

## UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINAL QUARTER ENDED 31 MARCH 2010

	Individual Quarter		Cumulative Period	
	Current year quarter 31/03/2010 RM'000 Unaudited	Preceding year quarter 31/03/2009 RM'000 Unaudited	Current year to date 31/03/2010 RM'000 Unaudited	Preceding year to date 31/03/2009 RM'000 Unaudited
<b>Continuing operations</b>				
Revenue	51,823	517,700	1,004,341	1,971,316
Cost of sales	(193,070)	(569,590)	(1,182,515)	(2,058,450)
Gross loss	(141,247)	(51,890)	(178,174)	(87,134)
Other operating income				
- Interest income	92	103	777	3,880
- Profit from Islamic deposits	0	70	70	571
- Investment income	5	167	19	1,179
- Other operating income	2,329	10,516	6,450	20,973
- Reversal / (Allowance for) of decline in value of marketable securities	45	-	2,552	(2,552)
- Gain on disposal of marketable securities	8,600	-	11,614	-
- (Loss) /Gain on disposal of non-current asset classified as held for sale	(990)	-	2,637	-
Impairment loss on goodwill	(44,396)	(2,942)	(44,396)	(2,942)
Marketing expenses	46	(5,097)	(2,492)	(17,223)
Administrative expenses	(4,437)	(9,182)	(24,504)	(33,206)
Other operating expenses	(16,548)	(12,995)	(33,335)	(19,757)
Finance costs	(6)	(5)	(36)	(120)
Share of results of:				
- Associates	719	2,662	8,017	10,853
- Jointly controlled entities	6	0	660	1,338
<b>Loss before taxation</b>	(195,782)	(68,593)	(250,141)	(124,140)
Tax (expense) / credit	(1,422)	10,066	(18,177)	(8,031)
<b>Loss for the period/year from continuing operations</b>	(197,204)	(58,527)	(268,318)	(132,171)
Discontinuing operations				
Profit for the period/year from discontinuing operations	1,146	340	318	2,354
<b>Loss for the period/year</b>	(196,058)	(58,187)	(268,000)	(129,817)
Attributable to:				
Equity holders of the parent	(184,267)	(58,161)	(254,262)	(137,227)
Minority interest	(11,791)	(26)	(13,738)	7,410
	(196,058)	(58,187)	(268,000)	(129,817)
(Loss)/earnings per share attributable to equity holders of the Company (sen):				
- Basic, for loss from continuing operations	(43.12)	(8.97)	(45.10)	(23.36)
- Basic, for loss from discontinuing operations	0.11	(1.36)	(0.04)	(1.01)
- Basic, for loss for the period/year	(43.01)	(10.33)	(45.14)	(24.36)
Loss per share attributable to equity holders of the Company (sen):				
- Diluted, for loss from continuing operations	N/A	N/A	N/A	N/A
- Diluted, for loss from discontinuing operations	N/A	N/A	N/A	N/A
- Diluted, for loss for the period/year	-	-	-	-

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2009)

