

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2010**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	Current	Comparative	6 months	6 months
	Quarter Ended	Quarter Ended	Cumulative	Cumulative
	30 June	30 June	to date	to date
	(RM '000)	(RM '000)	(RM '000)	(RM '000)
Revenue	28,997	32,362	72,208	62,146
Cost of sales	(8,975)	(13,405)	(27,619)	(24,935)
Gross profit	20,022	18,957	44,589	37,211
Other income	847	1,220	1,721	2,352
Administrative expenses	(18,758)	(16,741)	(36,518)	(33,821)
Selling and marketing expenses	(631)	(710)	(1,197)	(1,185)
Other expenses	(2,231)	(1,797)	(4,404)	(2,927)
Finance costs	(1,127)	(922)	(2,198)	(1,926)
(Loss)/profit before tax	(1,878)	7	1,993	(296)
Taxation	(223)	(153)	(1,647)	(794)
Net (loss)/profit for the period	(2,101)	(146)	346	(1,090)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (expense)/income for the period	(2,101)	(146)	346	(1,090)
(Loss)/profit attributable to:				
Equity holders of the Company	(1,982)	(7,802)	(426)	(8,778)
Minority interests	(119)	7,656	772	7,688
	(2,101)	(146)	346	(1,090)
Total comprehensive (expense)/income attributable to :				
Equity holders of the Company	(1,982)	(7,802)	(426)	(8,778)
Minority interests	(119)	7,656	772	7,688
	(2,101)	(146)	346	(1,090)
Loss per share attributable to equity holders of the Company				
- Basic (sen)	25 (1.74)	(6.84)	(0.37)	(7.70)

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 FINANCIAL POSITION****AS AT 30 JUNE 2010**

	<b>As at 30 Jun 2010 (RM '000)</b>	<b>(Audited) As at 31 Dec 2009 (RM '000)</b>
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	266,374	263,308
Land held for development	132,043	132,624
Investment properties	10,249	10,249
Investments in associates	800	800
Deferred tax assets	803	948
Goodwill	843	843
	<u>411,112</u>	<u>408,772</u>
<b>Current assets</b>		
Property development costs	202,970	204,228
Inventories	65,911	65,649
Trade and other receivables	57,956	57,259
Tax recoverable	1,221	2,887
Cash and bank balances	22,251	15,697
	<u>350,309</u>	<u>345,720</u>
<b>TOTAL ASSETS</b>	<u>761,421</u>	<u>754,492</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	114,036	114,036
Reserves	285,529	285,895
	<u>399,565</u>	<u>399,931</u>
<b>Minority interests</b>	141,168	140,396
<b>Total equity</b>	<u>540,733</u>	<u>540,327</u>
<b>Non current liabilities</b>		
Deferred tax liabilities	39,862	38,795
Long term borrowings	61,610	56,367
	<u>101,472</u>	<u>95,162</u>
<b>Current liabilities</b>		
Trade and other payables	84,163	81,884
Bank overdraft	997	782
Short term borrowings	30,487	30,417
Provision for taxation	3,569	5,920
	<u>119,216</u>	<u>119,003</u>
<b>Total liabilities</b>	<u>220,688</u>	<u>214,165</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>761,421</u>	<u>754,492</u>
<b>Net assets per share (RM)</b>	<u>3.50</u>	<u>3.51</u>

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

**NILAI RESOURCES GROUP BERHAD** (Company No. 17654-P)  
(fomerly known as PK Resources Berhad)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2010**

