### P.A. RESOURCES BERHAD (Company No. 664612-X)

(Incorporated in Malaysia)

### P.A. RESOURCES BERHAD

Unaudited Interim Financial Statements

For Quarter Ended 31 December 2007

(Incorporated in Malaysia)

### CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2007

(The figures have not been audited)

(The figures have not been audited)	As at 31.12.2007 RM'000	As at 31.12.2006 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	60,134	51,900
Current assets		
Inventories	48,777	40,312
Prepaid lease payment	819	834
Trade receivables	47,710	40,477
Other receivables, prepayments and deposits	4,624	4,340
Cash and bank balances	21,989	20,141
	123,919	106,104
Total assets	184,053	158,004
EQUITY Capital and reserves attributable to the Company's equity holders		
Share capital	60,720	46,000
Share premium	32	5,548
Reserves	13,694	14,420
	74,446	65,968
LIABILITIES		
Non-current liabilities		
Borrowings	2,600	5,477
Deferred taxation	5,046	3,740
	7,646	9,217
Current liabilities		
Trade payables	2,176	4,067
Other payables and accruals	3,163	1,802
Dividend payable	1,797	-
Borrowings	94,755	76,918
Taxation		31
	101,961	82,818
Total liabilities	109,607	92,036
Total equity and liabilities	184,053	158,004
Net asset per share (sen)	61.30	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.

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2007

	Current C	-	Cumulative Quarter 12 months ended		
	31.12.2007 RM'000	31.12.2006 RM'000	31.12.2007 RM'000	31.12.2006 RM'000	
REVENUE	51,315	43,733	179,390	155,196	
COST OF SALES	(44,720)	(38,070)	(155,741)	(133,295)	
GROSS PROFIT	6,595	5,663	23,649	21,901	
OTHER OPERATING INCOME	107	62	304	222	
SELLING EXPENSES	(305)	(210)	(1,247)	(905)	
ADMINISTRATION EXPENSES	(724)	(771)	(3,265)	(2,887)	
OTHER OPERATING EXPENSES	(270)	(292)	(1,049)	(1,026)	
PROFIT FROM OPERATIONS	5,403	4,452	18,392	17,305	
FINANCE COSTS	(1,289)	(1,147)	(4,771)	(4,003)	
PROFIT BEFORE TAXATION	4,114	3,305	13,621	13,302	
TAXATION	(612)	(531)	(2,171)	(2,135)	
PROFIT AFTER TAXATION	3,502	2,774	11,450	11,167	
EARNINGS PER SHARE (sen) Basic # Diluted *	2.88 N/A	2.29 N/A	9.43 N/A	10.40 N/A	

<sup>#</sup> Adjusted for Bonus Issue, where 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.

<sup>\*</sup> Not applicable

(Incorporated in Malaysia)

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2007

(The figure have not been audited)

Share Capital RM'000	Share Premium RM'000	Non-distributable Revaluation Reserves RM'000	Distributable Revenue Reserve RM'000	Total Equity RM'000
23,400	-	3,522	1,111	28,033
4,000	-	-	-	4,000
13,800	5520	-	-	19,320
4,800	1920	-	-	6,720
-	(1,892)	-	-	(1,892)
_	- (1.000)	· /		(4.000)
-	(1,892)	(47)	47	(1,892)
-	-	-	,	11,167
-	-	-	(1,380)	(1,380)
46,000	5,548	3,475	10,945	65,968
46,000	5,548	3,475	10,945	65,968
-	-	-	11,450	11,450
14,720	(5,348)	-	(9,372)	-
-	(168)	-	-	(168)
-	(168)	-	-	(168)
-	-	-	(2,804)	(2,804)
60,720	32	3,475	10,219	74,446
	Capital RM'000 23,400 4,000 13,800 4,800	Share Capital RM'000         Share Premium RM'000           23,400         -           4,000         -           13,800         5520           4,800         1920           -         (1,892)           -         -           -         -           46,000         5,548           -         -           14,720         (5,348)           -         (168)           -         (168)	Capital RM'000         Premium RM'000         Reserves RM'000           23,400         -         3,522           4,000         -         -           13,800         5520         -           4,800         1920         -           -         (1,892)         -           -         -         (47)           -         -         -           46,000         5,548         3,475           -         -         -           14,720         (5,348)         -           -         (168)         -           -         -         -           -         -         -	Share Capital Premium RM'000         Share RM'000         Reserves RM'000         Reserve RM'000         RM'000

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 explanatory notes attached to the interim financial statements.