ZELAN BERHAD 27676-V

## UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010

	AS AT END OF CURRENT QUARTER 31 MARCH 2010 RM'000 Unaudited	AS AT END OF FINANCIAL YEAR ENDED 31 MARCH 2009 RM'000 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	70,546	125,559
Lease prepayments	-	46
Investment properties	5,699	5,841
Investments in associates	32,361	24,344
Investments in jointly controlled entities	127	8,161
Available-for-sale investment	562,509	344,158
Goodwill	0	44,396
	<u>671,242</u>	<u>552,505</u>
<b>Current assets</b>		
Inventories	9,537	16,079
Property development costs	0	2,014
Trade and other receivables	621,214	705,155
Tax recoverable	38,341	38,750
Marketable securities	0	1,564
Other investments	433	8,092
Deposits, bank and cash balances	43,908	102,882
	<u>713,433</u>	<u>874,536</u>
Assets of disposal group classified as held for sale	32,965	-
	<u>746,398</u>	<u>874,536</u>
<b>TOTAL ASSETS</b>	<u><u>1,417,640</u></u>	<u><u>1,427,041</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	281,632	281,632
Reserves	187,855	193,547
Amount recognised directly in equity relating to asset classified as held for sale	(66)	0
	<u>469,421</u>	<u>475,179</u>
Minority interest	17,266	34,863
<b>Total equity</b>	<u>486,687</u>	<u>510,042</u>
<b>Non-current liabilities</b>		
Borrowings	411	1,383
Deferred tax liabilities	3,646	3,936
	<u>4,057</u>	<u>5,319</u>
<b>Current liabilities</b>		
Trade and other payables	636,903	765,668
Borrowings	273,435	138,496
Current tax liabilities	345	7,516
Liabilities of disposal group classified as held for sale	16,213	-
	<u>926,896</u>	<u>911,680</u>
<b>Total liabilities</b>	<u>930,953</u>	<u>916,999</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,417,640</u></u>	<u><u>1,427,041</u></u>
Net assets per share (RM)	<u>0.83</u>	<u>0.84</u>

(The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2009)

ZELAN BERHAD 27876-V

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINAL QUARTER ENDED 31 MARCH 2010

	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 2009	281,632	124,396	28,301	35,457	4,254	(133,520)	134,659	475,179	34,863	510,042
<b>Movements during the year</b>										
Currency translation differences	-	-	30,153	-	-	-	-	30,153	(617)	29,536
Available-for-sale investment: - Fair value movement	-	-	-	-	-	218,351	-	218,351	-	218,351
Net income directly recognised in equity	-	-	30,153	-	-	218,351	-	248,504	(617)	247,887
Loss for the year	-	-	-	-	-	-	(254,262)	(254,262)	(13,738)	(268,000)
Total recognised income / (expense) for the year	-	-	30,153	-	-	218,351	(254,262)	(5,758)	(14,355)	(20,113)
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(3,242)	(3,242)
Balance as at 31 March 2010	281,632	124,396	58,454	35,457	4,254	84,831	(119,603)	469,421	17,266	486,687
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
<b>Movements during the year</b>										
Currency translation differences	-	-	275	-	-	-	-	275	(760)	(485)
Transfer of general reserve	-	-	-	-	521	-	(521)	-	-	-
Available-for-sale investment: - Fair value movement	-	-	-	-	-	(158,082)	-	(158,082)	-	(158,082)
Net income/ (expense) directly recognised in equity	-	-	275	-	521	(158,082)	(521)	(157,807)	(760)	(158,567)
(Loss)/ Profit for the year	-	-	-	-	-	-	(137,227)	(137,227)	7,410	(129,817)
Total recognised income / (expense) for the year	-	-	275	-	521	(158,082)	(137,748)	(295,034)	6,650	(288,384)
Dividend paid - 31 March 2009	-	-	-	-	-	-	(21,122)	(21,122)	-	(21,122)
Dividend paid - 31 March 2008	-	-	-	-	-	-	(27,459)	(27,459)	-	(27,459)
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(713)	(713)
Balance as at 31 March 2009	281,632	124,396	28,301	35,457	4,254	(133,520)	134,659	475,179	34,863	510,042

\* 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 March 2009)

ZELAN BERHAD 27676-V

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINAL QUARTER ENDED 31 MARCH 2010

