 19 October 2012 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	:	Monday, 29 October 2012 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	:	Thursday, 1 November 2012 at 4.00 p.m.
Last date and time for acceptance and payment	:	Tuesday, 6 November 2012 at 5.00 p.m.*
Last date and time for excess application and payment	:	Tuesday, 6 November 2012 at 5.00 p.m.*

* or such later date and time as our Board may determine and announce not less than two (2) Market Days before the stipulated date and time.

This Abridged Prospectus is dated 19 October 2012

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE REGISTRATION OF THIS ABRIDGED PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE RIGHTS ISSUE OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS ABRIDGED PROSPECTUS.

BURSA SECURITIES HAS APPROVED, AMONGST OTHERS, THE LISTING OF AND QUOTATION FOR THE RIGHTS SHARES ON THE MAIN MARKET OF BURSA SECURITIES. HOWEVER, THIS IS NOT AN INDICATION THAT BURSA SECURITIES RECOMMENDS THE RIGHTS ISSUE.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN THE RIGHTS SHARES. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus, the NPA and the RSF:-

"Act"	:	The Companies Act, 1965
"Additional Warrants"	:	26,312,444 Additional Warrants to be issued pursuant to the adjustments to the Warrants under the Deed Poll as a consequence of the Rights Issue
"Amendment"	:	Amendment to the Memorandum and Articles of Association of PARB in relation to the Share Capital Reduction
"Board"	:	The Board of Directors of PARB
"Bursa Depository" or "Depository"	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (635998-W)
"CDS"	:	Central Depository System
"CDS Account"	:	A securities account established by Bursa Depository for a depositor pursuant to the Securities Industry (Central Depository) Act, 1991 and the Rules of Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor
"CMSA"	:	Capital Markets and Services Act 2007
"Corporate Exercises"	:	The Share Capital Reduction, the Rights Issue, the Exemption and the Amendment, collectively
"Deed Poll"	:	The deed poll dated 10 June 2010, constituting the Warrants
"Director(s)"	:	The director(s) of PARB and shall have the meaning given in Section 4 of the Act
"EGM"	:	Extraordinary General Meeting
"Entitlement Date"	:	5.00 p.m. on 19 October 2012, being the date and time on which the names of our shareholders must appear in the Record of Depositors in order to participate in the Rights Issue
"Entitled Shareholder(s)"	:	Our shareholders whose names appear in our Record of Depositors on the Entitlement Date
"EPS"	:	Earnings per share
"Exemption"	:	The exemption under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010 to Chong Sze San and the persons acting in concert with him from the obligation to undertake a mandatory take-over offer for all the remaining PARB Shares, Warrants and Additional Warrants not already held by them pursuant to the Rights Issue
"Excess Rights Shares"	:	Rights Shares which are not taken up or not validly taken up by the Entitled Shareholders and/ or their renouncee(s) (if applicable) prior to excess application

DEFINITIONS (CONT'D)

"FPE"	:	Financial period ended/ ending
"FYE"	:	Financial year ended/ ending
"LAT"	:	Loss after tax
"LBT"	:	Loss before tax
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	24 September 2012, being the latest practicable date prior to the registration of this Abridged Prospectus with the SC
"Market Days"	:	Any day from Mondays to Fridays (inclusive of both days) which is not a public holiday and on which Bursa Securities is open for the trading of securities
"Maximum Scenario"	:	Assuming all the Warrants are exercised prior to the Entitlement Date and the Rights Issue is undertaken on a full subscription level basis
"Minimum Scenario"	:	Assuming none of the Warrants are exercised prior to the Entitlement Date and the Rights Issue is undertaken on the Minimum Subscription Level basis
"Minimum Subscription Level"	:	A minimum level of subscription of 157,500,000 Rights Shares pursuant to the Rights Issue, as determined by the Board after taking into consideration the Shareholder's Undertaking
"NA"	:	Net assets
"NPA"	:	Notice of Provisional Allotment
"OSK" or the "Principal Adviser"	:	OSK Investment Bank Berhad (14152-V)
"PARB" or the "Company"	:	P.A. Resources Berhad (664612-X)
"PARB Group" or the "Group"	:	PARB and its subsidiaries, collectively
"PARB Share(s)" or "Share(s)"	:	Ordinary share(s) of RM0.10 each in PARB
"PAT"	:	Profit after tax
"PBT"	:	Profit before tax
"Provisional Rights Shares"	:	Rights Shares provisionally allotted to the Entitled Shareholders
"Record of Depositors"	:	A record consisting of names of depositors established by Bursa Depository under the Rules of Depository
"Rights Issue"	:	The renounceable rights issue of up to 894,623,100 Rights Shares at an issue price of RM0.10 per Rights Share on the basis of seven (7) Rights Shares for every two (2) PARB Shares held on the Entitlement Date

DEFINITIONS (CONT'D)

"Rights Share(s)"	:	Up to 894,623,100 new PARB Shares to be issued pursuant to the Rights Issue
"RSF"	:	Rights Subscription Form
"SC"	:	Securities Commission Malaysia
"Share Capital Reduction"	:	The share capital reduction via the cancellation of RM0.40 of the par value of every ordinary share of RM0.50 each in the issued and paid-up share capital of PARB pursuant to Section 64(1) of the Act and the credit arising therefrom to be offset against the accumulated losses of PARB
"Shareholder's Undertaking"	:	Irrevocable written undertaking from Chong Sze San to fully subscribe for his entitlements under the Rights Issue
"Treasury Shares Cancellation"	:	The cancellation of all the existing treasury shares held by PARB in accordance with Section 67A of the Act prior to the implementation of the Corporate Exercises
"Warrants"	:	The 63,901,650 outstanding warrants as at the LPD constituted by the Deed Poll, which were issued by PARB on 19 July 2010 and listed on Bursa Securities on 23 July 2010. Pursuant to the terms and conditions of the Deed Poll, each Warrant carries the rights to subscribe for one (1) new ordinary share of RM0.50 each in PARB during the five (5)-year exercise period of the Warrants up to 18 July 2015 with an exercise price of RM0.50 per Warrant

CURRENCIES

"AUD"	:	Australian Dollars
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"USD"	:	United States Dollars

All references to "our Company" and "PARB" in this Abridged Prospectus are made to P.A. Resources Berhad and references to "our Group" are made to our Company and our subsidiaries. All references to "we", "us", "our" and "ourselves" are made to the Company, or where the context requires, our Group or our subsidiaries. All references to "you" in this Abridged Prospectus are made to our Entitled Shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Nationality	Occupation
Dato' Hj Wan Mohamad Zin Bin Mat Amin *(Independent Non-Executive Chairman)*	No. 5 Jalan PJU 3/19 Tropicana Indah Resort Homes 47410 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Chong Sze San *(Group Managing Director)*	No. 8, Jalan LE-1-1 Off Persiaran Lake Edge 47100 Bandar Metro Puchong Selangor Darul Ehsan	Malaysian	Company Director
Dato' Ng Tong Hai *(Executive Director cum Chief Executive Officer)*	No. 65, Lorong Gopeng Taman Golf 31350 Ipoh Perak Darul Ridzuan	Malaysian	Company Director
Lim Beng Koon *(Executive Director)*	No. 6, Jalan 2 Taman Kepong 52100 Kuala Lumpur	Malaysian	Company Director
Len Yoong Chan *(Executive Director)*	No. 8, Jalan LE-1-1 Off Persiaran Lake Edge 47100 Bandar Metro Puchong Selangor Darul Ehsan	Malaysian	Company Director
Lee Peng Seng *(Executive Director)*	No. 6, Jalan PJU 3/12 Tropicana Indah Resort Homes 47410 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Chiam Soon Hock *(Independent Non-Executive Director)*	21, Jalan Desa Bistari Desa Parkcity 52200 Kuala Lumpur	Malaysian	Company Director
Yap Fatt Lam *(Independent Non-Executive Director)*	No. 3, Jalan SU 1A Sering Ukay 68000 Ampang Selangor Darul Ehsan	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Yap Fatt Lam	Chairman	Independent Non-Executive Director
Dato' Hj Wan Mohamad Zin Bin Mat Amin	Member	Independent Non-Executive Chairman
Chiam Soon Hock	Member	Independent Non-Executive Director

CORPORATE DIRECTORY (CONT'D)

COMPANY SECRETARIES	:	Catherine Mah Suik Ching (LS 01302) Lew Nyok Khim (MAICSA 0792279) Level 8, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Tel: 03-7841 8000 Fax: 03-7841 8199
REGISTERED OFFICE	:	Level 8, Symphony House Block D13, Pusat Dagangan Dana 1 Jalan PJU1A/46 47301 Petaling Jaya Selangor Darul Ehsan Tel: 03-7841 8000 Fax: 03-7841 1799
PRINCIPAL OFFICE	:	Lot 424 & 440 Jalan Kuala Selangor Kampung Batu 8, Ijok 45620 Kuala Selangor Selangor Darul Ehsan Tel: 03-3279 3328 Fax: 03-3279 3313 Email : info@pagroup.com.my Website: www.pagroup.com.my
SHARE REGISTRAR	:	Tricor Investor Services Sdn Bhd (118401-V) Level 17, The Gardens North Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel: 03-2264 3883 Fax: 03- 2282 1886
AUDITORS AND REPORTING ACCOUNTANTS	:	Messrs SC Associates (AF 0891) No. 10-B, Kompleks Damai Jalan Lumut Off Jalan Tun Razak 50400 Kuala Lumpur Tel: 03-4043 6288 Fax: 03-4043 7288
PRINCIPAL BANKER	:	AmBank (M) Berhad (8515-D) Level 18, Menara Dion Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 03-2026 3939 Fax: 03-2026 6855
SOLICITORS	:	Messrs Tan, Goh & Associates Unit 825, 8th Floor, Block A Damansara Intan No. 1 Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel: 03-7727 7228 Fax: 03-7731 9238

CORPORATE DIRECTORY (CONT'D)

PRINCIPAL ADVISER	:	OSK Investment Bank Berhad (14152-V) 20th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel: 03-2333 8333 Fax: 03-2175 3217
STOCK EXCHANGE LISTED AND LISTING SOUGHT	:	Main Market of Bursa Securities

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P.A. RESOURCES BERHAD
(Company No.: 664612-X)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

Level 8, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

19 October 2012

Board of Directors

Dato' Hj Wan Mohamad Zin Bin Mat Amin *(Independent Non-Executive Chairman)*
Chong Sze San *(Group Managing Director)*
Dato' Ng Tong Hai *(Executive Director cum Chief Executive Officer)*
Lim Beng Koon *(Executive Director)*
Len Yoong Chan *(Executive Director)*
Lee Peng Seng *(Executive Director)*
Chiam Soon Hock *(Independent Non-Executive Director)*
Yap Fatt Lam *(Independent Non-Executive Director)*

To: **Our Entitled Shareholders**

Dear Sir/ Madam,

RENOUNCEABLE RIGHTS ISSUE OF UP TO 894,623,100 RIGHTS SHARES AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE ON THE BASIS OF SEVEN (7) RIGHTS SHARES FOR EVERY TWO (2) PARB SHARES HELD AS AT 5.00 P.M. ON 19 OCTOBER 2012

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1. INTRODUCTION

On 10 January 2012, OSK had, on behalf of our Board, announced that we propose to undertake the Capital Reduction, Rights Issue, Exemption and Amendment.

On 9 March 2012, OSK had, on behalf of our Board, announced that the Controller of Foreign Exchange (via Bank Negara Malaysia) had, vide its letter dated 7 March 2012, approved the issuance of the Additional Warrants to the non-resident shareholders of PARB pursuant to the Rights Issue.

On 2 April 2012, OSK had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 30 March 2012, resolved to approve the following:-

i. listing of and quotation for up to 894,623,100 new PARB Shares to be issued pursuant to the Rights Issue;

ii. listing of and quotation for up to 26,312,444 Additional Warrants arising from adjustments pursuant to the Rights Issue; and

iii. listing of and quotation for up to 26,312,444 new PARB Shares to be issued pursuant to the exercise of the Additional Warrants.

The aforesaid approval is subject to the following conditions:-

	Conditions	Status of compliance
i.	PARB and OSK must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue;	Noted
ii.	PARB and OSK to inform Bursa Securities upon the completion of the Rights Issue;	To be complied
iii.	PARB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed; and	To be complied
iv.	PARB and OSK to furnish the following to Bursa Securities prior to quotation of the Rights Shares and Additional Warrants:- (a) A certified true copy of the resolution passed by the shareholders approving the Rights Issue; (b) A copy of the court order from the High Court of Malaya for the Share Capital Reduction; (c) A copy of the approval letter from the SC and Controller of Foreign Exchange (via Bank Negara Malaysia); and (d) PARB and OSK must make an announcement on the profile of the Warrants arising from the adjustments pursuant to the Rights Issue.	To be complied

On 2 May 2012, our shareholders had approved the Corporate Exercises at our EGM. A certified true copy of the resolutions pertaining to the Corporate Exercises passed at the aforesaid EGM is set out in Appendix I of this Abridged Prospectus. The SC had subsequently, vide its letter dated 11 May 2012, approved the Exemption.

On 15 June 2012, OSK had, on behalf of our Board, announced that the High Court of Malaya in Kuala Lumpur had, on even date, granted an order confirming the Share Capital Reduction pursuant to Section 64(1) of the Act.

On 26 June 2012, OSK had, on behalf of our Board, announced that the sealed order of the High Court of Malaya in Kuala Lumpur confirming the aforementioned Share Capital Reduction has been duly lodged with the Registrar of Companies on 26 June 2012, thus being the effective date and marking the completion of the Share Capital Reduction. The Amendment subsequently became effective on 26 June 2012 upon completion of the Share Capital Reduction.

On 5 October 2012, OSK had, on behalf of our Board, announced the following:-

i. The issue price of the Rights Shares has been fixed at RM0.10 per Rights Share; and

ii. The Entitlement Date has been fixed on 19 October 2012 at 5.00 p.m., along with other relevant dates pertaining to the Rights Issue.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us or OSK.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE

2.1 Details of the Rights Issue

In accordance with the terms of the Rights Issue as approved by the relevant authorities and our shareholders at the EGM held on 2 May 2012, and subject to the terms of this Abridged Prospectus and the accompanying documents, we shall provisionally allot up to 894,623,100 Rights Shares to the Entitled Shareholders on a renounceable basis of seven (7) Rights Shares for every two (2) PARB Shares at an issue price of RM0.10 per Rights Share.

In determining the entitlements of the Entitled Shareholders, any fractional entitlement of the Rights Shares will be disregarded and shall be dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company.

The Rights Issue is renounceable. As such, you can subscribe for and/ or renounce your entitlements for the Rights Shares in full or in part. Any unsubscribed Rights Shares will be made available to the other Entitled Shareholders and/ or their renouncee(s) (if applicable) under the Excess Rights Shares application. It is the intention of our Board to allocate the Excess Rights Shares, if any, in a fair and equitable manner, and on a basis as set out in Section 10.8 of this Abridged Prospectus.

As the Rights Shares are prescribed securities, your CDS Account will be duly credited with the number of Provisional Rights Shares, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed in this Abridged Prospectus, a NPA notifying you of the crediting of such Provisional Rights Shares into your CDS Account and a RSF to enable you to subscribe for the Provisional Rights Shares, as well as to apply for the Excess Rights Shares if you choose to do so.

Any dealings in our securities will be subject to the provisions of the Securities Industry (Central Depositories) Act, 1991, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Shares to be issued and allotted will be credited directly into the respective CDS Accounts of the successful applicants. No physical share certificates will be issued. The notices of allotment will be despatched to the successful applicants within eight (8) Market Days from the last date for acceptance of and payment for the Rights Shares.

2.2 Basis and justification of determining the issue price of the Rights Shares

On 5 October 2012, OSK had, on behalf of our Board, announced that the issue price of the Rights Shares has been fixed at RM0.10 per Rights Share. This represents the theoretical ex-rights price of PARB Shares of RM0.10, calculated based on the five (5)-day weighted average market price of PARB Shares of RM0.12 up to 2 October 2012, being the last transacted day of PARB Shares immediately preceding the price-fixing date. The issue price was determined by our Board after taking into consideration the aforementioned theoretical ex-rights price of PARB Shares and the par value of PARB Shares of RM0.10 each.

2.3 Ranking of the Rights Shares

The Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing PARB Shares, save and except that the Right Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of the Rights Shares.

2.4 Details of other corporate exercises

Save for the Rights Issue, we do not have any other corporate exercises which have been approved by the regulatory authorities but not yet completed as at the LPD.

3. RATIONALE AND JUSTIFICATION FOR THE RIGHTS ISSUE

After due consideration of the various funding options available to us, our Board is of the view that the Rights Issue is the most appropriate avenue to raise funds after taking into consideration the following factors as the Rights Issue will:-

i. Enable us to raise equity capital without incurring interest expenses as compared to bank borrowings. This would allow us to preserve cash for reinvestment and/ or operational purpose;

ii. Provide our shareholders with an opportunity to further increase their equity participation in our Company via the issuance of new PARB Shares without diluting the existing shareholders' interest, assuming that all Entitled Shareholders fully subscribe for their respective entitlements pursuant to the Rights Issue;

iii. Allow our Group to recapitalise our shareholders' equity base by raising funds to partially pare down our Group's existing borrowings; and

iv. Improve liquidity and financial flexibility, as well as to optimise our Group's capital structure by strengthening the statement of financial position and reducing its current gearing level.

In addition, our Board is of the view the Rights Issue will be adequate in addressing the current financial needs of our Group, due to the following:-

i. The proceeds arising from the Rights Issue will mainly be utilised to repay the bank borrowings of our Group, which would result in an interest cost savings of approximately RM2.68 million per annum under the Maximum Scenario. This would help to improve the cashflow of our Group and allow us to invest the savings in our operations. In addition, once the bank borrowings have been repaid, our Group will no longer incur the related finance costs and thus improve its financial performance; and

ii. The remaining proceeds will be utilised for working capital requirements of our Group to meet its future commitment.

4. SHAREHOLDER'S UNDERTAKING AND UNDERWRITING ARRANGEMENT

Our Board had determined to undertake the Rights Issue on a Minimum Subscription Level basis. The Minimum Subscription Level had been determined by our Board after taking into consideration, inter-alia, our gearing position and the minimum level of funds we wish to raise from the Rights Issue, which will be channelled towards the proposed utilisation of proceeds as set out in Section 5 of this Abridged Prospectus. In this regard, our Board intends to raise minimum gross proceeds of RM15.75 million.

To meet the Minimum Subscription Level, we had, on 9 January 2012, procured an irrevocable undertaking letter from one of our substantial shareholder, namely Chong Sze San, to subscribe in full for his entitlement of 157,500,000 Rights Shares pursuant to the Rights Issue.

A summary of the Shareholder's Undertaking is set out below:-

Shareholder	No. of PARB Shares held as at the LPD	%*1	Entitlement	No. of Rights Shares to be subscribed pursuant to the Shareholder's Undertaking	%*2
Chong Sze San	45,000,000	23.47	157,500,000	157,500,000	17.61

Notes:-

*1 *Percentage calculated based on the issued and paid-up share capital of PARB as at the LPD*

*2 *Percentage calculated based on the total 894,623,100 Rights Shares available for subscription under the Maximum Scenario*

Chong Sze San had also, on 9 January 2012 provided his confirmation that he has sufficient financial resources to take up his entitlement as mentioned. The said confirmation has been verified by OSK, our Principal Adviser for the Rights Issue.

As the Rights Issue is structured on a Minimum Subscription Level basis, we will not procure any underwriting arrangement for the remaining portion of up to 737,123,100 Rights Shares, representing 82.39% of the total Rights Shares available for subscription under the Maximum Scenario pursuant to the Rights Issue.

5. UTILISATION OF PROCEEDS

Based on the issue price of RM0.10 per Rights Share, the Rights Issue is expected to raise gross proceeds of up to RM89,462,310.

The proceeds are expected to be utilised in the manner as set out below:-

Details of utilisation	Timeframe for utilisation	Minimum Scenario RM'000	Maximum Scenario RM'000
Repayment of bank borrowings*1	within 12 months	10,000	50,000
Working capital*2	within 12 months	4,750	38,462
Estimated expenses in relation to the Corporate Exercises*3	within one (1) month	1,000	1,000
Total		**15,750**	**89,462**

Notes:-

*1 *As at the LPD, our Group's total bank borrowings amounted to approximately RM82.59 million. For illustrative purposes and under the Maximum Scenario, the partial repayment of our Group's borrowings is expected to result in interest cost savings of approximately RM2.68 million per annum based on the effective interest rate of 5.36% per annum*

*2 *The proceeds for working capital will be utilised to finance our Group's day-to-day operations and is expected to be utilised in the following manner:-*

Minimum Scenario

	RM'000
Repayment to trade and other creditors (which include payment for the purchase of raw materials, maintenance charges, and other manufacturing and production expenses)	*4,145*
Administration expenses (which include, inter-aiia, salaries, employees provident fund and social security organisation contributions, staff welfare, quit rent and assessment, utilities, travelling expenses and transportation)	*605*
Total	***4,750***

Maximum Scenario

	RM'000
Repayment to trade and other creditors (which include payment for the purchase of raw materials, maintenance charges, and other manufacturing and production expenses)	*33,560*
Administration expenses (which include, inter-alia, salaries, employees provident fund and social security organisation contributions, staff welfare, quit rent and assessment, utilities, travelling expenses and transportation)	*4,902*
Total	***38,462***

*3 *The breakdown of the estimated expenses in relation to the Corporate Exercises are set out below:-*

	RM'000
Professional fees (including fees for Principal Adviser, reporting accountants and solicitors)	*800*
Regulatory fees	*72*
Miscellaneous expenses (including printing and advertising costs)	*128*
Total	***1,000***

Any deviation in the actual expenses incurred in relation to the Corporate Exercises will be adjusted against the amount allocated for working capital

Any change in the amount of proceeds to be raised, which is dependent upon the actual number of Rights Shares to be subscribed and issued, will be adjusted against the amount allocated for working capital.

Pending utilisation of the proceeds from the Rights Issue for the above purposes, the proceeds will be placed in deposits with financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group.

6. RISK FACTORS

You and/ or your renouncee(s) (if applicable) should consider carefully, in addition to other information contained elsewhere in this Abridged Prospectus, the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group before subscribing for or investing in the Rights Issue.

6.1 Risks relating to our operations and the industries we operate in

6.1.1 Business risks

Our Group is principally involved in aluminium extrusion, fabrication and related services, manufacturing aluminium billets and tolling, and as a contractor in designing, supplying, fabricating and installing of aluminium products. Hence, our Group's business is subject to certain risks inherent in the aluminum industry that include, inter-alia, changes in domestic and world economic conditions, entry of new players, and increase in the cost of operations and raw materials.

Notwithstanding the above, our Group has not experienced the aforementioned risks for the past three (3) financial years up to the FYE 31 March 2012 and subsequent period up to the LPD, save for the global economic downturn which had affected our performance for the FYE 31 March 2010, details of which is set out in Section 6 of Appendix II of this Abridged Prospectus.

Whilst our Group seeks to limit these risks through, inter-alia, diversifying and increasing our customer base, storing sufficient level of raw materials and locking in the prices of raw materials to reduce our Group's exposure to the volatile prices of aluminium by placing orders with suppliers only after confirmation has been received from the customers, there is no assurance that any change to these risks will not adversely affect our Group's business.

6.1.2 Operational risks

Our business is subject to a variety of operating risks, including sustained disruption in the supply of utilities such as water or electricity, industrial accidents, labour disputes, as well as environmental risks including unexpected adverse geological conditions, environmental hazards, natural disasters and other natural phenomena. Any such calamities or other events beyond our control may lead to significant disruptions in our business operations which may result in us having to incur large capital expenditures to restore our processing plant and necessary infrastructure facilities. Consequently, this will affect our Group's profitability and cash flows.

For the past three (3) financial years up to the FYE 31 March 2012 and subsequent period up to the LPD, our Group has not experienced any sustained disruption to our Group's business operation. However, there can be no assurance any change in these risks will not adversely affect our Group's operating results.

6.1.3 Pricing and availability of raw materials

Aluminium, as a commodity, is prone to price fluctuations. Aluminium ingots and aluminium scraps are used in the production of aluminium billets. The price of aluminium ingots is influenced by, inter-alia, the trading prices of aluminium on the London Metal Exchange ("LME") and the foreign exchange rate. In addition, a shortage of aluminium ingots will also correspondingly result in an increase in the price of aluminium scraps and vice versa.

For the past three (3) financial years up to the FYE 31 March 2012 and subsequent period up to the LPD, our Group has not experienced any major fluctuations in the pricing and shortage of raw materials, save for the heavy pressure in selling price of our aluminium products during the FYE 31 March 2010 due to the global economic downturn.

It is a common market practice that the billets and/ or aluminium profiles are transacted with the customers based on an agreed margin above LME prices. However, there is no assurance that this current market practice will continue to be adopted in the future or is adequate to mitigate the price fluctuations. Accordingly, we cannot assure that the fluctuations in the LME prices and availability of raw materials, which would correspondingly influence the pricing of our end products, will not adversely affect our business and financial performance.

6.1.4 Foreign exchange risks

Our Group is exposed to foreign exchange risks on sales and purchases that are denominated in foreign currencies. The currency giving rise to this risk is primarily USD.