**6 months ended 30 June 2010**

	Equity attributable to owners of the parent, total								Minority interests
	Non-distributable					Distributable	Non-distributable		
	Total equity (RM'000)	Total (RM'000)	Share capital (RM'000)	Share premium (RM'000)	Capital reserve (RM'000)	Capital redemption reserve (RM'000)	Retained earnings (RM'000)		
At 1 January 2010	540,327	399,931	114,036	113,538	17,128	2,972	151,865	393	140,396
<b>Total comprehensive income</b>	346	(426)	-	-	-	-	(426)	-	772
<b>Transactions with Owners</b>									
Grant of equity settled share options to employees	59	59	-	-	-	-	-	59	-
<b>Total transactions with owners</b>	59	59	-	-	-	-	-	59	-
At 30 June 2010	540,733	399,565	114,036	113,538	17,128	2,972	151,439	453	141,168

**6 months ended 30 June 2009**

At 1 January 2009	547,897	414,366	114,036	113,538	17,076	2,972	166,484	260	133,531
<b>Total comprehensive income</b>	(1,090)	(8,778)	-	-	-	-	(8,778)	-	7,688
<b>Transactions with Owners</b>									
Grant of equity settled share options to employees	67	67	-	-	-	-	-	67	-
Dividend paid by subsidiaries to non-participating minority interest	(7,189)	-	-	-	-	-	-	-	(7,189)
<b>Total transactions with owners</b>	(7,122)	67	-	-	-	-	-	67	(7,189)
At 30 June 2009	539,685	405,655	114,036	113,538	17,076	2,972	157,706	327	134,030

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2010**

	<b><u>2010</u></b> <b>6 months</b> <b>ended</b> <b>30 June</b> <b>(RM '000)</b>	<b><u>2009</u></b> <b>6 months</b> <b>ended</b> <b>30 June</b> <b>(RM '000)</b>
<b>OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	1,993	(296)
<b>Adjustments for non-cash flow items :</b>		
Property, plant and equipment	4,120	3,303
Other non-cash items	(316)	73
Operating profit before changes in working capital	5,797	3,080
<b>Changes in working capital</b>		
Net changes in property development expenditure	1,840	717
Net changes in current assets	(583)	10,132
Net changes in liabilities	1,180	21,444
Net cash flows generated from operating activities	8,234	35,373
<b>INVESTING ACTIVITIES</b>		
Property, plant and equipment	(7,186)	(33,439)
Other investing activities	-	-
Net cash flows used in investing activities	(7,186)	(33,439)
<b>FINANCING ACTIVITIES</b>		
Bank borrowings	5,291	6,662
Dividend paid to shareholders of the company	-	-
Other financing activities	-	(7,190)
Net cash flows generated from/(used in) financing activities	5,291	(528)
Net increase in cash and cash equivalents	6,339	1,406
Cash and cash equivalents at beginning of year	14,915	12,695
Cash and cash equivalents at end of period	21,254	14,101
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	22,251	15,093
Bank overdraft	(997)	(992)
	21,254	14,101

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**- 30 JUNE 2010**

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**1. BASIS OF PREPARATION**

The interim financial statements 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 statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009.

The explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since 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 except for the adoption and their effects of the following new/revised Financial Reporting Standards ("FRSs") effective 1 January 2010 as disclosed below:

FRS 7 : Financial Instruments: Disclosure

FRS 8 : Operating Segments

FRS 101 : Presentation of Financial Statements (Revised)

FRS 123 : Borrowing Costs

FRS 139 : Financial Instrument: Recognition and Measurement

Amendments to FRS 1: First-time Adoption of Financial Reporting and FRS 127 : Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2 : Share-based Payment: Vesting Conditions and Cancellations

Amendments to FRS 132: Financial Instruments: Presentation

Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments Disclosures

Amendments to FRSs 'Improvements to FRSs (2009)'