	Current year to date 31/03/2010 RM'000	Preceding year to date 31/03/2009 RM'000
<b>OPERATING ACTIVITIES</b>		
Loss for the year	(268,000)	(137,227)
Adjustments for :		
Tax expense	18,177	8,174
Allowance for doubtful debts	1,255	1,255
Allowance for doubtful debts written back	0	(315)
Bad debt written-off	1	3
Depreciation of property, plant and equipment	23,088	19,433
Amortisation of prepaid lease	46	60
Depreciation of investment properties	142	143
Property, plant and equipment written off	1,884	14,814
Inventories written down/ written off	-	7,259
Development expenditure written off	-	2,161
Impairment loss on goodwill	44,396	2,942
Impairment loss on investment in an associate	-	3,072
Gain on disposal of property, plant and equipment	(411)	(323)
(Reversal of) / Allowance for decline in value of marketable securities	(2,552)	2,758
Gain on disposal of marketable securities	(11,614)	(48)
Gain on disposal of non current assets classified as held for sale	(2,637)	(2)
Dividend income	(4,117)	(24,700)
Interest income	(777)	(3,880)
Profit from Islamic deposits	(70)	(571)
Investment income	(19)	(1,179)
Finance costs	36	1,791
Unrealised foreign exchange loss / (gain)	(24,650)	(11,079)
Minority interest	(13,738)	7,410
Share of results of jointly controlled entities	(660)	(1,336)
Share of results of associates	(8,017)	(10,853)
	<u>(248,237)</u>	<u>(120,240)</u>
Changes in working capital :		
Property development costs	(2,043)	11,932
Inventories	2,853	(4,703)
Receivables	73,671	148,290
Payables	(58,267)	(176,365)
Cash used in operations	(232,023)	(141,086)
Taxation paid	(24,708)	(33,642)
<b>Net cash flow from operating activities</b>	<u>(256,731)</u>	<u>(174,728)</u>
<b>INVESTING ACTIVITIES</b>		
Additional investments in associates	-	(1,950)
Decrease/ (Increase) in other investments	(3,023)	81,545
Repayment of advances by an investment classified as non-current assets held for :	-	1,184
Acquisition of marketable securities	(2,881)	-
Proceeds from disposal of marketable securities	18,563	-
Purchase of property, plant and equipment	(7,414)	(68,428)
Proceeds from disposal of property, plant and equipment	1,091	1,593
Proceeds from disposal of non-current assets classified as held for sale	11,331	120
Dividend received	3,088	15,438
Interest income received	777	3,880
Profit from Islamic deposits received	70	571
Investment income received	19	1,179
<b>Net cash flow from investing activities</b>	<u>21,621</u>	<u>35,132</u>
<b>FINANCING ACTIVITIES</b>		
Repayments of borrowings	(261,112)	(322,390)
Proceeds from borrowings	406,176	413,444
Dividend paid to minority interest	(3,242)	(713)
Repayments of hire purchase liabilities	(842)	(2,091)
Finance costs	(36)	(7,280)
(Additional) / Release of deposits pledged as security	(1,758)	81
Dividends paid	-	(48,581)
<b>Net cash flow from financing activities</b>	<u>139,186</u>	<u>32,470</u>
Net movement in cash and cash equivalents	(95,925)	(107,126)
Cash and cash equivalents at beginning of the year	102,522	201,825
Currency translation differences	35,193	7,823
<b>Cash and cash equivalents at end of the year</b>	<u>41,790</u>	<u>102,522</u>

(The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2009)

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

**NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE QUARTER ENDED 31 MARCH 2010**

**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 financial year ended 31 March 2009.

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 financial year ended 31 March 2009.

**2. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the Group’s financial statements for the financial year ended 31 March 2009 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**

**Current quarter**

There was no unusual item 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 increase of fair value reserve amounting to RM46.2 million in respect of the available-for-sale investment for the quarter ended 31 March 2010.
- ii) the loss on contracts amounting to RM148.1 million in respect of projects in Kingdom of Saudi Arabia (RM48.2 million), Indonesia (RM93.8 million) and United Arab Emirates (RM6.1 million).
- iii) the RM44.4 million impairment loss made in respect of the goodwill for the engineering and construction division of the Group.