Nevertheless, where appropriate, our Group's exposure to fluctuations in foreign currencies is mitigated by the use of forward foreign currency contracts. In addition, we also utilise trade loans denominated in USD to finance the purchase of raw materials which are quoted in the said currency.

For the past three (3) financial years up to the FYE 31 March 2012 and subsequent period up to the LPD, there have been no material fluctuations in exchange rate which had adversely affected our Group's financial performance. However, there can be no assurance that any future material fluctuations in exchange rates will not adversely affect our Group's financial performance.

6.1.5 Borrowings and fluctuations in interest rates

Our Group's loan facilities arise from the need to fund our day-to-day operations, and our expansion and growth activities, as well as conversion of some of our bankers' acceptances. As at the LPD, our Group's total bank borrowings amounted to approximately RM82.59 million. As the majority of our bank borrowings are dependent on prevailing interest rates, the interest charges will be subject to fluctuations of interest rates which could materially affect our Group's profitability.

Further, our agreements for loan facilities and securities also contain covenants which may limit our Group's future operating and financing flexibility, as certain future plans may be restricted or require the consent of the relevant financial institutions. A breach of such covenants may result in the termination and/ or enforcement of certain provisions granted for the relevant credit facility. For the past three (3) financial years and subsequent period up to the LPD, our Group has not encountered any default in payments of our loan facilities.

Our Group is aware of such risks and will take all necessary precautions to prevent any breach of our financial obligations, whilst adhering to strict financial management practices and prudent cash flow policies. In order to reduce our Group's exposure to interest rate risks, part of our proceeds from the Rights Issue will be utilised to repay bank borrowings. Under the Maximum Scenario, the repayment is expected to result in interest cost savings of approximately RM2.68 million per annum. We plan to further reduce our Group's exposure to such risks in the long term by continuously sourcing for facilities with competitive interest rates from various financial institutions, should the need for borrowings arise.

Nevertheless, there can be no assurance that the financial performance of our Group would not be materially affected by any adverse changes in interest rates and/ or breach of covenants set out in our loan agreements.

6.1.6 Dependence on other industries

The aluminium profiles manufactured by our Group are used in various product manufacturing industry which include electrical, electronics, furniture and consumer durables segments, construction and solar industries. In view of the wide range of industries where our products can be used, either directly or indirectly, we believe that the risk of over dependence on a particular industry is low.

Nevertheless, there can be no assurance that a decline in one or more particular industries will not adversely affect our Group's operating results.

6.1.7 Dependence on customers

Our Company's aluminium business is dependent, to a certain extent, on several key customers who order large quantities of aluminium products from us consistently.

We face the risk of, inter-alia, the termination of business relationships and cessation of certain product lines by our customers, which may result in us losing a substantial portion of our business, and thus, have an adverse effect on our business operations and financial performance.

For the past three (3) financial years up to the FYE 31 March 2012 and subsequent period up to the LPD, our Group has not experienced any termination of business relationships and cessation of certain product lines by our customers.

6.1.8 Dependence on key personnel

We believe that to ensure success, we have to be dependent, to a certain extent, on the abilities, skills, experience, competency and continued efforts of our existing Directors and key management. The loss of any of these individuals may affect our business operations. Our key management has contributed positively in strategising the business, leading the daily operations, and sales and marketing of our business. Our key management also has the relevant experience which has been instrumental in the growth and expansion of our business.

Recognising the importance of our personnel, we will continuously adopt appropriate approach to retain our key personnel. To avoid over dependence on any key personnel, we strive to attract qualified and experienced personnel, as well as to address our succession planning programme by grooming the junior personnel to complement our management team. This will in turn help to ensure continuity and competency of our management team.

6.1.9 Economic, political and regulatory risks

Our financial and business prospects are subject to the economic, political and regulatory front in Malaysia and/ or other countries which we have business relationships with. Any adverse development in the conditions in these areas in and outside Malaysia which are beyond our control could materially and adversely affect our Group's financial performance and operations. Such economic, political and regulatory uncertainties include, but are not limited to, global economic slowdown, war, riots, and unfavourable changes in political leadership and government policies relating to interest rates, taxation and currency exchange controls.

Notwithstanding the above, our Group has not experienced the aforementioned risks for the past three (3) financial years up to the FYE 31 March 2012 and subsequent period up to the LPD, save for the global economic downturn which had affected our performance for the FYE 31 March 2010, details of which is set out in Section 6 of Appendix II of this Abridged Prospectus.

Whilst we are not aware of any non-compliance of the existing laws and regulations, there is no assurance that such laws and regulations will not be amended or new laws and regulations will not be introduced. In the event that our Group's business is unable to comply with these requirements, we may encounter difficulties and constraints in our business operations. Any changes in or introduction of new laws and regulations that require compliance by our Group's business may increase our cost of operations, all of which may affect the business and financial performance of our Group.

6.2 Risks relating to the Rights Issue

6.2.1 Market price of the Rights Shares

The market price of our Shares is influenced by, inter-alia, the prevailing equity market sentiments, the volatility of equity markets, the liquidity of our Shares, the outlook of the industries in which we operate in and future profitability of our Group. There is no assurance that the Rights Shares will trade at or above the issue price of the Rights Shares or the theoretical ex-rights price of our Shares upon or subsequent to the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities. There is also no assurance that the market price of our Rights Shares will trade at a level that meets the investment objectives of any subscribers for the Rights Shares.

6.2.2 Delay in or abortion of the Rights Issue

The Rights Issue is exposed to the risk that it may be aborted or delayed on the occurrence of any one (1) or more of the following events:-

i. material adverse change of events/ circumstances, which are beyond the control of our Company and OSK, arising prior to or during the implementation of the Rights Issue;

ii. Chong Sze San, who has provided the Shareholder's Undertaking as set out in Section 5 of this Abridged Prospectus, may not fulfil or be able to fulfil his obligation; and

iii. we are unable to meet the public spread requirement of the Listing Requirements, i.e. at least 25% of our issued and paid-up capital must be held by public shareholders holding not less than 100 Shares each.

Nevertheless, our Group will endeavour to ensure the successful listing of the Rights Shares. However, there can be no assurance that the abovementioned events will not cause a delay in or the Rights Issue being aborted. In the event the Rights Issue is aborted, our Group will repay without interest all monies received in respect of the accepted application for the subscription of the Rights Shares pursuant to the Rights Issue and if such monies are not repaid within 14 days after it becomes liable, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

6.3 Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical information which may not be reflective of the future results, whilst others are forward-looking in nature which are subject to uncertainties and contingencies.

All forward-looking statements contained in this Abridged Prospectus are based on forecasts and assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, inter-alia, the risk factors as set out in this section. In view of these uncertainties, the inclusion of any forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS OF OUR GROUP

7.1 Overview and outlook of the Malaysian economy

The global economic environment remained challenging in the second quarter of 2012, amidst heightened vulnerabilities in several key economies. Growth in the major advanced economies was weighed down by policy and domestic structural concerns. In Asia, economic activity was affected by weaker external demand. In spite of this challenging environment, the Malaysian economy recorded a higher growth of 5.4%, driven by stronger domestic demand, which rose by 13.8%. This was supported by robust growth in the expenditure of both the private and public sectors, while net exports moderated further due to weaker exports and higher imports. On the supply side, most major economic sectors continued to expand, led by the services, manufacturing and construction sectors.

Gross fixed capital formation recorded a stronger growth of 26.1%, amidst increased capital spending by both the private and public sectors. Private investment strengthened further, supported by investment in the domestic-oriented services sub-sectors, oil and gas and manufacturing industries. Expansion in public investment was driven by non-financial public enterprises' capital spending in the transportation, oil and gas and utilities sectors, as well as the Federal Government's development spending on transportation, trade and industry, public utilities and education.

Private consumption registered a strong growth of 8.8%, supported by firm labour market conditions, robust income growth and improved consumer sentiment. In addition, government initiatives such as financial assistance to the lower income households and Federal Land Development Authority's settlers, as well as increases in the salaries and pensions of civil servants also supported the increase in spending. Public consumption increased by 9.4%, led by higher spending on emoluments and supplies and services.

On the supply side, most economic sectors expanded further. This was supported by domestic-driven activity in the services sector, namely communication, real estate and business services, and the finance and insurance sub-sectors. The manufacturing sector was driven by higher growth in the export-oriented industries and a continued expansion of the domestic-oriented industries. The construction sector recorded a strong double-digit growth for the second consecutive quarter amidst increased activities in the civil engineering sub-sector. The mining sector expansion reflected the higher output of crude oil, while the agriculture sector recorded a contraction due to lower crude palm oil production.

(Source: Central Bank of Malaysia (2012). Quarterly Economic Bulletin, Second Quarter 2012)

7.2 Overview and outlook of the metal industry

Malaysia's basic metal industries, which include the iron and steel industries and the non-ferrous metal industries, have seen significant developments since the last three (3) decades in tandem with the country's industrial development.

The non-ferrous metal sectors in Malaysia cover products like tin, aluminium, copper, zinc, and lead. The main players, however, are companies in the aluminium industries sector which produce aluminium sheets/ foils, aluminium finstock, aluminium ingots (recycled), aluminium rods and aluminium extruded profiles, and the copper related companies which produce copper rods/ wires, copper strips, copper tubes/ extrusions and tin metal. There are currently 180 companies in the non-ferrous metal sectors with annual output of RM7.3 billion and total employment of 14,996 workers.

The non-ferrous metal industries provide linkages mainly in the construction industry, electrical and electronics ("E&E") industry, automotive industry, food and packaging industry.

(Source: Malaysian Investment Development Authority (2012). Basic Metal Products Industry)

In line with renewed confidence in the domestic investment ecosystem, total investments in the manufacturing sector approved by the Malaysian Investment Development Authority during the first seven (7) months of 2011 increased 63.6% to RM31.7 billion involving 514 projects, comprising 313 new projects and the remaining were expansion and diversification of existing operations. The investments were mainly in the E&E (RM8.3 billion), basic metal products (RM5.1 billion), transport equipment (RM4.6 billion) and fabricated metal products (RM2.8 billion) sub-sectors.

Non-E&E exports continued to expand and recorded a double-digit growth of 14.1% to RM156.4 billion (January-July 2010: 21.3%; RM137.2 billion) underpinned by higher external demand coupled with rising prices. The sub-sectors posting a strong performance included chemicals, chemical and plastic products; iron, steel and metal products; petroleum products; textile, apparel and footwear; food, beverages and tobacco as well as machinery equipment.

Shipments of iron, steel and metal products expanded 13.9% (January-July 2010: 16.5%) fuelled by higher demand for all components, particularly non-ferrous metal (25.4%), iron and steel products (11.5%) as well as manufactures of metal (5.6%), backed by increased construction activities in the region.

(Source: Ministry of Finance Malaysia (2011). Economic Report 2011/ 2012. Chapter 3: Economic Performance and Prospects)

7.3 Overview and outlook of the manufacturing industry

The manufacturing sector is expected to sustain at 4.5% (2011: 4.5%) largely supported by the strong growth in domestic-oriented industries particularly from resource-based sub-sectors. The export-oriented industries are projected to pick up modestly with some improvement in E&E exports and resilient regional trade. Demand for E&E is expected to be driven by resumption of restocking activity, given the low level of global inventory as reflected in the book-to-bill ratio, which moderated to less than one (1) for eight (8) consecutive months in 2011. Thus, Malaysia is likely to benefit from these developments, particularly demand for high-end memory chips as well as digital applications for the automotive industry. In addition, continued expansion of domestic consumption and investment are anticipated to support production of domestic-oriented industries. Likewise, the prospects for the construction-related materials sub-sectors remains strong as projects under the 10th Malaysia Plan and National Key Economic Areas gain momentum.

(Source: Ministry of Finance Malaysia (2011). Economic Report 2011/ 2012. Chapter 3: Economic Performance and Prospects)

Value added growth in the manufacturing sector increased to 5.6% in the second quarter of 2012, supported by higher growth in the export-oriented industries and a continued expansion of the domestic-oriented industries. Improvements in the performance of the export-oriented industries was driven mainly by higher output growth of the primary-related cluster, as firm regional demand supported the performance of major segments such as chemicals and chemical products, refined petroleum and wood. The E&E cluster also registered further expansions during the quarter, underpinned by the recovery in the global E&E supply chain. This is further supported by the continued strength in the demand for mobile devices, in particular, smartphones and tablets. On the domestic front, the performance of domestic-oriented industries was supported mainly by the resilience of the consumer-related cluster with the transport equipment and the food, beverage and tobacco segments registering sustained growth rates, in tandem with the firm growth in private consumption.

Overall, the capacity utilisation rate in the manufacturing sector increased in the second quarter. Export-oriented industries operated at 82% of total capacity while the capacity utilisation rate of domestic-oriented industries was 78%.

(Source: Central Bank of Malaysia (2012). Quarterly Economic Bulletin, Second Quarter 2012)

7.4 Future prospects of our Group

Our Group extrudes a wide range of aluminium profiles for a variety of applications, ranging from simple architectural needs to high precision electronics applications. These profiles can be custom made or of standard design. Our Group obtains the raw materials for the aluminium profiles mainly from Middle East and Australia. In order to reduce our Group's exposure to the volatile prices of aluminum, we have made efforts to purchase the raw materials from the suppliers only after confirmation of order has been received from the customers.

The aluminium profiles manufactured by our Group are mainly used in the product manufacturing industry which includes electrical, electronics, furniture and consumer durables segments, construction and solar industries.

In addition, our Group has successfully penetrated the solar energy industry in various countries including Mexico, Poland, Philippines, the United States of America, Canada and Switzerland. The technical capability of our Group in meeting the stringent requirements of this industry has contributed directly to its success. Currently, our Group is supplying solar panel frames to mainly four (4) customers in this industry. There is no fixed tenor of supply for the solar panel frames as it is based on purchase orders.

The vertical expansion embarked by our Group when we set up our subsidiary, P.A. Projects Sdn Bhd on 18 February 2009, is also starting to bear fruits. This subsidiary was set up to undertake architectural projects such as the supply and installation of metal cladding, curtain walls, windows and doors for residential and commercial projects. During the last two (2) years, P.A. Projects Sdn Bhd has successfully bid for some non-renewable medium scale projects to provide the aforementioned scope of work to the commercial sector, which are carried out for one (1) to two (2) years. As at the LPD, we are the subcontractor to provide design, fabrication, supply and installation of aluminium and glazing work to several commercial clients. Further, for the FYE 31 March 2012, the revenue generated from construction contract segment had increased by 11.61% to RM10.22 million as compared to the previous financial year. Based on the increasing revenue generated since the construction contract segment commenced in 2009 and the continuous efforts of our Group to expand this segment, our Board believes that P.A. Projects Sdn Bhd would be able to contribute positively to our Group.

In view of the above, our Board is optimistic that our Group is on the road to recovery with revenue likely to increase in the coming financial year. The turnaround of our Group is expected to be imminent.

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE

8.1 Issued and paid-up share capital

The proforma effects of the Rights Issue on our issued and paid-up share capital as at the LPD are set out below:-

	Par value	Minimum Scenario		Maximum Scenario	
	RM	No. of shares	RM	No. of shares	RM
Issued and paid-up share capital as at the LPD	0.10	191,704,950	19,170,495	191,704,950	19,170,495
Upon full exercise of the outstanding Warrants	0.10	-	-	63,901,650	6,390,165
	0.10	191,704,950	19,170,495	255,606,600	25,560,660
Shares to be issued pursuant to the Rights Issue	0.10	157,500,000	15,750,000	894,623,100	89,462,310
Enlarged issued and paid-up share capital	**0.10**	**349,204,950**	**34,920,495**	**1,150,229,700**	**115,022,970**

8.2 NA and gearing

Based on the audited consolidated financial statement of our Group as at 31 March 2012, the proforma effects of the Rights Issue on the consolidated NA per Share and gearing of our Group are set out below:-

Minimum Scenario

		I	II	III
	Audited as at 31 March 2012 RM'000	Adjusted for the Treasury Shares Cancellation RM'000	After I and the Share Capital Reduction RM'000	After II and the Rights Issue RM'000
Share capital	98,743	95,853	19,170	34,920
Reserves	(58,692)	(55,802)	19,881*2	19,881
Shareholders' equity/ NA	**40,051**	**40,051**	**39,051**	**54,801**
No. of shares in issue ('000)	197,486*1	191,705	191,705	349,205
Par value (RM)	0.50	0.50	0.10	0.10
NA per share (RM)	0.20	0.21	0.20	0.16
Borrowings (interest-bearing) (RM)	84,560	84,560	84,560	74,560
Gearing (times)	2.11	2.11	2.17	1.36

Notes:-

*1 *Includes 5,780,700 treasury shares*

*2 *After netting off estimated expenses of approximately RM1,000,000 in relation to the Corporate Exercises*

Maximum Scenario

	Audited as at 31 March 2012 RM'000	I Adjusted for the Treasury Shares Cancellation RM'000	II After I and the Share Capital Reduction RM'000	III After II and assuming full exercise of the Warrants RM'000	IV After III and the Rights Issue RM'000
Share capital	98,743	95,853	19,170	25,561	115,023
Reserves	(58,692)	(55,802)	19,881*2	45,442*3	45,442
Shareholders' equity/ NA	**40,051**	**40,051**	**39,051**	**71,003**	**160,465**
No. of shares in issue ('000)	197,486*1	191,705	191,705	255,607	1,150,230
Par value (RM)	0.50	0.50	0.10	0.10	0.10
NA per share (RM)	0.20	0.21	0.20	0.28	0.14
Borrowings (interest-bearing) (RM)	84,560	84,560	84,560	84,560	34,560
Gearing (times)	2.11	2.11	2.17	1.19	0.22

Notes:-

*1 *Includes 5,780,700 treasury shares*

*2 *After netting off estimated expenses of approximately RM1,000,000 in relation to the Corporate Exercises*

*3 *Consists of the increase in the share premium of approximately RM25.56 million pursuant to the exercise of all the outstanding Warrants at RM0.50 per Warrant*

8.3 Earnings and EPS

The Rights Issue is not expected to have any effect on the earnings of our Group for the FYE 31 March 2013. However, the EPS of our Group may be diluted as a result of the increase in the number of PARB Shares in issue upon the completion of the Rights Issue. Notwithstanding the above, the proceeds from the Rights Issue are expected to contribute positively to the earnings of our Group for the ensuing financial years, when the benefits of the utilisation of proceeds are realised.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that, after taking into consideration our cash flow generated from operations, current cash in hand and banking facilities available as well as proceeds from the Rights Issue, our Group will have sufficient working capital for the next 12 months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM82.59 million. All the borrowings are interest-bearing and comprise the following:-

	USD'000	RM'000
Short term borrowings:-		
Bank overdrafts	-	14,356
Banker acceptance	-	12,271
Trade bills payables	3,064	9,407[*1]
Revolving credit	-	10,000
Term loans	-	27,015
Hire purchase liabilities	-	159
	3,064	73,208
Long term borrowings:-		
Term loans	-	8,931
Hire purchase liabilities	-	451
	-	9,382
Total	**3,064**	**82,590**

Note:-

[*1] *Based on an exchange rate of RM3.07/ USD1.00 as at the LPD. The borrowings in foreign currency are translated into RM for illustrative purposes only. Such translations should not be construed as representations that the foreign currency amounts referred to could have been, or could be, converted into RM at that or any other rate at all*

After having made all reasonable enquiries and to the best knowledge and belief of our Board, there has been no default in payments of either interest and/ or principal sums in respect of any borrowings for the FYE 31 March 2012, and the subsequent financial period up to the LPD.

9.3 Contingent liabilities

After having made all reasonable enquiries, as at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group.

9.4 Material commitments

After having made all reasonable enquiries and save as disclosed below, as at the LPD, our Board is not aware of any material commitments for capital expenditure incurred or known to be incurred by our Group that has not been provided for which, upon becoming enforceable, may have a material impact on the financial results/ position of our Group:-

	RM'000
Approved capital expenditures in respect of purchase of plant and machinery	3,335
Total	**3,335**

The abovementioned material commitments are expected to be funded through internally-generated funds and/ or bank borrowings of our Group.

10. INSTRUCTIONS FOR ACCEPTANCE, EXCESS APPLICATION AND PAYMENT

10.1 General

As an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Rights Shares which you are entitled to subscribe for in full or in part, under the terms of the Rights Issue. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Rights Shares into your CDS Account and the RSF to enable you to subscribe for such Provisional Rights Shares, as well as to apply for the Excess Rights Shares if you choose to do so.

10.2 NPA

The Provisional Rights Shares are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, all dealings in the Provisional Rights Shares will be by book entries through the CDS Accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository. You and/ or your renouncee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

10.3 Last date and time for acceptance and payment

The last date and time for acceptance of and payment for the Provisional Rights Shares is **5.00 p.m. on 6 November 2012**, or such later date and time as our Board may in their absolute discretion determine and announce not less than two (2) Market Days before the stipulated date and time.

10.4 Procedures for acceptance and payment

Acceptance of and payment for the Provisional Rights Shares must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in these documents. Acceptances which do not strictly conform to the terms of this Abridged Prospectus or the RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.
YOU AND/ OR YOUR RENOUNCEE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN CAREFULLY.

If you wish to accept all or part of your entitlement, please complete Parts I(a) and II of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be sent to our Share Registrar in the envelope provided (at your own risk) by **ORDINARY POST, COURIER** or **DELIVERED BY HAND** at the following address:-

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 03-2264 3883
Fax: 03- 2282 1886

so as to arrive **not later than 5.00 p.m. on 6 November 2012**, being the last date and time for acceptance of and payment for the Provisional Rights Shares, or such later date and time as may be determined and announced by our Board not less than two (2) Market Days before the stipulated date and time.

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbroker, our Share Registrar at the address stated above, our Registered Office or the website of Bursa Securities (http://www.bursamalaysia.com).

One (1) RSF can only be used for acceptance of Provisional Rights Shares standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Rights Shares standing to the credit of more than one (1) CDS Account(s). If successful, the Rights Shares subscribed for will be credited into your CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed in this Abridged Prospectus. To facilitate the processing of the RSF(s) by our Share Registrar, you are advised to use (1) one reply envelope for each completed RSF.

The minimum number of Rights Shares that can be subscribed for or accepted is one (1) Rights Share. However, you and/ or your renouncee(s) (if applicable) should take note that a trading board lot comprises 100 PARB Shares. Fractions of a Rights Share will be disregarded and shall be dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance of and payment for the Provisional Rights Shares allotted to you are not received by our Share Registrar by **5.00 p.m. on 6 November 2012**, being the last date and time for acceptance of and payment for the Provisional Rights Shares or such later date and time as may be determined and announced by our Board not less than two (2) Market Days before the stipulated date and time, you and/ or your renouncee(s) (if applicable) will be deemed to have declined the provisional entitlement made to you and it will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

In the event that the Rights Shares are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares to the applicants who have applied for the Excess Rights Shares in the manner as set out in Section 10.8 of this Abridged Prospectus. Our Board reserves the right not to accept or to accept any application in part only without assigning any reasons.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "PARB RIGHT SHARES ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS SHOWN ON OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES.

10.5 Procedures for part acceptance by Entitled Shareholders

You are entitled to accept part of your entitlement to the Provisional Rights Shares. The minimum number of Rights Shares that can be subscribed for or accepted is one (1) Rights Share.

You must complete both Part I(a) of the RSF by specifying the number of the Rights Shares which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 10.4 of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

The portion of the Provisional Rights Shares that have not been accepted shall be allotted to any other persons allowed under the law, regulations or rules to accept the transfer of the Provisional Rights Shares.

10.6 Procedures for sale or transfer of Provisional Rights Shares

As the Provisional Rights Shares are prescribed securities, you may sell or transfer all or part of your entitlement to the Provisional Rights Shares to one (1) or more person(s) through your stockbroker for the period up to the last date and time for sale or transfer of such Provisional Rights Shares, without first having to request for a split of the Provisional Rights Shares standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Rights Shares, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository. If you have sold or transferred only part of the Provisional Rights Shares, you may still accept the balance of the Provisional Rights Shares by completing Parts I(a) and II of the RSF. Please refer to Section 10.4 of this Abridged Prospectus for the procedures of acceptance and payment.

In selling or transferring all or part of your Provisional Rights Shares, you need not deliver any document including the RSF, to your stockbroker. However, you must ensure that there is sufficient Provisional Rights Shares standing to the credit of your CDS Account that are available for settlement of the sale or transfer.

Purchaser(s) or transferee(s) of the Provisional Rights Shares may obtain a copy of this Abridged Prospectus and the RSF from his/ her/ their stockbrokers, our Share Registrar, our Registered Office or the website of Bursa Securities (http://www.bursamalaysia.com)

10.7 Procedures for acceptance by renouncees

Renouncees who wish to accept the Provisional Rights Shares must obtain a copy of the RSF from their stockbrokers, our Share Registrar, our Registered Office or the website of Bursa Securities (http://www.bursamalaysia.com), complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in Section 10.4 of this Abridged Prospectus also applies to renouncees who wish to accept the Provisional Rights Shares.

RENOUNCEES ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

10.8 Procedure for application of Excess Rights Shares

You and/ or your renouncee(s) (if applicable) may apply for additional Rights Shares in excess of your entitlement by completing Part I(b) of the RSF (in addition to Parts I(a) and II) and forwarding it with a **separate remittance made in RM** for the full amount payable for the Excess Rights Shares applied for, to our Share Registrar **not later than 5.00 p.m. on 6 November 2012**, being the last date and time for application of and payment for Excess Rights Shares or such later date and date as may be determined and announced by our Board not less than two (2) Market Days before the stipulated date and time.

