ZELAN BERHAD 27676-V

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 2009

	Individual	Quarter	Cumulative	Period
	Current year quarter 30/06/2009 RM'000 Unaudited	Preceding year quarter 30/06/2008 RM'000 Unaudited	Current year to date 30/06/2009 RM'000 Unaudited	Preceding year to date 30/06/2008 RM'000 Unaudited
Revenue Cost of sales Gross profit	378,260 (362,288) 15,972	597,762 (545,364) 52,398	378,260 (362,288) 15,972	597,762 (545,364) 52,398
Other operating income - Interest income - Profit from Islamic deposits - Investment income - Other operating income - Write back of allowance for decline in market value of warrants - Gain on disposal of warrants Marketing expenses Administrative expenses Other operating expenses Finance costs Share of results of: - Associates - Jointly controlled entities Profit before taxation	447 39 4 2,727 112 3,479 (1,178) (6,437) (11,561) (821) 3,322 362 6,467	1,077 215 425 2,789 - (3,986) (8,033) (1,382) (50) 892 531 44,876	447 39 4 2,727 112 3,479 (1,178) (6,437) (11,561) (821) 3,322 362 6,467	1,077 215 425 2,789 - (3,986) (8,033) (1,382) (50) 892 531 44,876
Tax credit/(expense)	1,841	(12,848)	1,841	(12,848)
Profit for the period	8,308	32,028	8,308	32,028
Attributable to: Equity holders of the parent Minority interest	4,309 3,999 8,308	26,292 5,736 32,028	4,309 3,999 8,308	26,292 5,736 32,028
Earnings per share - Basic (sen)	0.77	4.67	0.77	4.67
- 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)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2009

ASSETS	AS AT END OF CURRENT QUARTER 30 JUNE 2009 RM'000 Unaudited	AS AT END OF FINANCIAL YEAR ENDED 31 MARCH 2009 RM'000 Audited
Non-current assets		
Property, plant and equipment	109,984	125,559
Lease prepayments	•	46
Investment properties	5,806	5,841
Investments in associates	27,666	24,344
Investments in jointly controlled entities	8,523	8,161
Available-for-sale investment	477,540	344,158
Goodwill	44,396	44,396
	673,915	552,505
Current assets		
Inventories	15,212	16,079
Property development costs	1,341	2,014
Trade and other receivables	595,077	705,155
Tax recoverable	43,983	38,750
Marketable securities	169	1,564
Other investments	8,096	8,092
Deposits, bank and cash balances	124,520	102,882
	788,398	874,536
TOTAL ASSETS	1,462,313	1,427,041
EQUITY AND LIABILITIES Equity attributable to equity holders of the parent Share capital	281,632	281,632
Reserves	338,098	193,547
Minority interest	619,730 37,333	475,179 34,863
Total equity	657,063	510,042
l otal equity	001,000	510,042
Non-current liabilities		
Borrowings	1,073	1,383
Deferred tax liabilities	3,779	3,936
	4,852	5,319
Current liabilities		
Trade and other payables	647,615	765,668
Borrowings	150,438	138,496
Current tax liabilities	2,345	7,516
	800,398	911,680
Total liabilities	805,250	916,999
TOTAL EQUITY AND LIABILITIES	1,462,313	1,427,041
Net assets per share (RM)	1.10	0.84

(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 FIRST QUARTER ENDED 30 JUNE 2009

			Attribut	able to equity	holders of the	e parent				
	Share Capital	Share Premium	Translation Reserve	Capital Reserve *	General Reserve *	Fair Value Reserve ^	Retained Earnings	Total	Minority Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000 RM'000		RM'000	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
Movements during the year										
Currency translation differences Transfer to general reserve	•	-	6,860	-	-	•	•	6,860	414	7,274
Available-for-sale investment:					•		•	•	•	-
- Fair value movement	-			-	-	133,382		133,382	-	133,382
Net income directly										i
recognised in equity	•	-	6,860	-	-	133,382		140,242	414	140,656
Profit for the period		•	•				4,309	4,309	3,999	8,308
Total recognised income			6.860			133.382	4.309	144.551	4 442	148.964
for the year Dividend paid	:	:	6,860	:		133,382	4,309	144,551	4,413	148,964
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
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
Movements during the period										
Currency translation differences	•	•	(522)	•	•	•	•	(522)	378	(144)
Available-for-sale investment:						(40,404)		(40,404)		(40,404)
 Fair value movement Net income/(expense) directly 		•	-	•	•	(49,401)	•	(49,401)	-	(49,401)
recognised in equity		-	(522)			(49,401)		(49,923)	378	(49,545)
Profit for the period		-	-	-	-	-	26,292	26,292	5,736	32,028
Total recognised income for the quarter	•	•	(522)		•	(49,401)	26,292	(23,631)	6,114	(17,517)
Dividend paid	-	-	•	•	•	•	(27,459)	(27,459)	-	(27,459)
Balance as at 30 June 2008	281,632	124,396	27,504	35,457	3,733	(24,839)	319,821	767,704	35,040	802,744

* 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 availabe-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)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 2009

