

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

**P.A. RESOURCES BERHAD**  
UNAUDITED INTERIM FINANCIAL STATEMENT

**FOR FINANCIAL YEAR ENDED 31 MARCH 2012**

**P.A. RESOURCES BERHAD (664612-X)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2012**

(The figures have not been audited)

	<b>As at 31-Mar-12 (Unaudited) RM'000</b>	<b>As at 31-Mar-11 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	75,370	77,359
Goodwill on consolidation	120	120
	<u>75,490</u>	<u>77,479</u>
<b>Current assets</b>		
Inventories	21,990	38,475
Trade receivables	25,822	17,727
Other receivables, deposits and prepayments	2,045	195
Tax refund receivables	1,691	1,712
Cash and bank balances	11,898	4,551
	<u>63,446</u>	<u>62,660</u>
<b>Total assets</b>	<u>138,936</u>	<u>140,139</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	98,743	98,743
Reserves	(58,931)	(46,747)
	<u>39,812</u>	<u>51,996</u>
Non-controlling interest	202	511
<b>Total equity</b>	<u>40,014</u>	<u>52,507</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	19,916	28,072
	<u>19,916</u>	<u>28,072</u>
<b>Current liabilities</b>		
Trade payables	8,480	4,469
Other payables and accruals	5,883	4,716
Borrowings	64,643	50,375
	<u>79,006</u>	<u>59,560</u>
<b>Total liabilities</b>	<u>98,922</u>	<u>87,632</u>
<b>Total equity and liabilities</b>	<u>138,936</u>	<u>140,139</u>
<b>Net assets per share attributable to equity holders of the Company (sen)</b>	<u>20.77</u>	<u>27.12</u>

The condensed consolidated Statement of Financial Position should be read in conjunction with the Audited financial statements for the financial year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2012**

(The figures have not been audited)

	<b>Quarter</b>		<b>Year-to-date</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31-Mar-12</b> (Unaudited) <b>RM'000</b>	<b>31-Mar-11</b> (Audited) <b>RM'000</b>	<b>31-Mar-12</b> (Unaudited) <b>RM'000</b>	<b>31-Mar-11</b> (Audited) <b>RM'000</b>
<b>Revenue</b>	27,730	20,759	102,803	82,606
<b>Cost of sales</b>	(34,684)	(16,531)	(104,672)	(70,679)
<b>Gross (loss)/profit</b>	(6,954)	4,228	(1,869)	11,927
<b>Other income</b>	177	64	1,707	434
<b>Other operating expenses</b>	(882)	(13,021)	(2,026)	(14,291)
<b>Distribution and administrative expenses</b>	(1,509)	(1,634)	(4,883)	(4,957)
<b>Operating loss</b>	(9,168)	(10,363)	(7,071)	(6,887)
<b>Finance costs</b>	(1,378)	(1,422)	(5,495)	(5,335)
<b>Loss before taxation</b>	(10,546)	(11,785)	(12,566)	(12,222)
<b>Tax income</b>	53	821	53	805
<b>Loss for the period</b>	(10,493)	(10,964)	(12,513)	(11,417)
<b>Other comprehensive income</b>				
Revaluation of land and buildings	-	(1,751)	-	686
Currency translation differences	-	(19)	20	-
Income tax relating to components of other comprehensive income	-	122	-	-
<b>Total comprehensive loss for the period</b>	(10,493)	(12,612)	(12,493)	(10,731)
<b>(Loss) / Profit attributable to:</b>				
Owner of the Company	(10,261)	(10,818)	(12,204)	(11,462)
Non-controlling interest	(232)	(146)	(309)	45
	(10,493)	(10,964)	(12,513)	(11,417)
<b>Total comprehensive (loss) / income attributable to:</b>				
Owner of the Company	(10,261)	(12,466)	(12,184)	(10,776)
Non-controlling interest	(232)	(146)	(309)	45
	(10,493)	(12,612)	(12,493)	(10,731)
<b>Earnings per share for loss attributable to the owners of the Company:</b>				
Basic earnings per share (sen)	(5.35)	(5.64)	(6.37)	(6.64)

The condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2011 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 YEAR ENDED 31 MARCH 2012**

(The figure have not been audited)

