

**ZELAN BERHAD**  
(Company No. : 27676-V)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**THE FIGURES HAVE NOT BEEN AUDITED**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2022 RM'000	Quarter ended 30/03/2021 RM'000	Period ended 31/03/2022 RM'000	Period ended 30/03/2021 RM'000
Revenue	14,833	10,711	14,833	10,711
Cost of sales	<u>(10,565)</u>	<u>(6,816)</u>	<u>(10,565)</u>	<u>(6,816)</u>
Gross profit	4,268	3,895	4,268	3,895
Other income	166	105	166	105
Finance income	12	10	12	10
Unwinding of discounting on long term trade receivables	55	-	55	-
Accretion in carrying value of long term receivables	5,213	5,580	5,213	5,580
Unrealised foreign exchange gain/(loss), net	1,144	3,729	1,144	3,729
Administrative expenses	(1,624)	(1,421)	(1,624)	(1,421)
Operating expenses	(563)	(378)	(563)	(378)
Depreciation	(60)	(203)	(60)	(203)
Finance costs on borrowings	(6,753)	(6,663)	(6,753)	(6,663)
Unwinding of discounting on long term trade payables	(235)	(201)	(235)	(201)
Share of results of associates	(5)	(5)	(5)	(5)
<b>Profit before zakat and taxation</b>	<u>1,618</u>	<u>4,448</u>	<u>1,618</u>	<u>4,448</u>
Tax expense	(395)	(526)	(395)	(526)
<b>Net profit for the period</b>	<u>1,223</u>	<u>3,922</u>	<u>1,223</u>	<u>3,922</u>
<b>Other comprehensive (loss)/gain :</b>				
<b>Total items that may be reclassified subsequently to the profit</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange difference from translation of foreign operations	12,305	3,204	12,305	3,204
<b>Total comprehensive profit</b>	<u>13,528</u>	<u>7,126</u>	<u>13,528</u>	<u>7,126</u>
<b>Profit for the period attributable to:</b>				
Equity holders of the parent	1,225	3,921	1,225	3,921
Non-controlling interests	(2)	1	(2)	1
	<u>1,223</u>	<u>3,922</u>	<u>1,223</u>	<u>3,922</u>
<b>Total comprehensive profit for the period attributable to:</b>				
Equity holders of the parent	13,528	7,116	13,528	7,116
Non-controlling interests	-	10	-	10
	<u>13,528</u>	<u>7,126</u>	<u>13,528</u>	<u>7,126</u>
<b>Earnings/ (Loss) per share :</b>				
Basic earnings per share attributable to equity holders of the Company (sen)	<u>0.14</u>	<u>0.46</u>	<u>0.14</u>	<u>0.46</u>

The Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021.

**ZELAN BERHAD**  
(Company No. : 27676-V)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited</b>	Audited
	<b>As at</b>	As at
	<b>31/03/2022</b>	31/12/2021
	<b>RM'000</b>	RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	3,215	3,303
Investment properties	23,186	23,186
Investments in associates	5,146	5,151
Receivables, deposits and prepayments	687,163	679,464
Deferred tax assets	887	887
Deposits, cash and bank balances (restricted)	35,752	34,082
	<u>755,349</u>	<u>746,073</u>
<b>CURRENT ASSETS</b>		
Receivables, deposits and prepayments	112,159	108,756
Tax recoverable	19	19
Deposits (restricted)	138	138
Deposits, cash and bank balances	6,164	5,245
	<u>118,480</u>	<u>114,158</u>
<b>LESS: CURRENT LIABILITIES</b>		
Trade and other payables	247,375	241,607
Borrowings	51,225	50,751
Current tax liabilities	6,556	8,695
	<u>305,156</u>	<u>301,053</u>
<b>NET CURRENT LIABILITIES</b>	<u>(186,676)</u>	<u>(186,895)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>568,673</u>	<u>559,178</u>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		
Share capital	84,495	84,495
Reserves	9,817	(3,711)
	<u>94,312</u>	<u>80,784</u>
Non-controlling interests	(327)	(327)
<b>TOTAL EQUITY</b>	<u>93,985</u>	<u>80,457</u>
<b>NON-CURRENT LIABILITIES</b>		
Other liabilities	21,650	19,990
Borrowings	446,931	452,622
Provision for taxation	2,876	2,876
Deferred tax liabilities	3,231	3,233
	<u>474,688</u>	<u>478,721</u>
<b>TOTAL EQUITY AND NON-CURRENT LIABILITIES</b>	<u>568,673</u>	<u>559,178</u>
Net assets per share (RM)	<u>0.11</u>	<u>0.10</u>

The Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the financial year ended 31 December 2021.

