

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2008

	Individual Quarter	Cumulative Period
	Current quarter 31/12/2008 RM'000 Unaudited	Current year to date 31/12/2008 RM'000 Unaudited
Revenue	407,081	1,481,969
Cost of sales	(515,534)	(1,497,864)
Gross (loss)/ profit	<u>(108,453)</u>	<u>(15,895)</u>
Other operating income		
- Interest income	1,016	4,218
- Profit from Islamic deposits	132	501
- Investment income	278	1,012
- Other operating income	1,679	10,802
Allowance for decline in value of warrants	(288)	(2,552)
Marketing expenses	(2,720)	(12,126)
Administrative expenses	(8,921)	(27,308)
Other operating expenses	(17,724)	(20,605)
Finance costs	(29)	(146)
Share of results of:		
- Associates	3,469	8,191
- Jointly controlled entities	137	1,338
Loss before taxation	<u>(131,424)</u>	<u>(52,570)</u>
Tax expense	600	(19,061)
Loss for the period	<u>(130,824)</u>	<u>(71,631)</u>
Attributable to:		
Equity holders of the parent	(127,902)	(79,684)
Minority interest	(2,922)	8,053
	<u>(130,824)</u>	<u>(71,631)</u>
Earnings per share		
- Basic (sen)	<u>(22.71)</u>	<u>(14.15)</u>
- Diluted (sen)	<u>N/A</u>	<u>N/A</u>

On 17 December 2007, the financial year of the Company was changed from 31 January to end on 31 March commencing financial period ending 31 March 2008 and thereafter to end on 31 March of every subsequent year. Accordingly, there are no comparative figures for the current quarter and year to date ended 31 December 2008.

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the fourteen-month period ended 31 March 2008)

ZELAN BERHAD 27676-V

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

	AS AT END OF CURRENT QUARTER 31 DECEMBER 2008 RM'000 Unaudited	AS AT END OF FINANCIAL PERIOD ENDED 31 MARCH 2008 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	126,238	117,133
Lease prepayments	61	106
Investment properties	5,877	5,984
Investments in associates	21,682	11,291
Investments in jointly controlled entities	8,161	6,823
Available-for-sale investment	230,538	502,240
Goodwill	47,338	47,338
	<u>439,895</u>	<u>690,915</u>
Current assets		
Inventories	20,213	18,635
Property development costs	26,712	52,827
Trade and other receivables	831,877	800,611
Tax recoverable	18,074	14,784
Marketable securities	1,564	0
Other investments	25,122	89,795
Deposits, bank and cash balances	146,519	202,266
	<u>1,070,081</u>	<u>1,178,918</u>
Non-current assets classified as held for sale	1	3,424
	<u>1,070,082</u>	<u>1,182,342</u>
TOTAL ASSETS	<u><u>1,509,977</u></u>	<u><u>1,873,257</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	281,632	281,632
Reserves	138,000	537,162
	<u>419,632</u>	<u>818,794</u>
Minority interest	35,627	28,926
Total equity	<u>455,259</u>	<u>847,720</u>
Non-current liabilities		
Borrowings	1,442	1,598
Other payables	9,533	9,531
Deferred tax liabilities	3,715	3,803
	<u>14,690</u>	<u>14,932</u>
Current liabilities		
Trade and other payables	939,442	952,751
Borrowings	90,921	43,557
Current tax liabilities	9,665	14,297
	<u>1,040,028</u>	<u>1,010,605</u>
Total liabilities	<u>1,054,718</u>	<u>1,025,537</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,509,977</u></u>	<u><u>1,873,257</u></u>
Net assets per share (RM)	<u>0.75</u>	<u>1.45</u>

(The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the fourteen-month period ended 31 March 2008)

