

**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 31 DECEMBER 2009**

	<b><u>2009</u></b> <b>Current</b> <b>Quarter Ended</b> <b>31 December</b> <b>(RM '000)</b>	<b><u>2008</u></b> <b>Comparative</b> <b>Quarter Ended</b> <b>31 December</b> <b>(RM '000)</b>	<b><u>2009</u></b> <b>12 months</b> <b>Cumulative</b> <b>to date</b> <b>(RM '000)</b>	<b><u>2008</u></b> <b>12 months</b> <b>Cumulative</b> <b>to date</b> <b>(RM '000)</b>
Revenue	32,839	37,336	137,534	182,509
Cost Of Sales	<u>(14,535)</u>	<u>(18,693)</u>	<u>(52,299)</u>	<u>(85,349)</u>
Gross Profit	18,304	18,643	85,235	97,160
Other Income	854	1,736	4,001	5,279
Administrative Expenses	(15,021)	(16,934)	(68,081)	(72,018)
Selling and Marketing Expenses	(556)	(412)	(2,322)	(1,804)
Other Expenses	(2,125)	(1,120)	(7,237)	(4,698)
Finance Costs	(968)	(762)	(3,858)	(5,005)
Share of loss of Associate	<u>(11)</u>	<u>(12)</u>	<u>(11)</u>	<u>(12)</u>
Profit before tax	477	1,139	7,727	18,902
Taxation	<u>(1,012)</u>	<u>(1,166)</u>	<u>(6,378)</u>	<u>(6,316)</u>
(Loss) / Profit for the period	<u>(535)</u>	<u>(27)</u>	<u>1,349</u>	<u>12,586</u>
Attributable to:				
Equity holders of the Company	(3,333)	(5,949)	(13,084)	(7,754)
Minority interests	<u>2,798</u>	<u>5,922</u>	<u>14,433</u>	<u>20,340</u>
	<u>(535)</u>	<u>(27)</u>	<u>1,349</u>	<u>12,586</u>
Loss per share attributable to equity holders of the Company				
- Basic (sen)	<u>(2.92)</u>	<u>(5.22)</u>	<u>(11.47)</u>	<u>(6.80)</u>

(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 31 DECEMBER 2009**

	<b>As at 31 Dec 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	258,311	192,442
Land held for development	132,624	133,987
Investment properties	10,249	11,980
Prepaid land lease payments	4,998	5,187
Investments in associates	800	811
Deferred tax assets	973	842
Goodwill	843	843
	<b>408,798</b>	<b>346,092</b>
<b>Current assets</b>		
Property development costs	201,663	210,057
Inventories	68,266	69,264
Trade and other receivables	58,277	76,144
Tax recoverable	2,886	4,910
Cash and bank balances	15,695	13,625
	<b>346,787</b>	<b>374,000</b>
<b>TOTAL ASSETS</b>	<b>755,585</b>	<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	285,720	300,330
	<b>399,756</b>	<b>414,366</b>
<b>Minority interests</b>	<b>140,551</b>	<b>133,531</b>
<b>Total equity</b>	<b>540,307</b>	<b>547,897</b>
<b>Non current liabilities</b>		
Deferred tax liabilities	38,795	37,056
Long term borrowings	56,274	34,999
	<b>95,069</b>	<b>72,055</b>
<b>Current liabilities</b>		
Trade and other payables	84,096	65,564
Bank overdraft	782	930
Short term borrowings	30,382	30,344
Provision for taxation	4,949	3,302
	<b>120,209</b>	<b>100,140</b>
<b>Total liabilities</b>	<b>215,278</b>	<b>172,195</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>755,585</b>	<b>720,092</b>
<b>Net assets per share (RM)</b>	<b>3.51</b>	<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)**

(formerly known as PK Resources Berhad)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2009**

	← Attributable to equity holders of the Company →				Minority Interests (RM '000)	Total Equity (RM '000)
	Share capital (RM '000)	Reserve attributable to capital (RM '000)	Retained profits (RM '000)	Total (RM '000)		
<b><u>12 months ended 31 December 2009</u></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	-	51	-	51	16	67
- Profit for the period, representing total recognised income and expense for the period	-	-	(13,084)	(13,084)	14,433	1,349
- Dividend paid for the year ended 31 December 2008	-	-	(1,710)	(1,710)	-	(1,710)
- Dividend paid to minority shareholders in a subsidiary for the year ended 31 December 2009	-	-	-	-	(7,429)	(7,429)
- Share options expense	-	133	-	133	-	133
At 31 December 2009	114,036	134,030	151,690	399,756	140,551	540,307
<b><u>12 months ended 31 December 2008</u></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	-	68	-	68	22	90
- Profit for the period, representing total recognised income and expense for the period	-	-	(7,754)	(7,754)	20,341	12,587
- Dividend paid for the year ended 31 December 2007	-	-	(2,532)	(2,532)	-	(2,532)
- Realisation of reserve on consolidation due to acquisition of shares in subsidiaries	-	-	(111)	(111)	(6,921)	(7,032)
- Dividend paid to minority shareholders in a subsidiary for the year ended 31 December 2007	-	-	-	-	(13,377)	(13,377)
- Share options expense	-	133	-	133	-	133
At 31 December 2008	114,036	133,846	166,484	414,366	133,531	547,897