**ZELAN BERHAD**  
(Company No. : 27676-V)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to equity holders of the parent								Total Equity RM'000
	Share Capital RM'000	Translation Reserve RM'000	Capital Reserve * RM'000	General Reserve * RM'000	Fixed Assets Reserve* RM'000	Accumulated Losses RM'000	Sub - total RM'000	Non-controlling interests RM'000	
<b>Three months to 31 March 2022</b>									
Balance as at 1 January 2022	84,495	(5,279)	35,458	4,261	1,155	(39,306)	80,784	(327)	80,457
Profit/(loss) for the financial period	-	-	-	-		1,225	1,225	(2)	1,223
<u>Other comprehensive income:</u>									
Currency translation reserve	-	12,303	-	-		-	12,303	2	12,305
Total comprehensive income for the financial period	-	12,303	-	-		1,225	13,528	-	13,528
Balance as at 31 March 2022	84,495	7,024	35,458	4,261	1,155	(38,081)	94,312	(327)	93,985
<b>Three months to 31 March 2021</b>									
Balance as at 1 January 2021	84,495	5,999	35,458	4,261	1,155	(43,366)	88,002	(327)	87,675
Profit for the financial period	-	-	-	-		3,921	3,921	1	3,922
<u>Other comprehensive income:</u>									
Currency translation difference	-	3,195	-	-		-	3,195	9	3,204
Total comprehensive income for the period	-	3,195	-	-		3,921	7,116	10	7,126
Balance as at 31 March 2021	84,495	9,194	35,458	4,261		(39,445)	95,118	(317)	94,801

\* 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

**The Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021.**

**ZELAN BERHAD**  
(Company No. : 27676-V)

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Period Ended 31/03/2022 RM'000	Period Ended 31/03/2021 RM'000
<b>OPERATING ACTIVITIES</b>		
Net profit for the period attributable to equity holders of the Company	1,225	3,921
Adjustments for:		
Tax expense	395	526
Depreciation of property, plant and equipment	60	33
Depreciation of investment properties	-	169
Accretion of interest in carrying value of long term receivables	(5,213)	(5,580)
Interest income	(67)	(10)
Finance costs	6,988	6,864
Net unrealised (loss)/gain on foreign exchange	(1,144)	(3,729)
Non-controlling interests	(2)	1
Share of results of associates	5	5
	<u>2,247</u>	<u>2,200</u>
Changes in working capital :		
Receivables	(5,817)	5,905
Payables	19,878	(4,123)
Cash generated/(used in) operations	16,308	3,982
Tax paid	(136)	(3,218)
<b>Net cash flows generated in operating activities</b>	<u>16,172</u>	<u>764</u>
<b>INVESTING ACTIVITIES</b>		
Interest received from deposits and investments	12	10
<b>Net cash flows generated from investing activities</b>	<u>12</u>	<u>10</u>
<b>FINANCING ACTIVITIES</b>		
Repayments of borrowings	(13,002)	(4,259)
Repayments of hire purchase creditors	(6)	(22)
Additional deposits pledged as security	(1,670)	(1,923)
<b>Net cash flows used in financing activities</b>	<u>(14,678)</u>	<u>(6,204)</u>
Net movement in cash and cash equivalents	1,506	(5,430)
Cash and cash equivalents at the beginning of the financial period	5,245	5,584
Currency translation differences	(587)	3,197
<b>Cash and cash equivalents at the end of the financial period</b>	<u>6,164</u>	<u>3,351</u>

The Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021.

## 1. Basis of Preparation

The condensed interim financial information is unaudited and has been prepared in accordance with the applicable disclosure requirements of the Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The condensed interim financial information should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021. These explanatory notes attached to the condensed interim financial information provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

The accounting policies and methods of computation adopted for the condensed interim financial information are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2021 except for the adoption of the following effective on or after from 1 January 2022: The adoption of the above amendment to MFRS did not have a material impact on the financial statement of the Group.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 3 : Reference to the Conceptual Framework	1 January 2022
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 116 : Property, Plant and Equipment:	
Property, plant and equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 : Onerous Contracts -	
Cost of Fulfilling a Contract	1 January 2022

The standards, amendments, annual improvements and interpretations that are issued but not yet effective up to the date of the Group’s interim financial information are disclosed below. The Group intends to adopt these standards, amendments, annual improvements and interpretations if applicable, when they become effective (cont’d):-