**4. Unusual Items(Continued)**

**Year to date**

There was no unusual item 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 increase of fair value reserve amounting to RM218.4 million in respect of the available-for-sale investment for the financial year to date ended 31 March 2010.
- ii) the loss on contracts amounting to RM199.4 million in respect of projects in Kingdom of Saudi Arabia (RM93.4 million), United Arab Emirates (RM12.2 million) and Indonesia (RM93.8 million).
- iii) the RM44.4 million impairment loss made in respect of the goodwill for the engineering and construction division of the Group.

**5. Changes in Estimates of Amount Reported Previously**

There was no change in estimates of amounts reported in the prior financial period that has a material effect in the current quarter.

**6. Debt and Equity Securities**

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

**7. Dividends Paid**

For the current financial year to date, no dividend has been paid.

For the preceding year's corresponding financial year to date, a second interim dividend of 6.5 sen per ordinary share of RM0.50 each, less income tax at 25% was paid on 30 June 2008 for the financial year ended 31 March 2008.

An interim dividend of 5.0 sen per ordinary share of RM0.50 each, less income tax at 25% was paid on 9 December 2008 for the financial year ended 31 March 2009.

## 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
<b>Revenue</b>					
Total	68,093	218	6,161	2,325	76,797
Inter-segment	(18,809)	0	381	(4)	(18,432)
External	<b>49,284</b>	<b>218</b>	<b>6,542</b>	<b>2,321</b>	<b>58,365</b>
<b>Results</b>					
Segment (loss)/profit	(163,873)	2,463	1,670	1,563	(158,177)
Interest income	74	9	8	9	100
Investment income	0	5	0	0	5
Gain on disposal of marketable securities	0	0	0	8,600	8,600
Impairment loss on goodwill	(44,396)	0	0	0	(44,396)
Reversal of allowance for decline in value of marketable securities	0	0	0	45	45
Loss on disposal of non-current assets for sale	0	0	0	(990)	(990)
Finance costs	0	0	0	(6)	(6)
Share of results of associates and jointly controlled entities	725	0	0	0	725
(Loss)/profit before taxation	(207,470)	2,477	1,678	9,221	(194,094)
Tax expense					(1,964)
Loss for the quarter					<b>(196,058)</b>

## 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
<b>Revenue</b>					
Total	1,016,492	21,946	22,177	22,274	1,082,889
Inter-segment	(55,521)	0	(834)	(17)	(56,372)
External	<b>960,971</b>	<b>21,946</b>	<b>21,343</b>	<b>22,257</b>	<b>1,026,517</b>
Segment (loss)/profit	(251,895)	15,206	268	4,651	(231,770)
Interest income	661	86	307	30	1,084
Profit from Islamic deposits	0	0	0	70	70
Investment income	0	19	0	0	19
Gain on disposal of marketable securities	0	0	0	11,614	11,614
Impairment loss on goodwill	(44,396)	0	0	0	(44,396)
Reversal of allowance for decline in value of marketable securities	0	(1)	0	2,553	2,552
Gain on disposal of non-current assets classified as held for sale	0	0	0	2,637	2,637
Finance costs	(10)	(4)	(4)	(22)	(40)
Share of results of associates and jointly controlled entities	8,633	0	0	44	8,677
(Loss)/profit before taxation	(287,007)	15,306	571	21,577	(249,553)
Tax expense					(18,447)
Loss for the year					<b>(268,000)</b>



## 8. Segmental Reporting (Continued)

The Group's segmental report for the corresponding three-month financial quarter and year to date ended 31 March 2009 is as follows:-

### **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
<b>Revenue</b>					
Total	529,999	60,998	8,556	2,332	601,885
Inter-segment	(60,898)	(9,000)	(5,728)	(4)	(75,630)
External	<b>469,101</b>	<b>51,998</b>	<b>2,828</b>	<b>2,328</b>	<b>526,255</b>
<b>Results</b>					
Segment (loss)/profit	(82,780)	17,094	(349)	(2,923)	(68,958)
Interest income	(52)	154	34	1	137
Profit from Islamic deposits	0	0	0	70	70
Investment income	0	211	0	(44)	167
Finance costs	3	(3)	3	(6)	(3)
Write off of goodwill	0	0	(2,942)	0	(2,942)
Allowance for decline in value of marketable securities	0	0	(206)	0	(206)
Share of results of associates and jointly controlled entities	2,621	0	0	41	2,662
(Loss)/ Profit before taxation	(80,211)	17,456	(3,461)	(2,861)	(69,073)
Tax expense					10,887
Loss for the quarter					<b>(58,186)</b>

