

ZELAN BERHAD
(Company No: 27676-V)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 MARCH 2016

THE FIGURES HAVE NOT BEEN AUDITED

CONSOLIDATED STATEMENT OF INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2016 RM'000	Quarter ended 31/03/2015 RM'000	Period ended 31/03/2016 RM'000	Period ended 31/03/2015 RM'000
Revenue	61,391	88,012	61,391	88,012
Cost of sales	<u>(52,958)</u>	<u>(78,995)</u>	<u>(52,958)</u>	<u>(78,995)</u>
Gross profit	8,433	9,017	8,433	9,017
Other income	252	247	252	247
Income/profit on placement of deposits	528	98	528	98
Unwinding of discounting on trade receivables and discounting on trade payables	4,772	2,972	4,772	2,972
Accretion of interest on long term receivables	(3,588)	6,704	(3,588)	6,704
Total interest income	1,712	9,774	1,712	9,774
Unrealised foreign exchange (loss)/gain, net	(9,884)	3,780	(9,884)	3,780
Administrative expenses	(4,647)	(3,960)	(4,647)	(3,960)
Operating expenses	(1,446)	(326)	(1,446)	(326)
Depreciation	(237)	(182)	(237)	(182)
Finance cost on borrowings	(4,214)	(80)	(4,214)	(80)
Discounting of long term trade receivables and unwinding of discounting on trade payables	(26,061)	(3,913)	(26,061)	(3,913)
Total finance costs	(30,275)	(3,993)	(30,275)	(3,993)
Share of results of associates	(200)	(221)	(200)	(221)
(Loss)/profit before zakat and taxation	<u>(36,292)</u>	<u>14,136</u>	<u>(36,292)</u>	<u>14,136</u>
Tax (expenses)/credit	(1,281)	1,296	(1,281)	1,296
Net(loss)/profit for the period	<u>(37,573)</u>	<u>15,432</u>	<u>(37,573)</u>	<u>15,432</u>
(Loss)/profit for the period				
Attributable to:				
Equity holders of the parent	(37,573)	15,429	(37,573)	15,429
Non-controlling interests	-	3	-	3
	<u>(37,573)</u>	<u>15,432</u>	<u>(37,573)</u>	<u>15,432</u>
(Loss)/earnings per share:				
Basic (loss)/earnings per share attributable to equity holders of the Company (sen)	<u>(4.45)</u>	<u>1.83</u>	<u>(4.45)</u>	<u>1.83</u>
Diluted (loss)/earnings per share attributable to equity holders of the Company (sen)	<u>(4.45)</u>	<u>1.80</u>	<u>(4.45)</u>	<u>1.80</u>

The Consolidated Statement of Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015.

ZELAN BERHAD
(Company No: 27676-V)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2016 RM'000	Quarter ended 31/03/2015 RM000	Period ended 31/03/2016 RM'000	Period ended 31/03/2015 RM000
Net (loss)/profit for the period	<u>(37,573)</u>	<u>15,432</u>	<u>(37,573)</u>	<u>15,432</u>
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss :</i>				
Exchange difference from translation of foreign operations	<u>5,170</u>	<u>934</u>	<u>5,170</u>	<u>934</u>
Total items that may be reclassified subsequently to profit or loss	<u>5,170</u>	<u>934</u>	<u>5,170</u>	<u>934</u>
Total comprehensive (loss)/income for the period	<u>(32,403)</u>	<u>16,366</u>	<u>(32,403)</u>	<u>16,366</u>
Total comprehensive (loss)/income for the period				
Attributable to:				
Equity holders of the parent	<u>(32,413)</u>	<u>16,363</u>	<u>(32,413)</u>	<u>16,363</u>
Non-controlling interests	<u>10</u>	<u>3</u>	<u>10</u>	<u>3</u>
	<u>(32,403)</u>	<u>16,366</u>	<u>(32,403)</u>	<u>16,366</u>

The Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015.