IC Interpretation 10: Interim Financial Reporting and Impairment

- (a) FRS 8: Operating Segments  
The operating segments determined in accordance with FRS 8 are the same as the business segments previously adopted.
- (b) FRS 101: Presentation of Financial Statements (Revised)  
The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity include only details of transaction with owners, with all non-owner changes in equity presented as a single line. The standard also introduced the Statement of Comprehensive Income, with all items of income and expense recognised in Profit and Loss, together with all other items of recognised income and expense recognised directly in equity. This FRS only entail revision in presentation aspects and does not have any impact on the financial position and results of the Group.
- (c) FRS 139: Financial Instrument: Recognition and Measurement  
FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value and re-measured subsequently at the balance sheet date. The Group determines the classification at initial recognition and re-evaluates this designation at each year end except for those financial instruments measured at fair value through profit and loss.
  - i) Financial Assets  
Loan and Receivables  
Prior to 1 January 2010, loans and receivables were stated at gross proceeds less provision for doubtful debts.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**- 30 JUNE 2010**

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**1. BASIS OF PREPARATION (CONT'D)**

(c) FRS 139: Financial Instrument: Recognition and Measurement (Cont'd)

Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Gain and loss are recognised in the consolidated statement of comprehensive income when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non current.

ii) Financial Liabilities

Prior to 1 January 2010, borrowings were stated at the proceeds received less directly attributable transaction costs. Under FRS 139, borrowings are initially measured at fair value including directly attributable transaction costs and subsequently at amortised cost using the effective interest method. Gain and losses are recognised in the consolidated statement of comprehensive income when the liabilities are derecognised or through the amortisation process.

Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

	Effective for annual periods beginning on or after
Revised FRSs	
FRS 1 : First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 : Business Combinations	1 July 2010
Amendments to FRS 2 : Share-based Payment	1 July 2010
Amendments to FRS : 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS : 127 Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS : 138 Intangible Assets	1 July 2010
IC Interpretation 15 : Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 17 : Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 132 : Classification of Right Issue	1 March 2010
Amendments to FRS 1 : Limitation Exemption from Comparative FRS 7 Disclosure for First-time Adopters	1 July 2010
Amendments to FRS 7 : Improving Disclosures about Financial Instruments	1 July 2010

The Group plans to adopt the above revised FRSs and IC Interpretations when they become effective in the respective financial period. The adoption of the above revised FRSs, and IC Interpretations upon their initial application are not expected to have any significant impact on the financial statements of the Group other than as stated below:-

IC Interpretation 15 : Agreements for the Construction of Real Estate ("IC 15")

IC 15 focuses on the criteria that revenue can only be recognised when the entity has transferred to the buyer control, and significant risks and rewards of the ownership.

The Group currently recognised revenue arising from property development projects using the stage of completion method. Upon the adoption of IC Interpretation 15, the Group may be required to change its accounting policy to recognise such revenue at completion. The Group is in the process of assessing the impact of the adoption of this Interpretation.

**2. AUDIT QUALIFICATION OF PRECEDING AUDITED ANNUAL REPORT**

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**- 30 JUNE 2010**

**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 2010.

**7. SEGMENTAL INFORMATION**

(a) Operating segment information for the current financial period to 30 June 2010 is as follow:

	<b>Property Development</b>	<b>Hotel &amp; Leisure</b>	<b>Education</b>	<b>Others</b>	<b>Total</b>
<u>At 30 June 2010</u>	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
External revenue	31,944	9,447	26,771	4,045	72,208
Inter-segment revenue	-	142	-	1,916	2,058
Segment profit	3,742	1,163	4,615	2,303	11,823
Segment assets	432,662	115,023	189,168	22,543	759,397
<u>At 30 June 2009</u>					
External revenue	29,336	4,510	24,580	3,720	62,146
Inter-segment revenue	76	61	-	23,921	24,058
Segment profit/(loss)	63,439	(1,377)	4,665	23,886	90,614
Segment assets	462,165	103,480	145,447	24,501	735,594

(b) Reconciliation of reportable segment profit or loss

	<u>30-6-2010</u>	<u>30-6-2009</u>
	RM' 000	RM' 000
Total profit for reportable segments	11,823	90,614
Finance Cost	(2,198)	(1,926)
Elimination	(7,632)	(88,984)
<b>Consolidated profit/(loss) before tax</b>	<b>1,993</b>	<b>(296)</b>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**- 30 JUNE 2010**

**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 2009 at cost.

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

In the opinion of the Board, save 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 30 July 2010, the Company paid a first and final dividend of 2.5 sen per share less income tax of 25% in respect of the financial year ended 31 December 2009 amounting to RM2,138,166. The first and final dividend had been approved for payment to shareholder at the Company's 36th Annual General Meeting held on 25 June 2010.