OPERATING ACTIVITIES 4,309 26,292 Adjustments for : Tax (credit/sepense at (credit/sepense at (credit/sepense at (credit/sepense at center) (1,841) 12,848 Allowance for doubtil debts at (credit/sepense at debt recovered at debt recovered bar debt recovered at deb		Current year to date 30/06/2009 RM'000	Preceding year to date 30/06/2008 RM'000
Adjustments for : 14.41 12.848 Allowance for doubtil debts 162 83 Allowance for doubtil debts 162 83 Bad debt recovered - (10) Depresident of property, plant and equipment 5,641 1.119 Amortisation of prepart lease 46 15 Depresident of mestiment properties 35 36 Property, plant and equipment 23 (249) Virite back of allowance for decline in market value of warrant (112) - Gain on diposal of other investments (3479) - Interest income (417) (1.077) Profit from Islamic deposits (39) (215) Investment income (4) (427) 506 Minority interest 3999 5,736 534 637 3289 Changes in working capital : - (113,221) (35,22) (352) (362,2) (352) Changes in working capital : - (113,221) (35,507) (2,269) (2,269) (2,269) (2,269)	OPERATING ACTIVITIES		
Tax (credit)/seponse (1,241) 12,248 Allowance for doubful debts written back (231) (123) Bad debt recovered - (10) Depreciation of property, plant and equipment 5,641 1,119 Amontsation of property, plant and equipment written off 1,289 133 Depreciation of property, plant and equipment written off 1,289 129 Loss(yain) on disposed property, plant and equipment 23 (249) Write back of allowance for decline in market value of warrant (112) - Gain on disposed of other investments (3479) - Interest income (447) (1077) Profit from Islamic deposits (32) (531) Investice of origin exchange gain/(loss) (4,733) 506 Minority interest 3,999 5,736 Share of results of pinity controlled entities (3622) (362) Inventories (673) 389	Profit for the period, attributable to equity holders of the parent	4,309	26,292
Allowance for doubful debts written back (23) (13) Bad debt recovered (21) (13) Bad debt recovered (10) (10) Deprediation of property, plant and equipment 5,641 1,119 Anordisation of property, plant and equipment 1,289 129 Loss/(gain) on disposal of property, plant and equipment 2,3 (249) Viritle back of allowance for debits in market value of warrant (11) - Gain on disposal of other investments (3,479) - Interest income (447) (1,077) Profit from Islamic deposits (39) (215) Investment income (447) (1,077) Profit from Islamic deposits (392) (531) Investment income (447) (531) Share of results of jointry controlled entities (3,622) (632) Changes in working capital : - (503) Property development costs 673 389 Investroires 673 389 Receivables (113,321) 331,507	•	(4 944)	10.040
Bad deht recovered - (10) Depresidion of property, plant and equipment 5,641 1,119 Depresidion of property, plant and equipment 23 38 Typerty, Jant and equipment witten off 1,289 129 Loss (gain) on disposal of other investments (11) - Interest income (447) (1,07) Profit from Islamic deposits (39) 2(215) Investment income (447) (1,077) Profit from Islamic deposits (39) 5,736 Innority interest 3,399 5,736 Name of results of jointy outrolied entities (3,622) (652) Share of results of associates (3,222) (822) Investinest (3,322) (822) (2,53) Share of results of associates (3,322) (822) (2,53) Receivables 117,256 (35,440) (33,507) Cast generated from operations 7,170 7,476 7,376 Taxation paid (8,720) (6,500) (13,376) Investonei doposal of prop			
Degrediation of property, plant and equipment 5,641 1,119 Amortisation of prepaid lease 46 15 Deprediation of prepaid lease 46 15 Deprediation of prepaid lease 46 15 Description of prepaid lease 46 129 Loss(gain) on disposed property, plant and equipment 23 (249) Virite back of allowance for decline in market value of warrant (112) - Gain on disposed of other investments (3479) - Interest income (447) (1.077) Profit from Islamic deposits (39) (215) Investment income (4) (425) Finance costs (621) 50 Unrealised foreign exchange gain(loss) (4,733) 506 Minordy interest (352) (352) (353) Share of results of associates (332) (389) Investorest income (573) 389 Investorest income (266) (2269) Rescisables (113,221) 331,507 Rescisables	Allowance for doubtful debts written back	(231)	(123)
Amotisation of prepail lease 46 15 Depreciation of investment properties 35 36 Property, plant and equipment written off 1,289 129 Loss(gain) on disposal of property, plant and equipment 21 (249) Write back of allowance for decline in market value of warrant (11,2) - Gain on disposal of other investments (3,479) - Interest income (44,77) (1,077) Profit from Islamic deposits (39) (215) Innect costs 621 50 Unrealised foreign exchange gain/(loss) (4,733) 506 Minority interest (3,322) (692) Share of results of jointly controlled entities (3,322) (682) Changes in working capital : Property development costs 673 389 Property development costs 673 389 1,323 Cash generating activities (11,321) 331.050 Investricing paid (8,720) (13,976) Net cash flow from operating activities (500) (22,513) Procea		- 5 6/1	· · /
Property, plant and equipment written off 1289 129 Loss/(gain) on disposal of property, plant and equipment 23 (249) Write back of allowance for decline in market value of warrant (112) - Gain on disposal of other investments (3,479) - Interest income (447) (1,077) Profit from Islamic deposits (39) (215) Investment income (4) (425) Investment income (4) (425) Investment income (4) (425) Minority interest 3,999 5,736 Share of results of jointly controlled entities (3622) (652) Investinest in associates (13,221) 331,507 Changes in working capital : (113,221) 331,507 Property development costs 673 389 Investinest in associates (13,321) 331,507 Cash generated from operating activities (13,321) 331,507 Cash generated from operating activities (1,500) (6,500) Investinces income received - (500)		,	,