	Attributable to equity holders of the Company					Distributable Retained Earnings RM'000	Non- controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserves RM'000	Translation Reserve RM'000			
<b>Balance as at 1 April 2010</b>	66,792	4,214	(3,045)	3,499	(28)	(40,201)	466	31,697
Rights issue of 63,901,650 new ordinary shares of RM0.50 each	31,951	-	-	-	-	-	-	31,951
Rights issue expenses	-	(410)	-	-	-	-	-	(410)
Transfer to retained earnings	-	-	-	(51)	-	51	-	-
Total comprehensive income/(loss) for the year	-	-	-	686	-	(11,462)	45	(10,731)
<b>As at 31 March 2011</b>	<b>98,743</b>	<b>3,804</b>	<b>(3,045)</b>	<b>4,134</b>	<b>(28)</b>	<b>(51,612)</b>	<b>511</b>	<b>52,507</b>
<b>As at 1 April 2011</b>	<b>98,743</b>	<b>3,804</b>	<b>(3,045)</b>	<b>4,134</b>	<b>(28)</b>	<b>(51,612)</b>	<b>511</b>	<b>52,507</b>
Total comprehensive income / (loss) for the period	-	-	-	-	20	(12,204)	(309)	(12,493)
<b>As at 31 March 2012</b>	<b>98,743</b>	<b>3,804</b>	<b>(3,045)</b>	<b>4,134</b>	<b>(8)</b>	<b>(63,816)</b>	<b>202</b>	<b>40,014</b>

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 2011 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 31 MARCH 2012**

(The figures have not been audited)

	12 months ended	
	31-Mar-12 (Unaudited) RM'000	31-Mar-11 (Audited) RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipt from customers and others	94,565	87,717
Payment to suppliers, contractors and employees	(84,961)	(87,483)
Interest paid	(5,397)	(5,222)
Income tax refund / (paid)	74	(12)
Net cash generated from/(used in) operating activities	4,281	(5,000)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	-	141
Purchase of property, plant and equipment (Note A)	(2,880)	(5,373)
Proceeds from disposal of property, plant and equipment	35	17
Net cash used in investing activities	(2,845)	(5,215)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceed / (Repayment of ) from trade bills payables	12,669	(45,091)
Net (repayment) / proceed from term loans	(10,663)	13,598
Repayment of hire purchase liabilities	(23)	(117)
Increase in fixed deposits	-	(64)
Proceeds from issuance of right issues	-	31,951
Net cash generated from financing activities	1,983	277
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	3,419	(9,938)
Effect of foreign exchange fluctuations	(93)	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	(3,425)	6,513
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	(99)	(3,425)
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank overdrafts	(9,138)	(5,214)
Deposits, cash in hand and at banks	11,898	4,551
Fixed deposits pledged	(2,859)	(2,762)
	(99)	(3,425)

**NOTE TO THE CASH FLOW STATEMENTS****NOTE A - PURCHASE OF PROPERTY, PLANT AND EQUIPMENT**

	12 months ended	
	31-Mar-12 (Unaudited) RM'000	31-Mar-11 (Audited) RM'000
The Group acquired property, plant and equipment by way of the following:		
Hire purchase	189	-
On credit and pending for hire purchase financing	285	-
Cash equivalents payments	2,880	5,373
At cost	3,354	5,373

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2011 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 2011.

**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 financial year ended 31 March 2011 except for the adoption of the following new Financial Reporting Standards (FRSs) and Interpretations, and amendment to certain FRSs and Interpretations which are applicable and relevant for the financial period beginning 1 April 2011 and 1 July 2011 respectively.

The adoption of the above FRSs and Amendments to FRSs, are not expected to have any significant changes in the accounting policies and presentation of the financial results of the Group.

The following revised FRSs have been issued and are effective for financial periods commencing on or after 1 January 2012, and have yet to be adopted by the Group.

**FRS, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012**

- FRS 124 Related Party Disclosures (revised)

The initial application of the above FRSs and amendments to FRSs and Interpretation is not expected to have any significant impact on the Group

**Malaysia Financial Reporting Standards (MFRS Framework)**

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 31 March 2013.

The financial performance and financial position prepared under current accounting framework would not be significantly different if prepared under the MFRS Framework.

**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 2011 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.

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**5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

Except for the reason explain under Note 16, 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**

There were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities for the financial quarter ended 31 March 2012.

**8. DIVIDENDS PAID**

No dividend was paid during the current financial period.

**9. SEGMENTAL INFORMATION**

FRS 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.

