

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

P.A. RESOURCES BERHAD
UNAUDITED INTERIM FINANCIAL STATEMENT

FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012

P.A. RESOURCES BERHAD (664612-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 30 SEPTEMBER 2012**

(The figures have not been audited)

	As at 30-Sep-12 (Unaudited) RM'000	As at 31-Mar-12 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	75,855	75,370
Goodwill on consolidation	120	120
	<u>75,975</u>	<u>75,490</u>
Current assets		
Inventories	26,013	21,865
Trade receivables	28,553	25,901
Other receivables, deposits and prepayments	2,334	1,578
Tax refund receivables	1,287	1,691
Cash and bank balances	22,170	11,900
	<u>80,357</u>	<u>62,935</u>
	<u>156,332</u>	<u>138,425</u>
Total assets		
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	19,171	98,743
Reserves	18,270	(58,692)
	<u>37,441</u>	<u>40,051</u>
Non-controlling interest	161	236
	<u>37,602</u>	<u>40,287</u>
LIABILITIES		
Non-current liabilities		
Borrowings	10,391	17,041
	<u>10,391</u>	<u>17,041</u>
Current liabilities		
Trade payables	12,426	8,962
Other payables and accruals	21,827	4,017
Borrowings	73,486	67,518
Provisions	600	600
	<u>108,339</u>	<u>81,097</u>
	<u>118,730</u>	<u>98,138</u>
Total liabilities	<u>156,332</u>	<u>138,425</u>
Total equity and liabilities	<u>156,332</u>	<u>138,425</u>
Net assets per share attributable to equity holders of the Company (sen)	<u>19.53</u>	<u>20.89</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 2012 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

(The figures have not been audited)

	Quarter		Year-to-date	
	3 months ended		6 months ended	
	30-Sep-12	30-Sep-11	30-Sep-12	30-Sep-11
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Revenue	21,912	23,175	50,514	45,582
Cost of sales	(20,751)	(21,925)	(45,752)	(41,585)
Gross profit	1,161	1,250	4,762	3,997
Other income	55	507	44	741
Other operating expenses	(883)	(260)	(1,094)	(628)
Distribution and administrative expenses	(1,931)	(1,136)	(3,672)	(2,221)
Operating profit / loss	(1,598)	361	40	1,889
Finance costs	(1,393)	(1,386)	(2,725)	(2,770)
Loss before taxation	(2,991)	(1,025)	(2,685)	(881)
Tax income	-	-	-	-
Loss for the period	(2,991)	(1,025)	(2,685)	(881)
Other comprehensive income				
Currency translation differences	-		-	20
Total comprehensive loss for the period	(2,991)	(1,025)	(2,685)	(861)
Loss attributable to:				
Owner of the Company	(2,939)	(862)	(2,610)	(790)
Non-controlling interest	(52)	(163)	(75)	(91)
	(2,991)	(1,025)	(2,685)	(881)
Total comprehensive loss attributable to:				
Owner of the Company	(2,939)	(862)	(2,610)	(770)
Non-controlling interest	(52)	(163)	(75)	(91)
	(2,991)	(1,025)	(2,685)	(861)
Earnings per share for loss attributable to the owners of the Company:				
Basic earnings per share (sen)	(1.53)	(0.45)	(1.36)	(0.41)

The condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012 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 30 SEPTEMBER 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
	<-----Non-distributable----->									
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserves RM'000	Translation Reserve RM'000	Capital Redemption Reserve RM'000	Other Capital Reserve RM'000			
Balance as at 1 April 2011	98,743	3,804	(3,045)	4,134	(28)	-	-	(51,613)	511	52,506
Transfer to retained earnings	-	-	-	(64)	(25)	-	-	64	-	(25)
Total comprehensive loss for the year	-	-	-	-	-	-	-	(11,919)	(275)	(12,194)
As at 31 March 2012	98,743	3,804	(3,045)	4,070	(53)	-	-	(63,468)	236	40,287
As at 1 April 2012	98,743	3,804	(3,045)	4,070	(53)	-	-	(63,468)	236	40,287
Cancellation of 5,780,700 treasury shares of RM 0.50 each	(2,890)	(3,045)	3,045	-	-	2,890	-	-	-	-
Share capital reduction via the cancellation of RM 0.40 of the par value of every existing ordinary share of RM 0.50 each	(76,682)	-	-	-	-	-	12,065	64,617	-	-
Total comprehensive loss for the period	-	-	-	-	-	-	-	(2,610)	(75)	(2,685)
As at 30 SEPTEMBER 2012	19,171	759	-	4,070	(53)	2,890	12,065	(1,461)	161	37,602

