

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2009

	Individual Quarter		Cumulative Period	
	Current year quarter 31/12/2009 RM'000 Unaudited	Preceding year quarter 31/12/2008 RM'000 Unaudited	Current year to date 31/12/2009 RM'000 Unaudited	Preceding year to date 31/12/2008 RM'000 Unaudited
Revenue	233,139	407,081	968,533	1,481,969
Cost of sales	(283,512)	(524,723)	(1,003,241)	(1,508,469)
Gross loss	(50,373)	(117,642)	(34,708)	(26,500)
Other operating income				
- Interest income	117	1,016	983	4,218
- Profit from Islamic deposits	4	132	70	501
- Investment income	7	278	14	1,012
- Other operating income	1,307	1,679	4,575	10,802
- (Allowance for) / Reversal of decline in value of marketable securities	-	(288)	2,507	(2,552)
- Gain on disposal of marketable securities	1,920	-	3,014	-
- Gain on disposal of non-current asset classified as held for sale	3,627	-	3,627	-
Marketing expenses	(79)	(2,720)	(2,538)	(12,126)
Administrative expenses	(7,536)	(8,921)	(22,645)	(27,308)
Other operating expenses	(4,944)	(8,535)	(18,277)	(10,000)
Finance costs	(8)	(29)	(34)	(146)
Share of results of:				
- Associates	2,222	3,469	7,298	8,191
- Jointly controlled entities	294	137	654	1,338
Loss before taxation	(53,442)	(131,424)	(55,460)	(52,570)
Tax expense /(credit)	(10,979)	600	(16,482)	(19,061)
Loss for the period	(64,421)	(130,824)	(71,942)	(71,631)
Attributable to:				
Equity holders of the parent	(60,378)	(127,902)	(69,924)	(79,684)
Minority interest	(4,043)	(2,922)	(2,018)	8,053
	(64,421)	(130,824)	(71,942)	(71,631)
Loss per share				
- Basic (sen)	(10.72)	(22.71)	(12.41)	(14.15)
- Diluted (sen)	N/A	N/A	N/A	N/A

(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 DECEMBER 2009

	AS AT END OF CURRENT QUARTER 31 DECEMBER 2009 RM'000 Unaudited	AS AT END OF FINANCIAL YEAR ENDED 31 MARCH 2009 RM'000 Audited
ASSETS		
Non-current assets		
Property, plant and equipment	85,024	125,559
Lease prepayments	-	46
Investment properties	5,735	5,841
Investments in associates	31,642	24,344
Investments in jointly controlled entities	166	8,161
Available-for-sale investment	516,401	344,158
Goodwill	44,396	44,396
	<u>683,364</u>	<u>552,505</u>
Current assets		
Inventories	13,285	16,079
Property development costs	657	2,014
Trade and other receivables	644,118	705,155
Tax recoverable	34,297	38,750
Marketable securities	2,348	1,564
Other investments	11,103	8,092
Deposits, bank and cash balances	49,723	102,882
	<u>755,531</u>	<u>874,536</u>
Non-current assets classified as held for sale	8,647	-
	<u>764,178</u>	<u>874,536</u>
TOTAL ASSETS	<u>1,447,542</u>	<u>1,427,041</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	281,632	281,632
Reserves	306,775	193,547
	<u>588,407</u>	<u>475,179</u>
Minority interest	29,993	34,863
Total equity	<u>618,400</u>	<u>510,042</u>
Non-current liabilities		
Borrowings	665	1,383
Deferred tax liabilities	3,748	3,936
	<u>4,413</u>	<u>5,319</u>
Current liabilities		
Trade and other payables	606,443	765,668
Borrowings	217,385	138,496
Current tax liabilities	901	7,516
	<u>824,729</u>	<u>911,680</u>
Total liabilities	<u>829,142</u>	<u>916,999</u>
TOTAL EQUITY AND LIABILITIES	<u>1,447,542</u>	<u>1,427,041</u>
Net assets per share (RM)	<u>1.04</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 27676-V

