

ZELAN BERHAD 27676-V

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2008

	Individual Quarter	Cumulative Period
	Current quarter 30/09/2008 RM'000 Unaudited	Current year to date 30/09/2008 RM'000 Unaudited
Revenue	477,126	1,074,888
Cost of sales	(436,966)	(982,330)
Gross profit	<u>40,160</u>	<u>92,558</u>
Other operating income		
- Interest income	2,125	3,202
- Profit from Islamic deposits	154	369
- Investment income	309	734
- Other operating income	6,334	9,123
Allowance for decline in value of warrants	(2,264)	(2,264)
Marketing expenses	(5,420)	(9,406)
Administrative expenses	(10,354)	(18,387)
Other operating expenses	(1,499)	(2,881)
Finance costs	(67)	(117)
Share of results of:		
- Associates	3,830	4,722
- Jointly controlled entities	670	1,201
Profit before taxation	<u>33,978</u>	<u>78,854</u>
Tax expense	(6,813)	(19,661)
Profit for the period	<u>27,165</u>	<u>59,193</u>
Attributable to:		
Equity holders of the parent	21,926	48,218
Minority interest	5,239	10,975
	<u>27,165</u>	<u>59,193</u>
Earnings per share		
- Basic (sen)	<u>3.89</u>	<u>8.56</u>
- Diluted (sen)	<u>3.89</u>	<u>8.56</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 30 September 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 30 SEPTEMBER 2008

	AS AT END OF CURRENT QUARTER 30 SEPTEMBER 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	155,578	117,133
Lease prepayments	76	106
Investment properties	5,913	5,984
Investments in associates	18,213	11,291
Investments in jointly controlled entities	8,024	6,823
Available-for-sale investment	386,972	502,240
Goodwill	47,338	47,338
	<u>622,114</u>	<u>690,915</u>
Current assets		
Inventories	19,630	18,635
Property development costs	25,690	52,827
Trade and other receivables	992,708	800,611
Tax recoverable	23,105	14,784
Marketable securities	1,853	0
Other investments	55,902	89,795
Deposits, bank and cash balances	153,082	202,266
	<u>1,271,970</u>	<u>1,178,918</u>
Non-current assets classified as held for sale	2,113	3,424
	<u>1,274,083</u>	<u>1,182,342</u>
TOTAL ASSETS	<u>1,896,197</u>	<u>1,873,257</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	281,632	281,632
Reserves	442,084	537,162
	<u>723,716</u>	<u>818,794</u>
Minority interest	38,949	28,926
Total equity	<u>762,665</u>	<u>847,720</u>
Non current liabilities		
Borrowings	1,639	1,598
Other payables	9,500	9,531
Deferred tax liabilities	3,726	3,803
	<u>14,865</u>	<u>14,932</u>
Current liabilities		
Trade and other payables	1,005,920	952,751
Borrowings	92,171	43,557
Current tax liabilities	20,576	14,297
	<u>1,118,667</u>	<u>1,010,605</u>
Total liabilities	<u>1,133,532</u>	<u>1,025,537</u>
TOTAL EQUITY AND LIABILITIES	<u>1,896,197</u>	<u>1,873,257</u>
Net assets per share (RM)	<u>1.28</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 SECOND QUARTER ENDED 30 SEPTEMBER 2008

	Attributable to equity holders of the parent							Total RM'000	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			
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	-	-	(569)	-	-	-	-	(569)	(239)	(808)
Available-for-sale investment:										
- Fair value movement	-	-	-	-	-	(115,268)	-	(115,268)	-	(115,268)
Net income/(expense) directly recognised in equity	-	-	(569)	-	-	(115,268)	-	(115,837)	(239)	(116,076)
Profit for the period	-	-	-	-	-	-	48,218	48,218	10,975	59,193
Total recognised income for the quarter	-	-	(569)	-	-	(115,268)	48,218	(67,619)	10,736	(56,883)
Dividend paid	-	-	-	-	-	-	(27,459)	(27,459)	-	(27,459)
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(713)	(713)
Balance as at 30 September 2008	281,632	124,396	27,457	35,457	3,733	(90,706)	341,747	723,716	38,949	762,665