Loss/(gái) on disposal of property, plant and equipment 23 (249) White back of allowance for decline in market value of warrant (112) - Gain on disposal of other investments (3,479) - Interest income (447) (1,077) Profit from Islamic deposits (3) (215) Investment income (4) (425) Finance costs (821) (50) Unrealised foreign exchange gain/(loss) (4,733) 506 Minority interest (3,322) (682) Share of results of associates (3,322) (682) Changes in working capital : Property development costs 673 389 Inventories (8720) (13,370) 7,476 Receivables (11,520) (6,500) INVESTING ACTIVITIES 447 1,077 Additional investments in associates - (500) Proceeds from disposal of other investments (4,982) 42,542 Net cash flow from operating activities (10,02) (29,754) Proceeds from disposal of other investments </td <td></td> <td></td> <td></td>			
Write Back of allowance for decline in market value of warrant (112) - Gain on disposal of other investments (3.479) - Interest income (447) (1.077) Profit from Islamic deposits (39) (215) Investment income (4) (425) Finance costs 821 50 Unrealised foreign exchange gain/(loss) (4.733) 506 Minotiv interest (3.322) (652) Share of results of jointly controlled entities (3.322) (682) Inventories (13.321) (33.167) (2.68) Property development costs 673 389 (13.321) (33.17) Cash generated from operations 7,170 7,476 (13.321) (33.157) Cash generated from operating activities (1.500) (6.500) (13.976) INVESTING ACTIVITIES Additional investments in associates - (500) Proceeds from disposal of other investments 4.982 4.254 Net cash flow from investing activities (909) (28.138) FINANCIN		,	
Interest income (447) (1.077) Profit from Islamic deposits (39) (215) Investment income (4) (425) Finance costs 821 50 Unrealised foreign exchange gain/(loss) (4,73) 506 Minority interest 3,999 5,736 Share of results of jointly controlled entities (322) (632) Changes in working capital : (77) (33) (362) Property development costs 673 389 (113,221) 331,507 Cash generated from operations 7,170 7,476 (33,1507) Cash generated from operations 7,170 7,476 (33,99) INVESTING ACTIVITIES (1,500) (6,500) INVESTING ACTIVITIES - (500) Proceeds from disposal of property, plant and equipment (202) (28,738) Proceeds from disposal of property, plant and equipment (1,602) (29,764) Proceeds from disposal of property, plant and equipment (203) 399 Investment income received 4 425			. ,
Profit from Islamic deposits (39) (215) Investment income (4) (425) Investment income (4) (425) Durnealised forsign exchange gain/(loss) (4,773) 506 Minority interest 3,999 5,736 Share of results of associates (322) (832) Changes in working capital : (73) 389 Property development costs 673 389 Investiones 867 (2.269) Receivables (113,321) 331,507 Cast generated from operations 7,170 7,476 Taxation paid (8,720) (13,976) Net cash flow from operating activities (1,602) (2,9,74) Proceeds from disposal of property, plant and equipment 203 399 Investment income received 447 1,077 Protects from disposal of other investments 4,982 42,542 Investment income received 447 1,077 Proceeds from disposal of other investments 4,982 42,542 Repayments of borrowings			
Investment income (4) (425) Finance costs 821 50 Unrealised foreign exchange gain/(loss) (4,793) 506 Minority interest 3,999 5,736 Share of results of jointy controlled entities (362) (531) Share of results of associates (3,322) (892) Changes in working capital : Property development costs 573 389 Inventories 567 (2,269) Receivables (113,321) 331,507 Cash generated from operations 7,170 7,476 Taxation paid (8,720) (13,976) Net cash flow from operating activities (1,602) (29,754) Proceeds from disposal of property, plant and equipment 203 399 Proceeds from disposal of orporety, plant and equipment 203 399 Proceeds from disposal of orporety, plant and equipment 203 399 Proceeds from disposal of other investments 4,982 42,542 Net cash flow from investing activities (1602) (28,138)			()
Unrealised foreign exchange gain/(loss) (4,793) 506 Minority interest 3,999 5,736 Share of results of jointly controlled entities (322) (321) Share of results of jointly controlled entities (3,322) (892) Changes in working capital : Property development costs 673 389 Inventionies 673 389 Receivables 117,256 (365440) Payables (113,321) 331,507 Cash generated from operating activities (1,550) (6,500) INVESTING ACTIVITIES (1,602) (29,754) Additional investments in associates - (500) (29,754) Proceeds from disposal of property, plant and equipment (1,602) (29,754) Interest income received 447 1,077 Proceeds from disposal of other investments (4,982 42,552 Investment income received 44 425 Proceeds from disposal of other investments (4,982 42,542 Repayments of hornowings (9			()
Minority interest 3,999 5,736 Share of results of jointly controlled entities (362) (531) Share of results of associates (3,322) (892) Changes in working capital : Property development costs 673 389 Inventories 867 (2,269) Receivables 117,256 (365,440) Payables (113,321) 331,507 Cash generated from operations 7,170 7,476 Taxation paid (8,720) (13,976) INVESTING ACTIVITIES (1,602) (29,754) Proceeds from disposal of property, plant and equipment (1,602) (29,754) Proceeds from disposal of property, plant and equipment 203 399 Interest income received 447 1,077 Profitom Islamic deposits received 39 215 Investing activities (909) (28,138) FINANCING ACTIVITIES 4,982 42,542 Repayments of borrowings 93,930 (8,000) 7,030 <tr< td=""><td></td><td></td><td></td></tr<>			