ZELAN BERHAD 27676-V

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 DECEMBER 2008

	Attributable to equity holders of the parent							Minority Interest RM'000	Total Equity RM'000	
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Capital Reserve * RM'000	General Reserve * RM'000	Fair Value Reserve ^ RM'000	Retained Earnings RM'000			Total RM'000
Balance as at 1 April 2008	281,632	124,396	28,026	35,457	3,733	24,562	320,988	818,794	28,926	847,720
<u>Movements during the period</u>										
Currency translation differences	-	-	806	-	-	-	-	806	(639)	167
Available-for-sale investment: - Fair value movement	-	-	-	-	-	(271,703)	-	(271,703)	-	(271,703)
Net expense directly recognised in equity	-	-	806	-	-	(271,703)	-	(270,897)	(639)	(271,536)
Loss for the period	-	-	-	-	-	-	(79,684)	(79,684)	8,053	(71,631)
Total recognised income for the period	-	-	806	-	-	(271,703)	(79,684)	(350,581)	7,414	(343,167)
Dividend paid	-	-	-	-	-	-	(48,581)	(48,581)	-	(48,581)
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(713)	(713)
Balance as at 30 September 2008	<u>281,632</u>	<u>124,396</u>	<u>28,832</u>	<u>35,457</u>	<u>3,733</u>	<u>(247,141)</u>	<u>192,723</u>	<u>419,632</u>	<u>35,627</u>	<u>455,259</u>

* These reserves relate to net gain from disposals of investment in shares, issue of bonus shares by a subsidiary out of post-acquisition reserves and transfer of profits to a statutory reserve by an overseas subsidiary.

^ This reserve relates to changes in fair value of an available-for-sale investment.

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the fourteen-month period ended 31 March 2008)

ZELAN BERHAD 27676-V

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2008**

Current year
to date
31/12/2008
RM'000

OPERATING ACTIVITIES

Loss for the period, attributable to equity holders of the parent	(79,684)
Adjustments for :	
Tax expense	19,061
Allowance for doubtful debts	702
Allowance for doubtful debts written back	(183)
Allowance for decline in value of warrants	2,552
Bad debt recovered	(30)
Depreciation of property, plant and equipment	13,661
Amortisation of prepaid lease	45
Depreciation of investment properties	107
Property, plant and equipment written off	1,238
Available for sale investment written off	3,062
Gain on disposal of property, plant and equipment	(148)
Dividend income	(24,700)
Interest income	(4,218)
Profit from Islamic deposits	(501)
Investment income	(1,012)
Finance costs	146
Unrealised foreign exchange gain	(5,888)
Minority interest	8,053
Share of results of jointly controlled entities	(1,338)
Share of results of associates	(8,191)
	<u>(77,266)</u>
Changes in working capital :	
Property development costs	26,336
Inventories	(1,578)
Receivables	3,151
Payables	(14,507)
Cash used in operations	(63,864)
Taxation paid	(21,925)
Net cash flow from operating activities	<u>(85,789)</u>

INVESTING ACTIVITIES

Additional investments in associates	(1,000)
Additional investment in associate classified as non-current assets held for sale	(950)
Proceeds from other investments	64,673
Purchase of property, plant and equipment	(45,097)
Proceeds from disposal of property, plant and equipment	217
Proceeds from disposal of non-current assets held for sale	1,311
Dividends received	15,437
Interest income received	4,218
Profit from Islamic deposits received	501
Investment income received	1,012
Net cash flow from investing activities	<u>40,322</u>

FINANCING ACTIVITIES

Repayments of borrowings	(11,273)
Proceeds from borrowings	59,163
Dividend paid to minority interest	(713)
Repayments of hire purchase liabilities	(682)
Finance costs	(367)
Release of deposits pledged as security	441
Dividends paid	(48,581)
Net cash flow from financing activities	<u>(2,012)</u>
Net movement in cash and cash equivalents	(47,479)
Cash and cash equivalents at beginning of the period	201,825
Currency translation differences	(7,827)
Cash and cash equivalents at end of the period	<u>146,519</u>

(The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the fourteen-month period ended 31 March 2008)