PAYMENT FOR THE EXCESS RIGHTS SHARES APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 10.4 OF THIS ABRIDGED PROSPECTUS, AND IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "PARB EXCESS RIGHTS SHARES ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS TO BE RECEIVED BY OUR SHARE REGISTRAR.

Our Board reserves the right to allot any Excess Rights Shares applied for under Part I(b) of the RSF, on a fair and equitable basis and in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company. It is the intention of our Board to allot the Excess Rights Shares in the following priority, and that the intention of our Board as set out below is achieved:-

i. firstly, to minimise the incidence of odd lots;

ii. secondly, for all allocation to Entitled Shareholders who have applied for Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in the Company as at the Entitlement Date; and

iii. finally, for allocation to Entitled Shareholders and/ or their renouncee(s) (if applicable) who have applied for the Excess Rights Shares, on a pro-rata basis, calculated based on the quantum of Excess Rights Shares applied for.

Our Board also reserves the right not to accept or to accept any application for Excess Rights Shares in part only, without assigning any reason.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE EXCESS RIGHTS SHARES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR. HOWEVER, IF YOU ARE SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN ON OUR RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR APPLICATION OF AND PAYMENT FOR THE EXCESS RIGHTS SHARES OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

WHERE AN APPLICATION FOR THE EXCESS RIGHTS SHARES IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS SHOWN ON OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE LAST DATE FOR APPLICATION OF AND PAYMENT FOR THE EXCESS RIGHTS SHARES.

10.9 Form of issuance

Bursa Securities has prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares are prescribed securities and as such, all dealings in the Rights Shares will be subject to the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical share certificate will be issued to you under the Rights Issue. A notice of allotment will be despatched to you and/ or your renouncee(s) (if applicable) by ordinary post to the address shown on our Record of Depositors provided by Bursa Depository at your own risk within eight (8) Market Days from the last date for acceptance of and payment for the Rights Shares.

Where the Rights Shares are provisionally allotted to you as an Entitled Shareholder in respect of your existing PARB Shares standing to the credit to your CDS Account on the Entitlement Date, the acceptance by you of the Provisional Rights Shares shall mean that you consent to receive such Provisional Rights Shares as prescribed or deposited securities which will be credited directly into your CDS Account.

Any person who has purchased the Provisional Rights Shares or to whom the Provisional Rights Shares has been transferred and intends to subscribe for the Rights Shares must state his/ her CDS Account number in the space provided in the RSF. The Rights Shares will be credited directly as prescribed or deposited securities into his/ her CDS Account upon allotment and issuance.

The Excess Rights Shares, if allotted to the successful applicant who applies for the Excess Rights Shares, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the Excess Rights Shares will be made on a fair and equitable basis as disclosed in Section 10.8 of this Abridged Prospectus.

10.10 Laws of foreign country or jurisdiction

This Abridged Prospectus, and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction, and have not been (and will not be) lodged, registered or approved under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign country or jurisdiction. The Rights Issue will not be made or offered for subscription in any foreign country or jurisdiction.

Accordingly, this Abridged Prospectus, and the accompanying NPA and RSF will not be sent to the foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) who do not have a registered address in Malaysia. However, the foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) may collect this Abridged Prospectus, and the accompanying NPA and RSF from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting these documents relating to the Rights Issue.

The foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue only to the extent that it would be lawful to do so. OSK, our Company, our Directors and officers and other professional advisers would not, in connection with the Rights Issue, be in breach of the laws of any country or jurisdiction to which the foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) are or may be subject to. The foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) shall solely be responsible to seek advice from their legal advisers and other professional advisers as to the laws of the countries or jurisdictions to which they are or may be subject to. OSK, our Company, our Directors and officers and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders and/ or their renouncee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction.

The foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such country or jurisdiction and we shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) for any issue, transfer or other taxes or other requisite payments that such person may be required to pay in any country or jurisdiction. They will have no claims whatsoever against us and/ or OSK in respect of their rights and entitlements under the Rights Issue. Such foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue.

By signing the RSF, the foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) OSK, our Company, our Directors and officers and other professional advisers that:-

i. we would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which the foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) are or may be subject to;

ii. the foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Rights Shares;

iii. the foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) are not nominees or agents of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Rights Shares, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

iv. the foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) are aware that the Rights Shares can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

v. the foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) have received a copy of this Abridged Prospectus, had access to such financial and other information and have been provided the opportunity to ask such questions to our representatives and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares; and

vi. the foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

Persons receiving this Abridged Prospectus, and the accompanying NPA and RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any country or jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, and the accompanying NPA and RSF are received by any persons in such country or jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus, and the accompanying NPA and RSF to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares from any such application by foreign Entitled Shareholders and/ or their renouncee(s) (if applicable) in any foreign country or jurisdiction.

We reserve the right, in our absolute discretion, to treat any acceptance of the Rights Shares as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

11. TERMS AND CONDITIONS

The issuance of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions set out in this Abridged Prospectus, and the accompanying NPA and RSF.

12. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
P.A. RESOURCES BERHAD

DATO' NG TONG HAI
Executive Director cum Chief Executive Officer

APPENDIX I

CERTIFIED TRUE COPY OF THE RESOLUTIONS PERTAINING TO THE SHARE CAPITAL REDUCTION, RIGHTS ISSUE, EXEMPTION AND AMENDMENT PASSED AT OUR EGM HELD ON 2 MAY 2012

CERTIFIED TRUE COPY

CATHERINE MAH SUIK CHING
Company Secretary
LS 01302
29 AUG 2012

P.A. RESOURCES BERHAD
(Company No. 194514-M)
(Incorporated in Malaysia)

Minutes of the Extraordinary General Meeting of the Company held at Meeting Room 7, Nouvelle Hotel, Kuala Lumpur, 8th KM, Kuala Lumpur Seremban Highway Sungai Besi, 43300 Seri Kembangan, Selangor Darul Ehsan on the 2nd day of May, 2012 at 10.00 a.m.

Present : Y Bhg Dato' Wan Mohammad Zin Bin Mat Amin (In the Chair)

(As per the attendance sheet)

1. CHAIRMAN

Y Bhg Dato' Wan Mohammad Zin Bin Mat Amin presided as Chairman of the meeting.

2. QUORUM

The Secretary confirmed that a quorum was present in accordance to Article 83 of the Company's Articles of Association and the Chairman called the meeting to order.

3. NOTICE

The notice having been circulated to the members on 10 April 2012 was taken as read.

4. **SPECIAL RESOLUTION 1**

PROPOSED SHARE CAPITAL REDUCTION VIA THE CANCELLATION OF RM0.40 OF THE PAR VALUE OF EVERY EXISTING ORDINARY SHARE OF RM0.50 EACH IN THE ISSUED AND PAID-UP SHARE CAPITAL OF PARB PURSUANT TO SECTION 64(1) OF THE COMPANIES ACT, 1965 ("ACT") AND THE CREDIT ARISING THEREFROM TO BE OFFSET AGAINST THE ACCUMULATED LOSSES OF PARB ("PROPOSED SHARE CAPITAL REDUCTION")

RESOLVED :

"**THAT,** subject to and conditional upon the passing of Special Resolution 2, Ordinary Resolutions 1 and 2, the approvals of all relevant regulatory authorities being obtained, where required, including but not limited to the confirmation by the High Court of Malaya pursuant to Section 64(1) of the Act, and upon completion of the cancellation of all the existing treasury shares held by the Company in accordance with Section 67A of the Act and the entire credit arising therefrom being transferred to the capital redemption reserve account of the Company ("Proposed Treasury Share Cancellation"), approval be and is hereby given for PARB to effect the following:-

a) the par value of every existing ordinary share of RM0.50 each in the issued and paid-up share capital of the Company be reduced to RM0.10 each upon completion of the Proposed Treasury Shares Cancellation; and

b) the credit arising from the said capital reduction be ultilised to offset against the accumulated losses of the Company;

AND THAT the credit arising therefrom that may be in excess of what is required towards offsetting the accumulated losses of the Company be and is hereby applied towards crediting into a capital reserve account which shall be applied as if it were share premium and/ or towards setting off future losses and save for the mentioned purposes, the capital reserve account shall not be distributable without leave of the Court;

AND THAT the Board be and is hereby authorised with full powers to take all such steps as they may deem necessary to:-

i assent to any conditions, modifications, variations as may be imposed or permitted by the relevant authorities and/ or the High Court of Malaya;

ii lodge an office copy of the order of the High Court of Malaya referred to in this Special Resolution 1 with the Companies Commission of Malaysia on such date the Directors may determine; and

iii do all such acts, deeds and/ or things incidental and/ or as may be required or as they consider necessary and expedient in the best interest of the Company, to give full effect to and complete the matters described in this Special Resolution 1."

Proposer : Mr Chong Chern Shean

Seconder : Ms Yoh Geet Na

5. SPECIAL RESOLUTION 2

PROPOSED AMENDMENT TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF PARB ("PROPOSED AMENDMENT")

RESOLVED :

"**THAT** subject to and conditional upon the passing of Special Resolution 1, Ordinary Resolutions 1 and 2 and the approvals of all relevant regulatory authorities being obtained, where required, approval be and is hereby given to the Company to alter, modify, vary and delete the Memorandum and Articles of Association of PARB in the following manner:-

	Existing	Proposed amendment
First Sentence of Clause 5 of the Memorandum of Association	The capital of the Company is RM150,000,000 divided into 300,000,000 ordinary shares of RM0.50 each.	The capital of the Company is RM150,000,000 divided into 1,500,000,000 ordinary shares of RM0.10 each.
Article 11 of the Article of Association	The authorised share capital of the Company is RM150,000,000 divided into 300,000,000 ordinary shares of RM0.50 each.	The authorised share capital of the Company is RM150,000,000 divided into 1,500,000,000 ordinary shares of RM0.10 each.

AND THAT the Board be and is hereby authorised to give effect to the Proposed Amendment and to take all such steps and do all acts and things in any manner as they may deem necessary to complete, finalise, implement and give full effect to the Proposed Amendment."

Proposer : Ms Len Yok Tin

Seconder : Ms Len Foot Moi

6. ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 894,623,100 NEW ORDINARY SHARES OF RM0.10 EACH IN PARB ("PARB SHARE(S)" OR "SHARE(S)") ("RIGHTS SHARE(S)") AT AN INDICATIVE ISSUE PRICE OF RM0.10 PER RIGHTS SHARE ON THE BASIS OF SEVEN (7) RIGHTS SHARES FOR EVERY TWO (2) PARB SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER AFTER THE PROPOSED SHARE CAPITAL REDUCTION ("PROPOSED RIGHTS ISSUE")

RESOLVED:

"**THAT** subject to and conditional upon the passing of Special Resolutions 1 and 2, Ordinary Resolution 2, the approvals of all relevant regulatory authorities being obtained, and upon completion of the Proposed Treasury Share Cancellation and Proposed Share Capital Reduction, approval be and is hereby given to the Board to provisionally issue and allot by way of a renounceable rights issue of up to 894,623,100 Rights Shares at an indicative issue price of RM0.10 per Rights Share on the basis of seven (7) Rights Shares for every two (2) PARB Shares held, to the shareholders of the Company whose names appear on the Record of Depositors of the Company at the close of business on an entitlement date to be determined and announced later by the Board;

AND THAT fractional entitlements of the Rights Shares shall be dealt with by the Board in such manner at their absolute discretion deem fit and expedient, and to be in the best interest of the Company;

AND THAT, the Rights Shares shall, upon allotment and issuance, rank *pari passu* in all aspects with the then existing PARB Shares, save and except that they will not be entitled to any dividends, rights, allotment and/ or any other forms of distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of the Rights Shares;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the aforesaid Proposed Rights Issue with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue."

Proposer : Mr Lim Beng Heng

Seconder : Ms Len Foot Moi

7. **ORDINARY RESOLUTION 2**

PROPOSED EXEMPTION UNDER PARAGRAPH 16.1 OF PRACTICE NOTE 9 OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 2010 TO CHONG SZE SAN AND THE PARTIES ACTING IN CONCERT WITH HIM FROM THE OBLIGATION TO UNDERTAKE A MANDATORY TAKE-OVER OFFER FOR ALL THE REMAINING PARB SHARES AND OUTSTANDING WARRANTS OF PARB NOT ALREADY HELD BY THEM PURSUANT TO THE PROPOSED RIGHTS ISSUE ("PROPOSED EXEMPTION")

RESOLVED:

"**THAT** subject to and conditional upon the passing of Special Resolutions 1 and 2, Ordinary Resolution 1, and the approvals of all relevant regulatory authorities being obtained, where required, including but not limited to compliance with such conditions as may be imposed by the Securities Commission Malaysia, approval be and is hereby given to exempt Chong Sze San and the parties acting in concert with him under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-overs and Mergers, 2010 from the obligation to undertake a mandatory take-over offer for all the remaining PARB Shares and outstanding warrants of PARB not already held by them pursuant to the Proposed Rights Issue;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the aforesaid Proposed Exemption with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Exemption."

The total number of votes received in favour : 64,534,924
The total number of votes received against : Nil
The total number of shareholders/proxies who abstained: Nil

The resolution was carried.

There being no other matters to be transacted, the meeting was called to a close by the Chairman at 11.10 a.m. and the shareholders were invited to refreshments thereafter.

SIGNED AS A CORRECT RECORD

CHAIRMAN

INFORMATION ON OUR COMPANY

1. HISTORY AND PRINCIPAL ACTIVITIES

We were incorporated in Malaysia on 1 September 2004 under the Act as a private limited company under the name of P.A. Resources Sdn Bhd. We were subsequently converted into a public limited company on 28 April 2005 and assumed its present name. On 18 April 2006, we were listed on the former Second Board of Bursa Securities and transferred to the former Main Board (now known as Main Market) of Bursa Securities on 23 July 2007.

Our principal activity is investment holding. Through our subsidiary companies, we are principally engaged in aluminium extrusion, fabrication and related services, manufacturing aluminium billets and tolling, and as a contractor in designing, supplying, fabricating and installing of aluminium products.

2. SHARE CAPITAL

As at the LPD, our authorised and issued and paid-up share capital are set out below:-

	No. of Shares	Par value RM	Total RM
Authorised	1,500,000,000	0.10	150,000,000
Issued and paid-up	191,704,950	0.10	19,170,495

The changes in our issued and paid-up share capital for the past three (3) years preceding the LPD are set out below:-

Date of allotment/ change	No. of ordinary shares allotted	Par value RM	Consideration/ Type of issue	Cumulative issued and paid-up share capital RM
19.07.2010	63,901,650	0.50	Rights issue at RM0.50 per share	98,742,825
18.06.2012	(5,780,700)	0.50	Treasury share cancellation	95,852,475
26.06.2012	-	0.10	Share capital reduction via the cancellation of RM0.40 of the par value of every existing ordinary share of RM0.50 each in the issued and paid-up share capital	19,170,495

Company No. 664612-X

3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The shareholdings of our substantial shareholders as at the LPD and after the Rights Issue are set out below:-

Minimum Scenario

	Shareholdings as at the LPD				Proforma I After the Rights Issue			
	<---Direct--->		<---Indirect--->		<---Direct--->		<---Indirect--->	
Substantial shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Chong Sze San	45,000,000	23.47	530,140*1	0.28	202,500,000	57.99	530,140*1	0.15
Hirotako Holdings Berhad	30,657,020	15.99	-	-	30,657,020	8.78	-	-

Note:-

*1 *Deemed interested by virtue of his child's direct shareholding in PARB*

Maximum Scenario

	Shareholdings as at the LPD				Proforma I Assuming full exercise of the Warrants				Proforma II After I and the Rights Issue			
	<---Direct--->		<---Indirect--->		<---Direct--->		<---Indirect--->		<---Direct--->		<---Indirect--->	
Substantial shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Chong Sze San	45,000,000	23.47	530,140*1	0.28	61,500,000	24.06	530,340*1	0.21	276,750,000	24.06	2,386,530*1	0.21
Hirotako Holdings Berhad	30,657,020	15.99	-	-	55,069,540	21.54	-	-	247,812,930	21.54	-	-

Note:-

*1 *Deemed interested by virtue of his child's direct shareholding in PARB*

4. DIRECTORS

The particulars of our Directors as at the LPD are set out below:-

Name	Address	Age	Nationality	Profession	Designation
Dato' Hj Wan Mohamad Zin Bin Mat Amin	No. 5, Jalan PJU 3/19 Tropicana Indah Resort Homes 47410 Petaling Jaya Selangor Darul Ehsan	65	Malaysian	Company Director	Independent Non-Executive Chairman
Chong Sze San	No. 8, Jalan LE-1-1 Off Persiaran Lake Edge 47100 Bandar Metro Puchong Selangor Darul Ehsan	55	Malaysian	Company Director	Group Managing Director
Dato' Ng Tong Hai	No. 65, Lorong Gopeng Taman Golf 31350 Ipoh Perak Darul Ridzuan	58	Malaysian	Company Director	Executive Director cum Chief Executive Officer
Lim Beng Koon	No. 6, Jalan 2 Taman Kepong 52100 Kuala Lumpur	59	Malaysian	Company Director	Executive Director
Len Yoong Chan	No. 8, Jalan LE-1-1 Off Persiaran Lake Edge 47100 Bandar Metro Puchong Selangor Darul Ehsan	55	Malaysian	Company Director	Executive Director
Lee Peng Seng	No. 6, Jalan PJU 3/12 Tropicana Indah Resort Homes 47410 Petaling Jaya Selangor Darul Ehsan	57	Malaysian	Company Director	Executive Director
Chiam Soon Hock	21, Jalan Desa Bistari Desa Parkcity 52200 Kuala Lumpur	64	Malaysian	Company Director	Independent Non-Executive Director
Yap Fatt Lam	No. 3, Jalan SU 1A Sering Ukay 68000 Ampang Selangor Darul Ehsan	44	Malaysian	Company Director	Independent Non-Executive Director

The shareholdings of our Directors as at the LPD and after the Rights Issue are set out below:-

Minimum Scenario

	Shareholdings as at the LPD				Proforma I After the Rights Issue			
	<-----Direct-----	---><-----	-----Indirect-----	---->	<-----Direct-----	---><-----	-----Indirect-----	---->
Directors	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Dato' Hj Wan Mohamad Zin Bin Mat Amin	1,000,060	0.52	-	-	1,000,060	0.29	-	-
Chong Sze San	45,000,000	23.47	530,140[*1]	0.28	202,500,000	57.99	530,140[*1]	0.15
Dato' Ng Tong Hai	2,800,000	1.46	30,000[*2]	0.02	2,800,000	0.80	30,000[*2]	0.01
Lim Beng Koon	2,620,100	1.37	-	-	2,620,100	0.75	-	-
Len Yoong Chan	-	-	530,140[*1]	0.28	-	-	530,140[*1]	0.15
Lee Peng Seng	-	-	-	-	-	-	-	-
Chiam Soon Hock	-	-	-	-	-	-	-	-
Yap Fatt Lam	132,000	0.07	-	-	132,000	0.04	-	-

Notes:-

*1 *Deemed interested by virtue of his/ her child's direct shareholding in PARB*

*2 *Deemed interested by virtue of his spouse's direct shareholding in PARB and his shareholding in Reka Roller Shutter Sdn Bhd*

Maximum Scenario

	Shareholdings as at the LPD				Proforma I Assuming full exercise of the Warrants				Proforma II After I and the Rights Issue			
	<---------Direct---------		><------Indirect------>		<-------Direct----------		><----------Indirect-------->		<-----------Direct----------		><-------Indirect-------->	
Directors	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Dato' Hj Wan Mohamad Zin Bin Mat Amin	1,000,060	0.52	-	-	1,000,060	0.39	-	-	4,500,270	0.39	-	-
Chong Sze San	45,000,000	23.47	530,140[*1]	0.28	61,500,000	24.06	530,340[*1]	0.21	276,750,000	24.06	2,386,530[*1]	0.21
Dato' Ng Tong Hai	2,800,000	1.46	30,000[*2]	0.02	2,800,000	1.10	30,000[*2]	0.01	12,600,000	1.10	135,000[*2]	0.01
Lim Beng Koon	2,620,100	1.37	-	-	4,081,100	1.60	-	-	18,364,950	1.60	-	-
Len Yoong Chan	-	-	530,140[*1]	0.28	-	-	530,340[*1]	0.21	-	-	2,386,530[*1]	0.21
Lee Peng Seng	-	-	-	-	-	-	-	-	-	-	-	-
Chiam Soon Hock	-	-	-	-	-	-	-	-	-	-	-	-
Yap Fatt Lam	132,000	0.07	-	-	132,000	0.05	-	-	594,000	0.05	-	-

Notes:-

[*1] *Deemed interested by virtue of his/ her child's direct shareholding in PARB*

[*2] *Deemed interested by virtue of his spouse's direct shareholding in PARB and his shareholding in Reka Roller Shutter Sdn Bhd*

5. SUBSIDIARY AND ASSOCIATED COMPANIES

As at the LPD, our subsidiary companies are set out below:-

Name of company	Date and place of incorporation	Issued and paid-up share capital	Effective equity interest %	Principal activities
P.A. Extrusion (M) Sdn Bhd	18.04.1996 Malaysia	RM25,000,000	100	Aluminium extrusion, fabrication and related services
Professional Aluminium Smelting Sdn Bhd	29.04. 2003 Malaysia	RM20,000,000	100	Manufacturing of aluminium billets and tolling
P.A. Projects Sdn Bhd	18.02.2009 Malaysia	RM2,000,000	70	Contractor in design, supply, fabricate and install of aluminium products
P.A. Resources (Australia) Pty Ltd	20.12.2007 Australia	AUD100	100	Ceased operation
Subsidiary companies of P.A. Extrusion (M) Sdn Bhd				
PAR Metal Casting Sdn Bhd	23.02.2005 Malaysia	RM2	100	Dormant
PA Metal Processing Sdn Bhd	15.03.2005 Malaysia	RM2	100	Dormant

As at the LPD, we do not have any associate company.

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6. PROFIT AND DIVIDEND RECORDS

The following table sets out a summary of our audited consolidated financial statements for the past three (3) financial years up to the FYE 31 March 2012, and the latest unaudited consolidated financial statements for the three (3)-month FPE 30 June 2012:-

	Audited			Unaudited
	FYE 31 March			Three (3)-month FPE
	2010	2011	2012	30 June 2012
	RM'000	RM'000	RM'000	RM'000
Revenue	97,038	82,606	102,872	28,602
Less: Cost of sales	(100,413)	(70,679)	(104,403)	(25,001)
Gross profit/ (loss)	(3,375)	11,927	(1,531)	3,601
Other operating income	359	434	1,926	126
Selling expenses	(741)	(916)	(933)	(717)
Administration expenses	(3,487)	(4,040)	(3,945)	(1,024)
Other operating expenses	(6,388)	(14,292)	(2,270)	(349)
Profit/ (loss) from operations	(13,632)	(6,887)	(6,753)	1,637
Finance costs	(4,837)	(5,335)	(5,495)	(1,332)
Share of profit/ (loss) of associated companies and joint ventures	-	-	-	-
PBT/ (LBT)	(18,469)	(12,222)	(12,248)	305
Taxation	-	805	32	-
PAT/ (LAT)	**(18,469)**	**(11,417)**	**(12,216)**	**305**
PAT/ (LAT) attributable to:				
Equity holders of the Company	(18,365)	(11,462)	(11,941)	328
Minority interests	(104)	45	(275)	(23)
	(18,469)	**(11,417)**	**(12,216)**	**305**
Earnings/ (Losses) before interests, taxes, depreciation and amortisation	(8,936)	(1,746)	(1,667)	2,910
Interest income	66	141	97	21
Interest expenses	(4,714)	(5,223)	(5,397)	(1,284)
Depreciation and amortisation	(4,885)	(5,394)	(5,281)	(1,342)
Weighted average number of shares in issue (excluding treasury shares) ('000)	127,803	172,622	191,705	191,705
Gross profit/ (loss) margin (%)	(3.48)	14.44	(1.49)	12.59
PAT/ (LAT) margin (%)	(19.03)	(13.82)	(11.87)	1.07
Earnings/ (Losses) per share (sen)				
- Basic	(14.37)	(6.64)	(6.23)	0.17
- Diluted	-	-	-	-

Commentary on past performance:-

FYE 31 March 2010

For the FYE 31 March 2010, our Group recorded revenue of RM97.04 million representing a decrease of RM117.63 million or approximately 54.80% as compared to the revenue of the previous financial year. The performance has been adversely affected by the continuing global economic slowdown which started in the last quarter of 2008 and has led to, inter-alia, a shrinking market with stiff competition and heavy pressure in selling prices of our aluminium products. In addition, the decrease in revenue was also due to a relatively shorter financial period under review as compared to 15-month FPE 31 March 2009.

During the financial year under review, our Group recorded losses after tax as a result of the lower revenue generated and the provision of doubtful debts of RM5.26 million recognised for a major customer. Nevertheless, it should be noted that the LAT of our Group attributable to equity holders had decreased significantly by 39.10% from RM30.16 million in the previous financial year to RM18.37 million for the FYE 31 March 2010. The improvement in the operating performance was mainly due to our Group's effort in in-house cost reduction programme through rescheduling of production process flows and strengthening the quality control requirements to reduce waste.

