

P.A. RESOURCES BERHAD (Company No. 664612-X)
(Incorporated in Malaysia)

P.A. RESOURCES BERHAD
UNAUDITED INTERIM FINANCIAL STATEMENT

FOR QUARTER ENDED 31 DECEMBER 2010

P.A. RESOURCES BERHAD (664612-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 DECEMBER 2010**

(The figures have not been audited)

	As at 31-Dec-10 (Unaudited) RM'000	As at 31-Mar-10 (Audited) RM'000 Restated
ASSETS		
Non-current assets		
Property, plant and equipment	79,402	75,922
Goodwill on consolidation	120	120
Trade receivable	3,131	5,787
	82,653	81,829
Current assets		
Inventories	38,922	32,871
Trade receivables	23,476	15,359
Other receivables, prepayments and deposits	500	2,004
Tax recoverable	1,705	1,705
Cash and bank balances	9,534	9,210
	74,137	61,149
Total assets	156,790	142,978
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	98,743	66,792
Reserves	(36,049)	(35,560)
	62,693	31,232
Minority interest	657	466
Total equity	63,350	31,698
LIABILITIES		
Non-current liabilities		
Borrowings	15,379	26,034
Deferred taxation	122	-
	15,501	26,034
Current liabilities		
Trade payables	8,873	4,319
Other payables and accruals	1,881	2,119
Borrowings	67,169	78,808
Taxation	16	-
	77,939	85,246
Total liabilities	93,440	111,280
Total equity and liabilities	156,790	142,978
Net assets per share attributable to equity holders of the Company (sen)	32.70	24.44

The condensed consolidated Statement of Financial Position should be read in conjunction with the Audited financial statements for the financial year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2010**

(The figures have not been audited)

	3 months ended		9 months ended	
	31-Dec-10 RM'000	31-Dec-09 RM'000	31-Dec-10 RM'000	31-Dec-09 RM'000
Revenue	18,453	23,143	61,847	73,167
Cost of sales	(17,202)	(21,111)	(54,148)	(68,017)
Gross profit	1,251	2,032	7,699	5,150
Other income	287	221	370	254
Other operating expenses	(316)	(279)	(1,270)	(874)
Distribution and administrative expenses	(1,103)	(1,041)	(3,323)	(3,107)
Operating profit	119	933	3,476	1,423
Finance costs	(1,048)	(1,348)	(3,913)	(3,534)
Profit / (Loss) before taxation	(929)	(415)	(437)	(2,111)
Tax expenses	(16)	-	(16)	-
Profit / (Loss) for the period	(945)	(415)	(453)	(2,111)
Other comprehensive Income				
Revaluation of land and buildings	-	-	2,437	-
Currency translation differences	1	(2)	19	(26)
Income tax relating to components of other comprehensive income	-	-	(122)	-
Total comprehensive income / (loss) for the period	(944)	(417)	1,881	(2,137)
Profit attributable to:				
Owner of the Company	(901)	(304)	(644)	(1,778)
Minority Interest	(44)	(111)	191	(333)
	(945)	(415)	(453)	(2,111)
Total comprehensive income attributable to:				
Owner of the Company	(900)	(306)	1,690	(1,804)
Minority Interest	(44)	(111)	191	(333)
	(944)	(417)	1,881	(2,137)
Earnings per share for profit attributable to the owners of the Company:				
Basic earnings per share (sen)	(0.47)	(0.24)	(0.39)	(1.39)

The condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2010**

(The figure have not been audited)

	Attributable to equity holders of the Company						Minority Interest	Total Equity
	<-----Non-distributable----->			Distributable				
	Share Capital	Share Premium	Treasury Shares	Revaluation Reserves	Translation Reserve	Revenue Reserve		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 April 2009	66,792	4,215	(3,045)	3,557	25	(21,894)	-	49,650
Subscription of shares in a subsidiary	-	-	-	-	-	-	600	600
Total comprehensive loss for the period	-	-	-	-	(26)	(1,778)	(333)	(2,137)
As at 31 December 2009	66,792	4,215	(3,045)	3,557	(1)	(23,672)	267	48,113
As at 1 April 2010, as previously stated	66,792	4,215	(3,045)	3,499	(28)	(40,201)	466	31,698
-effect of adopting FRS 139	-	-	-	-	-	(1,768)	-	(1,768)
As at 1 April 2010, as restated	66,792	4,215	(3,045)	3,499	(28)	(41,969)	466	29,930
Issue of new ordinary shares pursuant to the issue	31,950	-	-	-	-	-	-	31,950
Corporate exercise transaction cost	-	(411)	-	-	-	-	-	(411)
Total comprehensive income for the period	-	-	-	2,315	19	(644)	191	1,881
As at 31 December 2010	98,742	3,804	(3,045)	5,814	(9)	(42,613)	657	63,350

