

P.A. RESOURCES BERHAD (664612-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET**AS AT 31 MARCH 2007**

(The figures have not been audited)

	As at 31.03.2007 RM'000	As at 31.12.2006 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	51,496	51,900
Current assets		
Inventories	42,482	40,312
Prepaid lease payment	831	834
Trade receivables	40,317	40,478
Other receivables, prepayments and deposits	2,878	4,340
Tax recoverable	33	-
Cash and bank balances	24,369	20,141
	<u>110,910</u>	<u>106,105</u>
Total assets	<u><u>162,406</u></u>	<u><u>158,005</u></u>
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	46,000	46,000
Share premium	5,548	5,548
Reserves	16,826	14,420
	<u>68,374</u>	<u>65,968</u>
LIABILITIES		
Non-current liabilities		
Borrowings	4,809	5,477
Deferred taxation	4,075	3,740
	<u>8,884</u>	<u>9,217</u>
Current liabilities		
Trade payables	1,587	4,067
Other payables and accruals	1,041	1,803
Borrowings	82,479	76,918
Taxation	41	31
	<u>85,148</u>	<u>82,819</u>
Total liabilities	<u>94,032</u>	<u>92,037</u>
Total equity and liabilities	<u><u>162,406</u></u>	<u><u>158,005</u></u>
Net asset per share (sen)	74.32	71.70

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

P.A. RESOURCES BERHAD (664612-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2007**

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.03.2007 RM'000	31.03.2006 RM'000	31.03.2007 RM'000	31.03.2006 RM'000
REVENUE	40,057	32,181	40,057	32,181
COST OF SALES	(34,629)	(27,518)	(34,629)	(27,518)
GROSS PROFIT	5,428	4,663	5,428	4,663
OTHER OPERATING INCOME	34	71	34	71
SELLING EXPENSES	(320)	(262)	(320)	(262)
ADMINISTRATION EXPENSES	(802)	(705)	(802)	(705)
OTHER OPERATING EXPENSES	(255)	(243)	(255)	(243)
PROFIT FROM OPERATIONS	4,085	3,524	4,085	3,524
FINANCE COSTS	(1,147)	(973)	(1,147)	(973)
PROFIT BEFORE TAXATION	2,938	2,551	2,938	2,551
TAXATION	(532)	(413)	(532)	(413)
PROFIT AFTER TAXATION	2,406	2,138	2,406	2,138
EARNINGS PER SHARE (sen)				
Basic	2.6	4.1	2.6	4.1
Diluted *	N/A	N/A	N/A	N/A

* Not applicable

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

P.A. RESOURCES BERHAD (664612-X)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2007**

	Share Capital RM'000	Share Premium RM'000	<i>Non-distributable</i> Revaluation Reserves RM'000	<i>Distributable</i> Revenue Reserve RM'000	Total RM'000
At 1 January 2006	23,400	-	3,522	1,110	28,032
Rights issue of 4,000,000 new ordinary shares of RM1.00 each at par for cash	4,000	-	-	-	4,000
Net profit for the financial period	-	-	-	2,138	2,138
At 31 March 2006	27,400	-	3,522	3,248	34,170
At 1 January 2007	46,000	5,548	3,475	10,945	65,968
Net profit for the financial period	-	-	-	2,406	2,406
At 31 March 2007	46,000	5,548	3,475	13,351	68,374

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying notes attached to the interim financial statements.

P.A. RESOURCES BERHAD (664612-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2007**

	3 months ended	
	31.03.2007	31.03.2006
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,938	2,551
Adjustments for:		
Allowance for doubtful debts	-	-
Depreciation of property, plant and equipment	886	650
Interest expenses	1,121	943
Interest income	(34)	(71)
	4,911	4,073
Operating profit before working capital changes		
Increase in inventories	(2,170)	(378)
Decrease / (Increase) in receivables	1,668	(617)
Increase / (Decrease) in payables	(3,242)	(461)
	1,167	2,617
Cash generated from / (used in) operations		
Interest received	34	71
Interest paid	(1,121)	(943)
Tax paid	(186)	(236)
	(106)	1,509
Net cash (outflow) / inflow from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(480)	(2,848)
Payment for listing expenses	-	(454)
Net cash outflow from investing activities	(480)	(3,302)

