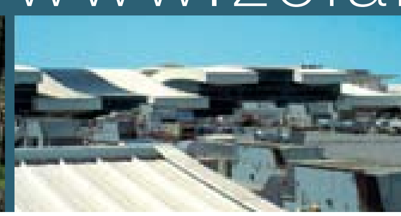
www.zelan.com



ZELAN BERHAD 27676-V
23rd Floor, Wisma Zelan
No. 1, Jalan Tasik Permaisuri 2
Bandar Tun Razak, Cheras
56000 Kuala Lumpur

Tel : +603 9173 9173
Fax : +603 9171 8191

ZELAN BERHAD 27676-V

ANNUAL REPORT **2009**

ZELAN BERHAD
27676-V

ANNUAL REPORT 2009

mission

Our goal is to be at the forefront of industrial transformation by:

- Offering technologically innovative designs and solutions
- Continuously pursuing the highest levels of work quality and service excellence in our fields of specialisation

In playing this role, we will strive to:

- Ensure our activities and creations are beneficial to society
- Improve the quality of our environment, and
- Ultimately, deliver value to our shareholders and stakeholders

To achieve our mission, we will build on:

- The strength of our teamwork
- Our track record and professional reputation

contents

cover rationale

We are at the peak of extraordinary times. In seeking to rise above the challenges of what the economic downturn has created, we have been capitalising on what will become our greatest asset, our fundamental vision and strength to build. We are steadily moving forward, constructing high net value projects on multiple fronts, in which we see true value creation for the long term, we believe that at Zelan we have the tenacity and capacity in successfully competing and to rise amidst exceptional challenges.

At a Glance

Engineering & Construction Business Unit

Management Team at Zelan has to date, participated in the construction of 14 power plants in Malaysia. At present, the Management team are participating in the construction of 4 power plants overseas namely in the Kingdom of Saudi Arabia, India and in Indonesia. Zelan's expertise also includes the construction of airports, hangars, highways and interchanges as well as commercial and industrial buildings and infrastructures.

Shuaibah III IWPP Desalination Plant
Kingdom of Saudi Arabia

Shuqaiq II IWPP Desalination Plant
Kingdom of Saudi Arabia

Sidra Tower
Dubai Internet City, Dubai, United Arab Emirates

Al-Reem Island/Meena Tower
Abu Dhabi, United Arab Emirates

2x300MW Coal-Fired Power Plant
State of Chhattisgarh, India

The Royal Ratchadamri
Central Business District, Bangkok, Thailand

2x315MW Coal-Fired Power Plant
Rembang, Central Jawa, Indonesia

Property & Development Business Unit

The Unit is positioning itself as a lifestyle developer and has carved a niche in the property development sector in Malaysia with projects such as the Riviera Courtyard Homes, the Hampshire Residences and soon to be launched Lidcol Residences.

Manufacturing & Trading Business Unit

The Unit specialises in the manufacturing and installation of roofing and cladding systems that focuses on specific clients specifications. Mentionable projects taken are the building envelope systems for the Kuala Lumpur Convention Centre, Changi Airport Terminal 3 in Singapore and the Customs, Immigration & Quarantine (CIQ) Complex in Johor.

Independent Power Producers (IPP) & Investments Business Unit

This Unit is relatively new which aims to source and secure IPP investments to generate long term recurring income for the Group. Such investments would mainly focus on greenfield and/or brownfield equity participation in IPPs.

financial calendar

31 MARCH 2009
FINANCIAL YEAR ENDED

ANNOUNCEMENT OF RESULTS

First Quarter Ended 30 June 2008	25 August 2008
Second Quarter Ended 30 September 2008	10 November 2008
Third Quarter Ended 31 December 2008	26 February 2009
Fourth Quarter Ended 31 March 2009	28 May 2009

PUBLISHED ANNUAL REPORT AND FINANCIAL STATEMENTS

Notice	28 July 2009
Annual General Meeting	19 August 2009

DIVIDEND

Interim

Declaration	10 November 2008
Record Date	26 November 2008
Payment Date	9 December 2008

5 years' financial highlights

	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000	Year ended 31.3.2007 RM'000	Year ended 31.3.2006 RM'000	Year ended 31.3.2005 RM'000
RESULTS					
Revenue	2,008,224	1,373,762	641,043	554,007	603,270
Gross profit	(60,747)	192,682	99,150	92,957	81,809
Operating profit/(loss)	(126,549)	124,059	67,664	73,916	70,740
Profit/(loss) before taxation	(121,643)	185,723	121,281	103,007	119,709
Profit/(loss) attributable to shareholders	(137,227)	143,035	80,786	80,160	97,778
ASSETS					
Gross assets	1,427,041	1,873,257	1,129,526	1,126,368	1,027,343
Cash & cash equivalents	102,882	202,266	188,870	278,912	264,590
LIABILITIES AND SHAREHOLDERS' FUNDS					
Borrowings	139,879	45,155	9,506	30,170	19,985
Shareholders' funds	475,179	818,794	715,337	676,198	631,083
FINANCIAL RATIOS (%)					
Debt to equity	29.4	5.5	1.3	4.5	3.2
Pre-tax return on shareholders' funds	(25.6)	22.7	17.0	15.2	19.0
SHARE INFORMATION					
Dividends per share	5	14	8	8	4
Net assets*/Net tangible assets per share (sen)	0.84	145*	127*	120*	83
Basic earnings/(loss) per share (sen)	(24)	25	14	14	18

* The net assets per share, earnings/(loss) per share and dividend per share have been calculated based on the weighted average number of ordinary shares which has been adjusted to take into consideration the enlarged share capital due to the share split exercise which was completed on 18 July 2007. The comparative periods' net assets per share has been adjusted accordingly.

chairman's statement

Dear Shareholders,

On behalf of the Board of Directors of Zelan Berhad, I hereby present the Annual Report and Audited Financial Statements for the Financial Year ended 31 March 2009.

chairman's statement

OPERATING ENVIRONMENT OVERVIEW

The year under review was a difficult period for the Group. For the first time, the Group recorded a loss after tax and minority interest of RM137 million, a stark contrast to the profit of RM143 million achieved last year. This was due to the unforeseen circumstances and various challenges that we encountered in the environment where our projects are located.

The significant increase in the prices of construction materials in the first half of 2008 adversely affected our financial performance. The price increase led to a cost overrun at all our existing projects (as it did to the whole construction industry) which resulted in certain projects, whilst still profitable, registering reduced margins and certain projects incurring losses.

The effect was particularly profound in the Middle East where a significant portion of our order book is derived from. For the year under review, 90% of our order book is derived from jobs overseas.

The additional project costs incurred have put a strain on project cash flows, notably at our Sidra Tower project in Dubai and Shuqaiq project in the Kingdom of Saudi Arabia.

Besides the significant increase in construction material prices, Sidra Tower and Shuqaiq are our first major projects undertaken in their respective countries. Being our first major projects in these jurisdictions, the extreme weather condition and the rather complicated working environment were not adequately assessed in the projects' initial risk evaluation. Furthermore, as the two projects were tendered during early 2007, the intense competition then resulted in competitive margins being budgeted during tender submissions.

However, despite experiencing what can only be described as a turbulent year, we have also shown resilience and determination in overcoming technical and logistical challenges in the course of the year.

A good example is the construction of our portion of works for the Shuaibah III power and water desalination plant in the Kingdom of Saudi Arabia, which was successfully resolved after having been a major challenge for construction works. However, this project is considered small in contract value as compared to Sidra and Shuqaiq.

In the local market, we have delivered on the Hampshire Residences, a development consisting of 388 units of high end condominium within the vicinity of Kuala Lumpur City Centre.

As a whole, the Group's business fundamentals remain strong. Zelan has a strong balance sheet with minimal net gearing. We continue to enjoy the support of our business partners, stakeholders and customers. Our banks and lenders remain steadfast in their support to Zelan. Most notably, we are still being invited to participate in tenders. These encouraging factors, coupled with the lessons learnt from the past, give us reason to be optimistic.

The past difficulties represent a learning curve. They are signals that new structural changes must be made within the organisation. A re-alignment of business strategies is warranted in transforming our shortcomings into positives.

GROUP RESULTS

For the financial year ended 31 March 2009, the Zelan Group recorded a consolidated revenue of RM2.01 billion, an increase of RM640 million, which is a 146% year-on-year increase. However, the Group recorded a loss before taxation and loss after taxation and minority interest of RM121.6 million and RM137.2 million respectively.

The Engineering & Construction Business Unit continues to be the main contributor of the Group, with revenue of RM1.76 billion, or 87% of the Group's consolidated revenue. The Unit, however, recorded a loss before taxation of RM172.5 million.

The Property & Development Business Unit increased its contribution to the Group with revenue of RM191.0 million, or 10% of the Group's consolidated revenue, resulting from the success of our Hampshire Residences project, which was fully sold during the year in review. The Unit recorded a profit before taxation of RM37.7 million.

DIVIDEND

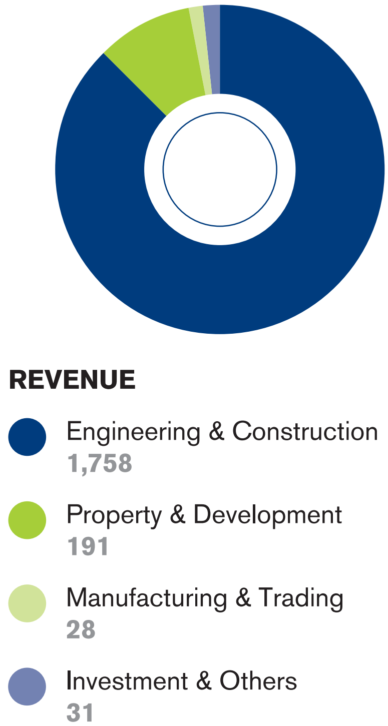
The Board declared an interim dividend of 5 sen per share, less 25% tax, amounting to RM21.12 million, which was paid on 9 December 2008.

BUSINESS OUTLOOK

Going forward, we remain optimistic about the Group's future. Despite the uncertainties surrounding the global economy, we will continue to source for opportunities both locally and overseas. Strategically, the Group would ensure a balance between local and overseas projects.

Locally, we are hopeful that the pump-priming activities by the Government will benefit us and the local construction industry as a whole. We will look towards securing more infrastructure jobs locally as we find a better balance between foreign and domestic projects.

chairman's statement



With the experience earned from our undertaking of various overseas projects, we are confident that we will be competitive in the international markets where we are making efforts to secure new projects, particularly in Indonesia, India, the Middle East and Vietnam.

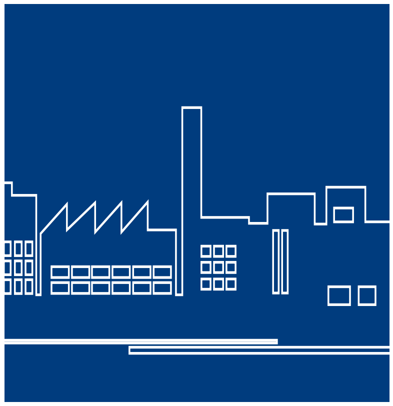
Moving forward, we need better management, organisational change and improved operational processes, systems and controls. These measures must be long-term initiatives rather than quick fixes. By adopting this approach, we can turn around Zelan towards profitability and growth.

Since the business in this industry is very competitive, to ensure continuous success Zelan would place more emphasis on Human Capital management and recruiting the right experienced personnel. In addition, attractive remuneration and retention scheme would be given priority.

As we move forward into another challenging year, rest assured that the Group remains committed to pursuing all relevant opportunities. We will work to sustain the Group's operations and return to profitability quickly so as to enhance shareholders' value.

We look forward to continuous support from all our stakeholders as we pursue our course in turning this Group back into profitability.

We embrace this challenge as a trial in our journey to re-emerge a bigger and better company. With your support, the Group will cross this threshold and register an improved performance in the next financial year.



CORPORATE GOVERNANCE

To ensure transparency, accountability and protection of shareholders' interests, the Board places great importance on ensuring that the highest standard of corporate governance is practiced throughout the Group. Our statement on Corporate Governance and related reports are on pages 34 to 41.

RELATED PARTY TRANSACTIONS

Significant related party transactions of the Group for the year under review are disclosed in Note 37 to the financial statements.

ACKNOWLEDGEMENTS

On behalf of my colleagues on the Board, I express my sincere appreciation to Senior Management and all Zelan employees for their tireless effort and contributions during the year in review. I also wish to extend a heartfelt thank you to the Board members and the various Board Committees.

I would also like to welcome our new Managing Director/Chief Executive Officer, YM Raja Azmi Raja Nazuddin into the Zelan team.

Last but most definitely not least, on behalf of the Board, I wish to thank our business associates, partners and shareholders for their vote of confidence and their continued support as we move ahead to an exciting future.

DATO' ANWAR AJI
Chairman

managing director/ chief executive officer's

REVIEW OF OPERATIONS

While our performance during the year under review did not reach the highs of previous years, our various business units continued to register several noteworthy highlights.

I wish to mention that despite a difficult year due to the less than favourable economic conditions, we still successfully completed and delivered on several landmark projects both domestically and internationally.

As for existing projects in hand, these are progressing well and we are confident of delivering on our commitments. I would like to commend the relevant business units for the resilience and determination shown in the face of adversity as we look to the future.

With that regard, I am pleased to provide a review of each division's performance during the year under review.

Engineering & Construction Business Unit (ECU)

For the financial year ended 31 March 2009, ECU's main priority was to complete all overseas projects and to consolidate our resources for the next upturn in the construction industry.

As the world felt the effects of the global economic crisis, Malaysia was also not spared its effects.

In 2008, GDP growth was at 4.6% while oil prices remained comparatively low compared to the record highs of 2007. However, the ringgit, on average declined against the US dollar. And in the first quarter of 2009, GDP declined by 6.2%.

After three consecutive years of decline, the construction sector turned around in 2007 to record a positive growth rate of 4.6%. However, the sector slumped again in 2008, but despite the slowdown, still managed a 2.1% average growth for 2008. Globally, construction also saw a slowdown in both the civil and residential sub-sectors.

I am pleased to report that we have successfully completed our portion of the works for the Shuaibah III power and water desalination plant. The weather conditions and construction of the main pump proved to be a tough challenge but we overcame these obstacles to hand over the project.

As for existing projects, there is the Al-Reem Island project in Abu Dhabi via a consortium with IJM Construction Sdn. Bhd., Sunway Builders Sdn. Bhd. and LFE Engineering Sdn. Bhd., Sidra Tower in Dubai as well as the Shuqaiq Power Plant located in the Kingdom of Saudi Arabia (KSA).

Shuqaiq II Independent Water Power Plant Project with a contract sum of RM950 million posted the biggest challenge to ECU in view of the technical complexities of the Project especially for the marine work.

At the close of financial year 2008, the overall completion of the Project is about 77%. The Work is expected to be completed before end of 2009. We are optimistic that Shuqaiq can be a watershed project for us; a springboard that will elevate us to new levels of business and opportunity.

Meena Plaza, a mixed Development in Abu Dhabi is the single biggest commercial project undertaken by ECU overseas and is progressing well. The project's contract value of AED 925.3 million has a 30-month timeline from the date of award. At the close of the financial year 2009, the overall completion of project was 5.6% and barring any unforeseen circumstances, we shall meet our delivery schedule in the fourth quarter 2010.

Another prestigious project undertaken by ECU is Sidra Office Tower & Service Apartments in Dubai Internet City UAE with a contract sum of AED317 million. The Project is due for completion before end of 2009.

In India, our role as Project Management Consultant (PMC) for Unit 1 of the 2x300MW Coal Fired Power Plant in Chhattisgarh, India has been completed. The project consisting of civil works, BOP supply and BTG Erection, Testing & Commissioning has been synchronised and we are on track for timely delivery.

Unit 2, which is of the same capacity and work-scope as Unit 1, is also close to completion with project handing over expected within the second half of 2009.

In Indonesia, the Group's RM2 billion EPCC contract to build the 2x315MW coal-fired power plants at Rembang for Perusahaan Listrik Negara (PLN) suffered a set back in time line by a further 6-8 weeks due to a mass resignation of employees in February 2009, both at the Group's head office project team and at the project site management team.

The project implementation activity has since been placed directly under the control of the Group Chief Operating Officer, who together with a dedicated team has implemented risk mitigation measures to minimise the impact of the overall delay.

Several key milestone dates are targeted to be achieved in July and August 2009 which will then see the first unit of the power plant to be handed over to PLN by December 2009 and the second unit within the following three months.

While our current unbilled order book stands at RM2.2 billion, the global financial crisis has led to a reduction in available jobs that we can bid for.

However, with the economy showing signs of a possible recovery; and the Malaysian Government increasing its expenditure on infrastructure, we are confident of growing our order book for the coming financial year.

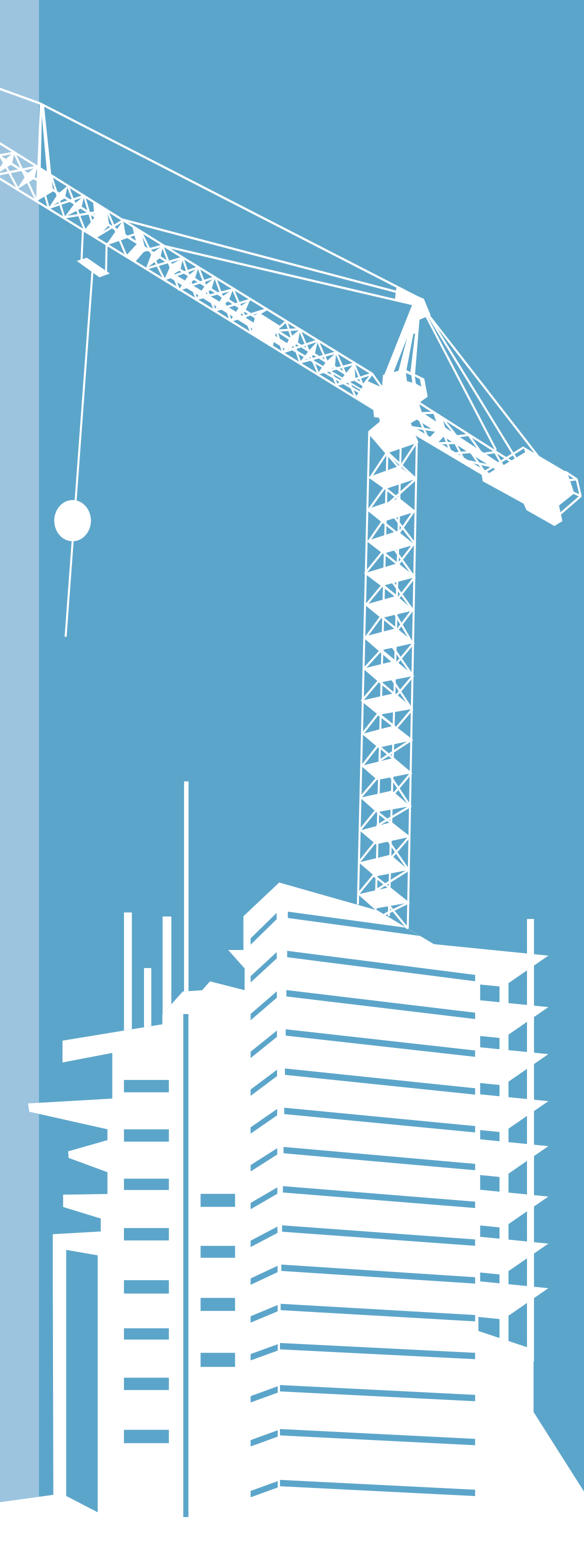
In Malaysia, there are clear indicators that margins have stabilised and the market appears to have bottomed-out. The recent pump-priming initiatives by the government have led to improved prospects for order book activity.

As such, it would be in the best interest of ECU to grow its domestic order book to ensure we are not too dependent on either one market, be it locally or internationally.

Going forward, ECU will be looking to secure more EPC contracts as we enjoy a competitive advantage in this sector based on our track record and experience.

The growing demand for power in developing markets such as India and Vietnam is an attractive proposition. We will look to participate in any opportunities that should arise in the next financial year.

ECU will remain the Group's main revenue contributor for the immediate future.



Property & Development Business Unit (PDU)

One of the main highlights was the completion and delivery of our flagship project – Hampshire Residences, a high-end condominium consisting of 388 units, located within walking distance from the Petronas Twin Towers.

This boutique luxury residence is an iconic, top-of-the-line product that has been completely sold and buyers are currently taking vacant possession of their units.

Our success with Hampshire marks another milestone in our history. It showcases the Zelan Group's expertise and capability in creating and delivering on high end residential products. This will reinforce our image as a niche, boutique developer.

We are now actively sourcing for prime location land either to purchase outright or via joint-ventures partnerships for the purpose of developing more niche, up-market developments.

Current market sentiments which affords us lower entry costs, makes it an opportune time to make new forays into the industry.

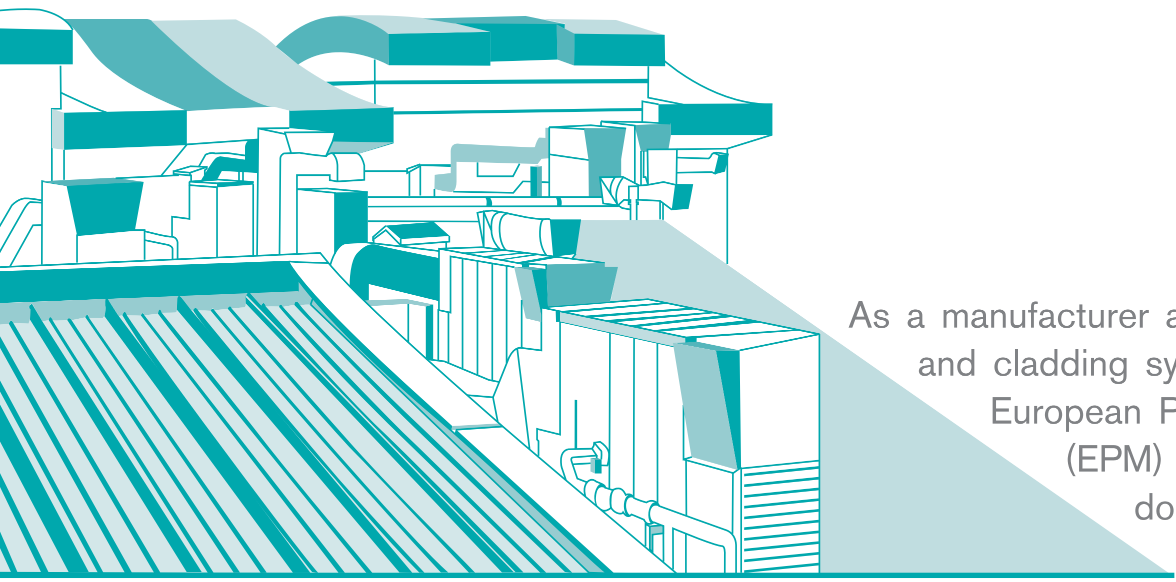
Leveraging on the success of Hampshire, we have entered into a joint venture with Masteron Liga Klasik Sdn. Bhd. to develop the Lidcol Garden project, located beside Hampshire.

Our 50%-owned subsidiary, Essential Amity Sdn. Bhd., is currently undertaking a housing project in Semenyih with an expected GDV of RM34 million.

In Bangkok, Thailand, PDU holds a 35% equity interest in Ratcha Pleon Company Limited which owns rights to a 50-year land lease for a 10,680 sq. m. of prime commercial land in the heart of Bangkok's Central Business District. We are now assessing the market conditions in Thailand and exploring our options for this investment.

In retrospect, the year under review has been a positive one for PDU. We look forward to continued progress and success in the next financial year.

Manufacturing & Trading Business Unit (MTB)



As a manufacturer and contractor of roofing and cladding systems since 1993, European Profiles (M) Sdn. Bhd. (EPM) continues to play a dominant role in this niche industry.

Having built a strong track record and brand name throughout the years, our products have become a top choice among international and local contractors particularly among power generation and high end commercial buildings.

The quality of the company's products and services was further affirmed when in September 2008, European Profiles Contracting Sdn. Bhd. was accredited with MS ISO 9001:2000 quality certification. This accomplishment was awarded for the provision of Construction Services for Building Envelope Systems and Composite Floor Decking (Engineering Design, Contract and Project Implementation).

It is a fitting recognition for European Profiles, which since its inception has maintained a strong quality focus in its systems and processes to ensure only the best possible products are made for the market.

In addition to these achievements, European Profiles has successfully obtained admission into several 'global supply chain networks', thus giving its client comfort in assured quality of products and services.

We are confident that with access to the global supply chain, we can further cement our position as the preferred supplier in the industry.

The Unit is also expanding its client base. While the bulk of its orders come from the power generation business, MTB continues to be awarded projects from other sectors.

This is evident through the recent completion of several train stations for KTM – the national rail carrier, several hospitals for Columbia Asia – a fast growing private hospital network, as well as shopping malls such as Mid Valley, Pavilion and Capital Square in Kuala Lumpur and Jaya Jusco in Klang.

Current ongoing projects include buildings in the power generation sector, universities, studios and airports terminal among others.

The business unit remains confident of its future prospects not only in the local market but also in the region where it has made several inroads despite the current world economic crisis.

Independent Power Producers (IPP) & Investments Business Unit

The IPP Unit remains a strategic component of the Group's long term plans to generate a stream of recurring income, while providing a buffer to mitigate the cyclical effects of the construction sector. We have an edge in technical design and cost efficiency when tendering for ownership of IPPs.