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 DECEMBER 2010**

(The figures have not been audited)

	9 months ended	
	31-Dec-10	31-Dec-09
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(453)	(2,111)
Adjustments for:		
Depreciation of property, plant and equipment	3,892	3,591
Gain on disposal of property, plant and equipment	-	(35)
Interest expenses	3,840	3,440
Interest income	(122)	(60)
Operating profit before working capital changes	7,157	4,825
Increase in inventories	(6,051)	(3,614)
Increase in contract work in progress	(1,152)	-
(Increase) / Decrease in receivables	(4,514)	5,048
Increase in payables	4,316	2,056
Cash generated from operations	(244)	8,315
Interest received	122	60
Interest paid	(3,840)	(3,440)
Income tax paid	-	(574)
Net cash (used in) / generated from operating activities	(3,962)	4,361
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceed from subscription of shares in a subsidiary	-	600
Purchase of property, plant and equipment	(4,974)	(9,500)
Proceeds from disposal of property, plant and equipment	-	99
Net cash used in investing activities	(4,974)	(8,801)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in short term borrowings	(15,518)	(29,284)
Drawdown of term loans	2,157	30,562
Repayment of term loans	(9,071)	(940)
Repayment of hire purchase liabilities	(98)	(263)
Increase in fixed deposits	(76)	(58)
Corporate exercise transaction cost	(411)	-
Proceeds from issuance of right issues	31,951	-
Net cash generated from financing activities	8,934	17
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2)	(4,423)
Effect of foreign exchange fluctuations	19	26
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	6,513	13,692
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	6,530	9,295
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank overdraft	(231)	-
Deposits, cash in hand and at banks	9,534	11,986
Fixed deposits pledged	(2,773)	(2,691)
	6,530	9,295

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT
(The figures have not been audited)

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 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 2010. These explanatory notes attached to the interim financial report provide an explanation of the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the period ended 31 March 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

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 year ended 31 March 2010 except for the adoption of the following new FRSs and Interpretations, and amendment to certain FRSs and Interpretations which are applicable and relevant for the financial period beginning 1 April 2010:

- FRS 7: Financial Instruments: Disclosures
- FRS 8: Operating Segments
- FRS 101 (revised): Presentation of Financial Statements
- FRS 123 (revised): Borrowing Costs
- FRS 139: Financial Instruments: Recognition and Measurement
- Amendments to FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 7: Financial Instruments: Disclosures
- Amendments to FRS 132: Financial Instruments: Presentation
- Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9, Reassessment of Embedded Derivatives
- FRSs contained in the document entitled "Improvements to FRSs (2009)"
- IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 10: Interim Financial Reporting and Impairment
- IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions
- IC Interpretation 13: Customer Loyalty Programmes

The new FRSs, Amendments to FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Company upon their initial application other than as disclosed below:

FRS 8, Operating Segments

FRS 8 is effective for financial statements of the Group for the year ending 31 March 2011. FRS 8, which replaces FRS 114₂₀₀₄, FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purpose. As a result, the Group segmental reporting has been presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This Standard does not have any impact on the financial position and results of the Group.

FRS 101 (revised), Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements.

With the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a statement of comprehensive income.

Amendment to FRS 117, Leases

Leasehold land is classified as a finance lease if the Group has substantially all the risks and rewards incidental to ownership. Previously, leasehold land was classified as an operating lease. Following the amendment to FRS 117, the classification of leasehold land has been changed from operating to finance lease. The effect of the change which is adjusted for retrospectively is disclosed below.