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2007

CASH FLOWS FROM OPERATING ACTIVITIES           Profit before taxation         13,621         13,020           Adjustments for:         1           Allowance for doubtful debts         -         1         6         2,910           Interest expenses         4,681         3,901         1         3,501         1         3,901         1         1,812         3,901         1         1,812         3,901         1         1,812         3,901         1         1,812         3,901         1         1,812         3,901         1         1,812         3,901         1         1,818         3,901         1         1,818         3,901         1         1,818         3,901         1         1,818         3,901         1         1,818         3,901         1         1,818         3,901         1         1,818         3,901         1,941         2,921         1         1,938         1         3,618         3,901         1,941         2,942         1,938         1         3,621         1,148         3,901         1,948         1,948         1,941         3,942         1,941         2,941         1,942         1,941         3,942         1,942         1,942         1,94	TOR THE LERIOD EMBED 31 DECEMBER 2007		12 months ended		
Profit before taxation		31.12.2007 RM'000	31.12.2006 RM'000		
Adjustments for:	CASH FLOWS FROM OPERATING ACTIVITIES				
Depreciation of property, plant and equipment latterest expenses   4,681   3,910     Interest expenses   4,681   3,940     Interest income   (304)   (251)     Operating profit before working capital changes   21,663   19,878     Increase in inventories   (8,465)   (21,778)     Increase in inventories   (8,465)   (21,778)     Increase in inventories   (350)   (2,041     Decrease in amount due to a director   - (751)     Cash generated/(used) from operations   5,166   (14,745)     Interest received   304   251     Interest paid   (4,681)   (3,901)     Tax paid   (818)   (984)     Net cash outflow from operating activities   (29)   (19,379)     CASH FLOWS FROM INVESTING ACTIVITIES     Purchase of property, plant and equipment   (11,907)   (11,525)     Payment for listing expenses   (168)   (1,135)     Net cash outflow from investing activities   (12,075)   (12,660)     CASH FLOWS FROM FINANCING ACTIVITIES     Repayment of hire purchase liabilitie   (2,228)   (1,837)     Proceeds from investing activities   (12,075)   (12,660)     CASH FLOWS FROM FINANCING ACTIVITIES     Repayment of term loans   (600)   (7,776)     Repayment of term loans   (600)   (7,776)     Repayment of term loans   (600)   (7,776)     Repayment of term loans   (600)   (1,776)     Repayment of term loans   (600)   (1,776		13,621	13,302		
Interest expenses   4,681   3,901   Interest income   (304) (251)     Operating profit before working capital changes   21,663   19,878     Increase in inventories   (8,465) (21,778   10,7720   (14,135) (Obecrease)/Increase in payables   (330) (2,041   2,041		-			
Interest income		*			
Deprating profit before working capital changes	•	,			
Increase in inventories   (3,465) (21,778     Increase in receivables   (7,502) (14,135) (10     (10   13   13   13   13   13     (10   13   13   13   13   13     (10   13   13   13   13   13     (10   13   13   13   13     (10   13   13   13   13     (10   13   13   13   13     (10   13   13   13     (10   13   13   13     (10   13   13   13     (10   13   13   13     (10   13   13			<u>`</u>		
Increase in receivables (7,502) (14,135) (Decrease)/Increase in payables (530) 2,041     Decrease in amount due to a director		•	•		
CDecrease) Increase in payables   C530  2.041     Decrease in amount due to a director   - (751)     Cash generated/(used) from operations   5.166 (14.745)     Interest received   304 251     Interest paid (4.681) (3.901)     Tax paid (818) (984)     Net cash outflow from operating activities   (29) (19.379)     CASH FLOWS FROM INVESTING ACTIVITIES     Purchase of property, plant and equipment   (11.907)   (11.525)     Payment for listing expenses   (168) (1.135)     Net cash outflow from investing activities   (12.075) (12.660)     CASH FLOWS FROM FINANCING ACTIVITIES     Repayment of hire purchase liabilitie   (2.228) (1.837)     Proceeds from issuance of shares   - 30.040     Net proceeds from trade bills payable   17.878   20.748     Repayment of term loans   (690) (7.776)     (Increase)/Decrease in fixed deposits pledged (2.085)   800     Dividend paid   (1.007) (1.380)     Net cash inflow from financing activities   11.868   40.595     NET INCREASE IN CASH AND (236)   8.556     CASH AND CASH EQUIVALENTS AT   13.090   4.534     EGASH AND CASH EQUIVALENTS AT   12.854   13.090     Represented by:   CASH AND CASH EQUIVALENTS AT   EGNINING OF THE FINANCIAL PERIOD     CASH AND CASH EQUIVALENTS AT   12.603   12.847     END OF THE FINANCIAL PERIOD   (1.260)   (1.260)     CASH AND CASH EQUIVALENTS AT   12.603   12.847     END OF THE FINANCIAL PERIOD   (1.260)   (1.260)     CASH AND CASH EQUIVALENTS AT   (1.260)   (1.260)   (1.260)     END OF THE FINANCIAL PERIOD   (1.260)					
