

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)

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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)

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**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)