

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2012**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		<u>2012</u> Current Quarter Ended 31 March (RM '000)	<u>2011</u> Comparative Quarter Ended 31 March (RM '000)	<u>2012</u> 3 months Cumulative to date (RM '000)	<u>2011</u> 3 months Cumulative to date (RM '000)
Revenue		39,580	31,671	39,580	31,671
Cost of sales		(13,755)	(9,005)	(13,755)	(9,005)
Gross profit		25,825	22,666	25,825	22,666
Other income		1,237	1,046	1,237	1,046
Administrative expenses		(16,250)	(14,364)	(16,250)	(14,364)
Selling and marketing expenses		(2,092)	(2,374)	(2,092)	(2,374)
Other expenses		(5,356)	(4,816)	(5,356)	(4,816)
Finance costs		(563)	(1,117)	(563)	(1,117)
Profit before tax	18	2,801	1,041	2,801	1,041
Taxation	19	(1,164)	(524)	(1,164)	(524)
Net profit for the period		1,637	517	1,637	517
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income for the period		1,637	517	1,637	517
Profit/(loss) attributable to:					
Owners of the parent		1,093	(116)	1,093	(116)
Non-controlling interests		544	633	544	633
		1,637	517	1,637	517
Total comprehensive income/(expense) attributable to:					
Owners of the parent		1,093	(116)	1,093	(116)
Non-controlling interests		544	633	544	633
		1,637	517	1,637	517
Earnings/(loss) per share attributable to owners of the parent					
- Basic (sen)	25	0.96	(0.10)	0.96	(0.10)
- Diluted (sen)	25	0.92	-	0.92	-

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2012**

	<b>As at 31 Mar 2012 (RM '000)</b>	<b>(Audited) As at 31 Dec 2011 (RM '000)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	262,977	263,326
Land held for development	121,807	121,807
Investment properties	10,249	10,249
Investment in an associate	5	5
Deferred tax assets	1,588	1,730
Intangible assets	104	104
Other investment	110	110
	<u>396,840</u>	<u>397,331</u>
<b>Current assets</b>		
Property development costs	164,815	161,118
Inventories	58,138	58,685
Trade and other receivables	66,383	66,400
Tax recoverable	4,462	2,617
Cash and bank balances	76,220	82,071
	<u>370,018</u>	<u>370,891</u>
<b>Asset classified as held for sale</b>	<u>1,113</u>	<u>1,113</u>
<b>TOTAL ASSETS</b>	<u>767,971</u>	<u>769,335</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	114,366	114,286
Reserves	306,756	305,660
	<u>421,122</u>	<u>419,946</u>
<b>Non-controlling interests</b>	<u>158,724</u>	<u>158,180</u>
<b>Total equity</b>	<u>579,846</u>	<u>578,126</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	39,175	39,217
Loans and borrowings	39,068	39,965
	<u>78,243</u>	<u>79,182</u>
<b>Current liabilities</b>		
Trade and other payables	103,643	105,132
Bank overdraft	853	996
Loans and borrowings	4,291	4,445
Tax payables	1,095	1,454
	<u>109,882</u>	<u>112,027</u>
<b>Total liabilities</b>	<u>188,125</u>	<u>191,209</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>767,971</u>	<u>769,335</u>
<b>Net assets per share (RM)</b>	3.68	3.67

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

**NILAI RESOURCES GROUP BERHAD (Company No. 17654-P)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2012**

	Equity attributable to owners of the parent					Retained earnings (RM'000)	Total (RM'000)	Non-controlling interests (RM'000)	Total equity (RM'000)
	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)				
<b>At 1 January 2012</b>	114,286	113,538	17,173	2,972	468	171,509	419,946	158,180	578,126
<b>Total comprehensive income</b>	-	-	-	-	-	1,093	1,093	544	1,637
<b>Transactions with Owners</b>									
Exercise of employee share options	80	18	-	-	(18)	-	80	-	80
Share option expense	-	-	-	-	3	-	3	-	3
<b>At 31 March 2012</b>	114,366	113,556	17,173	2,972	453	172,602	421,122	158,724	579,846
<b>At 1 January 2011</b>	114,036	113,538	17,166	2,972	453	153,117	401,282	142,846	544,128
<b>Total comprehensive income</b>	-	-	-	-	-	(116)	(116)	633	517
<b>Transactions with Owners</b>									
Share option expense	-	-	-	-	15	-	15	-	15
<b>At 31 March 2011</b>	114,036	113,538	17,166	2,972	468	153,001	401,181	143,479	544,660