FYE 31 March 2011

For the FYE 31 March 2011, our Group recorded revenue of RM82.61 million representing a decrease of RM14.43 million or 14.87% as compared to the revenue of the previous financial year due to deteriorated sales of aluminium profile and billets in the local market. Extrusion and fabrication segment was a dominant contributor accounting for 73.69% of the Group's revenue, with its turnover of RM60.88 million.

During the financial year under review, our Group continued to record losses after tax as a result of the lower revenue generated and the provision of doubtful debts of RM9.32 million recognised pursuant to the liquidation of a major customer. Nevertheless, our Group's LAT attributable to equity holders continued to decrease significantly by 37.58% from RM18.37 million in previous financial year to RM11.46 million, mainly attributable to lower the cost of sales. This was due to the Group's effort in locking in the prices of raw materials to reduce its exposure to the volatile prices of aluminium, by placing orders with suppliers only after confirmations are received from the customers. As a result, its cost of sales reduced by 29.61% as compared to previous financial year.

FYE 31 March 2012

For the FYE 31 March 2012, our Group recorded revenue of RM102.87 million representing an increase of RM20.27 million or approximately 24.53% as compared to the revenue of the previous financial year. The higher revenue was driven mainly by the increase in sales of aluminium profile of RM21.54 million or approximately 35.38%.

Despite the higher revenue during the financial year under review, our Group continued to record losses after tax as a result of the higher cost of sales. The cost of sales had increased by RM33.72 million or approximately 47.7% as compared to the previous financial year mainly due to the writing down of obsolete and slow moving inventories and year end inventory adjustment. Consequently, our Group incurred a LAT attributable to equity holders of RM11.94 million, representing a marginal increase of 4.18% from the LAT attributable to equity holders of RM11.46 million of the previous financial year.

Unaudited three (3)-month FPE 30 June 2012

For the three (3)-month FPE 30 June 2012, our Group recorded revenue of RM28.60 million representing an increase of RM6.20 million or 27.65% as compared to the revenue for the corresponding quarter in the preceding year. Extrusion and fabrication segment remained as main contributor to the revenue of our Group, recording higher revenue by RM7.10 million or 41.97% as compared to the corresponding quarter in the preceding year. The higher revenue in this segment was mainly driven by increase in demand from the foreign customers.

Our Group's PAT attributable to equity holders for the current financial period had increased to RM0.33 million as compared to RM0.073 million for the corresponding quarter in the preceding year, which was in line with the higher revenue for the financial period under review as mentioned above. The higher production volume in extrusion and fabrication segment had enabled our Group to enjoy better absorption of fixed overhead costs.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of our shares as traded on Bursa Securities for the past 12 months from October 2011 to September 2012 are set out below:-

	High RM	Low RM
2011		
October	0.24	0.16
November	0.24	0.18
December	0.20	0.16
2012		
January	0.17	0.13
February	0.16	0.13
March	0.15	0.14
April	0.16	0.13
May	0.15	0.11
June	0.14	0.11
July	0.15	0.12
August	0.13	0.12
September	0.13	0.12

Last transacted market price on 9 January 2012 (being the date prior to the announcement on the Corporate Exercises)	RM0.16
Last transacted market price on 16 October 2012 (being the date prior to the ex-date for the Rights Issue and the latest practicable date prior to the issuance of this Abridged Prospectus)	RM0.12

(Source: Bloomberg)

SC Associates
Member firm of KS INTERNATIONAL
Chartered Accountants (Firm No: AF0891)

Date: 08 OCT 2012

The Board of Directors
P.A. Resources Berhad
Level 8, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

P.A. RESOURCES BERHAD
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2012

We report on the proforma consolidated statements of financial position of P.A. Resources Berhad ("PARB" or "the Company") set out in the accompanying statement (which we have stamped for the purpose of identification).

The proforma consolidated statements of financial position, which have been prepared for illustrative purposes only, provide information about how the consolidated statements of financial position of PARB as at 31 March 2012 might have been affected had the following corporate exercises ("the Corporate Exercises") been completed on that date:

(i) Share capital reduction via the cancellation of RM0.40 of the par value of every ordinary share of RM0.50 each in the issued and paid-up share capital of PARB pursuant to Section 64(1) of the Companies Act, 1965 and the credit arising therefrom to be offset against the accumulated losses of PARB ("Share Capital Reduction");

(ii) Renounceable rights issue of up to 894,623,100 new ordinary shares of RM0.10 each in PARB ("PARB Share(s)" or "Share(s)") ("Rights Share(s)") at an issue price of RM0.10 per Rights Share on the basis of seven (7) Rights Shares for every two (2) PARB Shares held ("Rights Issue");

(iii) Exemption under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010 to Chong Sze San and the parties acting in concert with him from the obligation to undertake a mandatory take-over offer for all the remaining PARB Shares and outstanding warrants of PARB ("Warrants") not already held by them pursuant to the Rights Issue ("Exemption"); and

(iv) Amendment to the Memorandum and Articles of Association of PARB ("Amendment").

KL Office :
10-B, Kompleks Damai, Jalan Lumut Off Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia. Tel: (6) 03-40436288 (Hunting Line) Fax: (6) 03-40437288 E-mail: scassociates3@yahoo.com
JB Office :
8-2 (Room A), Jalan Harimau, Century Garden, 80250 Johor Bahru, Johor, Malaysia. Tel: (6) 07-3311971, 3311972 Fax: (6) 07-3351668 E-mail: sca_jb@streamyx.com

This report is required by and is given for the purpose of complying with Appendix 4 of the Prospectus Guidelines – Abridged Prospectus issued by the Securities Commission Malaysia ("Prospectus Guidelines").

It is solely the responsibility of the directors of PARB to prepare the proforma consolidated statements of financial position in accordance with the Prospectus Guidelines.

It is our responsibility to form an opinion, and to report our opinion to you. Our work consisted primarily of comparing the unadjusted financial information presented in their original form, considering the adjustments and discussing the proforma consolidated statements of financial position with the responsible officers of PARB. Our work involved no independent examination of any of the underlying financial information other than our audit of the consolidated financial statements that included the audited consolidated statements of financial position as at 31 March 2012, on which we reported to the members of PARB as of the date of our report.

In our opinion:

(a) the proforma consolidated statements of financial position have been properly compiled on the bases set out in the notes thereon using financial statements prepared in accordance with applicable Financial Reporting Standards in Malaysia; and

(b) within the context of the assumed dates of the Corporate Exercises:

   (i) such bases are consistent with both the format of the financial statements and the accounting policies of PARB; and

   (ii) the adjustments set out are appropriate for the purposes of preparing the proforma consolidated statements of financial position.

The accompanying proforma consolidated statements of financial position and this letter have been prepared in accordance with the Prospectus Guidelines for inclusion in the Abridged Prospectus in connection with the Corporate Exercises. This letter is not to be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully,

SC ASSOCIATES
AF: 0891
Chartered Accountants

SIOW HOCK LEE
No. 1489/10/13(J)
Partner

Company No. 664612-X

P.A. RESOURCES BERHAD
PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The proforma consolidated statements of financial position set out below have been prepared based on two different scenarios, i.e. minimum scenario and maximum scenario, for the Share Capital Reduction and Rights Issue:-

(a) Minimum scenario

	Audited as at 31.03.2012 RM'000	Adj I RM'000	Proforma I RM'000	Adj II RM'000	Proforma II RM'000	Adj III RM'000	Proforma III RM'000
NON-CURRENT ASSETS							
Property, plant and equipment	75,370		75,370		75,370		75,370
Goodwill on consolidation	120		120		120		120
	75,490		75,490		75,490		75,490
CURRENT ASSETS							
Inventories	21,865		21,865		21,865		21,865
Trade receivables	25,901		25,901		25,901		25,901
Other receivables, deposits and prepayments	1,578		1,578		1,578		1,578
Tax refund receivables	1,691		1,691		1,691		1,691
Cash and bank balances	11,900		11,900	(1,000)	10,900	5,750	16,650
	62,935		62,935		61,935		67,685
TOTAL ASSETS	138,425		138,425		137,425		143,175
EQUITY AND LIABILITIES							
EQUITY							
Share capital	98,743	(2,890)	95,853	(76,683)	19,170	15,750	34,920
Reserves	(58,692)	2,890	(55,802)	75,683	19,881		19,881
TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY	40,051		40,051		39,051		54,801
MINORITY INTERESTS	236		236		236		236
TOTAL EQUITY	40,287		40,287		39,287		55,037
NON-CURRENT LIABILITIES							
Borrowings	17,063		17,063		17,063	(7,000)	10,063
CURRENT LIABILITIES							
Trade payables	8,961		8,961		8,961		8,961
Other payables and accruals	4,017		4,017		4,017		4,017
Borrowings	67,497		67,497		67,497	(3,000)	64,497
Provisions	600		600		600		600
	81,075		81,075		81,075		78,075
TOTAL LIABILITIES	98,138		98,138		98,138		88,138
TOTAL EQUITY AND LIABILITIES	138,425		138,425		137,425		143,175
Number of shares in issue ('000)	197,486 *1		191,705		191,705		349,205
Net Assets (RM'000)	40,051		40,051		39,051		54,801
Net Assets per share (RM)	0.20		0.21		0.20		0.16

Note:-

*1 Includes 5,780,700 treasury shares

SC ASSOCIATES AUDITORS

(b) Maximum scenario

	Audited as at 31.03.2012 RM'000	Adj I RM'000	Proforma I RM'000	Adj II RM'000	Proforma II RM'000	Adj III RM'000	Proforma III RM'000	Adj IV RM'000	Proforma IV RM'000
NON-CURRENT ASSETS									
Property, plant and equipment	75,370		75,370		75,370		75,370		75,370
Goodwill on consolidation	120		120		120		120		120
	75,490		75,490		75,490		75,490		75,490
CURRENT ASSETS									
Inventories	21,865		21,865		21,865		21,865		21,865
Trade receivables	25,901		25,901		25,901		25,901		25,901
Other receivables, deposits and prepayments	1,578		1,578		1,578		1,578		1,578
Tax refund receivables	1,691		1,691		1,691		1,691		1,691
Cash and bank balances	11,900		11,900	(1,000)	10,900	31,952	42,852	39,462	82,314
	62,935		62,935		61,935		93,887		133,349
TOTAL ASSETS	138,425		138,425		137,425		169,377		208,839
EQUITY AND LIABILITIES									
EQUITY									
Share capital	98,743	(2,890)	95,853	(76,683)	19,170	6,391	25,561	89,462	115,023
Reserves	(58,692)	2,890	(55,802)	75,683	19,881	25,561	45,442		45,442
TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY	40,051		40,051		39,051		71,003		160,465
MINORITY INTERESTS	236		236		236		236		236
TOTAL EQUITY	40,287		40,287		39,287		71,239		160,701
NON-CURRENT LIABILITIES									
Borrowings	17,063		17,063		17,063		17,063	(16,896)	167
CURRENT LIABILITIES									
Trade payables	8,961		8,961		8,961		8,961		8,961
Other payables and accruals	4,017		4,017		4,017		4,017		4,017
Borrowings	67,497		67,497		67,497		67,497	(33,104)	34,393
Provisions	600		600		600		600		600
	81,075		81,075		81,075		81,075		47,971
TOTAL LIABILITIES	98,138		98,138		98,138		98,138		48,138
TOTAL EQUITY AND LIABILITIES	138,425		138,425		137,425		169,377		208,839
Number of shares in issue ('000)	197,486 *1		191,705		191,705		255,607		1,150,230
Net Assets (RM'000)	40,051		40,051		39,051		71,003		160,465
Net Assets per share (RM)	0.20		0.21		0.20		0.28		0.14

Note:-

*1 Includes 5,780,700 treasury shares

SC ASSOCIATES AUDITORS

P.A. RESOURCES BERHAD
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. Basis of Preparation

The proforma consolidated statements of financial position have been prepared for illustrative purposes only to show the effects of the Corporate Exercises detailed below, based on the audited consolidated statements of financial position as at 31 March 2012, had the Corporate Exercises been implemented and completed on that date.

The financial statements used in preparing the proforma consolidated statements of financial position were in accordance with the applicable Financial Reporting Standards in Malaysia.

The proforma consolidated statements of financial position of PARB have been prepared in a manner consistent with both the format of the financial statements and the accounting policies of PARB.

2. Bases and Assumptions

(a) Minimum Scenario

Proforma I

Proforma I incorporates the effects of cancellation of the entire 5,780,700 treasury shares in accordance with Section 67A of the Companies Act, 1965, which was effected on 18 June 2012.

(The effects of Proforma I are illustrated as Adjustment I or "Adj I")

Proforma II

Proforma II incorporates the effects of Proforma I and after the Share Capital Reduction via the cancellation of RM0.40 of the par value of every ordinary share of RM0.50 each in the issued and paid-up share capital of PARB pursuant to Section 64(1) of the Companies Act, 1965. Total credit arising therefrom of RM76.683 million is available for set off against the accumulated losses of the Company. The Company has audited accumulated losses of RM64.561 million based on its audited financial statements as at 31 March 2012. Any excess credit after the write-off of the accumulated losses is transferred into a non-distributable capital reserve account.

The estimated expenses incurred in relation to the Corporate Exercises of RM1 million are set off against the non-distributable capital reserve account.

(The effects of Proforma II are illustrated as Adjustment II or "Adj II")

SC ASSOCIATES AUDITORS

Proforma III

It is assumed that none of the 63,901,650 Warrants of PARB are exercised.

Proforma III incorporates the effects of Proforma II and after the Rights Issue on the assumption that only 157,500,000 Rights Shares at an issue price of RM0.10 per Rights Share are subscribed for on the basis of seven (7) Rights Shares for every two (2) PARB Shares held.

The gross proceeds arising therefrom of RM15.75 million are expected to be utilised in the following manners:

(i) RM10 million to repay the bank borrowings as follows;

	RM'000
Under current liabilities	3,000
Under non-current liabilities	7,000
	10,000

(ii) RM4.75 million is retained in cash and bank balances for working capital; and

(iii) RM1 million for estimated expenses in relation to the Corporate Exercises.

(The effects of Proforma III are illustrated as Adjustment III or "Adj III")

(b) Maximum Scenario

Proforma I

Proforma I incorporates the effects of cancellation of the entire 5,780,700 treasury shares in accordance with Section 67A of the Companies Act, 1965, which was effected on 18 June 2012.

(The effects of Proforma I are illustrated as Adjustment I or "Adj I")

Proforma II

Proforma II incorporates the effects of Proforma I and after the Share Capital Reduction via the cancellation of RM0.40 of the par value of every ordinary share of RM0.50 each in the issued and paid-up share capital of PARB pursuant to Section 64(1) of the Companies Act, 1965. Total credit arising therefrom of RM76.683 million is available for set off against the accumulated losses of the Company. The Company has audited accumulated losses of RM64.561 million based on its audited financial statements as at 31 March 2012. Any excess credit after the write-off of the accumulated losses is transferred into a non-distributable capital reserve account.

SC ASSOCIATES AUDITORS

The estimated expenses incurred in relation to the Corporate Exercises of RM1 million are set off against the non-distributable capital reserve account.

(The effects of Proforma II are illustrated as Adjustment II or "Adj II")

Proforma III

Proforma III incorporates the effects of Proforma II and full exercise of all the Warrants, i.e. 63,901,650 Warrants are exercised at the exercise price of RM0.50 per Warrant.

(The effects of Proforma III are illustrated as Adjustment III or "Adj III")

Proforma IV

Proforma IV incorporates the effects of Proforma III and after the Rights Issue on the assumption that 894,623,100 Right Shares at an issue price of RM0.10 per Rights Share are subscribed for on the basis of seven (7) Rights Shares for every two (2) PARB Shares held.

The gross proceeds arising therefrom of RM89.462 million are expected to be utilised in the following manners:

(i) RM50 million to repay the bank borrowings as follows;

	RM'000
Under current liabilities	33,104
Under non-current liabilities	16,896
	50,000

(ii) RM38.462 million is retained in cash and bank balances for working capital; and

(iii) RM1 million for estimated expenses in relation to the Corporate Exercises.

(The effects of Proforma IV are illustrated as Adjustment IV or "Adj IV")

3. Exemption and Amendment

The Exemption and the Amendment do not give rise to any financial impact to the proforma consolidated statements of financial position as at 31 March 2012.

SC ASSOCIATES ★ AUDITORS ★

4. Reserves

The movements of reserves of PARB are as follows:

(a) Minimum Scenario

	← *Non-distributable*					→		
	Share premium RM'000	**Treasury shares RM'000**	**Revaluation reserves RM'000**	**Translation reserves RM'000**	**Capital redemption reserves RM'000**	**Other capital reserves RM'000**	**Accumulated losses RM'000**	**Total RM'000**
Audited as at 31 March 2012	3,804	(3,045)	4,070	(53)	-	-	(63,468)	(58,692)
Cancellation of the entire 5,780,700 treasury shares	(3,045)	3,045	-	-	2,890	-	-	2,890
As shown in Proforma I	759	-	4,070	(53)	2,890	-	(63,468)	(55,802)
Credit arising from the Share Capital Reduction	-	-	-	-	-	12,122	64,561	76,683
Estimated expenses for the Corporate Exercises	-	-	-	-	-	(1,000)	-	(1,000)
As shown in Proforma II and III	759	-	4,070	(53)	2,890	11,122	1,093	19,881

(b) Maximum Scenario

	← *Non-distributable*					→		
	Share premium RM'000	**Treasury shares RM'000**	**Revaluation reserves RM'000**	**Translation reserves RM'000**	**Capital redemption reserves RM'000**	**Other capital reserves RM'000**	**Accumulated losses RM'000**	**Total RM'000**
Audited as at 31 March 2012	3,804	(3,045)	4,070	(53)	-	-	(63,468)	(58,692)
Cancellation of the entire 5,780,700 treasury shares	(3,045)	3,045	-	-	2,890	-	-	2,890
As shown in Proforma I	759	-	4,070	(53)	2,890	-	(63,468)	(55,802)
Credit arising from the Share Capital Reduction	-	-	-	-	-	12,122	64,561	76,683
Estimated expenses for the Corporate Exercises	-	-	-	-	-	(1,000)	-	(1,000)
As shown in Proforma II	759	-	4,070	(53)	2,890	11,122	1,093	19,881
Share premium arising from the exercising of warrants	25,561	-	-	-	-	-	-	25,561
As shown in Proforma III and IV	26,320	-	4,070	(53)	2,890	11,122	1,093	45,442

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2012 TOGETHER WITH THE AUDITORS' REPORT THEREON

P.A. RESOURCES BERHAD

(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2012.

PRINCIPAL ACTIVITIES

The Company's principal activity is that of investment holding.

The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Loss for the year attributable to:		
Owners of the Company	(11,940,795)	(41,830,945)
Minority interests	(275,073)	-
	(12,215,868)	(41,830,945)

DIVIDENDS

No dividends have been paid, declared or proposed by the Company since the end of the previous financial year.

The directors do not recommend the payment of a dividend for the financial year ended 31 March 2012.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

SHARE CAPITAL

There were no changes in the issued and paid-up share capital of the Company during the financial year.

TREASURY SHARES

As at the end of the previous financial year ended 31 March 2011, the Company held 5,780,700 treasury shares.

None of the treasury shares had been sold as at 31 March 2012, nor were there any repurchase of its issued share capital during the year.

At the end of the reporting period, the number of shares in issue after deducting treasury shares against equity is 191,704,950 ordinary shares of RM0.50 each.

DIRECTORS

The directors who have held office since the date of the last report are:

Dato' Hj Wan Mohamad Zin Bin Mat Amin
Dato' Ng Tong Hai
Chong Sze San
Lim Beng Koon
Len Yoong Chan
Chiam Soon Hock
Yap Fatt Lam
Lee Peng Seng

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate of the emoluments received or due and receivable by the directors as disclosed in the financial statements or the fixed salary of a full-time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest other than as disclosed in Note 31.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTEREST IN SHARES

According to the register of directors' shareholdings, the interest of those directors who held office at the end of the financial year in shares of the Company were as follows:

	Number of Ordinary Shares of RM0.50 each			
	At 01.04.2011	Bought	(Sold)	At 31.03.2012
Direct interest in the Company				
Dato' Hj Wan Mohamad Zin Bin Mat Amin	1,000,060	-	-	1,000,060
Dato' Ng Tong Hai	-	413,000	-	413,000
Chong Sze San	45,000,000	-	-	45,000,000
Lim Beng Koon	2,620,100	-	-	2,620,100
Yap Fatt Lam	132,000	-	-	132,000
Indirect interest by virtue of shares held through Hirotako Holdings Bhd. in which the directors have interests				
Dato' Ng Tong Hai	-	30,657,020	(30,657,020)*	-

	Number of Warrants			
	At 01.04.2011	Bought	(Sold)	At 31.03.2012
Direct interest in the Company				
Chong Sze San	16,500,000	-	-	16,500,000
Lim Beng Koon	1,461,000	-	-	1,461,000
Indirect interest by virtue of Warrants held through Hirotako Holdings Bhd. in which the directors have interests				
Dato' Ng Tong Hai	-	24,412,520	(24,412,520)*	-

The directors who have substantial interest in the shares of the Company are also deemed to have an interest in the shares of all the subsidiary companies to the extent the Company has an interest.

None of the other Directors in office at the end of the year had any interest in shares and Warrants of the Company or its related corporations during the year.

* As a result of Dato' Ng Tong Hai ceasing to be substantial shareholder in Hirotako Holdings Bhd.

OTHER STATUTORY INFORMATION

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts have been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets, other than debts which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than allowance for impairment loss on investment in subsidiaries and allowance for impairment loss on amount due by a subsidiary as disclosed in Note 21.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(a) The directors are not aware of any circumstances:

(i) which would render the amount written off as bad debts or the allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Group and of the Company; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(b) In the opinion of the directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the abilities of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(a) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(b) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(c) The directors are not aware of any circumstances not otherwise dealt with in the report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

SIGNIFICANT EVENTS

Significant events during the year are disclosed in Note 32 to the financial statements.

AUDITORS

The auditors, Messrs. SC Associates, have expressed their willingness to continue in office.

On behalf of the Board,

CHONG SZE SAN

DATO' NG TONG HAI

Kuala Lumpur
Date: 27 JUL 2012

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, Dato' Ng Tong Hai and Chong Sze San, being two of the directors of P.A. Resources Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements as set out on pages 9 to 72, are drawn up in accordance with applicable Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2012 and of their financial performance and cash flows for the year then ended.

The information set out in Note 35 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad ("Bursa") Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa, and is not part of the financial statements.

On behalf of the Board

CHONG SZE SAN

DATO' NG TONG HAI

Kuala Lumpur
Date: 27 JUL 2012

STATUTORY DECLARATION

I, Dato' Ng Tong Hai, being the director primarily responsible for the financial management of P.A. Resources Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 9 to 72 are correct, and I make this solemn declaration conscientiously, believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
at Kuala Lumpur in the state of
Federal Territory on

27 JUL 2012

DATO' NG TONG HAI

Before me:

PESURUHJAYA SUMPAH
No: W 626
Nama: HAJJAH JAMILAH ISMAIL
MALAYSIA

COMMISSIONER FOR OATHS

Lot 5.30, Tingkat 5
Wisma Central
Jalan Ampang
50450 Kuala Lumpur

SC Associates
Member firm of KS INTERNATIONAL
Chartered Accountants (Firm No: AF0891)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF P.A. RESOURCES BERHAD

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of P.A. Resources Berhad, which comprise the statements of financial position as at 31 March 2012 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 72.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with applicable Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2012 and of its financial performance and cash flows for the year then ended.