ZELAN BERHAD 27676-V

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 31 OCTOBER 2007

	Individual Quarter	Cumulative Period
	Current year quarter 31/10/2007 RM'000 Unaudited	Current year to date 31/10/2007 RM'000 Unaudited
Revenue	216,669	695,826
Cost of sales	(179,469)	(575,991)
Gross profit	<u>37,200</u>	<u>119,835</u>
Other operating income		
- Gain on disposal of other investments	0	31,750
- Gain on deemed disposal of investment in an associate	0	10,088
- Write back of allowance for decline in market value of investments	0	0
- Interest income	3,555	6,393
- Profit from Islamic deposits	387	998
- Other operating income	1,925	5,219
Marketing expenses	(4,999)	(27,562)
Administrative expenses	(9,379)	(23,132)
Other operating expenses	(2,667)	(6,300)
Finance costs	(213)	(324)
Share of results of:		
- Associates	713	11,333
- Jointly controlled entities	(1)	(8)
Profit before taxation	<u>26,521</u>	<u>128,290</u>
Tax expense	(7,723)	(21,529)
Profit for the period	<u><u>18,798</u></u>	<u><u>106,761</u></u>
Attributable to:		
Equity holders of the parent	17,849	105,157
Minority interest	949	1,604
	<u><u>18,798</u></u>	<u><u>106,761</u></u>
Earnings per share *		
- Basic (sen)	<u><u>3.17</u></u>	<u><u>18.67</u></u>
- Diluted (sen)	<u><u>3.17</u></u>	<u><u>18.67</u></u>

* The earnings per share has been calculated based on the weighted average number of ordinary shares which has been adjusted to take into consic the enlarged share capital due to the share split exercise which was completed on 18 July 2007. The comparative period's earnings per share has be adjusted accordingly.

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2007)

ZELAN BERHAD 27676-V

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 OCTOBER 2007

	AS AT END OF CURRENT QUARTER 31 OCTOBER 2007 RM'000 Unaudited
ASSETS	
Non current assets	
Property, plant and equipment	70,595
Lease prepayments	132
Investment properties	6,043
Investments in associates	8,091
Investments in jointly controlled entities	135
Available-for-sale investment	716,309
Goodwill	47,338
Other assets	21,641
	<u>870,284</u>
Current assets	
Inventories	18,150
Property development costs	16,895
Other investments	0
Trade and other receivables	504,897
Tax recoverable	7,526
Deposits, bank and cash balances	426,605
	<u>974,073</u>
Non-current assets classified as held for sale	146
	<u>974,219</u>
TOTAL ASSETS	<u><u>1,844,503</u></u>
EQUITY AND LIABILITIES	
Equity attributable to equity holders of the parent	
Share capital	281,632
Reserves	712,908
	<u>994,540</u>
Minority interest	21,182
Total equity	<u>1,015,722</u>
Non current liabilities	
Borrowings	2,883
Other payables	64,383
Deferred tax liabilities	4,032
	<u>71,298</u>
Current liabilities	
Trade and other payables	710,578
Borrowings	38,583
Dividend payable	1,087
Current tax liabilities	7,235
	<u>757,483</u>
Total liabilities	<u>828,781</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,844,503</u></u>
Net assets per share (RM) *	<u>1.77</u>

* The net assets per share has been calculated based on the weighted average number of ordinary shares which has been adjusted to take into consideration the enlarged share capital due to the share split exercise which was completed on 18 July 2007. The comparative period's net assets per share has been adjusted accordingly.

(The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2007)

