

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2010**

| | Individual Quarter | | Cumulative Period | |
|--|--|--|--|--|
| | Current year quarter 30/06/2010 RM'000 Unaudited | Preceding year quarter 30/06/2009 RM'000 Unaudited | Current year to date 30/06/2010 RM'000 Unaudited | Preceding year to date 30/06/2009 RM'000 Unaudited |
| Continuing operations | | | | |
| Revenue | 98,113 | 372,512 | 98,113 | 372,512 |
| Cost of sales | (91,298) | (356,837) | (91,298) | (356,837) |
| Gross profit | 6,815 | 15,675 | 6,815 | 15,675 |
| Other operating income | | | | |
| - Interest income | 4,781 | 392 | 4,781 | 392 |
| - Profit from Islamic deposits | - | 39 | - | 39 |
| - Investment income | - | 4 | - | 4 |
| - Other operating income | 3,076 | 2,409 | 3,076 | 2,409 |
| - Reversal of decline in value of marketable securities | - | 112 | - | 112 |
| - Gain on disposal of available-for-sale investment | 6,511 | - | 6,511 | - |
| - Gain on disposal of marketable securities | - | 3,479 | - | 3,479 |
| Marketing expenses | (40) | (1,178) | (40) | (1,178) |
| Administrative expenses | (7,300) | (5,478) | (7,300) | (5,478) |
| Other operating expenses | (7,799) | (11,057) | (7,799) | (11,057) |
| Finance costs | (3,171) | (819) | (3,171) | (819) |
| Share of results of: | | | | |
| - Associates | 501 | 3,322 | 501 | 3,322 |
| - Jointly controlled entities | - | 362 | - | 362 |
| Profit before taxation | 3,374 | 7,262 | 3,374 | 7,262 |
| Tax credit | 1,713 | 1,887 | 1,713 | 1,887 |
| Profit for the period from continuing operations | 5,087 | 9,149 | 5,087 | 9,149 |
| Discontinuing operation | | | | |
| Loss for the period from discontinuing operation | (4,339) | (841) | (4,339) | (841) |
| Profit for the period | 748 | 8,308 | 748 | 8,308 |
| Other comprehensive (loss)/income: | | | | |
| Changes in the fair value of available-for-sale investment | 3,828 | 133,382 | 3,828 | 133,382 |
| Reversal of fair value on disposal of available-for-sale investment | (6,511) | - | (6,511) | - |
| Exchange difference from translation of foreign operations | (353) | 7,274 | (353) | 7,274 |
| Reversal of exchange difference on disposal of subsidiary | 74 | - | 74 | - |
| Other comprehensive (loss)/ income for the period | (2,962) | 140,656 | (2,962) | 140,656 |
| Total comprehensive (loss)/ income for the period | (2,214) | 148,964 | (2,214) | 148,964 |
| Profit for the period | | | | |
| Attributable to: | | | | |
| Equity holders of the parent | 874 | 4,309 | 874 | 4,309 |
| Minority interest | (126) | 3,999 | (126) | 3,999 |
| | 748 | 8,308 | 748 | 8,308 |
| Total comprehensive (loss)/ income for the period | | | | |
| Equity holders of the parent | (403) | 144,551 | (403) | 144,551 |
| Minority interest | (1,811) | 4,413 | (1,811) | 4,413 |
| | (2,214) | 148,964 | (2,214) | 148,964 |
| Basic (loss)/earnings per share attributable to equity holders of the Company (sen): | | | | |
| - profit from continuing operations | 0.91 | 0.95 | 0.91 | 0.95 |
| - loss from discontinuing operations | (0.76) | (0.19) | (0.76) | (0.19) |
| | 0.15 | 0.76 | 0.15 | 0.76 |
| Diluted loss per share attributable to equity holders of the Company (sen) | N/A | N/A | N/A | N/A |

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2010)

ZELAN BERHAD 27676-V

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2010

| | AS AT END OF CURRENT QUARTER 30 JUNE 2010 RM'000 Unaudited | AS AT END OF FINANCIAL YEAR ENDED 31 MARCH 2010 RM'000 Audited |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 58,305 | 65,970 |
| Investment properties | 5,664 | 5,699 |
| Investments in associates | 33,715 | 33,214 |
| Investments in jointly controlled entities | 127 | 127 |
| Available-for-sale investment | 520,871 | 562,509 |
| | <u>618,682</u> | <u>667,519</u> |
| Current assets | | |
| Inventories | 9,537 | 9,537 |
| Trade and other receivables | 606,698 | 610,719 |
| Tax recoverable | 43,653 | 38,341 |
| Other investments | - | 433 |
| Cash and bank balances | 49,366 | 43,908 |
| | <u>709,254</u> | <u>702,938</u> |
| Assets of disposal group classified as held for sale | - | 36,939 |
| | <u>709,254</u> | <u>739,877</u> |
| TOTAL ASSETS | <u>1,327,936</u> | <u>1,407,396</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the parent | | |
| Share capital | 281,632 | 281,632 |
| Reserves | 151,500 | 159,465 |
| Amount recognised directly in equity relating to asset classified as held for sale | - | (68) |
| | <u>433,132</u> | <u>441,029</u> |
| Minority interest | 10,761 | 17,273 |
| Total equity | <u>443,893</u> | <u>458,302</u> |
| Non-current liabilities | | |
| Borrowings | 197 | 300 |
| Deferred tax liabilities | 3,950 | 3,661 |
| | <u>4,147</u> | <u>3,961</u> |
| Current liabilities | | |
| Trade and other payables | 588,089 | 655,036 |
| Borrowings | 291,711 | 273,546 |
| Current tax liabilities | 96 | 338 |
| Liabilities of disposal group classified as held for sale | - | 16,213 |
| | <u>879,896</u> | <u>945,133</u> |
| Total liabilities | <u>884,043</u> | <u>949,094</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,327,936</u> | <u>1,407,396</u> |
| Net assets per share (RM) | <u>0.77</u> | <u>0.78</u> |