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 2012 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 CASH FLOW
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

(The figures have not been audited)

	6 months ended	
	30-Sep-12 (Unaudited) RM'000	30-Sep-11 (Audited) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipt from customers and others	46,840	46,376
Payment to suppliers, contractors and employees	(30,208)	(39,159)
Interest paid	(2,655)	(2,737)
Income tax refund / (paid)	404	(4)
Net cash generated from operating activities	14,381	4,476
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (Note A)	(3,156)	(557)
Proceeds from disposal of property, plant and equipment		35
Net cash used in investing activities	(3,156)	(522)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceed from trade bills payables	938	3,433
Repayment of term loans	(6,988)	(5,663)
Repayment of hire purchase liabilities	(54)	(8)
Net cash used in financing activities	(6,104)	(2,238)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,121	1,716
Effect of foreign exchange fluctuations	(52)	526
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(97)	(3,425)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4,972	(1,183)
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank overdrafts	(14,296)	(5,616)
Deposits, cash in hand and at banks	22,170	7,249
Fixed deposits pledged	(2,902)	(2,816)
	4,972	(1,183)

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

	6 months ended	
	30-Sep-12 (Unaudited) RM'000	30-Sep-11 (Audited) RM'000
The Group acquired property, plant and equipment by way of the following:		
Hire purchase	51	-
Cash equivalents payments	3,156	557
At cost	3,207	557

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2012 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 MFRS 134

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 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 2012 which was prepared in accordance with Financial Reporting Standards (“FRS”).

2. SIGNIFICANT ACCOUNTING POLICIES

The quarterly condensed financial report is the Group’s first MFRS condensed financial report for the part of the period covered by the Group’s first MFRS framework annual financial statements for the year ended 31 March 2013, and hence, MFRS 1 : First Time Adoption of Malaysian Financial Reporting Standards has been applied.

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 2012. The transition from FRS to MFRS did not have material impact on comprehensive income, financial position and cash flows of the Group.

The following new Malaysian Financial Reporting Standards (FRSs) and Interpretations, and amendment to certain MFRSs and Interpretations which are applicable and relevant for the financial period beginning 1 January 2012 have been adopted by the Group during current period:-

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	Prepayments of Minimum Funding Requirement
Amendments to MFRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to MFRS 7	Transfers of Financial Assets
Amendments to MFRS 112	Deferred Tax: Recovery of Underlying Assets
FRS 124	Related Party Disclosures

The adoptions of these standards, amendments and interpretations have no material impact to these interim financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

As the date of authorization of these interim financial statements, the Group have not made early adoption of the following MFRSs, IC Interpretations and amendments to MFRSs, which have been issued and will be effective for the financial periods as stated below:-

		Effective date
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investment in Associates and Joint Ventures	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 7	Disclosures -Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
MFRS 9	Financial Instruments	1 January 2015

The adoption of these new MFRSs, amendments and IC Interpretation, are not expected to have any significant changes in the accounting policies and presentation of the financial results of the Group.

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 2012 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.

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

On 29 September 2012, the substantial shareholder, Mr. Chong Sze San has complied with his undertaking by subscribing to his rights shares entitlement of RM15.75 million as disclosed in Note 21. Other than this 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, repurchases, resales and repayments of debt and equity securities for the financial quarter ended 30 September 2012.

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8. DIVIDENDS PAID

No dividend was paid during the current financial period.

9. SEGMENTAL INFORMATION

MFRS 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, aluminium billets and tolling, construction contract and others.

<u>6 months period ended</u>	Extrusion and fabrication	Aluminium billets and tolling	Construction contract	Others	Total
<u>30-09-2012</u>	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
Total sales	55,945	20,967	6,460	-	83,372
Inter-segment sales	(12,696)	(20,162)	-	-	(32,858)
External sales	43,249	805	6,460	-	50,514
Results					
Profit/(Loss) from operations	1,953	(1,563)	(216)	(134)	40
Finance costs	(2,087)	(605)	(33)	-	(2,725)
Taxation					-
Profit after taxation					(2,685)
Assets					
Segment Assets	92,854	36,511	10,652	16,194	156,211
Liabilities					
Segment liabilities	(80,203)	(19,025)	(3,274)	(16,228)	(118,730)
Other information:					
Capital expenditure	3,119	8	80	-	3,207
Depreciation	2,190	428	104	-	2,722