ZELAN BERHAD
(Company No: 27676-V)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at end of current period 31/03/2016 RM'000	As at preceding financial year ended 31/12/2015 RM000
ASSETS		
Non-current assets		
Property, plant and equipment	8,442	8,756
Investment properties	4,847	4,882
Financial and other receivables	638,723	565,251
Deposits, cash and bank balances (restricted)	4,929	4,099
	<u>656,941</u>	<u>582,988</u>
Current assets		
Inventories	8,965	8,965
Financial and other receivables	139,596	146,112
Tax recoverable	15,067	15,938
Deposits, cash and bank balances (restricted)	11,171	19,219
Deposits, cash and bank balances (non-restricted)	4,123	47,289
	<u>178,922</u>	<u>237,523</u>
Assets of disposal subsidiary classified as held for sale	2,671	2,671
	<u>181,593</u>	<u>240,194</u>
Less: Current liabilities		
Trade and other payables	204,148	261,282
Borrowings	40,521	26,604
Current tax liabilities	4,503	3,569
	<u>249,172</u>	<u>291,455</u>
Liabilities of disposal subsidiary classified as held for sale	1,671	1,671
	<u>250,843</u>	<u>293,126</u>
NET CURRENT LIABILITIES	(69,250)	(52,932)
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>587,691</u>	<u>530,056</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	84,489	84,489
Reserves	88,446	120,859
	<u>172,935</u>	<u>205,348</u>
Non-controlling interests	(177)	(187)
Total equity	<u>172,758</u>	<u>205,161</u>
Non-current liabilities		
Investments in associates	2,335	2,135
Borrowings	409,560	319,721
Deferred tax liabilities	3,038	3,039
	<u>414,933</u>	<u>324,895</u>
TOTAL EQUITY AND NON-CURRENT LIABILITIES	<u>587,691</u>	<u>530,056</u>
Net assets per share (RM)	<u>0.20</u>	<u>0.24</u>

The Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015.

ZELAN BERHAD
(Company No: 27676-V)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent								
	Share Capital RM'000	Warrants Reserve # RM'000	Translation Reserve RM'000	Capital Reserve * RM'000	General Reserve * RM'000	Retained Earnings RM'000	Sub Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Three months to 31 March 2016									
Balance as at 1 January 2016	84,489	14,082	5,711	35,457	4,254	61,355	205,348	(187)	205,161
Loss for the period	-	-	-	-	-	(37,573)	(37,573)	-	(37,573)
<u>Other comprehensive income:</u>									
Currency translation reserve	-	-	5,160	-	-	-	5,160	10	5,170
Total comprehensive (loss)/income for the period	-	-	5,160	-	-	(37,573)	(32,413)	10	(32,403)
Balance as at 31 March 2016	84,489	14,082	10,871	35,457	4,254	23,782	172,935	(177)	172,758
Three months to 31 March 2015									
Balance as at 1 January 2015	84,489	14,082	7,575	35,457	4,254	30,868	176,725	(202)	176,523
Profit for the period	-	-	-	-	-	15,429	15,429	3	15,432
<u>Other comprehensive income:</u>									
Currency translation difference	-	-	934	-	-	-	934	-	934
Total comprehensive income for the period	-	-	934	-	-	15,429	16,363	3	16,366
Balance as at 31 March 2015	84,489	14,082	8,509	35,457	4,254	46,297	193,088	(199)	192,889

* 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 certain overseas subsidiaries.

This reserve relates to issuance of free detachable warrants.

The Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015

CONSOLIDATED STATEMENT OF CASH FLOWS

	Period ended 31/03/2016 RM'000	Period ended 31/03/2015 RM'000
OPERATING ACTIVITIES		
(Loss)/profit for the period attributable to equity holders of the Company	(37,573)	15,429
Adjustments for :		
Tax expense/(credit)	1,281	(1,296)
Depreciation of property, plant and equipment	329	589
Depreciation of investment properties	35	35
Provision for impairment of receivables	1	17
Interest income	(1,712)	(9,774)
Finance costs	30,275	3,993
Net unrealised foreign exchange loss/(gain)	9,884	(3,780)
Non-controlling interests	-	(3)
Share of results of associates	200	221
	<u>2,720</u>	<u>5,431</u>
<i>Changes in working capital :</i>		
Receivables	(91,835)	(68,929)
Payables	<u>(56,157)</u>	<u>(5,128)</u>
Cash flows used in operations	(145,272)	(68,626)
Tax paid	<u>(434)</u>	<u>(3,798)</u>
Net cash flows used in operating activities	<u>(145,706)</u>	<u>(72,424)</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(27)	(60)
Income/profit on placements of deposits	528	98
Net cash flows generated from investing activities	<u>501</u>	<u>38</u>
FINANCING ACTIVITIES		
Repayments of borrowings	(101,369)	(96)
Proceeds from borrowings	204,649	38,442
Repayments of hire purchase creditors	(137)	(156)
Interest paid	(4,214)	(80)
Release of deposits pledged as security	7,218	3,360
Net cash flows generated from financing activities	<u>106,147</u>	<u>41,470</u>
Net movement in cash and cash equivalents	(39,058)	(30,916)
Cash and cash equivalents at the beginning of the period	47,289	43,634
Currency translation differences	<u>(4,108)</u>	<u>4,667</u>
Cash and cash equivalents at the end of the period	<u>4,123</u>	<u>17,385</u>

The Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015.