KL Office :
10-B, Kompleks Damai, Jalan Lumut Off Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia. Tel: (6) 03-40436288 (Hunting Line) Fax: (6) 03-40437288 E-mail: scassociates3@yahoo.com
JB Office :
8-2 (Room A), Jalan Harimau, Century Garden, 80250 Johor Bahru, Johor, Malaysia. Tel: (6) 07-3311971, 3311972 Fax: (6) 07-3351668 E-mail: sca_jb@streamyx.com

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the unaudited management accounts of the subsidiary of which we have not acted as auditors, as indicated in Note 5 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

The supplementary information set out in Note 35 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SC ASSOCIATES
[No : AF - 0891]
Chartered Accountants

SIOW HOCK LEE
[No : 1489/10/13(J)]
Partner

Date: 27 JUL 2012
Kuala Lumpur, Malaysia

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SC Associates (AF 0891)
Chartered Accountants, Auditors

P.A. RESOURCES BERHAD

(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2012

	NOTE	GROUP 2012 RM	GROUP 2011 RM	COMPANY 2012 RM	COMPANY 2011 RM
NON-CURRENT ASSETS					
Property, plant and equipment	4	75,370,459	77,359,430	-	-
Investment in subsidiaries	5	-	-	34,834,000	37,900,000
Goodwill on consolidation		120,260	120,260	-	-
		75,490,719	77,479,690	34,834,000	37,900,000
CURRENT ASSETS					
Inventories	6	21,864,931	38,474,807	-	-
Trade receivables	7	25,900,842	17,726,528	-	-
Other receivables, deposits and prepayments	9	1,578,323	195,257	265,099	-
Tax refund receivables		1,690,800	1,712,056	23,931	45,187
Amounts due by subsidiaries	10	-	-	-	38,567,216
Cash and bank balances	11	11,899,624	4,551,020	157,702	411,755
		62,934,520	62,659,668	446,732	39,024,158
LESS : CURRENT LIABILITIES					
Trade payables	12	8,961,399	4,469,383	-	-
Other payables, accruals and deposits received	13	4,017,123	4,716,666	338,966	151,840
Amount due to a subsidiary	10	-	-	393	-
Borrowings	14	67,496,544	50,374,614	-	-
Provisions	16	600,000	-	-	-
		81,075,066	59,560,663	339,359	151,840
NET CURRENT ASSETS / (LIABILITIES)		(18,140,546)	3,099,005	107,373	38,872,318
		57,350,173	80,578,695	34,941,373	76,772,318

(The accompanying notes form an integral part of these financial statements)

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SC Associates (AF 0891)
Chartered Accountants, Auditors

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2012

		GROUP		COMPANY	
		2012	2011	2012	2011
	NOTE	RM	RM	RM	RM
EQUITY					
Share capital	17	98,742,825	98,742,825	98,742,825	98,742,825
Reserves	18	(58,691,561)	(46,747,188)	(63,801,452)	(21,970,507)
TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY		40,051,264	51,995,637	34,941,373	76,772,318
MINORITY INTERESTS		235,706	510,779	-	-
TOTAL EQUITY		40,286,970	52,506,416	34,941,373	76,772,318
NON-CURRENT LIABILITIES					
Borrowings	14	17,063,203	28,072,279	-	-
		57,350,173	80,578,695	34,941,373	76,772,318

(The accompanying notes form an integral part of these financial statements)

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P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

SC Associates (AF 0891)
Chartered Accountants, Auditors

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

		GROUP		COMPANY	
		2012	2011	2012	2011
	NOTE	RM	RM	RM	RM
REVENUE	20	102,871,885	82,606,132	-	-
COST OF SALES		(104,403,105)	(70,678,822)	-	-
GROSS (LOSS) / PROFIT		(1,531,220)	11,927,310	-	-
OTHER OPERATING INCOME		1,926,027	434,075	-	66,510
SELLING EXPENSES		(933,282)	(916,698)	-	-
ADMINISTRATION EXPENSES		(3,945,145)	(4,040,034)	(186,817)	(191,443)
OTHER OPERATING EXPENSES		(2,269,373)	(14,291,997)	(41,697,601)	(10,160,172)
LOSS FROM OPERATIONS		(6,752,993)	(6,887,344)	(41,884,418)	(10,285,105)
FINANCE COSTS		(5,494,884)	(5,335,212)	-	-
LOSS BEFORE TAXATION	21	(12,247,877)	(12,222,556)	(41,884,418)	(10,285,105)
TAXATION	24	32,009	804,942	53,473	(43,582)
LOSS AFTER TAXATION		(12,215,868)	(11,417,614)	(41,830,945)	(10,328,687)
OTHER COMPREHENSIVE INCOME					
Revaluation of property, plant and equipment, net of deferred tax		-	686,001	-	-
Crystalisation of deferred tax liability on revaluation reserves		21,464	-	-	-
Loss on translation difference		(25,042)	-	-	-
OTHER COMPREHENSIVE INCOME, NET OF TAX		(3,578)	686,001	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(12,219,446)	(10,731,613)	(41,830,945)	(10,328,687)

(The accompanying notes form an integral part of these financial statements)

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

		GROUP		COMPANY	
	NOTE	2012 RM	2011 RM	2012 RM	2011 RM
LOSS ATTRIBUTABLE TO:					
Owners of the Company		(11,940,795)	(11,462,619)	(41,830,945)	(10,328,687)
Minority interests		(275,073)	45,005	-	-
LOSS FOR THE YEAR		(12,215,868)	(11,417,614)	(41,830,945)	(10,328,687)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
Owners of the Company		(11,944,373)	(10,776,618)	(41,830,945)	(10,328,687)
Minority interests		(275,073)	45,005	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(12,219,446)	(10,731,613)	(41,830,945)	(10,328,687)
EARNINGS PER ORDINARY SHARE (SEN)	25	(6.23)	(6.64)		

(The accompanying notes form an integral part of these financial statements)

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	← *Non - distributable*			→	*Distributable*			
GROUP	**Share Capital RM**	**Share Premium RM**	**Revaluation reserves RM**	**Translation Reserves RM**	**Treasury Shares RM**	**Retained Earnings RM**	**Total RM**	**Minority Interests RM**	**Total Equity RM**
At 1 April 2010	66,792,000	4,214,672	3,499,357	(27,980)	(3,045,017)	(40,201,220)	31,231,812	465,774	31,697,586
Total comprehensive loss for the year	-	-	686,001	-	-	(11,462,619)	(10,776,618)	45,005	(10,731,613)
Transfer to retained earnings	-	-	(51,232)	-	-	51,232	-	-	-
Rights issue of 63,901,650 new ordinary shares of RM0.50 each	31,950,825	-	-	-	-	-	31,950,825	-	31,950,825
Rights issue expenses	-	(410,382)	-	-	-	-	(410,382)	-	(410,382)
At 31 March 2011	98,742,825	3,804,290	4,134,126	(27,980)	(3,045,017)	(51,612,607)	51,995,637	510,779	52,506,416
Total comprehensive loss for the year	-	-	-	(25,042)	-	(11,919,331)	(11,944,373)	(275,073)	(12,219,446)
Transfer to retained earnings	-	-	(64,391)	-	-	64,391	-	-	-
At 31 March 2012	98,742,825	3,804,290	4,069,735	(53,022)	(3,045,017)	(63,467,547)	40,051,264	235,706	40,286,970

(The accompanying notes form an integral part of these financial statements)

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

COMPANY	Share Capital RM	← *Non-Distributable* Share Premium RM	Treasury Shares RM →	*Distributable* Retained Earnings RM	Total RM
At 1 April 2010	66,792,000	4,214,672	(3,045,017)	(12,401,093)	55,560,562
Total comprehensive loss for the year	-	-	-	(10,328,687)	(10,328,687)
Rights issue of 63,901,650 new ordinary shares of RM0.50 each	31,950,825	-	-	-	31,950,825
Rights issue expenses	-	(410,382)	-	-	(410,382)
At 31 March 2011	98,742,825	3,804,290	(3,045,017)	(22,729,780)	76,772,318
Total comprehensive loss for the year	-	-	-	(41,830,945)	(41,830,945)
At 31 March 2012	98,742,825	3,804,290	(3,045,017)	(64,560,725)	34,941,373

(The accompanying notes form an integral part of these financial statements)

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P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

SC Associates (AF 0891)
Chartered Accountants, Auditors

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before taxation	(12,247,877)	(12,222,556)	(41,884,418)	(10,285,105)
Adjustments for:				
Allowance for impairment loss on trade receivables	31,296	9,315,085	-	-
Allowance for impairment loss on amount due by subsidiaries	-	-	38,467,216	-
Allowance for impairment loss on investment in subsidiaries	-	-	3,066,000	10,000,000
Allowance for impairment loss on trade receivables written back	(1,131,191)	-	-	-
Depreciation of property, plant and equipment	5,280,686	5,394,141	-	-
Loss on disposal of property, plant and equipment	27,974	19,000	-	-
Interest expenses	5,397,254	5,222,792	-	-
Interest income	(96,836)	(140,927)	-	(66,510)
Provision for liquidated and ascertain damages in respect of constrcution works	600,000	-	-	-
Operating (loss)/profit before working capital changes	(2,138,694)	7,587,535	(351,202)	(351,615)
Decrease/(Increase) in inventories	16,609,876	(5,603,211)	-	-
Increase in receivables	(8,457,485)	(4,496,969)	(265,099)	(224,258)
Increase/(Decrease) in payables	3,507,473	2,747,387	187,126	(214,086)
Cash generated from/(used in) operations	9,521,170	234,742	(429,175)	(789,959)
Interest paid	(5,397,254)	(5,222,792)	-	-
Tax refunded/(paid)	74,729	(12,000)	74,729	(12,000)
Net cash generated from/(used in) operating activities	4,198,645	(5,000,050)	(354,446)	(801,959)

(The accompanying notes form an integral part of these financial statements)

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P.A. RESOURCES BERHAD

(Incorporated in Malaysia)

SC Associates (AF 0891)
Chartered Accountants, Auditors

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	GROUP		COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	96,836	140,927	-	66,510
Purchase of property, plant and equipment (Note 29)	(2,881,012)	(5,372,974)	-	-
Proceeds from disposal of plant and equipment	34,923	17,813	-	-
Repayment by/(Advances to) subsidiaries	-	-	100,393	(30,865,000)
Net cash (outflow)/inflow from investing activities	(2,749,253)	(5,214,234)	100,393	(30,798,490)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of hire purchase liabilities	(22,730)	(116,986)	-	-
Proceeds from rights issue	-	31,950,825	-	31,950,825
Net proceeds from/(repayment to) trade bills payables	12,686,163	(45,090,583)	-	-
Net (repayment to)/proceeds from term loans	(10,662,690)	13,598,102	-	-
Increase in fixed deposits pledged	(96,836)	(64,407)	-	-
Net cash inflow from financing activities	1,903,907	276,951	-	31,950,825
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,353,299	(9,937,333)	(254,053)	350,376
EFFECT OF EXCHANGE RATE CHANGES	(25,042)	-	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	(3,424,780)	6,512,553	411,755	61,379
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	(96,523)	(3,424,780)	157,702	411,755

(The accompanying notes form an integral part of these financial statements)

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P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

SC Associates (AF 0891)
Chartered Accountants, Auditors

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	GROUP		COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Represented by:				
CASH AND CASH EQUIVALENTS				
Bank overdraft	(9,137,173)	(5,213,662)	-	-
Cash in hand and at banks	9,040,650	1,788,882	157,702	411,755
Fixed deposits with licensed banks	2,858,974	2,762,138	-	-
	2,762,451	(662,642)	157,702	411,755
Fixed deposits pledge	(2,858,974)	(2,762,138)	-	-
	(96,523)	(3,424,780)	157,702	411,755

(The accompanying notes form an integral part of these financial statements)

P.A. RESOURCES BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

1. GENERAL INFORMATION

The Company's principal activity is that of investment holding.

The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The address of the registered office of the Company is as follows:

Level 8 Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya

The address of the principal place of business of the Company is as follows:

Lot 424 & 440,
Jalan Kuala Selangor,
Kg. Batu 8, Ijok,
45620 Kuala Selangor,
Selangor Darul Ehsan.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies' Act 1965, and applicable Financial Reporting Standards in Malaysia ("FRS").

The financial statements of the Group and of the Company have been prepared under the historical cost convention other than the revaluation of freehold land and factory buildings as stated in Note 2.3 and unless indicated otherwise.

The financial statements are presented in Ringgit Malaysia (RM), which is the Group's and the Company's functional currency.

The preparation of financial statements in conformity with FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

(a) Changes in accounting policies

Unless indicated otherwise, the accounting policies adopted are consistent with those of the previous financial year.

On 1 April 2011, the Group and the Company adopted the following applicable new and amended FRSs and IC Interpretations:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards: - Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters - Additional Exemptions for First-time Adopters - Improvements to FRSs (2010)
Amendment to FRS 3	Business Combinations - Improvements to FRSs (2010)
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 7	Financial Instruments: Disclosures: - Improving Disclosures about Financial Instruments - Improvements to FRSs (2010)
Amendment to FRS 101	Presentation of Financial Statements - Improvements to FRSs (2010)
Amendment to FRS 121	The Effect of Changes in Foreign Exchange Rates - Improvements to FRSs (2010)
Amendment to FRS 132	Financial Instruments: Presentation - Improvements to FRSs (2010)
Amendment to FRS 134	Interim Financial Reporting - Improvements to FRSs (2010)
Amendment to FRS 139	Financial Instruments: Recognition and Measurement - Improvements to FRSs (2010)
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to IC Interpretation 13	Customer Loyalty Programmes - Improvements to FRSs (2010)

The effects, if any, arising from the adoption of the above standards and interpretations on the financial statements are set out below.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

(i) Standards affecting presentation and disclosure

Amendments to FRS 7: Financial Instruments: Disclosures providing qualitative disclosures in the context of quantitative disclosures enables users to link related disclosures and hence form an overall picture of the nature and extent of risks arising from financial instruments. The interaction between qualitative and quantitative disclosures contributes to disclosure of information in a way that better enables users to evaluate an entity's exposure to risks. This amendment also clarifies the required level of disclosure around credit risk and collateral held and provides relief from disclosure of renegotiated loans.

Amendments to FRS 101: Presentation of Financial Statements clarifies that an entity may present the analysis of other comprehensive income by item either in the statement of changes in equity or in the notes to the financial statements.

Amendments to FRS 134: Interim Financial Reporting clarifies that an entity shall include in its interim financial report an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period. Information disclosed in relation to those events and transactions shall update the relevant information presented in the most recent annual financial report.

(ii) Standards and IC Interpretations adopted with no effect on financial statements

Adoption of the following new and revised Standards and IC Interpretations have had no significant impact on the amounts reported in the financial statements of the Group and of the Company but may affect the accounting for future transactions or arrangements.

FRS 1 First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)

The amendments deal with the measurement of the cost of investments in subsidiaries, jointly controlled entities and associates when adopting FRSs for the first time and with the recognition of dividend income from subsidiaries in a parent's separate financial statements.

FRS 1 First-time Adoption of Financial Reporting Standards (revised)

In general, FRS 1 (revised) requires an entity to comply with each FRS effective at the end of its first FRS reporting period. In particular, the FRS requires an entity to do the following in the opening FRS statement of financial position that it prepares as a starting point for its accounting under FRSs:

(i) recognises all assets and liabilities whose recognition is required by FRSs;
(ii) not recognise items as assets or liabilities if FRSs do not permit such recognition;
(iii) reclassifies items that it recognised under previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity under FRSs; and
(iv) applies FRSs in measuring all recognised assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

(a) Changes in accounting policies (cont'd)

(ii) Standards and IC Interpretations adopted with no effect on financial statements (cont'd)

FRS 127 Consolidated and Separate Financial Statements (revised)

The revisions to FRS 127 principally affect the accounting for transactions or events that result in a change in the Group's interests in its subsidiaries.

FRS 127 (revised) has been adopted for the Group's financial periods beginning on or after 1 April 2011. The revised Standard has affected the Group's accounting policies regarding changes in ownership interests in its subsidiaries that do not result in a change in control. In prior years, in the absence of specific requirements in FRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss. Under FRS 127 (revised), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires that the Group derecognise all assets, liabilities and non-controlling interests at their carrying amount. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost, with the gain or loss arising recognised in profit or loss.

The revised Standard has also affected the Group's accounting policies for the non-controlling interests. Non-controlling interests shall be presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

FRS 3 Business Combinations (revised)

The revised FRS 3:

(i) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as "minority interests") at the date of acquisition either at fair value or at the non-controlling interests' share of recognised identifiable net assets of the acquiree;

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

(a) Changes in accounting policies (cont'd)

(ii) Standards and IC Interpretations adopted with no effect on financial statements (cont'd)

FRS 3 Business Combinations (revised) - cont'd

(ii) changes the recognition and subsequent accounting requirements for contingent consideration. Previously, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were always made against the cost of the acquisition. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against the cost of the acquisition only to the extent that they arise from new information obtained within measurement period (a maximum of 12 months from the acquisition date) about the fair value at the date of acquisition. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss;

(iii) requires the recognition of a settlement gain and loss where the business combination in effect settles a pre-existing relationship between the Group and the acquiree; and

(iv) requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

Upon adoption, this Standard will be applied prospectively and therefore, no restatements will be required in respect of transactions prior to the date of adoption.

FRS 3 Business Combinations (revised) (Amendments relating to Improvements to FRSs 2010)

Amendments to FRS 3 Business Combinations clarifies that the measurement choice regarding non-controlling interests at the date of acquisition is only available in respect of non-controlling interests that are present ownership interests that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other types of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by other Standards.

FRS 5 Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary)

The amendment made to FRS5 clarifies that the disclosure requirements in Standards other than FRS 5 do not generally apply to non-current assets classified as held for sale and discontinued operations.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

(a) Changes in accounting policies (cont'd)

(ii) Standards and IC Interpretations adopted with no effect on financial statements (cont'd)

IC Interpretation 9 Reassessment of Embedded Derivatives (Amendments relating to additional consequential amendments arising from revised FRS 3)

This Interpretation does not apply to embedded derivatives in contracts acquired in:

(i) a business combination (as defined in FRS 3 Business Combinations (as revised in 2010));
(ii) a combination of entities or businesses under common control as described in paragraphs B1–B4 of FRS 3 (revised 2010); or
(iii) the formation of a joint venture as defined in FRS 131 Interests in Joint Ventures

or their possible reassessment at the date of acquisition.

IC Interpretation 13 Customer Loyalty Programmes

This Interpretation applies to customer loyalty award credits that an entity grants to its customers as part of a sales transaction, i.e. a sale of goods, rendering of services or use by a customer of entity assets; and subject to meeting any further qualifying conditions, the customers can redeem in the future for free or discounted goods or services.

(b) Standards issued but not yet effective

The Group and the Company has not adopted the following standards and interpretations that have been issued but not yet effective:

FRS, Amendments to FRS and Interpretations		**Effective for financial periods beginning on or after**
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement	1 July 2011
FRS 124	Related Party Disclosures	1 January 2012
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7	Disclosures - Transfers of Financial Assets	1 January 2012
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets	1 January 2012
* Amendments to IC Interpretation 15	Agreements for the Construction of Real Estate	1 January 2012
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

(b) Standards issued but not yet effective (cont'd)

FRS, Amendments to FRS and Interpretations		Effective for financial periods beginning on or after
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosures of Interests in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
FRS 127 (2011)	Separate Financial Statements	1 January 2013
FRS 128 (2011)	Investment in Associates and Joint Ventures	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
** FRS 9 (IFRS 9 (2009))	Financial Instruments (IFRS 9 issued by IASB in November 2009)	1 January 2015
** FRS 9 (IFRS 9 (2010))	Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2015

* The effective date of IC Interpretation 15 and consequential amendments resulting from IC Interpretation 15 shall be deferred to 1 January 2012 via amendment issued by MASB on 30 August 2010.

** Mandatory Effective Date of FRS 9 and Transition Disclosures (Amendments to FRS 9 (IFRS 9 issued by IASB in November 2009), FRS 9 (IFRS 9 issued by IASB in October 2010) and FRS 7), issued in March 2012, amended the effective date of FRS 9 (IFRS 9 issued by IASB in November 2009) and FRS 9 (IFRS 9 issued by IASB in October 2010) so that FRS 9 is required to be applied for annual periods beginning on or after 1 January 2015. Early application is permitted.

The directors anticipate that abovementioned Standards and IC Interpretations that are applicable to the Group and the Company will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these FRSs and IC Interpretations will have no material impact on the financial statements of the Group and of the Company in the period of initial application except as outlined below.

FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)
FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)

FRS 9 (IFRS 9 issued by IASB in November 2009) introduces new requirements for the classification and measurement of financial assets. FRS 9 (IFRS 9 issued by IASB in October 2010) includes the requirements for the classification and measurement of financial liabilities and for derecognition.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

(b) Standards issued but not yet effective (cont'd)

Key requirements of FRS 9 are described as follows:

(i) FRS 9 requires all recognised financial assets that are within the scope of FRS 139 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

(ii) The most significant effect of FRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under FRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under FRS 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

FRS 10 Consolidated Financial Statements
FRS 11 Joint Arrangements
FRS 12 Disclosure of Interests in Other Entities
FRS 127 Separate Financial Statements (2011)
FRS 128 Investments in Associates and Joint Ventures (2011)

In November 2011, a package of five Standards on consolidation, joint arrangements, associates and disclosures was issued, including FRS 10, FRS 11, FRS 12, FRS 127 (as revised in 2011) and FRS 128 (as revised in 2011).

Key requirements of these five Standards are described below.

FRS 10 replaces the parts of FRS 127 Consolidated and Separate Financial Statements (revised in 2010) that deal with consolidated financial statements. IC Interpretation 112 Consolidation – Special Purpose Entities has been withdrawn upon the issuance of FRS 10. Under FRS 10, there is only one basis for consolidation, that is control. In addition, FRS 10 includes a new definition of control that contains three elements:

(i) power over an investee;
(ii) exposure, or rights, to variable returns from its involvement with the investee; and
(iii) the ability to use its power over the investee to affect the amount of the investor's returns.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

(b) Standards issued but not yet effective (cont'd)

Extensive guidance has been added in FRS 10 to deal with complex scenarios.

FRS 11 replaces FRS 131 Interests in Joint Ventures. FRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. IC Interpretation 113 Jointly Controlled Entities – Non-monetary Contributions by Venturers has been withdrawn upon the issuance of FRS 11. Under FRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under FRS 131, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under FRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under FRS 131 can be accounted for using the equity method of accounting or proportionate accounting.

FRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/ or unconsolidated structured entities. In general, the disclosure requirements in FRS 12 are more extensive than those in the current standards.

FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of FRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other FRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in FRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under FRS 7 Financial Instruments: Disclosures will be extended by FRS 13 to cover all assets and liabilities within its scope.

FRS 112 Income Taxes (Amendments relating to deferred tax: recovery of underlying assets)

The amendments to FRS 112 provide an exception to the general principles in FRS 112 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with FRS 140: Investment Property are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

FRS 124 Related Party Disclosures (revised)

FRS 124 (revised in 2010) has been revised on the following two aspects:

(i) FRS 124 (revised in 2010) has changed the definition of a related party; and
(ii) FRS 124 (as revised in 2009) introduces a partial exemption from the disclosure requirements for government-related entities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (Cont'd)

(b) Standards issued but not yet effective (cont'd)

The Group and the Company are not government-related entities. Thus, the disclosure exemptions introduced in FRS 124 (revised in 2010) do not affect the Group and the Company. However, disclosures regarding related party transactions and balances in the Group's and the Company's financial statements may be affected when the revised version of the Standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the Standard.

(c) Malaysian financial reporting standards

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework (MFRS Framework) in conjunction with its planned convergence of FRSs with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board on 1 January 2012.

The MFRS Framework is a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 Agriculture and/ or IC Interpretation 15 Agreements for the Construction of Real Estate are given an option to defer adoption of the MFRS Framework to annual period beginning on or after 1 January 2014. Transitioning Entities also includes those entities that consolidates, equity accounts or proportionately consolidates an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are not Transitioning Entities will be required to apply MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (MFRS 1) in their financial statements for the financial year ending 31 March 2013, being the first set of financial statements prepared in accordance with the new MFRS Framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in these financial statements.

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's and the Company's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

The results of those subsidiaries acquired via an internal group reorganisation exercise in 2005 which met the conditions of a merger in accordance with FRS 122_{2004} "Business Combinations" are consolidated using the merger method of accounting.

Under the merger method of accounting, the results of the subsidiaries are consolidated and presented as if the merger had been effected throughout the current and previous financial years. On consolidation, the difference between the carrying value of the investment in subsidiaries over the nominal value of the shares acquired is taken to merger deficit. The merger deficit is set off against the retained profits.

In all other cases, acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 2.5. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

<u>Transactions with non-controlling interests</u>

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Property, plant and equipment

(a) Measurement

Freehold land and factory buildings are initially recorded at cost.

Freehold land and factory buildings are subsequently shown at valuation, based on valuation by external independent valuers, less subsequent depreciation (on factory buildings) and impairment losses. The freehold land and factory buildings are to be appraised by external independent professional valuers at least once in every five years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment (including additions of factory buildings between and after revaluation periods) are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to profit or loss. Each year the difference between the depreciation based on the revalued carrying amount of the asset charged to the profit or loss and depreciation based on the asset's original cost is transferred from 'revaluation reserves' to 'retained earnings'.

(b) Depreciation

Freehold land is not depreciated.

Depreciation on assets under construction or in progress commences when the assets are ready for their intended use.

Other property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets, or their revalued amounts, to their residual values over their estimated useful lives, summarised as follows:

	Useful lives
Freehold factory buildings	remaining live of 40 years
Leasehold land	79 years
Leasehold building	50 years
Plant and machinery	6 to 16 years
Extrusion die	5 years
Electrical installation	8 to 9 years
Tools and equipment	10 years
Office equipment, furniture and fittings, renovation and motor vehicle	5 years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with the expected pattern of consumption of the future economic benefits embodied the items of property, plant and equipment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Property, plant and equipment (Cont'd)

(c) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

(d) Disposals

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings.

2.4 Investment in subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Investment in subsidiaries is accounted for at cost less impairment losses. The policy for the recognition and measurement of impairment losses is similar in the manner set out for non-financial assets in Note 2.19(b).

On disposal of such investments, the difference between net disposal proceeds and its carrying amounts is recognised in the profit or loss.

2.5 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 Non-current assets (or disposal groups) classified as assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell, if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

2.7 Inventories

Inventories comprising raw materials, work in progress and finished goods, are valued at the lower of cost and net realisable value. Costs of raw materials and finished goods are determined on the first in first out basis, and includes all expenses incurred in bringing the inventories to their present location and condition.

In arriving at the net realisable value, due allowance is made for obsolete and slow moving inventories.

2.8 Receivables

Trade and other receivables are categorised and measured as loans and receivables in accordance with Note 2.20(ii)(c).

2.9 Construction work-in-progress

Construction work-in-progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work-in-progress is presented as part of trade receivables as amount due by contract customers in the statement of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as deferred income in the statement of financial position.