ZELAN BERHAD 27676-V

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 OCTOBER 2007

	Attributable to equity holders of the parent							Minority Interest RM'000	Total Equity RM'000	
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Capital Reserve * RM'000	General Reserve * RM'000	Fair Value Reserve ^ RM'000	Retained Earnings RM'000			Total RM'000
Balance as at 1 February 2007	281,632	124,396	29,044	35,494	3,733	-	241,038	715,337	19,527	734,864
Movements during the period										
Currency translation differences	-	-	267	-	-	-	-	267	781	1,048
Reclassification of an associate to other investment	-	-	(1,598)	-	-	-	-	(1,598)	-	(1,598)
Available-for-sale investment:										
- Fair value movement	-	-	-	-	-	270,255	-	270,255	-	270,255
- Disposal	-	-	-	-	-	(31,624)	-	(31,624)	-	(31,624)
Liquidation of a subsidiary	-	-	-	(37)	-	-	(132)	(169)	(310)	(479)
Net income/(expense) directly recognised in equity	-	-	(1,331)	(37)	-	238,631	(132)	237,131	471	237,602
Dividend paid	-	-	-	-	-	-	(63,085)	(63,085)	-	(63,085)
Profit for the period	-	-	-	-	-	-	105,157	105,157	1,604	106,761
Total recognised income for the period	-	-	(1,331)	(37)	-	238,631	41,940	279,203	2,075	281,278
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(420)	(420)
Balance as at 31 October 2008	281,632	124,396	27,713	35,457	3,733	238,631	282,978	994,540	21,182	1,015,722

* These reserves relate to net gain from disposals of investment in shares, issue of bonus shares by a subsidiary out of post-acquisition reserves and transfer of profits to a statutory reserve by an overseas subsidiary.

^ This reserve relates to changes in fair value of an available-for-sale investment.

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2007)

ZELAN BERHAD 27676-V

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 OCTOBER 2007**

Current year
to date
31/10/2007
RM'000

OPERATING ACTIVITIES

Profit for the period, attributable to equity holders of the parent	105,157
Adjustments for :	
Taxation	21,529
Allowance for doubtful debts	807
Write back of allowance for decline in market value of investments	0
Depreciation of property, plant and equipment	2,678
Fixed assets written off	205
Gain on disposal of investments	(31,750)
Gain on deemed disposal of investment in an associate	(10,088)
Gain on disposal of property, plant and equipment	(96)
Gain on disposal of non current assets held for sale	(159)
Gain on disposal of investment properties	(693)
Dividend income	0
Interest income	(6,393)
Profit from Islamic deposits	(998)
Finance costs	324
Minority interest	1,604
Share of results of jointly controlled entities	8
Share of results of associates	(11,333)
	<u>70,802</u>

Changes in working capital :

Property development costs	44,951
Inventories	200
Receivables	(308,521)
Payables	401,360
Cash generated from/(used in) operations	208,792
Taxation paid	(22,255)
Net cash flow from operating activities	<u>186,537</u>

INVESTING ACTIVITIES

Investments in associates	0
Purchase of property, plant and equipment	(39,884)
Proceeds from disposal of other investments	103,303
Proceeds from disposal of investment properties	1,430
Proceeds from disposal of property, plant and equipment	315
Proceeds from disposal of non-current assets held for sale	539
Dividends received	8,160
Interest income received	6,393
Profit from Islamic deposits received	998
Net cash flow from investing activities	<u>81,254</u>

FINANCING ACTIVITIES

Repayments of borrowings	(6,504)
Proceeds from borrowings	1,572
Repayments of hire purchase liabilities	(604)
Finance costs	(324)
Deposits pledged as security	513
Dividends paid	(24,502)
Dividends paid to minority interest of a subsidiary	(420)
Net cash flow from financing activities	<u>(30,269)</u>

Net movement in cash and cash equivalents	237,522
Cash and cash equivalents at beginning of the period	187,916
Currency translation differences	726
Cash and cash equivalents at end of the period	<u>426,164</u>

(The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 January 2007)

ZELAN BERHAD
(“ZB” or “the Group”)
(Company No: 27676-V)

NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2008

1. Basis of Preparation

The interim financial report of the Group has been prepared in accordance with FRS 134, “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s audited financial statements for the fourteen-month period ended 31 March 2008.

The significant accounting policies and presentation adopted for the interim financial report are consistent with those adopted in the Group’s most recent audited financial statements for the fourteen-month period ended 31 March 2008, except for the adoption of the following new / revised Financial Reporting Standards (“FRS”) which are effective for the financial period commencing on 1 April 2008:

- FRS 107 : Cash Flow Statements
- FRS 111 : Construction Contracts
- FRS 112 : Income Taxes
- FRS 118 : Revenue
- Amendments to FRS 121 : The Effects of Changes in Foreign Exchange Rates - Net Investments in a Foreign Operation
- FRS 134 : Interim Financial Reporting
- FRS 137 : Provisions, Contingent Liabilities and Contingent Assets.