IPP ownership is a strategic fit with our current competencies in construction of power plants. However, looking at the current global economic conditions and the Group's current appetite level, it is the best interest of the Group to hold off acquisition plans for the time being.

corporate information

BOARD OF DIRECTORS

Dato' Anwar Aji
Independent, Non-Executive Chairman

YM Raja Azmi Raja Nazuddin
Managing Director/Chief Executive Officer

Mr. Yoong Nim Chee
Executive Director

Dato' Abdullah Mohd Yusof
Independent, Non-Executive Director

Dato' (Dr.) Megat Abdul Rahman Megat Ahmad
Independent, Non-Executive Director

Datuk Hj. Hasni Harun
Non-Independent, Non-Executive Director

Cdr Mohd Farit Ibrahim RMN (Retd)
Non-Independent, Non-Executive Director

Mr. Ooi Teik Huat
Independent, Non-Executive Director

COMPANY SECRETARY

Suhla Al Asri
(MAICSA 7025570)

AUDITORS

PricewaterhouseCoopers
Chartered Accountants

SHARE REGISTRAR

Symphony Share Registrars
Sdn. Bhd.
Level 26, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : +603-2721 2222
Fax : +603-2721 2530/31

REGISTERED OFFICE

23rd Floor, Wisma Zelan
No. 1, Jalan Tasik Permaisuri 2
Bandar Tun Razak, Cheras
56000 Kuala Lumpur
Tel : +603-9173 9173
Fax : +603-9171 8191
Email : info@zelan.com.my

PRINCIPAL BANKERS

Al Rajhi Banking & Investment Corporation (Malaysia) Berhad
CIMB Bank Berhad
EON Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Standard Chartered Bank Malaysia Berhad
Abu Dhabi Commercial Bank, UAE
Standard Chartered Bank, UAE
Mashreqbank, UAE
Al Rajhi Bank, KSA
The Saudi British Bank, KSA
HSBC Bank Middle East Limited
PT Bank OCBC NISP Tbk., Indonesia
PT Bank (OCBC), Indonesia

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia
Securities Berhad
Stock Code: 2283

UAE OPERATIONS

Zelan Holdings (M) Sdn. Bhd.

– Abu Dhabi Branch
No. 202, ADCB Building
P. O. Box 106813, Abu Dhabi, UAE
Tel : (9712) 621 5667
Fax : (9712) 621 5657

– Dubai Branch
P. O. Box 184577, Dubai, UAE
Tel : (9714) 369 7830
Fax : (9714) 369 7829

SAUDI ARABIAN OPERATIONS

Zelan Construction Arabia Company Limited
Unit 206, 2nd Floor, Al-Nakheel Centre
Madinah Road, Jeddah 21411
Kingdom of Saudi Arabia
Tel : (966) 2667 3595
Fax : (966) 2669 3595

Zelan Arabia Company Limited
2nd Floor, Al Toukhi Building
King Fahd Street, Riyadh 11424
Kingdom of Saudi Arabia
Tel : (966) 1401 3239
Fax : (966) 1401 3297

INDONESIAN OPERATIONS

P.T. Zelan Indonesia
4th Floor, S. Widjojo Centre Building
Jl. Jend. Sudirman Kav. 71
Jakarta, 12190 Indonesia
Tel : (6221) 5290 3940
Fax : (6221) 5290 3954

INDIAN OPERATIONS

Zelan Construction (India) Private Limited
Level 2, Block H&I, Shakti Towers
766-Ana Salai, Chennai
600022 India
Tel : (9144) 4267 8800
Fax : (9144) 4267 8833/09

Zelan Projects Private Limited
Flat No. 5, Plot No. 429
B.K. Complex, Road No. 14
Banjara Hills, Hyderabad
500034 India
Tel : (9140) 400 33111
Fax : (9140) 400 33118

THAILAND OPERATIONS

Sahakarn-Zelan (Thailand) Company Limited
No. 1363, Soi Ladprao 94
Ladprao Road, Wangthonglang
Bangkok 10310, Thailand
Tel : (662) 559 2711/2712/2713
Fax : (662) 559 2720

corporate structure

ZELAN BERHAD

ZELAN HOLDINGS (M) SDN. BHD. | 100%

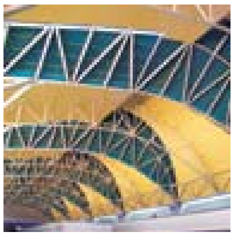
ENGINEERING & CONSTRUCTION

- ZELAN CONSTRUCTION SDN. BHD. | 100%
  - ZELAN CONSTRUCTION PRIVATE LIMITED | 100%
  - LK ANG-ZELAN CONSORTIUM PRIVATE LIMITED | 50%
- ZELAN CONSTRUCTION (INDIA) PRIVATE LIMITED | 100%
- ZELAN CONSTRUCTION ARABIA COMPANY LIMITED | 100%
- ZELAN MIDDLE EAST LIMITED | 100%
- ZELAN CONSOLIDATED (OVERSEAS) SDN. BHD. | 100%
- PT ZELAN INDONESIA | 95%
- ZELAN EPC (HONG KONG) LIMITED | 50%
  - ZELAN PROJECTS PRIVATE LIMITED | 99%
- SAHAKARN ZELAN (THAILAND) COMPANY LIMITED | 49%
- ZELAN ARABIA COMPANY LIMITED | 40%
- ABU DHABI BRANCH
- DUBAI BRANCH
- INDONESIAN BRANCH

PROPERTY & DEVELOPMENT

- ZELAN CORPORATION SDN. BHD. | 100%
  - ZELAN DEVELOPMENT SDN. BHD. | 100%
  - ZELAN PROPERTY SERVICES SDN. BHD. | (Formerly known as Lancar Impian Sdn. Bhd) 100%
  - PANDUAN PELANGI SDN. BHD. | 100%
  - PADUAN LIMA SEJATI SDN. BHD. | 100%
  - RATCHA PLOEN COMPANY LIMITED | 35%
- SEJARA BINA SDN. BHD. | 100%
  - ESSENTIAL AMITY SDN. BHD. | 50%

IJM CORPORATION BERHAD | 8.7%



MANUFACTURING & TRADING

- EUROPEAN PROFILES (M) SDN. BHD. | 80%
  - RICHARD LEES STEEL DECKING ASIA SDN. BHD. | 50.01%
  - EUROPEAN PROFILES CONTRACTING SDN. BHD. | 71.0%
    - EUROPEAN PROFILES CONTRACTING PRIVATE LIMITED | 100%
- ZELAN ENTERPRISE SDN. BHD. | 100%
  - VISPA SDN. BHD. | 100%
  - EMINENT HECTARES SDN. BHD. | 99.9%

INVESTMENT & OTHERS

- TRONOH CONSOLIDATED (OVERSEAS) SDN. BHD. | 100%
- TCMB POWER SDN. BHD. | 100%
- TCMB ENERGY VENTURES SDN. BHD. | 100%
- TRONOH CONSOLIDATED (LABUAN) LIMITED | 100%
- GOLDEN SOLITAIRE (AUSTRALIA) B.V.* | 66.67%
- TIMAH DERMAWAN SDN. BHD. | 30%
- SUASA UNIK SDN. BHD. | 50%

** Under Members' Voluntary Liquidation*

DATO' ANWAR AJI
Independent, Non-Executive Chairman

YM RAJA AZMI RAJA NAZUDDIN
Managing Director/Chief Executive Officer

board of directors' profile

Dato' Anwar bin Aji, 59, a Malaysian, was appointed the Independent Non-Executive Chairman of Zelan Berhad on 11 December 2008. He is also the Chairman of the Executive, Nomination and Remuneration Committees of the Board.

He graduated from University of Malaya with Honours in Economics in 1973 and obtained his Masters in International Studies from Ohio University, United States of America in 1982. He started his career with the Government and had held various posts in the Ministry of Trade and Industry, the Prime Minister's Department and the Ministry of Finance. He joined Khazanah Nasional Berhad in 1994 and left in May 2004. His directorship in other public companies includes CIMB Islamic Bank Berhad, CIMB Wealth Advisors Berhad, CIMB-Principal Asset Management Berhad and SPJ Corporation Berhad.

Dato' Anwar does not have any family relationship with and is not related to any directors of Zelan Berhad and/or major shareholders of Zelan Berhad and does not have any conflict of interest with Zelan Berhad.

YM Raja Azmi bin Raja Nazuddin, 41, a Malaysian, was appointed the Managing Director/Chief Executive Officer of the Company on 5 June 2009. He is also a member of the Executive Committee.

YM Raja Azmi holds a Master of Business Administration from the University of Bath, United Kingdom and is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

YM Raja Azmi started his career in 1987 with Coopers & Lybrand Malaysia before moving to Malaysian Tobacco Company Berhad in 1994. He joined Perodua Manufacturing Sdn. Bhd. as Accounts Manager in January 1999. He served as Commercial Manager in Haworth Malaysia Sdn. Bhd. in May 2000 and Senior Finance Manager in Tronoh Mines Malaysia Berhad in September 2001. In January 2003, he joined Sapura Telecommunications Berhad as Group Financial Controller and in May 2004, he was appointed the Chief Financial Officer of Tronoh Consolidated Malaysia Berhad. He was formerly the Senior Director of Corporate Development Division of UEM Group Berhad and Executive Director of Time Engineering Berhad before his present position.

YM Raja Azmi does not have any family relationship with and is not related to any directors of Zelan Berhad and/or major shareholders of Zelan Berhad and does not have any conflict of interest with Zelan Berhad.

board of directors' profile

Mr. Yoong Nim Chee, aged 49, joined the Board as Non-Independent, Non-Executive Director on 9 October 2003. On 1 January 2009, Mr. Yoong was re-designated as the Executive Director of the Company.

Mr. Yoong has worked in senior positions in the financial institutions and corporations. His last position prior to joining the Company as Executive Director was as the Director of Corporate Affairs at MMC Corporation Berhad.

Mr. Yoong is a Board member of Malakoff Corporation Berhad and Kramat Tin Dredging Berhad.

Mr. Yoong is a Malaysian citizen and holds a Bachelor of Economics in Business Administration from Universiti Malaya.

Mr. Yoong has no family relationship with and is not related to any directors and/or major shareholders of Zelan Berhad and does not have any conflict of interest with Zelan Berhad, except by virtue of being a nominee Director of MMC Corporation Berhad, a major shareholder of Zelan Berhad.

Dato' Abdullah Mohd Yusof, 70, a Malaysian, joined the Board as Independent, Non-Executive Director on 1 August 2002. He is also a member of the Audit, Executive, Nomination and Remuneration Committees.

Dato' Abdullah is a Partner in the legal firm of Abdullah & Zainuddin. Dato' Abdullah is a Malaysian citizen and holds a LLB (Honours) degree from the University of Singapore.

Dato' Abdullah is currently the Chairman of Aeon Co. (M) Berhad, Aeon Credit Service (M) Berhad and THR Hotel (Selangor) Berhad. Dato' Abdullah is also a Board member of Tradewinds Corporation Berhad and MMC Corporation Berhad.

Dato' Abdullah does not have any family relationship with and is not related to any directors of Zelan Berhad and/or major shareholders of Zelan Berhad and does not have any conflict of interest with Zelan Berhad.

Dato' (Dr.) Megat Abdul Rahman bin Megat Ahmad, 69, was appointed to the Board as Independent, Non-Executive Director on 23 September 2002. He is also the Chairman of the Audit Committee and a member of the Nomination Committee.

Dato' (Dr.) Megat Abdul Rahman is a holder of Bachelor of Commerce degree from University of Melbourne, Australia. He is a member of the Malaysian Institute of Certified Public Accountants and served as its President (1981-1983), Malaysian Institute of Accountants and a fellow member of the Institute of Chartered Accountants in Australia. He holds an Honorary Doctorate in Business Administration degree from Universiti Kebangsaan Malaysia.

Dato' (Dr.) Megat Abdul Rahman is a Malaysian citizen and former partner of KPMG and Managing Partner of KPMG Desa, Megat & Co. He used to serve as the Executive Director of Kumpulan Guthrie Berhad.

Dato' (Dr.) Megat Abdul Rahman is currently the Chairman of Press Metal Berhad and a Director of UAC Berhad, Boustead Holdings Berhad, BH Insurance (M) Berhad, IJM Corporation Berhad and Mardec Berhad.

Dato' (Dr.) Megat Abdul Rahman does not have any family relationship with and is not related to any directors of Zelan Berhad and/or major shareholders of Zelan Berhad and does not have any conflict of interest with Zelan Berhad.

MR. YOONG NIM CHEE
Executive Director

DATO' ABDULLAH MOHD YUSOF
Independent, Non-Executive Director

DATO' (DR.) MEGAT ABDUL RAHMAN MEGAT AHMAD
Independent, Non-Executive Director

board of directors' profile

DATUK HJ. HASNI HARUN
Non-Independent, Non-Executive Director

CDR MOHD FARIT IBRAHIM RMN (Retd)
Non-Independent, Non-Executive Director

MR. OOI TEIK HUAT
Independent Non-Executive Director

Datuk Hj. Hasni bin Harun, 52, a Malaysian, was appointed as Non-Independent, Non-Executive Director on 11 April 2008. He is also a member of the Executive, Audit and Remuneration Committees.

Datuk Hj. Hasni is currently the Chief Executive Officer of MMC Malaysia. He is a member of the Malaysian Institute of Accountants. He holds a Master in Business Administration from United States International University, San Diego, California, USA and a Bachelor of Accounting (Honours) from University of Malaya.

Datuk Hj. Hasni held several senior positions in the Accountant General's Office from 1980 to 1994. He was the Senior General Manager of the Investment Department at the Employees Provident Fund from March 1994 to March 2001, and as Managing Director of RHB Asset Management Sdn. Bhd. from April 2001 until April 2006. He then joined DRB-HICOM Berhad as Group Chief Financial Officer until December 2006 and joined MMC Corporation Berhad as the Group Chief Operating Officer in January 2007 until February 2008, prior to his appointment as Chief Executive Officer of MMC Malaysia.

Datuk Hj. Hasni also sits on the Boards of MMC Corporation Berhad, IJM Corporation Berhad, Malakoff Corporation Berhad, Johor Port Berhad, Aliran Insan Resources Berhad, Pelabuhan Tanjung Pelepas Sdn. Bhd. and Gas Malaysia Sdn. Bhd.

Datuk Hj. Hasni has no family relationship with and is not related to any directors and/ or major shareholders of Zelan Berhad and does not have any conflict of interest with Zelan Berhad, except by virtue of being a nominee Director of MMC Corporation Berhad, a major shareholder of Zelan Berhad.

Cdr Mohd Farit bin Ibrahim RMN (Retd), a Malaysian, 58, joined the Board as Non-Independent, Non-Executive Director on 16 June 2008. He is also a member of the Executive Committee.

Cdr Mohd Farit (Retd) completed his formal education from the Boys's Wing of the Royal Military College in Sungai Besi, Kuala Lumpur. He proceeded to complete his tertiary education and graduated from several prestigious institutions such as the Britannia Naval College in Darthmouth, England, the Naval War College in Rhode Islands, United States of America, the Fu Hsing Kang College in Taipei, Taiwan and the Singapore Institute of Management. A specialist in the field of maritime activities, he served distinguishably with the Royal Malaysian Navy for 23 years. He retired from the military service in 1990 with the rank of Commander after holding many appointments as Commanding Officer of warships, naval bases and as Director of Naval Intelligence.

His career in civilian life started off with Perwaja Steel Sdn. Bhd. ("Perwaja Steel") in 1990 when he was appointed as Manager and was tasked with the responsibility of setting up the training division for the company and together turned around Perwaja Steel to a profitable company. He accomplished the objective with distinction and was promoted to Group Manager in 1992. He joined Worldwide Holdings Berhad in 1992 as Senior Manager for Operations and Development and started a new division – Division of Maritime Activities. He left the company the following year and became the Managing Director of Southern Water Corporation Sdn. Bhd. – a position he assumed until September 2007. He played a vital role and was instrumental in securing the concession agreement for Southern Water Corporation Sdn. Bhd. to operate and maintain fourteen (14) water treatment plants in the State of Johor Darul Takzim. His hard work and prudence in business has brought Southern Water Corporation Sdn. Bhd. to be listed on the Main Board of Bursa Malaysia as Aliran Ihsan Resources Berhad in March 2005 (AIR Bhd) and was its Group Managing Director until September 2007. He was also an Executive Director of Bina Puri Holdings Berhad from 1993 to 1995.

Cdr Mohd Farit (Retd) also holds many high appointments and sits on the Board of several private companies engaging in businesses in such diverse fields as township development, specialist medical centres to mixed retail developments and security business. He is a member of the Malaysian Institute of Management, Royal Institute of Navigation and the Nautical Institute of Management.

Cdr Mohd Farit (Retd) has no family relationship with and is not related to any directors and/ or major shareholders of Zelan Berhad and does not have any conflict of interest with Zelan Berhad, except by virtue of being a nominee Director of MMC Corporation Berhad, a major shareholder of Zelan Berhad.

Mr. Ooi Teik Huat, 49, a Malaysian, was appointed to the Board as Independent, Non-Executive Director of the Company on 10 July 2009.

Mr. Ooi Teik Huat is a member of Malaysian Institute of Accountants and CPA Australia and holds a Bachelor of Economics degree from Monash University, Australia. He started his career in 1984 with Messrs. Hew & Co. (now known as Messrs. Mazars), Chartered Accountants, before joining Malaysian International Merchant Bankers Berhad (now known as MIMB Investment Bank Berhad) in 1989. Between 1993 and 1996, he was the Head of Corporate Finance at Pengkalan Securities Sdn. Bhd. (now known as PM Securities Sdn. Bhd.). His directorship in other public companies includes Tradewinds Plantation Berhad, MMC Corporation Berhad, DRB-HICOM Berhad, Edaran Automobil National Berhad, Tradewinds (M) Berhad and Johor Port Berhad. He is also presently a director of Meridian Solutions Sdn. Bhd.

Mr. Ooi does not have any family relationship with and is not related to any directors of Zelan Berhad and/or major shareholders of Zelan Berhad and does not have any conflict of interest with Zelan Berhad.

YM RAJA AZMI RAJA NAZUDDIN
– Managing Director/
Chief Executive Officer

KHOO BOO SEONG
– Group Chief Operating Officer
– Head of Business Unit,
Manufacturing & Trading
– Managing Director,
European Profiles (M) Sdn. Bhd.

senior management team

Corporate Services

CHUNG KIN MUN
– Group Chief Financial Officer

DEVAN KUMAR KRISHNAN
– Head of Group Human Resources

VINCENT YAP LENG KHIM
– Head of Group Legal

ANUARIFAEI MUSTAPA
– Group General Manager, Finance

SUHLA AL ASRI
– Company Secretary

Operations

CHUAH SEONG AUN
– Head, Engineering & Construction Business Unit

LIM CHOON HEAN
– Head of Bidding & Contract, Engineering & Construction Business Unit

BENNY ONG BENG KENG
– Head of Operations, Engineering & Construction Business Unit

CHUAH CHEONG JIN
– Project Director, Shuqaiq Project

HUAH BENG AN
– Head of EPC Division

DR. YAP WENG FATT
– Project Director, Sidra Tower

BEH HENG LONG
– Project Director, Meena Plaza

CHEAH SIEW MUN
– Head, Property & Development Business Unit

KONG CHAN CHEONG
– Head of Special Projects, Property & Development Business Unit

our policies

BUSINESS

The Zelan Group's business policy is to provide total satisfaction to our customers by delivering products and services that: • exceed customers' expectations • are in accordance with statutory requirements and relevant codes and practices • are within stipulated schedule and budget • **We plan to achieve these through:** • adopting an efficient management system • excellent engineering practices • total project management and control processes • the implementation and continuous improvement of the Company quality management system, complying with MS ISO 9001:2000. In this regard, the Group has received numerous letters of commendation and awards in recognition of the quality of its products and services.

QUALITY

The Group's business policy is to provide total satisfaction to our customers by delivering products and services that: • exceed customers' expectations • are in accordance with statutory requirements and relevant codes and practices • are within stipulated schedule and budget. • **We plan to achieve these through:** • adopting an efficient management system • excellent engineering practices • total project management and control processes • the implementation and continuous improvement of company quality management system, complying with MS ISO 9001:2000.

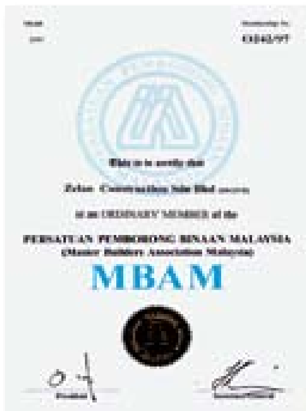
• The Group's commitment to the community is that we will undertake our projects in the most environmental friendly manner, in accordance with the prevailing statutory requirements through good planning, innovative engineering and efficient work practice. We shall endeavour to preserve the environment by minimising wastage of natural resources and utilise only environmental friendly materials where possible.


SIEMENS


THE INSTITUTION OF ENGINEERS MALAYSIA

Zelan Construction Sdn Bhd

Geosynthetics Asia 2000


PERSATUAN PEMBORONG BINAAN MALAYSIA

(Master Builders Association Malaysia)

MBAM

SAFETY AND HEALTH

It is also the policy of the Group to provide, so far as is practicable, a safe and healthy working environment for all our employees; and in the spirit of consultation and cooperation, Management and staff shall together strive to achieve the established goals and objectives of our business policy. More specifically, the Safety and Health Policy of the Group is as follows: • To provide and maintain a safe place and system of work, enhance the safety standards and promote safety awareness at all sites. • To ensure that all staff are informed, instructed, trained and supervised on how to perform their job without risking their own and others' safety. • To motivate and guide all workers to appreciate the cooperation of working together efficiently and strive towards zero accident. • To investigate all incidents, near-misses and accidents and take corrective measures to ensure they do not recur. • To comply with all requirements on safety and health matters as stipulated in the Occupational and Safety Act 1994 and the Factory and Machinery Act 1967 and the Regulations made under it and the Approved Codes of Practice.

corporate responsibility (cr) statement

In fulfilling its role as a good corporate citizen, Zelan Berhad is fully committed to practising the highest standards in corporate governance as well as actively pursuing policies and actions that are in the best interests of the community.

To this end, the Company seeks to ensure that the interest of its key stakeholders from shareholders, investors, customers, employees and the communities are cared for through our conscious endeavours to integrate all our business plans and activities with corporate responsibility values.

It is our sincere wish that as we grow and prosper, we bring the same benefits to the communities we touch everyday – improving their lives and at the same time, contributing strongly to our agenda of maintaining sustainable growth and development, internally and externally.

In this regard, we have undertaken the following in relation to various aspects of our business:

- **Business Governance & Ethics**

  In line with good corporate governance and transparent business practices, the Zelan Group constantly reviews its Group policy statements and best management practices to ensure the company is managed effectively and ethically with adequate control mechanisms to manage risks and deliver accountability, sustainability and profitability. This includes the implementation of internal control systems such as a financial authority framework and risk management framework. Coupled with this, the Company's Audit Committee and Risk Management Committee periodically review these internal control systems together with recommendations from internal auditors and advisors.

- **Customer Satisfaction**

  The Zelan Group strive to meet its standards of excellence by ensuring the delivery of quality in project execution and meeting all customer deliverables as detailed in our contracts.

  We aspire towards full realisation of ISO standards throughout our operations and the application of established quality practices and policies. We are at present accredited with the MS ISO 9001:2000 for Design and Construction Services.

- **Health & Safety**

  The safety of our people and communities is imperative to our operations. As a safety first entity, the Zelan Group actively and continuously seek out a safety first mindset in its operations.

  Our standard operating policies (SOPs) include incident and situation management, well defined performance indicators (Lost Time Injuries/Accidents and Non-conformity reports). Project Safety and Health Plans are implemented for each and every project we undertake in line with the Occupational Safety and Health Act 1994 monitored by experienced and qualified safety officers.

  In tandem with the above, the Zelan Group is currently pursuing the OHSAS 18001:1991 accreditation.

- **Investors Relations**

The Zelan Group continues to place great importance in open and fair disclosure of information to our stakeholders. The right of all shareholders – institutional, retail or minority to information is respected and hence, the Zelan Group places priority in engaging those shareholders through the Company's Annual General Meeting, periodic dialogues with institutional investors, participation in investor's forums and encouraging feedbacks through our official website.

- **Our People**

The Zelan Group values its people as its key business asset and competitive advantage. In this regard, continuous emphasis is placed on people development through adequate training and learning opportunities. In return, it is our hope that this will create a truly, international workforce of diverse skills, talents and cultural backgrounds, coming together as one entity in a vibrant and dynamic workplace.

Whist we continuously seek to improve the performance of our people, we also strive to create a balanced workforce whereby social gatherings and recreational activities are encouraged. These include the Annual Dinner, sports tournaments, regular sports events and the establishment of a staff recreational club.

- **Caring for the Communities**

As a socially conscious corporate citizen, the Group has continued to place efforts in its philanthropic endeavours through monetary and resources contributions to the community and various charitable organisations which among others, include Palestinian's Humanitarian Fund and 4th Annual Malakoff Charity Ride.

This also includes the construction of public amenities for local communities around the vicinity of our project sites and the maximisation of usage of local labours and materials to spur economic activities through the implementation of our projects.

- **Caring for the Environment**

The Zelan Group believes that sustainability of its business is not only achieved through long-term economic success but also through caring for the environment. Through this end, the Group constantly monitors areas of environmental concerns relating to its businesses whereby we are constantly implementing pre-emptive efforts to prevent damage to the environment.