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9. SEGMENTAL INFORMATION (Cont'd)

<u>6 months period ended 30-09-2011</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	45,481	19,678	5,127	-	70,286
Inter-segment sales	(10,442)	(14,262)	-	-	(24,704)
External sales	<u>35,039</u>	<u>5,416</u>	<u>5,127</u>	<u>-</u>	<u>45,582</u>
Results					
Profit/(Loss) from operations	2,846	(480)	(258)	(219)	1,889
Finance costs	(2,011)	(750)	(9)	-	(2,770)
Taxation					-
Profit after taxation					<u>(881)</u>
Assets					
Segment assets	<u>89,764</u>	<u>44,648</u>	<u>5,321</u>	<u>266</u>	<u>139,999</u>
Liabilities					
Segment liabilities	<u>(64,412)</u>	<u>(21,889)</u>	<u>(2,029)</u>	<u>(143)</u>	<u>(88,473)</u>
Other information:					
Capital expenditure	407	-	150	-	557
Depreciation	<u>2,202</u>	<u>409</u>	<u>47</u>	<u>-</u>	<u>2,658</u>

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 RM15.75 million on 17 October 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 30 September 2012; Other than The Group acquiring a new subsidiary known as P.A. Solar Energy Sdn. Bhd on 23 October 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 30 September 2012.

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

15. PERFORMANCE REVIEW

	Period To Date 30-September Revenue		Period To Date 30-September Operating Profit / (Loss)	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Extrusion and fabrication	43,249	35,039	1,953	2,846
Aluminium billets and tolling	805	5,416	(1,563)	(480)
Construction contract	6,460	5,127	(216)	(258)
Others	-	-	(134)	(219)
	<u>50,514</u>	<u>45,582</u>	<u>40</u>	<u>1,889</u>

Extrusion and fabrication

Year to date turnover for this sector was RM 43.2 million compared to RM 35.0 million for the same period in the previous year, an increase of 23%. Despite the increase in turnover, operating profit for the period was 1.9 million, a reduction of 32% compared to the operating profit of RM 2.8 million. The lower operating profit was mainly due to competitive pricing as a result of intense competition.

Aluminium billet and tolling

This sector recorded a turnover of RM 0.8 million which was a drop of 85% compared to the previous year. The main reason for the low turnover is that this sector is mainly supplying its output internally to the extrusion and fabrication sector. In line with this low turnover, operating losses increased by 225%.

Construction contract

This sector recorded a turnover of RM 6.5 million compared to 5.1 million for the same period in the previous year. The additional sales resulted in a lower loss of RM 216,000 compared to RM 258,000, a reduction of 16%.

Others

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

16. QUARTERLY RESULTS COMPARISON

	Quarter ended 30-September		Quarter ended 30-September	
	Revenue		Operating Profit / (Loss)	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Extrusion and fabrication	19,234	18,123	(815)	1,694
Aluminium billets and tolling	349	3,061	(543)	(689)
Construction contract	2,329	1,991	(163)	(537)
Others	-	-	(77)	(107)
	<u>21,912</u>	<u>23,175</u>	<u>(1,598)</u>	<u>361</u>

Extrusion and fabrication

Turnover for the quarter under review was RM 19.2 million, a slight increase of 6% compared to the corresponding quarter in the preceding year. However an operating loss of RM 815,000 was recorded compared to an operating profit of RM 1.7 million previously. As mentioned earlier, the poorer performance was mainly due to the competitive pricing of our products.

Aluminium billet and tolling

Turnover for the current quarter was only RM 0.3 million compared to RM 3.1 million in the previous year corresponding quarter. Similarly a large portion of the output for this sector was utilised internally, hence leaving little capacity for external sales.

Construction contract

Turnover for this sector was 17% higher than the corresponding quarter in the previous year. A lower loss of RM 163,000 was recorded as a result of the higher sales.

17. COMING QUARTER PROSPECTS

Extrusion and fabrication

As previously mentioned, this sector has been concentrating mainly on export to boost our turnover. However the success in penetrating the overseas markets have come with the requirement to compete effectively in terms of pricing and quality. This sector is expected to perform better in the coming months.

Aluminium billet and tolling

This sector is expected to improve in line with the higher demand in the extrusion and fabrication sector. The economy of scale generated by the higher volume should see this sector returning to profitability in the near future.