On 16 August 2010, Nilai Resources Properties Sdn Bhd (formerly known as PK Properties Sdn Bhd), a wholly-owned subsidiary, had entered into an Agreement with Sin Hua Chuan Development Sdn Bhd and Zhang Shaotang to dispose of its entire equity interest comprising 1,089,000 ordinary shares of RM1.00 each in Golden Plateau Sdn Bhd (GP) free from all encumbrances, claims, charges, liens and equities and with all rights and advantageous attaching thereto or accruing thereon for RM4,827,872.80. Upon completion of the Disposal, GP shall cease to be an associate company of Nilai Resources Group Berhad.

**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.

	<b>As At</b>	<b>Audited</b>
	<b>30.06.10</b>	<b>As At</b>
	<b>RM'000</b>	<b>31.12.2009</b>
		<b>RM'000</b>
Corporate guarantee for facilities granted to subsidiaries	104,653	104,653

**12. CAPITAL COMMITMENTS**

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

	<b>As At</b>	<b>Audited</b>
	<b>30.06.10</b>	<b>As At</b>
	<b>RM'000</b>	<b>31.12.2009</b>
		<b>RM'000</b>
Approved and contracted for	3,827	8,016
Approved but not contracted for	324	-
	<u>4,151</u>	<u>8,016</u>



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**- 30 JUNE 2010**

**13. RELATED PARTY TRANSACTIONS**

(a) Within Nilai Resources Group Bhd

(i) Disclosure of Transactions

	<b>Transaction value</b>	
	<b>30/6/2010</b>	<b>30/6/2009</b>
	RM' 000	RM' 000
<b>Sales</b>		
Subsidiaries of holding company	1,448	1,102
<b>Purchases</b>		
Subsidiaries of holding company	252	192
<b>Management fees received from subsidiaries</b>		
Holding company	610	586
<b>Leases</b>		
Subsidiaries of holding company	2,661	350
<b>Interest income</b>		
Holding company	2,178	102
Subsidiaries of holding company	4,315	1,270

(ii) Disclosure of Balances

<u>Relationship</u>	<u>Terms and conditions</u>	<b>Transaction Balances</b>	
		<b>30/6/2010</b>	<b>30/6/2009</b>
		RM' 000	RM' 000
Subsidiaries	-Unsecured, loan tenure of 12 years @ 5 % per annum	21,023	10,880
	-Unsecured, loan tenure of 10 years @ 3.75 % per annum	15,616	2,122
Related companies	-Unsecured, loan tenure of 12 years @ 5 % per annum	28,002	28,427
	-Unsecured, loan tenure of 10 years @ 3.75 % per annum	15,895	-

(b) Other related party transactions

	<b>As At</b>	<b>Audited</b>
	<b>30.06.10</b>	<b>As At</b>
	<b>RM'000</b>	<b>RM'000</b>
Rental paid to companies in which certain directors have financial interests		
- G.O. Construction Sdn Bhd	68	135
- Lapangan Kota Sdn Bhd	154	-

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

The Group achieved revenue of RM28.99 million for the quarter as compared to the preceding year's corresponding quarter of RM32.36 million. The current quarter saw an improvement in revenue recorded by the hotel unit in comparison to the preceding year's quarter by RM 2.94 million as it had commenced operations in June 2009. This was however offset by the property sales which was lower by RM7.87 million in comparison to the preceding year's corresponding quarter which saw the completion of the Impiana Residence project.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**- 30 JUNE 2010**

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

The current quarter's revenue was lower than the preceding quarter by RM14.21 million as the preceding quarter saw the conclusion of the sale of a block of apartment at RM10.36 million. As a result of the lower revenue, the Group posted a pre-tax loss of RM1.88 million as compared to the pre-tax profit of RM3.87 million for the immediate preceding quarter.