The adoption of the above new / revised FRSs did not result in a significant change in the accounting policies of the Group.

2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the Group’s financial statements for the fourteen-month period ended 31 March 2008 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The Group’s operations were not materially affected by any seasonal or cyclical factors.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter under review because of their nature, size, or incidence except for:-

- i) the reduction of fair value reserve amounting to RM156.435 million in respect of the available-for-sale investment.
- ii) The loss on contracts amounting to RM106.1 million in respect of projects in United Arab Emirates (RM8.7 million) and Kingdom of Saudi Arabia (RM97.4 million).

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial year to date under review because of their nature, size, or incidence except for:-

- i) the reduction of fair value reserve amounting to RM271.703 million in respect of the available-for-sale investment.
- ii) The loss on contracts amounting to RM106.1 million in respect of projects in United Arab Emirates (RM8.7 million) and Kingdom of Saudi Arabia (RM97.4 million).

5. Changes in Estimates of Amount Reported Previously

There were no changes in estimates of amounts reported in the prior financial period that have a material effect in the current quarter.

6. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and year to date.

7. Dividends Paid

The amount of dividends paid during the financial period ended 31 December 2008 was as follows:

	RM'000
In respect of the fourteen-month period ended 31 March 2008	
Second interim dividend of 6.5 sen per ordinary share of RM0.50 each, less income tax at 25%	<u>27,459</u>

The dividend was paid on 30 June 2008.

7. Dividends Paid (Continued)

The amount of dividends paid during the financial period ended 31 December 2008 was as follows:

	RM'000
In respect of the financial year ending 31 March 2009	
Interim dividend of 5.0 sen per ordinary share of RM0.50 each, less income tax at 25%	<u>21,122</u>

The dividend was paid on 9 December 2008.

8. Segmental Reporting

Analysis by business segments for the quarter:

	Engineering & construction RM'000	Property & development RM'000	Manufacturing & trading RM'000	Investment & others RM'000	Total RM'000
<u>Revenue</u>					
Total	380,304	19,749	11,196	24,332	435,581
Inter-segment	(27,538)	0	(958)	(4)	(28,500)
External	352,766	19,749	10,238	24,328	407,081

Results

Segment (loss)/profit	(157,058)	(2,313)	1,245	21,987	(136,139)
Interest income	891	86	19	20	1,016
Profit from Islamic deposits	0	0	0	132	132
Investment income	0	278	0	0	278
Finance costs	(12)	0	(7)	(10)	(29)
Allowance for decline in value of warrants	0	0	0	(288)	(288)
Share of results of associates and jointly controlled entities	3,611			(5)	3,606
(Loss)/Profit before taxation	(152,568)	(1,949)	1,257	21,836	(131,424)
Tax expense					600
Loss for the quarter					<u>(130,824)</u>

8. Segmental Reporting (Continued)

Analysis by business segments for the financial year to date:

	Engineering & construction RM'000	Property & development RM'000	Manufacturing & trading RM'000	Investment & others RM'000	Total RM'000
Revenue					
Total	1,380,469	139,016	29,976	28,856	1,578,317
Inter-segment	(91,760)	0	(4,575)	(13)	(96,348)
External	1,288,709	139,016	25,401	28,843	1,481,969
Results					
Segment (loss)/profit	(104,683)	18,590	2,604	18,357	(65,132)
Interest income	2,885	858	441	34	4,218
Profit from Islamic deposits	0	0	0	501	501
Investment income	0	802		210	1,012
Finance costs	(82)	0	(31)	(33)	(146)
Allowance for decline in value of warrants	0	0	0	(2,552)	(2,552)
Share of results of associates and jointly controlled entities	9,572	0	0	(43)	9,529
(Loss)/Profit before taxation	(92,308)	20,250	3,014	16,474	(52,570)
Tax expense					(19,061)
Loss for the period					(71,631)

The primary reporting segment information of the Group is in respect of business segments as the Group's risks and returns are affected predominantly by the differences in the products and services it produces.