## 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
<b>Revenue</b>					
Total	1,910,468	200,014	38,531	31,189	2,180,202
Inter-segment	(152,658)	(9,000)	(10,303)	(17)	(171,978)
External	<b>1,757,810</b>	<b>191,014</b>	<b>28,228</b>	<b>31,172</b>	<b>2,008,224</b>
<b>Results</b>					
Segment (loss) /profit	(187,463)	35,684	2,255	15,434	(134,090)
Interest income	2,833	1,012	475	35	4,355
Profit from Islamic deposits	0	0	0	571	571
Investment income	0	1,013		166	1,179
Finance costs	(79)	(3)	(28)	(39)	(149)
Write-off of goodwill	0	0	(2,942)	0	(2,942)
Allowance for decline in value of marketable securities		0	(206)	(2,552)	(2,758)
Share of results of associates and jointly controlled entities	12,193	0	0	(2)	12,191
(Loss) /Profit before Taxation	(172,516)	37,706	(446)	13,613	(121,643)
Tax expense					(8,174)
Loss for the period					<b>(129,817)</b>

As set out in Note 10, European Profiles (M) Sdn Berhad, has been disposed. Accordingly, the income statement and balance sheet have been presented in accordance with the requirements of FRS 5 "Non-current Assets Held for Sale and Discontinued Operations". The results of European Profile (M) Sdn Berhad and its subsidiaries are included within the "Manufacturing and Trading" Business Segment.

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 offers.

## 9. Valuation of Property, Plant and Equipment

Property, plant and equipment 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**

Zelan Holdings (M) Sdn Bhd entered into a Share Sale Agreement (“SSA”) to sell its entire (80%) equity interest in European Profiles (M) Sdn Berhad for a sale consideration of RM10.0 million. The SSA was dated 11 May 2010.

Save for the above, there was no material event subsequent to the end of the current quarter under review that has not been reflected in the interim financial report.

**11. Changes in Composition of the Group**

There was no change in the composition of the Group during the current quarter ended 31 March 2010, except for the disposal of 50% equity interest in Zelan EPC Limited for a sale consideration of RM7.7 million. The SSA was dated 2 November 2009 and was completed on 13 January 2010.

**12. Discontinued Operation and Disposal Group Classified as Held for Sale**

On 11 May 2010 the company announced the decision to discontinue and dispose off its subsidiary, European Profiles (M) Sdn Berhad.

As at 31 March 2010, the assets and liabilities of European Profiles (M) Sdn Berhad have been presented on the consolidated balance sheet as a disposed group held for sale and results from this subsidiary is presented separately on the consolidated income statement as discontinued operations. The carrying value of the investment in this subsidiary has also been presented as a non-current asset held for sale on the Company’s balance sheet as at 31 March 2010.

The analysis of the results of discontinued operation and the result recognized on the remeasurement of assets of disposal group is as follows:

RM'000	FYE March 2010	FYE March 2009
Revenue	22,177	36,908
Expenses	(21,589)	(34,411)
Profit before tax of discontinued operation	588	2,497
Income tax expense	(270)	(143)
Profit for the year from discontinued operations	318	(2,354)

**12. Discontinued Operation and Disposal Group Classified as Held for Sale (Continued)**

The cashflows attributable to the discontinued operation are as follows:

RM'000	FYE March 2010	FYE March 2009
Operating cashflows	2,339	3,874
Investing cashflows	(2,713)	(499)
Financing cash flows	(10,157)	(3,269)
Total cash flows	(10,531)	106

The major classes of assets and liabilities of European Profiles (M) Sdn Bhd classified as held for sale on the consolidated balance sheet as at 31 March 2010.