3 months ended
31.03.2007 **31.03.2006**
RM'000 **RM'000**

CASH FLOWS FROM FINANCING ACTIVITIES

Hire purchase liabilities	(577)	(255)
Proceeds from issuance of shares	-	4,000
Net proceeds from trade bills payable	5,561	9,082
Repayment of term loans	(168)	(5,325)
Fixed deposits pledged	(244)	(183)
Net cash inflow from financing activities	4,572	7,319
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,986	5,526
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	13,090	4,534
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	17,076	10,060

Represented by:

CASH AND CASH EQUIVALENTS

Cash in hand and at banks	16,832	10,060
Fixed deposits with licensed banks	7,537	8,033
	24,369	18,093
Fixed deposits pledged	(7,293)	(8,033)
	17,076	10,060

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

PART A - NOTES TO THE INTERIM FINANCIAL REPORT

1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134₂₀₀₄, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006. These explanatory notes attached to the interim financial statements provides an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2006.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2006 annual financial statements.

During the year, the Group adopted the following FRS:

FRS 117 - Leases

FRS 124 - Related Party Disclosures

The adoption of the above FRS did not result in substantial changes in the accounting policies and methods of computation and the same are followed in the interim financial statements as compared with the financial statements for the year ended 31 December 2006. However, certain comparative figures as at 31 December 2006 have been reclassified in accordance with FRS 117: Lease to comply with current year's presentation.

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the audited financial statements of Group for the year ended 31 December 2006 was not subject to any qualification.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The business of the Group was not affected materially by any seasonally or cyclical factors for the quarter under review.

4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There are no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and financial period-to-date.

5. CHANGES IN ESTIMATES

There were no material changes in the estimates used for the presentation of this interim financial statements.

6. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities for the financial period ended 31 March 2007.

7. DIVIDENDS PAID

No dividend was paid during the three months period ended 31 March 2007.

8. SEGMENTAL INFORMATION

(a) Primary reporting segment - Business segment

The Group operates principally in Malaysia and is organised into two main business segments:

- extrusion and fabrication
- aluminium billets and tolling

Three months ended 31.03.2007	Extrusion and fabrication RM'000	Aluminium billets and tolling RM'000	Others RM'000	Total RM'000
Revenue				
Total sales	20,116	19,941	-	40,057
Inter-segment sales	-	-	-	-
External sales	20,116	19,941	-	40,057
Results				
Profit from operations	2,679	1,438	(32)	4,085
Finance costs				(1,147)
Taxation				(532)
Profit after taxation				2,406
Assets				
Segment assets	100,258	58,524	14,631	173,413
Liabilities				
Segment liabilities	71,125	33,797	149	105,071
Other information:				
Capital expenditure	266	214	-	480
Depreciation	767	119	-	886
Non-cash expenses other than depreciation	-	-	-	-

8. SEGMENTAL INFORMATION (CON'D)

Three months ended 31.03.2006	Extrusion and fabrication RM'000	Aluminium billets and tolling RM'000	Others RM'000	Total RM'000
Revenue				
Total sales	16,189	15,992	-	32,181
Inter-segment sales	-	-	-	-
External sales	16,189	15,992	-	32,181
Results				
Profit from operations	2,223	1,326	(25)	3,524
Finance costs				(973)
Taxation				(413)
Profit after taxation				2,138
Assets				
Segment assets	73,743	41,512	1,306	116,561
Liabilities				
Segment liabilities	48,161	33,697	533	82,391
Other information:				
Capital expenditure	7,097	332	-	7,429
Depreciation	574	75	-	649
Non-cash expenses other than depreciation	-	-	-	-

(b) Secondary reporting segment - Geographical segment

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

9. CARRYING AMOUNT OF REVALUED ASSETS

The valuations of property, plant and equipment have been brought forward without any amendments from the previous audited financial statements.

10. SUBSEQUENT EVENTS

Bursa Securities has vide its letter dated 23 May 2007 approved the listing of and quotation for the Bonus Shares as stated in Note 22. Except for the above matter, there are no material events that have occurred subsequent to the end of the current quarter.

11. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period under review.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2006.

13. CAPITAL COMMITMENTS

There was no material capital commitment as at 31 March 2007.

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF
THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****14. PERFORMANCE REVIEW**

During the three months ended 31 March 2007, the Group recorded revenue of RM40.06 million as compared to RM32.18 million for the preceding year corresponding quarter, an advancement of approximately 24%. As a result of the better revenue, Group profit before taxation increased from RM2.55 million for the preceding year corresponding quarter to RM2.94 million for the current quarter, an improvement of approximately 15%.