**16. CURRENT YEAR PROSPECTS**

As the property market remains soft in 2010, the Group's performance 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>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2010</b>	<b>30.06.2009</b>	<b>30.06.2010</b>	<b>30.06.2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current taxation	134	(366)	654	(57)
Deferred tax	575	509	1,259	841
(Over)/under provision for prior year				
- current taxation	(439)	10	(219)	10
- deferred taxation	(47)	-	(47)	-
Income tax expense recognised in profit and loss	<u>223</u>	<u>153</u>	<u>1,647</u>	<u>794</u>

The effective tax rate for the quarter and period ended 30 June 2010 which was higher than the statutory tax rate, is reconciled as follows :

	<b>6 months ended</b>	<b>6 months ended</b>
	<b>30.06.2010</b>	<b>30.06.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit/(loss) before tax	<u>1,993</u>	<u>(296)</u>
Taxation at Malaysian statutory tax rate of 25% (2009:25%)	498	(74)
Adjustments :		
Effect of expenses not deductible	251	570
Tax benefit not recognised during the year	1,816	288
Utilisation of previously unrecognised tax benefit	(652)	-
(Over)/under provision in prior year		
- current taxation	(219)	10
- deferred taxation	(47)	-
Income tax expense recognised in profit and loss	<u>1,647</u>	<u>794</u>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**- 30 JUNE 2010**

**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 August 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 30.06.2010 RM'000</b>	<b>Audited As At 31.12.2009 RM'000</b>
Total secured borrowings	92,097	86,784
Total unsecured borrowings	997	782
	<hr/>	<hr/>
Total borrowings	93,094	87,566

- (b) Short-term and long-term

	<b>As At 30.06.2010 RM'000</b>	<b>Audited As At 31.12.2009 RM'000</b>
Total short-term borrowings	31,484	31,199
Total long-term borrowings	61,610	56,367
	<hr/>	<hr/>
Total short-term and long-term borrowings	93,094	87,566

- (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 August 2010.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**- 30 JUNE 2010**

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**23. MATERIAL LITIGATION**

As at 25 August 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 2009, except for the pending claim of RM10.00 million against a subsidiary, Nilai Springs Berhad (NSB) as disclosed in the preceding quarter.

The trial has completed on 11 August 2010. The judge has fixed 3 September 2010 for NSB's solicitors to prepare and file written submission, 17 September 2010 for the plaintiff's solicitor to file their reply and 24 September 2010 for NSB's solicitor to file their reply. The judge has fixed 30 September 2010 for clarification and decision.

**24. DIVIDENDS**

No interim dividend has been declared for the current quarter ended 30 June 2010.

**25. EARNINGS PER SHARE**

(a) Basic

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter <b>30/6/2010</b> RM' 000	Preceding year corresponding quarter <b>30/6/2009</b> RM' 000	Six months to <b>30/6/2010</b> RM' 000	Six months to <b>30/6/2009</b> RM' 000
Loss for the period	(1,982)	(7,802)	(426)	(8,778)
Weighted average number of ordinary shares in issue ('000)	114,036	114,036	114,036	114,036
Basic loss per share (sen)	<u>(1.74)</u>	<u>(6.84)</u>	<u>(0.37)</u>	<u>(7.70)</u>

(b) Diluted

The outstanding Employee Share Option Scheme (ESOS) have been excluded from the computation of fully diluted (loss)/earnings per share as their conversion to ordinary shares would be anti-dilutive in nature. Accordingly, the basic and fully diluted loss per share are the same.

**BY ORDER OF THE BOARD**

**PAUL YONG POW CHOY**  
 Company Secretary  
 25 August 2010