

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

P.A. RESOURCES BERHAD (664612-X)

(Incorporated in Malaysia)

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

(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
	<hr/> 123,919	<hr/> 106,104
Total assets	<hr/> 184,053	<hr/> 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
	<hr/> 74,446	<hr/> 65,968
LIABILITIES		
Non-current liabilities		
Borrowings	2,600	5,477
Deferred taxation	5,046	3,740
	<hr/> 7,646	<hr/> 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	70	31
	<hr/> 101,961	<hr/> 82,818
Total liabilities	<hr/> 109,607	<hr/> 92,036
Total equity and liabilities	<hr/> 184,053	<hr/> 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.

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

	Current Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	RM'000	RM'000	RM'000	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 #	2.88	2.29	9.43	10.40
Diluted *	N/A	N/A	N/A	N/A

Adjusted for Bonus Issue, where applicable.

* 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.

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**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	<i>Non-distributable</i> Revaluation Reserves RM'000	<i>Distributable</i> Revenue Reserve RM'000	Total Equity RM'000
Balance as at 1 January 2006	23,400	-	3,522	1,111	28,033
Rights issue of 4,000,000 new ordinary shares of RM1.00 each on the basis of approximately 17 for every 100 held	4,000	-	-	-	4,000
Special Issue of 27,600,000 new shares of RM0.50 each at the issue price of RM0.70 per share	13,800	5520	-	-	19,320
Public Issue of 9,600,000 new shares of RM0.50 each at the issue price of RM0.70 per share	4,800	1920	-	-	6,720
Listing expenses written off	-	(1,892)	-	-	(1,892)
Realisation of revaluation surplus transferred	-	-	(47)	47	-
Net expenses not recognised in Income Statement	-	(1,892)	(47)	47	(1,892)
Net profit for the period	-	-	-	11,167	11,167
Dividend	-	-	-	(1,380)	(1,380)
Balance as at 31 December 2006	46,000	5,548	3,475	10,945	65,968
Balance as at 1 January 2007	46,000	5,548	3,475	10,945	65,968
Net profit for the period	-	-	-	11,450	11,450
Bonus Issue	14,720	(5,348)	-	(9,372)	-
Bonus Issue expenses written off	-	(168)	-	-	(168)
Net expenses not recognised in Income Statement	-	(168)	-	-	(168)
Dividend paid/payable	-	-	-	(2,804)	(2,804)
Balance as at 31 December 2007	60,720	32	3,475	10,219	74,446

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.

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

	12 months ended	
	31.12.2007	31.12.2006
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	13,621	13,302
Adjustments for:		
Allowance for doubtful debts	-	16
Depreciation of property, plant and equipment	3,665	2,910
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)
Increase in receivables	(7,502)	(14,135)
(Decrease)/Increase in payables	(530)	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 liabilities	(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 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	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

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.