

NILAI RESOURCES GROUP BERHAD (Company No. 17654-P)*(formerly known as PK Resources Berhad)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2009**

	<u>2009</u> Current Quarter Ended 30 June (RM '000)	<u>2008</u> Comparative Quarter Ended 30 June (RM '000)	<u>2009</u> 6 months Cumulative to date (RM '000)	<u>2008</u> 6 months Cumulative to date (RM '000)
Revenue	32,362	29,550	62,146	114,234
Cost Of Sales	(13,405)	(26,867)	(24,935)	(51,371)
Gross Profit	18,957	2,683	37,211	62,863
Other Income	1,220	1,083	2,352	2,420
Administrative Expenses	(16,741)	(16,160)	(33,821)	(39,830)
Selling and Marketing Expenses	(710)	(493)	(1,185)	(957)
Other Expenses	(1,797)	(1,109)	(2,927)	(2,331)
Finance Costs	(922)	(1,179)	(1,926)	(2,686)
Profit/(loss) before tax	7	(15,175)	(296)	19,479
Taxation	(153)	4,871	(794)	(4,986)
(Loss)/profit for the period	(146)	(10,304)	(1,090)	14,493
Attributable to:				
Equity holders of the Company	(7,802)	(18,086)	(8,778)	147
Minority interests	7,656	7,782	7,688	14,346
	(146)	(10,304)	(1,090)	14,493
(Loss)/earnings per share attributable to equity holders of the Company				
- Basic (sen)	(6.84)	(15.86)	(7.70)	0.13

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31st December 2008 and the accompanying explanatory notes attached to the interim financial statements)

NILAI RESOURCES GROUP BERHAD (Company No. 17654-P)

(formerly known as PK Resources Berhad)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2009

	As at 30 Jun 2009 (RM '000)	(Audited) As at 31 Dec 2008 (RM '000)
ASSETS		
Non current assets		
Property, plant and equipment	224,763	192,442
Land held for development	133,987	133,987
Investment properties	10,249	11,980
Prepaid land lease payments	5,092	5,187
Investments in associates	811	811
Deferred tax assets	900	842
Goodwill	843	843
	<hr/> 376,645	<hr/> 346,092
Current assets		
Property development costs	209,487	210,057
Inventories	69,465	69,264
Trade and other receivables	65,805	76,144
Tax recoverable	3,259	4,910
Cash and bank balances	15,093	13,625
	<hr/> 363,109	<hr/> 374,000
TOTAL ASSETS	<hr/> 739,754	<hr/> 720,092
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	114,036	114,036
Reserves	291,619	300,330
	<hr/> 405,655	<hr/> 414,366
Minority interests	134,030	133,531
Total equity	<hr/> 539,685	<hr/> 547,897
Non current liabilities		
Deferred tax liabilities	37,954	37,056
Long term borrowings	42,042	34,999
	<hr/> 79,996	<hr/> 72,055
Current liabilities		
Trade and other payables	85,744	65,564
Bank overdraft	992	930
Short term borrowings	30,470	30,344
Provision for taxation	2,867	3,302
	<hr/> 120,073	<hr/> 100,140
Total liabilities	<hr/> 200,069	<hr/> 172,195
TOTAL EQUITY AND LIABILITIES	<hr/> 739,754	<hr/> 720,092
Net assets per share (RM)	<hr/> 3.56	<hr/> 3.63

(The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31st December 2008 and the accompanying explanatory notes attached to the interim financial statements)

NILAI RESOURCES GROUP BERHAD (Company No. 17654-P)*(formerly known as PK Resources Berhad)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2009**

	← Attributable to equity holders of the Company →			Minority Interests	Total Equity	
	Share capital (RM '000)	Reserve attributable to capital (RM '000)	Retained profits (RM '000)	Total (RM '000)	(RM '000)	(RM '000)
<u>6 months ended 30 June 2009</u>						
At 1 January 2009	114,036	133,846	166,484	414,366	133,531	547,897
Movements during the period						
- Profit for the period, representing total recognised income and expense for the period	-	-	(8,778)	(8,778)	7,688	(1,090)
- Dividend paid to minority shareholders in a subsidiary for the year ended 31 December 2009	-	-	-	-	(7,189)	(7,189)
- Share option expense	-	67	-	67	-	67
At 30 June 2009	<u>114,036</u>	<u>133,913</u>	<u>157,706</u>	<u>405,655</u>	<u>134,030</u>	<u>539,685</u>
<u>6 months ended 30 June 2008</u>						
At 1 January 2008	114,036	133,645	176,881	424,562	133,466	558,028
Movements during the period						
- Profit for the period, representing total recognised income and expense for the period	-	-	147	147	14,346	14,493
- Dividend paid to minority shareholders in a subsidiary for the year ended 31 December 2008	-	-	-	-	(10,046)	(10,046)
At 30 June 2008	<u>114,036</u>	<u>133,645</u>	<u>177,028</u>	<u>424,709</u>	<u>137,766</u>	<u>562,475</u>