9. Valuation of Property, Plant and Equipment and Investment Properties

Property, plant and equipment and investment properties are stated at historical cost less accumulated depreciation. Fair value adjustments that have been made at Group level on the acquisition of subsidiaries in the previous years have been brought forward without amendment.

10. Material Events Subsequent to the End of the Reporting Period

There were no material events subsequent to the end of the current quarter under review that have not been reflected in the interim financial report for the current quarter.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 31 December 2008.

12. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date.

13. Capital Commitments

The amount of commitments as at the date of this report is as follows:-

<u>Property, plant and equipment</u>	RM'000
Authorised but not contracted for	9,308
Authorised and contracted for	<u>0</u>
	<u>9,308</u>

14. Change of financial year

On 17 December 2007, the financial year of the Company has been changed from 31 January to 31 March commencing financial period ending 31 March 2008 and thereafter to end on 31 March of every subsequent year.

Accordingly, there are no comparative figures for the current quarter and the preceding year corresponding period.

15. Review of Performance

For the current quarter under review, the Group recorded a revenue of RM407.1 million, derived principally from the overseas projects in Indonesia, Kingdom of Saudi Arabia ("KSA") and United Arab Emirates ("UAE"). The Group recorded a loss after taxation of RM130.9 million, mainly attributable to:

Foreseeable losses for on-going projects in the Middle East as a result of higher sub-contracting costs for specialist works (due to unforeseen adverse weather conditions), higher contracted material prices, increase in staff costs, other higher project expenses & financing costs and an accelerated write down of fixed assets costs employed for these overseas projects, now considered due to the global economic crisis.

15. Review of Performance (Continued)

Due to the change in the financial year end as stated in Note 14, there are no comparative figures for the current quarter ended 31 December 2008 against preceding year's corresponding quarter. The quarterly results ended 31 October 2007 have been attached for illustration purpose only.

16. Comparison of (Loss) / Profit Before Tax for the Current Quarter with Immediate Preceding Quarter

For the current quarter, the Group recorded a revenue of RM407.1 million and a loss before taxation of RM131.4 million as compared to a revenue of RM477.1 million and a profit before taxation of RM34.0 million in the preceding quarter.

The Group's losses before taxation in the current quarter is contributed mainly by the project losses in KSA and UAE and a reduction in margin for an Indonesian project.

17. Current Year Prospects

Looking forward, the Group's revenue will continue to come from the order book secured in the Kingdom of Saudi Arabia, United Arab Emirates, India and Indonesia.

Considering the current financial turmoil worldwide and the increased cost of construction materials and other project expenses, during the first nine months of the calendar year, the Group will register a loss for the current financial year.

18. Profit Forecast or Profit Guarantee

There was no profit forecast or profit guarantee issued for the current financial year.

19. Taxation

	Current Quarter Ended	Current Year to Date Ended
	31/12/2008 RM'000	31/12/2008 RM'000
Malaysian income tax	5,817	15,010
Overseas taxation	(6,405)	4,087
Deferred tax	(12)	(36)
Tax expense	(600)	19,061

19. Taxation (Continued)

The Group operates in the following overseas countries and the statutory tax rates applicable in the respective countries are:-

	<i>Corporate Tax</i>	<i>Branch profit tax</i>
India	33%	N/A
Indonesia	30%	12.5%
Kingdom of Saudi Arabia (KSA)	20%	N/A
United Arab Emirates (UAE)	Nil	N/A

The effective tax rates for the Group's operations locally and in the above countries approximate the applicable statutory tax rates in the jurisdictions.

20. Profit/(Loss) on Sale of Unquoted Investments and Properties

There were no sale of unquoted investments and properties outside the ordinary course of business for the current quarter and financial year to date under review.

21. Quoted Securities

There were no purchases or disposals of quoted securities for the current quarter and financial year to date under review except that during the year to date under review, the Group had received from IJM Berhad ("IJM"), 8,233,436 warrants in IJM Land Berhad for every ten shares held in IJM, as tax exempt dividends in specie.