	As previously stated RM'000	FRS 117 RM'000	As restated RM'000
Balances as at 31 March 2010			
Property, plant and equipment	-	785	785
Prepaid land lease payment	785	(785)	-

FRS 139: Financial Instruments: Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives were recognized on their settlement dates. Outstanding derivatives at the balance sheet date were not recognized. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives are recognized at contract dates when, and only when, the Company or any subsidiary becomes a party to the contractual provisions of the instruments.

With the adoption of FRS 139, the Group classifies its financial assets and financial liabilities in the following categories:

<u>Pre-FRS 139</u>	<u>Post-FRS 139</u>
Private-debt instruments	Loans and receivables
Long-term borrowings	Financial liabilities at amortised cost

The measurement bases applied to the financial assets and financial liabilities in the prior financial year are changed to conform to the measurement standards of FRS 139 in the current quarter. At initial recognition, all financial assets and financial liabilities are measured at their fair value plus in the case of financial instruments not at fair value through profit and loss, transaction costs directly attributable to the acquisition of the instruments. Subsequent to their initial recognition, the financial assets and liabilities are measured as follows:

Loans and other financial liabilities

At amortized cost effective interest rate method.

Loans and receivables

Non-current receivables, previously measured at invoice amount and subject to impairment, are now classified as loans and receivables and measured at fair value plus transaction costs initially and subsequently, at amortized cost using the effective interest method.

When loans and receivables are impaired, the carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of comprehensive income. Impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the asset's original effective interest rate.

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 recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of comprehensive income.

The Group has applied the new policies prospectively in relation to the financial instruments above in accordance with FRS 139. The effects of the re-measurement on 1 April 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained profits. Comparatives are not restated.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the audited financial statements of the Group for the year ended 31 March 2010 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 quarter under review.

5. 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.

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

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities for the financial period ended 31 December 2010.

8. DIVIDENDS PAID

No dividend was paid during the current financial period.

9. SEGMENTAL INFORMATION

In the prior year's audited consolidated financial statements, the basis of segmentation was on a primary format of business segment and a secondary format of geographical segment. From the preceding quarter and for the current financial year ending 31 March 2011, the basis of segmentation has been changed to operating segment based on information reported internally to the chief operating decision-maker. The adoption of FRS 8 has no material impact on the presentation of operating segment information.

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9. SEGMENTAL INFORMATION (CONT'D)

<u>9 months period ended</u> <u>31-12-2010</u>	Extrusion and fabrication RM'000	Aluminium billets and tolling RM'000	Construction contract RM'000	Others RM'000	Total RM'000
Revenue					
Total sales	46,660	10,365	7,690	-	64,715
Inter-segment sales	(2,868)	-	-	-	(2,868)
External sales	<u>43,792</u>	<u>10,365</u>	<u>7,690</u>	<u>-</u>	<u>61,847</u>
Results					
Profit from operations	4,081	(1,021)	590	(174)	3,476
Finance costs	(2,845)	(1,050)	(18)	-	(3,913)
Taxation					(16)
Loss after taxation					<u>(453)</u>
Assets					
Segment assets	<u>103,188</u>	<u>46,091</u>	<u>6,001</u>	<u>1,510</u>	<u>156,790</u>
Liabilities					
Segment liabilities	<u>(66,010)</u>	<u>(26,930)</u>	<u>(237)</u>	<u>(263)</u>	<u>(93,440)</u>
Other information:					
Capital expenditure	4,900	2	70	-	4,972
Depreciation	<u>3,294</u>	<u>561</u>	<u>37</u>	<u>-</u>	<u>3,892</u>
<u>9 months period ended</u> <u>31-12-2009</u>					
<u>9 months period ended</u> <u>31-12-2009</u>	Extrusion and fabrication RM'000	Aluminium billets and tolling RM'000	Construction contract RM'000	Others RM'000	Total RM'000
Revenue					
Total sales	53,920	19,507	43	-	73,470
Inter-segment sales	(303)	-	-	-	(303)
External sales	<u>53,617</u>	<u>19,507</u>	<u>43</u>	<u>-</u>	<u>73,167</u>
Results					
Profit from operations	2,866	(460)	(712)	(271)	1,423
Finance costs	(2,479)	(1,050)	(18)	-	(3,534)
Taxation					-
Loss after taxation					<u>(2,111)</u>

