

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2010

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	Current	Comparative	12 months	12 months
	Quarter Ended	Quarter Ended	Cumulative	Cumulative
	31 December	31 December	to date	to date
	(RM '000)	(RM '000)	(RM '000)	(RM '000)
Revenue	28,263	32,839	151,905	137,534
Cost of sales	(12,044)	(14,587)	(60,757)	(52,351)
Gross profit	16,219	18,252	91,148	85,183
Other income	5,412	944	8,089	4,277
Administrative expenses	(18,238)	(14,044)	(73,429)	(67,290)
Selling and marketing expenses	(502)	(556)	(2,276)	(2,322)
Other expenses	(2,333)	(2,125)	(8,896)	(7,237)
Finance costs	(1,229)	(968)	(4,627)	(3,858)
Share of (Loss)/profit of associate	-	(11)	5	(11)
(Loss)/Profit before tax	(671)	1,492	10,014	8,742
Taxation	1,241	(2,007)	(4,025)	(7,374)
Net profit/(loss) for the period	570	(515)	5,989	1,368
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the period	570	(515)	5,989	1,368
Profit/(loss) attributable to:				
Equity holders of the Company	1,633	(3,158)	4,678	(12,909)
Non-controlling interests	(1,063)	2,643	1,311	14,277
	570	(515)	5,989	1,368
Total comprehensive income/(expense) attributable to :				
Equity holders of the Company	1,633	(3,158)	4,678	(12,909)
Non-controlling interests	(1,063)	2,643	1,311	14,277
	570	(515)	5,989	1,368
Earning/(loss) per share attributable to equity holders of the Company				
- Basic (sen)	25	1.43	(2.77)	4.10
				(11.32)

(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 31 DECEMBER 2010**

	As at 31 Dec 2010 (RM '000)	(Audited) As at 31 Dec 2009 (RM '000)
ASSETS		
Non current assets		
Property, plant and equipment	264,642	263,308
Land held for development	133,704	132,624
Investment properties	10,249	10,249
Investments in associates	6	800
Deferred tax assets	1,272	948
Goodwill	843	843
	<u>410,716</u>	<u>408,772</u>
Current assets		
Property development costs	194,169	204,228
Inventories	61,283	65,649
Trade and other receivables	50,209	57,259
Tax recoverable	1,133	2,887
Cash and bank balances	25,041	15,697
	<u>331,836</u>	<u>345,720</u>
Non current asset held for sale	1,113	-
TOTAL ASSETS	<u>743,665</u>	<u>754,492</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	114,036	114,036
Reserves	287,247	285,895
	<u>401,282</u>	<u>399,931</u>
Minority interests	142,767	140,396
Total equity	<u>544,049</u>	<u>540,327</u>
Non current liabilities		
Deferred tax liabilities	40,754	38,795
Long term borrowings	44,272	56,367
	<u>85,025</u>	<u>95,162</u>
Current liabilities		
Trade and other payables	80,513	81,884
Bank overdraft	811	782
Short term borrowings	32,224	30,417
Provision for taxation	1,042	5,920
	<u>114,591</u>	<u>119,003</u>
Total liabilities	<u>199,616</u>	<u>214,165</u>
TOTAL EQUITY AND LIABILITIES	<u>743,665</u>	<u>754,492</u>
Net assets per share (RM)	<u>3.52</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)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2010