Cash generated/(used) from operations	(Decrease)/Increase in payables				
Interest received   304   251     Interest paid   (4,681)   (3,901)     Tax paid   (818)   (984)     Net cash outflow from operating activities   (29)   (19,379)     CASH FLOWS FROM INVESTING ACTIVITIES     Purchase of property, plant and equipment   (11,907)   (11,525)     Payment for listing expenses   (168)   (1,135)     Net cash outflow from investing activities   (12,075)   (12,660)     CASH FLOWS FROM FINANCING ACTIVITIES     Repayment of hire purchase liabilitie   (2,228)   (1,837)     Proceeds from issuance of shares   - 30,040     Net proceeds from trade bills payable   17,878   20,748     Repayment of term loans   (690)   (7,776)     (Increase)/Decrease in fixed deposits pledged   (2,085)   800     Dividend paid   (1,007)   (1,380)     Net cash inflow from financing activities   11,868   40,595     NET INCREASE IN CASH AND   (236)   8,556     CASH EQUIVALENTS   13,090   4,534     BEGINNING OF THE FINANCIAL PERIOD     CASH AND CASH EQUIVALENTS AT   12,854   13,090     END OF THE FINANCIAL PERIOD     CASH AND CASH EQUIVALENTS AT   12,854   13,090     END OF THE FINANCIAL PERIOD   END OF THE FINANCIAL PERIOD     CASH AND CASH EQUIVALENTS AT   12,854   13,090     END OF THE FINANCIAL PERIOD   END OF THE FINANCIAL PERIOD     CASH AND CASH EQUIVALENTS AT   12,854   13,090     END OF THE FINANCIAL PERIOD   END OF THE FINANCIAL PERIOD   END OF THE FINANCIAL PERIOD     CASH AND CASH EQUIVALENTS AT   12,854   13,090     END OF THE FINANCIAL PERIOD	Decrease in amount due to a director	-	(751)		
Interest paid	•	*			
Tax paid         (818)         (984)           Net cash outflow from operating activities         (29)         (19,379)           CASH FLOWS FROM INVESTING ACTIVITIES           Purchase of property, plant and equipment of listing expenses         (11,907)         (11,525)           Payment for listing expenses         (168)         (1,135)           Net cash outflow from investing activities         (12,075)         (12,660)           CASH FLOWS FROM FINANCING ACTIVITIES           Repayment of hire purchase liabilitie         (2,228)         (1,837)           Proceeds from issuance of shares         -         30,040           Net proceeds from trade bills payable         17,878         20,748           Repayment of term loans         (690)         (7,776)           (Increase)/Decrease in fixed deposits pledged         (2,085)         800           Dividend paid         (1,007)         (1,380)           Net cash inflow from financing activities         11,868         40,595           NET INCREASE IN CASH AND         (236)         8,556           CASH AND CASH EQUIVALENTS AT         13,090         4,534           BEGINNING OF THE FINANCIAL PERIOD         21,854         13,090           CASH AND CASH EQUIVALENTS         12,603         12,84					
Purchase of property, plant and equipment	•	* * * *			
Purchase of property, plant and equipment Payment for listing expenses         (11,907) (11,525) (168)         (11,352)           Net cash outflow from investing activities         (12,075) (12,660)         (12,075)         (12,660)           CASH FLOWS FROM FINANCING ACTIVITIES           Repayment of hire purchase liabilitie         (2,228)         (1,837)           Proceeds from issuance of shares         -         30,040           Net proceeds from trade bills payable         17,878         20,748           Repayment of term loans         (690)         (7,776)           (Increase)/Decrease in fixed deposits pledged         (2,085)         800           Dividend paid         (1,007)         (1,380)           Net cash inflow from financing activities         11,868         40,595           NET INCREASE IN CASH AND         (236)         8,556           CASH AND CASH EQUIVALENTS AT         13,090         4,534           BEGINNING OF THE FINANCIAL PERIOD         12,854         13,090           CASH AND CASH EQUIVALENTS AT         12,854         13,090           END OF THE FINANCIAL PERIOD         12,847           Cash in hand and at banks         12,603         12,847           Fixed deposits with licensed banks         9,386         7,293           Expressible o	Net cash outflow from operating activities	(29)	(19,379)		