Share of results of jointly controlled entities (362) (531) Share of results of associates (3,322) (892) 1,695 43,289 Changes in working capital : 70 Property development costs 673 389 Inventories 867 (2,269) Receivables 117,256 (365,440) Payables (113,321) 331,507 Cash generated from operations 7,170 7,476 Taxation paid (8,720) (13,976) Net cash flow from operating activities (1,550) (6,500) INVESTING ACTIVITIES 203 39 Additional investments in associates - (500) Purchase of property, plant and equipment 203 39 Investment income received 447 1,077 Profit from Isianic deposits received 39 215 Investment income received 4 425 Net cash flow from investing activities (909) (28,138) FINANCING ACTIVITIES 99,708 48,876 Divi			
Image:			,
Changes in working capital : Property development costs 673 389 Inventories 867 (2.269) Receivables 117.256 (365,440) Payables (113,321) 331,507 Cash generated from operations 7,170 7,476 Taxation paid (8,720) (13,976) Net cash flow from operating activities (1,550) (6,500) INVESTING ACTIVITES 447 1,077 Additional investments in associates - (500) Purchase of property, plant and equipment (1,602) (29,754) Proceeds from disposal of property, plant and equipment 203 399 Interest income received 447 1,077 Profit from Islamic deposits received 39 215 Investment income received 4 4225 Net cash flow from investing activities (909) (28,138) FINANCING ACTIVITIES 99,008 48,876 Proceeds from disposal of other investments 4,982 42,542 Repayments of borrowings (83,930) (8,000)	Share of results of associates		`
Property development costs 673 389 Inventories 867 (2.269) Receivables 117,256 (365,440) Payables (113,321) 331,507 Cash generated from operations 7,170 7,476 Taxation paid (8,720) (13,976) Net cash flow from operating activities (1,550) (6,500) INVESTING ACTIVITIES 4417 1,077 Additional investments in associates - (500) Proceeds from disposal of property, plant and equipment 203 399 Interest income received 447 1,077 Profit from Islamic deposits received 39 215 Investment income received 447 1,077 Proceeds from disposal of other investments (8,390) (8,000) Proceeds from disposal of other investments (909) (28,138) FINANCING ACTIVITIES (1,943) - Proceeds from disposal of other investments (1,943) - Repayments of hore portrase liabilities (278) (87) Fina		1,695	43,289
Inventories 867 (2,269) Receivables 117,256 (365,440) Payables (113,321) 331,507 Cash generated from operations 7,170 7,476 Taxation paid (8,720) (13,976) Net cash flow from operating activities (1,550) (6,500) INVESTING ACTIVITIES (1,602) (29,754) Additional investments in associates - (500) Purchase of property, plant and equipment (1,602) (29,754) Proceeds from disposal of property, plant and equipment 203 399 Interest income received 447 1,077 Profit from Islamic deposits received 39 215 Investment income received 4 425 Net cash flow from investing activities (909) (28,138) FINANCING ACTIVITIES 83,330) (8,000) Proceeds from disposal of other investments 4,982 42,542 Repayments of borrowings 99,708 48,876 Dividend paid to minority interest (1,943) -<	Changes in working capital :		
Receivables 117,256 (365,440) Payables (113,321) 331,507 Cash generated from operations 7,170 7,476 Taxation paid (8,720) (13,976) Net cash flow from operating activities (1,550) (6,500) INVESTING ACTIVITES (1,602) (29,754) Additional investments in associates - (500) Purchase of property, plant and equipment (1,602) (29,754) Proceeds from disposal of property, plant and equipment 203 399 Interest income received 447 1,077 Profit from Islamic deposits received 39 215 Investment income received 4 425 Net cash flow from investing activities (909) (28,138) FINANCING ACTIVITES (83,930) (8,000) Proceeds from disposal of other investments 4,982 42,542 Repayments of borrowings 99,708 48,876 Dividend paid to minority interest (114,43) - Finance costs (821) (70) (817) <td></td> <td>673</td> <td>389</td>		673	389
Payables(113,321)331,507Cash generated from operations7,1707,476Taxation paid(8,720)(13,976)Net cash flow from operating activities(1,550)(6,500)INVESTING ACTIVITIESAdditional investments in associates-(500)Proceeds from disposal of property, plant and equipment203399Interest income received4471,077Profit from Islamic deposits received39215Investment income received4425Net cash flow from investing activities(909)(28,138)FINANCING ACTIVITIES(1,943)-Proceeds from disposal of other investments4,98242,542Repayments of horrowings(99,930)(8,000)Proceeds from disposal of other investments(1,943)-Repayments of horrowings(278)(87)Finance costs(821)(70)Release of deposits pledged as security-(14,175)Dividend paid-(27,459)Net cash flow from financing activities17,71841,627Net cash flow from financing activities17,71841,627Net movement in cash and cash equivalents15,2596,989Cash and cash equivalents at beginning of the period95,055201,825Currency translation differences7,113(319)			· · · /