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31st December 2008 and the accompanying explanatory notes attached to the interim financial statements)

NILAI RESOURCES GROUP BERHAD (Company No. 17654-P)*(formerly known as PK Resources Berhad)**(Incorporated in Malaysia)***CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2009**

	<u>2009</u> 6 months ended 30 June (RM '000)	<u>2008</u> 6 months ended 30 June (RM '000)
OPERATING ACTIVITIES		
(Loss)/profit before tax	(296)	19,479
Adjustments for non-cash flow items :		
Property, plant and equipment	3,303	2,400
Other non-cash items	73	7
Operating profit before changes in working capital	3,080	21,886
Changes in working capital		
Net changes in property development expenditure	717	22,024
Net changes in current assets	10,132	21,841
Net changes in liabilities	21,444	(13,239)
Net cash flows generated from operating activities	35,373	52,512
INVESTING ACTIVITIES		
Property, plant and equipment	(33,439)	(4,346)
Other investing activities	-	-
Net cash flows used in investing activities	(33,439)	(4,346)
FINANCING ACTIVITIES		
Bank borrowings	6,662	(21,256)
Other financing activities	(7,190)	(10,047)
Net cash flows used in financing activities	(528)	(31,303)
Net increase in cash and cash equivalents	1,406	16,863
Cash and cash equivalents at beginning of year	12,695	26,663
Cash and cash equivalents at end of period	14,101	43,526
Cash and cash equivalents comprise the following:		
Cash and bank balances	15,093	44,483
Bank overdraft	(992)	(957)
	14,101	43,526

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31st December 2008 and the accompanying explanatory notes attached to the interim financial statements)

NILAI RESOURCES GROUP BERHAD (Company No. 17654-P)

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2009

1. BASIS OF PREPARATION

The interim financial report has been prepared in accordance with FRS 134 Interim Financial Reporting and Chapter 9 part 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008.

The accounting policies and basis of measurement adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2008.

2. AUDIT QUALIFICATION OF PRECEDING AUDITED ANNUAL REPORT

There were no audit qualifications in the Group's preceding audited annual report.

3. SEASONAL OR CYCLICAL FACTORS

The Group's operations are not materially affected by any seasonal or cyclical events.

4. UNUSUAL ITEMS

There were no unusual items that affect assets, liabilities, equity, net income or cashflows for the current interim quarter and financial period to date.

5. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED IN PRIOR INTERIM PERIODS OR FINANCIAL YEARS

There were no material changes in the estimates of amounts reported in prior interim periods that have material effect in the current interim period.

6. CHANGES IN SHARE CAPITAL

There has been no issuance or repayment of debts and equity securities, shares buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the current interim quarter and period ended 30 June 2009.

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2009

7. SEGMENTAL INFORMATION

The segment revenue and results for the Company and its subsidiaries are set out below:

	Segment Revenue		Segment Results	
	2009	2008	2009	2008
	RM '000	RM '000	RM '000	RM '000
Property development	29,336	87,161	(1,632)	21,099
Hospitality	4,510	4,252	(1,716)	(6)
Education	24,580	18,862	3,731	371
Unallocated reconciling items	3,720	3,959	(1,105)	(1,719)
	62,146	114,234	(722)	19,745

8. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment have been brought forward from the financial statements for the year ended 31 December 2008 at cost.

9. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

In the opinion of the Board, same as disclosed below, there were no material events or transactions which have arisen during the period from the end of the interim quarter to the date of this announcement that would materially affect the results or operations of the Group.

On 31 July 2009, the Company paid a first and final dividend of 2 sen per share less income tax of 25% in respect of the financial year ended 31 December 2008, amounting to RM 1,710,532. The first and final dividend had been approved for payment to shareholders at the Company's 35th Annual General Meeting held on 26 June 2009.

10. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes to the composition of the Group during the interim period including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinuing operations.

11. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date.