12 months ended 31 December 2010

	Equity attributable to owners of the parent, total						Total	Non-controlling interests	Total equity
	Non-distributable			Distributable					
	Share capital (RM'000)	Share premium (RM'000)	Capital reserve (RM'000)	Capital redemption reserve (RM'000)	Share option reserve (RM'000)	Retained earnings (RM'000)	(RM'000)	(RM'000)	(RM'000)
At 1 January 2010	114,036	113,538	17,128	2,972	392	151,865	399,931	140,396	540,327
Total comprehensive income	-	-	-	-	-	4,678	4,678	1,311	5,989
Transactions with Owners									
Grant of equity settled share options to employees	-	-	-	-	60	-	60	-	60
Acquisition of minority interests						(1,287)	(1,287)	1,287	-
Premium on shares issued to non-participating non-controlling interests	-	-	38	-	-	-	38	13	51
Dividend paid for the year ended 31 December 2009	-	-	-	-	-	(2,138)	(2,138)	-	(2,138)
Dividend paid by subsidiaries to non-participating minority interests	-	-	-	-	-	-	-	(240)	(240)
Total transactions with owners	-	-	38	-	60	(3,425)	(3,327)	1,060	(2,267)
At 31 December 2010	114,036	113,538	17,166	2,972	452	153,118	401,282	142,767	544,049

12 months ended 31 December 2009

At 1 January 2009	114,036	113,538	17,076	2,972	260	166,484	414,366	133,531	547,897
Total comprehensive income	-	-	-	-	-	(12,909)	(12,909)	14,277	1,368
Transactions with Owners									
Grant of equity settled share options to employees	-	-	-	-	133	-	133	-	133
Premium on shares issued to non-participating non-controlling interests	-	-	51	-	-	-	51	17	68
Dividend paid for the year ended 31 December 2008	-	-	-	-	-	(1,710)	(1,710)	-	(1,710)
Dividend paid by subsidiaries to non-participating non-controlling interest	-	-	-	-	-	-	-	(7,429)	(7,429)
Total transactions with owners	-	-	51	-	133	(1,710)	(1,526)	(7,412)	(8,938)
At 31 December 2009	114,036	113,538	17,127	2,972	393	151,865	399,931	140,396	540,327

(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 31 DECEMBER 2010

	<u>2010</u> 12 months ended 31 December (RM '000)	<u>2009</u> 12 months ended 31 December (RM '000)
OPERATING ACTIVITIES		
Profit before tax	10,014	8,742
Adjustments for non-cash flow items :		
Property, plant and equipment	9,247	8,560
Profit retained in associate	(5)	-
Gain on disposal of an associate	(3,999)	-
Other non-cash items	5,034	3,278
Operating profit before changes in working capital	20,291	20,580
Changes in working capital		
Net changes in property development expenditure	8,980	7,192
Net changes in current assets	9,919	22,290
Net changes in liabilities	(11,490)	11,440
Net cash flows generated from operating activities	27,700	61,502
INVESTING ACTIVITIES		
Property, plant and equipment	(11,694)	(72,509)
Proceeds from disposal of an associate	4,827	-
Other investing activities	1,120	806
Net cash flows used in investing activities	(5,747)	(71,703)
FINANCING ACTIVITIES		
Bank borrowings	(10,310)	21,493
Dividend paid to shareholders of the Company	(2,138)	(1,711)
Other financing activities	(189.84)	(7,361)
Net cash flows (used in)/generated from financing activities	(12,638)	12,421
Net increase in cash and cash equivalents	9,314	2,220
Cash and cash equivalents at beginning of year	14,915	12,695
Cash and cash equivalents at end of period	24,230	14,915
Cash and cash equivalents comprise the following:		
Cash and bank balances	25,041	15,697
Bank overdraft	(811)	(782)
	24,230	14,915

(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
- 31 DECEMBER 2010

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 117 : Leases

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
- 31 DECEMBER 2010

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.

(d) Amendment to FRS 117: Leases

The amendment clarifies the classification of leases of land and requires entities with leases of land to reassess the classification of leasehold land as finance lease or operating lease based on the extend of risks and rewards associated with the land. Leasehold land which in substance is a finance lease will be reclassified to property, plant and equipment. The adoption of this amendment has resulted in a change in accounting policy which is applied retrospectively in accordance with the transitional provisions.