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2012**

	<b><u>2012</u></b> <b>3 months</b> <b>ended</b> <b>31 March</b> <b>(RM '000)</b>	<b><u>2011</u></b> <b>3 months</b> <b>ended</b> <b>31 March</b> <b>(RM '000)</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	2,801	1,041
<b>Adjustments for non-cash flow items :</b>		
Gain from disposal of property, plant and equipment	(56)	-
Depreciation and amortization	2,286	2,181
Interest expense	563	1,117
Impairment loss on receivables	125	299
Other non-cash items	(239)	(108)
Operating profit before changes in working capital	5,480	4,530
<b>Changes in working capital</b>		
Property development expenditure	(3,697)	(2,128)
Inventories	547	201
Receivables	(108)	(1,291)
Payables	(1,376)	735
Cash generated from operation	846	2,047
Interest paid	(563)	(1,117)
Tax paid	(3,268)	(1,498)
Net cash flows used in operating activities	(2,985)	(568)
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,786)	(923)
Proceeds from disposal of property, plant and equipment	56	-
Other investing activities	252	129
Net cash flows used in investing activities	(1,478)	(794)
<b>FINANCING ACTIVITIES</b>		
Repayment of term loans	(929)	(625)
Repayment of hire purchase	(282)	(98)
Other financing activities	80	-
Net cash flows used in financing activities	(1,131)	(723)
Net decrease in cash and cash equivalents	(5,594)	(2,085)
Cash and cash equivalents at beginning of year	80,862	24,057
Cash and cash equivalents at end of period	75,268	21,972
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	76,220	23,092
Bank overdraft	(853)	(935)
Cash held in trust	(99)	(185)
	75,268	21,972

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2012**

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**1. BASIS OF PREPARATION**

The interim financial statements have 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 2011.

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 2011.

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 2011 except for the adoption of the following new/revised Financial Reporting Standards ("FRSs") and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2012:

	Effective for financial periods beginning on or after
Amendments to IC Interpretation 14 : Prepayments of a Minimum Funding Requirement	1 July 2011
Amendments to IC Interpretation 19 : Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to FRS 1 : Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7 : Disclosures – Transfers of Financial Assets	1 January 2012
Amendments to FRS 112 : Deferred Tax : Recovery of Underlying Assets	1 January 2012
FRS 124 : Related Party Disclosures (revised)	1 January 2012

Adoption of the above standards and interpretations do not give rise to any significant effects on the financial statements of the Group except for changes in disclosure.

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

	Effective for financial periods beginning on or after
Amendments to FRS 101 Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interest in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 Employee Benefits (revised)	1 January 2013
FRS 127 Separate Financial Statements (revised)	1 January 2013
FRS 128 Investment in Associates and Joint Ventures (revised)	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 132 Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9 Financial Instruments	1 January 2015

The Group plans to adopt the above revised FRSs and IC Interpretations in the financial period when they become effective. The adoption of the above revised FRSs and IC Interpretations upon their initial applications are not expected to have any significant impact on the financial statements of the Group except for changes in disclosures.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2012**

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

**Malaysian Financial Reporting Standards (MFRS FRAMEWORK)**

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has yet to complete its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these interim financial statements for the period ended 31 March 2012 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2013.