Payment for listing expenses   (168)   (1,135)     Net cash outflow from investing activities   (12,075)   (12,660)     CASH FLOWS FROM FINANCING ACTIVITIES     Repayment of hire purchase liabilitie   (2,228)   (1,837)     Proceeds from issuance of shares   - 30,040     Net proceeds from trade bills payable   17,878   20,748     Repayment of term loans   (690)   (7,776)     (Increase)/Decrease in fixed deposits pledged   (2,085)   800     Dividend paid   (1,007)   (1,380)     Net cash inflow from financing activities   11,868   40,595     NET INCREASE IN CASH AND   (236)   8,556     CASH AND CASH EQUIVALENTS AT   13,090   4,534     BEGINNING OF THE FINANCIAL PERIOD     CASH AND CASH EQUIVALENTS AT   12,854   13,090     Represented by:   CASH AND CASH EQUIVALENTS     CASH AND CASH EQUIVALENTS   12,603   12,847     Fixed deposits with licensed banks   9,386   7,293     Fixed deposits pledged   (9,135)   (7,050)	CASH FLOWS FROM INVESTING ACTIVITIES				
Payment for listing expenses   (168)   (1,135)     Net cash outflow from investing activities   (12,075)   (12,660)     CASH FLOWS FROM FINANCING ACTIVITIES     Repayment of hire purchase liabilitie   (2,228)   (1,837)     Proceeds from issuance of shares   - (30,040)     Net proceeds from trade bills payable   17,878   20,748     Repayment of term loans   (690)   (7,776)     (Increase)/Decrease in fixed deposits pledged   (2,085)   800     Dividend paid   (1,007)   (1,380)     Net cash inflow from financing activities   11,868   40,595     NET INCREASE IN CASH AND   (236)   8,556     CASH AND CASH EQUIVALENTS AT   13,090   4,534     BEGINNING OF THE FINANCIAL PERIOD     CASH AND CASH EQUIVALENTS AT   12,854   13,090     END OF THE FINANCIAL PERIOD   (236)   12,847     END OF THE FINANCIAL PERIOD   (236)   12,847     Fixed deposits with licensed banks   9,386   7,293     Fixed deposits pledged   (9,135)   (7,050)	Purchase of property, plant and equipment	(11,907)	(11,525)		
CASH FLOWS FROM FINANCING ACTIVITIES         Repayment of hire purchase liabilitie       (2,228)       (1,837)         Proceeds from issuance of shares       -       30,040         Net proceeds from trade bills payable       17,878       20,748         Repayment of term loans       (690)       (7,776)         (Increase)/Decrease in fixed deposits pledged       (2,085)       800         Dividend paid       (1,007)       (1,380)         Net cash inflow from financing activities       11,868       40,595         NET INCREASE IN CASH AND       (236)       8,556         CASH EQUIVALENTS       13,090       4,534         BEGINNING OF THE FINANCIAL PERIOD       12,854       13,090         CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD       12,854       13,090         Represented by:       CASH AND CASH EQUIVALENTS       12,603       12,847         Fixed deposits with licensed banks       9,386       7,293         Fixed deposits pledged       (9,135)       (7,050)		` ' '			
Repayment of hire purchase liabilitie       (2,228)       (1,837)         Proceeds from issuance of shares       -       30,040         Net proceeds from trade bills payable       17,878       20,748         Repayment of term loans       (690)       (7,776)         (Increase)/Decrease in fixed deposits pledged       (2,085)       800         Dividend paid       (1,007)       (1,380)         Net cash inflow from financing activities       11,868       40,595         NET INCREASE IN CASH AND       (236)       8,556         CASH AND CASH EQUIVALENTS AT       13,090       4,534         BEGINNING OF THE FINANCIAL PERIOD       12,854       13,090         Represented by:       CASH AND CASH EQUIVALENTS       12,854       13,090         Cash in hand and at banks       12,603       12,847         Fixed deposits with licensed banks       9,386       7,293         Fixed deposits pledged       (9,135)       (7,050)	Net cash outflow from investing activities	(12,075)	(12,660)		
Proceeds from issuance of shares	CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds from trade bills payable       17,878       20,748         Repayment of term loans       (690)       (7,776)         (Increase)/Decrease in fixed deposits pledged       (2,085)       800         Dividend paid       (1,007)       (1,380)         Net cash inflow from financing activities       11,868       40,595         NET INCREASE IN CASH AND       (236)       8,556         CASH EQUIVALENTS       13,090       4,534         BEGINNING OF THE FINANCIAL PERIOD       12,854       13,090         CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD       12,854       13,090         Represented by:       CASH AND CASH EQUIVALENTS       12,603       12,847         Cash in hand and at banks Fixed deposits with licensed banks       12,603       12,847         Fixed deposits with licensed banks       9,386       7,293         Fixed deposits pledged       (9,135)       (7,050)		(2,228)			