<b><u>12 months year ended</u></b> <b><u>31-03-2012</u></b>	<b>Extrusion and fabrication</b> <b>RM'000</b>	<b>Aluminium billets and tolling</b> <b>RM'000</b>	<b>Construction contract</b> <b>RM'000</b>	<b>Others</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>Revenue</b>					
Total sales	107,305	46,212	10,157	-	163,674
Inter-segment sales	(24,047)	(36,814)	(10)	-	(60,871)
External sales	83,258	9,398	10,147	-	102,803
<b>Results</b>					
Profit/(Loss) from operations	2,034	(7,745)	(964)	(396)	(7,071)
Finance costs	(3,993)	(1,482)	(20)	-	(5,495)
Taxation					53
Loss after taxation					(12,513)
<b>Assets</b>					
Segment assets	93,569	36,665	8,129	453	138,816

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**9. SEGMENTAL INFORMATION (Cont'd)**

<b><u>12 months year ended</u></b> <b><u>31-03-2012</u></b>	<b>Extrusion and fabrication</b> <b>RM'000</b>	<b>Aluminium billets and tolling</b> <b>RM'000</b>	<b>Construction contract</b> <b>RM'000</b>	<b>Others</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>Liabilities</b>					
Segment liabilities	(71,533)	(24,906)	(2,130)	(353)	(98,922)
<b>Other information:</b>					
Capital expenditure	2,470	291	593	-	3,354
Depreciation	4,344	823	113	-	5,280

<b><u>12 months year ended</u></b> <b><u>31-03-2011</u></b>	<b>Extrusion and fabrication</b> <b>RM'000</b>	<b>Aluminium billets and tolling</b> <b>RM'000</b>	<b>Construction contract</b> <b>RM'000</b>	<b>Others</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>Revenue</b>					
Total sales	63,615	12,575	9,153	-	85,343
Inter-segment sales	(2,737)	-	-	-	(2,737)
External sales	60,878	12,575	9,153	-	82,606
<b>Results</b>					
Profit/(Loss) from operations	(3,120)	(3,666)	174	(275)	(6,887)
Finance costs	(3,895)	(1,416)	(24)	-	(5,335)
Taxation					805
<b>Loss after taxation</b>					<b>(11,417)</b>



**9. SEGMENTAL INFORMATION (Cont'd)**

<b><u>12 months year ended</u></b> <b><u>31-03-2011</u></b>	<b>Extrusion and fabrication</b> <b>RM'000</b>	<b>Aluminium billets and tolling</b> <b>RM'000</b>	<b>Construction contract</b> <b>RM'000</b>	<b>Others</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
<b>Assets</b>					
Segment assets	92,951	43,793	2,771	504	140,019
<b>Liabilities</b>					
Segment liabilities	(64,110)	(22,404)	(941)	(177)	(87,632)
<b>Other information:</b>					
Capital expenditure	5,179	106	88	-	5,373
Depreciation	4,433	876	85	-	5,394

**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**

Except for a subsidiary that has been granted a temporary financing limit of RM7 million on 4 April 2012 by a financial institution, 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 31 March 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 2.3 million, there was no material capital commitment as at 31 March 2012.

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

**15. PERFORMANCE REVIEW**

	Year To Date 31-March Revenue		Year To Date 31-March Operating Profit	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Extrusion and fabrication	83,258	60,878	2,034	(3,120)
Aluminium billets and tolling	9,398	12,575	(7,745)	(3,666)
Construction contract	10,147	9,153	(964)	174
Others	-	-	(396)	(275)
	<u>102,803</u>	<u>82,606</u>	<u>(7,071)</u>	<u>(6,887)</u>

**Extrusion and fabrication**

Turnover for the 12 months ended 31 March 2012 was 37% higher than the previous corresponding period. The higher turnover was due to the company's success in increasing exports and also penetrating new markets. With the higher turnover this sector is able to record an operating profit of RM 2 million for the year.

**Aluminium billet and tolling**

Year to date turnover for this sector reduced by 25% while operating losses increased 111% compared to the previous year. The higher losses was mainly due to the lower revenue, year-end stock take adjustment, writing down of obsolete and slow moving stock.

**Construction contract**

This sector recorded a turnover of RM 10.1 million with an operating loss of RM 0.9 million. The losses was mainly due to the relatively low revenue which was not sufficient to cover operating cost.

**Others**

This was mainly expenses incurred by the holding company and other subsidiaries which were dormant.

**16. QUARTERLY RESULTS COMPARISON**

	Quarter ended 31-March Revenue		Quarter ended 31-March Operating Profit	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Extrusion and fabrication	23,670	17,086	(2,420)	(7,201)
Aluminium billets and tolling	1,342	2,210	(5,857)	(2,645)
Construction contract	2,718	1,463	(777)	(416)
Others	-	-	(114)	(101)
	<u>27,730</u>	<u>20,759</u>	<u>(9,168)</u>	<u>(10,363)</u>

**Extrusion and fabrication**

Turnover for the quarter under review was 38% higher compared to the corresponding period in the preceding year while operating losses was 66% lower. The higher turnover was the result of the successful efforts by the company to penetrate other markets. Contribution from the higher sale helped reduced losses for this quarter.