RM'000	Carrying amounts as at 31 March 2010
<b>Assets</b>	
Property , Plant and Equipment	4,673
Deferred tax	616
Inventories	3,689
Other investments	10,620
Trade and other receivables	10,502
Current tax assets	278
Cash and bank balances	2,587
Assets of disposal group held for sale	32,965
<b>Liabilities</b>	
Trade and other payables	(15,463)
Borrowings	(94)
Current tax payable	(655)
Liabilities directly associated with assets classified as held for sale	(16,213)

**13. Changes in Contingent Liabilities or Contingent Assets**

There was no change in contingent liabilities or contingent assets since the last annual balance sheet date.

**14. Capital Commitments**

The Group did not have any capital commitment as at 31 March 2010.

**15. Review of Performance**

For the current quarter under review, the Group recorded a revenue from continuing operations of RM51.8 million, a decrease of 90.0% as compared to the preceding year's corresponding quarter. This is due to lower contributions from the overseas projects of the Engineering and Construction Business Unit.

The Group recorded a higher loss after tax from continuing operations of RM197.2 million as compared to RM58.5 million loss in the preceding year's quarter. This is mainly attributable to higher gross loss recorded from three existing overseas projects of the Engineering and Construction Business Unit which were secured in 2006 and 2007. These projects encountered cost overrun due to material price escalation and additional costs arising from work delays.

**16. Comparison of Profit Before Tax for the Current Quarter with Immediate Preceding Quarter**

For the current quarter, the Group recorded a loss before taxation from continuing operations of RM195.8 million as compared to the preceding quarter's loss before taxation from continuing operations of RM68.6 million. Loss from continuing operations for the current quarter was mainly derived from higher gross loss incurred during the quarter, as a result of additional project losses recognised, which is partially offset by a gain from sale of quoted and other investments.

**17. Current Year Prospects**

Looking forward, the Group's revenue will continue to come from the order book secured and promising prospects which the Group is bidding in the overseas and domestic markets.

Amidst signs of recovery in the economy, the Group is gearing itself to secure new contracts in order to return to profitability.

**18. Profit Forecast or Profit Guarantee**

There was no profit forecast or profit guarantee issued in a public document for the current financial year.

**19. Taxation**

	Current Quarter Ended		Year-To-Date Ended	
	31/03/2010 RM'000	31/03/2009 RM'000	31/03/2010 RM'000	31/03/2009 RM'000
<b>Continuing operations</b>				
Malaysian income tax	(11,708)	(7,129)	12,509	6,917
Overseas income tax	16,272	(2,840)	8,998	1,247
Deferred tax	(3,142)	(97)	(3,330)	(133)
Tax expense/(credit)	1,422	(10,066)	18,177	8,031
<b>Discontinued operations</b>				
Malaysian income tax	542	(821)	270	143
Tax expense/(credit)	542	(821)	270	143
Tax expense/(credit)	1,964	(10,887)	18,447	8,174

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

	Corporate Tax	Branch profit tax
<i>India</i>	33%	N/A
<i>Indonesia</i>		
-Financial period beginning 1 January 2009	3% of billings made	
-Financial period ended 31 December 2008	30%	12.5%
<i>Kingdom of Saudi Arabia (KSA)</i>	20%	N/A
<i>United Arab Emirates (UAE)</i>	Nil	N/A

**19. Taxation (Continued)**

The effective tax rates for the Group's operations in India approximate the applicable statutory tax rate in India.

The effective tax rates for the Group's operations in KSA is lower than the statutory tax rate in this jurisdiction mainly due to project losses incurred.

The tax rates for the Group's operations in Indonesia is based on billings made, which does not take into account the profitability of the project.