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

## **1. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the Group's financial statements for the financial year ended 31 December 2021 contained a paragraph on material uncertainty relating to going concern, as follows:-

*"We draw attention to Note 2.1(i) in the financial statements, which indicates that the Group incurred a net loss of RM3.04 million during the year ended 31 December 2020 and, as of that date, the Group and the Company's current liabilities exceeded the current assets by RM186.89 million and RM21.67 million respectively. As stated in Note 2.1 (i) these events or conditions, along with other matters as set forth in 2.1 (i) indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group to continue as going concerns. Our opinion is not modified in respect of this matter."*

*The Directors of the Company were of the opinion that the preparation of the financial statements of the Group for the year ended 31 December 2021 on a going concern basis remain appropriate given the following measures being taken and would be taken by the Group to address the material uncertainty relating to its going concern:-*

- *Monitor and manage the progress of its existing construction projects;*
- *The Group will engage the project owners on potential extension of time for the on-going projects which may be delayed;*
- *Re-evaluate current contracts to optimise potential revenue and progressively reduce costs on the job scopes and services provided;*
- *Negotiate with subcontractors on the terms and timing of settlement payments for ongoing and completed projects;*
- *Receipt of retention sum from the main contractor within 12 months after the current reporting date for completed projects; and*

*Based on the above, the Directors are of the view that the Group and the Company would be able to meet their liabilities and obligations as and when they fall due."*

## **3. Seasonal or Cyclical Factors**

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

## **4. Unusual Items**

There was no unusual item affecting assets, liabilities, equity, net income or cash flows during the current financial quarter because of their nature, size or incidence.

## **5. Changes in Estimates of Amount Reported Previously**

There was no change in estimates of amounts previously reported that has a material effect in the current financial quarter.

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**6. Debt and Equity Securities**

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

**7. Dividend**

For the current financial quarter, no dividend has been declared. For the preceding year's corresponding quarter, no dividend was declared.

**8. Segmental Reporting**

Segment analysis for the current financial quarter ended 31 March 2022 is as follows:

The Group's revenue comprises the following:

	<b>Engineering and Construction</b>	<b>Asset Management Services</b>	<b>Others</b>	<b>Total</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>Revenue</b>				
Segment revenue	8,358	6,002	473	14,833
	<u>8,358</u>	<u>6,002</u>	<u>473</u>	<u>14,833</u>
<b>Results</b>				
Segment profit	676	8,377	(442)	8,611
Finance costs	(1,577)	(5,410)	(1)	(6,988)
Share of results of associates	(5)	-	-	(5)
Profit before zakat and taxation	(906)	2,967	(443)	1,618
Tax expense	10	(405)	-	(395)
Net profit after zakat and taxation	<u>(896)</u>	<u>2,562</u>	<u>(443)</u>	<u>1,223</u>
<b>Attributable to:</b>				
Equity holders of the parent	(894)	2,562	(443)	1,225
Non-controlling interests	(2)	-	-	(2)
	<u>(896)</u>	<u>2,562</u>	<u>(443)</u>	<u>1,223</u>

	<b>Quarter ended 31/03/2022</b>	<b>Quarter ended 31/03/2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue from contracts with customers	8,358	4,460
Asset Facilities Management	6,002	5,803
Others	473	448
	<u>14,833</u>	<u>10,711</u>

The Group's revenue from contracts with customers is all derived from within Malaysia and are recognised over time.

## 9. Material Events Subsequent to the End of the Reporting Period

There was no material event subsequent to the end of the current financial quarter.

## 10. Changes in Composition of the Group

There was no change in the composition of the Group during the current financial quarter.

## 11. Changes in Contingent Liabilities or Contingent Assets

As at 31 March 2022, the Company had given a guarantee amounting to RM12,880,410 (Q1 FY2021: RM12,480,410) to the owner of the project as security for the subsidiary's performance of its obligations under the relevant project.