Cash generated from operations7,1707,476Taxation paid(8,720)(13,976)Net cash flow from operating activities(1,550)(6,500)INVESTING ACTIVITIESAdditional investments in associates-(500)Purchase of property, plant and equipment(1,602)(29,754)Proceeds from disposal of property, plant and equipment203399Interest income received4471,077Profit from Islamic deposits received39215Investment income received4425Net cash flow from investing activities(909)(28,138)FINANCING ACTIVITIESProceeds from disposal of other investments4,98242,542Repayments of borrowings(1,943)-Proceeds from borrowings(1,943)-Proceeds from borrowings(278)(87)Finance costs(278)(87)Finance costs(278)(87)Finance costs(278)(87)Finance costs(1,475).Dividends paid-(27,459)Net cash flow from financing activities17,71841,627Net movement in cash and cash equivalents15,2596,989Cash and cash equivalents at beginning of the period95,055201,825Currency translation differences7,113(319)		,	· · /
Net cash flow from operating activities(1,550)(6,500)INVESTING ACTIVITIESAdditional investments in associates-(500)Purchase of property, plant and equipment(1,602)(29,754)Proceeds from disposal of property, plant and equipment203399Interest income received4471,077Profit from Islamic deposits received39215Investment income received4425Net cash flow from investing activities(909)(28,138)FINANCING ACTIVITIESProceeds from disposal of other investments4,98242,542Repayments of borrowings(83,930)(83,000)Proceeds from borrowings99,70848,876Dividend paid to minority interest(1,943)-Repayments of hire purchase liabilities(278)(821)Finance costs(821)(70)Release of deposits pledged as security-(14,175)Dividends paid-(27,459)Net cash flow from financing activities17,71841,627Net movement in cash and cash equivalents15,2596,989Cash and cash equivalents15,2596,989Cash and cash equivalents15,2596,989Cash and cash equivalents15,2596,989	Cash generated from operations		7,476
INVESTING ACTIVITIESAdditional investments in associates-(500)Purchase of property, plant and equipment(1,602)(29,754)Proceeds from disposal of property, plant and equipment203399Interest income received4471,077Profit from Islamic deposits received39215Investment income received4425Net cash flow from investing activities(909)(28,138)FINANCING ACTIVITIESProceeds from disposal of other investments4,98242,542Repayments of borrowings(83,930)(8,000)Proceeds from borrowings99,70848,876Dividend paid to minority interest(1,943)-Repayments of hire purchase liabilities(278)(87)Finance costs(821)(70)Release of deposits pledged as security-(14,175)Net cash flow from financing activities17,71841,627Net movement in cash and cash equivalents15,2596,989Cash and cash equivalents15,2596,989Cash and cash equivalents at beginning of the period95,055201,825Currency translation differences7,113(319)	Taxation paid	(8,720)	(13,976)
Additional investments in associates.(500)Purchase of property, plant and equipment203399Interest income received4471,077Profit from Islamic deposits received39215Investment income received4425Net cash flow from investing activities(909)(28,138)FINANCING ACTIVITIES(83,930)(8,000)Proceeds from disposal of other investments4,98242,542Repayments of borrowings(1,943)-Proceeds from borrowings(1,943)-Dividend paid to minority interest(1,943)-Cash flow from financing activities(27,88)(87)Finance costs(14,175)-(14,175)Dividend paid-(27,459)-Net cash flow from financing activities15,2596,989Cash and cash equivalents15,2596,989Cash and cash equivalents15,2596,989Cash and cash equivalents15,2596,989Cash and cash equivalents7,113(319)	Net cash flow from operating activities	(1,550)	(6,500)
Purchase of property, plant and equipment(1,602)(29,754)Proceeds from disposal of property, plant and equipment203399Interest income received4471,077Profit from Islamic deposits received39215Investment income received4425Net cash flow from investing activities(909)(28,138)FINANCING ACTIVITIES9909)(28,138)Proceeds from disposal of other investments4,98242,542Repayments of borrowings(83,930)(8,000)Proceeds from borrowings99,70848,876Dividend paid to minority interest(19,43)-Repayments of hire purchase liabilities(2778)(871)Finance costs(821)(70)Release of deposits pledged as security-(14,175)Dividends paid-(27,459)Net cash flow from financing activities17,71841,627Net movement in cash and cash equivalents15,2596,989Cash and cash equivalents at beginning of the period95,055201,825Currency translation differences7,113(319)	INVESTING ACTIVITIES		
Purchase of property, plant and equipment(1,602)(29,754)Proceeds from disposal of property, plant and equipment203399Interest income received4471,077Profit from Islamic deposits received39215Investment income received4425Net cash flow from investing activities(909)(28,138)FINANCING ACTIVITIES9909)(28,138)Proceeds from disposal of other investments4,98242,542Repayments of borrowings(83,930)(8,000)Proceeds from borrowings99,70848,876Dividend paid to minority interest(19,43)-Repayments of hire purchase liabilities(2778)(871)Finance costs(821)(70)Release of deposits pledged as security-(14,175)Dividends paid-(27,459)Net cash flow from financing activities17,71841,627Net movement in cash and cash equivalents15,2596,989Cash and cash equivalents at beginning of the period95,055201,825Currency translation differences7,113(319)	Additional investments in associates		(500)
Interest income received4471,077Profit from Islamic deposits received39215Investment income received4425Net cash flow from investing activities(909)(28,138)FINANCING ACTIVITIESProceeds from disposal of other investments4,98242,542Repayments of borrowings(83,930)(8,000)Proceeds from borrowings99,70848,876Dividend paid to minority interest(1,943)-Finance costs(821)(70)Release of deposits pledged as security-(14,175)Dividends paid-(27,459)Net cash flow from financing activities17,71841,627Net movement in cash and cash equivalents15,2596,989Cash and cash equivalents at beginning of the period95,055201,825Currency translation differences7,113(319)		(1,602)	· · /