The effects of the reclassification on the consolidated statement of financial position as at 31 December 2009 are as follows:-

	Consolidated Statement of Financial Position		Effects of adoption of amendment to FRS 117
	(as previously reported)	(as restated)	
	RM'000	RM'000	RM'000
Property, plant and equipment	258,310	263,308	4,998
Prepaid land lease payments	4,998	-	(4,998)

1.1. 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 Intrepretation 15 : Agreement for The Construction of Real Estate	1 Janaury 2012
IC Intrepretation 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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
- 31 DECEMBER 2010

1.1. Standards issued but not yet effective (Cont'd)

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.

IC Interpretation 15 : Agreement 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 15, the Group may be required to change its accounting policy to recognise such revenue at completion.

The Malaysian Accounting Standards Board had on 30 August 2010 announced that the effective date of IC 15 has been deferred to 1 January 2012.

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 2010.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
- 31 DECEMBER 2010

7. SEGMENTAL INFORMATION

(a) Operating segment information for the current financial period to 31 December 2010 is as follow:

	Property Development	Hotel & Leisure	Education	Others	Total
<u>At 31 December 2010</u>	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
External revenue	73,315	19,594	50,545	8,452	151,905
Inter-segment revenue	-	355	-	16,383	16,739
Segment profit	19,718	2,574	6,391	17,669	46,352
Segment assets	418,314	112,418	188,419	22,108	741,260
<u>At 31 December 2009</u>					
External revenue	70,032	12,521	47,095	7,887	137,534
Inter-segment revenue	13,257	291	-	37,440	50,988
Segment profit/(loss)	87,373	(2,111)	7,226	35,599	128,087
Segment assets	445,249	114,986	169,219	22,843	752,296

(b) Reconciliation of reportable segment profit or loss

	<u>31-12-2010</u>	<u>31-12-2009</u>
	RM' 000	RM' 000
Total profit for reportable segments	46,352	128,087
Share of Profit/(Loss) of Associate	5	(11)
Finance Cost	(4,627)	(3,858)
Elimination	(31,717)	(115,476)
Consolidated profit before tax	10,014	8,742

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, 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
- 31 DECEMBER 2010

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 except the following:

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 (332974-H) and Zhang Shaotang (G20913197,China) 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. The above transaction was completed on 1 October 2010 and the gain on disposal is RM3,998,733.

On 30 December 2010, the Group has entered into a share sale agreement with Nilai Education Sdn Bhd, a 70% owned subsidiary for the disposal and acquisition of Nilai Academy Sdn Bhd for a consideration of RM6.93 million. Upon completion of the acquisition, Nilai Academy Sdn Bhd became a 100% owned subsidiary of the Group.

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.

	As At	Audited
	31.12.10	As At
	RM'000	31.12.2009
		RM'000
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 :

	As At	Audited
	31.12.10	As At
	RM'000	31.12.2009
		RM'000
Approved and contracted for	2,326	8,016
Approved but not contracted for	374	-
	<u>2,700</u>	<u>8,016</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
- 31 DECEMBER 2010

13. RELATED PARTY TRANSACTIONS

(a) Within Nilai Resources Group Bhd

(i) Disclosure of Transactions

	Transaction value	
	31/12/2010	31/12/2009
	RM' 000	RM' 000
Sales		
Subsidiary companies	2,657	15,914
Purchases		
Subsidiary companies	392	4,651
Management fees received from subsidiaries		
Holding company	1,066	1,045
Leases		
Subsidiary companies	5,329	2,450
Interest income		
Holding company	4,497	505
Subsidiary companies	8,059	5,297

(ii) Disclosure of Balances

<u>Relationship</u>	<u>Terms and conditions</u>	Transaction Balances	
		31/12/2010	31/12/2009
		RM' 000	RM' 000
Subsidiaries	- Unsecured, loan tenure of 12 years @ 5 % per annum	12,728	12,668
	- Unsecured, loan tenure of 10 years @ 3.75 % per annum	16,526	13,051
Related companies	- Unsecured, loan tenure of 12 years @ 5 % per annum	28,258	26,985
	- Unsecured, loan tenure of 10 years @ 3.75 % per annum	-	13,495