## 12. Review of Performance

### (i) Financial review for the current quarter and financial period to date

	Individual Quarter			Changes	Cumulative Quarter		RM '000
	Current	Year	Preceding Year		3 Months	Preceding Year	
	Quarter	Quarter	Corresponding Quarter		Ended	3 Months Ended	
	31-03-2022	31-03-2021		31-03-2022	31-03-2021		
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue	14,833	10,711	4,122	14,833	10,711	4,122	
Operating profit	7,472	7,587	(115)	7,472	7,587	(115)	
Net foreign exchange gain	1,144	3,729	(2,585)	1,144	3,729	(2,585)	
Share of results of associates	(5)	(5)	-	(5)	(5)	-	
Profit before finance cost, zakat and taxation	8,611	11,311	(2,700)	8,611	11,311	(2,700)	
Profit before zakat and taxation	1,618	4,448	(2,830)	1,618	4,448	(2,830)	
Profit / (Loss) after zakat and taxation	1,223	3,922	(2,699)	1,223	3,922	(2,699)	

The Group's revenue of RM14.8 million for the current quarter ended 31 March 2022 was higher than the revenue of RM10.7 million registered in the same quarter of FY2021 by RM 4.1 million. Higher revenue for the current quarter as compared to the preceding year quarter is principally attributable to the higher revenue from the SUKE project of RM8.4 million (Q1 2021: RM4.5 million).

The Group reported a profit after zakat and taxation ("PAZT") of RM1.2 million in the current quarter under review compared to a profit after zakat and taxation ("PAZT") of RM3.9 million in the corresponding quarter of FY2021. This is mainly attributable to lower recognition of unrealised foreign exchange gained for current quarter of RM1.14 million as compared to RM3.72 million in the corresponding quarter.



**12. Review of Performance**

(ii) **Financial review for current quarter compared with immediate preceding quarter**

	Individual Quarter		Variance RM '000
	Quarter ended	Quarter ended	
	31-03-2022 RM '000	31-12-2021 RM '000	
<b><u>Revenue</u></b>			
Engineering and Construction	8,358	5,786	2,572
Asset Management Services	6,002	6,173	(171)
Others	473	497	(24)
<b>Total</b>	<b>14,833</b>	<b>12,456</b>	<b>2,377</b>
<b><u>Profit / (Loss) After Zakat and Taxation</u></b>			
Engineering and Construction	(896)	(2,359)	1,463
Asset Management Services	2,562	4,853	(2,291)
Others	(443)	(3,306)	2,863
<b>Total</b>	<b>1,223</b>	<b>(812)</b>	<b>2,035</b>

In the current quarter ended 30 March 2022, the Group reported higher revenue by RM2.4 million or 19.36% compared to the immediate preceding quarter. The higher revenue in the current quarter is attributable to the higher contribution by the SUKE project by RM2.6 million.

The PAZT in the current quarter of RM1.2 million shows a increase of RM2.0 million from the LAZT of RM0.8 million in the immediate preceding quarter. The profit in the current quarter is due to the unrealised gain recognised in foreign exchange and lower tax expense incurred.

**13. Prospects**

The global environment remains challenging with widespread inflation gaining traction across the world and also impacting prices. Despite the foreseeable hurdles, the Group is pursuing to secure new projects to ensure possible opportunities to drive another year of meaningful progress whilst continuously implementing strategies to control costs.

The Group's revenue will be principally derived from the balance of the order book of the SUKE project as well as the revenue from the Asset Management Service charges from the IIUM Gambang project under the Concession Agreement with the Government of Malaysia and IIUM. The income from the IIUM Gambang project will enable the Group to have a stable income stream for the tenure of the concession till 2035.

**14. Profit Forecast or Profit Guarantee**

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

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**15. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31-03-2022 RM '000	Preceding year corresponding quarter 31-03-2021 RM '000	3 months ended 31-03-2022 RM '000	3 months ended 31-03-2021 RM '000
Malaysian income tax - current	397	526	397	526
Deferred tax	(2)	-	(2)	-
Tax expense	395	526	395	526

For the financial period ended 31 March 2022, the taxation charge arose mainly from certain profit-making subsidiary companies and certain expenses which were not deductible for income tax purposes.

**16. Status of Corporate Proposals Announced**

There is no outstanding corporate proposal announced up to the date of this announcement.

