

**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 SEPTEMBER 2009**

	<b><u>2009</u></b> <b>Current</b> <b>Quarter Ended</b> <b>30 September</b> <b>(RM '000)</b>	<b><u>2008</u></b> <b>Comparative</b> <b>Quarter Ended</b> <b>30 September</b> <b>(RM '000)</b>	<b><u>2009</u></b> <b>9 months</b> <b>Cumulative</b> <b>to date</b> <b>(RM '000)</b>	<b><u>2008</u></b> <b>9 months</b> <b>Cumulative</b> <b>to date</b> <b>(RM '000)</b>
Revenue	42,549	30,939	104,695	145,173
Cost Of Sales	(12,829)	(15,023)	(37,764)	(66,394)
Gross Profit	29,720	15,916	66,931	78,779
Other Income	795	1,065	3,147	3,486
Administrative Expenses	(19,239)	(15,378)	(53,059)	(55,209)
Selling and Marketing Expenses	(581)	(435)	(1,766)	(1,392)
Other Expenses	(2,185)	(1,247)	(5,112)	(3,578)
Finance Costs	(965)	(1,557)	(2,891)	(4,243)
Profit/(loss) before tax	7,545	(1,636)	7,250	17,843
Taxation	(4,573)	(164)	(5,366)	(5,150)
Profit/(loss) for the period	2,972	(1,800)	1,884	12,693
Attributable to:				
Equity holders of the Company	(973)	(1,896)	(9,751)	(1,749)
Minority interests	3,945	96	11,635	14,442
	2,972	(1,800)	1,884	12,693
Loss per share attributable to equity holders of the Company				
- Basic (sen)	(0.85)	(1.66)	(8.55)	(1.53)

(The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31<sup>st</sup> 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 SEPTEMBER 2009**

	<b>As at 30 Sep 2009 (RM '000)</b>	<b>(Audited) As at 31 Dec 2008 (RM '000)</b>
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	245,494	192,442
Land held for development	133,055	133,987
Investment properties	10,249	11,980
Prepaid land lease payments	5,045	5,187
Investments in associates	811	811
Deferred tax assets	851	842
Goodwill	843	843
	<hr/> 396,348	<hr/> 346,092
<b>Current assets</b>		
Property development costs	206,038	210,057
Inventories	68,522	69,264
Trade and other receivables	60,891	76,144
Tax recoverable	1,414	4,910
Cash and bank balances	14,209	13,625
	<hr/> 351,074	<hr/> 374,000
<b>TOTAL ASSETS</b>	<hr/> <b>747,422</b>	<hr/> <b>720,092</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	114,036	114,036
Reserves	289,012	300,330
	<hr/> 403,048	<hr/> 414,366
<b>Minority interests</b>	137,989	133,531
<b>Total equity</b>	<hr/> <b>541,037</b>	<hr/> <b>547,897</b>
<b>Non current liabilities</b>		
Deferred tax liabilities	38,597	37,056
Long term borrowings	50,371	34,999
	<hr/> 88,968	<hr/> 72,055
<b>Current liabilities</b>		
Trade and other payables	81,502	65,564
Bank overdraft	985	930
Short term borrowings	30,416	30,344
Provision for taxation	4,514	3,302
	<hr/> 117,417	<hr/> 100,140
<b>Total liabilities</b>	<hr/> <b>206,385</b>	<hr/> <b>172,195</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<hr/> <b>747,422</b>	<hr/> <b>720,092</b>
<b>Net assets per share (RM)</b>	<hr/> <b>3.53</b>	<hr/> <b>3.63</b>

(The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31<sup>st</sup> 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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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2009**

	← Attributable to equity holders of the Company →			Total (RM '000)	Minority Interests (RM '000)	Total Equity (RM '000)
	Share capital (RM '000)	Reserve attributable to capital (RM '000)	Retained profits (RM '000)			
<b>9 months ended 30 September 2009</b>						
At 1 January 2009	114,036	133,846	166,484	414,366	133,531	547,897
Movements during the period						
- Premium on shares issued to non-participating minority interests	-	44	-	44	13	57
- Profit for the period, representing total recognised income and expense for the period	-	-	(9,751)	(9,751)	11,635	1,884
- Dividend paid for the year ended 31 December 2008	-	-	(1,711)	(1,711)	-	(1,711)
- Dividend paid to minority shareholders in a subsidiary for the year ended 31 December 2009	-	-	-	-	(7,190)	(7,190)
- Share options expense	-	100	-	100	-	100
At 30 September 2009	114,036	133,990	155,022	403,048	137,989	541,037
<b>9 months ended 30 September 2008</b>						
At 1 January 2008	114,036	133,645	176,881	424,562	133,466	558,028
Movements during the period						
- Premium on shares issued to non-participating minority interests	-	43	-	43	14	57
- Profit for the period, representing total recognised income and expense for the period	-	-	(1,749)	(1,749)	14,442	12,693
- Dividend paid for the year ended 31 December 2007	-	-	(2,532)	(2,532)	-	(2,532)
- Dividend paid to minority shareholders in a subsidiary for the year ended 31 December 2007	-	-	-	-	(10,046)	(10,046)
- Share options expense	-	31	-	31	-	31
At 30 September 2008	114,036	133,719	172,600	420,355	137,876	558,231

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31<sup>st</sup> 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 SEPTEMBER 2009**