Profit from Islamic deposits received39215Investment income received4425Net cash flow from investing activities(909)(28,138)FINANCING ACTIVITIESProceeds from disposal of other investments4,98242,542Repayments of borrowings(83,930)(8,000)Proceeds from borrowings99,70844,876Dividend paid to minority interest(1,943)-Repayments of hire purchase liabilities(278)(87)Finance costs(821)(70)Release of deposits pledged as security-(14,175)Dividends paid-(27,459)Net cash flow from financing activities17,71841,627Net movement in cash and cash equivalents15,2596,989Cash and cash equivalents at beginning of the period95,055201,825Currency translation differences7,113(319)			
Net cash flow from investing activities(909)(28,138)FINANCING ACTIVITIESProceeds from disposal of other investments4,98242,542Repayments of borrowings(83,930)(8,000)Proceeds from borrowings99,70848,876Dividend paid to minority interest(1,943)-Repayments of hire purchase liabilities(278)(87)Finance costs(821)(70)Release of deposits pledged as security-(14,175)Dividends paid-(27,459)Net cash flow from financing activities17,71841,627Net movement in cash and cash equivalents15,2596,989Cash and cash equivalents at beginning of the period95,055201,825Currency translation differences7,113(319)			,
FINANCING ACTIVITIESProceeds from disposal of other investments4,98242,542Repayments of borrowings(83,930)(8,000)Proceeds from borrowings99,70848,876Dividend paid to minority interest(1,943)-Repayments of hire purchase liabilities(278)(87)Finance costs(821)(70)Release of deposits pledged as security-(14,175)Dividends paid-(27,459)Net cash flow from financing activities17,71841,627Net movement in cash and cash equivalents15,2596,989Cash and cash equivalents at beginning of the period95,055201,825Currency translation differences7,113(319)	Investment income received	4	425
Proceeds from disposal of other investments4,98242,542Repayments of borrowings(83,930)(8,000)Proceeds from borrowings99,70848,876Dividend paid to minority interest(1,943)-Repayments of hire purchase liabilities(278)(87)Finance costs(821)(70)Release of deposits pledged as security-(14,175)Dividends paid-(27,459)Net cash flow from financing activities17,71841,627Net movement in cash and cash equivalents15,2596,989Cash and cash equivalents at beginning of the period95,055201,825Currency translation differences7,113(319)	Net cash flow from investing activities	(909)	(28,138)
Repayments of borrowings (83,930) (8,000) Proceeds from borrowings 99,708 48,876 Dividend paid to minority interest (1,943) - Repayments of hire purchase liabilities (278) (87) Finance costs (821) (70) Release of deposits pledged as security - (14,175) Dividends paid - (27,459) Net cash flow from financing activities 17,718 41,627 Net movement in cash and cash equivalents 15,259 6,989 Cash and cash equivalents at beginning of the period 95,055 201,825 Currency translation differences 7,113 (319)	FINANCING ACTIVITIES		
Proceeds from borrowings99,70848,876Dividend paid to minority interest(1,943)-Repayments of hire purchase liabilities(278)(87)Finance costs(821)(70)Release of deposits pledged as security-(14,175)Dividends paid-(27,459)Net cash flow from financing activities17,71841,627Net movement in cash and cash equivalents15,2596,989Cash and cash equivalents at beginning of the period95,055201,825Currency translation differences7,113(319)	Proceeds from disposal of other investments	4,982	42,542
Dividend paid to minority interest(1,943)-Repayments of hire purchase liabilities(278)(87)Finance costs(821)(70)Release of deposits pledged as security-(14,175)Dividends paid-(27,459)Net cash flow from financing activities17,71841,627Net movement in cash and cash equivalents15,2596,989Cash and cash equivalents at beginning of the period95,055201,825Currency translation differences7,113(319)			· · · /
Repayments of hire purchase liabilities (278) (87) Finance costs (821) (70) Release of deposits pledged as security - (14,175) Dividends paid - (27,459) Net cash flow from financing activities 17,718 41,627 Net movement in cash and cash equivalents 15,259 6,989 Cash and cash equivalents at beginning of the period 95,055 201,825 Currency translation differences 7,113 (319)			48,876
Release of deposits pledged as security.(14,175)Dividends paid.(27,459)Net cash flow from financing activities17,71841,627Net movement in cash and cash equivalents15,2596,989Cash and cash equivalents at beginning of the period95,055201,825Currency translation differences7,113(319)			(87)
Dividends paid-(27,459)Net cash flow from financing activities17,71841,627Net movement in cash and cash equivalents15,2596,989Cash and cash equivalents at beginning of the period95,055201,825Currency translation differences7,113(319)		(821)	· · /
Net cash flow from financing activities17,71841,627Net movement in cash and cash equivalents15,2596,989Cash and cash equivalents at beginning of the period95,055201,825Currency translation differences7,113(319)			
Cash and cash equivalents at beginning of the period 95,055 201,825 Currency translation differences 7,113 (319)		17,718	
Cash and cash equivalents at beginning of the period 95,055 201,825 Currency translation differences 7,113 (319)	Net movement in cash and cash equivalents	15,259	6,989
	Cash and cash equivalents at beginning of the period		
Cash and cash equivalents at end of the period 117,427 208,495	Currency translation differences	7,113	(319)
	Cash and cash equivalents at end of the period	117,427	208,495

