

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2010**

	Individual Quarter		Cumulative Period	
	Current year quarter 31/12/2010 RM'000 Unaudited	Preceding year quarter 31/12/2009 RM'000 Unaudited	Current year to date 31/12/2010 RM'000 Unaudited	Preceding year to date 31/12/2009 RM'000 Unaudited
Continuing operations				
Revenue	(39,204)	229,423	89,610	953,732
Cost of sales	8,077	(280,465)	(144,879)	(989,445)
Gross loss	(31,127)	(51,042)	(55,269)	(35,713)
Other operating income				
- Interest income	5,529	92	15,928	685
- Profit from Islamic deposits	-	4	-	70
- Investment income	-	7	-	14
- Other operating income	455	1,231	5,545	4,121
- Reversal of decline in value of marketable securities	-	0	-	2,507
- Gain on disposal of non-current asset classified as held for sale	-	3,627	-	3,627
- Loss on disposal of associate and jointly controlled entity	(166)	0	(166)	-
- Gain on disposal of available-for-sale investment	17,980	0	47,664	-
- Gain on disposal of marketable securities	-	1,920	-	3,014
Marketing expenses	(5)	(78)	(55)	(2,537)
Administrative expenses	(3,919)	(6,753)	(17,317)	(20,068)
Other operating expenses	3,496	(4,617)	(24,573)	(16,787)
Finance costs	(3,689)	136	(10,644)	(30)
Share of results of:				
- Associates	(12,819)	2,222	(16,999)	7,298
- Jointly controlled entities	-	294	-	654
Loss before taxation	(24,265)	(52,957)	(55,886)	(53,145)
Tax expense	(16,232)	(11,092)	(15,417)	(16,754)
Loss for the period from continuing operations	(40,497)	(64,049)	(71,303)	(69,899)
Discontinuing operation				
Loss for the period from discontinuing operation	0	(372)	(4,339)	(2,043)
Loss for the period	(40,497)	(64,421)	(75,642)	(71,942)
Other comprehensive (loss)/income:				
Changes in the fair value of available-for-sale investment	76,571	(2,306)	106,530	172,243
Reversal of fair value on disposal of available-for-sale investment	(17,980)	0	(47,664)	-
Exchange difference from translation of foreign operations	(1,329)	1,357	16,569	11,299
Reversal of exchange difference on disposal of subsidiary	0	0	74	-
Other comprehensive income for the period	57,262	(949)	75,509	183,542
Total comprehensive (loss) / income for the period	16,765	(65,370)	(133)	111,600
Profit/ (Loss) for the period				
Attributable to:				
Equity holders of the parent	(41,295)	(60,378)	(75,527)	(69,924)
Minority interest	798	(4,043)	(115)	(2,018)
	(40,497)	(64,421)	(75,642)	(71,942)
Total comprehensive income /(loss) for the period				
Equity holders of the parent	17,130	(61,014)	1,378	113,228
Minority interest	(365)	(4,356)	(1,511)	(1,628)
	16,765	(65,370)	(133)	111,600
Basic loss per share attributable to equity holders of the Company (sen):				
- profit/ (loss) from continuing operations	(7.33)	(10.71)	(12.65)	(12.10)
- loss from discontinuing operations	-	(0.01)	(0.76)	(0.31)
	(7.33)	(10.72)	(13.41)	(12.41)
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 31 DECEMBER 2010

	AS AT END OF CURRENT QUARTER 31 DECEMBER 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	45,804	65,970
Investment properties	5,593	5,699
Investments in associates	15,280	33,214
Investments in jointly controlled entities	0	127
Available-for-sale investment	429,173	562,509
	<u>495,850</u>	<u>667,519</u>
Current assets		
Inventories	9,194	9,537
Property development costs	304	0
Trade and other receivables	552,788	610,719
Tax recoverable	45,466	38,341
Other investments	-	433
Cash and bank balances	36,509	43,908
	<u>644,261</u>	<u>702,938</u>
Assets of disposal group classified as held for sale	-	36,939
	<u>644,261</u>	<u>739,877</u>
TOTAL ASSETS	<u>1,140,111</u>	<u>1,407,396</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	281,632	281,632
Reserves	153,281	159,465
Amount recognised directly in equity relating to asset classified as held for sale	-	(68)
	<u>434,913</u>	<u>441,029</u>
Minority interest	11,061	17,273
Total equity	<u>445,974</u>	<u>458,302</u>
Non-current liabilities		
Borrowings	52	300
Deferred tax liabilities	3,948	3,661
	<u>4,000</u>	<u>3,961</u>
Current liabilities		
Trade and other payables	471,316	655,036
Borrowings	203,238	273,546
Current tax liabilities	15,583	338
Liabilities of disposal group classified as held for sale	-	16,213
	<u>690,137</u>	<u>945,133</u>
Total liabilities	<u>694,137</u>	<u>949,094</u>
TOTAL EQUITY AND LIABILITIES	<u>1,140,111</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 THIRD QUARTER ENDED 31 DECEMBER 2010