(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 31 DECEMBER 2009**

	<u>2009</u> 12 months ended 31 December (RM '000)	<u>2008</u> 12 months ended 31 December (RM '000)
<b>OPERATING ACTIVITIES</b>		
Profit before tax	7,727	18,903
<b>Adjustments for non-cash flow items :</b>		
Property, plant and equipment	8,229	5,162
Other non-cash items	151	4,331
Operating profit before changes in working capital	16,107	28,396
<b>Changes in working capital</b>		
Net changes in property development expenditure	9,904	29,690
Net changes in current assets	18,858	39,086
Net changes in liabilities	17,433	(4,496)
Net cash flows generated from operating activities	62,302	92,676
<b>INVESTING ACTIVITIES</b>		
Property, plant and equipment	(71,820)	(49,165)
Other investing activities	-	(7,868)
Net cash flows used in investing activities	(71,820)	(57,033)
<b>FINANCING ACTIVITIES</b>		
Bank borrowings	20,807	(33,793)
Other financing activities	(9,071)	(15,818)
Net cash flows generated from / (used in) financing activities	11,736	(49,611)
Net increase / (decrease) in cash and cash equivalents	2,218	(13,968)
Cash and cash equivalents at beginning of year	12,695	26,663
Cash and cash equivalents at end of period	14,913	12,695
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	15,695	13,625
Bank overdraft	(782)	(930)
	14,913	12,695

(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 31 DECEMBER 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 2009.

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 2009.

### **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 31 December 2009.

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

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## **NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2009**

### **7. SEGMENTAL INFORMATION**

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

	Segment Revenue		Segment Results	
	← 12 months ended 31 December →			
	2009	2008	2009	2008
	RM '000	RM '000	RM '000	RM '000
Property development	70,032	126,371	6,275	20,098
Hospitality	12,521	8,505	(3,025)	(418)
Education	47,095	39,678	6,460	1,971
Unallocated reconciling items	7,887	7,955	(2,114)	(3,011)
	137,534	182,509	7,595	18,640

### **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**

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.

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

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## **NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2009**

### **12. CAPITAL COMMITMENTS**

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

	<b>As At 31.12.2009 RM'000</b>	<b>Audited As At 31.12.2008 RM'000</b>
Approved and contracted for	1,397	31,747
Approved but not contracted for	-	6,039
	<u>1,397</u>	<u>37,786</u>

### **13. RELATED PARTY TRANSACTIONS**

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

	<b>As At 31.12.2009 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	135	135
	<u>135</u>	<u>135</u>

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

The Group achieved a lower turnover of RM32.79 million for the quarter, as compared to the preceding year's corresponding quarter of RM37.34 million. The lower revenue was mainly due to the delay in launching of several projects in the property segment.

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## **NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2009**

### **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 RM0.48 million for the current quarter as compared to the pre-tax profit of RM2.97 million for the immediate preceding quarter which included a land sale.

### **16. PROSPECTS FOR FINANCIAL YEAR 2010**

The Group's performance for 2010 is expected to improve over 2009 , contributed mainly to the improvement in the property and education segments.

### **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>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2009</b>	<b>31.12.2008</b>	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current taxation	937	1,750	4,760	6,559
Under/(over) provision for prior year	-	16	10	(33)
Deferred tax	75	(600)	1,608	(210)
<b>Total</b>	<b>1,012</b>	<b>1,166</b>	<b>6,378</b>	<b>6,316</b>



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

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## **NOTES TO THE QUARTERLY FINANCIAL STATEMENTS FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2009**

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

The effective tax rate for the quarter and period ended 31 December 2009 which was higher than the statutory tax rate, is reconciled as follows :

	<b>12 months ended 31.12.2009 RM'000</b>	<b>12 months ended 31.12.2008 RM'000</b>
Profit before tax	7,727	18,902
Taxation at Malaysian statutory tax rate of 25% (2008:26%)	1,932	4,915
Effect of expenses not deductible	3,874	1,784
Tax benefit not recognised during the year	572	-
Utilisation of previously unrecognised tax benefit	-	(791)
Over provision of income tax expense in prior year	-	408
Taxation for the period	6,378	6,316

### **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 24 February 2010.

### **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 31.12.2009 RM'000</b>	<b>Audited As At 31.12.2008 RM'000</b>
Total secured borrowings	86,656	65,343
Total unsecured borrowings	782	930
Total borrowings	87,438	66,273

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**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2009**

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

(b) Short-term and long-term

	<b>As At 31.12.2009 RM'000</b>	<b>Audited As At 31.12.2008 RM'000</b>
Total short-term borrowings	31,164	31,274
Total long-term borrowings	56,274	34,999
Total short-term and long-term borrowings	<u>87,438</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 24 February 2010.

**23. MATERIAL LITIGATION**

As at 24 February 2010, 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 has been fixed for continued hearing from 21 to 23 April 2010.

**24. DIVIDENDS**

(a) The Board of Directors is recommending a first and final dividend of 2.5% less 25% tax (2008 : 2% less 25% tax ) for the financial year ended 31 December 2009.

(b) The net dividend payable amounting to RM2,138,166 if approved by the shareholders of the Company at the forthcoming Annual General Meeting of the Company will be paid on a date to be announced.

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***NOTES TO THE QUARTERLY FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 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 RM3.33 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

24 February 2010