(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)

ZELAN BERHAD ("ZB" or "the Group") (Company No: 27676-V)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2009

1. Basis of Preparation

The interim financial report of the Group has been prepared in accordance with FRS 134, "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 March 2009.

The significant accounting policies and presentation adopted for the interim financial report are consistent with those adopted in the Group's most recent audited financial statements for the financial year ended 31 March 2009.

2. <u>Auditors' Report on Preceding Annual Financial Statements</u>

The auditors' report on the Group's financial statements for the financial year ended 31 March 2009 was not subject to any qualification.

3. <u>Seasonal or Cyclical Factors</u>

The Group's operations were not materially affected by any seasonal or cyclical factors.

4. <u>Unusual Items</u>

There was no unusual item affecting assets, liabilities, equity, net income, or cash flows during the quarter and financial year to date under review because of their nature, size, or incidence except for the increase of fair value reserve amounting to RM133.4 million in respect of the available-for-sale investment for the quarter ended 30 June 2009.

5. Changes in Estimates of Amount Reported Previously

There was no change in estimates of amounts reported in the prior financial period that have a material effect in the current quarter.

6. <u>Debt and Equity Securities</u>

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and year to date.

7. <u>Dividends Paid</u>

For the current financial year to date, no dividend has been paid. For the preceding year's corresponding quarter, a second interim dividend of 6.5 sen per ordinary share of RM0.50 each, less income tax at 25% was paid on 30 June 2008.

8. <u>Segmental Reporting</u>

	Engineering & construction RM'000	Property & development RM'000	Manufacturing & trading RM'000	Investment & others RM'000	Total RM'000
Revenue					
Total	377,587	9,416	6,635	2,339	395,977
Inter-segment	(16,826)	0	(887)	(4)	(17,717)
External	360,761	9,416	5,748	2,335	378,260
Results					
Segment (loss)/profit	(4.285)	3,542	37	229	(477)
Interest income	349	39	55	4	447
Profit from Islamic Deposits	0	0	0	39	39
Investment income	0	4	0	0	4
Gain on disposal of					
warrants	0	0	0	3,479	3,479
Write back of					
allowance for decline in					
market value of	0	0	0	112	112
warrants					
Finance costs	(810)	(2)	(2)	(7)	(821)
Share of results					
of associates and					
jointly controlled					
entities	3,687	0	0	(3)	3,684
(Loss)/profit before taxation	(1,059)	3,583	90	3,853	6,467
Tax expense				_	1,841
Profit for the					0.000
quarter				-	8,308

The primary reporting segment information of the Group is in respect of business segments as the Group's risks and returns are affected predominantly by the differences in the products and services it produces.

8. <u>Segmental Reporting (Continued)</u>

The Group's segmental report for the corresponding three-month financial quarter ended 30 June 2008 is as follows:-

Analysis by business segments for the quarter and financial year to date:

	Engineering & construction RM'000	Property & development RM'000	Manufacturing & trading RM'000	Investment & others RM'000	Total RM'000
Revenue	KW 000	KM 000	KW 000	KW 000	KW 000
Total	565,605	60,288	13,477	206	639,576
Inter-segment	(38,341)	00,200	(3,469)	(4)	(41,814)
inter segment	(00,011)	0	(0,105)	(')	(11,011)
External	527,264	60,288	10,008	202	597,762
<u>Results</u>					
Segment profit/(loss)	28,674	14,142	1,231	(2,261)	41,786
Interest income	626	393	49	9	1,077
Profit from Islamic Deposits	0	0	0	215	215
Investment income	0	215	0	210	425
Finance costs	(24)	0	(14)	(12)	(50)
Share of results	(241)	Ū	(1)	(12)	(00)
of associates and					
jointly controlled					
entities	1,423	0	0	0	1,423
Profit before	30,699	14,750	1,266	(1,839)	44,876
Taxation		,	,	())	,
Tax expense					(12,848)
Profit/(Loss) for the				-	
Quarter				=	32,028

9. Valuation of Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Fair value adjustments that have been made at Group level on the acquisition of subsidiaries in the previous years have been brought forward without amendment.

10. <u>Material Events Subsequent to the End of the Reporting Period</u>

There was no material event subsequent to the end of the current quarter under review that have not been reflected in the interim financial report for the current quarter.

11. <u>Changes in Composition of the Group</u>

There was no change in the composition of the Group during the current quarter ended 30 June 2009.

12. <u>Changes in Contingent Liabilities or Contingent Assets</u>

There was no change in contingent liabilities or contingent assets since the last annual balance sheet date.

13. <u>Capital Commitments</u>

The Group did not have any capital commitment as at 30 June 2009.

14. <u>Review of Performance</u>

For the current quarter under review, the Group recorded a revenue of RM378.3 million, a decrease of 36.7% as compared to the preceding year's corresponding quarter. This is due to lower contributions from the overseas projects of the Engineering and Construction Business Unit.

The Group recorded a lower profit after tax of RM8.3 million as compared to RM32.0 million in the preceding year's quarter. This is mainly attributable to a lower revenue and lower gross profit recorded for the current quarter.

15. <u>Comparison of Profit Before Tax for the Current Quarter with Immediate</u> <u>Preceding Quarter</u>

For the current quarter, the Group recorded a profit before taxation of RM6.5 million as compared to the preceding quarter's loss of RM69.1 million. Profit for the current quarter was mainly derived from share of profit from associates and gains from sale of quoted investments. The immediate preceding quarter's loss was mainly due to the recognition of additional project losses in KSA and UAE.