1. Basis of Preparation

The interim financial information is unaudited and has been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial information should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015. The explanatory notes attached to the interim financial information 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 2015.

The accounting policies and methods of computation adopted for the interim financial information are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2015 except for the adoption of the following amendments to the Malaysian Financial Reporting Standards (“MFRS”):

The adoption of the following amendments to the existing standards do not have any significant impact to the interim financial information of the Group.

Amendments to MFRS 11	Accounting for Acquisitions of Interest in Joint Operations (effective from January 2016)
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities – Applying the Consolidation Exception (effective from January 2016)
Amendments to MFRS 127	Equity Method in Separate Financial Statements (effective from 1 January 2016)
Amendments to MFRS 101	Disclosure initiative (effective from 1 January 2016)
Amendments to MFRS116 and MFRS138	Clarification of Acceptable Methods of Depreciation and Amortisation (effective from 1 January 2016)
Annual Improvements to MFRSs	2012-2014 Cycle (effective from 1 January 2016)

MFRS and amendments to standards that are applicable to the Group but not yet effective

Malaysian Accounting Standards Board had issued the following new amendments to standard which are effective for the financial period beginning on or after 1 January 2017. The Group did not early adopt these new amendments to standard.

Amendments to MFRS 9	Financial Instruments (effective from 1 January 2018)
Amendments to MFRS15	Revenue from Contracts with Customers (effective from 1 January 2018)

Project in Abu Dhabi

In respect of the Group’s project in Abu Dhabi, United Arab Emirates (“UAE”), the Group issued a notice of termination to the project owner in Abu Dhabi, UAE on 17 September 2015 to terminate the Group’s employment following the defaults by the project owner, which failed to pay an amount of AED27.6 million (approximately RM32.3 million), being the certified amounts of works done and materials at site owing by the project owner to the Group under certificates of payment in accordance with the provisions of the Contract and the project owner’s continuous interference with the valuation and/or certification of the Group’s progress claims.

The Directors are of the view that the Group has rightfully and validly terminated its employment under the contract with the project owner. As provided under the contract with the project owner, the termination took effect on 1 October 2015, being 14 days after the issuance of the notice of termination.

1. Basis of Preparation (continued)

On 11 December 2015, the Group had submitted its request for arbitration to the International Court of Arbitration of the International Chamber of Commerce ("ICC") in relation to two of the disputes. The Group intends to refer the other disputes to arbitration at ICC in accordance with the mechanism stipulated in the Contract.

On 17 December 2015, the Group was notified that the guarantor of the performance bonds received two notices of demand from the project owner to liquidate the rectification bond of AED41.0 million (approximately RM47.9 million) and performance bond of AED51.5 million (approximately RM60.2 million) respectively. On 3 January 2016, the guarantor of the bonds released the full amount of the rectification bond and performance bond to the project owner.

The Group had issued 8 Notices of Intention to Commence Arbitration to the project owner for disputes with the project owner, including failure to pay certified payments, rejection of extension of time application, wrongful deduction of certified value of work done, and under-certification of project claims.

The Group has engaged a claim consultant to carry out a review of the costs incurred for the project and the amounts claimable against the project owner based on the Group's entitlement under the terms of the contract. The Group has also obtained legal opinions from external solicitors based in Abu Dhabi, UAE and Malaysia.

The Group recorded a total receivable balances of AED202.2 million (approximately RM214.8 million) due from the project owner as at 31 March 2016, comprising the certified claims and amounts due from the project owner for the work performed upto the termination date, as well as the rectification bond and performance bond drawdown by the project owner of AED92.5 million (approximately RM108.1 million) in January 2016. Based on the advice from the claim consultant and the external solicitors, the Directors are of the view that the Group has valid contractual basis to recover the outstanding receivable balances from the project owner.

