

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2010**

	Individual Quarter		Cumulative Period	
	Current year quarter 30/09/2010 RM'000 Unaudited	Preceding year quarter 30/09/2009 RM'000 Unaudited	Current year to date 30/09/2010 RM'000 Unaudited	Preceding year to date 30/09/2009 RM'000 Unaudited
Continuing operations				
Revenue	30,701	351,797	128,814	724,309
Cost of sales	(61,658)	(346,632)	(152,956)	(708,980)
Gross (loss) / profit	(30,957)	5,165	(24,142)	15,329
Other operating income				
- Interest income	5,618	201	10,399	593
- Profit from Islamic deposits	0	27	-	66
- Investment income	0	3	-	7
- Other operating income	2,014	481	5,090	2,890
- Reversal of decline in value of marketable securities	0	(22)	-	2,507
- Gain on disposal of available-for-sale investment	23,173	0	29,684	-
- Gain on disposal of marketable securities	0	32	-	1,094
Marketing expenses	(10)	(1,281)	(50)	(2,459)
Administrative expenses	(6,098)	(7,837)	(13,398)	(13,315)
Other operating expenses	(20,270)	(5,896)	(28,069)	(12,170)
Finance costs	(3,784)	(75)	(6,955)	(166)
Share of results of:				
- Associates	(4,681)	1,754	(4,180)	5,076
- Jointly controlled entities	-	(2)	-	360
Loss before taxation	(34,995)	(7,450)	(31,621)	(188)
Tax (expense) / credit	(898)	(7,549)	815	(5,662)
Loss for the period from continuing operations	(35,893)	(14,999)	(30,806)	(5,850)
Discontinuing operation				
Loss for the period from discontinuing operation	0	(830)	(4,339)	(1,671)
Loss for the period	(35,893)	(15,829)	(35,145)	(7,521)
Other comprehensive (loss)/income:				
Changes in the fair value of available-for-sale investment	26,131	41,167	29,959	174,549
Reversal of fair value on disposal of available-for-sale investment	(23,173)	0	(29,684)	-
Exchange difference from translation of foreign operations	18,251	2,668	17,898	9,942
Reversal of exchange difference on disposal of subsidiary	0	0	74	-
Other comprehensive income for the period	21,209	43,835	18,247	184,491
Total comprehensive (loss) / income for the period	(14,684)	28,006	(16,898)	176,970
Loss for the period				
Attributable to:				
Equity holders of the parent	(35,106)	(13,855)	(34,232)	(9,546)
Minority interest	(787)	(1,974)	(913)	2,025
	(35,893)	(15,829)	(35,145)	(7,521)
Total comprehensive (loss) / income for the period				
Equity holders of the parent	(15,349)	29,277	(15,752)	174,242
Minority interest	665	(1,271)	(1,146)	2,728
	(14,684)	28,006	(16,898)	176,970
Basic loss per share attributable to equity holders of the Company (sen):				
- loss from continuing operations	(6.23)	(2.34)	(5.32)	(1.39)
- loss from discontinuing operations	-	(0.11)	(0.76)	(0.30)
	(6.23)	(2.45)	(6.08)	(1.69)
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 SEPTEMBER 2010