16. <u>Current Year Prospects</u>

Looking forward, the Group's revenue will continue to come from the order book secured and promising prospects in the overseas and domestic markets.

Considering the current financial turmoil worldwide the Group is cautiously mindful of the challenges ahead. Notwithstanding the above, the Group is expected to produce a relatively satisfactory performance for the financial year ending 31 March 2010.

17. Profit Forecast or Profit Guarantee

There was no profit forecast or profit guarantee issued in a public document for the current financial year.

18. <u>Taxation</u>

	Current Qu	arter Ended	Year-To-Da	ate Ended
	30/06/2009 RM'000	30/06/2008 RM'000	30/06/2009 RM'000	30/06/2008 RM'000
Malaysian income tax	1,622	5,432	1,622	5,432
Overseas taxation	(3,451)	7,428	(3,451)	7,428
Deferred tax	(12)	(12)	(12)	(12)
Tax (credit)/expense	(1,841)	12,848	(1,841)	12,848

The Group operates in the following overseas countries and the statutory tax rates applicable in the respective countries are:-

	Corporate Tax	Branch profit tax
India	33%	N/A
Indonesia	30%	12.5%
Kingdom of Saudi Arabia		
(KSA)	20%	N/A
United Arab Emirates		
(UAE)	Nil	N/A

The effective tax rates for the Group's operations locally, India and in KSA approximate the applicable statutory tax rates in the jurisdictions.

The effective tax rates for the Group's operations in Indonesia are lower than the applicable statutory tax rates mainly due to reversal of tax overprovided in prior years.

19. <u>Profit/(Loss) on Sale of Unquoted Investments and Properties</u>

There was no sale of unquoted investments and properties outside the ordinary course of business for the current quarter and financial year to date under review.

20. <u>Quoted Securities</u>

During the financial quarter and year to date under review, the Group disposed of 7,933,400 of IJM Land Berhad's warrants for a net cash consideration of RM 4.982 million.

20. Quoted Securities (Continued)

The investments in quoted securities as at 30 June 2009 are as follows:-

(i)	at cost	= RM477,827,647
(ii)	at carrying value	= RM477,708,820
(iii)	at market value	= RM477,708,820

21. <u>Status of Corporate Proposals Announced</u>

There was no corporate proposal announced but not completed as at 18 August 2009.

22. Borrowings and Debt Securities

	As at 30.06.09 RM'000
(i) Current borrowings	
Secured:-	
- Overdraft	6,733
- Term loans	113,043
	119,776
Unsecured:-	
- Term Loan	30,000
- Hire purchase liabilities	662
	150,438

(ii) Non current borrowings	
Secured:-	
-Term Loan	340
- Hire purchase liabilities	733
	1,073
Total	151,511

22. **Borrowings and Debt Securities (Continued)**

Included in the term loan (current portion) is an amount of RM63.7 million which is denominated in United Arab Emirates Dirhams, RM26.3 million which is denominated in United States Dollars and RM23.0 million which is denominated in Saudi Riyal .

Included in the hire purchase liabilities is an amount of RM0.26 million which is denominated in United Arab Emirates Dirhams, of which RM0.19 million and RM0.07 million relate to current and non-current balances, respectively.

23. **Off Balance Sheet Financial Instruments**

				Amount					
				in foreign					
		Currency	Currency	currency	Contractual	RM'000			
	Tenure	to be	to be	'000	rate	Equivalent			
		received	paid			-			
(i)	23 February 2009	SGD	Ringgit	SGD	1 SGD=	1,271			
	to	Dollar	Malaysia	531	RM2.3933				
	25 August 2009	(SGD)	(RM)						
(ii)	14 May 2009	US	Ringgit	USD	1 USD=	628			
	to	Dollar	Malaysia	174	RM3.6120				
	18 November 2009	(USD	(RM)						

The position of forward foreign exchange contracts of the Group as at 11 August 2009 is as follows:-

These contracts are executed with creditworthy financial institutions and therefore the Directors are of the view that, at present, the credit and market risks associated with these contracts are minimal.

24. **Earnings Per Share**

The basic earnings per share for the financial period has been calculated based on the Group's consolidated profit attributable to the equity holders of the Company, divided by the weighted average number of ordinary shares outstanding at the end of the period.

	Current Quarter Ended		Year-To-Date Ended	
	30/06/09	30/06/08	30/06/09	30/06/08
Group's profit for the period, attributable to the equity holders of the parent (RM' Million)	4.309	26.292	4.309	26.292
Weighted average number of				
ordinary shares in issue (Million)	563.264	563.264	563.264	563.264
Earnings per share (sen)				
(a) Basic	0.77	4.67	0.77	4.67
(b) Diluted	N/A	N/A	N/A	N/A

24. Earnings Per Share (Continued)

The Group does not have in issue any financial instruments or other contracts that may entitle its holder to ordinary shares and therefore dilute its basic earnings per share.

25. Changes in Material Litigation

There were no changes in material litigation, including the status of pending material litigation in respect of the Company and its subsidiaries since the last annual balance sheet date of 31 March 2009.

26. <u>Dividends</u>

There was no dividend declared for the quarter under review.

27. <u>Authorisation for Issue</u>

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 18 August 2009.

By order of the Board

Suhla Al Asri Secretary

Kuala Lumpur 18 August 2009