These efforts include the carrying-out of controlled earthworks and the construction of temporary detention ponds, where necessary to prevent flooding of surrounding low lying areas and the implementation of silt traps and slope stabilisation systems to prevent soil erosion and sedimentation. With regards to construction in the urban environment, efforts to reduce noise pollution are continuously implemented.

We are currently pursuing the ISO14001:2004 accreditation.

statement on corporate governance

The Board of Directors of Zelan Berhad ("Zelan" or the "Company") confirms that throughout the financial year ended 31 March 2009, it has continued to integrate good and effective corporate governance practices in directing and managing the overall business of the Company and its subsidiary companies ("Zelan Group" or the "Group"), in compliance with the Best Practices of the Malaysian Code of Corporate Governance (the "Code").

The Board is determined and committed towards ensuring maximum shareholders' value and enhancing investors' interest in line with the application of the principles of the Code.

A. Board of Directors

1. Composition of the Board

The Board comprises members with relevant experiences and expertise drawn from various fields such as corporate finance, financial, public services, legal, technical, marketing and maritime services.

At this date of this report, the Board had eight (8) members. The former Chairman, YBhg. Tan Sri Abdul Halim bin Ali tendered his resignation on 10 November 2008 and he was subsequently replaced by Dato' Anwar bin Aji on 12 December 2008. Mr. Lam Kar Keong and Mr. Chang Si Fock @ Chong See Fock, both Directors of the Company, tendered their resignations on 11 November 2008 and 31 January 2009, respectively. Mr. Yoong Nim Chee was re-designated as Executive Director with effect from 1 January 2009. On 5 June 2009, YM Raja Azmi bin Raja Nazuddin was appointed as Managing Director/Chief Executive Officer. Mr. Ooi Teik Huat was appointed as an additional Independent, Non-Executive Director on 10 July 2009.

There are four (4) Independent Directors on the Board and this composition complies with the Listing Requirements of Bursa Malaysia Securities ("Bursa Malaysia"), which requires that at least one-third (1/3) of the Board should comprise of Independent Directors.

The role of the Independent Non-Executive Chairman and the Managing Director/Chief Executive Officer is distinct and is held by two different persons. The Independent Non-Executive Chairman is entrusted with the overall task of running of the Board whereas the Managing Director/Chief Executive Officer is responsible for the operations of the business as well as implementation of policies and strategies adopted by the Board.

The Independent Non-Executive Directors on the Board fulfil their role by exercising independent judgement and objective participation in the Board's deliberation. YBhg. Dato' Abdullah bin Mohd Yusof is the Senior Independent Non-Executive Director to whom the shareholders may communicate with.

The profile of each Director is set out on pages 22 to 27 of this Annual Report.

2. Duties and Responsibilities of the Board

The Board retains full and effective control over the affairs of the Company and the Group. This includes the responsibility for determining the Company's and the Group's development and overall strategic directions which are as follows:

(i) Reviewing and providing guidance on the Company's and the Group's corporate strategy and adopting a strategic plan for the Company through the development of risk policy, annual budgets and long range business plans, reviewing major capital expenditures, acquisition and disposal.

(ii) Monitoring corporate performance and the conduct of the Group's business and to ensure compliances to best practices and principles of corporate governance.

(iii) Identifying and implementing appropriate system to manage principal risks. The Board undertakes this responsibility through the Audit Committee and the Risk Management Committee.

(iv) Ensuring and reviewing the adequacy and soundness of the Group's financial system, internal control systems and management information system are in compliance with the applicable standards, laws and regulations.

(v) Ensuring a transparent Board nomination and remuneration process including succession planning for top management, ensuring the skills and experiences of the Directors are adequate for discharge of their responsibilities whilst the calibre of the Non-Executive Directors brings an independent judgement in the decision making process.

(vi) Developing and implementing an investors' relations program or shareholders' communications policy of the Company.

3. Board Meetings

Board meetings are scheduled in advance at the beginning of each new calendar year to enable the Directors to plan ahead. Special Board meetings will be convened as and when necessary to deliberate and assess corporate proposal or business issues that require expeditious decision from the Board.

During the financial year ended 31 March 2009, a total of four (4) Board meetings and five (5) Special Board meetings were held.

The records of attendance of each Director at Board Meetings held during the financial year ended 31 March 2009 are as follows:

Name of Director	No. of meeting(s) attended	Percentage (%)
Dato' Anwar bin Aji (Appointed on 11 December 2008)	2/2*	100
Tan Sri Abdul Halim bin Ali (Resigned on 10 November 2008)	6/6	100
Mr. Chang Si Fock @ Chong See Fock (Resigned on 31 January 2009)	7/7	100
Mr. Yoong Nim Chee	9/9	100
Dato' Abdullah bin Mohd Yusof	9/9	100
Dato' (Dr.) Megat Abdul Rahman bin Megat Ahmad	8/9	89
Datuk Hj. Hasni bin Harun (Appointed on 11 April 2008)	9/9	100
Mr. Lam Kar Keong (Resigned on 11 December 2008)	6/7	86
Cdr Mohd Farit bin Ibrahim RMN (Retd) (Appointed on 16 June 2008)	6/7^	86

Notes:
- * – Number of meetings attended from 11 December 2008 onwards.
- ^ – Number of meetings attended from 16 June 2008 onwards.

4. Supply of Information

The Company has adopted a policy of sending Board papers to the Directors ahead of scheduled meetings. This is to ensure that the Directors are given ample time to review any matters/ issues to be discussed at the scheduled meeting. Minutes of every Board meeting are circulated in advance so that Directors are given opportunity to make any comments or amendments, prior to confirmation and approval at the subsequent Board meeting.

At every regularly scheduled Board meeting, the Board deliberated and considered on matters including the Company's and the Group's financial performance, business review, operating performance to-date against the annual budget and the business strategies.

In addition to that, the Directors and Senior Management will also be notified on the restrictions imposed by Bursa Malaysia on dealing in the securities of the Company during closed period, at least 30 calendar days prior to the release of the quarterly financial results announcement.

The Directors are also notified from time to time of any corporate announcements released to Bursa Malaysia, changes in the structure of the Group, new projects awarded and changes in the relevant laws and regulations such as Bursa Malaysia's Listing Requirements, Securities Industry Act and accounting policies.

Each Director has full and unrestricted access to Senior Management Team within the Group and is entitled to the advice and services of the Company Secretary. The Directors may, if necessary, obtain independent professional advice relating to the affairs of the Group or in discharging their duties and responsibilities, at the Company's expense. However, no such advice was sought by any of the Directors during the financial year ended 31 March 2009.

5. Committees Established by the Board

The Board has delegated certain functions to the Committees it established to assist in the execution of its responsibilities. The Committees operate within their clearly defined terms of reference. These Committees, which comprise of selected Board members, are empowered to deliberate and examine issues delegated to them and report back to the Board with their recommendations and comments.

(a) Audit Committee

The Audit Committee was established on 18 July 1994. The Audit Committee comprises two (2) Independent Non-Executive members and one (1) Non-Independent Non-Executive Director. The membership of the Audit Committee is as follows:

- Dato' (Dr.) Megat Abdul Rahman bin Megat Ahmad *(Chairman)*
- Dato' Abdullah bin Mohd Yusof
- Datuk Hj. Hasni bin Harun

The terms of reference and summary of activities of the Audit Committee are reported on pages 42 to 45 of the Annual Report. For the financial year ended 31 March 2009, the Audit Committee met five (5) times.

(b) Executive Committee ("EXCO")

The EXCO was established on 18 July 1994. The current members comprise the following:

- Dato' Anwar bin Aji *(Chairman)*
- YM Raja Azmi bin Raja Nazuddin
- Dato' Abdullah bin Mohd Yusof
- Datuk Hj. Hasni bin Harun
- Cdr Mohd Farit bin Ibrahim RMN (Retd)

The EXCO is entrusted to discuss, deliberate and approve the strategic and operational plans which fall within their level of authority. In addition, the EXCO also deliberates on all policy issues, investment proposals, tender bids and review of annual plans and budget.

Meetings are scheduled four (4) times a year, to be held in between quarterly meetings and as and when it is necessary. During the financial year ended 31 March 2009, the EXCO met twice.

(c) Nomination Committee

The Nomination Committee was established on 23 March 2004. It consists of wholly Independent Non-Executive Directors comprising of the following:

- Dato' Anwar bin Aji *(Chairman)*
- Dato' Abdullah bin Mohd Yusof
- Dato' (Dr.) Megat Abdul Rahman bin Megat Ahmad

The Nomination Committee is empowered by the Board and its terms of reference include the responsibility for recommending to the Board, suitable candidates for appointment as Directors on the Company's Board and members to the Board Committees. The Nomination Committee is also responsible to consider and recommend measures to assess the effectiveness of the Board, its Committee and contribution of each individual Director.

For the financial year under review, the Nomination Committee met three (3) times.

(d) Remuneration Committee

The Remuneration Committee was established on 23 March 2004 and consists of wholly Non-Executive Directors. The current membership is as follows:

- Dato' Anwar bin Aji *(Chairman)*
- Dato' Abdullah bin Mohd Yusof
- Datuk Hj. Hasni bin Harun

The main duties and responsibilities of the Remuneration Committee are to establish and to recommend to the Board, the structure and the remuneration policy of the Executive Directors. In addition, the Remuneration Committee also reviews and recommends to the Board on matters relating to general remuneration policy of the Company and the Group.

The Remuneration Committee had met two (2) times during the financial year under review.

6. Appointment of Director

The Nomination Committee is responsible to ensure an effective process for selection of new directors and assessment of the Board, Committees of the Board and individual Directors which will result in the required mix of skills, experiences and responsibilities being present on the Board.

7. Re-election

In accordance with the Articles of Association and in compliance with the Listing Requirements of Bursa Malaysia, all Directors are required to retire from office at least once in every three (3) years and shall be eligible for re-election.

The Articles of Association also requires that at least one third (1/3) of the Board of Directors shall retire at each Annual General Meeting and may offer themselves for re-election.

Article 122 of the Company's Articles of Associations stipulates among others that, a Managing Director or Executive Director, shall not, while he continues to hold that office, be subject to retirement by rotation, and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire.

Hence, YM Raja Azmi Raja Nazuddin and Mr. Yoong Nim Chee are not subject to retirement by rotation at the forthcoming Annual General Meeting of the Company.

8. Training

All members of the Board have attended the Mandatory Accreditation Program organised by Bursa Malaysia and are aware of the requirements of the Continuing Education Programme set by Bursa Malaysia. Directors also receive further training from time to time, particularly on relevant new laws and regulations and changing commercial risks.

During the financial year under review, all Directors attended at least one (1) training session, either organised internally by the Company or externally, including the following:

(i) Chairman Forum/UEM Group
(ii) Programme for Nominee Directors/ Khazanah Nasional Berhad
(iii) Chairman's Forum – Driving a Board to High Performance/ MINDA
(iv) Board Strategic Dialogue Session/ UEM
(v) Fundamental Principles of Deferred Taxation/MMC Corporation Berhad

On 23 and 24 April 2009, the Board members participated in a site visit to Rembang, Indonesia as part of the Company's on-going effort to enable the Directors to obtain a better perspective of the business and enhance their understanding of the Group's operations.

The Company will, on a continuous basis, evaluate and determine the training needs of its Directors.

B. DIRECTORS' REMUNERATION

1. The Level and Make-up of Remuneration

The remuneration of all Directors is determined at levels which ensure that the Company attracts and retains Directors having the right calibre needed to run the Company successfully.

The Non-Executive Directors are paid annual fee approved by the shareholders at the Annual General Meeting. An attendance or meeting allowance is also paid to the Non-Executive Directors for each Board or Committee meeting that they attend.

The Executive Directors are not paid annual Director's fees, however, they receive a total remuneration package which includes basic salary, bonus and other benefits.

2. Policy and Procedure

The Board has set the framework and benchmark values on compensation and benefits in line with the market norms and competitive pressures in the industry. The Board strives to ensure fair compensation through comparable roles in similar organisations of similar size, market sector and business complexity.

The Non-Executive Directors will abstain from deliberation and voting on decisions in respect of their own remuneration. The final decision in respect of these matters however remains exercisable only by the full Board.

The Remuneration Committee in consultation with the Board will set and recommend the basic salary of the Executive Directors. This is done by taking into consideration the performance of the Executive Directors and the compensation practice of other companies within the same industry. The remuneration package is reviewed annually to reflect the current market condition, scale of responsibilities and personal performance.

3. Disclosure

The details of the Directors' remuneration for the financial year ended 31 March 2009 are as follows:
(in RM'000)

Category	Executive Directors	Non-Executive Directors
Fee	Nil	473
Salaries and bonus	1,828	Nil
Benefit-in-kind	88	3
EPF Contribution	240	Nil
Other emoluments	105	90

The number of Directors of the Company, whose total remuneration fall within the following bands for the financial year ended 31 March 2009, are as follows:

Range of Remuneration	Executive Directors	Non-Executive Directors
RM0 to RM50,000	Nil	4
RM50,001 to RM100,000	Nil	3
RM100,001 to RM150,000	Nil	1
RM200,000 to RM250,000	1	Nil
RM500,000 to RM550,000	Nil	Nil
RM551,000 to RM600,000	1	Nil
RM950,000 to RM1,000,000	1	Nil

For security and confidentiality reasons, the details of Directors' remuneration are not shown individually.

C. SHAREHOLDERS AND INVESTORS

1. Dialogue between the Company and Investors

The Board values its dialogue with both institutional shareholders and private investors through timely dissemination of information on the Company and the Group's performance and its operation via distribution of Annual Report, relevant circulars and press releases.

In addition, the Company also posts its material announcement and quarterly financial results via Bursa LINK to enable public community to be updated on any latest development pertaining to the Company's business affairs and achievements. Shareholders can also view and access information on the Group's operations and latest projects via its website: www.zelan.com

During the financial year ended 31 March 2009, the Company had organised Analysts Briefing either voluntary or upon requests by analysts/institutional fund managers. The Company also participated in several Investors Forums both locally and overseas.

2. Annual General Meeting

The Annual General Meeting is the main forum which provides opportunity to the shareholders to have dialogue with the Board. Besides the normal agenda, the Board will also present reports and provide opportunity for shareholders to raise questions pertaining to the Group's business activities. The Board members are in attendance to provide responses to questions from the shareholders during these meetings.

D. ACCOUNTABILITY AND AUDIT

1. Financial Reporting

The Board aims to present a true and fair assessment of the Company's financial performance, position and prospects to the Company's shareholders. The Board is also responsible to provide appropriate level of disclosure to ensure integrity and consistency of financial reports.

The Company publishes its annual financial statement annually and quarterly condensed financial statement as required by the Listing Requirements of Bursa Malaysia.

2. Directors' Responsibility Statement

The Directors are required by the Companies Act, 1965 (the "Act"), to prepare the financial statements for each financial year in accordance with the applicable approved accounting standards to give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year. The Directors' Statement in compliance with the requirements under the Act is set out on page 54 of this Annual Report.

The Board is responsible in ensuring the Group and the Company keep sufficient accounting records for accurate disclosure of the financial position of the Group and the Company, and to enable them to ensure that the financial statements are prepared in accordance with the provisions of the Act and applicable accounting standards in Malaysia.

The Board is also responsible for taking such reasonable steps open to them, to safeguard the assets of the Group and to prevent and detect frauds and other irregularities.

3. Internal Control

The Board recognises its overall responsibility for continuous maintenance of a sound system of internal control to safeguard the shareholders' investment and the Group's assets.

The Board reviews and discusses the effectiveness of the Group's Risk Management System at each quarterly meeting based on the report submitted by the Risk Management Committee. The Audit Committee together with the outsourced Internal Auditors and Group Chief Risk Officer undertake reviews which cover the financial, operational and compliance control as well as Risk Management.

The Group's Internal Control Statement is set out on pages 46 to 47 of this Annual Report.

4. Relationship with the Auditors

The relationship of the Audit Committee with the Auditors is disclosed in the Audit Committee Report which can be found on pages 42 to 45 of this Annual Report.

E. COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE

Zelan Group has complied with the principles of corporate governance and best practices in corporate governance throughout the financial year ended 31 March 2009.

ADDITIONAL COMPLIANCE INFORMATION

Conflict of Interest

None of the Directors have any family relationship with other Directors or major shareholders of the Company. None of the Directors have any conflict of interest in the Company.

Convictions for Offences

None of the Directors have been convicted for offences within the past ten (10) years other than traffic offences, if any.

Utilisation of Proceeds

No proceeds were raised by the Company from any corporate proposals.

Share Buy-Back

As at the date of this statement, the Company has not purchased any of its own shares.

Options, warrants or convertible securities

No options, warrants or convertible securities were issued by the Company during the financial year.

American Depository Receipt (“ADR”) or Global Depository Receipt (“GDR”) Programme

During the financial year, the Company did not sponsor any ADR or GDR Programme.

Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and/or its subsidiary companies, Directors or Management arising from any significant breach of rules/guidelines/legislation by the relevant regulatory bodies.

Non-Audit Fee

During the financial year ended 31 March 2009, a non-audit fee of RM110,845.00 was paid by the Company to the External Auditors, Messrs. PricewaterhouseCoopers, Malaysia for services rendered in connection with the review of the Company’s quarterly results, tax and other technical and accounting advisory works.

Profit Estimation, Forecast or Projection

There was no profit estimation, forecast or projection made or released by the Company during the financial year.

Profit Guarantee

There was no profit guarantee given by the Company during the financial year.

Material Contracts

There were no material contracts entered into by the Company and/or its subsidiary companies involving Directors’ or major shareholders’ interests, during the financial year under review.

Contracts Relating to Loan

During the financial year under review, there were no contracts relating to loan by the Company involving Directors and major shareholders.

Revaluation Policy of Landed Properties

The Company does not have a revaluation policy on landed properties.

audit committee report

1. MEMBERSHIP AND MEETINGS

The Audit Committee comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director with Dato' (Dr.) Megat Abdul Rahman bin Megat Ahmad as Chairman.

The current members are:

- Dato' (Dr.) Megat Abdul Rahman bin Megat Ahmad Chairman, (Independent, Non-Executive)
- Dato' Abdullah bin Mohd Yusof (Independent, Non-Executive)
- Datuk Hj. Hasni bin Harun (Non-Independent, Non-Executive)

The term of office of each member is subject to review by the Board every year.

During the financial year ended 31 March 2009, the Audit Committee held a total of five (5) meetings. The details of attendance of the Audit Committee members are as follows:

Name of Directors	Attendance
Dato' (Dr.) Megat Abdul Rahman bin Megat Ahmad	5/5
Dato' Abdullah bin Mohd Yusof	5/5
Datuk Hj. Hasni bin Harun	1/1*
Yoong Nim Chee **	4/4

Notes:

* – No. of meeting attended from 2 January 2009 onwards

** – Resigned with effect from 1 January 2009

The External Auditors attended five (5) meetings during the year under review. In one (1) of the meetings, the Committee had a session with the External Auditors without the presence of management. The Committee had two (2) other sessions with the External Auditors without the presence of management subsequent to the financial year end i.e. on 28 May 2009 and 25 June 2009.

2. TERMS OF REFERENCE OF THE AUDIT COMMITTEE

2.1 Membership

The Audit Committee members shall be appointed by the Board amongst the Directors and shall consist of not less than three members, a majority of whom shall be Independent Directors. The members of the Audit Committee shall elect a Chairman from among their members who shall be an Independent Director. An Alternate Director must not be appointed as a member of the Audit Committee.

All members of the Audit Committee shall be Non-Executive Directors.

At least one (1) member of the Audit Committee:

i) must be a member of the Malaysian Institute of Accountants; or

ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience, and

iii) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

iv) he must be a member of one (1) of the Associations of Accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

2.2 Meetings and Minutes

Meetings shall be held not less than four (4) times a year, and will normally be attended by the Group Chief Financial Officer and Group Chief Operating Officer. The External Auditors is requested to attend all Audit Committee meetings. Other Board members may attend meetings upon the invitation of the Audit Committee. At least twice a year the Audit Committee shall meet with the External Auditors without any executive of the Group being present. The Auditors, both Internal and External, may request a meeting if they consider necessary. Minutes of each meeting shall be distributed to each member of the Board. The Chairman of the Audit Committee shall report on each meeting to the Board at the quarterly Board meetings.

2.3 Quorum

A quorum shall be two (2) and shall comprise Independent Directors.

2.4 Secretary

The Secretary to the Audit Committee shall be the Company Secretary.

2.5 Authority

The Audit Committee shall have the following authority as empowered by the Board of Directors:

i) to investigate any matters within its terms of reference;

ii) to have access to the resources which are required to perform its duties;

iii) to conduct investigations on irregularities once reported;

iv) to have full, free and unrestricted access to any information, records, properties and personnel of the Company and any other companies within the Group;

v) to have direct communication channels with the External Auditors and person(s) carrying out the Internal Audit function or activity (if any);

vi) to be able to obtain independent professional or any other advice; and

vii) to be able to convene meetings with the External Auditors.

2.6 Duties

The duties of the Audit Committee are as follows:

i) to consider the appointment of the External and Internal Auditors, the audit fee and any questions of resignation or dismissal, and inquire into staffing and competence of the External and Internal Auditors in performing their work.

ii) to discuss the nature and scope of the audit in general terms and any significant problems that may be foreseen with the External and Internal Auditors before the audit commences and ensure that adequate tests to verify the financial statements and procedures of the Group are performed.

iii) to discuss the impact of any proposed changes in accounting principles on future financial statements.

iv) to review the results and findings of the audit and monitor the implementation of any recommendations made therein.

v) to review the quarterly announcements and annual financial statements before submission to the Board, focusing particularly on:

- any changes in accounting policies and practices;
- major judgmental areas;
- significant adjustments resulting from the audit;
- the going concern assumptions;
- compliance with accounting standards; and
- compliance with stock exchange and legal requirements.

vi) to discuss problems and reservations arising from the interim and final audits, and any matters the External Auditors may wish to discuss (in the absence of Management where necessary).

vii) to review the assistance given by the employees to the External Auditors.

viii) to ensure that the Internal Audit function is adequately resourced and has appropriate standing within the Company.

ix) to review the Internal Audit programme, consider the major findings of Internal Audit investigations and Management's response and ensure coordination between the Internal and External Auditors.

x) to keep under review the effectiveness of internal control systems and, in particular, review the External Auditors' management letter and Management's response.

xi) to monitor any related party transactions that may arise within the Company and Group, and ensure that the Directors report such transactions accordingly to the shareholders in this Annual Report.

xii) to report promptly to Bursa Malaysia Securities Berhad on any matter reported by it to the Board of Directors which has not been satisfactorily resolved resulting in a breach of the Bursa Malaysia Securities Berhad's Listing Requirements.

xiii) to review all prospective financial information provided to the regulators and/or the public.

xiv) to carry out such other assignments as defined by the Board.

3. SUMMARY OF ACTIVITIES

During the financial year, the Audit Committee met six (6) times. The businesses covered by the Audit Committee were as follows:

a) reviewed the Internal Audit plan and major findings of Internal Audit reports;

b) reviewed the performance/ operational audit of subsidiaries/ associates and recommendations relating thereto;

c) reviewed the quarterly results/ announcements of the Group/ Company and made recommendations to the Board for approval;

d) discussed the proposed changes in accounting policies;

e) discussed the significant areas highlighted by the External Auditors before the audit commenced;

f) reviewed the findings of the External Auditors and followed up on the recommendations;

g) reviewed the related party transactions that arose within the Company and Group;

h) reviewed the annual financial statements of the Group/Company and made relevant recommendations to the Board for approval;

i) reviewed the External Auditors' programme; and

j) monitoring of the additional disclosure requirements in accordance with the Bursa Malaysia Securities Berhad's Listing Requirements.

4. INTERNAL AUDIT FUNCTION AND ACTIVITIES

The internal audit function is carried out by Messrs. Ernst & Young, to whom the function has been outsourced. The Audit Committee approves the internal audit plan submitted by Ernst & Young prior to the commencement of a new financial year. The scope of internal audit covers the audits of all Business Units and operations, including head office functions.

The total Internal Audit fees incurred on services provided by Messrs. Ernst & Young during the last financial year was RM174,900.00.

Throughout the last financial year, audit assignments and follow-up reviews were carried out on units of operations and subsidiaries, with emphasis on overseas operations, in accordance with the annual audit plan. The resulting reports of the audits undertaken were presented to the Audit Committee and forwarded to the parties concerned for their attention and necessary action.

The management is responsible for ensuring that corrective actions are taken on reported weaknesses within the required timeframe. The management is also responsible for ensuring a status report of action plans taken and audit findings are sent to the internal auditor for review and subsequent presentation to the Audit Committee.

A summary of the Internal Audit activities during the financial year is as follows:

- Examine the controls over all significant Group operations and systems to ascertain whether they provide reasonable assurance that the Group's objectives and goals will be met efficiently and economically;
- Prepare the annual audit plan for deliberation by the Audit Committee;
- Act on suggestions made by external auditors and/or senior management on concerns over operations or control;
- Carry out operational audits and make recommendations for improvement, where weaknesses exist; and
- Report on whether corrective actions have been taken and achieving the desired results.

statement on internal control

INTRODUCTION

The Board of Directors (Board) is responsible for the Group's system of internal controls and its effectiveness to safeguard shareholders' investment and the Group's assets. This is in accordance with the requirements set out by the Malaysian Code of Corporate Governance and the Bursa Malaysia Securities Berhad (BMSB). In preparing the Internal Control Statement, the Board is guided by BMSB's Statement on Internal Control; Guidance for Directors of Public Listed Companies.