(b) Other related party transactions

	As At	Audited
	31.12.10	As At
	RM'000	RM'000
Rental paid to companies in which certain directors have financial interests		
- G.O. Construction Sdn Bhd	136	135
- Lapangan Kota Sdn Bhd	312	-

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

The Group achieved a revenue of RM28.26 million for the current quarter as compared to the preceding year's corresponding quarter of RM32.84 million mainly due to the lower percentage of completion of projects in the current quarter.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
- 31 DECEMBER 2010

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

Revenue for the current quarter was less than the preceding quarter's due to the land sale of RM16.3 million in the preceding quarter. As a result, the Group reported a pre-tax loss of RM0.67 million in the current quarter compared to a pre-tax profit of RM8.69 million in the immediate preceding quarter.

16. PROSPECTS

As the property market remains soft in 2011, 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:

	3 months ended		12 months ended	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	RM'000	RM'000	RM'000	RM'000
Current taxation	(887)	1,906	2,659	5,846
Deferred tax	(163)	101	1,654	1,175
(Over)/under provision for prior year				
- current taxation	(189)	-	(268)	(106)
- deferred taxation	(2)	-	(20)	459
Income tax (income)/expense recognised in profit and loss	(1,241)	2,007	4,025	7,374

The effective tax rate for the quarter and period ended 31 December 2010 which was higher than the statutory tax rate, is reconciled as follows :

	12 months ended 31.12.2010 RM'000	12 months ended 31.12.2009 RM'000
Profit before tax	10,014	8,742
Taxation at Malaysian statutory tax rate of 25% (2009:25%)	2,503	2,186
Adjustments :		
Effect of (Income)/expenses not taxable/deductible	(363)	3,692
Tax benefit not recognised during the year	2,736	1,856
Utilisation of previously unrecognised tax benefit	(563)	(713)
(Over)/under provision in prior year		
- current taxation	(268)	(106)
- deferred taxation	(20)	459
Income tax (income)/expense recognised in profit and loss	4,025	7,374

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
- 31 DECEMBER 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 28 February 2011.

21. GROUP BORROWINGS

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

(a) Secured and unsecured :

	As At 31.12.2010 RM'000	Audited As At 31.12.2009 RM'000
Total secured borrowings	76,496	86,784
Total unsecured borrowings	811	782
	<hr/>	<hr/>
Total borrowings	77,307	87,566

(b) Short-term and long-term

	As At 31.12.2010 RM'000	Audited As At 31.12.2009 RM'000
Total short-term borrowings	33,035	31,199
Total long-term borrowings	44,272	56,367
	<hr/>	<hr/>
Total short-term and long-term borrowings	77,307	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 28 February 2011.

23. REALISED AND UNREALISED PROFIT/LOSSES DISCLOSURE

	As At 31.12.2010 RM'000	As At 31.12.2009 RM'000
Total retained profits of Nilai Resources Group Bhd and its subsidiaries:		
- Realised	153,211	151,063
- Unrealised	(94)	802
	<hr/>	<hr/>
Total group retained profits as per consolidated accounts	153,118	151,865

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
- 31 DECEMBER 2010

24. MATERIAL LITIGATION

As at 28 February 2011, 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.

25. DIVIDENDS

- (a) The Board of Directors is recommending a first and final dividend of 2.5% less 25% tax (2009 : 2.5% less 25% tax) for the financial year ended 31 December 2010.
- (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.

26. EARNINGS PER SHARE

- (a) Basic

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2010 RM' 000	Preceding year corresponding quarter 31/12/2009 RM' 000	Twelve months to 31/12/2010 RM' 000	Twelve months to 31/12/2009 RM' 000
Profit/(loss) for the period	1,633	(3,158)	4,678	(12,909)
Weighted average number of ordinary shares in issue ('000)	114,036	114,036	114,036	114,036
Basic earnings/(loss) per share (sen)	1.43	(2.77)	4.10	(11.32)

- (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
 28 February 2011