	Attributable to equity holders of the parent						Total	Minority Interest	Total Equity	
	Share Capital	Share Premium	Translation Reserve	Capital Reserve *	General Reserve *	Fair Value Reserve ^				Retained Earnings/ (Accumulated Losses)
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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/ (loss) for the period	-	-	18,039	-	-	58,866	(75,527)	1,378	(1,511)	(133)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(4,228)	(4,228)
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(473)	(473)
Balance as at 31 December 2010	281,632	124,396	68,756	35,457	4,254	143,697	(223,279)	434,913	11,061	445,974
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	-	-	10,909	-	-	172,243	(69,924)	113,228	(1,628)	111,600
Dividend paid	-	-	-	-	-	-	-	-	-	-
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

* 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 THIRD QUARTER ENDED 31 DECEMBER 2010**

	Current year to date 31/12/2010 RM'000	Preceding year to date 31/12/2009 RM'000
OPERATING ACTIVITIES		
Loss for the period, attributable to shareholders	(75,527)	(69,924)
Adjustments for :		
Tax expense	15,587	16,482
Allowance for doubtful debts	1,599	499
Allowance for doubtful debts written back	-	(295)
Depreciation of property, plant and equipment	5,986	16,717
Amortisation of prepaid lease	0	46
Depreciation of investment properties	106	106
Property, plant and equipment written off	169	1,648
(Gain)/loss on disposal of property, plant and equipment	(1,168)	(382)
Reversal of decline in value of marketable securities	-	(2,507)
Gain on disposal of marketable securities	-	(3,004)
Gain on disposal of other investments	(42)	-
Gain on disposal of non current assets classified as held for sale	-	(3,627)
Loss on disposal of associate and jointly controlled entity	166	-
Gain on disposal of available-for-sale investments	(47,664)	-
Dividend income	(13,726)	(4,117)
Loss of disposal of a subsidiary	4,040	-
Interest income	(15,933)	(983)
Profit from Islamic deposits	-	(70)
Investment income	(1)	(14)
Finance costs	10,645	34
Unrealised foreign exchange loss / (gain)	15,046	9,204
Minority interest	(115)	(2,018)
Share of results of jointly controlled entities	-	(654)
Share of results of associates	16,999	(7,298)
	<u>(83,833)</u>	<u>(50,157)</u>
Changes in working capital :		
Property development costs	(304)	3,383
Inventories	343	2,794
Receivables	55,686	88,817
Payables	(175,263)	(160,511)
Cash used in operations	(203,371)	(115,674)
Taxation paid	(4,290)	(17,803)
Net cash flows from operating activities	<u>(207,661)</u>	<u>(133,477)</u>
INVESTING ACTIVITIES		
Proceeds from disposal of other investments	557	7,608
Proceeds from disposal of associate	629	-
Proceeds from disposal of available-for-sale investment and marketable securities	234,051	-
Acquisition of marketable securities	-	(2,881)
Acquisition of other investments	-	(3,011)
Purchase of property, plant and equipment	(733)	(7,673)
Proceeds from disposal of property, plant and equipment	6,032	922
Dividends received	11,006	3,088
Proceeds from disposal of a subsidiary	10,000	-
Interest income received	15,928	983
Profit from Islamic deposits received	-	70
Investment income received	-	14
Net cash flows from investing activities	<u>277,470</u>	<u>(880)</u>
FINANCING ACTIVITIES		
Repayments of borrowings	(70,010)	(290,732)
Proceeds from borrowings	0	382,399
Dividend paid to minority interest	(473)	(3,242)
Repayments of hire purchase liabilities	(545)	(625)
Finance costs	(10,644)	(2,060)
Additional deposits pledged as security	771	(1,749)
Net cash flows from financing activities	<u>(80,901)</u>	<u>83,991</u>
Net movement in cash and cash equivalents	(11,093)	(50,366)
Cash and cash equivalents at beginning of the period	41,359	95,055
Currency translation differences	4,465	2,926
Cash and cash equivalents at end of the period	<u>34,731</u>	<u>47,615</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)