**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 period.

**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 were no cancellations, repurchases, resale of equity securities for the current quarter, except for the issuance of 80,000 new ordinary shares of RM1 each, pursuant to the exercise of the Employee's Share Option Scheme.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2012**

**7. SEGMENTAL INFORMATION**

Operating segment information for the current financial period to 31 March 2012 is as follow:

	<b>Property Development</b>	<b>Education</b>	<b>Hotel &amp; Leisure</b>	<b>Others</b>	<b>Adjustments &amp; Eliminations</b>	<b>Total</b>
<b>At 31 March 2012</b>	<b>RM' 000</b>	<b>RM' 000</b>	<b>RM' 000</b>	<b>RM' 000</b>	<b>RM' 000</b>	<b>RM' 000</b>
External revenue	16,876	14,642	5,896	2,166	-	39,580
Inter-segment revenue	18	-	111	1,015	(1,144)	-
Segment results	3,308	520	1,334	1,050	(2,848)	3,364
Finance costs	(414)	(470)	(953)	(983)	2,257	(563)
Profit before tax	2,894	50	381	67	(591)	2,801
<b>At 31 March 2011</b>						
External revenue	10,236	14,225	4,961	2,249	-	31,671
Inter-segment revenue	-	-	87	841	(928)	-
Segment results	1,180	2,674	495	1,497	(3,688)	2,158
Finance costs	(1,187)	(571)	(934)	(1,746)	3,321	(1,117)
(Loss)/profit before tax	(7)	2,103	(439)	(249)	(367)	1,041

**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 2011 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**

The were no changes in contingent liabilities since the last annual balance sheet date as follows :

	<b>As At 31.03.2012 RM'000</b>	<b>Audited As At 31.12.2011 RM'000</b>
A legal claim made against one of our subsidiary companies in relation to a legal matter highlighted in Note 23.	379	379

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2012**

**12. CAPITAL COMMITMENTS**

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

	<b>As At 31.03.2012 RM'000</b>	<b>Audited As At 31.12.2011 RM'000</b>
Approved and contracted for	1,924	2,098
Approved but not contracted for	548	323
	<b>2,472</b>	<b>2,421</b>

**13. RELATED PARTY TRANSACTIONS**

**Within Nilai Resources Group Berhad**

(i) Disclosure of Transactions	<b>Transaction value</b>	
	<b>31.03.2012 RM' 000</b>	<b>31.03.2011 RM' 000</b>
Inter company sales	559	566
Inter company purchases	59	392
Management fees paid to parent	585	362
Inter company lease income	1,339	1,334
Interest income		
- holding company	848	1,189
- subsidiary companies	969	2,132

(ii) Disclosure of Balances	<b>Transaction Balances</b>	
	<b>31.03.2012 RM' 000</b>	<b>31.03.2011 RM' 000</b>
Owing by subsidiaries to parent		
- unsecured, loan tenure of 12 years @ 5.00 % p.a.	13,681	12,212
- unsecured, loan tenure of 10 years @ 3.75 % p.a.	20,293	16,681
Related companies		
- unsecured, loan tenure of 12 years @ 5.00 % p.a.	28,461	28,586

**Other related party transactions**

	<b>Transaction value</b>	
	<b>31.03.2012 RM'000</b>	<b>31.03.2011 RM'000</b>
Rental payable to companies in which certain directors have financial interests		
- G.O. Construction Sdn Bhd	28	34
- Lapangan Kota Sdn Bhd	41	78
Purchases from a company in which certain directors have financial interests		
- Golden Opportunities Sdn Bhd	72	27
Purchases from a company in which a person related to certain directors has financial interests		
- Serba Kimia Sdn Bhd	-	1



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2012**

**14. REVIEW OF PERFORMANCE**

For the current quarter under review, the Group registered revenue and profit before tax of RM39.58 million and RM2.80 million respectively as compared to the revenue and profit before tax of RM31.67 million and RM1.04 million respectively in the preceding year's corresponding quarter. The better performance in terms of revenue and profit before tax was largely contributed by the Group's Property Development and Education divisions.