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2009

12. CAPITAL COMMITMENTS

The changes in capital commitments not provided for since the last annual report are as follows :

	As At 30.06.2009 RM'000	Audited As At 31.12.2008 RM'000
Approved and contracted for	14,859	31,747
Approved but not contracted for	-	6,039
	<hr/>	<hr/>
	14,859	37,786
	<hr/>	<hr/>

13. RELATED PARTY TRANSACTIONS

The significant related party transactions for the financial year to date are as follows:

	As At 30.06.2009 RM'000	Audited As At 31.12.2008 RM'000
Rental paid to a company in which certain directors have financial interests - G.O. Construction Sdn Bhd	68	135
	<hr/>	<hr/>

14. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES FOR THE CURRENT QUARTER.

The Group achieved a higher turnover of RM32.36 million for the quarter, as compared to the preceding year's corresponding quarter of RM29.55 million, with the completion of the Impiana Residence project.

For the quarter, the Group registered a pre-tax profit of RM7,000 as compared to the preceding year's corresponding quarter pre-tax loss of RM15.18 million. The preceding year's pre-tax loss was a result of the additional charge of RM13.27 million due to the revision in property development cost following the rising cost of building materials and amendments made to the Putra Nilai Master Development Plan.

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2009

15. MATERIAL CHANGES IN THE PROFIT BEFORE TAXATION FOR THE QUARTER COMPARED TO THE IMMEDIATE PRECEDING QUARTER

The Group posted a marginal pre-tax profit of RM7,000 for the current quarter as compared to the pre-tax loss of RM0.30 million for the immediate preceding quarter due to the higher turnover of RM32.3 million in the current quarter as compared to RM29.8 million achieved in the preceding quarter.

16. CURRENT YEAR'S PROSPECTS

As the property market remains soft in 2009, the Group's performance in the current year is expected to remain challenging.

17. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

The Group did not issue any profit forecast or profit guarantee in a public document during the financial period.

18. TAXATION

Taxation is made up as follows:

	3 months ended		6 months ended	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
	RM'000	RM'000	RM'000	RM'000
Current taxation	(366)	(4,616)	(57)	5,005
Over provision for prior year	10	-	10	(51)
Deferred tax	509	(255)	841	32
Total	153	(4,871)	794	4,986

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2009

18. TAXATION (CONTD.)

The effective tax rate for the quarter and period ended 30 June 2009 which was higher than the statutory tax rate, is reconciled as follows :

	6 months ended 30.06.2009 RM'000	6 months ended 30.06.2008 RM'000
(Loss)/profit before tax	(296)	19,479
Taxation at Malaysian statutory tax rate of 25% (2008:26%)	(74)	5,065
Effect of expenses not deductible	570	2,442
Tax benefit not recognised during the year	288	(2,470)
Over provision of income tax expense in prior year	10	(51)
Taxation for the period	794	4,986

19. SALE OF INVESTMENTS AND PROPERTIES

There were no sale of investments and/or assets for the current quarter and financial period to date.

20. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at 27 August 2009.

21. GROUP BORROWINGS

The Group's borrowings as at the end of the reporting period are as follows:

(a) Secured and unsecured :

	As At 30.06.2009 RM'000	Audited As At 31.12.2008 RM'000
Total secured borrowings	72,512	65,343
Total unsecured borrowings	992	930
Total borrowings	73,504	66,273

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**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2009**

21. GROUP BORROWINGS (CONTD.)

(b) Short-term and long-term

	As At 30.06.2009 RM'000	Audited As At 31.12.2008 RM'000
Total short-term borrowings	31,462	31,274
Total long-term borrowings	42,042	34,999
Total short-term and long-term borrowings	<u>73,504</u>	<u>66,273</u>

(c) All the debts/borrowings are denominated in Ringgit Malaysia.

22. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 27 August 2009.

23. MATERIAL LITIGATION

As at 27 August 2009, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 31 December 2008, except for the pending claim of RM10.00 million against a subsidiary, Nilai Springs Berhad as disclosed in the preceding quarter. The trial scheduled for 12 & 14 May 2009, has been postponed to 2 September 2009.

24. DIVIDENDS

No interim dividend has been declared for the current quarter ended 30 June 2009.

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***NOTES TO THE QUARTERLY FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2009***

25. EARNINGS PER SHARE

- a) Basic loss per share

Basic loss per share for the current quarter is based on the net loss attributable to ordinary shareholders of RM7.80 million and the weighted average number of ordinary shares outstanding during the current year to date of 114,035,500 ordinary shares.

BY ORDER OF THE BOARD

PAUL YONG POW CHOY

Company Secretary

27 August 2009