RESPONSIBILITY

The Board acknowledges its responsibility to maintain a sound system of internal controls by ensuring its adequacy and integrity through the process of constant review and monitoring. However, such a system is designed to manage the Group's risks within an acceptable risk profile, rather than to eliminate the risk of failure to achieve the business objectives of the Group. Therefore, it can only provide reasonable but not absolute assurance against material misstatements or losses.

GROUP'S RISK MANAGEMENT FRAMEWORK

The Group's Risk Management Framework continues to be fully implemented throughout the financial year. The Framework, which embodies the structure and processes are detailed under the Risk Management Report as set out on pages 48 to 49.

This process is regularly reviewed by the Board and independently reviewed by an outsourced Internal Audit service.

INTERNAL CONTROL

During the year under review, the Audit Committee has reviewed the internal control framework that currently exists within the Group, and has assessed the applicability of the existing controls with regards to their effectiveness and efficiency as reported by our outsourced Internal Auditors.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's internal control system that are now in place are described below:

- Performance reports as benchmarked against budgets and objectives are regularly provided to the Directors and discussed at Board meetings;
- Monitoring of the three-year Group Strategic plan including detailed budgets by the Board on an annual basis;
- Processes governing the appraisal and the approval of investment expenditure and asset disposal, and processes to monitor and evaluate the continuing performance of the Group's investments;
- Processes governing the identification and evaluation of the risk factors before arriving at a decision to tender and the pricing of the tender for the contract thereon;
- Financial authority limits framework;
- Risk Management framework;
- Monitoring of related party transactions; and
- Safety Committee to ensure that all relevant safety measures are in place towards achieving zero (0) Loss Time Injury (LTI).

In formulating the structure of the project implementation, the following factors are taken into consideration:

- Scope of works involved;
- Expertise level required;
- Level of monitoring and supervision;
- Management and supporting staff requirement;
- Duration of project;
- Periodical review by an outsourced internal auditor; and
- Where appropriate, companies to have MS ISO 9001:2000 accreditation for their operational processes

The Board has reviewed the adequacy and integrity of the Group's internal control system and management information system, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. The Board introduced steps to tighten the control processes involving investment decisions and its monitoring process. Feasibility studies will be thoroughly evaluated by independent and expert consultants, and the required due diligence review will be carried out before deciding on an investment venture. Reviews on the performance of the investments will be regularly performed by the Board and the quality and type of information provided, carefully assessed.

RELATIONSHIP WITH THE AUDITORS

The Group's relationships with the External and Outsourced Internal Auditors are managed by the Audit Committee. Key features underlying the relationships of the Audit Committee with the External and Outsourced Internal Auditors are included in the Audit Committee's Terms of Reference.

ASSOCIATES

Representatives are appointed to the Board of Directors of the associate companies and attend Board meetings, for which key financial information is reviewed and significant risks are reported to the Board.

AUDIT COMMITTEE

The report by the Audit Committee for the year under review is set out on pages 42 to 45.

CONCLUSION

The Board believes that the development of the system of internal controls is an ongoing process and continues to take steps to improve the internal control system. During the period under review, no material weaknesses have been identified which would result in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

risk management report

The Risk Management Report elaborates on the Group's Risk Management Framework ("the Framework"), which embodies the structure and processes to identify, assess treat and report on risks at both corporate and project levels.

The Group Risk Manager ("GRM") continues to facilitate the execution of the Framework. This includes risk identification and mitigation actions as one of the key assessments during the bidding process. Risk analysis reports are presented, reviewed and deliberated at the respective Bid Evaluation Committee. Periodical internal trainings will also be conducted for both existing and new management staff by the GRM/risk co-ordinators to reinforce or introduce risk management principles, awareness and culture throughout the Group.

During the current financial period, the key risk factors impacting the Group include higher contracted input prices as well as sub-contracting costs for specialist works (due to unforeseen adverse weather conditions); higher financing costs and project related expenses amid current global economic crises coupled with continuing challenges in the recruitment and retention of both skilled labour and management staff.

APPROACH TO RISK MANAGEMENT MONITORING AND REPORTING

The Board has primary responsible in identifying principal risks and ensuring the implementation of appropriate systems to manage these risks.

The following key principles outline the Group's approach to risk management and internal control:

i) The establishment of a Risk Management Committee, which supports, advises and implements policies approved by the Board. The Committee reviews and challenges the assessment of risks put forward by all risk owners prior to tabling of the risk management report to the Board;

ii) The appointment of a GRM together with risk co-ordinators which engage closely with Management and personnel at both project and corporate levels to ensure good risk practices within their area of responsibilities;

iii) Key risk indicators are identified and where possible, mitigating measures are put in place and closely monitored on a regular basis; and

iv) The monthly monitoring and reporting of measurable action plans and corresponding timelines in managing the risks identified.

RISK MANAGEMENT STRUCTURE

Given the importance of Risk Management to the Group, the GRM will present monthly the monitoring, updating and reporting of risks at the Business Unit Management Meeting. On a quarterly basis, a report on Risk Management Exercise undertaken by the Group is tabled directly to the Board of Directors. The risk management structure is as follows:

BOARD OF DIRECTORS

↑

RISK MANAGEMENT COMMITTEE

↑

BUSINESS UNIT MANAGEMENT MEETING

RISK MANAGEMENT COMMITTEE (RMC)

The RMC is chaired by the Managing Director/Chief Executive Officer and its members comprise the Group Chief Operating Officer, Group Chief Financial Officer, GRM and representatives from each Business Unit. Key roles of the RMC are to:

i) Implement Group policies on risk and internal control.

ii) Provide adequate information in a timely manner to the Board of Directors on the status of risks (inclusive of action plans) and internal controls both at corporate and project levels.

iii) Meet at reasonable interval (on a quarterly basis) to consider the changes, if any, to the risks and control processes. Its review also covers matters such as responses to risks identified, output from the risks processes and changes made to the internal control systems.

iv) Review and suggest ways to continuously improve the assessment exercise.

BUSINESS UNIT MANAGEMENT MEETING (BUMM)

Every Business Unit and Major Project has its own Risk Coordinator, who will be in charge of coordinating and consolidating the assessments raised by all risk owners within that Unit. They shall liaise directly with GRM in the monitoring, updating and reporting of risks on a monthly basis at BUMM.

The Risk Co-ordinators have a primary responsibility for managing risks on a day-to-day basis as well as promoting risk awareness within the operations and projects.

The key roles of BUMM are:

i) To use the risk framework stipulated under the Risk Management Policies and Procedures and risk management process to ensure that significant risks at the Business Unit and Project levels are identified, assessed, treated and monitored.

ii) Where there has been a change in the risks environment, the emerging risks are added as and when required and improvement actions and risk indicators are monitored regularly.

iii) To meet monthly to review all activities and ensure that any unacceptable risk exposures are identified and managed at an appropriate level and to update the Risk Register for reporting to the Risk Management Committee (RMC).

financial statements

Directors' Report

For The Financial Year Ended 31 March 2009

The Directors hereby submit their annual report to the members together with the audited financial statements of the Group and Company for the financial year ended 31 March 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group are described in Note 20 to the financial statements and consist of investment holding, construction of power plants and buildings, property development, civil engineering and building turnkey contractor, piling and civil engineer contractor, civil technical design and construction of civil and building works, manufacturing of metal roof and wall cladding systems and management of residential properties.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group	Company
	RM'000	RM'000
(Loss)/profit for the financial year attributable to:		
– Equity holders of the Company	(137,227)	10,501
– Minority interest	7,410	–
(Loss)/profit for the financial year	(129,817)	10,501

DIVIDENDS

The dividends paid or declared by the Company since 31 March 2008 were as follows:

	RM'000
In respect of the financial period ended 31 March 2008, as shown in the Directors' report of that year, a second interim gross dividend of 6.5 sen per share, less income tax at 25%, paid on 30 June 2008	27,459
In respect of the financial year ended 31 March 2009, an interim gross dividend of 5.0 sen per share, less income tax at 25%, paid on 9 December 2008	21,122

The Directors do not recommend the payment of a final dividend for the financial year ended 31 March 2009.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

DIRECTORS

The Directors who have held office during the period since the date of the last report are as follows:

Dato' Anwar bin Haji @ Aji, Chairman	(appointed on 11.12.2008)
Dato' Abdullah Bin Mohd. Yusof	
Dato' (Dr.) Megat Abdul Rahman Bin Megat Ahmad	
Datuk Hj. Hasni Bin Harun	
Mohd Farit Bin Ibrahim	
Yoong Nim Chee	
Chang Si Fock @ Chong See Fock	(resigned on 31.01.2009)
Khoo Boo Seong	
(alternate director to Chang Si Fock @ Chong See Fock)	(ceased on 31.01.2009)
Tan Sri Abdul Halim Bin Ali, Chairman	(resigned on 10.11.2008)
Lam Kar Keong	(resigned on 11.12.2008)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial period, no Director has received or become entitled to receive any benefit (other than Directors' remuneration as disclosed in Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in Note 37 to the financial statements.

DIRECTORS' INTERESTS IN SHARES

According to the register of Directors' shareholdings, none of the Directors who held office at the end of the financial year held any interests in shares in the Company and its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group or Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or Company which has arisen since the end of the financial year other than those disclosed in the financial statements.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

(a) the results of the Group's and Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in the income statements and Note 38 to the financial statements; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are as disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 25 June 2009.

DATO' ANWAR BIN HAJI @ AJI
Chairman

YOONG NIM CHEE
Director

Statement By Directors

Pursuant To Section 169(15) Of The Companies Act, 1965

We, Dato' Anwar Bin Haji @ Aji and Yoong Nim Chee, two of the Directors of Zelan Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 56 to 121 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 31 March 2009 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

Signed on behalf of the Board of Directors in accordance with their resolution dated 25 June 2009.

DATO' ANWAR BIN HAJI @ AJI
Chairman

YOONG NIM CHEE
Director

Statutory Declaration

Pursuant To Section 169(16) Of The Companies Act, 1965

I, Chung Kin Mun, the officer primarily responsible for the financial management of Zelan Berhad, do solemnly and sincerely declare that the financial statements set out on pages 56 to 121 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

CHUNG KIN MUN

Subscribed and solemnly declared by the abovenamed Chung Kin Mun at Kuala Lumpur on 25 June 2009.

Before me,

COMMISSIONER FOR OATHS

PESURUHJAYA SUMPAH
No. W 317
M.S. NATHAN
MALAYSIA

Independent Auditors' Report

To The Members Of Zelan Berhad

(Incorporated in Malaysia) (Company No. 27676 V)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Zelan Berhad, which comprise the balance sheets as at 31 March 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 56 to 121.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2009 and of their financial performance and cash flows for the financial year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 20 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PricewaterhouseCoopers

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

THAYAPARAN A/L S.SANGARAPILLAI
(No. 2085/09/10 (J))
Chartered Accountant

Kuala Lumpur
25 June 2009

Income Statements

For The Financial Year Ended 31 March 2009

		Group		Company	
	Note	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000
Revenue	6	2,008,224	1,373,762	24,700	13,550
Cost of sales	7	(2,068,971)	(1,181,080)	–	–
Gross (loss)/profit		(60,747)	192,682	24,700	13,550
Administrative expenses		(36,966)	(35,101)	(9,162)	(11,347)
Marketing expenses		(17,223)	(36,152)	–	–
Other operating expenses					
– impairment loss on goodwill		(2,942)	–	–	–
– impairment loss on other investments		(2,758)	–	(2,552)	–
– others		(38,982)	(17,182)	–	–
Other operating income					
– gain on deemed disposal of investment in an associate		–	10,088	–	–
– gain on disposal of available-for-sale investment		–	31,624	–	42,489
– others		21,470	7,345	336	440
Finance income	8	6,105	12,550	772	2,413
Finance cost	8	(1,791)	(379)	(39)	(49)
Share of results of:					
– associates		10,853	13,568	–	–
– jointly controlled entities		1,338	6,680	–	–
(Loss)/profit before taxation	9	(121,643)	185,723	14,055	47,496
Taxation	13	(8,174)	(34,010)	(3,554)	375
(Loss)/profit for the financial year/period		(129,817)	151,713	10,501	47,871
Attributable to:					
Equity holders of the Company		(137,227)	143,035	10,501	47,871
Minority interest		7,410	8,678	–	–
(Loss)/profit for the financial year/period		(129,817)	151,713	10,501	47,871
(Loss)/earnings per share attributable to ordinary equity holders of the Company:					
Basic (sen)	14	(24.36)	25.39		
Diluted (sen)	14	(24.36)	25.39		

Balance Sheets

As At 31 March 2009

		Group		Company	
	Note	31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	16	125,559	117,133	1,048	1,250
Investment properties	17	5,841	5,984	–	–
Lease prepayments	18	46	106	46	106
Intangible assets	19	44,396	47,338	–	–
Investments in subsidiaries	20	–	–	140,525	140,525
Investments in associates	21	24,344	11,291	57	57
Investments in jointly controlled entities	22	8,161	6,823	–	–
Available-for-sale investment	24	344,158	502,240	344,158	502,240
		552,505	690,915	485,834	644,178
CURRENT ASSETS					
Inventories	25	16,079	18,635	–	–
Property development costs	26	2,014	52,827	–	–
Receivables, deposits and prepayments	27	705,155	800,611	9,646	9,562
Tax recoverable		38,750	14,784	3,405	3,541
Other investments	29	9,656	89,795	1,564	22,421
Deposits, bank and cash balances	30	102,882	202,266	10,046	29,567
		874,536	1,178,918	24,661	65,091
Non-current assets classified as held for sale	31	–	3,424	–	–
		874,536	1,182,342	24,661	65,091
TOTAL ASSETS		1,427,041	1,873,257	510,495	709,269
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company:					
Share capital	32	281,632	281,632	281,632	281,632
Reserves	33	193,547	537,162	220,040	416,202
		475,179	818,794	501,672	697,834
Minority interest		34,863	28,926	–	–
TOTAL EQUITY		510,042	847,720	501,672	697,834

balance sheets (continued)

		Group		Company	
	Note	31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000
NON-CURRENT LIABILITIES					
Payables	34	–	9,531	–	–
Borrowings	35	1,383	1,598	524	804
Deferred tax liabilities	36	3,936	3,803	–	–
		5,319	14,932	524	804
CURRENT LIABILITIES					
Payables	34	765,668	952,751	8,026	10,377
Borrowings	35	138,496	43,557	273	254
Current tax liabilities		7,516	14,297	–	–
		911,680	1,010,605	8,299	10,631
TOTAL LIABILITIES		916,999	1,025,537	8,823	11,435
TOTAL EQUITY AND LIABILITIES		1,427,041	1,873,257	510,495	709,269

Consolidated Statement Of Changes In Equity

For The Financial Year Ended 31 March 2009

	Note	Attributable to equity holders of the Company									
		Share capital	Share premium	Foreign exchange reserve	Fair value reserve^	Capital reserve*	General reserve*	Retained earnings	Sub-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
At 1 April 2008		281,632	124,396	28,026	24,562	35,457	3,733	320,988	818,794	28,926	847,720
Movements during the year											
Currency translation differences		–	–	275	–	–	–	–	275	(760)	(485)
Transfer to general reserve		–	–	–	–	–	521	(521)	–	–	–
Available-for-sale investment:											
– Fair value movement		–	–	–	(158,082)	–	–	–	(158,082)	–	(158,082)
Net income/(expense) directly recognised in equity		–	–	275	(158,082)	–	521	(521)	(157,807)	(760)	(158,567)
Loss for the financial year		–	–	–	–	–	–	(137,227)	(137,227)	7,410	(129,817)
Total recognised income/(expense) for the financial year		–	–	275	(158,082)	–	521	(137,748)	(295,034)	6,650	(288,384)
Dividends for the financial year/ period ended:											
– 31 March 2009	15	–	–	–	–	–	–	(21,122)	(21,122)	–	(21,122)
– 31 March 2008	15	–	–	–	–	–	–	(27,459)	(27,459)	–	(27,459)
Dividends paid to minority interest		–	–	–	–	–	–	–	–	(713)	(713)
At 31 March 2009		281,632	124,396	28,301	(133,520)	35,457	4,254	134,659	475,179	34,863	510,042

consolidated statement of changes in equity (continued)

	Note	Share capital	Share premium	Foreign exchange reserve	Fair value reserve^	Capital reserve*	General reserve*	Retained earnings	Sub-total	Minority interest	Total equity
		Attributable to equity holders of the Company									
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 February 2007		281,632	124,396	29,044	–	35,494	3,733	241,038	715,337	19,527	734,864
Movements during the period											
Currency translation differences		–	–	580	–	–	–	–	580	1,317	1,897
Reclassification of an associate to available-for-sale investment	5(d)	–	–	(1,598)	–	–	–	–	(1,598)	–	(1,598)
Reclassification of a subsidiary to an associate	5(c)	–	–	–	–	–	–	–	–	134	134
Available-for-sale investment:											
– Fair value movement		–	–	–	56,186	–	–	–	56,186	–	56,186
– Disposal		–	–	–	(31,624)	–	–	–	(31,624)	–	(31,624)
Liquidation of a subsidiary	5(b)	–	–	–	–	(37)	–	–	(37)	(310)	(347)
Net income/(expense) directly recognised in equity		–	–	(1,018)	24,562	(37)	–	–	23,507	1,141	24,648
Profit for the financial period		–	–	–	–	–	–	143,035	143,035	8,678	151,713
Total recognised income/(expense) for the financial period		–	–	(1,018)	24,562	(37)	–	143,035	166,542	9,819	176,361
Dividends for the financial period/ year ended:											
– 31 March 2008	15	–	–	–	–	–	–	(38,583)	(38,583)	–	(38,583)
– 31 January 2007		–	–	–	–	–	–	(24,502)	(24,502)	–	(24,502)
Dividends paid to minority interest		–	–	–	–	–	–	–	–	(420)	(420)
At 31 March 2008		281,632	124,396	28,026	24,562	35,457	3,733	320,988	818,794	28,926	847,720

* 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 certain overseas subsidiaries.

^ This reserve relates to changes in fair value of an available-for-sale investment.

Company Statement Of Changes In Equity

For The Financial Year Ended 31 March 2009

			Non-distributable			Distributable		
	Note	Share capital	Share premium	Fair value reserve^	Capital reserve*	General reserve*	Retained earnings	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2008		281,632	124,396	99,090	18,456	3,258	171,002	697,834
Available-for-sale investment:								
– Fair value movement		–	–	(158,082)	–	–	–	(158,082)
Net expense directly recognised recognised in equity		–	–	(158,082)	–	–	–	(158,082)
Profit for the financial year		–	–	–	–	–	10,501	10,501
Total recognised (expense)/ income for the financial year		–	–	(158,082)	–	–	10,501	(147,581)
Dividends for the financial year/period ended:								
– 31 March 2009	15	–	–	–	–	–	(21,122)	(21,122)
– 31 March 2008	15	–	–	–	–	–	(27,459)	(27,459)
At 31 March 2009		281,632	124,396	(58,992)	18,456	3,258	132,922	501,672
At 1 February 2007		281,632	124,396	–	18,456	3,258	186,216	613,958
Available-for-sale investment:								
– Fair value movement		–	–	141,732	–	–	–	141,732
– Disposal		–	–	(42,642)	–	–	–	(42,642)
Net income directly recognised in equity		–	–	99,090	–	–	–	99,090
Profit for the financial period		–	–	–	–	–	47,871	47,871
Total recognised income for the financial period		–	–	99,090	–	–	47,871	146,961
Dividends for the financial period/year ended:								
– 31 March 2008	15	–	–	–	–	–	(38,583)	(38,583)
– 31 January 2007		–	–	–	–	–	(24,502)	(24,502)
At 31 March 2008		281,632	124,396	99,090	18,456	3,258	171,002	697,834

* These reserves relate to net gain from disposals of investment in shares.

^ This reserve relates to changes in fair value of an available-for-sale investment.

Cash Flow Statements

For The Financial Year Ended 31 March 2009

	Note	Group Year ended 31.3.2009 RM'000	Group 14-month period ended 31.3.2008 RM'000	Company Year ended 31.3.2009 RM'000	Company 14-month period ended 31.3.2008 RM'000
OPERATING ACTIVITIES					
Profit for the financial year/period, attributable to equity holders of the Company		(137,227)	143,035	10,501	47,871
Adjustments for:					
Taxation		8,174	34,010	3,554	(375)
Finance cost		1,791	379	39	49
Finance income		(6,105)	(12,550)	(772)	(2,413)
Minority interest		7,410	8,678	–	–
Depreciation of:					
– property, plant and equipment		19,433	3,734	381	429
– investment properties		143	179	–	–
Amortisation of lease prepayments		60	71	60	71
Impairment loss on:					
– other investments		2,758	–	2,552	–
– goodwill		2,942	–	–	–
– non-current assets held for sale		–	28	–	–
– investment in an associate		3,072	–	–	–
Allowance for doubtful debts		1,255	702	1	2
Bad debts written off		3	–	–	–
Property, plant and equipment written off		14,814	460	2	–
Inventories written down/written off		7,259	–	–	–
Development expenditure written off		2,161	–	–	–
Net (gain)/loss on disposal of:					
– property, plant and equipment		(323)	(582)	–	12
– non-current assets held for sale		(2)	(159)	–	–
– investment properties		–	(563)	–	–
– other investments		(48)	37	(44)	–
– available-for-sale investment		–	(31,624)	–	(42,489)
Share of results of:					
– associates		(10,853)	(13,568)	–	–
– jointly controlled entities		(1,338)	(6,680)	–	–
Net (gain)/loss on unrealised foreign exchange		(11,079)	563	(244)	606
Allowance for doubtful debts written back		(315)	(140)	–	–
Dividend income		(24,700)	(4,117)	(24,700)	(13,550)
Net gain on:					
– deemed disposal of investment in an associate		–	(10,088)	–	–
– liquidation of a subsidiary		–	(31)	–	(100)
– partial disposal of a subsidiary		–	(89)	–	–
		(120,715)	111,685	(8,670)	(9,887)
Changes in working capital:					
Property development costs		11,932	20,808	–	–
Inventories		(4,703)	(11,928)	–	–
Receivables, deposits and prepayments		148,290	(580,875)	(84)	5,370
Payables		(176,365)	591,970	(2,107)	(301)
Cash (used in)/generated from operations		(141,561)	131,660	(10,861)	(4,818)
Taxation (paid)/refunded		(33,642)	(34,079)	1,728	1,858
Net cash flow (used in)/from operating activities		(175,203)	97,581	(9,133)	(2,960)

	Note	Group Year ended 31.3.2009 RM'000	Group 14-month period ended 31.3.2008 RM'000	Company Year ended 31.3.2009 RM'000	Company 14-month period ended 31.3.2008 RM'000
INVESTING ACTIVITIES					
Investments in associates	5	(1,000)	(357)	–	–
Decrease/(increase) in other investments		81,545	(89,795)	22,465	(22,421)
Additional investment in an associate classified as non-current assets held for sale	5	(950)	–	–	–
Repayment of advances by an investment in an associate classified as non-current assets held for sale		1,184	–	–	–
Net cash outflow from the reclassification of a subsidiary to an associate	5	–	(223)	–	–
Net cash (outflow)/ proceeds from liquidation of a subsidiary	5	–	(304)	–	316
Purchase of property, plant and equipment		(68,428)	(95,168)	(181)	(180)
Proceeds from the disposal of:					
– available-for-sale investment		–	101,247	–	101,247
– quoted investments		–	2,056	–	–
– investment properties		–	1,300	–	–
– property, plant and equipment		1,593	938	–	120
– non-current assets held for sale		120	539	–	–
Dividends received		15,438	11,206	15,438	11,206
Interest, profit from Islamic deposits and investment income received		6,105	12,550	772	2,413
Net cash flow from/(used in) investing activities		35,607	(56,011)	38,494	92,701
FINANCING ACTIVITIES					
Finance cost		(7,280)	(760)	(39)	(49)
Dividends paid to minority interest of a subsidiary		(713)	(420)	–	–
Repayments of borrowings		(324,481)	(8,134)	(261)	(232)
Dividends paid to shareholders		(48,581)	(63,085)	(48,582)	(63,085)
Proceeds from borrowings		413,444	41,997	–	–
Deposits pledged as security		81	513	–	–
Net cash flow from/(used in) financing activities		32,470	(29,889)	(48,882)	(63,366)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(107,126)	11,681	(19,521)	26,375
CURRENCY TRANSLATION DIFFERENCES		7,823	2,228	–	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR/PERIOD		201,825	187,916	29,567	3,192
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR/PERIOD	30	102,522	201,825	10,046	29,567

Notes To The Financial Statements
For The Financial Year Ended 31 March 2009

1 GENERAL INFORMATION

The principal activity of the Company is investment holding. The principal activities of the Group are described in Note 20 to the financial statements and consist of investment holding, construction of power plants and buildings, property development, civil engineering and building turnkey contractor, piling and civil engineer contractor, civil technical design and construction of civil and building works, manufacturing of metal roof and wall cladding systems and management of residential properties.

There have been no significant changes in the nature of these activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 23rd Floor, Wisma Zelan, No. 1, Jalan Tasik Permaisuri 2, Bandar Tun Razak, Cheras, 56000 Kuala Lumpur.

The number of employees of the Group and the Company (excluding Directors) at the end of the financial year was 1,001 (2008: 549) and 22 (2008: 23), respectively.