* 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 SECOND QUARTER ENDED 30 SEPTEMBER 2008**

Current year
to date
30/09/2008
RM'000

OPERATING ACTIVITIES

Profit for the period, attributable to equity holders of the parent	48,218
Adjustments for :	
Tax expense	19,661
Allowance for doubtful debts	25
Allowance for doubtful debts written back	(168)
Allowance for decline in value of marketable securities	2,264
Bad debt recovered	(10)
Depreciation of property, plant and equipment	3,477
Amortisation of prepaid lease	30
Depreciation of investment properties	71
Property, plant and equipment written off	373
Loss on disposal of property, plant and equipment	111
Dividend income	(4,117)
Interest income	(3,202)
Profit from Islamic deposits	(369)
Investment income	(734)
Finance costs	184
Unrealised foreign exchange gain	(5,987)
Minority interest	10,975
Share of results of jointly controlled entities	(1,201)
Share of results of associates	(4,722)
	<u>64,879</u>

Changes in working capital :

Property development costs	27,044
Inventories	(995)
Receivables	(177,566)
Payables	51,438
	<u>51,438</u>
Cash generated from operations	(35,200)
Taxation paid	(21,780)
Net cash flow from operating activities	<u>(56,980)</u>

INVESTING ACTIVITIES

Additional investments in associates	(500)
Other investments	33,893
Purchase of property, plant and equipment	(48,260)
Proceeds from disposal of property, plant and equipment	88
Proceeds from disposal of non-current assets held for sale	1,311
Interest income received	3,202
Profit from Islamic deposits received	369
Investment income received	734
Net cash flow from investing activities	<u>(9,163)</u>

FINANCING ACTIVITIES

Repayments of borrowings	(10,114)
Proceeds from borrowings	59,163
Dividend paid to minority interest	(713)
Repayments of hire purchase liabilities	(394)
Finance costs	(117)
Release of deposits pledged as security	441
Dividends paid	(27,459)
Net cash flow from financing activities	<u>20,807</u>

Net movement in cash and cash equivalents	(45,336)
Cash and cash equivalents at beginning of the period	201,825
Currency translation differences	(3,407)
Cash and cash equivalents at end of the period	<u>153,082</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)

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

	Individual Quarter	Cumulative Period
	Current year quarter 31/07/2007 RM'000 Unaudited	Current year to date 31/07/2007 RM'000 Unaudited
Revenue	257,189	479,157
Cost of sales	(213,208)	(396,522)
Gross profit	<u>43,981</u>	<u>82,635</u>
Other operating income		
- Gain on disposal of other investments	31,624	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	1,896	2,838
- Profit from Islamic deposits	296	611
- Other operating income	2,563	3,294
Marketing expenses	(16,250)	(22,563)
Administrative expenses	(7,129)	(13,753)
Other operating expenses	(2,108)	(3,633)
Finance costs	(64)	(111)
Share of results of:		
- Associates	2,403	10,620
- Jointly controlled entities	(2)	(7)
Profit before taxation	<u>57,210</u>	<u>101,769</u>
Tax expense	(6,333)	(13,806)
Profit for the period	<u>50,877</u>	<u>87,963</u>
Attributable to:		
Equity holders of the parent	50,400	87,308
Minority interest	477	655
	<u>50,877</u>	<u>87,963</u>
Earnings per share *		
- Basic (sen)	<u>8.95</u>	<u>15.50</u>
- Diluted (sen)	<u>8.95</u>	<u>15.50</u>

* The earnings 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 earnings per share has been 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 JULY 2007