**Aluminium billet and tolling**

Turnover for the quarter under review was 39% lower than the corresponding quarter in the preceding year while operating losses increased 121%. The increased losses was mainly due to the low revenue, year-end stock take adjustment, writing down of obsolete and slow moving stock.

**Construction contract**

Turnover for this sector increased 86% while operating losses increased 87% compared to the corresponding quarter in the preceding year. The main reason for the higher losses was the relatively low revenue which was insufficient to cover operating overheads.

**17. COMING QUARTER PROSPECTS**

**Extrusion and fabrication**

For the past two years, the bulk of the turnover in this sector has come from the solar panel industry. Recognising the need to expand our customer base, the company has been making extra effort to penetrate other industries. We are happy to note that there has been positive response to our effort and the construction industry in particular is expected to be an important source of revenue in the near future. Given this scenario, this sector has a very good chance of turning around in the coming financial year.

**Aluminium billet and tolling**

The lion share of the output from this sector is supplied to our extrusion and fabrication sector. With the extrusion and fabrication sector expecting to improve, the performance of this sector should improve in tandem

**Construction contract**

We are currently in the process of strengthening this sector in terms of organization and personnel. With these improvements in place, this sector shall be in a position to compete effectively and contribute positively to the group.

**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**

	<b>Current Quarter 31-March-2012 RM'000</b>	<b>Current Year To Date 31-March-2012 RM'000</b>
Current period / year:		
- current taxation	-	-
- overprovision in respect of prior year	(53)	(53)
- deferred taxation	-	-
	<u>(53)</u>	<u>(53)</u>

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 February 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).

**21. STATUS OF CORPORATE PROPOSALS (Cont'd)**

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.

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 is fixed on 28 May 2012.

On 28 May 2012, the Court has fixed the hearing for capital reduction on 15 June 2012.

**22. GROUP BORROWINGS**

The Group's borrowings as at 31 March 2012 comprise the following:-

	<b>RM'000</b>	<b>RM'000</b>
(a) Current		
Bank Overdraft (Secured)	9,137	
Trade bills payable (Secured)	22,275	
Revolving credit (Secured)	10,000	
Hire purchase liabilities	47	
Term loans (Secured)	<u>23,184</u>	
		64,643
(b) Non-current		
Term loans (Secured)	19,749	
Hire purchase liabilities	<u>167</u>	
		<u>19,916</u>
		<u><u>84,559</u></u>

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, RM 1.88 million out of the outstanding is denominated in US dollar, which is equivalent to USD 0.61 million.

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

**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:

	Year to date 31-March-2012 RM'000
Total accumulated losses of the Company and it's subsidiaries:	
- Realised	63,863
- Unrealised	(47)
Total Group accumulated losses as per consolidated accounts	<u>63,816</u>

**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).

<b>a. Basic earning per share</b>	<b>Quarter Ended</b>		<b>Year To Date</b>	
	<b>31-March-2012</b>	<b>31-March-2011</b>	<b>31-March-2012</b>	<b>31-March-2011</b>
Net loss attributable to shareholders (RM'000)	(10,261)	(10,818)	(12,204)	(11,462)
Weighted average number of ordinary shares in issue ('000)	191,705	191,705	191,705	172,621
Basic earning per share (sen)	<u>(5.35)</u>	<u>(5.64)</u>	<u>(6.37)</u>	<u>(6.64)</u>

**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. LOSS BEFORE TAXATION**

	Quarter Ended 31-March		Year Ended 31-March	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<b>This is stated after charging :-</b>				
Depreciation on property, plant & equipment	1,412	1,453	5,280	5,394
Loss on disposal on property, plant & equipment	-	-	28	19
Foreign exchange losses / (gain)				
- realised	476	153	188	198
- unrealised	(540)	160	(56)	160
Interest expense:				
- term loans	863	959	3,714	2,861
- hire purchase	3	1	6	6
- bank overdrafts	113	51	447	130
- trade line facilities	221	320	658	1,643
- revolving credits	133	33	556	509
- factoring	-	10	15	73
Allowance for impairment loss on trade receivable	-	9,315	-	9,315
Inventories written down	-	3,250	-	3,250
And after crediting:-				
Other Income:				
- allowance for doubtful debt written back	-	-	1,131	-
- agency fee, net of foreign exchange effect	145	(8)	454	222
- miscellaneous	12	-	26	71
- interest income	20	19	96	141

There was gain or loss on disposal of quoted or unquoted investments, gain or loss on derivatives and exceptional items for the current quarter under review and financial year-to-date ended 31 March 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 29 May 2012.