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2010)

ZELAN BERHAD 27676-V

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 JUNE 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 | | | |
| Balance as at 1 April 2010 | | | | | | | | | | |
| - As previously reported | 281,632 | 124,396 | 50,717 | 35,457 | 4,254 | 84,831 | (140,258) | 441,029 | 17,273 | 458,302 |
| - Effects arising from adoption of FRS 139 (Note 1) | | | | | | | (7,494) | (7,494) | - | (7,494) |
| Balance as at 1 April 2010 - as restated | 281,632 | 124,396 | 50,717 | 35,457 | 4,254 | 84,831 | (147,752) | 433,535 | 17,273 | 450,808 |
| <u>Movements during the period</u> | | | | | | | | | | |
| Total comprehensive income for the period | - | - | 1,406 | - | - | (2,683) | 874 | (403) | (1,811) | (2,214) |
| Disposal of a subsidiary | - | - | - | - | - | - | - | - | (4,228) | (4,228) |
| Dividend paid to minority interest | - | - | - | - | - | - | - | - | (473) | (473) |
| Balance as at 30 June 2010 | 281,632 | 124,396 | 52,123 | 35,457 | 4,254 | 82,148 | (146,878) | 433,132 | 10,761 | 443,893 |
| <u>Movements during the period</u> | | | | | | | | | | |
| Total comprehensive income for the period | - | - | 6,860 | - | - | 133,382 | 4,309 | 144,551 | 4,413 | 148,964 |
| Dividend paid | - | - | - | - | - | - | - | - | - | - |
| Dividend paid to minority interest | - | - | - | - | - | - | - | - | (1,943) | (1,943) |
| Balance as at 30 June 2009 | 281,632 | 124,396 | 35,161 | 35,457 | 4,254 | (138) | 138,968 | 619,730 | 37,333 | 657,063 |

* 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 2010)

ZELAN BERHAD 27676-V

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2010**

| | Current year to date 30/06/2010 RM'000 | Preceding year to date 30/06/2009 RM'000 |
|---|---|---|
| OPERATING ACTIVITIES | | |
| Profit for the period, attributable to shareholders | 874 | 4,309 |
| Adjustments for : | | |
| Tax expense | (1,543) | (1,841) |
| Allowance for doubtful debts | 1,333 | 162 |
| Allowance for doubtful debts written back | - | (231) |
| Depreciation of property, plant and equipment | 4,292 | 5,687 |
| Depreciation of investment properties | 35 | 35 |
| Property, plant and equipment written off | 25 | 1,289 |
| (Gain)/loss on disposal of property, plant and equipment | (91) | 23 |
| Reversal of decline in value of marketable securities | - | (112) |
| Gain on disposal of marketable securities | - | (3,479) |
| Gain on disposal of other investments | (42) | - |
| Gain on disposal of available-for-sale investments | (6,511) | - |
| Loss of a disposal of a subsidiary | 4,040 | - |
| Interest income | (4,829) | (447) |
| Profit from Islamic deposits | - | (39) |
| Investment income | (1) | (4) |
| Finance costs | 3,172 | 821 |
| Unrealised foreign exchange loss / (gain) | 311 | (4,793) |
| Minority interest | (126) | 3,999 |
| Share of results of jointly controlled entities | - | (362) |
| Share of results of associates | (501) | (3,322) |
| | <u>438</u> | <u>1,695</u> |
| Changes in working capital : | | |
| Property development costs | - | 673 |
| Inventories | - | 867 |
| Receivables | (25,111) | 117,256 |
| Payables | (42,509) | (113,321) |
| Cash (used in)/generated from operations | (67,182) | 7,170 |
| Taxation paid | (3,552) | (8,720) |
| Net cash flows from operating activities | <u>(70,734)</u> | <u>(1,550)</u> |
| INVESTING ACTIVITIES | | |
| Proceeds from disposal of other investments | 557 | - |
| Proceeds from disposal of available-for-sale investment and marketable securities | 45,465 | 4,982 |
| Purchase of property, plant and equipment | (401) | (1,602) |
| Proceeds from disposal of property, plant and equipment | 434 | 203 |
| Proceeds from disposal of a subsidiary | 10,000 | - |
| Interest income received | 4,829 | 447 |
| Profit from Islamic deposits received | - | 39 |
| Investment income received | - | 4 |
| Net cash flows from investing activities | <u>60,884</u> | <u>4,073</u> |
| FINANCING ACTIVITIES | | |
| Repayments of borrowings | (44,703) | (83,930) |
| Proceeds from borrowings | 64,028 | 99,708 |
| Dividend paid to minority interest | (473) | (1,943) |
| Repayments of hire purchase liabilities | (452) | (278) |
| Finance costs | (3,172) | (821) |
| Release of deposits pledged as security | 356 | - |
| Net cash flows from financing activities | <u>15,584</u> | <u>12,736</u> |
| Net movement in cash and cash equivalents | 5,733 | 15,259 |
| Cash and cash equivalents at beginning of the period | 41,359 | 95,055 |
| Currency translation differences | 80 | 7,113 |
| Cash and cash equivalents at end of the period | <u>47,172</u> | <u>117,427</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 2010)