2.10 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

Cash and cash equivalents (other than bank overdrafts) are categorised and measured as loans and receivables in accordance with policy Note 2.20(ii)(c).

2.11 Payables

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Borrowings

(a) Classification

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the end of the reporting period are included in current borrowings in the statement of financial position even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period and before the financial statements are authorised for issue. Other borrowings due to be settled more than twelve months after the end of the reporting period are included in non-current borrowings in the statement of financial position.

(b) Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

2.13 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

When issued shares of the Company are repurchased, the consideration paid, including any attributable transaction costs is presented as a change in equity. Repurchased shares that have not been cancelled are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in the profit or loss on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued or resale, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 Leases

(a) Finance Lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequently to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(b) Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the Group's statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on the straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Income tax

Income tax on the profit or loss for the financial year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial period and is measured using the tax rates that have been enacted at the end of the reporting period.

Deferred tax is provided for, using the liability method, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period. Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

2.16 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

(b) Defined contribution plans

Obligations for contributions to defined contribution plan are recognised as an expense in the profit or loss as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Revenue recognition

(a) Sales of goods

Revenue from the sale of goods is measured at fair value of the consideration received and receivable, net of returns and allowances, traded discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer.

(b) Services

Revenue from tolling services rendered is recognised in profit or loss upon completion and delivery of the finished products.

Revenue from services rendered as agent under an agency arrangement is recognised upon shipment of the principal's goods from Malaysia to its customers' country of destination.

(c) Construction contracts

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and contract cost are recognised in the profit or loss in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to the proportion that contract costs incurred for work performed to-date bear to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the profit or loss.

(d) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(e) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy in borrowing costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 Foreign Currencies

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at the fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

(b) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 January 2006 which are reported using the exchange rates at the dates of the acquisitions. The income and expenses of foreign operations, excluding operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

The income and expenses of foreign operations in hyperinflationary economies are translated to RM at the exchange rate at the end of the reporting period. Prior to translating the financial statements of foreign operations in hyperinflationary economies, their financial statements for the current period are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the end of the reporting period.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains or losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the FCTR.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Impairment

(a) Financial assets

The Group assess at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost (except for investment in subsidiaries) has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.19 Impairment (Cont'd)

(b) Non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The impairment loss is charged to profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

2.20 Financial Instruments

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Company categorise financial instruments as follows:

<u>Financial assets</u>

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Financial Instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

(b) Held-to-maturity investments

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and the Group has the positive intention and ability to hold till maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

(c) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(d) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading and other financial assets not classified under 2.20(ii) (a), (b) and (c) above.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

<u>**Financial liabilities**</u>

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Financial Instruments (Cont'd)

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

2.21 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimating uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

3.1 Depreciation of property, plant and equipment

Property, plant and equipment is depreciated on the straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and machinery to range between 5 and 40 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

3.2 Recoverable amounts for property, plant and equipment and investment in subsidiaries

The Group tests whether property, plant and equipment and investment in subsidiaries have suffered any impairment, in accordance with the accounting policy stated in Note 2.19 above. The recoverable amounts of the assets and cash-generating units have been determined based on value-in-use calculations. These calculations require use of judgements and estimates.

3.3 Allowance for impairment of receivables

The Group and Company make allowance for impairment of receivables based on an assessment of the recoverability of trade and other receivables, and amount due by subsidiaries. Allowances for impairment of receivables are applied to trade and other receivables, and amount due by subsidiaries where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful receivables requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of receivables and the allowance for impairment of receivables in the period in which such estimate has been changed.

3.4 Construction contracts

Profit from construction contracts is the excess of contract revenue over contract cost.

The Group recognise contract revenue based on percentage of completion method. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to-date bear to the estimated total contract costs. Significant judgement is required in determining the stage of completion. Total contract revenue also includes an estimation of the recoverable variation works that are recoverable from the customers. In making the judgement, the Group relied on past experience and the work of specialists.

3.5 Provision for taxation

The Group is subject to income taxes whereby significant judgement is required on determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Consequently, if the final assessment is different from the tax liabilities recognised by the Group, such differences will impact the income tax and deferred tax provision in the period such determination is made.

3.6 Going Concern

Notwithstanding that the Group incurred a net loss of RM11,940,795 during the year ended 31 March 2012, and as of that date, the Group's current liabilities exceeded its current assets by RM18,140,546, the directors are of the opinion that it is appropriate to prepare the financial statements of the Group on a going concern basis as the Company is already executing business plans, including the renouceable rights issue exercise as disclosed in Note 32 to the financial statements that the directors believe will turnaround the Group to profitability and restore the Group's financial position.

4. PROPERTY, PLANT AND EQUIPMENT

GROUP COST / VALUATION	Freehold land RM	Factory buildings RM	Leasehold land and building RM	Plant and machinery RM	Extrusion die, Tools and Electrical installation RM	Office equipment, Renovation and Motor vehicles RM	2012 Total RM	2011 Total RM
At beginning of year	7,000,000	33,800,000	850,000	47,164,952	9,608,103	3,457,488	101,880,543	97,064,923
Additions	-	252,885	-	907,007	1,183,593	1,011,127	3,354,612	5,372,974
Revaluation surplus	-	-	-	-	-	-	-	1,495,414
Disposals	-	-	-	(85,475)	-	(4,200)	(89,675)	(54,011)
Elimination of accumulated depreciation on revaluation	-	-	-	-	-	-	-	(1,998,757)
At end of year	7,000,000	34,052,885	850,000	47,986,484	10,791,696	4,464,415	105,145,480	101,880,543
Representing:								
At cost	-	252,885	850,000	47,986,484	10,791,696	4,464,415	64,345,480	61,080,543
At valuation	7,000,000	33,800,000	-	-	-	-	40,800,000	40,800,000
	7,000,000	34,052,885	850,000	47,986,484	10,791,696	4,464,415	105,145,480	101,880,543

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP ACCUMULATED DEPRECIATION	Freehold land RM	Factory buildings RM	Leasehold land and building RM	Plant and machinery RM	Extrusion die, Tools and Electrical installation RM	Office equipment, Renovation and Motor vehicles RM	2012 Total RM	2011 Total RM
At beginning of year	-	774,583	80,317	14,186,638	6,678,916	2,800,659	24,521,113	21,142,927
Charge for the year	-	848,162	15,128	2,980,742	1,158,555	278,099	5,280,686	5,394,141
Disposals	-	-	-	(23,628)	-	(3,150)	(26,778)	(17,198)
Reversal on revaluation	-	-	-	-	-	-	-	(1,998,757)
At end of year	-	1,622,745	95,445	17,143,752	7,837,471	3,075,608	29,775,021	24,521,113
NET BOOK VALUE								
At 31 March 2012	7,000,000	32,430,140	754,555	30,842,732	2,954,225	1,388,807	75,370,459	-
At 31 March 2011	7,000,000	33,025,417	769,683	32,978,314	2,929,187	656,829	-	77,359,430
Depreciation for the financial year ended 31 March 2011	-	846,795	15,127	2,841,812	1,284,253	406,154	-	5,394,141

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Analysis of net book value of revalued properties:

	GROUP 2012 RM	GROUP 2011 RM
At valuation		
Freehold land	7,000,000	7,000,000
Freehold factory buildings	33,800,000	33,800,000
	40,800,000	40,800,000
Less: Accumulated depreciation		
Freehold factory buildings	1,619,584	774,583
Net book value as at 31 March	39,180,416	40,025,417

The valuations of the freehold land and factory buildings were carried out by TD Aziz Sdn. Bhd., an external independent firm of valuers, on 3 May 2010 using the comparison and cost method.

The resultant surplus, net of deferred tax were credited to revaluation reserves in the financial year ended 31 March 2011.

The net book value of the revalued freehold land and factory buildings as at 31 March 2012 that would have been included in the financial statements, had these assets been carried at cost less accumulated depreciation and impairment losses is as follows:

	GROUP 2012 RM	GROUP 2011 RM
Freehold land	5,231,500	5,231,500
Freehold factory buildings	29,122,253	29,869,702
	34,353,753	35,101,202

	GROUP 2012 RM	GROUP 2011 RM
Net book value of plant and equipment acquired under hire purchase arrangements:		
- Motor vehicles	241,735	46,230

As at 31 March 2012, net book value of the following assets have been pledged to banks for borrowings as disclosed in Note 14 to the financial statements:

	GROUP 2012 RM	GROUP 2011 RM
Freehold land and factory buildings	39,430,140	40,025,417
Leasehold land and building	754,555	769,683
Plant and machinery	28,128,109	29,915,564
	68,312,804	70,710,664

5. INVESTMENT IN SUBSIDIARIES

	COMPANY 2012 RM	2011 RM
Unquoted shares		
At cost	62,500,290	62,500,290
Less: Allowance for impairment losses		
At 1 April	24,600,290	14,600,290
Additions for the year	3,066,000	10,000,000
At 31 March	27,666,290	24,600,290
At carrying amount	34,834,000	37,900,000

During the current financial year, management carried out a review of the recoverable amount of the investment in subsidiaries because of the continuous losses in these subsidiaries. This review led to the recognition of an additional impairment loss of RM3,066,000 for current financial year. The recoverable amount was based on the value in use method, determined by discounting the future cash flows expected from the continuing use of the asset. The pre-tax discount rate used was 8.80 percent.

Unless indicated otherwise, all the subsidiaries were incorporated in Malaysia and have the same financial year-end as the Company. The details of the subsidiaries are as follows:

Name of Subsidiaries	**Principal Activities**	**Effective Equity Interest Held 2012 %**	**2011 %**
P.A. Extrusion (M) Sdn. Bhd.	Aluminium extrusion, fabrication and related services	100	100
and its subsidiary companies:			
PAR Metal Casting Sdn. Bhd.	Dormant	100	100
PA Metal Processing Sdn. Bhd.	Dormant	100	100
Professional Aluminium Smelting Sdn. Bhd.	Manufacturing of aluminium billets and tolling	100	100
P. A. Projects Sdn. Bhd.	Contractor in design, supply, fabricate and install of aluminium products	70	70
* P.A. Resources (Australia) Pty Ltd ("PAA")	Ceased operation and is currently in the process of deregistration	100	100

* A company incorporated in Australia whose financial statements are not audited by SC Associates.

The audited financial statements of PAA are not available as it has ceased operation and is in the process of being deregistered. Accordingly, the unaudited management accounts have been used for the purpose of preparing the consolidated financial statements for the financial year ended 31 March 2012. The financial results of PAA for the financial year ended 31 March 2012 are considered not material.

6. INVENTORIES

	GROUP 2012 RM	GROUP 2011 RM
At Cost		
- Raw materials and consumables	7,864,993	19,218,803
- Work in progress	-	1,909,507
- Finished goods	13,999,938	13,025,167
	21,864,931	34,153,477
At Net Realisable Value		
- Raw materials	-	178,865
- Finished goods	-	4,142,465
	-	4,321,330
	21,864,931	38,474,807
Recognised in profit or loss:		
Inventories recognised as cost of sales	101,581,357	68,919,555
Write-down to net realisable value	-	3,249,559

7. TRADE RECEIVABLES

	GROUP 2012 RM	GROUP 2011 RM
Gross		
Trade receivables	35,212,927	32,036,265
Amount due by contract customers (Note 8)	4,297,857	400,100
	39,510,784	32,436,365
Less: Allowance for impairment losses		
At 1 April	14,709,837	5,394,752
Additions for the year	31,296	9,315,085
Written back for the year	(1,131,191)	-
At 31 March	13,609,942	14,709,837
At carrying amount	25,900,842	17,726,528

Included in the trade receivables of the Group is an amount of RM907,536 (2011: RM586,827) representing contract sum retained in relation to contracting work performed.

The Group's normal trade credit terms vary from 30 to 100 days. Other trade credit terms are assessed and approved on a case-by-case basis.

8. AMOUNT DUE BY/(TO) CONTRACT CUSTOMERS

	GROUP 2012 RM	GROUP 2011 RM
Construction costs	17,915,798	9,004,439
Attributable profits	2,526,016	1,488,434
	20,441,814	10,492,873
Progress billings received and receivable	(16,185,378)	(10,187,664)
	4,256,436	305,209
Represented by:		
Amount due by contract customers	4,297,857	400,100
Amount due to contract customers	(41,421)	(94,891)
	4,256,436	305,209
Construction costs incurred during the financial year	9,124,573	7,955,987
Construction costs recognised as contract expenses during the financial year	9,124,573	7,955,987
Included in construction costs incurred during the financial year are:		
- Depreciation of plant and equipment	50,223	49,620
- Staff costs (excluding directors' remuneration)		
- wages and incentive	1,159,316	575,851
- social security costs	6,404	3,650
- pension costs - defined contribution plan	55,433	33,836
- Rental of factory	15,000	-
- Rental of machinery	335,642	44,858

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Other receivables	42,038	17,290	-	-
Deposits for:				
- construction of factory building	11,415	11,415	-	-
- others	133,848	28,063	-	-
	145,263	39,478	-	-
Prepayments				
- downpayment for purchase of plant and machinery	601,832	-	-	-
- others	789,190	138,489	265,099	-
	1,391,022	138,489	265,099	-
	1,578,323	195,257	265,099	-

10. AMOUNTS DUE BY / TO SUBSIDIARIES

	COMPANY	
	2012	2011
	RM	RM
Non-trade:		
Amounts receivable from subsidiaries	38,862,216	38,962,216
Less: Allowance for impairment losses		
At 1 April	395,000	395,000
Additions for the year	38,467,216	-
At 31 March	38,862,216	395,000
	-	38,567,216
Amount due to a subsidiary	(393)	-

The amounts due by/to subsidiaries represent unsecured, interest-free and repayable on demand.

11. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Cash in hand and at banks	9,040,650	1,788,882	157,702	411,755
Fixed deposits with licensed banks	2,858,974	2,762,138	-	-
	11,899,624	4,551,020	157,702	411,755

The fixed deposits with licensed banks are pledged to banks to secure credit facilities granted to the Group.

The effective interest rates of the fixed deposits at the end of the reporting period range from 2.19% to 2.85% (2011: 2.19% to 2.85%).

The maturities of the fixed deposits as at the end of the financial year were between 1 month to 12 months (2011: 1 month to 12 months).

12. TRADE PAYABLES

	GROUP	
	2012	2011
	RM	RM
Trade payables	8,919,978	4,374,492
Amount due to contract customers (Note 8)	41,421	94,891
	8,961,399	4,469,383

The normal trade credit terms granted to the Group vary from 0 to 60 days.

13. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	GROUP		COMPANY	
	2012	2011	2012	2011
	RM	RM	RM	RM
Other payables				
- amount collected on behalf under an agency arrangement	564,751	1,125,781	-	-
- others	1,564,458	1,743,111	232,558	25,240
	2,129,209	2,868,892	232,558	25,240
Accruals	1,875,914	1,847,774	106,408	126,600
Deposits received	12,000	-	-	-
	4,017,123	4,716,666	338,966	151,840

14. BORROWINGS

	GROUP 2012 RM	GROUP 2011 RM
Current		
Bank overdrafts (secured)	9,137,173	5,213,662
Trade bills payables (secured)	22,275,116	9,588,953
Revolving credit (secured)	10,000,000	10,000,000
Term loans (secured)	26,037,192	25,557,206
Hire purchase liabilities	47,063	14,793
	67,496,544	50,374,614
Non-current		
Term loans (secured)	16,896,040	28,038,716
Hire purchase liabilities	167,163	33,563
	17,063,203	28,072,279
Total Borrowings		
Bank overdrafts (secured)	9,137,173	5,213,662
Trade bills payables (secured)	22,275,116	9,588,953
Revolving credit (secured)	10,000,000	10,000,000
Term loans (secured)	42,933,232	53,595,922
	84,345,521	78,398,537
Hire purchase liabilities	214,226	48,356
	84,559,747	78,446,893
Maturities of borrowings (excluding hire purchase liabilities) :		
Within one year	67,449,481	50,359,821
More than 1 year and less than 2 years	11,700,967	15,891,657
More than 2 years and less than 5 years	4,170,754	11,122,740
5 years or more	1,024,319	1,024,319
	84,345,521	78,398,537

The effective interest rates per annum at the end of the reporting period for the above borrowings were as follows:

	GROUP 2012	GROUP 2011
Bank overdrafts	8.1% to 8.6%	7.8% to 8.3%
Trade bills payables	3.04% to 5.16%	4.2% to 4.27%
Revolving credit	5.66% to 5.67%	5.42%
Term loans	6.55% to 8.1%	6.55% to 7.8%
Hire purchase liabilities	6% to 6.73%	5.19% to 6%

14. BORROWINGS (CONT'D)

The above banking facilities of the Group are secured by way of :-

(a) The Group's freehold land and factory buildings;
(b) The Group's leasehold land and building;
(c) Fixed and floating charge over the plant and machinery of a subsidiary;
(d) Fixed deposits of the Group as stated in Note 11 above;
(e) Corporate guarantee given by the Company; and
(f) Jointly and severally guaranteed by certain directors of the Group.

15. HIRE PURCHASE LIABILITIES

	GROUP	
	2012 RM	2011 RM
Hire purchase obligations repayable:		
Within one year	59,686	17,237
More than 1 year and less than 5 years	186,434	35,954
	246,120	53,191
Future finance charges	(31,894)	(4,835)
Present value of hire purchase liabilities	214,226	48,356
Principal amount repayable:		
Within 1 year	47,063	14,793
More than 1 year and less than 5 years	167,163	33,563
	214,226	48,356

16. PROVISIONS

	GROUP	
	2012 RM	2011 RM
Provision for liquidated and ascertain damages in respect of constrcution works	600,000	-

17. SHARE CAPITAL

	GROUP AND COMPANY			
	Number of ordinary shares of RM0.50 each			
	2012	2011	2012 RM	2011 RM
Authorised:				
At 1 April	300,000,000	200,000,000	150,000,000	100,000,000
Created during the year	-	100,000,000	-	50,000,000
At 31 March	300,000,000	300,000,000	150,000,000	150,000,000

17. SHARE CAPITAL (CONT'D)

	GROUP AND COMPANY			
	Number of ordinary shares of RM0.50 each			
	2012	2011	2012 RM	2011 RM
Issued and fully paid:				
At 1 April	197,485,650	133,584,000	98,742,825	66,792,000
Rights issue during the year	-	63,901,650	-	31,950,825
At 31 March	197,485,650	197,485,650	98,742,825	98,742,825

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Warrants

On 19 July 2010, 63,901,650 Warrants were issued for free to the subscribers of rights shares in conjunction with the renounceable rights issues undertaken by the Company. The Warrants were immediately detached upon allotment and are separately traded.

Each Warrant entitles the holder at anytime during the period of five years from the date of the issuance of the Warrants to subscribe for one new share in the Company at RM0.50 per share, subject to adjustment in accordance with the provisions of the Deed Poll dated 11 June 2010.

As at the end of the reporting period, none of these Warrants were exercised.

Treasury shares

Of the total 197,485,650 (2011: 197,485,650) issued and fully paid ordinary shares of RM0.50 each, 5,780,700 (2011: 5,780,700) shares are held as treasury shares as disclosed in Note 18.1 to the financial statements. Accordingly, the number of ordinary shares in issue and fully paid-up after deducting treasury shares as at end of the financial year is 191,704,950 (2011: 191,704,950) ordinary shares of RM0.50 each.

18. RESERVES

		GROUP		COMPANY	
	NOTE	2012 RM	2011 RM	2012 RM	2011 RM
Non-distributable:					
Share premium		3,804,290	3,804,290	3,804,290	3,804,290
Revaluation reserves		4,069,735	4,134,126	-	-
Translation reserves		(53,022)	(27,980)	-	-
Treasury shares	18.1	(3,045,017)	(3,045,017)	(3,045,017)	(3,045,017)
Distributable:					
Retained earnings		(63,467,547)	(51,612,607)	(64,560,725)	(22,729,780)
		(58,691,561)	(46,747,188)	(63,801,452)	(21,970,507)

18. RESERVES (CONT'D)

18.1 Treasury shares

During the financial period ended 31 March 2009, the Company repurchased 5,780,700 ordinary shares of RM0.50 each of its issued share capital from the open market pursuant to the shareholders' mandate accorded at the Annual General Meeting held on 11 June 2008.

None of the treasury shares repurchased had been sold as at 31 March 2012, nor there were any repurchase of its issued share capital during the year.

At the end of the reporting period, the number of shares in issue after deducting treasury shares against equity is 191,704,950 ordinary shares of RM0.50 each.

19. DEFERRED TAXATION

	GROUP	
	2012 RM	2011 RM
At beginning of year	-	-
Amount recognised in other comprehensive income	(21,464)	788,541
Amount recognised in profit or loss	21,464	(788,541)
At end of year	-	-

The components and movements of deferred tax liabilities/(assets) during the financial year prior to offsetting are as follows:

	GROUP	
	2012 RM	2011 RM
Deferred tax liabilities:		
- **Property, plant and equipment**		
At beginning of year	6,942,878	6,185,363
Amount recognised in profit or loss	470,251	757,515
At end of year	7,413,129	6,942,878
- **Revaluation surplus on property**		
At beginning of year	788,541	-
Amount recognised in other comprehensive income	(21,464)	788,541
At end of year	767,077	788,541
Total deferred tax liabilities	8,180,206	7,731,419

19. DEFERRED TAXATION (CONT'D)

	GROUP 2012 RM	GROUP 2011 RM
Deferred tax assets:		
- **Unabsorbed capital allowances**		
At beginning of year	(4,491,654)	(4,264,767)
Amount recognised in profit or loss	(2,840,964)	(226,887)
At end of year	(7,332,618)	(4,491,654)
- **Unused tax losses**		
At beginning of year	(3,239,765)	(1,920,596)
Amount recognised in profit or loss	2,392,177	(1,319,169)
At end of year	(847,588)	(3,239,765)
Total deferred tax assets	(8,180,206)	(7,731,419)

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the unused tax credits can be utilised.

	GROUP 2012 RM	GROUP 2011 RM
Deferred tax assets have not been recognised in respect of the following:		
- Unused tax losses	(13,298,850)	(10,420,917)
- Unabsorbed capital allowances	(26,175)	-
- Unutilised reinvestment allowances	(6,132,600)	(6,132,600)
	(19,457,625)	(16,553,517)

20. REVENUE

	GROUP 2012 RM	GROUP 2011 RM	COMPANY 2012 RM	COMPANY 2011 RM
Revenue comprise of:				
- Sales of aluminium profile	82,415,489	60,878,512	-	-
- Sales of aluminium billets	7,865,901	12,194,565	-	-
- Sales of aluminium scrap	1,097,584	-	-	-
- Sales of aluminium ingot	838,386	-	-	-
- Tolling charges	438,893	380,460	-	-
- Contract revenue	10,215,632	9,152,595	-	-
	102,871,885	82,606,132	-	-

21. LOSS BEFORE TAXATION

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
This is stated after charging:-				
Allowance for impairment loss on trade receivables	31,296	9,315,085	-	-
Allowance for impairment loss on amount due by subsidiaries	-	-	38,467,216	-
Allowance for impairment loss on investment in subsidiaries	-	-	3,066,000	10,000,000
Auditors' remuneration:				
- current year	89,870	85,000	18,900	18,000
- prior year	-	4,200	-	-
Depreciation of property, plant and equipment	5,230,463	5,344,521	-	-
Directors' remuneration (Note 22)	1,432,463	1,379,518	78,000	78,000
Loss on disposal of property, plant and equipment	27,974	19,000	-	-
Rental of premises	69,750	61,905	-	-
Provision for liquidated and ascertain damages in respect of constrcution works	600,000	-	-	-
Foreign exchange losses				
- realised	302,538	198,302	-	-
- unrealised	-	160,338	-	-
Employee benefits expense (Note 23)	8,622,425	6,422,554	-	-
Interest expense:				
- term loans	3,706,891	2,861,429	-	-
- hire purchase	5,672	5,773	-	-
- bank overdraft	447,340	130,184	-	-
- trade line facilities	650,234	1,642,887	-	-
- revolving credit	564,356	509,304	-	-
- others	22,761	73,215	-	-
and after crediting:-				
Agency fees	530,076	222,119	-	-
Allowance for impairment loss on trade receivables written back	1,131,191	-	-	-
Interest income	96,836	140,927	-	66,510
Gain on foreign exchange				
- realised	26,972	-	-	-
- unrealised	116,024	-	-	-

22. DIRECTORS' REMUNERATION

	GROUP 2012 RM	GROUP 2011 RM	COMPANY 2012 RM	COMPANY 2011 RM
Executive				
- Fees	-	4,480	-	-
- Salaries and other emoluments	1,172,376	1,120,951	-	-
- Defined contribution plan	139,920	133,920	-	-
- Estimated money value of benefits-in-kind	30,167	30,167	-	-
	1,342,463	1,289,518	-	-
Non-executive				
- Fees	90,000	90,000	78,000	78,000
	1,432,463	1,379,518	78,000	78,000

23. EMPLOYEE BENEFITS EXPENSE

	GROUP 2012 RM	GROUP 2011 RM	COMPANY 2012 RM	COMPANY 2011 RM
Salaries, bonus, wages and allowances	7,975,655	5,659,710	-	-
Social security costs	96,572	49,277	-	-
Pension costs - defined contribution plan	403,726	377,069	-	-
Other staff related expenses	146,472	336,498	-	-
	8,622,425	6,422,554	-	-

24. TAXATION

	GROUP 2012 RM	GROUP 2011 RM	COMPANY 2012 RM	COMPANY 2011 RM
Malaysian taxation based on results for the year:				
- current year	-	16,000	-	16,000
- prior year	(53,473)	(11,529)	(53,473)	27,582
	(53,473)	4,471	(53,473)	43,582
Deferred tax:				
- Relating to origination and reversal of temporary differences	21,464	(809,413)	-	-
	(32,009)	(804,942)	(53,473)	43,582

24. TAXATION (CONT'D)

The taxation of the Group and the Company, is determined by applying the Malaysian income tax rate of 25% to profit before taxation as stipulated in paragraph 2A, schedule 1, part 1 of the Income Tax Act, 1967.