	AS AT END OF CURRENT QUARTER 31 JULY 2007 RM'000 Unaudited
ASSETS	
Non current assets	
Property, plant and equipment	53,863
Lease prepayments	147
Investment properties	6,819
Investments in associates	7,378
Investments in jointly controlled entities	136
Available-for-sale investment	716,309
Goodwill	47,338
Other assets	24,392
	<u>856,382</u>
Current assets	
Inventories	20,745
Property development costs	26,294
Other investments	0
Trade and other receivables	488,897
Tax recoverable	6,119
Deposits, bank and cash balances	339,191
	<u>881,246</u>
Non-current assets classified as held for sale	146
	<u>881,392</u>
TOTAL ASSETS	<u><u>1,737,774</u></u>
EQUITY AND LIABILITIES	
Equity attributable to equity holders of the parent	
Share capital	281,632
Reserves	733,592
	<u>1,015,224</u>
Minority interest	19,999
Total equity	<u>1,035,223</u>
Non current liabilities	
Borrowings	2,829
Other payables	60,762
Deferred tax liabilities	4,017
	<u>67,608</u>
Current liabilities	
Trade and other payables	626,582
Borrowings	1,323
Current tax liabilities	7,038
	<u>634,943</u>
Total liabilities	<u>702,551</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,737,774</u></u>
Net assets per share (RM) *	<u>1.80</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
(formerly known as Tronoh Consolidated Malaysia Berhad)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 JULY 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	-	-	217	-	-	-	-	217	547	764
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	-	-	(1,381)	(37)	-	238,631	(132)	237,081	237	237,318
Dividend paid	-	-	-	-	-	-	(24,502)	(24,502)	-	(24,502)
Profit for the period	-	-	-	-	-	-	87,308	87,308	655	87,963
Total recognised income for the period	-	-	(1,381)	(37)	-	238,631	62,674	299,887	892	300,779
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(420)	(420)
Balance as at 31 July 2007	281,632	124,396	27,663	35,457	3,733	238,631	303,712	1,015,224	19,999	1,035,223

* 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 JULY 2007**

Current year
to date
31/07/2007
RM'000

OPERATING ACTIVITIES

Profit for the period, attributable to equity holders of the parent	87,308
Adjustments for :	
Taxation	13,806
Allowance for doubtful debts	273
Write back of allowance for decline in market value of investments	0
Depreciation of property, plant and equipment	1,688
Fixed assets written off	135
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	(73)
Gain on disposal of non current assets held for sale	(116)
Dividend income	0
Interest income	(2,838)
Profit from Islamic deposits	(611)
Finance costs	111
Minority interest	655
Share of results of jointly controlled entities	7
Share of results of associates	(10,620)
	<u>47,887</u>

Changes in working capital :

Property development costs	33,834
Inventories	(677)
Receivables	(296,251)
Payables	289,244
	<u>74,037</u>
Cash generated from/(used in) operations	74,037
Taxation paid	(13,337)
Net cash flow from operating activities	<u>60,700</u>

INVESTING ACTIVITIES

Investments in associates	0
Purchase of property, plant and equipment	(20,674)
Proceeds from disposal of other investments	103,303
Proceeds from disposal of property, plant and equipment	215
Proceeds from disposal of non-current assets held for sale	496
Dividends received	8,160
Interest income received	2,838
Profit from Islamic deposits received	611
Net cash flow from investing activities	<u>94,949</u>

FINANCING ACTIVITIES

Repayments of borrowings	(6,333)
Proceeds from borrowings	1,217
Repayments of hire purchase liabilities	(238)
Finance costs	(111)
Deposits pledged as security	443
Dividends paid to minority interest of a subsidiary	(420)
Net cash flow from financing activities	<u>(5,442)</u>

Net movement in cash and cash equivalents	150,207
Cash and cash equivalents at beginning of the period	187,916
Currency translation differences	557
Cash and cash equivalents at end of the period	<u>338,680</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 30 SEPTEMBER 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 and financial year to date under review because of their nature, size, or incidence except for the reduction of fair value reserve amounting to RM115.268 million in respect of the available-for-sale investment for the financial period ended 30 September 2008.

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 financial quarter and year to date.

7. Dividends Paid

The amount of dividends paid during the financial period ended 30 September 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.