Construction contract

Major efforts are being made to secure projects and contain costs. This include increasing the sub-contractors' pool as well as improving efficiency in purchasing. This sector is likely to contribute positively to the group in the coming months.

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

	Current Quarter 30-September-2012 RM'000	Current Year To Date 30-September-2012 RM'000
Current period / year:		
- current taxation	-	-
- deferred taxation	-	-
	<u>-</u>	<u>-</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).

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.

21. STATUS OF CORPORATE PROPOSALS (Cont'd)

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 on 28 May 2012.

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

On 18 June 2012, 5,780,700 Treasury shares were cancelled.

On 26 June 2012, the sealed order of the High Court of Malaya in Kuala Lumpur confirming the share capital reduction has been lodged with the Companies Commission of Malaysia, marking the effective date of the share capital reduction and completion of PARB's share capital reduction exercise.

On 29 September 2012, the substantial shareholder, Mr. Chong Sze San has complied with his undertaking by subscribing to his rights shares entitlement of RM15.75 million.

On 5 October 2012, the Company

-has resolved to fix the issue price of the Rights Shares to be issued pursuant to the Rights Issue at RM0.10 per Rights Share;

-has announced the date for entitlement, commencement and cessation of rights trading and transfer, despatch of the prospectus and provisional allotment letter of offer, acceptance and payment of application, announcement of final subscription result and basis of allotment of excess, and listing of rights securities.

On 17 October 2012, the Abridged Prospectus was registered with Securities Commissioner.

On 19 October 2012, the Abridged Prospectus, Notice of Provisional Allotment and Rights Subscription Forms were despatched.

On 7 November 2012, Notice to warrant holders in relation to the Adjustment to the exercise price and the number of outstanding warrant pursuant to the rights issue was despatched.

On 19 November 2012, Warrants Register was adjusted to reflect the changes in the number of warrants.

On 20 November 2012, Notice of Allotment of Rights shares and Additional Warrants are despatched.

The relevant information related to the listing of rights shares and additional warrants is to be announced on 21 November 2012.

The rights shares and additional warrants are to be listed on 22 November 2012.

22. GROUP BORROWINGS

The Group's borrowings as at 30 September 2012 comprise the following:-

	RM'000	RM'000
(a) Current		
Bank Overdraft (Secured)	14,296	
Trade bills payable (Secured)	23,033	
Revolving credit (Secured)	10,000	
Hire purchase liabilities	152	
Term loans (Secured)	26,005	
		73,486
(b) Non-current		
Term loans (Secured)	9,940	
Hire purchase liabilities	451	
		10,391
		83,877

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 is an amount of RM 23.20 million which is equivalent to USD 7.51 million, the currency in which the outstanding amount is denominated.

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:

	Period to date 30-September-2012 RM'000
Total accumulated losses of the Company and it's subsidiaries:	
- Realised	(121,277)
- Unrealised	777
	(120,500)
Consolidation adjustments	57,344
Share capital reduction	64,617
Accumulated profits as per financial statements	(1,461)

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 for financial period / quarter ended 30 September 2012).

a. Basic earning per share	Quarter Ended		Year To Date	
	30-September-2012	30-September-2011	30-September-2012	30-September-2012
Net profit attributable to shareholders (RM'000)	(2,939)	(862)	(2,610)	(790)
Weighted average number of ordinary shares in issue ('000)	191,705	191,705	191,705	191,705
Basic earning per share (sen)	(1.53)	(0.45)	(1.36)	(0.41)

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. PROFIT / (LOSS) BEFORE TAXATION

	Quarter Ended		Year Ended	
	30-September		30-September	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
This is stated after charging :-				
Depreciation on property, plant & equipment	1,380	1,318	2,722	2,658
Foreign exchange losses / (gain)				
- realised	60	1	(67)	(2)
- unrealised	47	319	37	(446)
Interest expense:				
- term loans	858	1,102	1,795	2,223
- hire purchase	7	1	13	1
- bank overdrafts	318	107	509	225
- trade line facilities	188	157	338	271

26. PROFIT / (LOSS) BEFORE TAXATION (Cont'd)

And after crediting:-

Other Income:

- agency fee, net of foreign exchange effect	32	(20)	(2)	170
- miscellaneous	9	-	19	10
- interest income	22	21	43	55

There was no gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, impairment of receivables, written down of inventories, gain or loss on derivatives and exceptional items for the current quarter under review and financial year-to-date ended 30 September 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 20 November 2012.