The performances of the respective divisions of the Group are as follows:

(a) Property Development

Revenue and profit before tax for the quarter of RM16.88 million and RM2.27 million respectively were higher in comparison to the corresponding quarter in the preceding year primarily due to recognition of new sales from its recently launched Bayu Residence project and higher progressive billings from its Nilai Springs Heights and C<sup>2</sup> Retail Streetmall projects.

(b) Education

Despite a marginal increase in revenue, the Education segment posted a lower profit before tax of RM0.05 million in the current quarter as compared to RM2.10 million recorded in the same period of the preceding year mainly due to additional staff cost incurred arising from recruitment of new academic and administrative staff and consultancy fees incurred in respect of the application for upgrade to university status by our Nilai University College.

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

The Group's pre-tax profit for the quarter under review of RM2.80 million was lower as compared to a pre-tax profit of RM51.41 million posted for the immediate preceding quarter, mainly due to recognition of sale of a piece of land in the immediate preceding quarter.

**16. PROSPECTS**

The Group remains cautiously optimistic of its performance for the year 2012.

**17. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT**

There were no profit forecast or profit guarantee announced or disclosed by the Group in a public document during the quarter.

**18. PROFIT BEFORE TAX**

The following have been included in arriving at profit before tax :

	<b>3 months ended</b>	
	<b>31.03.2012</b>	<b>31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income	(253)	(129)
Other income	(928)	(917)
Depreciation and amortization	2,286	2,181
Impairment loss on receivables	125	299
Gain from disposal of property, plant and equipment	(56)	-

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2012**

**19. TAXATION**

Taxation is made up as follows:

	<b>3 months ended</b>	
	<b>31.03.2012</b>	<b>31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Current taxation	1,064	680
Deferred tax expense/(credit)	100	(164)
Under provision of deferred taxation in prior year	-	8
Income tax expense recognised in total comprehensive income	<u>1,164</u>	<u>524</u>

The effective tax rate for the period ended 31 March 2012 which was higher than the statutory tax rate, is reconciled as follows :

	<b>3 months ended</b>	
	<b>31.03.2012</b>	<b>31.03.2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before tax	<u>2,801</u>	<u>1,041</u>
Taxation at Malaysian statutory tax rate of 25% (2011:25%)	700	260
Adjustments :		
Effect of income not taxable	(277)	(431)
Effect of expenses not deductible	655	-
Tax benefit not recognised during the period	86	708
Utilisation of previously unrecognised tax benefit	-	(21)
Under provision of deferred taxation in prior year	-	8
Income tax expense recognised in total comprehensive income	<u>1,164</u>	<u>524</u>

**20. STATUS OF CORPORATE PROPOSALS**

On 20 February 2012, Nilai Resources Group Berhad ("the Company") received an offer letter from Akarmas Sdn Bhd and Tan Sri Dato' Dr. Gan Kong Seng (the Joint Offerors), being the major shareholders of the Company, proposing the privatisation of the Company via a selective capital reduction and repayment exercise (the Proposed SCR) pursuant to Section 64 of the Companies Act,

The non-interested Directors of the Company have on the same date, deliberated on the Proposed SCR and agreed to table the Proposed SCR for the non-interested shareholders' consideration at an extraordinary general meeting (EGM) to be convened.

Under the Proposed SCR, a cash consideration of RM1.50 for each ordinary share held in the Company has been proposed to all entitled shareholders while the entitlements of the Joint Offerors shall be waived. Upon its completion, the Joint Offerors will collectively own the entire issued and paid up share capital of the Company.

The Proposed SCR is conditional upon the following being obtained:

- (i) The approval of the Securities Commission Malaysia ("SC") for the Proposed SCR;
- (ii) The approval of the shareholders of the Company for the Proposed SCR at an EGM to be convened;
- (iii) The approval and/or consent of the existing financiers and/or creditors of the Company and/or its subsidiaries, where required;
- (iv) The grant of an order by the High Court of Malaya for approving the Proposed SCR; and
- (v) The approval or consent of any other relevant governmental or regulatory authorities, where required.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2012**

**20. STATUS OF CORPORATE PROPOSALS (CONT'D)**

Relevant applications in relation to the Proposed SCR was submitted to the SC by the Principal Adviser on 3 April 2012 whereas the draft Independent Advice Letter was submitted to the SC by the Independent Adviser on 13 April 2012.