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	434,560	58,979	5,303	4,318	503,160
Inter-segment	(25,881)	0	(148)	(5)	(26,034)
External	<u>408,679</u>	<u>58,979</u>	<u>5,155</u>	<u>4,313</u>	<u>477,126</u>

8. Segmental Reporting (Continued)

	Engineering & construction RM'000	Property & development RM'000	Manufacturing & trading RM'000	Investment & others RM'000	Total RM'000
Results					
Segment profit/(loss)	23,701	6,761	128	(1,369)	29,221
Interest income	1,368	379	373	5	2,125
Profit from Islamic deposits	0	0	0	154	154
Investment income	0	309	0	0	309
Finance costs	(46)	0	(10)	(11)	(67)
Allowance for decline in value of warrants	0	0	0	(2,264)	(2,264)
Share of results of associates and jointly controlled entities	4,538			(38)	4,500
Profit/ (Loss) before taxation	29,561	7,449	491	(3,523)	33,978
Tax expense					(6,813)
Profit for the quarter					27,165

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	1,000,165	119,267	18,780	4,524	1,142,736
Inter-segment	(64,222)	0	(3,617)	(9)	(67,848)
External	935,943	119,267	15,163	4,515	1,074,888
Results					
Segment profit/(loss)	52,375	20,903	1,359	(3,630)	71,007
Interest income	1,994	772	422	14	3,202
Profit from Islamic deposits	0	0	0	369	369
Investment income	0	524		210	734
Finance costs	(70)	0	(24)	(23)	(117)
Allowance for decline in value of warrants	0	0	0	(2,264)	(2,264)
Share of results of associates and jointly controlled entities	5,961			(38)	5,923
Profit/ (Loss) before taxation	60,260	22,199	1,757	(5,362)	78,854
Tax expense					(19,661)
Profit for the period					59,193

8. Segmental Reporting (Continued)

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

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

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 except as follows:

- (i) On 14 October 2008, a subsidiary company Zelan Corporation Sdn Bhd (ZCSB) together with TRC Construction Public Company Limited and Maneeya Realty Co. Ltd terminated the Sale and Purchase Agreement dated 4 March 2008 with Real Gold (Labuan) Ltd in relation to the disposal of 810,000 ordinary shares of Baht 100 each representing 100% equity interest in Ratcha Ploen Company Ltd (a 35% associate of ZCSB) for Baht 585,900,000 equivalent to approximately RM53.7 million.
- (ii) On 4 November 2008, the Company announced that its subsidiary Zelan Holdings (M) Sdn Bhd has terminated its 70:30 Joint Venture Agreement with Al Ambia Sdn Bhd in relation to the Meena Plaza Project in Abu Dhabi, United Arab Emirates.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 30 September 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	9,363
Authorised and contracted for	0
	<u>9,363</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 RM477.1 million and a profit after taxation of RM27.2 million, derived principally from overseas projects in Indonesia, Kingdom of Saudi Arabia, United Arab Emirates and India.

Due to the change in the financial year end as stated in Note 14, there are no comparative figures for the current quarter ended 30 September 2008 against preceding year's corresponding quarter. The quarterly results ended 31 July 2007 have been attached for illustration purpose only.

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

For the current quarter, the Group recorded a revenue of RM477.1 million and a profit before taxation of RM34.0 million as compared to a revenue of RM597.8 million and a profit before taxation of RM44.9 million in the preceding quarter.

The lower revenue is mainly due to lower revenue recognised from Rembang project as compared to the previous quarter.

The allowance for decline in value of warrants relates to the Company's holding of IJM Land Berhad warrants as highlighted in Note 21.

Other operating income for the quarter comprise mainly of RM3.7 million foreign exchange gain and project management fee of RM2.4 million.

17. Current Year Prospects

Looking forward, the Group's revenue will 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 during the first nine months of the calendar year, the Group is cautiously mindful of the challenges ahead.

Notwithstanding the above and given the current order book in hand, the Group is expected to produce a relatively satisfactory performance for the financial year ending 31 March 2009, barring any unforeseen circumstances.

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
	30/09/2008 RM'000	30/09/2008 RM'000
Malaysian income tax	3,761	9,193
Overseas taxation	3,064	10,492
Deferred tax	(12)	(24)
Tax expense	6,813	19,661

The Group operates in the following 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 those 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 current quarter and 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 = RM1,852,523
- (iii) at market value = RM1,852,523

The investments in quoted securities as at 30 September 2008 are as follows:-

- (i) at cost/distributed value = RM407,266,529
- (ii) at carrying value = RM388,824,024
- (iii) at market value = RM388,824,024

22. Status of Corporate Proposals Announced

There were no corporate proposals announced but not completed as at 10 November 2008.