**17. Borrowings**

Details of the Group's borrowings as at 31 March 2022 are as follows:

As at 31.03.2022						
	Short term borrowings		Long term borrowings		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
	AED '000	RM '000	AED '000	RM '000	AED '000	RM '000
<b>Secured</b>						
Term loan	6,300	7,214	85,210	97,574	91,510	104,788
Islamic financing	-	43,981	-	349,282	-	393,263
<b>Unsecured</b>						
Hire purchase	-	30	-	75	-	105
	6,300	51,225	85,210	446,931	91,510	498,156
^ Exchange rate: AED1 = RM1.1451						
As at 31.03.2021						
	Short term borrowings		Long term borrowings		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
	AED '000	RM '000	AED '000	RM '000	AED '000	RM '000
<b>Secured</b>						
Term loan	6,300	7,111	81,388	91,864	87,688	98,975
Islamic financing	-	41,944	-	381,604	-	423,548
<b>Unsecured</b>						
Hire purchase	-	104	-	75	-	202
	6,300	49,159	81,388	473,543	87,688	522,725
^ Exchange rate: AED1 = RM1.1742						

**18. Changes in Material Litigation**

Details of the significant litigations during the financial period are as follows:

Projects in Malaysia

- a) In relation to a project in Malaysia, a subsidiary company, Zelan Construction Sdn Bhd ("ZCSB") had filed a Notice of Arbitration dated 25 March 2019 against its sub-contractor appointed for the development and construction of the Centre for Foundation Studies (CFS) IIUM Gambang. The amount of reliefs sought against the sub-contractor in the Statement of Claim dated 6 November 2019 is approximately RM194mil upon revision. The sub-contractor had filed its Statement of Defence and Counterclaim dated 19 March 2020 for the sum of RM19,862,784.53 being the unpaid certified invoices, retention sum, outstanding variation order and GST.

The chronological event in the arbitration proceeding is as follows:

Date	Details
6 November 2019	ZCSB submitted its Statement of Case for RM194mil
14 January 2020	ZCSB submitted its Scott schedule
19 March 2020	The sub-contractor submitted its Statement of Defence and Counterclaim
1 June 2020	ZCSB submitted its Reply to the sub-contractor's Statement of Defence and Counterclaim

Based on the advice of ZCSB's lawyer to plead certain additional facts that were not pleaded earlier, the following pleadings were revised and resubmitted:

Date	Details
17 June 2020	ZCSB submitted its Amended Statement of Case for RM194mil
19 July 2020	The sub-contractor submitted its Amended Statement of Defence and Counterclaim
1 August 2020	ZCSB submitted its Amended Reply to the sub-contractor's Amended Statement of Defence and Counterclaim
29 August 2020	The sub-contractor submitted its Reply for Counterclaim

On 23 November 2021, the sub-contractor changed its solicitors and informed ZCSB that they will be applying to amend its Amended Statement of Defence and Counterclaim. In this circumstances, ZCSB have been advised by its lawyer to amend its Amended Statement of Case to increase the rectification cost claimed against the sub-contractor in the sum of RM59,894,944.56. Thus, the pleadings were accordingly revised and resubmitted as follows:

Dates	Details
24 January 2022	ZCSB submitted its Re-Amended Statement of Case
31 January 2022	The sub-contractor submitted its Re-Amended Statement of Defence and Counterclaim
11 February 2022	ZCSB submitted its Re-Amended Reply and Re-Amended Defence to Counter Claim

**18. Changes in Material Litigation**

Details of the significant litigations during the financial period are as follows:

Projects in Malaysia

The hearing dates have been fixed on 18-21 July 2022, 25-28 July 2022 and 1-4 August 2022.

Meanwhile, due to the objection by the sub-contractor on the supporting documents for the Amended Scott Schedule, the Arbitrator has vacated the existing hearing dates. The new hearing dates are still being discussed by parties.

- b) In relation to a project in Malaysia, a subsidiary company, ZCSB had issued a Notice of Arbitration dated 8 March 2019 to its consultant appointed for the development and construction of the Centre for Foundation Studies (CFS) IIUM Gambang. The amount of claim sought against the consultant in the Statement of Case dated 12 April 2021 is approximately RM191mil upon revision. To this, the consultant had filed its Statement of Defence and Counterclaim dated 28 May 2021 for an amount of RM1,585,942.99 being the unpaid consultancy fees, supervision fees and additional supervision fees.

The chronological event in the arbitration proceeding is as follows:

Date	Details
12 April 2021	ZCSB submitted its Statement of Case for RM191mil
28 May 2021	The consultant submitted its Statement of Defence and Counterclaim
25 June 2021	ZCSB submitted its Reply to Defence and Defence to Counter claim
23 July 2021	The consultant submitted its Rejoinder

On 28 February 2022, ZCSB and the consultant filed their respective factual witness statements. ZCSB also filed its expert witness report.

However, on 21 March 2022, pursuant to an application by the consultant, the Arbitrator vacated the hearing dates in April 2022 as the consultant requested time to appoint an expert witness.