The financial year end of the Company was changed from 31 January to 31 March in the previous financial period. Accordingly, comparative amounts for the income statements, changes in equity, cash flows and related notes are not comparable.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Group and Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards, the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

The financial statements have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

The preparation of financial statements in conformity with Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. It also requires Directors to exercise their judgement in the process of applying the Group's and Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (Continued)

Standards and amendment to published standard that are applicable to the Group and are effective for the Group's financial year ended 31 March 2009

Standards and amendment to published standard that are applicable to the Group and are effective for the Group's financial year ended 31 March 2009 are as follows:

(i) FRS 112 Income Taxes (effective for accounting periods beginning on or after 1 July 2007). This revised standard removes the requirements that prohibit recognition of deferred tax on unutilised reinvestment allowances or other allowances in excess of capital allowances.

(ii) FRS 134 Interim Financial Reporting (effective for accounting periods beginning on or after 1 July 2007). This standard applies if an entity is required or elects to publish an interim financial report in accordance with Financial Reporting Standards.

(iii) Other revised standards (effective for accounting periods beginning on or after 1 July 2007) that have no significant changes compared to the original standards:

- FRS 107 Cash Flow Statements
- FRS 111 Construction Contracts
- FRS 118 Revenue
- FRS 137 Provisions, Contingent Liabilities and Contingent Assets

(iv) Amendment to FRS 121 The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation (effective for accounting periods beginning on or after 1 July 2007). This amendment requires exchange differences on monetary items that form part of the net investment in a foreign operation to be recognised in equity instead of in profit or loss regardless of the currency in which these items are denominated in.

All changes in accounting policies have been made in accordance with the transitional provisions in the respective standards.

The adoption of the above standards and amendment to published standard did not have any significant impact on the financial statements of the Group and Company.

Standards, amendments to published standard and interpretations to existing standards that are applicable to the Group but not yet effective and have not been early adopted

Standards, amendments to published standard and interpretations to existing standards that are applicable to the Group but not yet effective and have not been early adopted are as follows:

(i) FRS 7 Financial Instruments: Disclosures (effective for accounting periods beginning on or after 1 January 2010). The standard requires entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance; and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the reporting date, and how the entity manages these risks. The Group will apply this standard from the financial year beginning on 1 April 2010.

(ii) FRS 8 Operating Segments (effective for accounting periods beginning on or after 1 July 2009). FRS 8 replaces FRS 114_{2004} Segment Reporting. The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply this standard from the financial year beginning on 1 April 2010.

(iii) FRS 123 Borrowing Costs (effective for accounting periods beginning on or after 1 January 2010). The standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply this standard from the financial year beginning on 1 April 2010.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (Continued)

Standards, amendments to published standard and interpretations to existing standards that are applicable to the Group but not yet effective and have not been early adopted (continued)

(iv) Amendments to FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective for accounting periods beginning on or after 1 January 2010). The standard allows first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendments also remove the definition of the cost method from IAS 27 and replace it with a requirement to present dividends as income in the separate financial statements of the investor. The Group will apply this standard from the financial year beginning on 1 April 2010.

(v) FRS 139 Financial Instruments: Recognition and Measurement (effective for accounting periods beginning on or after 1 January 2010). The standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. The Group will apply this standard from the financial year beginning on 1 April 2010.

(vi) IC Interpretation 9 Reassessment of Embedded Derivatives (effective for accounting periods beginning on or after 1 January 2010). IC Interpretation 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The Group will apply this standard from the financial year beginning on 1 April 2010.

(vii) IC Interpretation 10 Interim Financial Reporting and Impairment (effective for accounting periods beginning on or after 1 January 2010). IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group will apply this standard from the financial year beginning on 1 April 2010.

With the exception of FRS 7 and FRS 139, the above standards, amendments to published standard and interpretations to existing standards are not anticipated to have any significant impact on the financial statements of the Group and the Company in the year of initial application. The Group and Company have applied the transitional provision in FRS 7 and FRS 139 which exempts entities from disclosing the possible impact arising from the initial application of these standards on the financial statements of the Group and Company.

Standard, amendments to published standards and interpretations to existing standards that are not yet effective and not relevant for the Group's operations

The new standard, amendments to published standards and interpretations to existing standards that are not yet effective and not relevant for the Group's operations are as follows:

(i) FRS 4 Insurance Contracts (effective for accounting periods beginning on or after 1 January 2010)

(ii) Amendments to FRS 1 First-time Adoption of Financial Reporting Standards: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective for accounting periods beginning on or after 1 January 2010)

(iii) Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations (effective for accounting periods beginning on or after 1 January 2010)

(iv) IC Interpretation 11 FRS 2 Group and Treasury Share Transactions (effective for accounting periods beginning on or after 1 January 2010)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (Continued)

Standard, amendments to published standards and interpretations to existing standards that are not yet effective and not relevant for the Group's operations (continued)

(v) IC Interpretation 13 Customer Loyalty Programmes (effective for accounting periods beginning on or after 1 January 2010)

(vi) IC Interpretation 14 FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interactions (effective for accounting periods beginning on or after 1 January 2010)

(b) Economic entities in the Group

(i) Subsidiaries

Subsidiaries are those corporations, partnerships or other entities in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated using the purchase method of accounting. Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. See accounting policy Note 2(h) on goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Minority interest represents that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since that date.

Intragroup transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal (including the cumulative amount of any exchange differences that relate to the subsidiary) and is recognised in the consolidated income statement.

(ii) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with equity owners of the Group. For purchases from minority interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is deducted from equity. For disposals to minority interests, differences between any proceeds received and the relevant share of minority interests are also recorded in equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Economic entities in the Group (Continued)

(iii) Associates

Associates are those corporations, partnerships or other entities in which the Group exercises significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss (see accounting policy Note 2(h) on goodwill).

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method of accounting, adjustments are made to the financial statements of the associates to ensure consistency of accounting policies with those of the Group.

Dilution gains and losses in associates are recognised in the income statement.

When the Group ceases to have significant influence over an associate, the Group discontinues the use of equity method from the date it ceases to have significant influence over the associate and shall account for the investment as an available- for-sale financial asset in accordance with FRS 139, Financial Instruments: Recognition and Measurement. See accounting policy Note 2(g) on available-for-sale investment.

(iv) Joint ventures

Jointly controlled entities

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with one or more parties where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control.

The Group's interest in jointly controlled entities is accounted for in the consolidated financial statements by the equity method of accounting. Equity method of accounting involves recognising the Group's share of post-acquisition results of the jointly controlled entities in the income statement and its share of post-acquisition movements within reserves in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. The Group's investments in jointly controlled entities include goodwill on acquisition (net of accumulated impairment loss).

Where necessary, in applying the equity method of accounting, adjustments are made to the financial statements of the jointly controlled entities to ensure consistency of accounting policies with those of the Group.

Jointly controlled operations

In respect of the Group's interest in jointly controlled operations, the Group recognises the assets that it controls and the liabilities that it incurs as well as the expenses that it incurs and the share of income that it earns from the activities undertaken by the joint ventures in the financial statements.

Transactions between a venturer and a joint venture

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Freehold land is not depreciated as it has an infinite life. Capital work-in-progress is not depreciated. Other property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets to their residual values over their estimated useful lives, summarised as follows:

Buildings	2% – 10%
Furniture and fittings	10% – 33%
Motor vehicles	20% – 25%
Office equipment	10% – 50%
Plant and machinery	10% – 33%
Renovation	10% – 20%
Tools and equipment	10% – 50%

Residual values and useful lives of assets are reviewed and adjusted if appropriate, at each balance sheet date.

At each balance sheet date, the carrying amounts of property, plant and equipment are reviewed to determine whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2(i) on impairment of assets.

Gains and losses arising from disposals of the assets are determined by comparing the net proceeds with the carrying amounts of the assets disposed and are included in the income statement.

(d) Investment properties

Investment properties, comprising principally buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment properties are stated at cost less any accumulated depreciation and impairment losses. Buildings are depreciated on the straight line basis to write off the cost of the buildings to their residual values over their estimated useful lives of 50 years.

At each balance sheet date, the carrying amounts of investment properties are reviewed to determine whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 2(i) on impairment of assets.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised (eliminated from the balance sheet). The difference between the net disposal proceeds and the carrying amount is recognised in the income statement in the period of the retirement or disposal.

(e) Lease prepayments

Leasehold land that normally has a finite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as lease prepayments and is amortised over the lease term in accordance with the pattern of benefits provided.

Lease prepayments with lease period of 99 years or less are amortised equally over their respective periods of lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Investments

Investments in subsidiaries, associates and jointly controlled entities are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 2(i) on impairment of assets.

Other non-current investments are shown at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the financial year in which the decline is identified.

Quoted investments and other short term investments (within current assets) are stated at the lower of cost and market value, determined either on an aggregate portfolio basis or on an individual investment basis. Market value is calculated by reference to the quoted market prices or dealer quotes at the close of business as at the balance sheet date. Increases or decreases in the carrying amount of the investments are recognised in the income statement.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

(g) Available-for-sale investments

Available-for-sale ("AFS") investments are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet date. The AFS investment is initially recognised at fair value plus transaction costs. After the initial recognition, the Group measures the AFS investment at its fair value based on quoted prices in an active market.

Any gain or loss arising from a change in the fair value of the AFS investment is recognised directly in equity as "Fair value reserve", except for impairment losses and foreign exchange gains and losses, if any, until the AFS investment is derecognised, at which time the cumulative gain or loss previously recognised in equity shall be recognised in the income statement.

The Group assesses at each balance sheet date whether there is objective evidence that an AFS investment is impaired. In the case of equity securities classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for an AFS investment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that AFS investment previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(h) Intangible assets

Goodwill

Goodwill represents the excess of cost of the acquisition of subsidiaries, associates and jointly controlled entities over the fair value of the Group's share of the identifiable net assets at the date of acquisition.

Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose. See accounting policy Note 2(i) on impairment of assets.

In respect of associates and jointly controlled entities, the carrying amount of goodwill is included in the carrying amount of investments in the associates and jointly controlled entities. Such goodwill is tested for impairment as part of the overall balance.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment loss previously are reviewed for possible reversal of the impairment loss at each balance sheet date.

The impairment loss is charged to the income statement. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in the recoverable amount is recognised in the income statement up to the extent of its original cost.

(j) Leases

Finance leases and hire purchase

Leases or hire purchase of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases or hire purchase.

Finance leases and hire purchase arrangements are capitalised at inception at the lower of the fair value of the leased assets or assets under hire purchase and the present value of the minimum lease payments. Each lease or hire purchase instalment payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the balance outstanding. The corresponding rental or hire purchase obligations, net of finance charges are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease or hire purchase period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases or hire purchase is depreciated over the shorter of the estimated useful life of the asset and the term of the lease or hire purchase.

Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on the straight line basis over the lease period.

(k) Property development activities

Land held for property development

Land held for property development consist of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 2(i) on impairment of assets.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the Group's normal operating cycle of 2 to 4 years.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Property development activities (Continued)

Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities.

Property development costs are recognised when incurred. When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the percentage of completion method. The stage of completion is measured by reference to the proportion that property development costs incurred bear to the estimated total costs for the property development.

When the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable; and property development costs on the development units sold are recognised when incurred.

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected loss is recognised as an expense immediately.

Where revenue recognised in the income statement exceeds billings to purchasers, the balance is shown as accrued billings under receivables, deposits and prepayments (within current assets). Where billings to purchasers exceed revenue recognised in the income statement, the balance is shown as progress billings under payables (within current liabilities).

(l) Inventories

Completed properties

Completed properties for sale are stated at the lower of cost and net realisable value. The cost of completed properties for sale comprise cost associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activities.

Other inventories

Inventories are stated at the lower of cost and net realisable value with weighted average cost being the main basis for cost. Cost comprises the original purchase price plus incidentals in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

(m) Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Construction costs are recognised when incurred. When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised by using the percentage of completion method. The stage of completion is measured by reference to the proportion that contract costs incurred for contract work performed to date bear to the estimated total costs for the contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable.

Irrespective of whether the outcome of a construction contract can be estimated reliably, when it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the end of the financial year. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amounts due from contract customers under receivables, deposits and prepayments (within current assets). Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amounts due to contract customers under payables (within current liabilities).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Non-current assets classified as assets held for sale

Non-current assets are classified as assets held for sale and are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

(o) Trade receivables

Trade receivables are carried at invoiced amount less an allowance for doubtful debts. The allowance is established when there is no objective evidence that the Group will be able to collect all amounts due according to the original terms of the receivables.

(p) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which are readily convertible to known amounts of cash and have insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

(q) Share capital

Classification

Ordinary shares are classified as equity.

Share issue costs

Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends to shareholders of the Company

Dividends on ordinary shares are recognised as a liability in the financial year in which they are declared. A dividend declared after the balance sheet date, but before the financial statements are authorised for issue, is not recognised as a liability at the balance sheet date. Upon the dividend becoming payable, it will be accounted for as a liability.

(r) Borrowings

Classification

Borrowings are initially recognised based on the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

Interest on the borrowings is reported within finance cost in the income statement.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Capitalisation of borrowing cost

Borrowing costs incurred to finance the construction contracts and property development activities are capitalised during the period of time in which the contract activities and development activities are carried out. Capitalisation of borrowing costs will cease upon the completion of these activities.

(s) Employee benefits

Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the financial year in which the associated services are rendered by employees of the Group.

Post-employment benefits – defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Group's contributions to the defined contribution plan are charged to the income statement in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Taxation

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary, associate or joint venture on distributions of retained earnings to the companies in the Group, and real property gains taxes payable on disposal of properties, where applicable.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

(u) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provision is not recognised for future operating losses.

(v) Contingent liabilities and contingent assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(w) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Foreign currencies (Continued)

Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity in the "Foreign exchange reserve".

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to "Foreign exchange reserve" in shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on disposal.

(x) Revenue recognition

Revenue for the Group comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of goods and services tax and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met as described below. The amount of the revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of goods and services

Revenue from sale of goods, including completed properties, and services rendered are measured at the fair value of the consideration receivable and are recognised when the significant risks and rewards of ownership have been transferred to the buyer or upon delivery of products and performance of services, net of sales tax and discount.

Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

Interest income/Profit from Islamic deposits

Interest income and profit from Islamic deposits are recognised in the income statement on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

Investment income

Investment income from other investments is recognised on an accrual basis.

Construction contracts

The revenue recognition for construction contracts is based on the percentage of completion method. See accounting policy Note 2(m) for further details.

Property development

The revenue recognition for property development activities is based on the percentage of completion method. See accounting policy Note 2(k) for further details.

Other income

Other income earned by the Group are recognised on the following bases:

Rental income – on the accrual basis

Management charges – on the accrual basis

Membership fees – on the accrual basis

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Financial instruments

Description

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

Financial instruments recognised on the balance sheet

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual accounting policy notes associated with each item.

Financial instruments not recognised on the balance sheet

The Group enters into foreign currency forward contracts to protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled. The instrument is not recognised in the financial statements on inception.

Exchange gains and losses on foreign currency forward contracts are recognised when settled at which time they are included in the measurement of the transaction hedged.

Fair value estimation for disclosure purposes

The fair value of quoted securities is based on quoted market prices at the balance sheet date. The face values of financial assets (less any estimated credit adjustments) and financial liabilities with a maturity period of less than one year are assumed to approximate their fair values.

The fair values for financial assets and liabilities with a maturity of more than one year are estimated using a variety of methods, including estimated discounted value of future cash flows, quoted market prices or dealer quotes, and assumptions based on market conditions existing at each balance sheet date.

(z) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing the interest rate, foreign currency exchange, liquidity and credit risks. Exposure to credit, interest rate, foreign currency exchange and liquidity risks arise in the normal course of the Group and the Company's business. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. Financial risk management is carried out through risk reviews, internal control system and adherence to Group's financial risk management policies.

(i) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings and deposits.

The Group does not use derivative financial instruments to hedge its debt obligations.

The Group's investments in financial assets are mainly short-term in nature (placements with licensed financial institutions) and they are not held for speculative activities. As such, interest rate risk exposure is only limited to fluctuations in short term money market's interest rates.

(ii) Foreign currency exchange risk

The Group is exposed to currency risk as a result of the foreign currency transactions entered into by the Group in currencies other than its functional currency. The Group has a natural hedge to the extent that payments for foreign currency payables will be matched against receivables denominated in the same foreign currency.

The Group minimises its foreign currency exchange exposure by entering into derivative financial instruments such as foreign currency forward contracts.

As at 31 March 2009, the settlement dates on open forward contracts ranged within 6 months (2008: 6 months). The foreign currency amounts to be received and the contractual exchange rates of the Group's outstanding contracts were as follows:

Duration	Currency to be received	Currency to be paid	Amount in foreign currency	Contractual rate	RM'000 equivalent
			'000	RM	
At 31 March 2009					
10.11.08 – 07.05.09	USD	RM	USD736	3.5200	2,590
21.11.08 – 14.05.09	USD	RM	USD191	3.6030	688
23.02.09 – 25.08.09	SGD	RM	SGD869	2.3933	2,080
At 31 March 2008					
10.10.07 – 14.04.08	SGD	RM	SGD700	2.3080	1,616
05.02.08 – 05.08.08	USD	RM	USD93	3.2250	300
05.02.08 – 04.08.08	USD	RM	USD54	3.4240	185
02.11.07 – 06.05.08	USD	RM	USD850	3.3150	2,818
22.02.08 – 26.08.08	USD	RM	USD3,000	3.2165	9,650
22.02.08 – 26.08.08	SGD	RM	SGD1,500	2.2960	3,444

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(ii) Foreign currency exchange risk (continued)

The net unrecognised losses as at 31 March 2009 on open contracts which hedge anticipated future foreign currency sales amounted to RM92,000 (2008: net unrecognised gains of RM162,000). These net exchange gains and losses are deferred until the related sales are transacted, at which time they are included in the measurement of such transactions.

(iii) Liquidity risk

As part of the Group's overall prudent liquidity management, the Group maintains sufficient short-term deposits to meet its working capital requirements and obligations as and when they are expected to arise. The Group aims at maintaining flexibility in funding by keeping committed credit lines available. In addition, the Group ensures that the amount of debt maturing in any one year is not beyond the Group's means to repay and refinance the debt.

(iv) Credit risk

The Group's exposure to credit risk arises through their receivables. The Group has an informal credit policy in place and the exposure to credit risk is monitored on an ongoing basis through review of the ageing of its receivables. Credit evaluations are performed on all customers requiring credit over a certain amount as early as during the project tendering stage.

For power plant construction works, contracts are executed only after customers have obtained financial close to finance the projects. For property development activities, the development units will not be handed over to the purchasers until full amount of the selling price is collected.

As at the balance sheet date, the Group has no significant concentration of credit risk other than four corporate debtors which represent 84% of the Group's total trade receivables, of which these balances are monitored closely. 48% of these trade receivables related to retention sum and the remaining amounts mainly have been substantially collected since the end of the financial year.

At the balance sheet date, the Group does not have any major concentration of credit risk related to any financial instruments. The majority of the financial assets are deposits receivable and short-term money market instruments that are not concentrated to any particular group but widely dispersed across various licensed financial institutions. The only credit risk attributable to the short term money market instruments are the economic factors affecting the countries that those deposits have been placed as disclosed in Note 30. The Directors are of the view that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

In addition, certain subsidiaries of the Group have given guarantees to other subsidiaries within the Group for banking facilities. The Directors are of the view that such credit risk is minimal in view of the stability of the subsidiaries' financial position.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(i) Estimated impairment of goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary.

The recoverable amounts of cash generating units were determined based on the value in use calculations which would require the Directors to make certain assumptions and use certain estimates. The details of the key assumptions and estimates used are set out in Note 19.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(ii) Construction contracts

The Group recognises contract revenue based on percentage of completion method. The stage of completion is measured by reference to the contract costs incurred to date to the estimated total costs for the contract. Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract costs, as well as the recoverability of the contracts. In making the judgement, the Group relied on past experience and work of specialists.

Based on the Directors' best knowledge of current events and actions, and information presently available, the Directors do not believe that the financial statements would result in any adjustment as the estimated total contract costs would not vary materially from management's estimates.

(iii) Estimated useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment to determine the amount of depreciation expense to be recorded. The useful lives are estimated at the time the assets are acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The Group also performs annual review of the assumptions made on useful lives to ensure that they continue to be valid.

Based on the Directors' best knowledge of information presently available, the Directors do not believe that the financial statements would result in any adjustment as the assumption made on useful lives based on market condition would not vary materially from management's estimates.

(iv) Estimated impairment of available-for-sale investment

The Group follows the guidance of FRS 139 to determine when an available-for-sale investment is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost. In this regard, the Directors have considered the financial health of and near-term business outlook, including factors such as industry and sector performance and operational and financing cash flow to establish the thresholds for significant and prolonged decline in the fair value of the available-for-sale investment.

As at 31 March 2009, the Directors do not believe that the available-for-sale investment is impaired as the investment has not exceeded any of the thresholds established. If the decline in the fair value below cost is considered to be significant or prolonged, the Group and the Company would have recorded an impairment loss of RM133,520,000 and RM58,992,000, respectively, in the income statements.

5 ACQUISITION AND DISPOSALS/LIQUIDATION

<u>During the financial year ended 31 March 2009:</u>

(a) <u>Subscription of additional shares in associates</u>

On 13 June 2008 and 28 July 2008, the Group subscribed for 2,200,000 5% Redeemable Preference Shares ("RPS") of RM1.00 each in Essential Amity Sdn. Bhd. ("EASB") for an aggregate amount of RM2,200,000 satisfied by way of capitalising on advances to EASB amounting to RM1,200,000 and a cash consideration of RM1,000,000.

On 30 July 2008 and 5 December 2008, the Group subscribed for its proportionate shareholding in Ratcha Ploen Co. Ltd. ("RPC") for an aggregate amount of RM3,860,000 satisfied by way of capitalising on advances to RPC amounting to RM2,910,000 and a cash consideration RM950,000.

5 ACQUISITION AND DISPOSALS/LIQUIDATION (CONTINUED)

During the financial period ended 31 March 2008:

(b) Liquidation of a subsidiary

On 8 June 2007, Associated Mines (Malaya) Sendirian Berhad, a subsidiary of which the Company has 51% equity interest, has been dissolved by way of members' voluntary winding-up. As a result, the Company recorded a gain on liquidation of RM100,000 for the financial period ended 31 March 2008.

The analysis of the net assets of Associated Mines (Malaya) Sendirian Berhad as at the date of liquidation is as follows:

	At date of liquidation
	RM'000
Current assets (excluding cash and bank balances)	14
Cash and bank balances	620
Current liabilities	(2)
Net assets	632
Less: Minority interest	(310)
Less: Reversal of post acquisition reserves	(37)
	285
Less: Net proceeds received upon liquidation	(316)
Gain on liquidation	(31)

The net cash flow on the liquidation of Associated Mines (Malaya) Sendirian Berhad is as follows:

Proceeds from liquidation – cash consideration	316
Cash and cash equivalents of subsidiary liquidated	(620)
Net cash outflow on liquidation	(304)

5 ACQUISITION AND DISPOSALS/LIQUIDATION (CONTINUED)

During the financial period ended 31 March 2008 (Continued)

(c) Partial disposal of a subsidiary

On 28 November 2007, Zelan Corporation Sdn. Bhd., a wholly-owned subsidiary of Zelan Holdings (M) Sdn. Bhd., disposed of 25% of its equity interest in Ratcha Ploen Co. Ltd., resulting in a revised equity interest of 35%. Refer to Note 21 for further details.

The analysis of the net liabilities of Ratcha Ploen Co. Ltd. as at the date of disposal/ reclassification is as follows:

	At date of disposal/reclassification
	RM'000
Current assets (excluding cash and bank balances)	2,721
Cash and bank balances	229
Current liabilities	(3,291)
Net liabilities	(341)
Less: Minority interest	134
Net liabilities	(207)
Amount accounted for as an associate	124
	(83)
Less: Net disposal proceeds	(6)
Gain on partial disposal	(89)

The net cash outflow on the reclassification of Ratcha Ploen Co. Ltd. from a subsidiary to an associate is as follows:

Net disposal proceeds	6
Cash and cash equivalents of a subsidiary reclassified to an associate	(229)
Net cash outflow on disposal/reclassification	(223)

(d) Disposal of an associate

On 2 April 2007, the Group's shareholding in IJM Corporation Berhad ("IJM") was diluted to 11.4% due to the issuance of 258,881,538 new shares in IJM in relation to the acquisition of Road Builders (M) Holding Berhad by IJM. As a result, IJM ceased to be an associate of the Group.

FRS 128 "Investments in Associates" requires the carrying amount of the investment to be measured in accordance with FRS 139 "Financial Statements: Recognition and Measurement" on the date the investment ceases to be an associate.

Accordingly, the Group adopted a new accounting policy with regards to the measurement of its investment in IJM whereby the remaining investment in IJM has been classified as an "available-for-sale investment" on the consolidated balance sheet and is measured at fair value with gains or losses recognised as a separate component of equity. When the investment, or a portion thereof, is derecognised or determined to be impaired, the related cumulative gains or losses previously recognised in equity will be included in the income statement. Refer to Note 24 for further details.