Repayment of term loans (Increase)/Decrease in fixed deposits pledged Dividend paid       (690) (2,085) 800 (1,380)         Net cash inflow from financing activities       11,868       40,595         NET INCREASE IN CASH AND CASH EQUIVALENTS       (236) 8,556       8,556         CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD       13,090 4,534       4,534         CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD       12,854 13,090       13,090         Represented by:       CASH AND CASH EQUIVALENTS       12,603 12,847       12,603 7,293         Cash in hand and at banks Fixed deposits with licensed banks       9,386 7,293       7,293         Fixed deposits pledged       (9,135) (7,050)		-			
Cash and Cash Equivalents at End of the Financial Period					
Dividend paid       (1,007)       (1,380)         Net cash inflow from financing activities       11,868       40,595         NET INCREASE IN CASH AND CASH AND CASH EQUIVALENTS       (236)       8,556         CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD       13,090       4,534         CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD       12,854       13,090         Represented by:       CASH AND CASH EQUIVALENTS         Cash in hand and at banks Fixed deposits with licensed banks       12,603       12,847         Fixed deposits with licensed banks       9,386       7,293         Fixed deposits pledged       (9,135)       (7,050)					
NET INCREASE IN CASH AND CASH EQUIVALENTS       (236)       8,556         CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD       13,090       4,534         CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD       12,854       13,090         Represented by:       CASH AND CASH EQUIVALENTS         Cash in hand and at banks Fixed deposits with licensed banks       12,603       12,847         Fixed deposits with licensed banks       9,386       7,293         Fixed deposits pledged       (9,135)       (7,050)					
CASH EQUIVALENTS       13,090       4,534         CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD       12,854       13,090         CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD         Represented by:         CASH AND CASH EQUIVALENTS         Cash in hand and at banks Fixed deposits with licensed banks       12,603 12,847 7,293         Fixed deposits with licensed banks       9,386 7,293         Fixed deposits pledged       (9,135) (7,050)	Net cash inflow from financing activities	11,868	40,595		
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD       13,090       4,534         CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD       12,854       13,090         Represented by:       CASH AND CASH EQUIVALENTS         Cash in hand and at banks Fixed deposits with licensed banks       12,603       12,847         Fixed deposits with licensed banks       9,386       7,293         Fixed deposits pledged       (9,135)       (7,050)		(236)	8,556		
END OF THE FINANCIAL PERIOD         Represented by:         CASH AND CASH EQUIVALENTS         Cash in hand and at banks       12,603       12,847         Fixed deposits with licensed banks       9,386       7,293         Example 1,989       20,140         Fixed deposits pledged       (9,135)       (7,050)	CASH AND CASH EQUIVALENTS AT	13,090	4,534		
CASH AND CASH EQUIVALENTS         Cash in hand and at banks       12,603       12,847         Fixed deposits with licensed banks       9,386       7,293         21,989       20,140         Fixed deposits pledged       (9,135)       (7,050)		12,854	13,090		
Cash in hand and at banks       12,603       12,847         Fixed deposits with licensed banks       9,386       7,293         21,989       20,140         Fixed deposits pledged       (9,135)       (7,050)	Represented by:				
Fixed deposits with licensed banks         9,386         7,293           21,989         20,140           Fixed deposits pledged         (9,135)         (7,050)	CASH AND CASH EQUIVALENTS				
Fixed deposits pledged 21,989 20,140 (9,135) (7,050)	Cash in hand and at banks	12,603	12,847		
Fixed deposits pledged (9,135) (7,050)	Fixed deposits with licensed banks	9,386	7,293		
		21,989	20,140		
12,854 13,090	Fixed deposits pledged	(9,135)	(7,050)		
		12,854	13,090		

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.