In making this assessment, the Directors have considered the Group's entitlement to claims on amounts incurred for work done and materials supplied pursuant to the contract, interest and other costs and loss of opportunity of profit which the Group had suffered as a result of the termination. The Group will proceed with the arbitration process to recover fully the outstanding amounts under the provision of the contract. The expected timing of the receipt has been considered in arriving at the carrying value of the net receivables which takes into consideration the expected period of the arbitration process and the subsequent recovery which may take more than two years in arriving at the carrying value of the receivables.

The recovery of the outstanding balance from the project owner will be dependent on the outcome of the arbitration process, which commenced in December 2015.

The Group has also successfully restructured the rectification bond and performance bond drawdown in January 2016 by the project owner in Abu Dhabi of AED92.5 million (approximately RM108.1 million) into a secured term loan amounting to AED88.0 million (approximately RM102.9 million) in February 2016 which allows the Group to make progressive principal and interest repayments over a period up to January 2019.

The Directors are of the view that the Group will be able to generate sufficient cash inflows within the next twelve months from the reporting date from both existing and new contracts and obtain tax refunds from the Indonesian tax authorities as awarded by the Supreme Court of Indonesia to meet working capital requirements and repay borrowings. The Directors believe that the Group will be able to realise their assets and discharge their liabilities in the normal course of business and that the financial position will be improved through future operating profits and cash flows. Thus, the Directors believe no material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the Group's financial statements for the financial year ended 31 December 2015 was not qualified.

3. Seasonal or Cyclical Factors

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

4. Unusual Items

There was no unusual item affecting assets, liabilities, equity, net income or cash flows during the current financial quarter because of their nature, size or incidence.

5. Changes in Estimates of Amount Reported Previously

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

7. Dividend

For the current financial quarter, no dividend had been declared. For the preceding year's corresponding quarter, no dividend was declared.

8. Segmental Reporting

Segment analysis for the current financial quarter to 31 March 2016 is as follows:

	Engineering and Construction	Property and Development	Asset Facilities Management	Investment	Total
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue					
Segment revenue	65,506	201	165	163	66,035
Less: Inter-segment sales	(4,397)	-	(165)	(82)	(4,644)
	<u>61,109</u>	<u>201</u>	<u>-</u>	<u>81</u>	<u>61,391</u>
Results					
Segment (loss)/profit	(4,591)	219	(187)	(1,258)	(5,817)
Finance costs	(30,034)	-	-	(241)	(30,275)
Share of results of associates	(200)	-	-	-	(200)
(Loss)/profit before zakat and taxation	(34,825) [▼]	219	(187)	(1,499)	(36,292)
Tax expense	(1,261)	(20)	-	-	(1,281)
Net (loss)/profit for the period	<u>(36,086)</u>	<u>199</u>	<u>(187)</u>	<u>(1,499)</u>	<u>(37,573)</u>
Attributable to:					
Equity holders of the parent	(36,086)	199	(187)	(1,499)	(37,573)
Non-controlling interest	-	-	-	-	-
	<u>(36,086)</u>	<u>199</u>	<u>(187)</u>	<u>(1,499)</u>	<u>(37,573)</u>

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

There was no material event subsequent to the end of the current financial quarter.

10. Changes in Composition of the Group

There was no change in the composition of the Group during the current financial quarter, except that:

- (i) The Group had on 30 December 2015, entered into a Share Sale Agreement to dispose its entire 95% equity interest in Terminal Bersepadu Gombak (M) Sdn Bhd for a sale consideration of RM1.0 million. The disposal was completed on 15 April 2016.
- (ii) On 23 September 2015, the following wholly owned subsidiaries of the Group made applications to the Companies of Malaysia ("CCM") to strike-off their names from the Register of the CCM.
 - a) Panduan Pelangi Sdn Bhd
 - b) Tronoh Consolidated (Overseas) Sdn Bhd.
 - c) Paduan Lima Sejati Sdn. Bhd.
 - d) Zelan Property Services Sdn. Bhd.

The striking-off of the above subsidiaries have been completed as at the date of this announcement.

11. Changes in Contingent Liabilities or Contingent Assets

There was no change in contingent liabilities or contingent assets since the last quarter.