15. QUARTERLY RESULTS COMPARISON

The Group achieved revenue of RM40.06 million for the current quarter under review, an amount comparable to the RM43.73 million recorded in the immediate preceding quarter. The drop in revenue is inevitable as performance is affected by longer holiday due to major festivals during the current quarter. After-tax profit for the current quarter, decreased to RM2.41 million as compared to RM2.77 million reported in the immediate preceding quarter.

16. CURRENT YEAR PROSPECTS

The directors expect the Group to remain profitable in the current year.

17. PROFIT FORECAST OR PROFIT GUARANTEE

No profit forecast or profit guarantee has been issued by the Group.

18. RELATED PARTY DISCLOSURES**RM'000**

- (i) Purchase of extrusion die from a company in which the director / substantial shareholder is connected to an executive director of the Company

- Transaction amount	66
- Amount outstanding (unsecured)	93
	<u>159</u>

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.

- (ii) Compensation of key management personnel is as follows:

	Executive Director RM'000	Non Executive Director RM'000	Other Senior Personnel RM'000	Total RM'000
Short term employment benefit	333	-	74	407
Post-employment benefit	68	-	9	77
	<u>401</u>	<u>-</u>	<u>83</u>	<u>484</u>

19. TAXATION

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006
	RM'000	RM'000	RM'000	RM'000
Current taxation	197	187	197	187
Deferred taxation	335	227	335	227
	<u>532</u>	<u>414</u>	<u>532</u>	<u>414</u>

20. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no disposals of unquoted investments and properties during the financial period under review.

21. MARKETABLE SECURITIES

The Group did not deal in any quoted investments.

22. CORPORATE PROPOSALS

On 8 May 2007, the Company announced a proposal to implement, inter alia, the following:

- (a) Bonus issue of 29,440,000 Shares on the basis of eight (8) new Bonus Shares for every twenty five (25) existing PA Shares held on an entitlement date to be determined later ("Proposed Bonus Issue"); and
- (b) Transfer of the listing of and quotation for the entire enlarged issued and paid-up share capital of PA from the Second Board to the Main Board of Bursa Securities ("Proposed Transfer").

Bursa Securities has vide its letter dated 23 May 2007 approved the listing of and quotation for the Bonus Shares. The Proposed Transfer is pending approval from the relevant authorities.

(b) Status of Utilisation of Proceeds

Details of the proceeds raised from the IPO exercise are as follows:

	RM'000
Special Issue of 27,600,000 new ordinary shares of RM0.50 each at an issue price of RM0.70 per ordinary share	19,320
Public Issue of 9,600,000 new ordinary shares of RM0.50 each at an issue price of RM0.70 per ordinary share	<u>6,720</u>
	<u>26,040</u>

The gross proceeds received from the IPO has been fully utilised in the manner as proposed as at 31 March 2007:

	RM'000
Purchase of machinery	7,800
Construction of warehouse and factory cum office building	3,000
Repayment of borrowing	7,000
Working capital	6,040
Listing expenses	<u>2,200</u>
	<u>26,040</u>

23. BORROWINGS AND DEBT SECURITIES

There were no debt securities for the current financial period to date. Particulars of the Group's borrowings, all of which were denominated in Ringgit Malaysia, as at 31 March 2006 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current	82,478	-	82,478
Non current	4,809	-	4,809
	<u>87,287</u>	<u>-</u>	<u>87,287</u>

OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 30 April 2007.

24. CHANGES IN MATERIAL LITIGATIONS

No material litigation has arisen since the last balance sheet date as at 31 December 2006.

25. DIVIDEND PAYABLE

No dividend has been recommended for the current quarter.

For the financial year ended 31 December 2006, the Board of Directors had proposed a final dividend of 1.5 sen per share less tax amounting to RM1,007,400 for shareholders' approval at the forthcoming Annual General Meeting.

26. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	Current 31.03.2007	Cumulative 31.03.2007
Net profit for the period (RM'000)	2,406	2,406
Weighted average number of ordinary shares in issue ('000)	92,000	92,000
Basic earnings per share (sen)	<u>2.62</u>	<u>2.62</u>

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 25 May 2007.