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Loss before taxation	(12,247,877)	(12,222,556)	(41,884,418)	(10,285,105)
Taxation at Malaysian statutory tax rate of 25%	(3,052,175)	(3,055,639)	(10,471,105)	(2,571,276)
Taxation at foreign tax rate	(11,754)	-	-	-
Tax effects of:				
- Expenses not deductible for tax purpose	208,327	455,030	10,471,105	2,587,276
- Expenses allowable for double deduction	(9,123)	(11,896)	-	-
- Income not subject to tax	(17,919)	-	-	-
- Utilisation of tax assets	(647,781)	-	-	-
- Deferred tax assets not recognised	3,551,889	1,839,964	-	-
- Malaysian taxation in respect of prior years	(53,473)	(11,529)	(53,473)	27,582
- Others	-	(20,872)	-	-
Tax (benefit)/expense	(32,009)	(804,942)	(53,473)	43,582

25. EARNINGS PER ORDINARY SHARE

(i) Basic

The basic earnings per ordinary share of the Group is calculated based on the loss for the financial year attributable to equity holders of the Company divided by the number of ordinary shares/*weighted average number of ordinary shares in issue, after taking into consideration of treasury shares held by the Company.

	GROUP		
	2012	2011	
Net loss attributable to equity holders of the Company (RM)	(11,940,795)	(11,462,619)	
Number of ordinary shares/*Weighted average number of ordinary shares of RM0.50 each in issue	191,704,950	172,621,992	*
Basic earnings per ordinary share (sen)	(6.23)	(6.64)	

(ii) Diluted

There is no potential ordinary shares that are dilutive due to their conversion to ordinary shares that would increase profit or reduce loss per share from continuing operations.

26. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group is exposed to a variety of financial risks, including credit risk, interest rate risk, liquidity and cash flow risk. The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions. Financial instruments arising from the operations of the Group comprises trade receivables, other receivables and deposits, trade payables, other payables and accruals, and borrowings. Various risk management policies are in place to control and manage risks associated with these financial instruments.

Credit Risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its trade and other receivables. The Company's exposure to credit risk arises principally from loans/advances to subsidiaries and financial guarantees given.

Trade and other receivables

Management has a credit policy in place and manages the exposure to credit risk through the application of credit approvals, credit limits, insurance programme and monitoring procedures on an ongoing basis. Where appropriate, guarantees or securities are obtained from counter parties as a means of mitigating losses in the event of default.

At the end of the reporting period, the Group has no significant concentration of credit risk with respect to trade receivables due to the Group's large number of customers covering a large spectrum of industries.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at realisable values.

The ageing analysis of trade receivables as at the end of the reporting period was:

GROUP AND COMPANY

	Gross RM'000	Individual impairment RM'000	Net RM'000
2012			
Not past due (including retention sum)	18,629,044	-	18,629,044
Past due 1 to 30 days	806,860	-	806,860
Past due 31 to 60 days	671,478	-	671,478
Past due 61 to 90 days	398,544	-	398,544
Past due 91 to 120 days	387,500	-	387,500
Past due more than 120 days	14,319,501	(13,609,942)	709,559
	35,212,927	(13,609,942)	21,602,985

26. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Objectives and Policies (Cont'd)

Credit Risk (cont'd)

	Gross RM'000	Individual impairment RM'000	Net RM'000
2011			
Not past due (including retention sum)	15,365,186	-	15,365,186
Past due 1 to 30 days	951,323	-	951,323
Past due 31 to 60 days	579,924	-	579,924
Past due 61 to 90 days	288,421	-	288,421
Past due 91 to 120 days	15,809	-	15,809
Past due more than 120 days	14,835,602	(14,709,837)	125,765
	32,036,265	(14,709,837)	17,326,428

Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The maximum exposure to credit risk amounts to RM83,105,913 (2011: RM79,368,538) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Inter company loans

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

The Company does not specifically monitor the ageing of the advances to subsidiaries. However, an appropriate allowance will be made subsequently if the debt-owing company's financial condition is considered not satisfactory, regardless of whether it still carries on business operation, and there is insufficient evidence to indicate that its financial condition would improve in the foreseeable future.

26. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Objectives and Policies (Cont'd)

Foreign currency exchange risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than the Group's functional currency. The currencies giving rise to this risk are primarily US Dollar, Australia Dollar and Renminbi. The Group maintains a natural hedge that minimises the foreign exchange exposure by matching foreign currency income with foreign currency costs.

The Group has not hedged against this risk as the management does not deem it necessary due to the short term duration of the contracts involved.

The Group is also exposed to currency translation risk arising from its net investment in a foreign subsidiary.

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period was:

GROUP		**2012**			**2011**	
		Denominated in			**Denominated in**	
In Ringgit Malaysia	**USD**	**AUD**	**RMB**	**USD**	**AUD**	**RMB**
Trade receivables	12,367,233	-	-	7,742,381	304,536	-
Bank balances	7,403,737	8,648	-	423,745	-	-
Trade payables	(3,442,139)	-	(196,076)	(420,897)	-	(216,803)
Trade bills payables	(1,881,071)	-	-	-	-	-
Net exposure in the statement of financial position	14,447,760	8,648	(196,076)	7,745,229	304,536	(216,803)

Sensitivity analysis for foreign currency risk

A 5% strengthening of Ringgit Malaysia against the following currencies at the end of the reporting period would have increased/(decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

GROUP	**2012**	**2011**
	RM	**RM**
Effect on profit before tax		
- USD	(722,388)	(387,262)
- AUD	(432)	(15,277)
- RMB	9,804	10,840
	(713,016)	(391,699)

A 5% weakening of Ringgit Malaysia against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

26. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Objectives and Policies (Cont'd)

Interest Rate Risk

The Group's exposure to interest rate risk relates primarily to deposits and debt obligations with financial institutions.

The interest rates on the Group's debt obligations are comparable to interest rates of similar instruments in the market and is managed through a fair mix of fixed and floating rate debts. The Group does not generally hedge interest rate risk as it does not invest significantly in activities that require interest rates hedging.

Fixed deposits are placed with licensed banks to satisfy conditions for bank facilities granted to the Group. The Group manages its interest rate risk by monitoring market rates and placing such funds with varying maturity periods.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	GROUP	
	2012 RM	2011 RM
Fixed rate instruments		
Financial assets	2,858,974	2,762,138
Financial liabilities	(38,322,675)	(25,887,308)
	(35,463,701)	(23,125,170)
Floating rate instruments		
Financial liabilities	(46,237,072)	(52,559,585)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase/decrease of 100 basis points (bp) in interest rate at the end of the reporting period would have decrease/increase profit before tax by RM37,764 (2011: RM24,385). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Liquidity and Cash Flow Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's exposure to liquidity risk arises principally from its trade and other payables and bank borrowings.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure all operating, investing and financing needs are met. To mitigate liquidity risk, management measures and forecasts its cash commitments, monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operation. In addition, the Group strives to maintain available banking facilities at a reasonable level against its overall debt position.

26. FINANCIAL INSTRUMENTS (CONT'D)

(i) Financial Risk Management Objectives and Policies (Cont'd)

Liquidity and Cash Flow Risk (cont'd)

Maturity analysis:

The maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments is as follows:

GROUP

2012	Carrying amount RM'000	Contractual interest rate per annum	Contractual cash flow RM	Under 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
Bank overdraft	9,137,173	8.1% to 8.6%	9,137,173	9,137,173	-	-	-
Trade bills payables	22,275,116	3.04% to 5.16%	22,275,116	22,275,116	-	-	-
Revolving credit	10,000,000	5.66% to 5.67%	10,000,000	10,000,000	-	-	-
Term loans	42,933,232	6.55% to 8.1%	46,741,345	27,189,189	13,641,112	4,762,390	1,148,654
Hire purchase liabilities	214,226	6% to 6.73%	246,120	59,686	59,686	126,748	-
Trade and other payables	11,090,608	-	11,090,608	11,090,608	-	-	-
	95,650,355		99,490,362	79,751,772	13,700,798	4,889,138	1,148,654

26. FINANCIAL INSTRUMENTS (CONT'D)

(i) **Financial Risk Management Objectives and Policies (Cont'd)**

Liquidity and Cash Flow Risk (cont'd)

GROUP

2011	Carrying amount RM'000	Contractual interest rate per annum	Contractual cash flow RM	Under 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
Bank overdraft	5,213,662	7.8% to 8.3%	5,213,662	5,213,662	-	-	-
Trade bills payables	9,588,953	4.2% to 4.27%	9,588,953	9,588,953	-	-	-
Revolving credit	10,000,000	5.42%	10,000,000	10,000,000	-	-	-
Term loans	53,595,922	6.55% to 7.8%	59,010,404	28,631,630	17,391,573	11,916,393	1,070,808
Hire purchase liabilities	48,356	5.19% to 6%	53,191	17,237	15,420	20,534	-
Trade and other payables	7,338,275	-	7,338,275	7,338,275	-	-	-
	85,785,168		91,204,485	60,789,757	17,406,993	11,936,927	1,070,808

COMPANY

2012	Carrying amount RM'000	Contractual interest rate per annum	Contractual cash flow RM	Under 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
Other payables	232,558	-	232,558	232,558	-	-	-
2011							
Other payables	25,240	-	25,240	25,240	-	-	-

26. FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair values

The carrying amounts of financial instruments of the Group and of the Company at the end of the reporting period approximated their fair values.

The following methods and assumptions are used to estimate the fair values of financial instruments:

(i) The carrying amounts of cash and cash equivalent, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

(ii) The fair values of the Group's long term borrowings are estimated using discounted cash flow analysis, based on current incremental lending rates for similar types of lending and borrowing arrangements and of the same remaining maturities.

27. CAPITAL COMMITMENTS

	GROUP	
	2012 RM	2011 RM
Capital expenditures not provided for in the financial statements in respect of purchase of property, plant and equipment:		
- Approved and not contracted	1,986,096	-

28. CONTINGENT LIABILITIES - UNSECURED

	COMPANY	
	2012 RM	2011 RM
Corporate guarantee given to subsidiaries for credit facilities granted by financial institutions	83,105,913	79,368,538

29. PURCHASE OF PLANT AND EQUIPMENT

	GROUP	
	2012 RM	2011 RM
The Group acquired plant and equipment by way of the following:		
- Due to payables	285,000	-
- Hire purchase obligations	188,600	-
- Cash purchase	2,881,012	5,372,974
At cost	3,354,612	5,372,974

30. OPERATING SEGMENTS

The Group has 3 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chief Executive Officer reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

(i) The aluminium extrusion and fabrication segment extrudes a wide range of aluminium profiles for a variety of applications, ranging from simple architectural needs to high precision electronics applications. These profiles may be custom-made or of standard design. The aluminium profiles manufactured are mainly used in the product manufacturing industry which include, electrical and electronics, furniture and consumer durables.

(ii) The aluminium billet casting and tolling segment casts the standard aluminium billet for general or miscellaneous use where moderate bending and forming is permissible. The chemical properties of these billets can be specially formulated and customised according to customer's requirements. The tolling is a service to customers to melt non-conforming profiles, trimming and remnant into aluminium billets.

(iii) Construction contract segment involves the design, supply, fabricating and installation of aluminium products. This operating segment is to undertake architectural projects such as the supply and installation of metal cladding, curtain walling, windows and doors for residential and commercial properties.

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer, who is the Group's chief operating decision maker. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Chief Executive Officer. Hence, no disclosure is made on segment liability.

30. OPERATING SEGMENTS (CONT'D)

	Extrusion and fabrication		Aluminium billets and tolling		Construction contract		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	RM	RM	RM	RM	RM	RM	RM	RM
Segment profit/(loss)	3,637,626	859,238	(6,909,558)	(2,854,788)	(783,283)	259,532	(4,055,215)	(1,736,018)
Included in the measure of segment profit/(loss) are:								
Revenue from external customers	83,258,606	60,878,512	9,397,647	12,575,025	10,215,632	9,152,595	102,871,885	82,606,132
Inter-segment revenue	24,046,689	2,736,950	36,814,322	-	10,000	-	60,871,011	2,736,950
Allowance for impairment loss on a financial asset written back	1,131,191	-	-	-	-	-	1,131,191	-
Inventories written down	-	(2,598,569)	-	(650,990)	-	-	-	(3,249,559)
Allowance for impairment loss on financial assets	(2,981,459)	(9,765,073)	(24,807)	-	-	-	(3,006,266)	(9,765,073)
Provision for liquidated and ascertained damages	-	-	-	-	(600,000)	-	(600,000)	-
Not included in the measure of segment profit/(loss) but provided to Chief Executive Officer:								
Depreciation and amortisation	(4,343,850)	(4,432,765)	(823,406)	(875,776)	(113,430)	(85,600)	(5,280,686)	(5,394,141)
Finance costs	(3,993,141)	(3,894,752)	(1,481,546)	(1,416,544)	(20,197)	(23,916)	(5,494,884)	(5,335,212)
Interest income	16,917	9,935	79,919	64,482	-	-	96,836	74,417
Taxation	(9,996)	375,413	(11,468)	434,000	-	-	(21,464)	809,413

30. OPERATING SEGMENTS (CONT'D)

	Extrusion and fabrication		Aluminium billets and tolling		Construction contract		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	RM	RM	RM	RM	RM	RM	RM	RM
Segment assets	92,206,885	92,951,576	36,640,127	43,792,729	9,203,299	2,770,797	138,050,311	139,515,102
Included in the measure of segment assets are:								
Additions to non-current assets other than financial instruments	2,470,148	5,178,609	291,130	106,030	593,334	88,335	3,354,612	5,372,974

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2012	2011
	RM	RM
Profit or loss		
Total loss for reportable segments	(4,055,215)	(1,736,018)
Components not monitored by chief executive officer	(41,923,598)	(10,356,376)
Adjustments and eliminations	44,409,670	10,458,264
Depreciation and amortisation	(5,280,686)	(5,394,141)
Finance costs	(5,494,884)	(5,335,212)
Interest income	96,836	140,927
Consolidated loss before taxation	(12,247,877)	(12,222,556)

30. OPERATING SEGMENTS (CONT'D)

	External revenue RM	Depreciation and amortisation RM	Finance costs RM	Interest income RM	Segment assets RM	Additions to non-current assets RM
2012						
Total reportable segments	102,871,885	(5,280,686)	(5,494,884)	96,836	138,050,311	3,354,612
Components not monitored by chief executive officer	-	-	-	-	451,946	-
Adjustments and eliminations	-	-	-	-	(77,018)	-
Consolidated total	102,871,885	(5,280,686)	(5,494,884)	96,836	138,425,239	3,354,612
2011						
Total reportable segments	82,606,132	(5,394,141)	(5,335,212)	74,417	139,515,102	5,372,974
Components not monitored by chief executive officer	-	-	-	66,510	503,996	-
Adjustments and eliminations	-	-	-	-	120,260	-
Consolidated total	82,606,132	(5,394,141)	(5,335,212)	140,927	140,139,358	5,372,974

Geographical segments

No geographical segment information is presented as the Group operates principally in Malaysia.

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Significant related party transactions during the financial year other than those already disclosed in the financial statements include:

	COMPANY	
	2012 RM	2011 RM
Fund transferred to subsidiaries for working capital	-	31,060,000
Subscription of shares in subsidiaries by way of set off against amount due by subsidiaries	-	25,000,000

The directors are of the opinion that the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(b) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including directors of that entity.

The remuneration of key management personnel during the financial year was as follows:

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Executive Director				
- Fees	-	4,480	-	-
- Salaries and other emoluments	1,172,376	1,120,951	-	-
- Defined contribution plan	139,920	133,920	-	-
- Benefit-in-kind	30,167	30,167	-	-
	1,342,463	1,289,518	-	-
Non-Executive Director				
- Fees	90,000	90,000	78,000	78,000
Other Senior Personnel				
- Salaries and other emoluments	141,620	120,620	-	-
- Defined contribution plan	16,920	14,400	-	-
	1,591,003	1,514,538	78,000	78,000

32. SIGNIFICANT EVENTS

On 10 January 2012, the Company announced that it proposes to undertake the corporate proposals as set out below. The corporate proposals were approved at the Extraordinary General Meeting of the Company ("EGM") held on 2 May 2011.

(i) Share capital reduction

The share capital reduction is carried out via the cancellation of RM0.40 of the par value of every existing ordinary share of RM0.50 each in the issued and paid up share capital of the Company pursuant to Section 64(1) of the Companies Act, 1965. The credit arising therefrom will be offset against the accumulated losses of the Company.

On 26 June 2012, the sealed order of the High Court of Malaya in Kuala Lumpur confirming the share capital reduction has been lodged with the Companies Commission of Malaysia, marking the effective date of the share capital reduction and completion of PARB's share capital reduction exercise.

The issued and paid-up share capital, after the cancellation of 5,780,700 treasury shares and the capital reduction exercise, has been reduced to RM19,170,495 comprising 191,704,950 ordinary shares of RM0.10 each.

(ii) Proposed Rights Issue

Renounceable rights issue of up to 894,623,100 New Ordinary Shares at an indicative issue price of RM 0.10 per Right Share on the basis of seven (7) Rights Shares for every two (2) existing shares held on an entitlement date to be determined later after the Proposed Share Capital Reduction (Proposed Rights Issue).

On 7 March 2012, the Controller of Foreign Exchange (via Bank Negara Malaysia) approved the issuance of the additional Warrants to the non-resident shareholders of the Company pursuant to the Proposed Rights Issue.

On 30 March 2012, Bursa Malaysia Securities Berhad ("Bursa Securities") approved with certain conditions the Proposed Rights Issue and:

(i) Listing of and quotation for up to 26,312,444 additional warrants arising from the adjustments pursuant to the Proposed Rights Issue; and

(ii) Listing and quotation of up to 26,312,444 new shares to be issued pursuant to the exercise of the additional warrants.

(ii) Proposed Exemption

An exemption under paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010 to Chong Sze San and the parties acting in concert with him from the obligation to undertake a mandatory take-over offer for all the remaining shares and outstanding warrants not already held by them pursuant to the Proposed Rights Issue.

On 11 May 2012, the Proposed Exemption was approved by the Securities Commissioners ("SC").

(iv) Amendment to the Memorandum and Articles of Association of the Company.

On 18 June 2012, all the remaining treasury shares (5,780,700 shares) were cancelled to facilitate the completion of the corporate proposals.

33. CAPITAL MANAGEMENT

The Group's and Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group and the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on the Group and the Company net gearing (times). The Group's and the Company's net gearing (times) is calculated as net debts divided by total capital. Net debts are calculated as borrowings plus trade and other payables less cash and cash equivalent. Total capital refers to capital employed under equity.

	GROUP		COMPANY	
	2012 RM	2011 RM	2012 RM	2011 RM
Net debts	88,497,619	85,844,060	181,657	-
Total capital	98,742,825	98,742,825	98,742,825	98,742,825
Net gearing (times)	0.90	0.87	0.0018	-

34. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 27 July 2012.

35. SUPPLEMENTARY INFORMATION-BREAKDOWN OF ACCUMULATED LOSSES INTO REALISED AND UNREALISED

The breakdown of the accumulated losses of the Group and of the Company as at 31 March 2012 into realised and unrealised losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	GROUP		COMPANY	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Total accumulated losses of the Company and its subsidiaries				
- Realised	(118,520,169)	(61,785,790)	(64,560,725)	(22,729,780)
- Unrealised	814,623	619,927	-	-
	(117,705,546)	(61,165,863)	(64,560,725)	(22,729,780)
Consolidation adjustments	54,237,999	9,553,256	-	-
Accumulated losses as per financial statements	(63,467,547)	(51,612,607)	(64,560,725)	(22,729,780)

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE THREE (3)-MONTH FPE 30 JUNE 2012

P.A. RESOURCES BERHAD (664612-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012
(The figures have not been audited)

	As at 30-Jun-12 (Unaudited) RM'000	As at 31-Mar-12 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	75,261	75,370
Goodwill on consolidation	120	120
	75,381	75,490
Current assets		
Inventories	23,376	21,865
Trade receivables	32,499	25,901
Other receivables, deposits and prepayments	3,608	1,578
Tax refund receivables	1,675	1,691
Cash and bank balances	7,978	11,900
	69,136	62,935
Total assets	144,517	138,425
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	19,171	98,743
Reserves	21,208	(58,692)
	40,379	40,051
Non-controlling interest	213	236
Total equity	40,592	40,287
LIABILITIES		
Non-current liabilities		
Borrowings	14,214	17,041
	14,214	17,041
Current liabilities		
Trade payables	9,470	8,962
Other payables and accruals	6,919	4,017
Borrowings	72,722	67,518
Provisions	600	600
	89,711	81,097
Total liabilities	103,925	98,138
Total equity and liabilities	144,517	138,425
Net assets per share attrubutable to equity holders of the Company (sen)	21.06	20.89

The condensed consolidated Statement of Financial Position should be read in conjunction with the Audited financial statements for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

P.A. RESOURCES BERHAD (664612-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2012
(The figures have not been audited)

	Quarter 3 months ended		Year-to-date 3 months ended	
	30-Jun-12 (Unaudited) RM'000	30-Jun-11 (Audited) RM'000	30-Jun-12 (Unaudited) RM'000	30-Jun-11 (Audited) RM'000
Revenue	28,602	22,407	28,602	22,407
Cost of sales	(25,001)	(19,660)	(25,001)	(19,660)
Gross profit	3,601	2,747	3,601	2,747
Other income	126	234	126	234
Other operating expenses	(349)	(368)	(349)	(368)
Distribution and administrative expenses	(1,741)	(1,084)	(1,741)	(1,084)
Operating profit	1,637	1,529	1,637	1,529
Finance costs	(1,332)	(1,384)	(1,332)	(1,384)
Profit before taxation	305	145	305	145
Tax income	-	-	-	-
Profit for the period	305	145	305	145
Other comprehensive income				
Currency translation differences	-	20	-	20
Total comprehensive profit for the period	305	165	305	165
Profit attributable to:				
Owner of the Company	328	73	328	73
Non-controlling interest	(23)	72	(23)	72
	305	145	305	145
Total comprehensive income attributable to:				
Owner of the Company	328	93	328	93
Non-controlling interest	(23)	72	(23)	72
	305	165	305	165
Earnings per share for profit attributable to the owners of the Company:				
Basic earnings per share (sen)	0.17	0.04	0.17	0.04

The condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

Company No. 664612-X

P.A. RESOURCES BERHAD (664612-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2012
(The figure have not been audited)

	Attributable to equity holders of the Company									
	<----- *Non-distributable*						----->	*Distributable*		
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserves RM'000	Translation Reserve RM'000	Capital Redemption Reserve RM'000	Other Capital Reserve RM'000	Retained Earnings RM'000	Non-controlling interests RM'000	Total Equity RM'000
Balance as at 1 April 2011	98,743	3,804	(3,045)	4,134	(28)	-	-	(51,613)	511	52,506
Transfer to retained earnings	-	-	-	(64)	(25)	-	-	64	-	(25)
Total comprehensive loss for the year	-	-	-	-	-	-	-	(11,919)	(275)	(12,194)
As at 31 March 2012	98,743	3,804	(3,045)	4,070	(53)	-	-	(63,468)	236	40,287
As at 1 April 2012	98,743	3,804	(3,045)	4,070	(53)	-	-	(63,468)	236	40,287
Cancellation of 5,780,700 treasury shares of RM 0.50 each	(2,890)	(3,045)	3,045	-	-	2,890	-	-	-	-
Share capital reduction via the cancellation of RM 0.40 of the par value of every existing ordinary share of RM 0.50 each	(76,682)	-	-	-	-	-	12,065	64,617	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	328	(23)	305
As at 30 June 2012	19,171	759	-	4,070	(53)	2,890	12,065	1,477	213	40,592

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

P.A. RESOURCES BERHAD (664612-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 JUNE 2012
(The figures have not been audited)

	3 months ended	
	30-Jun-12 (Unaudited) RM'000	30-Jun-11 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipt from customers and others	20,447	31,767
Payment to suppliers, contractors and employees	(23,827)	(24,251)
Interest paid	(1,284)	(1,366)
Income tax refund / (paid)	16	(4)
Net cash (used in) /generated from operating activities	(4,648)	6,146
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Note A)	(1,182)	(225)
Net cash used in investing activities	(1,182)	(225)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceed / (Repayment of) from trade bills payables	564	(479)
Repayment of term loans	(1,666)	(1,495)
Repayment of hire purchase liabilities	(22)	(5)
Net cash used in financing activities	(1,124)	(1,979)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(6,954)	3,942
Effect of foreign exchange fluctuations	137	(107)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(97)	(3,425)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	(6,914)	410
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank overdrafts	(12,011)	(3,364)
Deposits, cash in hand and at banks	7,978	6,570
Fixed deposits pledged	(2,881)	(2,796)
	(6,914)	410

NOTE TO THE CASH FLOW STATEMENTS

NOTE A - PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	3 months ended	
	30-Jun-12 (Unaudited) RM'000	30-Jun-11 (Audited) RM'000
The Group acquired property, plant and equipment by way of the following:		
Hire purchase	51	-
Cash equivalents payments	1,182	225
At cost	1,233	-

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

P.A. RESOURCES BERHAD (664612-X)
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL REPORT
(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS') 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2012 which was prepared in accordance with Financial Reporting Standards ("FRS").