12. Profit Forecast or Profit Guarantee

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

13. Review of Performance

(i) Comparison between the current quarter and the immediate preceding quarter

	Quarter ended 31/03/2016 RM '000	Quarter ended 31/12/2015 RM '000	Variance RM '000
Revenue			
Engineering and Construction	61,109	115,565	(54,456)
Property and Development	201	199	2
Investment	81	81	-
Total	61,391	115,845	(54,454)
(Loss)/Profit After Zakat and Taxation			
Engineering and Construction	(36,086)	(18,213)	(17,873)
Property and Development	199	(168)	367
Asset Facilities Management	(187)	-	(187)
Investment	(1,499)	(148)	(1,351)
Total	(37,573)	(18,529)	(19,044)

For the current quarter under review, the Group recorded revenue from Engineering and Construction segment of RM61.1 million as compared to a revenue of RM115.6 million in the immediate preceding quarter.

The revenue for both quarters were mainly contributed by the local projects of RM61.1 million (31.12.2015: RM110.9 million). The lower revenue in the current quarter was due to lower revenue from Material Off Loading Facilities Jetty ("MOLF") project amounting to RM36.2 million (31.12.2015: RM93.0 million) as the project has been substantially completed which is offset by higher revenue from Drawbridge project amounting to RM19.1 million (31.12.2015: RM14.3 million). In the immediate preceding quarter, the Group recorded a revenue of RM4.6 million from Meena Project in Abu Dhabi, whilst no revenue was recorded for the current quarter.

13. Review of Performance (continued)

(i) Comparison between the current quarter and the immediate preceding quarter

The Group recorded Loss After Zakat and Taxation (“LAZT”) of RM37.6 million for the current quarter as compared to the Loss After Zakat and Taxation of RM18.5 million in the immediate preceding quarter mainly due to the following:

- a) Discounting of long term trade receivables and unwinding of discounting on trade receivables of RM26.1 million.
- b) Unrealised foreign exchange loss of RM9.9 million
- c) Finance cost on borrowings of RM4.2 million.

(ii) Comparison between the current quarter ended and corresponding quarter last year

	Quarter ended 31/03/2016 RM '000	Quarter ended 31/03/2015 RM '000	Variance RM '000
<u>Revenue</u>			
Engineering and Construction	61,109	87,734	(26,625)
Property and Development	201	190	11
Investment	81	88	(7)
Total	61,391	88,012	(26,621)
<u>(Loss)/profit After Zakat and Taxation</u>			
Engineering and Construction	(36,086)	17,106	(53,192)
Property and Development	199	55	144
Asset Facility Management	(187)	-	(187)
Investment	(1,499)	(1,729)	230
Total	(37,573)	15,432	(53,005)

For the current quarter under review, the Group’s revenue from Engineering and Construction segment was RM61.1 million as compared to the revenue of RM87.7 million in the corresponding quarter last year, lower by RM26.6 million or 30.3%. This was mainly due to lower revenue from local projects of RM61.1 million (31.03.2015: RM63.9 million) and revenue from Meena project for the quarter ended 31.03.2015 amounting to RM23.9 million, whilst no revenue was recorded for the current quarter.

The revenue recorded from Property and Development segment from rental income of office premises and car park bays for the quarter was higher as compared to the corresponding quarter last year due to slightly higher car park income.

The Group recorded LAZT of RM37.6 million for the current quarter which is lower than the PAZT of RM15.4 million in the corresponding quarter last year mainly due to the following:

- a) Discounting of long term trade receivables and unwinding of discounting on trade receivables of RM26.1 million.
- b) Unrealised foreign exchange loss of RM9.9 million
- c) Finance cost on borrowings of RM4.2 million.
- d) Accretion of interest on long term receivables of RM3.6 million.

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14. Taxation

	Individual Quarter		Cumulative Quarter	
	Current year	Preceding year	Three	Three
	quarter	corresponding	months to	months to
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
	RM '000	RM '000	RM '000	RM '000
Malaysian income tax - current	1,368	1,810	1,368	1,810
Malaysian income tax - group tax relief	-	(3,057)	-	(3,057)
Overseas income tax	(86)	-	(86)	-
	<u>1,282</u>	<u>(1,247)</u>	<u>1,282</u>	<u>(1,247)</u>
Deferred tax	(1)	(49)	(1)	(49)
Tax expense/(credit)	<u>1,281</u>	<u>(1,296)</u>	<u>1,281</u>	<u>(1,296)</u>

The Malaysian income tax group relief of RM3.1 million was in relation to a refund by the Inland Revenue Board on the application for the Group relief in the preceding year corresponding quarter ended 31 March 2015.

The overseas income tax for the financial quarter is in respect of a write back of provision made on tax for a project in India due to translation difference.