The effective tax rates for the Group's operations locally is higher than the applicable statutory rates mainly due to certain companies within the Group which were loss making and certain expenses which were not deductible for tax purposes.

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

Save for the disclosures under Note 10 and 11 above, there was 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****Current quarter**

During the financial quarter under review, the Group disposed of 9,392,009 IJM warrants for a net cash consideration of RM10.955 million.

**Year to date**

During the financial year to date under review, the Group had:

- i) subscribed for 11,526,809 rights issue of IJM warrants at a cash consideration of RM2.882 million.
- ii) disposed of 8,233,436 of IJM Land Berhad's warrants for a net cash consideration of RM5.165 million.
- iii) disposed of 11,526,809 IJM warrants for a net cash consideration of RM13.398 million.

The investments in quoted securities as at 31 March 2010 are as follows:-

**a) *IJM Quoted Ordinary Shares.***

(i) at cost	= RM477,827,647
(ii) at carrying value	= RM562,508,361
(iii) at market value	= RM562,508,361

**22. Status of Corporate Proposals Announced**

Save as disclosed in Note 10, there was no corporate proposal announced but not completed as at 27 May 2010.

**23. Borrowings and Debt Securities**

**As at  
31.03.10  
RM'000**

<b>(i) Current borrowings</b>	
<i>Secured:-</i>	
- Revolving credit	190,245
- Term loans	52,754
- Hire purchase liabilities	436
	243,435
<i>Unsecured:-</i>	
- Term Loan	30,000
	<b>273,435</b>
<b>(ii) Non current borrowings</b>	
<i>Secured:-</i>	
- Term loan	112
- Hire purchase liabilities	394
	<b>506</b>
<b>Total</b>	<b>273,941</b>

Included in the term loan (current portion) is an amount of RM52.7 million which is denominated in United Arab Emirates Dirhams, and RM24.4 million which is denominated in Saudi Riyal.

Included in term loan (non-current balances) is an amount of RM0.11 million which is denominated in United Arab Emirates Dirhams.

Included in the hire purchase liabilities is an amount of RM0.09 million which is denominated in United Arab Emirates Dirhams, of which RM0.06 million and RM0.03 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 20 May 2010 is as follows:-

	Tenure	Currency to be received	Currency to be paid	Amount in foreign currency '000	Contractual rate	RM'000 equivalent
(i)	23 November 2009 to 24 May 2010	United States Dollar (USD)	Ringgit Malaysia (RM)	USD 173	1 USD= RM3.3970	588

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. Loss Per Share

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

	Current Quarter Ended		Year-To-Date Ended	
	31/03/10	31/03/09	31/03/10	31/03/09
Group's loss from continuing operations attributable to ordinary equity holders of the parent (RM' 000)	(197,204)	(57,706)	(268,318)	(132,171)
Group's profit from discontinuing operations attributable to ordinary equity holders of the parent (RM' 000)	1,146	342	318	2,356
Group's loss for the period, attributable to the equity holders of the parent (RM' 000)	<u>(196,058)</u>	<u>(57,364)</u>	<u>(268,000)</u>	<u>(129,815)</u>

**25. Loss Per Share (Continued)**

Weighted average number of ordinary shares in issue (Million)	563.264	563.264	563.264	563.264
<b>Basic, (loss)/earnings per share for (sen):</b>				
<b>(a) Loss from continuing operations</b>	(43.12)	(8.97)	(45.10)	(23.36)
<b>(b) Profit from discontinuing operations</b>	0.11	(1.36)	(0.04)	(1.00)
<b>(c) Loss for the year</b>	<u>(43.01)</u>	<u>(10.33)</u>	<u>(45.14)</u>	<u>(24.36)</u>
<b>Diluted (loss)/earnings per share (sen)</b>	N/A	N/A	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 loss per share.

**26. Changes in Material Litigation**

There was no change 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 2009.

**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 27 May 2010.

**By order of the Board**

**Suhla Al Asri  
Secretary**

**Kuala Lumpur  
27 May 2010**