	AS AT END OF CURRENT QUARTER 30 SEPTEMBER 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	48,379	65,970
Investment properties	5,628	5,699
Investments in associates	29,044	33,214
Investments in jointly controlled entities	127	127
Available-for-sale investment	422,300	562,509
	<u>505,478</u>	<u>667,519</u>
Current assets		
Inventories	9,309	9,537
Trade and other receivables	622,021	610,719
Tax recoverable	43,496	38,341
Other investments	-	433
Cash and bank balances	44,630	43,908
	<u>719,456</u>	<u>702,938</u>
Assets of disposal group classified as held for sale	-	36,939
	<u>719,456</u>	<u>739,877</u>
TOTAL ASSETS	<u>1,224,934</u>	<u>1,407,396</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	281,632	281,632
Reserves	136,151	159,465
Amount recognised directly in equity relating to asset classified as held for sale	-	(68)
	<u>417,783</u>	<u>441,029</u>
Minority interest	11,426	17,273
Total equity	<u>429,209</u>	<u>458,302</u>
Non-current liabilities		
Borrowings	76	300
Deferred tax liabilities	3,949	3,661
	<u>4,025</u>	<u>3,961</u>
Current liabilities		
Trade and other payables	563,622	655,036
Borrowings	227,964	273,546
Current tax liabilities	114	338
Liabilities of disposal group classified as held for sale	-	16,213
	<u>791,700</u>	<u>945,133</u>
Total liabilities	<u>795,725</u>	<u>949,094</u>
TOTAL EQUITY AND LIABILITIES	<u>1,224,934</u>	<u>1,407,396</u>
Net assets per share (RM)	<u>0.74</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 SECOND QUARTER ENDED 30 SEPTEMBER 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	281,632	124,396	50,717	35,457	4,254	84,831	(140,258)	441,029	17,273	458,302
- As previously reported										
- 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	-	-	18,205	-	-	275	(34,232)	(15,752)	(1,146)	(16,898)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(4,228)	(4,228)
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(473)	(473)
Balance as at 30 September 2010	281,632	124,396	68,922	35,457	4,254	85,106	(181,984)	417,783	11,426	429,209
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>										
Total comprehensive income for the period	-	-	9,239	-	-	174,549	(9,546)	174,242	2,728	176,970
Dividend paid	-	-	-	-	-	-	-	-	-	-
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(1,943)	(1,943)
Balance as at 30 September 2009	281,632	124,396	37,540	35,457	4,254	41,029	125,113	649,421	35,648	685,069

* 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 SECOND QUARTER ENDED 30 SEPTEMBER 2010**

	Current year to date 30/09/2010 RM'000	Preceding year to date 30/09/2009 RM'000
OPERATING ACTIVITIES		
Loss for the period, attributable to shareholders	(34,232)	(9,546)
Adjustments for :		
Tax expense	(645)	5,503
Allowance for doubtful debts	1,333	497
Allowance for doubtful debts written back	-	(295)
Depreciation of property, plant and equipment	5,681	11,237
Amortisation of prepaid lease	0	46
Depreciation of investment properties	71	70
Property, plant and equipment written off	4	1,394
(Gain)/loss on disposal of property, plant and equipment	(1,153)	22
Reversal of decline in value of marketable securities	-	(2,507)
Gain on disposal of marketable securities	-	(1,094)
Gain on disposal of other investments	(42)	-
Gain on disposal of available-for-sale investments	(29,684)	-
Dividend income	(10,881)	(4,117)
Loss of a disposal of a subsidiary	4,040	-
Interest income	(10,447)	(866)
Profit from Islamic deposits	-	(66)
Investment income	(1)	(7)
Finance costs	6,956	170
Unrealised foreign exchange loss / (gain)	18,712	8,139
Minority interest	(913)	2,025
Share of results of jointly controlled entities	-	(360)
Share of results of associates	4,180	(5,076)
	<u>(47,021)</u>	<u>5,169</u>
Changes in working capital :		
Property development costs	-	3,383
Inventories	228	2,382
Receivables	(6,879)	33,627
Payables	(58,677)	(145,605)
Cash (used in)/generated from operations	(112,349)	(101,044)
Taxation paid	(1,556)	(12,786)
Net cash flows from operating activities	<u>(113,905)</u>	<u>(113,830)</u>
INVESTING ACTIVITIES		
Investments in associate	(10)	-
Proceeds from disposal of other investments	557	5,165
Proceeds from disposal of available-for-sale investment and marketable securities	134,986	-
Acquisition of other investments	0	(3,007)
Purchase of property, plant and equipment	(656)	(6,594)
Proceeds from disposal of property, plant and equipment	6,031	486
Dividends received	8,161	3,088
Proceeds from disposal of a subsidiary	10,000	-
Interest income received	10,447	866
Profit from Islamic deposits received	-	66
Investment income received	-	7
Net cash flows from investing activities	<u>169,516</u>	<u>77</u>
FINANCING ACTIVITIES		
Repayments of borrowings	(109,171)	(198,981)
Proceeds from borrowings	68,425	288,816
Dividend paid to minority interest	(473)	(1,943)
Repayments of hire purchase liabilities	(540)	(497)
Finance costs	(6,956)	(2,197)
Additional deposits pledged as security	(941)	(1,514)
Net cash flows from financing activities	<u>(49,656)</u>	<u>83,684</u>
Net movement in cash and cash equivalents	5,954	(30,069)
Cash and cash equivalents at beginning of the period	41,359	95,055
Currency translation differences	(6,173)	1,992
Cash and cash equivalents at end of the period	<u>41,140</u>	<u>66,978</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)