5 ACQUISITION AND DISPOSALS/LIQUIDATION (CONTINUED)

During the financial period ended 31 March 2008 (Continued)

(d) Disposal of an associate (Continued)

The analysis of the Group's share of IJM's net assets as at the date of deemed dilution is as follows:

	At date of deemed dilution
	RM'000
Group's share of IJM's net assets:	
– immediately before the dilution	538,812
– immediately after the dilution	547,302
Change in net assets	8,490
Reversal of post-acquisition reserves	1,598
Gain on deemed disposal	10,088

(e) Subscription for additional shares in an associate

On 22 June 2007, the Group subscribed for its proportionate shareholding in Sahakarn Zelan (Thailand) Co. Ltd. for an aggregate amount of RM357,000.

6 REVENUE

	Group		Company	
	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000
Construction contracts	1,776,390	1,148,828	–	–
Property development	186,871	203,403	–	–
Sale of goods	15,573	11,024	–	–
Carpark income	608	707		
Rental income	404	420	–	–
Sale of completed properties	3,522	5,019	–	–
Management charges	146	230	–	–
Membership fees	10	14	–	–
Dividend income:				
– other investments	24,700	4,117	24,700	4,117
– an associate	–	–	–	9,433
	2,008,224	1,373,762	24,700	13,550

7 COST OF SALES

	Group		Company	
	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000
Construction contract costs	1,921,905	1,035,545	–	–
Property development costs	130,332	131,926	–	–
Cost of goods sold	13,860	9,109	–	–
Cost of properties sold	2,706	4,300	–	–
Others	168	200	–	–
	2,068,971	1,181,080	–	–

8 FINANCE INCOME AND FINANCE COST

	Group		Company	
	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000
Finance income				
Interest income	4,355	9,829	35	937
Profit from Islamic deposits	571	1,387	571	1,055
Investment income	1,179	1,334	166	421
	6,105	12,550	772	2,413
Finance cost				
Interest expense on borrowings	7,280	760	39	49
Less: Amount capitalised into:				
– Property development costs (Note 26)	–	(146)	–	–
– Construction contracts (Note 28)	(5,489)	(235)	–	–
	1,791	379	39	49

9 (LOSS)/PROFIT BEFORE TAXATION

In addition to those items disclosed in the income statement, (loss)/profit before taxation is arrived at after charging/(crediting):

	Group		Company	
	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000
Allowance for doubtful debts	1,255	702	1	2
Amortisation of lease prepayments	60	71	60	71
Auditors' remuneration – statutory audit	661	470	43	64
Depreciation of:				
– property, plant and equipment	19,433	3,734	381	429
– investment properties	143	179	–	–
Development expenditure written off	2,161	–	–	–
Directors' remuneration	3,728	6,282	2,623	4,395
Impairment loss on:				
– investment in an associate	3,072	–	–	–
– non-current assets held for sale	–	28	–	–
Bad debts written off	3	–	–	–
Property, plant and equipment written off	14,814	460	2	–
Inventories written down/written off	7,259	–	–	–
Net loss/(gain) on foreign exchange				
– realised	(397)	38	–	–
– unrealised	(11,079)	563	(244)	606
Rental of land and premises	1,035	767	17	20
Rental of office equipment	67	–	–	–
Staff costs	24,943	18,402	3,756	3,320
Write back of allowance for doubtful debts	(315)	(140)	–	–
Bad debts recovered (net)	(36)	(38)	–	–
Gain on partial disposal of a subsidiary	–	(89)	–	–
Gain on liquidation of a subsidiary	–	(31)	–	–
Net (gain)/loss on disposal of:				
– property, plant and equipment	(323)	(582)	–	12
– non-current assets held for sale	(2)	(159)	–	–
– investment properties	–	(563)	–	–
– other investments	(48)	37	(44)	–
Rental income on premises	(453)	(568)	–	–
Rental income on office equipment	(169)	–	–	–

Direct operating expenses from investment properties that generated rental income of the Group during the financial year/period amounted to approximately RM257,000 (2008: RM305,000).

10 STAFF COSTS

Staff costs, excluding Directors' remuneration, are as follows:

	Group		Company	
	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000
Wages, salaries and bonus	110,014	75,902	3,159	2,763
Defined contribution retirement plan	2,510	3,435	394	360
Other employee benefits	82,000	15,846	203	197
	194,524	95,183	3,756	3,320
Staff costs for the financial year/period is allocated as follows:				
Income statement (Note 9)	24,943	18,402	3,756	3,320
Construction contracts (Note 28)	169,581	76,781	–	–
	194,524	95,183	3,756	3,320

11 DIRECTORS' REMUNERATION

The Directors of the Company in office during the financial year were as follows:

Non-executive Directors:
Dato' Anwar bin Haji @ Aji, Chairman (appointed on 11.12.2008)
Tan Sri Abdul Halim Bin Ali, Chairman (resigned on 10.11.2008)
Dato' (Dr.) Megat Abdul Rahman Bin Megat Ahmad
Dato' Abdullah Bin Mohd. Yusof
Yoong Nim Chee
Datuk Hj. Hasni Bin Harun (appointed on 11.04.2008)
Mohd Farit Bin Ibrahim (appointed on 16.06.2008)
Feizal Ali (resigned on 11.04.2008)
Lam Kar Keong (resigned on 11.12.2008)

Executive Directors:
Chang Si Fock @ Chong See Fock (resigned on 31.01.2009)
Khoo Boo Seong (alternate director to Chang Si Fock @ Chong See Fock) (ceased on 31.01.2009)

11 DIRECTORS' REMUNERATION (CONTINUED)

The aggregate amount of emoluments received/receivable by the Directors of the Company during the financial year was as follows:

	Group		Company	
	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000
Charged to income statement:				
Non-executive Directors:				
– fees	473	543	473	543
– other emoluments	1,059	1,707	90	116
Executive Directors:				
– salaries and bonus	1,828	3,367	1,729	3,153
– defined contribution retirement plan	240	471	226	441
– other employee benefits	128	194	105	142
	3,728	6,282	2,623	4,395
Not charged to income statement:				
Executive Directors:				
– estimated monetary value of benefits-in-kind	88	74	79	74
	3,816	6,356	2,702	4,469

Included in other emoluments of the Non-executive Directors are salaries and bonus of RM834,000 (2008: RM1,255,000) and defined contribution retirement plan of RM108,000 (2008: RM175,700) relating to a Non-executive Director of the Company who is an Executive Director of a subsidiary.

12 AUDITORS' REMUNERATION

	Group		Company	
	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000
PricewaterhouseCoopers Malaysia*				
– Statutory audit	365	275	43	64
– Fees for other services	111	490	111	441
	476	765	154	505
Other member firms of PricewaterhouseCoopers International Limited*				
– Statutory audit	100	105	–	–
– Fees for other services	11	12	–	–
	111	117	–	–
Firms other than member firms of PricewaterhouseCoopers International Limited				
– Statutory audit	196	90	–	–

* PricewaterhouseCoopers Malaysia and other member firms of PricewaterhouseCoopers International Limited are separate and independent legal entities.

13 TAXATION

	Group		Company	
	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000
Current tax:				
Malaysian tax:				
– Current financial year	7,733	19,308	3,433	531
– (Over)/under accrual in previous financial years	(939)	(886)	121	(906)
	6,794	18,422	3,554	(375)
Foreign tax:				
– Current financial year	2,636	15,828	–	–
– Over accrual in previous financial years	(1,389)	–	–	–
	1,247	15,828	–	–
Deferred tax (Note 36):				
– Origination and reversal of temporary differences	133	(240)	–	–
Tax expense/(credit)	8,174	34,010	3,554	(375)
The explanation of the relationship between tax expense/(credit) and (loss)/profit before taxation is as follows:				
(Loss)/profit before taxation	(121,643)	185,723	14,055	47,496
Tax calculated at the Malaysian tax rate of 25% (2008: 26%)	(30,411)	48,288	3,514	12,349
Tax effects of:				
– share of results of associates and jointly controlled entities	(3,048)	(1,662)	–	–
– expenses not deductible for tax purposes	12,633	1,514	1,112	1,115
– income not subject to tax	(5,275)	(15,529)	(1,193)	(12,933)
– tax concessions and incentives	–	(97)	–	–
– different tax rates in other countries	6,916	2,798	–	–
– temporary differences and tax losses not recognised	22,563	(16)	–	–
– utilisation of previously unrecognised tax losses	(216)	(430)	–	–
– business loss not allowed for offset against future income	7,340	–	–	–
– others	–	30	–	–
(Over)/under accrual in previous financial years	(2,328)	(886)	121	(906)
Tax expense/(credit)	8,174	34,010	3,554	(375)

14 (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share of the Group is calculated by dividing the (loss)/profit attributable to the ordinary equity holders of the Company for the financial year of RM137,227,000 (14-month period ended 31.3.2008: RM143,035,000) by the weighted average number of ordinary shares in issue during the financial year of 563,262,970 (14-month period ended 31.3.2008: 563,262,970).

The earnings per share for the previous financial period ended 31 March 2008 has been calculated based on the weighted average number of ordinary shares which has been adjusted to take into consideration the enlarged share capital due to the share split exercise which was effected and completed on 18 July 2007 and 19 July 2007, respectively.

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

15 DIVIDENDS IN RESPECT OF ORDINARY SHARES

	Year ended 31.3.2009		14-month period ended 31.3.2008	
	Gross dividend per share sen	Amount of dividend, net of tax RM'000	Gross dividend per share sen	Amount of dividend, net of tax RM'000
Interim dividend:				
– net of tax at 26%	–	–	2.5	10,420
– net of tax at 25%	5.0	21,122	–	–
Special dividend:				
– tax exempt	–	–	5.0	28,163
Second interim dividend:				
– net of tax at 25%	–	–	6.5	27,459
Dividends in respect of the financial year/period	5.0	21,122	14.0	66,042
Dividends recognised as distribution to ordinary equity holders of the Company during the financial year/period	11.5	48,581	12.5	63,085

16 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Office equipment RM'000	Plant and machinery RM'000	Renovation RM'000	Tools and equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Net book value										
At 1 April 2008	2,050	11,555	2,038	8,089	7,188	79,135	1,054	5,760	264	117,133
Additions	–	–	280	3,256	2,040	45,988	–	18,086	–	69,650
Disposals	–	–	(59)	(254)	(70)	(580)	–	(307)	–	(1,270)
Write off	–	–	(16)	(1)	(114)	(14,613)	–	(70)	–	(14,814)
Depreciation charge	–	(232)	(703)	(3,999)	(3,103)	(40,165)	(152)	(5,175)	–	(53,529)
Translation differences	–	–	129	610	287	6,745	4	614	–	8,389
At 31 March 2009	2,050	11,323	1,669	7,701	6,228	76,510	906	18,908	264	125,559
At 31 March 2009										
Cost	2,050	13,118	3,778	17,511	14,729	137,921	1,766	26,908	264	218,045
Accumulated depreciation	–	(1,795)	(2,109)	(9,810)	(8,501)	(61,411)	(860)	(8,000)	–	(92,486)
Net book value	2,050	11,323	1,669	7,701	6,228	76,510	906	18,908	264	125,559
At 1 February 2007	2,050	11,825	1,561	3,381	5,197	11,153	1,010	1,272	264	37,713
Additions	–	–	940	6,857	4,491	78,858	208	5,600	–	96,954
Disposals	–	–	(41)	(295)	(19)	–	(1)	–	–	(356)
Write off	–	–	(10)	–	(148)	(299)	(1)	(2)	–	(460)
Depreciation charge	–	(270)	(412)	(1,854)	(2,333)	(10,233)	(162)	(1,110)	–	(16,374)
Translation differences	–	–	–	–	–	(344)	–	–	–	(344)
At 31 March 2008	2,050	11,555	2,038	8,089	7,188	79,135	1,054	5,760	264	117,133
At 31 March 2008										
Cost	2,050	13,118	3,483	16,031	12,868	100,070	1,761	8,975	264	158,620
Accumulated depreciation	–	(1,563)	(1,445)	(7,942)	(5,680)	(20,935)	(707)	(3,215)	–	(41,487)
Net book value	2,050	11,555	2,038	8,089	7,188	79,135	1,054	5,760	264	117,133

16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Buildings RM'000	Motor vehicles RM'000	Office equipment RM'000	Total RM'000
Net book value				
At 1 April 2008	–	1,155	95	1,250
Additions	–	165	16	181
Write off	–	–	(2)	(2)
Depreciation charge	–	(336)	(45)	(381)
At 31 March 2009	–	984	64	1,048
At 31 March 2009				
Cost	40	2,063	427	2,530
Accumulated depreciation	(40)	(1,079)	(363)	(1,482)
Net book value	–	984	64	1,048
Net book value				
At 1 February 2007	–	563	104	667
Additions	–	1,077	67	1,144
Disposals	–	(132)	–	(132)
Depreciation charge	–	(353)	(76)	(429)
At 31 March 2008	–	1,155	95	1,250
At 31 March 2008				
Cost	40	1,898	414	2,352
Accumulated depreciation	(40)	(743)	(319)	(1,102)
Net book value	–	1,155	95	1,250

16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation charge for the financial year/period is allocated as follows:

	Group		Company	
	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000
Income statement (Note 9)	19,433	3,734	381	429
Construction contracts (Note 28)	34,096	12,640	–	–
	53,529	16,374	381	429
Net book values of assets acquired under hire purchase arrangements:				
– Motor vehicles	2,070	3,141	827	1,144
– Office equipment	–	24	–	–
	2,070	3,165	827	1,144

	Group	
	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000
Net book values of assets pledged as security for term loans (Note 35):		
– Freehold land	–	2,050
– Buildings	–	3,344
– Motor vehicles	326	–
	326	5,394

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM69,650,000 (2008: RM96,954,000), of which RM1,222,000 (2008: RM1,786,000) was acquired by means of hire purchase arrangements.

During the previous financial period ended 31 March 2008, the Company acquired property, plant and equipment with an aggregate cost of RM1,144,000 of which RM964,000 was acquired by means of hire purchase arrangements.

17 INVESTMENT PROPERTIES

	Group		Company	
	31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000
Cost				
At start of the financial year/period	6,350	7,289	–	–
Disposal	–	(939)	–	–
At end of the financial year/period	6,350	6,350	–	–
Accumulated depreciation				
At start of the financial year/period	(366)	(389)	–	–
Depreciation charge	(143)	(179)	–	–
Disposal	–	202	–	–
At end of the financial year/period	(509)	(366)	–	–
Net book value	5,841	5,984	–	–

As at 31 March 2009, the fair value of the investment properties was estimated at RM7,750,586 (2008: RM9,200,000) based on valuation by an independent professionally qualified valuer. Valuations were based on current prices in an active market for all properties.

18 LEASE PREPAYMENTS

	Group		Company	
	31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000
At start of the financial year/period	106	177	106	177
Amortisation charge	(60)	(71)	(60)	(71)
At end of the financial year/period	46	106	46	106
At 31 March 2009				
Cost	218	218	218	218
Accumulated amortisation	(172)	(112)	(172)	(112)
Net book value	46	106	46	106

19 INTANGIBLE ASSETS

	Group	
	31.3.2009 RM'000	**31.3.2008 RM'000**
Goodwill		
Net book value		
At start of financial year/period	47,338	47,338
Impairment loss during the financial year	(2,942)	–
At end of financial year/period	44,396	47,338
Cost	47,338	47,338
Accumulated impairment loss	(2,942)	–
Net book value	44,396	47,338

Impairment assessment for goodwill

The carrying amounts of goodwill allocated to the Group's cash-generating units ("CGUs") are as follows:

	Group	
	31.3.2009 RM'000	**31.3.2008 RM'000**
Engineering and construction	44,396	44,396
Manufacturing and trading	–	2,942
	44,396	47,338

Recoverable amounts based on value in use

The recoverable amount of a CGU is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the Directors covering a five-year period. The key assumptions used in the value in use calculations are as follows:

	31.3.2009		31.3.2008	
	Engineering and construction %	**Manufacturing and trading %**	**Engineering and construction %**	**Manufacturing and trading %**
Gross margin	8 – 12	20	8 – 15	26
Pre-tax discount rate	14	14	23	13

19 INTANGIBLE ASSETS (CONTINUED)

Recoverable amounts based on value in use (continued)

The following describes each key assumption underlying the preparation of the cash flow projections for the purposes of impairment assessment of the goodwill:

i) Gross margin
The Directors have determined the budgeted gross margins of the projects based on past performance and their expectations of market development.

ii) Discount rate
The discount rates used are pre-tax and reflect specific risks relating to the relevant industry.

iii) Projects included in the cash flow projections
The Directors have included, in the cash flow projections, the existing projects/orders in hand, projects which are currently being tendered and projects anticipated to be tendered in the future, taking into consideration the success rate of securing these projects based on past experience and historical data.

The cash flow projections for the engineering and construction CGU assume that each project generates cash flows for a period of 3 to 5 years from the date of commencement, while the cash flow projections for the manufacturing and trading CGU assume that each project and order in hand generates cash flow in the same year the projects commence and orders are fulfilled.

Based on the value in use calculations, the Directors have concluded that:

i) No impairment loss is considered necessary in respect of the goodwill of the engineering and construction CGU on the basis that the recoverable amount of the engineering and construction CGU exceeds its carrying amount by RM54,683,000.

ii) A full impairment loss has been made in respect of the goodwill of the manufacturing and trading CGU on the basis that the carrying amount of the manufacturing and trading CGU exceeds its recoverable amount by RM18,941,000.

<u>Impact on possible change in key assumptions and estimates of the engineering and construction CGU</u>

For the engineering and construction CGU, there are reasonably possible changes in key assumptions which could cause the carrying value of the CGU to exceed its recoverable amount. The implications of the key assumptions on the recoverable amount are discussed below:

i) Gross margin
The Directors have considered the possibility of a decline in budgeted profit arising from escalation in construction costs of its projects. The budgeted gross margin for the CGU's projects ranges from 8% to 12%. A decline of 1% in the engineering and construction CGU's budgeted gross margin for its existing and future projects would result in a reduction in the recoverable amount of the engineering and construction CGU by RM32,075,000.

ii) Discount rate
The Directors recognises the possibility of a change in the Group's risk profile arising from the current economic environment and industry in which the engineering and construction CGU operates. An upward revision of 1% in the discount rate would result in a reduction in the recoverable amount of the engineering and construction CGU by RM2,052,000.

iii) Success rate in securing projects
The Directors have considered the possibility of a change in the success rate of successfully securing a new project. A decline of 5% in the success rate of securing the new projects would result in a reduction in the recoverable amount of the engineering and construction CGU by RM11,059,000.

20 INVESTMENTS IN SUBSIDIARIES

	Company	
	31.3.2009 RM'000	31.3.2008 RM'000
Unquoted shares outside Malaysia, at cost	18,055	18,055
Less: Accumulated impairment losses	(18,055)	(18,055)
	–	–
Unquoted shares in Malaysia, at cost	140,525	140,525
	140,525	140,525

The shares of all subsidiaries are held directly by the Company unless indicated below. Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Group's effective interest		Principal activities
		31.3.2009 %	31.3.2008 %	
Tronoh Consolidated (Overseas) Sdn. Bhd. #	Malaysia	100	100	Dormant
Golden Solitaire (Australia) B.V.	Netherlands	67	67	Under members' voluntary liquidation
Zelan Holdings (M) Sdn. Bhd. #	Malaysia	100	100	Investment holding, civil engineering and building turnkey contractor
Tronoh Consolidated (Labuan) Ltd. #	Malaysia	100	100	Dormant
TCMB Energy Ventures Sdn. Bhd. #	Malaysia	100	100	Dormant
TCMB Power Sdn. Bhd. #	Malaysia	100	100	Dormant
Subsidiaries of Zelan Holdings (M) Sdn. Bhd.				
Zelan Corporation Sdn. Bhd. #	Malaysia	100	100	Property development and management and operation of motor vehicles parking facilities
Sejara Bina Sdn. Bhd. ^	Malaysia	100	100	Investment holding
European Profiles (M) Sdn. Bhd. ^	Malaysia	80	80	Manufacturing of metal roof and wall cladding systems
Zelan Enterprise Sdn. Bhd. #	Malaysia	100	100	Contracting and supplying of building materials
Zelan Construction Sdn. Bhd. #	Malaysia	100	100	Piling and civil engineering contractor

20 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The shares of all subsidiaries are held directly by the Company unless indicated below. Details of the subsidiaries are as follows (Continued):

Name of company	Country of incorporation	Group's effective interest 31.3.2009 %	Group's effective interest 31.3.2008 %	Principal activities
Subsidiaries of Zelan Holdings (M) Sdn. Bhd. (Continued)				
P T Zelan Indonesia ^	Indonesia	95	95	Civil technical design and construction of civil and building works
Zelan Middle East Ltd. #	Malaysia	100	100	Dormant
Zelan Consolidated (Overseas) Sdn. Bhd. ^	Malaysia	100	100	Dormant
Zelan Construction (India) Private Limited *	India	100	100	Civil technical design and construction of civil and building works
Zelan Construction Arabia Co. Ltd. * ^^	Saudi Arabia	100	100	Civil technical design and construction of civil and building works
Subsidiaries of Zelan Corporation Sdn. Bhd.				
Zelan Development Sdn. Bhd. #	Malaysia	100	100	Property development
Panduan Pelangi Sdn. Bhd. ^	Malaysia	100	100	Building management and maintenance
Zelan Property Services Sdn. Bhd. (formerly known as Lancar Impian Sdn. Bhd.) ^	Malaysia	100	100	Management of residential properties
Paduan Lima Sejati Sdn. Bhd. ^	Malaysia	100	100	Management and operation of a fitness centre
Subsidiaries of Zelan Enterprise Sdn. Bhd.				
Vispa Sdn. Bhd. ^	Malaysia	100	100	Dormant
Eminent Hectares Sdn. Bhd. ^	Malaysia	99.98	99.98	Investment holding
Subsidiaries of European Profiles (M) Sdn. Bhd.				
European Profiles Contracting Sdn. Bhd. ^	Malaysia	56.80	56.80	Design, engineering and contracting of building envelope systems
Richard Lees Steel Decking Asia Sdn. Bhd. ^	Malaysia	40	40	Dormant

20 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The shares of all subsidiaries are held directly by the Company unless indicated below. Details of the subsidiaries are as follows (Continued):

Name of company	Country of incorporation	Group's effective interest		Principal activities
		31.3.2009 %	31.3.2008 %	
Subsidiary of European Profiles Contracting Sdn. Bhd.				
European Profiles Contracting Pte. Ltd. ^	Singapore	56.80	56.80	Design, engineering and contracting of building envelope systems
Subsidiary of Zelan Construction Sdn. Bhd.				
Zelan Construction Pte. Ltd. ^	Singapore	100	100	Building and general contractor

Note:

\# Audited by PricewaterhouseCoopers, Malaysia.

^ Audited by a firm other than member firms of PricewaterhouseCoopers International Limited.

* Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent legal entity from PricewaterhouseCoopers, Malaysia.

^^ The accounting year end of this subsidiary is 31 December.

21 INVESTMENTS IN ASSOCIATES

	Group		Company	
	31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000
Unquoted shares in Malaysia, at cost	5,580	3,380	3,005	3,005
Less: Accumulated impairment losses	–	–	(2,948)	(2,948)
	5,580	3,380	57	57
Unquoted shares outside Malaysia, at cost	6,365	2,467	–	–
Less: Impairment loss during the year	(3,072)	–	–	–
	3,293	2,467	–	–
Group's share of post-acquisition reserves	15,471	5,444	–	–
	24,344	11,291	57	57

21 INVESTMENTS IN ASSOCIATES (CONTINUED)

The Group's share of revenue, profits, assets and liabilities of the associates are as follows:

	Group	
	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000
Revenue	343,040	250,932
Profit after taxation (including minority interest)	10,853	13,568

	Group	
	31.3.2009 RM'000	31.3.2008 RM'000
Non-current assets	3,752	2,172
Current assets	119,252	70,439
Current liabilities	(95,258)	(61,320)
Non-current liabilities	(330)	–
Net assets	27,416	11,291
Less: Accumulated impairment losses	(3,072)	–
	24,344	11,291

The shares of all associates are held directly by the Company unless indicated below. Details of the associates are as follows:

Name of company	Country of incorporation	Group's effective interest		Principal activities
		31.3.2009 %	31.3.2008 %	
Timah Dermawan Sendirian Berhad *#	Malaysia	30	30	Dormant
Associates of Zelan Holdings (M) Sdn. Bhd.				
Sahakarn Zelan (Thailand) Co. Ltd. ^*	Thailand	49	49	Investment holding
Zelan Arabia Co. Ltd. ^*	Saudi Arabia	40	40	Civil technical design and construction of civil and building works
IJM-Sunway-LFE- Zelan Consortium	Unincorporated	25	25	Construction
Associate of Sejara Bina Sdn. Bhd.				
Essential Amity Sdn. Bhd. #	Malaysia	50	50	Turnkey contractor and property development

21 INVESTMENTS IN ASSOCIATES (CONTINUED)

The shares of all associates are held directly by the Company unless indicated below. Details of the associates are as follows:

Name of company	Country of incorporation	Group's effective interest		Principal activities
		31.3.2009 %	31.3.2008 %	
Associate of Zelan Corporation Sdn. Bhd.				
Ratcha Ploen Co. Ltd. ^@	Thailand	35	35	Property development

Note:

Audited by PricewaterhouseCoopers, Malaysia.

^ Audited by a firm other than member firms of PricewaterhouseCoopers International Limited.

* The accounting year end of these associates is 31 December.