9. SEGMENTAL INFORMATION (CONT'D)

9 months period ended	Extrusion and fabrication	Aluminium billets and tolling	Construction contract	Others	Total
31-12-2009	RM'000	RM'000	RM'000	RM'000	RM'000
Assets					
Segment assets	110,662	48,883	930	837	161,312
Liabilities					
Segment liabilities	(76,204)	(36,258)	(354)	(383)	(113,199)
Other information:					
Capital expenditure	6,232	2,775	591	-	9,598
Depreciation	3,007	544	40	-	3,591

10. VALUATION OF PROPERTY, PLANT & EQUIPMENT

The valuations of property, plant and equipment have been brought forward without any amendments from the previous audited financial statements for the financial year ended 31 March 2010 except as disclosed below:

The valuation of the freehold land and factory building was carried out by TD Aziz Sdn. Bhd., an external independent firm of valuers, on 3 May 2010 using the comparative method.

Details of the external independent valuer involved were:

Chockalingan P. Mohan (Registered Valuer)
16th Floor, Menara Akademi Etiqa,
No. 23, Jalan Melaka,
50100 Kuala Lumpur.

The resultant surplus has been credited to revaluation reserves.

11. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the current quarter.

12. CHANGES IN COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group during the quarter ended 31 December 2010.

13. 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 March 2010.

14. CAPITAL COMMITMENTS

There was no material capital commitment as at 31 December 2010.

PART B - NOTES PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

15. PERFORMANCE REVIEW

For the quarter under review, the Group recorded revenue of RM18.45 million, a decrease of approximately 20.27% as compared to RM23.14 million for the preceding year corresponding quarter. The Group recorded a pre-tax loss of RM0.93 million as compared to a pre-tax loss of RM0.41 million for the preceding year corresponding quarter. The drop in revenue for the current quarter as compared to the preceding year corresponding quarter is attributable to the billet and tolling segment. The loss suffered in current quarter was mainly due to the increase in commodity prices and regional competition, which resulted in lower margin.

16. QUARTERLY RESULTS COMPARISON

The Group's revenue as compared to the immediate preceding quarter has decreased from RM21.66 to RM18.45 million. The Group recorded a pre-tax loss of RM0.93 million as compared to the immediate preceding quarter pre-tax loss of RM0.30 million. Compared to the preceding quarter, the intense price competition from the growing importation of aluminium product in the market has affected the cost efficiencies of operation and the current quarter's performances.

17. CURRENT YEAR PROSPECTS

The Board expects the remaining period for the financial year ending 31 March 2011 to be challenging given that the outlook for the domestic and global economy is still uncertain. Nevertheless, the Group will amongst others continue to place great emphasis in cost management, product improvement and credit control.

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.

Compensation of key management personnel for the period ended 31 December 2010 is as follows:

	Executive Director RM'000	Non Executive Director RM'000	Other Senior Personnel RM'000	Total RM'000
(a) Short term employment benefit				
- Amount paid	835	-	267	1,102
- Provision	-	68	-	68
(b) Post-employment benefit				
- Amount paid	103	-	33	136
(c) Benefit In kind	23	-	-	23
	<u>961</u>	<u>68</u>	<u>290</u>	<u>1,329</u>

20. TAXATION

	Current Quarter 31-Dec-2010 RM'000	Current Year To Date 31-Dec-2010 RM'000
Current period:		
- current taxation	16	16
- deferred taxation	-	-
	16	16

No deferred tax assets have been recognized in respect of tax losses for the group.

21. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

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

22. MARKETABLE SECURITIES

The Group did not deal in any quoted investments.

23. STATUS OF CORPORATE PROPOSALS

- a) As announced on 23 July 2010, the Company completed the implementation of the Right Issue with warrants. 63,901,650 Rights Shares together with 63,901,650 Warrants were issued pursuant to the Rights Issue with Warrants. The new shares and warrants issued were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 23 July 2010.

There were no corporate proposals that have been announced by the Group but not completed as at date of this announcement.

b) **Status of utilisation of proceeds from rights issue**

The Company has raised RM31.951 million cash ("Proceeds") via its Rights Issue Exercise which was completed on 23 July 2010. The following is the status of utilisation of Proceeds as at 31 January 2011.