Except for the consents given by the existing financier of subsidiary companies which were obtained on 12 March 2012, the other aforesaid approvals have yet to be obtained as at 16 May 2012, being a date not earlier than 7 days from the date of issue of this quarterly report.

**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</b>	<b>(Audited)</b>
	<b>31.03.2012</b>	<b>As At</b>
	<b>RM'000</b>	<b>31.12.2011</b>
		<b>RM'000</b>
Total secured borrowings	43,359	44,410
Total unsecured borrowings	853	996
Total borrowings	<u>44,212</u>	<u>45,406</u>

(b) Short-term and long-term

	<b>As At</b>	<b>(Audited)</b>
	<b>31.03.2012</b>	<b>As At</b>
	<b>RM'000</b>	<b>31.12.2011</b>
		<b>RM'000</b>
Total short-term borrowings	5,144	5,441
Total long-term borrowings	39,068	39,965
Total short-term and long-term borrowings	<u>44,212</u>	<u>45,406</u>

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

**22. REALISED AND UNREALISED PROFIT/LOSSES DISCLOSURE**

	<b>As At</b>	<b>(Audited)</b>
	<b>31.03.2012</b>	<b>As At</b>
	<b>RM'000</b>	<b>31.12.2011</b>
		<b>RM'000</b>
Total retained profits of Nilai Resources Group Berhad and its subsidiaries:		
- realised	448,440	550,846
- unrealised	(38,014)	(37,914)
	<u>410,426</u>	<u>512,932</u>
Total share of accumulated losses from associate		
- realised	(82)	(82)
	<u>410,344</u>	<u>512,850</u>
Less: Consolidation adjustments	(237,742)	(341,340)
Total group retained profits as per consolidated accounts	<u>172,602</u>	<u>171,510</u>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2012**

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**23. MATERIAL LITIGATION**

There were no pending material litigation since the last annual balance sheet date up to 16 May 2012, being a date not earlier than 7 days from the date of issue of this quarterly report, except for the following :

Following from the dismissal with cost by the Seremban High Court on 4 November 2010 in relation to the RM10.0 million claim made by the Plaintiff, The Golf Cheque Book against our subsidiary company, Nilai Springs Berhad ("NSB") for breach of contract, the plaintiff had on 20 December 2011 filed 'Notis Penetapan Kos' against NSB claiming a total of RM757,385.

On 16 March 2012, the Seremban High Court awarded RM35,000 and other item which has yet to be determined for the Plaintiff.

**24. DIVIDENDS**

No interim dividend has been declared for the current quarter ended 31 March 2012.

**25. EARNINGS/(LOSS) PER SHARE**

	<b>Current Quarter Ended 31.03.2012</b>	<b>Comparative Quarter Ended 31.03.2011</b>	<b>3 months Cumulative to date</b>	<b>3 months Cumulative to date</b>
Profit/(loss) attributable to owners of the parent (RM'000)	1,093	(116)	1,093	(116)
Weighted average number of ordinary shares in issue ('000)				
- basic	114,322	114,036	114,322	114,036
- fully diluted	118,668	NA*	118,668	NA*
Basic earnings/(loss) per share (sen)	0.96	(0.10)	0.96	(0.10)
Diluted earning per share (sen)	0.92	NA*	0.92	NA*

\* The outstanding Employees Share Option Scheme (ESOS) have been excluded from the computation of fully diluted earnings per share as their conversion to ordinary shares would be anti-dilutive in nature.

**26. COMPARATIVE FIGURES**

Certain comparative figures of the Condensed Consolidated Statement of Comprehensive Income have been reclassified to conform with current period's presentation.

**27. AUTHORISATION FOR ISSUE OF REPORT**

The unaudited interim financial statements were authorised for issue on 23 May 2012 by the Board of Directors.