2. SIGNIFICANT ACCOUNTING POLICIES

The quarterly condensed financial report is the Group's first MFRS condensed financial report for the part of the period covered by the Group's first MFRS framework annual financial statements for the year ended 31 March 2013, and hence, MFRS 1 : First Time Adoption of Malaysian Financial Reporting Standards has been applied.

The significant accounting policies and methods of computation adopted for the interim financial report are consistent with those of the audited financial statements for the financial year ended 31 March 2012. The transition from FRS to MFRS did not have material impact on comprehensive income, financial position and cash flows of the Group.

The following new Malaysian Financial Reporting Standards (FRSs) and Interpretations, and amendment to certain MFRSs and Interpretations which are applicable and relevant for the financial period beginning 1 January 2012 have been adopted by the Group during current period:-

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	Prepayments of Minimum Funding Requirement
Amendments to MFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to MFRS 7	Transfers of Financial Assets
Amendments to MFRS 112	Deferred Tax: Recovery of Underlying Assets
FRS 124	Related Party Disclosures

The adoptions of these standards, amendments and interpretations have no material impact to these interim financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

As the date of authorization of these interim financial statements, the Group have not early adopted the following MFRSs, IC Interpretations and amendments to MFRSs, which have been issued and will effective for the financial periods as stated below:-

		Effective date
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investment in Associates and Joint Ventures	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 7	Disclosures -Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
MFRS 9	Financial Instruments	1 January 2015

The adoption of these new MFRSs, amendments and IC Interpretation, are not expected to have any significant changes in the accounting policies and presentation of the financial results of the Group.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the audited financial statements of the Group for the financial year ended 31 March 2012 was not subject to any qualification.

4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The business of the Group was not affected materially by any seasonally or cyclical factors for the financial quarter under review.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

Except for the share capital reduction via cancellation of RM 0.40 of par value of every existing ordinary share of RM0.50 each as disclosed in Note 21, there are no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial quarter and financial period-to-date.

6. CHANGES IN ESTIMATES

There was no material changes in the estimates used for the presentation of this interim financial statement.

7. DEBT AND EQUITY SECURITIES

Except for the cancellation of 5,780,700 Treasure Shares of RM 0.50 each on 18 June 2012 as disclosed in Note 21, there were no issuances, repurchases, resales and repayments of debt and equity securities for the financial quarter ended 30 June 2012.

P.A. RESOURCES BERHAD (664612-X)
(Incorporated in Malaysia)

8. DIVIDENDS PAID

No dividend was paid during the current financial period.

9. SEGMENTAL INFORMATION

MFRS 8 requires separate reporting of segmental information for operating segments. Operating segments reflects the Group's management structure and the way financial information is regularly reviewed by the Group's chief operating decision maker, which is defined as the Executive Board.

The Group is focused in four areas of activity, extrusion and fabrication, aluminum billets and tolling, construction contract and others.

3 months period ended 30-06-2012	Extrusion and fabrication RM'000	Aluminium billets and tolling RM'000	Construction contract RM'000	Others RM'000	Total RM'000
Revenue					
Total sales	30,941	12,661	4,131	-	47,733
Inter-segment sales	(6,926)	(12,205)	-	-	(19,131)
External sales	24,015	456	4,131	-	28,602
Results					
Profit/(Loss) from operations	2,767	(1,020)	(53)	(57)	1,637
Finance costs	(986)	(324)	(22)	-	(1,332)
Taxation					-
Profit after taxation					305
Assets					
Segment Assets	98,881	35,133	9,981	402	144,397
Liabilities					
Segment liabilities	(78,847)	(21,447)	(3,272)	(359)	103,925
Other information:					
Capital expenditure	1,153	3	77	-	1,233
Depreciation	1,076	214	52	-	1,342

9. SEGMENTAL INFORMATION (Cont'd)

3 months period ended 30-06-2011	Extrusion and fabrication RM'000	Aluminium billets and tolling RM'000	Construction contract RM'000	Others RM'000	Total RM'000
Revenue					
Total sales	22,160	10,140	3,136	-	35,346
Inter-segment sales	(5,243)	(7,786)	-	-	(13,029)
External sales	16,917	2,354	3,136	-	22,407
Results					
Profit/(Loss) from operations	1,153	209	279	(112)	1,529
Finance costs	(1,013)	(366)	(5)	-	(1,384)
Taxation					-
Profit after taxation					145
Assets					
Segment assets	88,891	44,774	4,240	407	138,312
Liabilities					
Segment liabilities	(63,824)	(19,583)	(2,176)	(177)	(85,760)
Other information:					
Capital expenditure	208	-	17	-	225
Depreciation	1,109	208	23	-	1,340

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation.

The valuations of land and building have been brought forward without amendment from the previous audited financial statements.

11. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current financial quarter.

12. CHANGES IN COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group during the financial quarter ended 30 June 2012.

13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material changes in contingent liabilities or contingent assets since the last statement of financial position as at 31 March 2012.

14. CAPITAL COMMITMENTS

Except for the purchase of plant and machinery for an amount of RM 3.0 million, there was no material capital commitment as at 30 June 2012.

PART B - NOTES PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

15. PERFORMANCE REVIEW

	Period To Date 30-June Revenue		Period To Date 30-June Operating Profit / (Loss)	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Extrusion and fabrication	24,015	16,916	2,767	1,153
Aluminium billets and tolling	456	2,355	(1,020)	209
Construction contract	4,131	3,136	(53)	279
Others	-	-	(57)	(112)
	28,602	22,407	1,637	1,529

Extrusion and fabrication

The sector recorded a turnover of RM 24 million for the quarter under review. This turnover is approximately equivalent to a sale of 600 tonne of aluminium products in a month. Production has in recent months increased from an average of 400 tonne per month to the current 600 tonne per month. The higher production volume has enabled this sector to enjoy the benefit of economy of scale resulting in a steadily better bottom line.

Aluminium billet and tolling

This sector recorded a relatively low revenue of RM 0.4 million for the current quarter. The bulk of the aluminium billets produced in this sector was utilised by the extrusion and fabrication sector, hence leaving little capacity for external sales. In line with the low revenue, this sector recorded an operating loss of RM 1.0 million.

Construction contract

This sector recorded a turnover of RM 4.1 million with an operating loss of RM 0.05 million. The losses was mainly due to the low revenue which was not sufficient to cover operating expenses.

Others

This was mainly expenses incurred by the holding company and other subsidiaries which were dormant.

16. QUARTERLY RESULTS COMPARISON

	Quarter ended 30-June Revenue		Quarter ended 30-June Operating Profit / (Loss)	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Extrusion and fabrication	24,015	16,916	2,767	1,153
Aluminium billets and tolling	456	2,355	(1,020)	209
Construction contract	4,131	3,136	(53)	279
Others	-	-	(57)	(112)
	28,602	22,407	1,637	1,529

Extrusion and fabrication

Turnover for the quarter under review was 42% higher compared to the corresponding quarter in the preceding year. The higher turnover was largely attributed to increased demand from our foreign customers. With the higher revenue, operating profits was correspondingly higher by 140%.

Aluminium billet and tolling

Turnover for the quarter under review was 81% lower than the corresponding quarter in the preceding year. Compared to the previous year, a larger portion of the sector output was utilised by the extrusion and fabrication sector. External sales was much lower than the previous year resulting in the deterioration in performance.

Construction contract

Turnover for this sector was 32% higher than the previous year's corresponding quarter. Despite the increase in turnover, an operating loss of RM 0.05 million was recorded compared to the operating profit of RM 0.3 million previously. The adverse performance was mainly due to higher operating cost.

17. COMING QUARTER PROSPECTS

Extrusion and fabrication

As evidenced by the increase in turnover in this sector, the move to penetrate into other industries is starting to bear fruits. Customers have responded well to our efforts and our products have generally been able to meet their stringent quality requirement. Given this scenario, the company is cautiously optimistic of the prospects in this sector.

Aluminium billet and tolling

This sector is expected to improve in line with the higher demand in the extrusion and fabrication sector. The economy of scale generated by the higher volume should see this sector returning to profitability in the near future.

Construction contract

This sector is still undergoing changes in terms of organisation and personnel. At the same time, greater efforts are being made to secure projects and contain rising costs. This sector is likely to contribute positively to the group in the coming months.

18. PROFIT FORECAST OR PROFIT GUARANTEE

No profit forecast or profit guarantee has been issued by the Group.

19. RELATED PARTY TRANSACTIONS

(i) There were no related party transactions entered into by the Company and/or its subsidiaries during the financial period to date.

(ii) There were no transactions with the directors and key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment.

20. TAXATION

	Current Quarter 30-June-2012 RM'000	Current Year To Date 30-June-2012 RM'000
Current period / year:		
- current taxation	-	-
- deferred taxation	-	-
	-	-

No deferred tax assets have been recognized in respect of tax losses for the group.

21. STATUS OF CORPORATE PROPOSALS

On 10 January 2012, OSK had on behalf of the Board announced that the Company proposes to undertake the following proposals:

(i) A share capital reduction via the cancellation of RM 0.40 of the par value of every existing ordinary share of RM 0.50 each in the issued and paid up share capital of the Company pursuant to section 64(1) of the Companies Act, 1965 and the credit arising therefrom to be offset against the accumulated losses of the Company.

(ii) A renounceable rights issue of up to 894,623,100 New Ordinary Shares at an indicative issue price of RM 0.10 per Right Share on the basis of seven (7) Rights Shares for every two (2) existing shares held on an entitlement date to be determined later after the Proposed Share Capital Reduction.

(iii) An exemption under paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010 to Chong Sze San and the parties acting in concert with him from the obligation to undertake a mandatory take-over offer for all the remaining shares and outstanding warrants not already held by them pursuant to the Proposed Rights Issue.

(iv) Amendment to the Memorandum and Articles of Association of the Company.

On 24 Feburary 2012, OSK had submitted the listing application in relation to the Proposed Rights Issue to Bursa Malaysia Securities Berhad and application for the issuance and allotment of the additional warrants arising from adjustments pursuant to the Proposed Rights Issue to the non-resident shareholders of the Company also been submitted to the Controller of Foreign Exchange (via Bank Negara Malaysia).

On 7 March 2012, the Controller of Foreign Exchange (via Bank Negara Malaysia) had approved the issuance of the additional Warrants to the non-resident shareholders of the Company pursuant to the Proposed Rights Issue.

21. STATUS OF CORPORATE PROPOSALS (Cont'd)

On 30 March 2012, Bursa Malaysia Securities Berhad ("Bursa Securities") had resolved to approve the following:-

(i) Listing of and quotation for up to 894,623,100 new shares to be issued pursuant to the Proposed Rights Issue;

(ii) Listing of and quotation for up to 26,312,444 additional warrants arising from the adjustments pursuant to the Proposed Rights Issue; and

(iii) Listing and quotation of up to 26,312,444 new shares to be issued pursuant to the exercise of the additional warrants.

The approval by Bursa Securities for the Proposed Rights Issue is subject to the following conditions:-

(i) The Company and OSK must fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposed Rights Issue;

(ii) The Company and OSK to inform Bursa Securities upon the completion of the Proposed Rights Issue;

(iii) The Company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue is completed; and

(iv) The Company and OSK to furnish the following to Bursa Securities prior to quotation of the Rights Shares and Additional Warrants:-

 (a) A certified true copy of the resolution passed by the shareholders approving the Proposed Rights Issue;

 (b) A copy of the Court Order from the High Court of Malaya for the Proposed Share Capital Reduction;

 (c) A copy of the approval letter from the Securities Commission Malaysia and Bank Negara Malaysia; and

 (d) The Company and OSK must make an announcement on the profile of the Warrants arising from the adjustments pursuant to the Proposed Rights Issue.

On 4 April 2012, the Independent Advise Letter to the Non-Interest Shareholders of the Company to the Proposed Exemption was consented to by the Securities Commissioners ("SC").

On 10 April 2012, the Circular and Independent Advise Letter to the Non-Interest Shareholders of the Company to the Proposed Exemption was dispatched.

On 2 May 2012, Extraordinary General Meeting of the Company ("EGM") was held and all the resolutions tabled were approved.

The details of the poll which was carried out for the Proposed Exemption are as follows:-

a) Number of votes casted 'in favour': 64,534,924
b) Number of votes casted 'against': Nil
c) Number of shareholders/proxies who abstained from voting: Nil

On 11 May 2012, the Proposed Exemption was approved by the Securities Commissioners ("SC").

21. STATUS OF CORPORATE PROPOSALS (Cont'd)

On 14 May 2012, the petition for Proposed Capital Reduction was filed and the hearing for the summons for directions to seek a court order to dispense with the requirement to prepare a list of creditors and to notify and obtain the consent of creditors pursuant to s64(2) of the Companies Act as well as to advertise in the newspaper the petition for capital reduction on 28 May 2012.

On 28 May 2012, the Court fixed the hearing for capital reduction on 15 June 2012.

On 18 June 2012, 5,780,700 Treasury shares were cancelled.

On 26 June 2012, the sealed order of the High Court of Malaya in Kuala Lumpur confirming the share capital reduction has been lodged with the Companies Commission of Malaysia, marking the effective date of the share capital reduction and completion of PARB's share capital reduction exercise.

22. GROUP BORROWINGS

The Group's borrowings as at 30 June 2012 comprise the following:-

	RM'000	RM'000
(a) Current		
Bank Overdraft (Secured)	12,011	
Trade bills payable (Secured)	23,130	
Revolving credit (Secured)	10,000	
Hire purchase liabilities	117	
Term loans (Secured)	27.464	
		72,722
(b) Non-current		
Term loans (Secured)	13,803	
Hire purchase liabilities	411	
		14,214
		86,936

The above banking facilities of the Group are secured by way of:-

(a) The Group's freehold land and factory buildings;
(b) The Group's leasehold land and building;
(c) Fixed deposits of the Group;
(d) Corporate guarantee given by the Company; and
(e) Joint and several guarantees by certain directors.

Included in trade bills payable is an amount of RM 7.57 million which is equivalent to USD 2.37 million, the currency in which the outstanding amount is denominated.

23. REALISED AND UNREALISED PROFITS AND LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and format required.

The breakdown of accumulated losses of the Group as at the reporting date, into realised and unrealised losses, pursuant to the directive, is as follows:

	Period to date 30-June-2012 RM'000
Total accumulated losses of the Company and it's subsidiaries:	
- Realised	(118,428)
- Unrealised	796
	(117,632)
Consolidation adjustments	54,492
Share capital reduction	64,617
Accumulated profits as per financial statements	1,477

24. DIVIDEND

No dividend has been recommended for the current financial quarter.

25. EARNINGS PER SHARE

The basic earnings per share for the financial period has been calculated by dividing the net profit/loss after tax and non-controlling interest attributable to shareholders by the weighted average number of ordinary shares in issue during the period (excluding treasury shares 5,780,700 retained by the Company for financial period / quarter ended 30 June 2011).

a. Basic earning per share	**Quarter Ended**		**Year To Date**	
	30-June-2012	**30-June-2011**	**30-June-2012**	**30-June-2012**
Net profit attributable to shareholders (RM'000)	328	73	328	73
Weighted average number of ordinary shares in issue ('000)	191,705	191,705	191,705	191,705
Basic earning per share (sen)	0.17	0.04	0.17	0.04

b. Diluted earnings per share

There is no potential ordinary shares that are diluted given that the average market price of ordinary shares during the period is less than the exercise price of the warrants.

26. PROFIT / (LOSS) BEFORE TAXATION

	Quarter Ended 30-June		Year Ended 30-June	
	2012	**2011**	**2012**	**2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
This is stated after charging :-				
Depreciation on property, plant & equipment	1,342	1,340	1,342	1,340
Foreign exchange losses / (gain)				
- realised	(127)	(3)	(127)	(3)
- unrealised	(10)	127	(10)	127
Interest expense:				
- term loans	937	1,121	937	1,121
- hire purchase	6	1	6	1
- bank overdrafts	191	118	191	118
- trade line facilities	150	114	150	114
And after crediting:-				
Other Income:				
- agency fee, net of foreign exchange effect	(34)	190	(34)	190
- miscellaneous	10	10	10	10
- interest income	21	34	21	34

There was no gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, impairment of receivables, written down of inventories, gain or loss on derivatives and exceptional items for the current quarter under review and financial year-to-date ended 30 June 2012.

27. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of directors in accordance with a resolution of the directors on 30 July 2012.

Company No. 664612-X

DIRECTORS' REPORT

P.A. RESOURCES BERHAD (664612-X)
專藝資源有限公司
Lot 424 & 440, Jalan Kuala Selangor, Kg Batu 8, Ijok, 45620 Kuala Selangor, Selangor D. E., Malaysia.
Tel: +603-3279 3328 Fax: +603-3279 3313 Email: pagroup@tm.net.my Website: www.pagroup.com.my

Registered Office:

Level 8, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Date: 08 OCT 2012

To: The Shareholders of P.A. Resources Berhad ("PARB" or the "Company")

On behalf of the Board of Directors of PARB ("Board"), I wish to report that after making due enquiries in relation to PARB and its subsidiaries ("Group") during the period between 31 March 2012, being the date to which the latest audited financial statements have been made up, and the date of this letter, being a date not earlier than 14 days before the date of this Abridged Prospectus:-

(a) In the opinion of the Board, the business of our Group has been satisfactorily maintained;

(b) In the opinion of the Board, no circumstances have arisen since the latest audited financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;

(c) The current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(d) Save as disclosed in this Abridged Prospectus, there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;

(e) There has been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/ or principal sums in relation to any borrowings in our Group since the latest audited financial statements of our Group; and

(f) Save as disclosed in this Abridged Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the profits of our Group since the latest audited financial statements.

Yours faithfully
For and on behalf of the Board of
P.A. RESOURCES BERHAD

DATO' NG TONG HAI
Executive Director cum Chief Executive Officer

ADDITIONAL INFORMATION

1. SHARE CAPITAL

i. Save for the Rights Shares, Additional Warrants and new PARB Shares to be issued arising from the exercise of the Additional Warrants, no securities will be allotted or issued on the basis of this Abridged Prospectus later than 12 months after the date of this Abridged Prospectus.

ii. As at the date of this Abridged Prospectus, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely ordinary shares of RM0.10 each, all of which rank *pari passu* with one another.

iii. All the Rights Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing PARB Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distributions that may be declared, made or paid prior to the relevant date of allotment and issuance of the Rights Shares.

iv. Save as disclosed below, as at the LPD, no person has been or is entitled to be granted an option to subscribe for any of our securities:-

   (a) the warrantholders of our Company, who are entitled to subscribe for one (1) new PARB Share (and all other (if any) shares or stocks resulting from any sub-division, consolidation or classification of such shares) for each Warrant (including the Additional Warrants) held during the five (5)-year exercise period up to 18 July 2015 at the exercise price of the Warrants (including the Additional Warrants). As at the LPD, our Company has a total of 63,901,650 Warrants and the exercise price of the Warrants is RM0.50 per Warrant. Pursuant to the Rights Issue and under the Minimum Scenario, a total of 26,312,444 Additional Warrants will be issued while the exercise price of the Warrants will be adjusted to RM0.35 per Warrant; and

   (b) the Entitled Shareholders, who will be entitled to the Provisional Rights Shares under the Rights Issue.

v. Save as disclosed below, as at the LPD, no securities of PARB have been issued or are proposed or intended to be issued either as fully or partly paid-up in cash or otherwise than in cash within the two (2) years immediately preceding the date of this Abridged Prospectus:-

   (a) the Rights Shares pursuant to the Rights Issue;

   (b) the 26,312,444 Additional Warrants to be issued pursuant to the adjustments to the Warrants under the Deed Poll as a consequence of the Rights Issue; and

   (c) the new PARB Shares to be issued arising from the exercise of the Additional Warrants.

2. DIRECTORS' REMUNERATION

The provisions in our Articles of Association in relation to the remuneration of our Directors are set out below:-

Article 110

Subject to these Articles, the remuneration of the Directors shall from time to time be determined by the Company in general meeting and such remuneration and/or fees shall be divided among the Directors in such proportions and manner as the Director may determine provided always that:-

i. fees payable to Directors not holding any executive office in the Company shall be a fixed sum and shall not be payable by a commission on or percentage of profits or turnover;

ii. salaries payable to Directors holding executive office in the Company may not include a commission on or a percentage of turnover;

iii. all remuneration payable to Directors shall be deemed to accrue from day to day;

iv. fees payable to Directors shall not be increased except pursuant to a resolution passed by the Company in general meeting, where notice of the proposed increase has been given in the notice convening the meeting; or

v. any fee paid to an alternate Director shall be agreed between him and his appointor and shall be deducted from the appointor's remuneration.

Article 111

The Directors may be paid all travelling, hotel and other expenses, properly incurred by them in attending and returning from meetings of the Directors or any committee of Directors or general or other meetings of the Company or in connection with the business of the Company.

Article 112

The Directors may grant special remuneration to any Director who (on request by the Directors) is willing to:-

i. render any special or extra services to the Company; or

ii. to go or reside outside his country of domicile or residence in connection with the conduct of any of the Company's affairs.

Such special remuneration may be paid to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be paid in a lump sum or by way of salary, or by a percentage of profits, or by all or any of such methods but shall not include (where such special remuneration is paid by way of salary) a commission on or a percentage of turnover.

Article 141

Subject to the Act, the Directors may appoint one (1) or more of their number to any executive office (by whatever title it is known) including (without limitation) that of chairman, deputy chairman, managing director, joint, deputy or assistant managing director and may procure the Company to enter into a contract or arrangement with him for his employment or for the provision by him of any services outside the scope of ordinary duties of a Director. Any such appointment, contract or arrangement may be made (subject to these Articles) on such terms as to remuneration and otherwise as the Directors think fit. A Director may be appointed to hold more than one executive office at a time. A managing director shall be subject to the control of the Board of Directors. References in these Articles to 'chairman' or 'deputy chairman' shall mean a chairman or deputy chairman (as the case may be) appointed under this Article. References in these Articles to 'managing director' shall mean a managing director appointed under this Article (subject to such person appointed being a Director).

3. MATERIAL CONTRACTS

As at the LPD, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Abridged Prospectus.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and after having made all reasonable enquiries, our Board is not aware and does not have any knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of our Group.

5. GENERAL

i. There is no existing or proposed service contract entered into by our Group with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this Abridged Prospectus.

ii. Save as disclosed in this Abridged Prospectus, after having made all reasonable enquiries and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:-

    (a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;

    (b) material commitments for capital expenditure of our Group, the purpose of such commitments and the source of fundings;

    (c) unusual, infrequent events or transactions or significant economic changes which materially affected the amount of reported income from operations and the extent to which income was so affected;

    (d) known trends or uncertainties which have had, or will have, a material favourable or unfavourable impact on our Group's revenue or operating income;

    (e) details on fluctuation in revenues; and

(f) material information, including special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits.

6. CONSENTS

Our Principal Adviser, Company Secretaries, Share Registrar, Principal Banker, the Solicitors for the Rights Issue, and Bloomberg LP have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear in this Abridged Prospectus.

Our Auditors and Reporting Accountants has given and has not subsequently withdrawn its written consent to the inclusion in this Abridged Prospectus of its name, the letter on the proforma consolidated statements of financial position of our Group as at 31 March 2012, the audited consolidated financial statements of our Group for the FYE 31 March 2012, and all references thereto in the form and context in which they appear in this Abridged Prospectus.

7. DECLARATIONS OF CONFLICT OF INTEREST

OSK confirms that as at the date of this Abridged Prospectus, there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to our Company for the Rights Issue.

Messrs Tan, Goh & Associates confirms that as at the date of this Abridged Prospectus, there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Solicitors to our Company for the Rights Issue.

Messrs SC Associates confirms that as at the date of this Abridged Prospectus, there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Reporting Accountants to our Company for the Rights Issue.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office at Level 8, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, during normal business hours (except public holidays) for a period of 12 months from the date of this Abridged Prospectus:-

i. our Memorandum and Articles of Association;

ii. The Reporting Accountant's letter on the proforma consolidated statements of financial position of our Group as at 31 March 2012 together with the notes prepared by Messrs SC Associates, as set out in Appendix III of this Abridged Prospectus;

iii. Our audited consolidated financial statements for the past two (2) financial years up to the FYE 31 March 2012;

iv. Our latest unaudited consolidated financial statements for the three (3)-month FPE 30 June 2012, as set out in Appendix V of this Abridged Prospectus;

v. The Directors' Report, as set out in Appendix VI of this Abridged Prospectus;

vi. The letters of consent referred to in Section 6 of this Appendix;

vii. The irrevocable undertaking letter from Chong Sze San referred to in Section 4 of this Abridged Prospectus; and

viii. The Deed Poll.

9. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with the accompanying NPA and RSF have been seen and approved by our Board. They collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement herein false or misleading.

OSK, being our Principal Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning this Rights Issue.

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