@ The Group's investment in Ratcha Ploen Co.Ltd. ("RPC") had been reclassified to "Non-current assets classified as held for sale" as at 31 March 2008 following the Group's firm commitment to dispose of this investment. However, the sale was terminated during the financial year ended 31 March 2009 as the purchaser failed to comply with the conditions precedents set out in the sales and purchase agreement. Accordingly, the Group has reclassified its investment in RPC from "Non-current assets classified as held for sale" to "Investments in associates" as at 31 March 2009 as the criteria set out in FRS 5 "Non-current assets classified as held for sale" are no longer met. This investment was subsequently impaired in full in the current financial year.

22 INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

	Group	
	31.3.2009 RM'000	31.3.2008 RM'000
Unquoted shares, at cost	85	85
Share of results of jointly controlled entities	8,076	6,738
	8,161	6,823

The Group's share of income, expenses, assets and liabilities of the jointly controlled entities are as follows:

	Group	
	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000
Revenue	48,079	444,593
Expenses (including tax expense)	(46,741)	(437,913)
Profit after taxation	1,338	6,680

22 INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

	Group	
	31.3.2009 RM'000	31.3.2008 RM'000
Non-current assets	202	217
Current assets	140,564	166,358
	140,766	166,575
Current liabilities	(132,578)	(159,729)
Non-current liabilities	(27)	(23)
Net assets	8,161	6,823

Details of the jointly controlled entities are as follows:

Name	Principal activities	Place of incorporation	Group's effective interest	
			31.3.2009 %	31.3.2008 %
L.K. Ang – Zelan Consortium Pte. Ltd.	Building and general contractor	Singapore	50	50
Zelan EPC (Hong Kong) Limited	Investment holding	Hong Kong	50	50
Zelan Projects Private Limited*	Engineering, procurement and construction contractor	India	49.95	49.95

Note:

* Subsidiary of Zelan EPC (Hong Kong) Limited

23 JOINT VENTURES

The Group's share of income, expenses, assets and liabilities of the jointly controlled operations are as follows:

	Group	
	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000
Revenue	1,391	8,536
Expenses (including tax expense)	(270)	(2,140)
Profit after taxation	1,121	6,396

23 JOINT VENTURES (CONTINUED)

	Group	
	31.3.2009 RM'000	31.3.2008 RM'000
Non-current assets	–	864
Current assets	3,436	1,595
Current liabilities	(1,345)	(1,489)
Net assets	2,091	970

The Group's share of income, expenses, assets and liabilities of the jointly controlled operations have been included within the financial statements of the entities within the Group which operate these jointly controlled operations.

Details of the jointly controlled operations are as follows:

Name of company	Principal activities	Proportion of ownership interest	
		31.3.2009 %	31.3.2008 %
Zelan – Murray Roberts Joint Venture	Civil engineering works	50	50
ZCSB-WEPE Joint Venture	Civil engineering works	51	51
European Profiles Contracting Sdn. Bhd. – PT Krazu Nusantara (European Profiles – Krazu Joint Venture)	Supply, delivery, hoist installation and painting of GRC Islamic Features Panels and done works ceilings for Albukhary Higher Learning Centre	36	36
European Profiles Contracting Pte. Ltd. – Unirep International Marketing Pte. Ltd. (Unirep – European Profiles Contracting Joint Venture)	Design, preparation of shop drawings, fabrication, supply (DDU Kuwait site), installation documentation and rectification of defects liability year for Standing Seam Roofing System and Installation Decking	36	36
Sumitomo - Zelan Consortium	Construction and completion of power plant	^	^
Zelan-Marubeni-Tokyu Construction Consortium	Construction and completion of hangar and workshop for aircraft	*	*

^ The proportion of ownership interest in this jointly controlled operation varies based on the stages of the contract activities as set out in the Sumitomo – Zelan Consortium Agreement.

* The proportion of ownership interest in this jointly controlled operation varies based on the stages of the contract activities as set out in the Zelan – Marubeni – Tokyu Construction Consortium Agreement.

24 AVAILABLE-FOR-SALE INVESTMENT

	Group		Company	
	31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000
At start of the financial year/period	502,240	–	502,240	–
Initial recognition, at cost (Note 5(d))	–	547,302	–	461,908
Disposal during the financial period	–	(69,624)	–	(58,758)
(Decrease)/increase in fair value	(158,082)	24,562	(158,082)	99,090
At end of the financial year/period	344,158	502,240	344,158	502,240

As disclosed in Note 5(d), the Group ceased to have significant influence over an associate, IJM Corporation Berhad in April 2007. The carrying amount of the investment in the associate is regarded as its cost on initial measurement as an available-for-sale investment. After the initial measurement, the Group measures the available-for-sale investment at its fair value and movements in fair value are recorded in the "Fair value reserve" in equity.

The available-for-sale investment is denominated in Ringgit Malaysia.

25 INVENTORIES

	Group	
	31.3.2009 RM'000	31.3.2008 RM'000
At cost:		
– Completed properties for sale	9,739	12,444
– Raw materials	5,400	6,011
– Finished goods	–	171
	15,139	18,626
At net realisable value:		
– Raw materials	940	9
	16,079	18,635

As at 31 March 2008, the raw materials and finished goods of the Group were pledged to secure banking facilities of RM616,000 granted to a subsidiary (Note 35).

26 PROPERTY DEVELOPMENT COSTS

	Group	
	31.3.2009 RM'000	**31.3.2008 RM'000**
Freehold land, at cost	30,000	66,720
Development expenditure	218,392	106,705
	248,392	173,425
Less: Accumulated costs charged to income statement	(246,378)	(120,598)
	2,014	52,827
At start of the financial year/period	52,827	66,098
Cost incurred during the financial year/period:		
– freehold land	–	36,720
– development costs	113,848	78,437
	166,675	181,255
Costs charged to income statement	(125,780)	(122,446)
Derecognition of property development costs		
– land cost	(36,720)	–
– development expenditure (Note 9)	(2,161)	–
	(38,881)	–
Transferred to inventories	–	(5,982)
At end of the financial year/period	2,014	52,827

Included in the development costs incurred during the financial year/period are the following:

	Group	
	Year ended 31.3.2009 RM'000	**14-month period ended 31.3.2008 RM'000**
Interest expense (Note 8):		
– revolving credit	–	146

Borrowing costs included in development costs incurred during the financial period ended 31 March 2008 were capitalised by applying a capitalisation rate ranging from 4.75% to 5.5% per annum.

27 RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000
Trade receivables	433,122	202,959	–	–
Amounts due from contract customers (Note 28)	99,600	358,846	–	–
Accrued billings in respect of property development	2,938	–	–	–
Advances to subcontractors	112,540	165,588	–	–
Amount due from a jointly controlled entity	322	149	–	–
Amounts due from joint ventures	84	45	–	–
Amounts due from associates	1,867	2,927	1	–
Amounts due from related companies	13,400	13,983	–	–
	663,873	744,497	1	–
Other assets	2,740	16,095	–	–
Other receivables, deposits and prepayments	38,601	40,078	96	169
Less: Allowance for doubtful debts	(59)	(59)	(59)	(59)
	41,282	56,114	37	110
Amounts due from subsidiaries	–	–	12,543	12,384
Less: Allowance for doubtful debts	–	–	(2,935)	(2,932)
	–	–	9,608	9,452
	705,155	800,611	9,646	9,562
The currency exposure profile of receivables is as follows:				
– Ringgit Malaysia	67,273	98,738	9,646	9,562
– Indian Rupee	33,979	49,857	–	–
– Saudi Riyal	62,032	69,111	–	–
– Euro	13,575	13,975	–	–
– Singapore Dollar	979	4,765	–	–
– Indonesian Rupiah	93,334	122,918	–	–
– US Dollar	238,924	397,704	–	–
– Arab Emirates Dirham	195,059	43,543	–	–
	705,155	800,611	9,646	9,562

27 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

Credit terms of trade receivables range from 14 to 60 days (2008: 14 to 60 days).

Retention on contracts, included in trade receivables of the Group, amounted to RM215,127,000 (2008: RM43,698,000).

The amount due from a jointly controlled entity is trade and non-trade in nature, unsecured, interest free and has no fixed terms of repayment.

The amounts due from joint ventures are trade in nature, unsecured, interest free and have no fixed terms of repayment.

The amounts due from associates are trade in nature, unsecured, interest free and have no fixed terms of repayment.

The amounts due from subsidiaries and related companies are non-trade in nature, unsecured, interest free and have no fixed terms of repayment. The non-trade amounts due from subsidiaries are mainly in respect of advances given.

In previous year, other assets balance represents deferred expenses which arose pursuant to an agreement entered into between a subsidiary and a third party in relation to the sale of the development units of one of the subsidiary's projects. The deferred expenses are expensed to the income statement based on the percentage of completion of the project.

In current year, other assets balance represents deferred expenses amounting to RM1,629,000 and others, amounting to RM1,111,000.

28 CONSTRUCTION CONTRACTS

	Group	
	31.3.2009 RM'000	**31.3.2008 RM'000**
Aggregate costs incurred to date	6,472,542	4,617,887
Add: Attributable profits	355,421	389,324
Less: Recognised losses	(194,290)	–
	6,633,673	5,007,211
Less: Progress billings	(6,696,416)	(4,673,923)
	(62,743)	333,288
Amounts due from contract customers (Note 27)	99,600	358,846
Amounts due to contract customers (Note 34)	(162,343)	(25,558)
	(62,743)	333,288

28 CONSTRUCTION CONTRACTS (CONTINUED)

Included in aggregate costs incurred during the financial year/period are as follows:

	Group	
	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000
Rental of plant and machinery	31,112	14,600
Rental of premises	16,020	173
Depreciation of property, plant and equipment (Note 16)	34,096	12,640
Interest expense on (Note 8):		
– hire purchase	74	44
– term loans	3,707	191
– bank overdrafts	151	–
– revolving credit	1,557	–
	5,489	235
Staff costs (Note 10)	169,581	76,781

Borrowing costs included in construction contract costs incurred during the financial year were capitalised by applying a capitalisation rate ranging from 1.75% to 8.0% (2008: 1.75% to 5.25%) per annum.

29 OTHER INVESTMENTS

	Group		Company	
	31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000
Warrants quoted in Malaysia, at cost	4,116	–	4,116	–
Less: Impairment loss	(2,552)	–	(2,552)	–
	1,564	–	1,564	–
Shares quoted in Malaysia, at cost	–	3,902	–	–
Disposed during the financial year/period	–	(3,902)	–	–
	–	–	–	–
Other investments quoted in Malaysia, at cost	8,298	89,795	–	22,421
Less: Impairment loss	(206)	–	–	–
	8,092	89,795	–	22,421
Total	9,656	89,795	1,564	22,421
Market value	9,836	89,994	1,564	22,482

30 CASH AND CASH EQUIVALENTS

	Group		Company	
	31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000
Deposits placed with:				
Licensed banks	39,448	69,182	9,000	13,310
Other licensed financial institutions	1	15,462	–	15,460
	39,449	84,644	9,000	28,770
Bank and cash balances	63,433	117,622	1,046	797
Deposits, bank and cash balances	102,882	202,266	10,046	29,567
Less: Deposits pledged as security	(360)	(441)	–	–
	102,522	201,825	10,046	29,567
The currency exposure profile of deposits, bank and cash balances is as follows:				
– Ringgit Malaysia	36,512	92,189	10,046	29,567
– Saudi Riyal	1,825	5,938	–	–
– Indian Rupee	19,293	22,748	–	–
– Singapore Dollar	160	850	–	–
– Arab Emirates Dirham	7,600	593	–	–
– US Dollar	33,153	8,104	–	–
– Indonesian Rupiah	4,338	71,842	–	–
– Euro	1	2	–	–
	102,882	202,266	10,046	29,567

Included in deposits placed with licensed banks of the Group is an amount of RM360,000 (2008: RM441,000) which have been pledged to secure banking facilities, including performance guarantee facility, granted to the Group (Note 35).

Included in the cash and bank balances is RM113,638 (2008: RM2,622,000) held under Housing Development Account (opened and maintained under Section 7A of the Housing Development (Contract and Licensing) Act 1966) that may only be used in accordance with the said Act.

Deposits of the Group and Company at the end of the balance sheet date have an average maturity of 52 days (2008: 28 days) and 30 days (2008: 28 days) respectively. Bank balances are deposits held at call with banks.

30 CASH AND CASH EQUIVALENTS (CONTINUED)

The weighted average interest rates of deposits, bank and cash balances that were effective at the balance sheet date were as follows:

	Group		Company	
	31.3.2009 %	31.3.2008 %	31.3.2009 %	31.3.2008 %
Deposits placed with:				
– licensed banks	3.50	4.76	1.86	3.5
– other licensed financial institutions	2.79	3.1	–	3.1
Bank balances	1.53	2.44	0.99	2.41

31 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Group	
	31.3.2009 RM'000	31.3.2008 RM'000
At start of the financial year/period	3,424	526
Investment in an associate, including an advance due from the associate	–	3,306
Additional investments in associate classified as non-current assets held for sale, net of capitalisation of advance	950	–
Repayment from an associate	(1,184)	–
Impairment losses during the financial period	–	(28)
Disposal during the financial year/period	(118)	(380)
Reclassification to investment in an asset	(3,072)	–
At end of the financial year/period	–	3,424
Represented by:		
Freehold building	–	118
Investment in an associate, including an advance due from the associate	–	3,306
	–	3,424

Non-current assets held for sale as at 31 March 2008 comprised a building and investment in an associate, Ratcha Ploen Co. Ltd. ("RPC") (including an advance due from the associate). These assets have been presented as held for sale following the Group's management's decision and firm commitment to dispose of these assets.

During the financial year, the Group subscribed for 383,600 ordinary shares of Baht 100 each, by way of capitalisation of Baht 29,400,000 (RM2,910,600) of advances and a cash consideration of Baht 896,000 (RM949,760).

On 4 March 2008, the Group entered into a conditional sale and purchase agreement to dispose of its interest in RPC, an associate. However, the sale was terminated during the financial year ended 31 March 2009 as the purchaser failed to comply with the conditions precedents set out in the sales and purchase agreement. Accordingly, the Group has reclassified its investment in RPC from "Non-current assets classified as held for sale" to "Investments in associates" as at 31 March 2009 as the criteria set out in FRS 5 "Non-current assets classified as held for sale" are no longer met.

32 SHARE CAPITAL

At an Extraordinary General Meeting held on 29 June 2007, the shareholders of the Company approved the subdivision of the existing ordinary share of RM1.00 each of the Company into two new ordinary shares of RM0.50 each ("Share Split"). The Share Split was effected on 18 July 2007 and was completed with the listing and quotation of the new ordinary shares on the Main Board of Bursa Malaysia Securities Berhad on 19 July 2007.

The authorised, issued and fully paid up capital of the Company as at the end of the financial year/period are as follows:

	Group/Company			
	No. of ordinary shares		Amount	
	2009 '000	2008 '000	2009 RM'000	2008 RM'000
Authorised:				
At start of the financial year/period	800,000	400,000	400,000	400,000
Increase pursuant to share split exercise	–	400,000	–	–
At end of the financial year/period	800,000	800,000	400,000	400,000
Issued and fully paid:				
At start of the financial year/period	583,264	281,632	281,632	281,632
Increase pursuant to share split exercise	–	281,632	–	–
At end of the financial year/period	583,264	563,264	281,632	281,632

33 RESERVES

Retained earnings

Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credit under Section 108 of the Income Tax Act 1967 for dividend payment purposes. Dividend paid under this system is tax exempt in the hands of shareholders.

Under the special transitional provisions of the Finance Act 2007, companies with Section 108 credits as at 31 March 2008 may continue to pay franked dividend until the Section 108 credits are exhausted or 31 December 2013 whichever is earlier unless they opt to disregard the Section 108 credits to pay single-tier dividends.

Subject to agreement with the Inland Revenue Board, the Section 108 tax credits available is sufficient to pay net dividends of approximately RM102,000,000 (2008: RM150,000,000) out of the distributable reserves of the Company as at 31 March 2009. In addition, the Company has tax exempt income available as at 31 March 2009 to frank tax exempt dividends of approximately RM153,000,000 (2008: RM153,000,000) out of the distributable reserves of the Company as at 31 March 2009.

34 PAYABLES

	Group		Company	
	31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000
Current:				
Trade payables	326,176	174,864	–	–
Amounts due to contract customers (Note 28)	162,343	25,558	–	–
Advances received on contracts	152,851	315,066	–	–
Other payables and accruals	123,597	388,429	2,139	4,365
Progress billings in respect of property development	–	45,702	–	–
Amounts due to subsidiaries	–	–	5,606	5,953
Amount due to a joint venture partner	2	2,638	–	–
Amounts due to related companies	431	224	281	57
Amounts due to associates	268	270	–	2
	765,668	952,751	8,026	10,377
Non-current:				
Other payables	–	9,531	–	–
	765,668	962,282	8,026	10,377
The currency exposure profile of payables is as follows:				
– Ringgit Malaysia	82,853	268,674	2,571	4,521
– Indian Rupee	29,587	53,147	–	–
– Saudi Riyal	143,632	45,878	–	–
– Singapore Dollar	584	6,109	–	–
– Arab Emirates Dirham	223,193	39,017	–	–
– Euro	131	137	5,455	5,856
– Thai Baht	268	–	–	–
– United States Dollar	168,009	386,240	–	–
– Indonesian Rupiah	117,411	163,080	–	–
	765,668	962,282	8,026	10,377

Credit terms of trade payables granted to the Group vary from no credit to 60 days (2008: 60 days).

The advances received from contract customers are secured by advance payment bonds issued by financial institutions which are in turn secured by a corporate guarantee by a subsidiary. The advances are interest free and repayable by deduction from progress billings certified by the contract customers.

Amounts due to related companies, subsidiaries and associates are non-trade in nature, unsecured, interest free and have no fixed terms of repayment.

Amount due to a joint venture partner is trade in nature, unsecured, interest free and is repayable in accordance with the terms of the contract.

The fair value of the non-current portion of the other payables balance as at 31 March 2008 was RM8,459,000, which was determined by discounting the contractual cash flows using current market interest rate available for similar borrowings.

35 BORROWINGS

		Group		Company	
		31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000
Current:					
Term loans – secured	(a)	64,255	15,193	–	–
Term loans – unsecured	(a)	30,000	25,423	–	–
Revolving credit – secured	(b)	35,974	–	–	–
Overdraft facility – secured	(c)	7,467	1,998	–	–
Hire purchase liabilities – secured	(d)	800	943	273	254
		138,496	43,557	273	254
Non-current:					
Term loans – secured	(a)	510	–	–	–
Hire purchase liabilities – secured	(d)	873	1,598	524	804
		1,383	1,598	524	804
Total:					
Term loans – secured	(a)	64,765	15,193	–	–
Term loans – unsecured	(a)	30,000	25,423	–	–
Revolving credit – secured	(b)	35,974	–	–	–
Overdraft facility – unsecured	(c)	7,467	1,998	–	–
Hire purchase liabilities – secured	(d)	1,673	2,541	797	1,058
		139,879	45,155	797	1,058

(a) Term loans

	Group		Company	
	31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000
Payable within one year	94,255	40,616	–	–
Payable between one and two years	292	–	–	–
Payable between three and four years	218	–	–	–
	94,765	40,616	–	–

35 BORROWINGS (CONTINUED)

(a) Term loans (Continued)

The secured term loans of the Group are secured by:

- Facility Agreement cum Assignment as principal instrument incorporating first party registered charge over the land and buildings of certain subsidiaries and debenture over all fixed and floating assets of a subsidiary
- Letter of negative pledge by a subsidiary
- Blanket Counter Indemnity
- General Security Agreement
- Marginal Deposit covering the Financial Guarantee
- Letter of Undertaking
- Letter of Comfort
- Third Party Indemnity
- Mortgage over assets
- Corporate guarantees
- Assignment of project proceeds
- Promissory notes

The interest rates of the term loans are based on the Cost of Funds ("COF") plus/minus a fixed margin and are reset every time there is a change in the COF.

The carrying amount of the term loans with fixed interest rate which are due within one year approximate their fair values at balance sheet date. The fair value of the term loans which are due after one year is RM484,405.

(b) Revolving credit

The revolving credit facilities are secured by:

- Assignment of proceeds accounts, project proceeds, supplier bonds
- Letter of Undertaking
- Letter of Subordination of Debts

The interest rate of the revolving credit is based on the COF plus a fixed margin.

(c) Overdraft facility

The bank overdraft facility is secured by a corporate guarantee.

(d) Hire purchase liabilities

	Group		Company	
	31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000
Analysis of hire purchase liabilities:				
Payable within one year	877	1,052	303	303
Payable between one and two years	622	900	295	303
Payable between two and three years	250	519	215	295
Payable between three and four years	38	243	37	215
Payable between four and five years	–	37	–	37
	1,787	2,751	850	1,153
Less: Finance charges	(114)	(210)	(53)	(95)
	1,673	2,541	797	1,058

35 BORROWINGS (CONTINUED)

(d) Hire purchase liabilities (Continued)

	Group		Company	
	31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000
Present value of hire purchase liabilities:				
Payable within one year	800	943	273	261
Payable between one and two years	593	831	279	273
Payable between two and three years	244	495	209	279
Payable between three and four years	36	236	36	209
Payable between four and five years	–	36	–	36
	1,673	2,541	797	1,058

Included in the hire purchase liabilities of the Group are amounts of RM737,000 (2008: RM1,162,000) and RM Nil (2008: RM83,000) which are secured by corporate guarantee from a subsidiary and guarantees from the directors of a subsidiary respectively.

(e) Interest rates

Contractual interest rates at the balance sheet date (per annum) are as follows:

	Group		Company	
	31.3.2009 %	31.3.2008 %	31.3.2009 %	31.3.2008 %
Term loans	2.5 – 8.0	2.0 – 8.0	–	–
Revolving credit	4.0 – 6.0	–	–	–
Overdraft facility	5.4	6.5	–	–
Hire purchase liabilities	1.75 – 5.10	1.75 – 4.51	2.20 – 2.52	2.20 – 2.52

(f) Currency exposure profile

	Group		Company	
	31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000
Ringgit Malaysia	31,256	14,713	797	1,058
Arab Emirates Dirham	58,962	5,019	–	–
Saudi Riyal	24,305	25,423	–	–
US Dollar	25,356	–	–	–
	139,879	45,155	797	1,058

36 DEFERRED TAX LIABILITIES

	Group	
	31.3.2009 RM'000	**31.3.2008 RM'000**
Deferred tax liabilities		
– subject to income tax	3,936	3,803
At start of the financial year/period	3,803	4,043
Charged/(credited) to income statement (Note 13)	133	(240)
At end of the financial year/period	3,936	3,803

	Group	
	31.3.2009 RM'000	**31.3.2008 RM'000**
Subject to income tax:		
Deferred tax assets (before offsetting)		
– Provisions	(175)	(59)
Offsetting	175	59
Deferred tax assets (after offsetting)	–	–
Deferred tax liabilities (before offsetting)		
– Property, plant and equipment	3,061	3,862
– Unrealised foreign exchange gain	1,050	–
Offsetting	(175)	(59)
Deferred tax liabilities (after offsetting)	3,936	3,803

The amount of deductible temporary differences and unused tax losses, both of which have no expiry date and for which no deferred tax asset is recognised in the balance sheet are as follows:

	Group	
	31.3.2009 RM'000	**31.3.2008 RM'000**
Deductible temporary differences	50,185	–
Unabsorbed capital allowances	122	92
Tax losses	41,336	2,163
	91,643	2,255

37 SIGNIFICANT RELATED PARTY DISCLOSURES

Significant transactions and balance with related parties other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000
Transactions with other related parties:				
Progress billings receivable from Bukhary Realty Sdn. Bhd., a company related to a corporate shareholder of the Company	(12,854)	(89,380)	–	–
Progress billings receivable from ZCSB-WEPE, a jointly controlled operation	33	3,093	–	–
Transactions with subsidiary of the Company				
Rental fee payable	–	–	17	20
Transactions with key management personnel				
Sale of a motor vehicle	–	120	–	120
Progress billings on sale of properties	6,590	3,367	–	–

The outstanding balances arising from the above related party transactions have been disclosed in Note 27 and Note 34 to the financial statements.

The related party transactions described above have been entered into in the normal course of business and have been established under negotiated terms.

Key management compensation

The aggregate amount of compensation received/receivable by key management of the Group and Company (including Executive Directors) during the financial year was as follows:

	Group		Company	
	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000	Year ended 31.3.2009 RM'000	14-month period ended 31.3.2008 RM'000
Salaries and bonus	10,742	10,740	4,377	4,699
Defined contribution retirement plan	1,135	1,424	569	667
Directors' fees	126	–	–	–
	12,003	12,164	4,946	5,366
Estimated monetary value of benefits-in-kind	149	267	77	122
	12,152	12,431	5,023	5,488

38 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) On 14 October 2008, Zelan Corporation Sdn. Bhd. "ZCSB", a subsidiary of the Group together with TRC Construction Public Company Limited and Maneeya Realty Co. Ltd terminated a Sale and Purchase Agreement dated 4 March 2008 with Real Gold (Labuan) Ltd. in relation to the disposal of 810,000 ordinary shares of Thai Baht 100 each representing a total of 100% equity interest in Ratcha Ploen Co. Ltd. for Thai Baht 585,900,000 (equivalent to approximately RM53.7 million).

(ii) On 4 November 2008, Zelan Holdings (M) Sdn. Bhd., a subsidiary of the Group, terminated its 70:30 Joint Venture Agreement with Al Ambia Sdn Bhd in relation to the Meena Plaza Project in Abu Dhabi, United Arab Emirates.