	<b><u>2009</u> 9 months ended 30 September (RM '000)</b>	<b><u>2008</u> 9 months ended 30 September (RM '000)</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	7,250	17,843
<b>Adjustments for non-cash flow items :</b>		
Property, plant and equipment	5,625	3,767
Other non-cash items	106	37
Operating profit before changes in working capital	12,981	21,647
<b>Changes in working capital</b>		
Net changes in property development expenditure	5,099	23,728
Net changes in current assets	15,988	25,361
Net changes in liabilities	16,812	(6,555)
Net cash flows generated from operating activities	50,880	64,181
<b>INVESTING ACTIVITIES</b>		
Property, plant and equipment	(56,445)	(20,189)
Other investing activities	-	-
Net cash flows used in investing activities	(56,445)	(20,189)
<b>FINANCING ACTIVITIES</b>		
Bank borrowings	14,937	(39,804)
Other financing activities	(8,843)	(12,521)
Net cash flows generated from / (used in) financing activities	6,094	(52,325)
Net increase / (decrease) in cash and cash equivalents	529	(8,333)
Cash and cash equivalents at beginning of year	12,695	26,663
Cash and cash equivalents at end of period	13,224	18,330
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	14,209	19,307
Bank overdraft	(985)	(977)
	13,224	18,330

(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31<sup>st</sup> 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 SEPTEMBER 2009***

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### **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 September 2009.

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

### **7. SEGMENTAL INFORMATION**

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

	<b>Segment Revenue</b>		<b>Segment Results</b>	
	<b>9 months ended 30 September</b>			
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Property development	52,889	102,628	4,733	18,715
Hospitality	8,041	6,320	(2,820)	(121)
Education	37,880	30,113	6,840	2,269
Unallocated reconciling items	5,885	6,112	(1,759)	(2,263)
	<b>104,695</b>	<b>145,173</b>	<b>6,994</b>	<b>18,600</b>

### **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, 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.

### **10. CHANGES IN THE COMPOSITION OF THE GROUP**

Save as disclosed below, 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.

On 10 August 2009, the Board of Directors of PK Trade & Services Sdn Bhd ("PKTS") and PK Mall Management Sdn Bhd ("PKMSB") approved the proposed dissolution of the companies by way of strike-off. The application to strike-off have been submitted to the Companies Commission of Malaysia accordingly on 14 August 2009 and 3 September 2009 for PKTS and PKMSB respectively.

### **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 SEPTEMBER 2009**

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**12. CAPITAL COMMITMENTS**

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

	<b>As At 30.09.2009 RM'000</b>	<b>Audited As At 31.12.2008 RM'000</b>
Approved and contracted for	18,910	31,747
Approved but not contracted for	-	6,039
	<hr/>	<hr/>
	18,910	37,786
	<hr/>	<hr/>

**13. RELATED PARTY TRANSACTIONS**

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

	<b>As At 30.09.2009 RM'000</b>	<b>Audited As At 31.12.2008 RM'000</b>
Rental paid to a company in which certain directors have financial interests - G.O. Construction Sdn Bhd	102	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 RM42.55 million for the quarter, which included a land sale of RM11.32 million, as compared to the preceding year's corresponding quarter of RM30.94 million.

As a result of the said land sale for the quarter, the Group registered a pre-tax profit of RM7.54 million as compared to the preceding year's corresponding quarter pre-tax loss of RM1.64 million.

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

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

The Group posted a pre-tax profit of RM7.54 million for the current quarter as compared to the pre-tax profit of RM7,000 for the immediate preceding quarter as a result of the land sale as mentioned in Note 14.

### **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:

	<b>6 months ended</b>		<b>9 months ended</b>	
	<b>30.09.2009</b>	<b>30.09.2008</b>	<b>30.09.2009</b>	<b>30.09.2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current taxation	3,881	(194)	3,823	4,811
Under/(over) provision for prior year	-	-	10	(51)
Deferred tax	692	358	1,533	390
Total	<b>4,573</b>	<b>164</b>	<b>5,366</b>	<b>5,150</b>



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

### **18. TAXATION (CONTD.)**

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

	<b>9 months ended 30.09.2009 RM'000</b>	<b>9 months ended 30.09.2008 RM'000</b>
Profit before tax	7,250	17,843
Taxation at Malaysian statutory tax rate of 25% (2008:26%)	1,813	4,639
Effect of expenses not deductible	3,028	3,060
Tax benefit not recognised during the year	515	62
Utilisation of previously unrecognised tax benefit	-	(2,560)
Over provision of income tax expense in prior year	10	(51)
Taxation for the period	5,366	5,150

### **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 25 November 2009.

### **21. GROUP BORROWINGS**

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

(a) Secured and unsecured :

	<b>As At 30.09.2009 RM'000</b>	<b>Audited As At 31.12.2008 RM'000</b>
Total secured borrowings	80,787	65,343
Total unsecured borrowings	985	930
Total borrowings	81,772	66,273

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

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### **21. GROUP BORROWINGS (CONTD.)**

(b) Short-term and long-term

	<b>As At 30.09.2009 RM'000</b>	<b>Audited As At 31.12.2008 RM'000</b>
Total short-term borrowings	31,401	31,274
Total long-term borrowings	50,371	34,999
Total short-term and long-term borrowings	<u>81,772</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 25 November 2009.

### **23. MATERIAL LITIGATION**

As at 25 November 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 scheduled trial has been postponed to 21 and 22 December 2009.

### **24. DIVIDENDS**

(a) 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 RM1,710,532. 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.

(b) No interim dividend has been declared for the current quarter ended 30 September 2009.

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***NOTES TO THE QUARTERLY FINANCIAL STATEMENTS***

***FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2009***

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**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 RM0.97 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

25 November 2009