The hearing dates are fixed on 12-14 September 2022, 19-23 September 2022 and 26-29 September 2022 and 28-30 November 2022.

Both parties are complying with the arbitration procedural timeline.

- (c) In relation to a project in Malaysia, a subsidiary company, ZCSB received two (2) Writ of Summons and Statement of Claims, both dated 13 June 2017 from a sub-contractor in respect of disputes and differences arising from outstanding claims for dredging works in the sum of RM2,626,311.27 and shore protection works in the sum of RM2,276,931.68 in relation to the project in Tanjung Setapa, Johor, Malaysia. ZCSB filed its Statement of Defence and Counterclaim dated 3 October 2017 to claim for losses and damages in carrying out dredging works for the balance quantity of RM247,384m<sup>3</sup> left undone by the sub-contractor in the sum of RM4,976,998.76. Accordingly, the matter proceeded with full trials on 3 March, 4 March, 20 March and 30 April in 2019.

**18. Changes in Material Litigation (Continued)**

Details of the significant litigations during the financial year are as follows: (continued)

Projects in Malaysia (continued)

On 19 January 2020, the High Court had delivered its decisions as follows ("High Court's decision"):-

- (i) Both suits filed by the sub-contractor are dismissed with a cost of RM10,000.00 each; and
- (ii) ZCSB's counterclaim is allowed with losses and damages in carrying out dredging works for the balance quantity of 247,384m<sup>3</sup> to be assessed by Court by way of assessment of damages proceeding.

On 14 February 2020, ZCSB filed for Notice of Direction for the assessment of damages to be assessed by Court and the sub-contractor filed two (2) Notices of Appeal in the Court of Appeal, Putrajaya against the High Court's decision ("the sub-contractor's appeal at COA")

The sub-contractor also filed a Notice of Application for Stay of Proceedings dated 14 May 2020 to have all forms of assessment of damages proceeding from and/or related to the High Court's decision be stayed pending conclusion of the sub-contractor's appeal at COA. On 2 September 2020, the High Court dismissed the sub-contractor's Notice of Application for Stay of Proceedings.

After reviewing the Grounds of Judgement from the High Court, ZCSB filed its Motion for Leave to Appeal dated 3 November 2020 in the Court of Appeal, Putrajaya against the High Court's decision for the direction that ZCSB's counterclaim is required to be assessed by way of assessment of damages proceeding ("ZCSB's appeal at COA").

On 11 November 2020, ZCSB filed its Notice of Application for Stay of Proceedings in the High Court on the assessment of damages proceeding pending disposal of ZCSB's appeal at COA.

On 27 January 2021, the Court of Appeal allowed ZCSB's appeal at COA out of time and ordered the assessment of damages proceeding in the High Court to stayed until disposal of ZCSB's appeal at COA.

On 17 November 2021, the Court of Appeal dismissed the Sub-Contractor's Appeal at COA and allowed ZCSB's Appeal at the COA with cost to be paid by the sub-contractor to ZCSB.

Thereafter, on 17 December 2021, the sub-contractor filed three (3) Notices of Motion each dated 16 December 2021, for leave to appeal at the Federal Court against all the decisions of the Court of Appeal ("the sub-contractor's appeal at the FC"). The matter has been fixed for case management on 25 August 2022 and a hearing on 8 September 2022.

Meanwhile, the assessment of damages proceeding in the High Court is fixed on 23 May 2022 for ZCSB and the sub-contractor to update on the status of the sub-contractor appeal at FC.

**ZELAN BERHAD**  
**(Company No:27676-V)**

**19. Earnings Per Share**

The basic earnings per share for the financial quarter were calculated based on the Group's profit attributable to the equity holders of the Company, divided by the number of ordinary shares in issue during the financial quarter.

	Individual Quarter		Cumulative Quarter	
	Quarter ended	Quarter ended	3 months Period ended	3 months Period ended
	31-03-2022	31-03-2021	31-03-2022	31-12-2020
Profit attributable to equity holders of the parent (RM'000)	1,225	3,921	1,225	3,921
Number of ordinary shares in issue ('000)	844,895	844,895	844,895	844,895
<b>Basic earnings per share (sen)</b>	<b>0.14</b>	<b>0.46</b>	<b>0.14</b>	<b>0.46</b>

**20. Authorisation for Issue**

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 18 May 2022.

**By order of the Board**

**Yusrenawati binti Mohd Yusof**  
**Secretary**

**Kuala Lumpur**  
**18 May 2022**