- (i) at distributed value = RM4,116,718
- (ii) at carrying value = RM1,564,353
- (iii) at market value = RM1,564,353

The investments in quoted securities as at 31 December 2008 are as follows:-

- (i) at cost/distributed value = RM234,652,932
- (ii) at carrying value = RM232,100,566
- (iii) at market value = RM232,100,566

22. Status of Corporate Proposals Announced

There were no corporate proposals announced but not completed as at 26 February 2009.

23. Borrowings and Debt Securities

**As at
31.12.08
RM'000**

(i) Current borrowings	
<i>Secured:-</i>	
- Term loans	56,076
<i>Unsecured</i>	
- Term Loan	34,108
<i>Secured:-</i>	
- Hire purchase liabilities	737
	90,921
(ii) Non-current borrowings	
<i>Unsecured:-</i>	
-Term Loan	320
<i>Secured:-</i>	
-Hire purchase liabilities	1,122
	1,442
Total	92,363

Included in the term loan (current portion) is an amount of RM27.9 million which is denominated in United Arab Emirates Dirhams, RM28.7 million which is denominated in United States Dollars and RM1.7 million which is denominated in Saudi Riyal .

Included in the term loan (non-current balance) is an amount of RM0.32 million which is denominated in United Arab Emirates Dirhams.

Included in the hire purchase liabilities is an amount of RM0.46 million which is denominated in United Arab Emirates Dirhams, of which RM0.32 million and RM0.14 million relate to current and non-current balances, respectively.

24. Off Balance Sheet Financial Instruments

The position of forward foreign exchange contracts of the Group as at 19 February 2008 is as follows:-

	Tenure	Currency to be received	Currency to be paid	Amount in foreign currency '000	Contractual rate	RM'000 Equivalent
(i)	28 August 2008 to 20 February 2009	US Dollar (USD)	Ringgit Malaysia (RM)	USD 69	1 USD= RM3.3700	233
(ii)	21 October 2008 to 10 March 2009	US Dollar (USD)	Ringgit Malaysia (RM)	USD 160	1 USD= RM3.4800	557
(iii)	10 November 2008 to 7 May 2009	US Dollar (USD)	Ringgit Malaysia (RM)	USD 1,374	1 USD= RM3.5200	4,836
(iv)	28 August 2008 to 20 February 2009	SGD Dollar (SGD)	Ringgit Malaysia (RM)	SGD 872	1 SGD= RM2.3913	2,085
(v)	21 November 2008 to 14 May 2009	US Dollar (USD)	Ringgit Malaysia (RM)	USD 191	1 USD= RM3.603	688

These contracts are executed with creditworthy financial institutions and therefore the Directors are of the view that, at present, the credit and market risks associated with these contracts are minimal.

25. Earnings Per Share

The basic earnings per share for the financial period has been calculated based on the Group's consolidated profit attributable to the equity holders of the Company, divided by the weighted average number of ordinary shares outstanding at the end of the period.

25. Earnings Per Share (Continued)

	Current Quarter Ended	Year-To-Date Ended
	31/12/08	31/12/08
Group's loss for the period, attributable to the equity holders of the parent (RM' Million)	(127.902)	(79.684)
Weighted average number of ordinary shares in issue (RM' Million)	563.264	563.264
Earnings per share (sen)		
(a) Basic	(22.71)	(14.15)
(b) Diluted	N/A	N/A

The Group does not have in issue any financial instruments or other contracts that may entitle its holder to ordinary shares and therefore dilute its basic earnings per share.

26. Changes in Material Litigation

There were no changes in material litigation, including the status of pending material litigation in respect of the Company and its subsidiaries since the last annual balance sheet date of 31 March 2008.

27. Dividends

There was no dividend declared for the quarter under review.

28. Authorisation for Issue

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 26 February 2009.

By order of the Board

Suhla Al Asri
Secretary

Kuala Lumpur
26 February 2009