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 DECEMBER 2009

	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
<u>Movements during the period</u>										
Currency translation differences	-	-	10,909	-	-	-	-	10,909	390	11,299
Available-for-sale investment: - Fair value movement	-	-	-	-	-	172,243	-	172,243	-	172,243
Net income directly recognised in equity	-	-	10,909	-	-	172,243	-	183,152	390	183,542
Loss for the period	-	-	-	-	-	-	(69,924)	(69,924)	(2,018)	(71,942)
Total recognised income / (expense) for the period	-	-	10,909	-	-	172,243	(69,924)	113,228	(1,628)	111,600
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(3,242)	(3,242)
Balance as at 31 December 2009	281,632	124,396	39,210	35,457	4,254	38,723	64,735	588,407	29,993	618,400
Balance as at 1 April 2008	281,632	124,396	28,026	35,457	3,733	24,562	320,988	818,794	28,926	847,720
<u>Movements during the period</u>										
Currency translation differences	-	-	806	-	-	-	-	806	(639)	167
Available-for-sale investment: - Fair value movement	-	-	-	-	-	(271,703)	-	(271,703)	-	(271,703)
Net income/ (expense) directly recognised in equity	-	-	806	-	-	(271,703)	-	(270,897)	(639)	(271,536)
(Loss)/ Profit for the period	-	-	-	-	-	-	(79,684)	(79,684)	8,053	(71,631)
Total recognised income /(expense) for the period	-	-	806	-	-	(271,703)	(79,684)	(350,581)	7,414	(343,167)
Dividend paid	-	-	-	-	-	-	(48,581)	(48,581)	-	(48,581)
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(713)	(713)
Balance as at 31 December 2008	281,632	124,396	28,832	35,457	3,733	(247,141)	192,723	419,632	35,627	455,259

* 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 THIRD QUARTER ENDED 31 DECEMBER 2009**

	Current year to date 31/12/2009 RM'000	Preceding year to date 31/12/2008 RM'000
OPERATING ACTIVITIES		
Loss for the period, attributable to equity holders of the parent	(69,924)	(79,684)
Adjustments for :		
Tax expense	16,482	19,061
Allowance for doubtful debts	499	702
Allowance for doubtful debts written back	(295)	(183)
Bad debt recovered	-	(30)
Depreciation of property, plant and equipment	16,717	13,661
Amortisation of prepaid lease	46	45
Depreciation of investment properties	106	107
Property, plant and equipment written off	1,648	1,238
Impairment loss for non-current asset classified as held for sale	-	3,062
Gain on disposal of property, plant and equipment	(382)	(148)
(Reversal of) / Allowance for decline in value of marketable securities	(2,507)	2,552
Gain on disposal of marketable securities	(3,004)	-
Gain on disposal of non current assets classified as held for sale	(3,627)	-
Dividend income	(4,117)	(24,700)
Interest income	(983)	(4,218)
Profit from Islamic deposits	(70)	(501)
Investment income	(14)	(1,012)
Finance costs	34	146
Unrealised foreign exchange loss / (gain)	9,204	(5,888)
Minority interest	(2,018)	8,053
Share of results of jointly controlled entities	(654)	(1,338)
Share of results of associates	(7,298)	(8,191)
	<u>(50,157)</u>	<u>(77,266)</u>
Changes in working capital :		
Property development costs	3,383	26,336
Inventories	2,794	(1,578)
Receivables	88,817	3,151
Payables	(160,511)	(14,507)
Cash used in operations	(115,674)	(63,864)
Taxation paid	(17,803)	(21,925)
Net cash flow from operating activities	<u>(133,477)</u>	<u>(85,789)</u>
INVESTING ACTIVITIES		
Additional investments in associates	-	(1,950)
Acquisition of other investments	(3,011)	-
Acquisition of marketable securities	(2,881)	-
Proceeds from disposal of marketable securities	7,608	54,645
Purchase of property, plant and equipment	(7,673)	(45,097)
Proceeds from disposal of property, plant and equipment	922	217
Proceeds from disposal of non-current assets classified as held for sale	-	1,311
Dividend received	3,088	15,437
Interest income received	983	4,218
Profit from Islamic deposits received	70	501
Investment income received	14	1,012
Net cash flow from investing activities	<u>(880)</u>	<u>30,294</u>
FINANCING ACTIVITIES		
Repayments of borrowings	(290,732)	(11,273)
Proceeds from borrowings	382,399	59,163
Dividend paid to minority interest	(3,242)	(713)
Repayments of hire purchase liabilities	(625)	(682)
Finance costs	(2,060)	(367)
(Additional) / Release of deposits pledged as security	(1,749)	441
Dividends paid	-	(48,581)
Net cash flow from financing activities	<u>83,991</u>	<u>(2,012)</u>
Net movement in cash and cash equivalents	(50,367)	(57,507)
Cash and cash equivalents at beginning of the period	95,055	201,825
Currency translation differences	2,926	(7,827)
Cash and cash equivalents at end of the period	<u>47,614</u>	<u>136,491</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)