15. Borrowings and Debt Securities

Details of Group's borrowings as at 31 March 2016 are as follows:

	Short term borrowings			Long term borrowings		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Term loan	12,324	-	12,324	81,139	-	81,139
Islamic financing	27,624	-	27,624	327,974	-	327,974
Hire purchase	-	573	573	-	447	447
	<u>39,948</u>	<u>573</u>	<u>40,521</u>	<u>409,113</u>	<u>447</u>	<u>409,560</u>

16. (Loss)/earnings Per Share

The basic (loss)/earnings per share and the diluted (loss)/earnings per share for the financial period were calculated based on the Group's (loss)/profit attributable to the equity holders of the Company, divided by the weighted average number of ordinary shares in issue during the financial period.

	Individual Quarter		Cumulative Quarter	
	Quarter ended	Quarter ended	Three months to	Three months to
	31/03/2016	31/03/2015	31/03/2016	31/03/2015
(Loss)/profit attributable to equity holders of the parent (RM'000)	(37,573)	15,429	(37,573)	15,429
Weighted average number of ordinary shares in issue ('000)	844,895	844,895	844,895	844,895
Basic (loss)/earnings per share (sen)	(4.45)	1.83	(4.45)	1.83
Weighted average number of ordinary shares in issue for purpose of computing diluted earnings per share ('000)	844,895	859,155	844,895	859,155
Diluted (loss)/earnings per share (sen)	(4.45)	1.80	(4.45)	1.80

17. Supplementary information disclosed pursuant to Bursa Malaysia Securities Listing Requirements

The following analysis of realised and unrealised retained earnings/(accumulated losses) at the Group is prepared in accordance with Guidance on Special Matter No. 1. Determination of Realised and Unrealised Profits in the Context of Disclosures pursuant to Bursa Malaysia Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Malaysia.

The disclosure of realised and unrealised retained earnings/(accumulated losses) below is solely for compliance with the directive issued by the Bursa Malaysia and should not be used for any other purposes.

	As at 31/03/2016 RM'000	As at 31/12/2015 RM'000
(Accumulated losses)/retained earnings of the Company and its subsidiaries:		
- Realised	(879,322)	(858,298)
- Unrealised	(9,884)	17,195
	<u>(889,206)</u>	<u>(841,103)</u>
(Accumulated losses)/retained earnings of the associates:		
- Realised	(7,370)	(7,678)
- Unrealised	2,690	3,197
	<u>(4,680)</u>	<u>(4,481)</u>
Consolidation adjustments	<u>917,668</u>	<u>906,939</u>
Total retained earnings as per consolidated accounts	<u>23,782</u>	<u>61,355</u>

18. Status of Corporate Proposals Announced

There is no outstanding corporate proposal announced up to the date of this announcement.

19. Changes in Material Litigation

There was no change in material litigation, including the status of pending material litigations (if any) in respect of the Group since the last annual reporting date as at 31 December 2015, save for the following:-

- (i) In relation to the matter stated in Note 32(a) of the Audited Financial Statements, by a judgement dated 1 September 2015, the Board of Grievances in Kingdom of Saudi Arabia ordered the subsidiary to pay an amount of SAR5.35 million (RM6.1million) to the supplier. On 27 December 2015, the subsidiary has filed an appeal against the Board of Grievance's finding and the hearing of the appeal has been adjourned to a further date to be fixed by the Appellate Court.
- (ii) In relation to Note 32(b) of the Audited Financial Statements, the Court of Appeal in Abu Dhabi, had on 5 April 2016, delivered its judgment, increasing the amount awarded to the subcontractor from AED5.8 million (approximately RM6.8 million) to AED7.2 million (approximately RM8.4 million) based on the recommendation made by the Expert Committee in its supplementary report. The Branch is filing an appeal at the Cassation Court against the Court of Appeal's judgment.

20. Current Year Prospects

For the current year, the Group is focusing on completing the projects that have already been secured while continuing to secure new local projects. The Group also expects to receive the revenue on the Asset Management Services and Availability Charges from the International Islamic University Malaysia Foundation Center in Gambang, beginning second half of 2016. In addition, the Company has taken positive steps to improve the Group's performance through continuous assessment of internal and external risks and implementation of strategies to control costs.

21. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 May 2016.

By order of the Board

Noor Raniz bin Haji Mat Nor
Nur Haliza binti Mat Piah
Secretaries

Kuala Lumpur
20 May 2016