23. Borrowings and Debt Securities

**As at
30.09.08
RM'000**

(i) Current borrowings	
<i>Secured:-</i>	
- Term loans	74,112
<i>Unsecured</i>	
- Term Loan	17,248
<i>Secured:-</i>	
- Hire purchase liabilities	811
	92,171

(ii) Non current borrowings	
<i>Unsecured:-</i>	
-Term Loan	302
<i>Secured:-</i>	
-Hire purchase liabilities	1,337
	1,639
Total	93,810

23. Borrowings and Debt Securities (Continued)

Included in the term loan (current portion) is an amount of RM15.08 million which is denominated in United Arab Emirates Dirhams, RM36.9 million which is denominated in United States Dollars and RM17.2 million which is denominated in Saudi Riyal .

Included in the term loan (non-current balance) is an amount of RM0.30 million which is denominated in United Arab Emirates Dirhams.

Included in the hire purchase liabilities is an amount of RM0.52 million which is denominated in United Arab Emirates Dirhams, of which RM0.32 million and RM0.20 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 3 November 2008 is as follows:-

	Tenure	Currency to be received	Currency to be paid	Amount in foreign currency '000	Contractual rate	RM'000 Equivalent
(i)	7 May 2008 to 10 November 2008	US Dollar (USD)	Ringgit Malaysia (RM)	USD 1,800	1 USD= RM3.1520	5,674
(ii)	14 May 2008 to 17 November 2008	US Dollar (USD)	Ringgit Malaysia (RM)	USD 400	1 USD= RM3.2320	1,293
(iii)	28 August 2008 to 20 February 2009	US Dollar (USD)	Ringgit Malaysia (RM)	USD 884	1 USD= RM3.37	2,979
(iv)	28 August 2008 to 20 February 2009	SGD Dollar (SGD)	Ringgit Malaysia (RM)	SGD 1,061	1 SGD= RM2.3913	2,537
(v)	21 October 2008 to 10 March 2009	US Dollar (USD)	Ringgit Malaysia (RM)	USD 160	1 USD= RM3.48	557
(vi)	31 October 2008 to 4 May 2009	US Dollar (USD)	Ringgit Malaysia (RM)	USD 474	1 USD= RM3.5310	1,673

24. Off Balance Sheet Financial Instruments (Continued)

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.

	Current Quarter Ended	Year-To-Date Ended
	30/09/08	30/09/08
Group's profit for the period, attributable to the equity holders of the parent (RM' Million)	21.926	48.218
Weighted average number of ordinary shares in issue (Million)	563.264	563.264
Earnings per share (sen)		
(a) Basic	3.89	8.56
(b) Diluted	3.89	8.56

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

A second interim dividend of 6.5 sen per ordinary share of RM0.50 each less income tax at 25%, amounting to RM27.459 million in respect of the financial period ended 31 March 2008 was declared on 29 May 2008 by the Board of Directors. The said dividend was paid on 30 June 2008.

An interim dividend of 5.0 sen per ordinary share of RM0.50 each less income tax of 25%, was declared on 10 November 2008 by the Board of Directors in respect of the current financial year-to-date. The interim dividend will be paid on Tuesday, 9 December 2008 to every depositor registered in the Record of Depositors at the close of business on Wednesday, 26 November 2008.

27. Dividends (Continued)

Notice of Interim Dividend Payment and Entitlement Date

Notice is hereby given that an interim dividend of 5.0 sen less income tax of 25% per ordinary share of RM0.50 each in respect of the financial year ending 31 March 2009 will be payable on Tuesday, 9 December 2008 to the shareholders whose names appear on the Company's Register of Members and / or Record of Depositors at the close of business on Wednesday, 26 November 2008. A depositor shall qualify for entitlement to the dividend only in respect of:-

- (a) shares transferred into the depositor's securities account before 4.00 p.m. on Wednesday, 26 November 2008 in respect of ordinary shares.
- (b) shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia.

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 10 November 2008.

By order of the Board

**Suhla Al Asri
Ang Seng Oo
Secretaries**

**Kuala Lumpur
10 November 2008**