39 CONTINGENT LIABILITIES

(a) The Company had been served with a writ of summons in respect of a claim for specific performance on the sale of shares in which the Company is one of the shareholder, following the non-completion of the sale and purchase agreement ("Agreement") for a purchase consideration of RM4.3 million.

On 6 March 2007, following the hearing by the High Court, the Court dismissed the claim with costs. The plaintiff has subsequently filed a notice of appeal and is currently awaiting the Court of Appeal Registry to fix a date for hearing.

No provision has been made in the financial statements based on the legal advice received as the solicitors are of the view that the plaintiff would not succeed in the appeal.

(b) In the ordinary course of business, the Group has given guarantees amounting to RM804,219,000 (2008: RM606,158,000) to third parties in respect of subcontractors' performance.

40 COMMITMENTS

(a) Capital commitments

Capital expenditure not provided for in the financial statements are as follows:

	Group		Company	
	31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000
Property, plant and equipment:				
Authorised but not contracted	–	9,864	–	660

(b) Operating lease commitments

The Group's total future minimum lease payments under non-cancellable operating leases are as follows:

	Group	
	31.3.2009 RM'000	31.3.2008 RM'000
Less than one year	6,070	71
One to two years	42	–
Two to three years	26	–
	6,138	71

41 SEGMENTAL INFORMATION

The Group is organised into five main business segments as follows:

(a) Engineering and construction
(b) Manufacturing and trading
(c) Property and development
(d) Investment
(e) Others

Other operations of the Group mainly comprise maintenance services and others, all of which are not of a sufficient size to be reported separately.

Inter-segment revenue comprise construction of buildings for property development segment and purchase of raw materials for the engineering and construction segment as well as dividend income for the investment segment. The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established under negotiated terms.

(a) Primary reporting format – business segments

	Engineering and construction	Manufacturing and trading	Property and development	Investment	Others	Eliminations	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year ended 31 March 2009							
Revenue							
External sales	1,757,810	28,228	191,014	31,028	144	–	2,008,224
Inter-segment sales	152,659	10,303	9,000	17	–	(171,979)	–
Total revenue	1,910,469	38,531	200,014	31,045	144	(171,979)	2,008,224
Results							
Segment results	(191,620)	2,254	29,156	21,877	2	5,883	(132,448)
Finance income	2,833	475	2,025	772	–	–	6,105
Finance cost	(1,721)	(28)	(3)	(39)	–	–	(1,791)
Impairment loss on goodwill	–	(2,942)	–	–	–	–	(2,942)
Impairment loss on other investments	–	(206)	–	(2,552)	–	–	(2,758)
Share of results of associates	10,855	–	–	(2)	–	–	10,853
Share of results of jointly controlled entities	1,338	–	–	–	–	–	1,338
Profit before taxation	(178,315)	(447)	31,178	20,056	2	5,883	(121,643)
Tax expense							(8,174)
Loss for the financial year							(129,817)

41 SEGMENTAL INFORMATION (CONTINUED)

(a) Primary reporting format – business segments (Continued)

	Engineering and construction	Manufacturing and trading	Property and development	Investment	Others	Eliminations	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
14-month period ended 31 March 2008							
Revenue							
External sales	1,109,368	50,143	209,150	4,878	223	–	1,373,762
Inter-segment sales	359,331	17,736	–	17,543	–	(394,610)	–
Total revenue	1,468,699	67,879	209,150	22,421	223	(394,610)	1,373,762
Results							
Segment results	90,603	7,122	21,836	5,094	(67)	(12,996)	111,592
Finance income	6,977	226	2,914	2,433	–	–	12,550
Finance cost	(87)	(109)	(134)	(49)	–	–	(379)
Gain on deemed disposal of investment in an associate	–	–	–	10,088	–	–	10,088
Gain on disposal of available-for-sale investment	–	–	–	31,624	–	–	31,624
Share of results of associates	13,568	–	–	–	–	–	13,568
Share of results of jointly controlled entities	6,680	–	–	–	–	–	6,680
Profit before taxation	117,741	7,239	24,616	49,190	(67)	(12,996)	185,723
Tax expense							(34,010)
Profit for the financial period							151,713

41 SEGMENTAL INFORMATION (CONTINUED)

(a) Primary reporting format – business segments (Continued)

	Engineering and construction	Manufacturing and trading	Property and development	Investment	Others	Eliminations	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2009							
Assets							
Segment assets	834,135	44,530	55,825	374,610	92	46,594	1,355,786
Investments in associates	23,762	–	–	582	–	–	24,344
Investments in jointly controlled entities	8,161	–	–	–	–	–	8,161
	866,058	44,530	55,825	375,192	92	46,594	1,388,291
Unallocated corporate assets							38,750
Total assets							1,427,041
Liabilities							
Segment liabilities	889,454	17,806	10,847	3,432	23	(16,015)	905,547
Unallocated corporate liabilities							11,452
Total liabilities							916,999
Other information							
Capital expenditure	69,343	108	18	181	–	–	69,650
Depreciation and amortisation	52,300	653	252	526	1		53,732
Impairment loss on:							
– Investment in an associate	3,072	–	–	–	–	–	3,072
– other investments	–	206	–	2,552	–	–	2,758
– goodwill	–	2,942	–	–	–	–	2,942

41 SEGMENTAL INFORMATION (CONTINUED)

(a) Primary reporting format – business segments (continued)

	Engineering and construction	Manufacturing and trading	Property and development	Investment	Others	Eliminations	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2008							
Assets							
Segment assets	947,957	46,166	199,937	575,247	61	70,991	1,840,359
Investments in associates	11,291	–	–	–	–	–	11,291
Investments in jointly controlled entities	6,823	–	–	–	–	–	6,823
	966,071	46,166	199,937	575,247	61	70,991	1,858,473
Unallocated corporate assets							14,784
Total assets							1,873,257
Liabilities							
Segment liabilities	831,752	16,427	147,793	5,700	3	5,762	1,007,437
Unallocated corporate liabilities							18,100
Total liabilities							1,025,537
Other information							
Capital expenditure	95,121	545	144	1,143	1	–	96,954
Depreciation and amortisation	14,869	797	357	598	3	–	16,624
Impairment loss on non-current assets held for sale	28	–	–	–	–	–	28

Capital expenditure comprises additions to property, plant and equipment (Note 16). Unallocated corporate assets and liabilities are in respect of tax recoverable and current and deferred tax liabilities respectively.

41 SEGMENTAL INFORMATION (CONTINUED)

(b) Secondary reporting format – geographical segment

	Total revenue from external customers		Capital expenditure		Segment assets	
	31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000	31.3.2009 RM'000	31.3.2008 RM'000
Malaysia	262,964	814,878	41,005	5,278	783,880	1,360,667
Singapore	–	9,337	–	–	685	527
Netherlands	–	–	–	–	13,394	13,977
India	66,945	166,427	7	285	61,456	79,616
Saudi Arabia	705,067	259,711	27,841	85,735	372,834	211,031
Indonesia	973,248	123,409	797	5,656	194,792	207,439
	2,008,224	1,373,762	69,650	96,954	1,427,041	1,873,257

The Group's business activities outside Malaysia are mainly in respect of engineering and construction activities.

42 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 25 June 2009.

List of Properties Held

As at 31 March 2009

Location	Tenure	Area	Description/ Existing Use	Year of Expiry	Net Book Value (RM'000)	Age of Building (Years)	Year of Acquisition
PROPERTIES							
23rd & 24th Floor Wisma Zelan No. 1, Jalan Tasik Permaisuri 2 Bandar Tun Razak, Cheras 56000 Kuala Lumpur	Leasehold	28,244 sq. ft.	Office use	2090	7,600	9	1995
Lot 51 Rawang Integrated Industrial Park 48000 Rawang, Selangor	Freehold	54,048 sq. ft.	Office cum factory for own use	–	5,773	15	2001
INVESTMENT PROPERTIES							
Lot No. 13303 Batang Padang Daerah Batang Padang	Leasehold	48.16 hectares	Mining land	2009	46	–	2004
21st Floor, Wisma Zelan No. 1, Jalan Tasik Permaisuri 2 Bandar Tun Razak, Cheras 56000 Kuala Lumpur	Leasehold	21,788 sq. ft.	Office rented to third party	2090	3,021	9	1995
Wisma Zelan No. 1, Jalan Tasik Permaisuri 2 Bandar Tun Razak, Cheras 56000 Kuala Lumpur	Leasehold	50,176 sq. ft.	Car park	2090	2,821	9	2005

Disclosure of Recurrent Related Party Transactions

As at 30 June 2009

Transacting parties which our Group transacts with	Name of other Related Parties	Nature of transactions by companies within our Group	Shareholders' mandate obtained at the EGM held on 29 August 2008 RM'000	Incurred from 29 August 2008 to 30 June 2009 RM'000
MMC Corporation Berhad and its subsidiaries, collectively	Seaport Terminal (Johore) Sdn. Bhd. (STSB) Indra Cita Sdn. Bhd. (ICSB) Tan Sri Syed Mokhtar Shah bin Syed Nor (TSSM)	Construction contracts, project management and property development	1,500,000	Nil
Bukhary Realty Sdn. Bhd. (BRSB)	STSB, ICSB and TSSM	Construction contracts, project management and property development	50,000	1,958
Tradewinds Corporation Berhad (TCB)	Perspective Lane (M) Sdn. Bhd., Restu Jernih Sdn. Bhd., MMC Corporation Berhad, STSB, ICSB and TSSM	Rental of office premises to TCB and its subsidiaries	500	316
European Profiles Contracting Sdn. Bhd. Group	Mr. Khoo Boo Seong and Bagan Pesona Sdn. Bhd.	Manufacturing and/or trading of roofing wall and composite floor decking and related products design, engineering, contracting, trading and project management of building envelope system, composite floor decking and associated works	50,000	34,939

Shareholders' Information

As at 30 June 2009

Class of Securities	:	Ordinary Shares of 50 sen each
Authorised Share Capital	:	RM400,000,000
Issued and Paid-up Capital	:	RM281,631,485
Voting Rights	:	One (1) vote for every ordinary share
No. of Shareholders	:	10,132

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100	128	1.26	3,066	0.00
100 – 1,000	1,043	10.29	880,760	0.16
1,001 – 10,000	5,921	58.44	32,840,876	5.83
10,001 – 100,000	2,692	26.57	85,663,104	15.21
100,001 to less than 5% of issued shares	346	3.42	185,536,178	32.94
5% and above of issued shares	2	0.02	258,338,986	45.86
TOTAL	**10,132**	**100.00**	**563,262,970**	**100.00**

ANALYSIS OF SHAREHOLDINGS

As at 30 June 2009

Type of Ownership	Shareholders	%	Shareholdings	%
1. GOVERNMENT AGENCY	3	0.03	570,386	0.10
2. BUMIPUTRA:				
(a) Individuals	537	5.30	6,302,146	1.12
(b) Companies	39	0.38	58,582,000	10.40
(c) Nominees Company	1,143	11.28	40,000,559	7.10
3. NON-BUMIPUTRA:				
(a) Individuals	6,969	68.78	112,880,301	20.04
(b) Companies	81	0.80	9,412,102	1.67
(c) Nominees Company	1,112	10.98	311,539,550	55.31
MALAYSIAN TOTAL	**9,884**	**97.55**	**539,287,044**	**95.74**
4. FOREIGN:				
(a) Individuals	130	1.28	3,002,714	0.54
(b) Companies	5	0.05	578,108	0.10
(c) Nominees Company	113	1.12	20,395,104	3.62
FOREIGN TOTAL	**248**	**2.45**	**23,975,926**	**4.26**
GRAND TOTAL	**10,132**	**100.00**	**563,262,970**	**100.00**

SUBSTANTIAL SHAREHOLDERS OF ZELAN BERHAD

As at 30 June 2009

		Direct Holdings		Indirect Holdings	
No.	Name of Substantial Shareholders	No.	%	No.	%
1.	MMC CORPORATION BERHAD	221,053,386	39.25	–	–
2.	EMPLOYEES PROVIDENT FUND BOARD	37,285,600	6.62	31,829,600	5.65

THIRTY LARGEST SHAREHOLDERS

As at 30 June 2009

No.	Names	Shareholdings	%
1.	HSBC NOMINEES (TEMPATAN) SDN. BHD. *Pledged Securities Account for MMC Corporation Berhad*	221,053,386	39.25
2.	EMPLOYEES PROVIDENT FUND BOARD	37,285,600	6.62
3.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. *CMS Trust Management Berhad for Employees Provident Fund*	22,500,000	3.99
4.	AMANAH RAYA BERHAD *Kumpulan Wang Bersama*	8,688,600	1.54
5.	SBB NOMINEES (TEMPATAN) SDN. BHD. *Employees Provident Fund Board*	7,931,000	1.41
6.	HSBC NOMINEES (TEMPATAN) SDN. BHD. *HSBC (M) Trustee Bhd. for CMS Premier Fund*	6,200,000	1.10
7.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. *Exempt AN for Prudential Fund Management Berhad*	5,682,600	1.01
8.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. *CMS Trust Management Berhad for* *Tenaga Nasional Berhad Retirement Benefit Trust Fund*	5,574,600	0.99
9.	SBB NOMINEES (TEMPATAN) SDN. BHD. *Pertubuhan Keselamatan Sosial*	3,518,900	0.62
10.	HSBC NOMINEES (TEMPATAN) SDN. BHD. *HSBC (M) Trustee Bhd for CMS Malaysian Inc Fund*	3,097,800	0.55

THIRTY LARGEST SHAREHOLDERS (CONTINUED)

As at 30 June 2009

No.	Names	Shareholdings	%
11.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. *ING Insurance Berhad*	3,017,500	0.54
12.	LIEW SIP	2,500,000	0.44
13.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. *Pledged Securities Account for Low Heng Nam*	2,500,000	0.44
14.	VALUECAP SDN. BHD.	2,359,600	0.42
15.	CARTABAN NOMINEES (ASING) SDN. BHD. *SSBT Fund 57X8 for IBM Tax Deferred Savings Plan*	2,046,200	0.36
16.	AMANAH RAYA NOMINEES (TEMPATAN) SDN. BHD. *Public Islamic Dividend Fund*	1,940,000	0.34
17.	CITIGROUP NOMINEES (ASING) SDN. BHD. *CBNY for DFA Emerging Markets Fund*	1,937,000	0.34
18.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. *Amtrustee Berhad for CIMB Islamic Dali Equity Growth Fund*	1,921,000	0.34
19.	NG KIAN BING	1,804,800	0.32
20.	CITIGROUP NOMINEES (ASING) SDN. BHD. *Pershing LLC for Van Bisma Asia Value Master Fund L.P*	1,800,000	0.32
21.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD *TA Islamic Fund*	1,799,600	0.32
22.	SBB NOMINEES (TEMPATAN) SDN. BHD. *Lembaga Tabung Haji*	1,711,400	0.30
23.	CARTABAN NOMINEES (ASING) SDN. BHD. *SSBT Fund J728 for SPDR S&P Emerging Asia Pacific ETF*	1,503,400	0.27
24.	HSBC NOMINEES (ASING) SDN. BHD. *Exempt AN for JPMorgan Chase Bank National Association (Norges Bank)*	1,448,000	0.26
25.	PERTUBUHAN KESELAMATAN SOSIAL	1,379,300	0.24
26.	AMANAH RAYA NOMINEES (TEMPATAN) SDN. BHD. *Public Islamic Equity Fund*	1,354,000	0.24
27.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. *Exempt AN for American International Assurance Berhad*	1,325,300	0.24
28.	CITIGROUP NOMINEES (ASING) SDN. BHD. *CBNY for DFA Emerging Markets Small Cap Series*	1,146,600	0.20
29.	AMANAH RAYA NOMINEES (TEMPATAN) SDN. BHD. *Public Islamic Asia Dividend Fund*	1,100,000	0.20
30.	HLB NOMINEES (TEMPATAN) SDN. BHD. *Pledged Securities Account for Ang Choon Kiat*	1,025,000	0.18
	TOTAL	**357,151,186**	**63.39**

notice of annual general meeting

NOTICE IS HEREBY GIVEN THAT the Thirty Third (33rd) Annual General Meeting of Zelan Berhad will be held at Nirwana Ballroom 1, Lower Lobby, Crowne Plaza Mutiara Hotel, Jalan Sultan Ismail, 50250 Kuala Lumpur on **Wednesday, 19 August 2009** at **9:30 a.m.** for the following purposes:-

ORDINARY BUSINESS

1. To receive and adopt the Report of the Directors and the Audited Financial Statements for the financial year ended 31 March 2009 and the Auditors' Report thereon. **Resolution 1**

2. To re-elect YBhg. Datuk Hj. Hasni bin Harun who retires by rotation in accordance with Article 84 of the Company's Articles of Association. **Resolution 2**

3. To elect the following Directors who retire in accordance with Article 91 of the Company's Articles of Association:

   (i) YBhg. Dato' Anwar bin Aji **Resolution 3**

   (ii) Mr. Ooi Teik Huat **Resolution 4**

4. To consider and, if thought fit, to pass the following Resolution:

   "That pursuant to Section 129(6) of the Companies Act, 1965, YBhg. Dato' Abdullah bin Mohd Yusof be appointed as Director of the Company to hold office until the next Annual General Meeting." **Resolution 5**

5. To approve the Director's fees for the financial year ended 31 March 2009 amounting to RM472,939.75 (2008: RM543,679.80). **Resolution 6**

6. To re-appoint Messrs. PricewaterhouseCoopers, who are eligible and have given their consent for re-appointment as Auditors of the Company until the conclusion of the next Annual General Meeting (AGM) and for the remuneration to be paid to them be fixed by the Board. **Resolution 7**

SPECIAL BUSINESS

7. To consider and, if thought fit, pass the following as Ordinary Resolutions:-

(i) **AUTHORITY TO ALLOT SHARES** **Resolution 8**

"**THAT** pursuant to Section 132D of the Companies Act, 1965, the Board of Directors be and is hereby empowered to issue and allot shares of the Company at any time until the conclusion of the next Annual General Meeting of the Company upon such terms and conditions and for such purposes as the Board may, in its absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10.0%) of the issued and paid-up share capital of the Company at the time of issue **AND THAT** the Board, is also empowered to obtain the approval of Bursa Malaysia Securities Berhad and any other relevant approvals as may be necessary for the listing of and quotation for the additional shares so issued."

(ii) **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE WITH MMC CORPORATION BERHAD AND ITS SUBSIDIARIES, TRADEWINDS CORPORATION BERHAD AND ITS SUBSIDIARIES, AND BUKHARY REALTY SDN. BHD. ("PROPOSED SHAREHOLDERS' MANDATE I")** **Resolution 9**

"**THAT** approval be and is hereby given for the Company and/or its subsidiaries ("Group") to enter into recurrent transactions of revenue or trading nature with MMC Corporation Berhad and its subsidiaries, Tradewinds Corporation Berhad and its subsidiaries and Bukhary Realty Sdn. Bhd. as set out in Section 2.4 of the Circular to Shareholders dated 28 July 2009, which are subject to the renewal and obtaining the shareholders' mandate, provided that such transactions are necessary for the day-to-day operations and are carried out in the ordinary course of business and at arms' length basis on normal commercial terms, which are consistent with the Group's normal business practices and policies, and on terms not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders,

AND THAT such approval shall be in force until:

(i) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

SPECIAL BUSINESS

7. To consider and, if thought fit, pass the following as Ordinary Resolutions:- (Cont'd.)

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier **AND THAT** the Directors and/or any of them be and are hereby authorised to do all such acts and things (including, without limitation, to execute all such documents) in the interest of the Company to give full effect to the aforesaid shareholders' mandate and any transaction contemplated under this Ordinary Resolution,

AND THAT in making the appropriate disclosure of the aggregate value of recurrent transactions conducted pursuant to the shareholders' mandate in the Company's annual report, the Company must provide a breakdown of the aggregate value of the recurrent transaction made during the financial period, amongst others, based on the following information:

(i) the type of the recurrent transactions made; and

(ii) the names of the related parties involved in each type of the recurrent transaction made and their relationship with the Company."

(iii) **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE WITH EUROPEAN PROFILES CONTRACTING SDN. BHD. AND ITS SUBSIDIARY, EUROPEAN PROFILES CONTRACTING PTE. LTD. ("PROPOSED SHAREHOLDERS' MANDATE II")** **Resolution 10**

"**THAT** approval be and is hereby given for the Group to enter into recurrent transactions of revenue or trading nature with European Profiles Contracting Sdn. Bhd. and its subsidiary, European Profiles Contracting Pte. Ltd. as set out in Section 2.4 of the Circular to Shareholders dated 28 July 2009, which are subject to the renewal and obtaining the shareholders' mandate, provided that such transactions are necessary for the day-to-day operations and are carried out in the ordinary course of business and at arms' length basis on normal commercial terms, which are consistent with the Group's normal business practices and policies, and on terms not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders,

AND THAT such approval shall be in force until:

(i) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier **AND THAT** the Directors and/or any of them be and are hereby authorised to do all such acts and things (including, without limitation, to execute all such documents) in the interest of the Company to give full effect to the aforesaid shareholders' mandate and any transaction contemplated under this Ordinary Resolution,

SPECIAL BUSINESS

7. To consider and, if thought fit, pass the following as Ordinary Resolutions:- (Cont'd.)

AND THAT in making the appropriate disclosure of the aggregate value of recurrent transactions conducted pursuant to the shareholders' mandate in the Company's annual report, the Company must provide a breakdown of the aggregate value of the recurrent transaction made during the financial period, amongst others, based on the following information:

(i) the type of the recurrent transactions made; and

(ii) the names of the related parties involved in each type of the recurrent transaction made and their relationship with the Company."

BY ORDER OF THE BOARD

SUHLA AL ASRI (MAICSA 7025570)
Company Secretary

28 July 2009
Kuala Lumpur

Notes:

1. A member of the Company who is entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing the proxy must be deposited with the Share Registrar, Symphony Share Registrars Sdn. Bhd., at Level 26, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time fixed for holding the Annual General Meeting.
3. The lodging of the Form of Proxy Form will not preclude shareholders from attending and voting in person at the Annual General Meeting should they subsequently wish to do so.

Explanatory Notes to the Special Business:-

Resolution No. 8

If passed, will give authority to the Board, from the date of the above Annual General Meeting, to allot and issue ordinary shares in the Company up to and not exceeding in total ten per cent (10.0%) of the issued and paid-up share capital of the Company at the time of issue, for such purposes as the Directors consider would be in the Company's best interest. The passing of this resolution would avoid any delay and cost involved in convening a general meeting to specifically approve such an issue of shares. This authority, unless revoked or verified at a general meeting will expire at the next Annual General Meeting of the Company.

Resolution Nos. 9 and 10

For further information, please refer to Circular to Shareholders dated 28 July 2009.

statement accompanying notice of annual general meeting

The Directors who are standing for re-election and re-appointment are as follows:

(i) YBhg. Datuk Hj. Hasni bin Harun

(ii) YBhg. Dato' Anwar bin Aji

(iii) Mr. Ooi Teik Huat

(iv) YBhg. Dato' Abdullah bin Mohd Yusof

The profiles of the above Directors are set out on pages 22 to 27 of this Annual Report.

This page has been intentionally left blank.

proxy form

ZELAN BERHAD

(Incorporated in Malaysia under the Companies Act, 1965)
(Company No.: 27676-V)

No. of Shares Held	

I/We, ____

of ____

being a member/members of ZELAN BERHAD hereby appoint ____

of ____

or failing him, the **Chairman of the Meeting** as my/our proxy to vote for me/us on my/our behalf at the 33rd Annual General Meeting of the Company to be held on **Wednesday, 19 August 2009** at **9:30 a.m.** and at any adjournment thereof, on the following resolutions referred to in the Notice of the Annual General Meeting.

Subject to any voting instructions given below, the proxy will exercise his/her discretion as to how he/she votes and whether or not he/she abstains from voting on the resolution, by whomsoever proposed (including, without limitation, any resolution to amend the resolution or to adjourn the meeting).

RESOLUTION	ORDINARY BUSINESS	FOR	AGAINST
1	Adoption of Directors' Report and Financial Statements		
	Re-election of Directors		
2	(a) YBhg. Datuk Hj. Hasni bin Harun		
3	(b) YBhg. Dato' Anwar bin Aji		
4	(c) Mr. Ooi Teik Huat		
	Re-appointment of Director		
5	(d) YBhg. Dato' Abdullah bin Mohd Yusof		
6	Directors' Fees		
7	Re-appointment of Auditors		
	SPECIAL BUSINESS		
8	Authority to Allot Shares		
9	Proposed Shareholders' Mandate I		
10	Proposed Shareholders' Mandate II		

Please indicate with a check mark ("✓") in the appropriate box on how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion.

The proportions of my/our holding to be represented by my/our proxies are as follows:

First Proxy	(a)	%
Second Proxy	(b)	%
		100%

Date: ____________________ Signature: ____________________

NOTES:

1. This proxy form must be deposited at the Registrar's Office at Level 26, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia not less than forty eight (48) hours before the meeting. Each shareholder can appoint not more than two (2) proxies.
2. In the case of a corporation, this proxy form should be under its common seal or under the hand of an officer or attorney duly authorised on its behalf. A proxy need not be a member of the Company and a member may appoint any person to be his proxy. This instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
3. A corporation may by resolution of its Directors or the governing body, if it is a member of the Company authorise such person as it thinks fit to act as its representative and a person so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual member of the Company.
4. In the case of joint holders, the signature of any of them will suffice.

Fold Here

STAMP

TO: THE REGISTRAR
ZELAN BERHAD (27676-V)
Level 26, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Malaysia

Fold Here