Details of utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation	Deviation RM'000	Explanation
Repayment of bank borrowings	5,000	5,000	Within one (1) year	-	Completed
Working capital for our Group's existing business operation	26,501	26,540	Within one (1) year	(39)	Completed
Estimated expenses in relation to the Corporate Exercises	450	411	Within one (1) month	39	Utilised for working capital
Total	31,951	31,951		-	

24. GROUP BORROWINGS

The Group's borrowings as at 31 December 2010 comprise the following:-

	RM'000	RM'000
(a) Current		
Bank Overdraft	231	
Trade bills payable (Secured)	39,162	
Revolving credit (Secured)	10,000	
Hire purchase liabilities	35	49,428
Term loans (Secured)	<u> </u>	<u>17,742</u>
		67,170
(b) Non-current		
Term loans (Secured)		15,342
Hire purchase liabilities		<u>37</u>
		<u>82,549</u>

The above banking securities 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; and
- (d) Corporate guarantee given by the Company
- (e) Joint and several guarantees by certain directors.

25. FINANCIAL INSTRUMENTS

Foreign Currency Forward Contracts

Foreign currency forward contracts are entered into by the Group in currencies other than its functional currency to manage exposure to fluctuations in foreign currency exchange rates on specific transactions. Given that the contracts are entered into with locally incorporated licensed banks, we are of the view that credit risk and the counterparty risk are minimal. Apart from a small fee payable to the banks there are no cash requirements for the forward contracts.

The details of the outstanding forward contracts at 31 December 2010 are as follows:

<u>Hedged items</u>	<u>Currency bought</u>	<u>Currency Sold</u>	<u>Average Contractual rates</u>	<u>RM equivalent</u>
<u>Trade debtors</u>				
Sales contracts due in				
January 2011				
- USD1,300,000	RM	USD	3.1270	4,065,150
February 2011				
- USD200,000	RM	USD	3.1400	628,000
March 2011				
- USD300,000	RM	USD	3.1490	944,700

26. 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 and the Company as at the reporting date, into realised and unrealised losses, pursuant to the directive, is as follows:

	Year to date 31-DEC-2010 RM’000
Total accumulated losses of the Company and it's subsidiaries:	
- Realised	(42,613)
- Unrealised	-
Total Group accumulated losses as per consolidated accounts	<u>(42,613)</u>

The determination of realised and unrealised losses is based on the Guidance of 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, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

27. CHANGES IN MATERIAL LITIGATIONS

Kuala Lumpur High Court Suit No. 22NCC-1777-2010

Litigation by Tricomtec Sdn. Bhd. (“Plaintiff”) Vs Standard Chartered Bank (M) Sdn. Bhd. (“First Defendant”) And P.A. Extrusion (M) Sdn. Bhd., a wholly-owned subsidiary company of P. A. Resources Berhad (“Second Defendant”) bearing Kuala Lumpur High Court Civil Suit No: D-22NCC-1777-2010.

On **13.1.2011**, the Plaintiff’s claim against the 1st and 2nd Defendants dismissed with costs of RM20,000.00 respectively due to the Plaintiff’s failure to make full and frank disclosure (in seeking an equitable relief) by providing documents as requested by the 1st Defendant.

The Board of Directors do not anticipate incurring any losses arising from the Writ of Summons which would adversely affect the performance of P.A. Resources Berhad.

28. DIVIDEND

No dividend has been recommended for the current quarter.

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29. EARNINGS / LOSS PER SHARE

The basic earnings/loss per share for the financial period has been calculated by dividing the net profit/loss after tax and minority 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).

a. Basic earning per share	Quarter Ended		Year To Date	
	31-Dec-2010	31-Dec-2009	31-Dec-2010	31-Dec-2009
Net profit /(loss) attributable to shareholders (RM'000)	(901)	(304)	(644)	(1,778)
Weighted average number of ordinary shares in issue ('000)	191,705	127,803	166,144	127,803
Basic earnings /(loss) per share (sen)	(0.47)	(0.24)	(0.39)	(1.39)

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.

30. 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 22 February 2011.