

ZELAN BERHAD
(Company No. : 27676-V)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

THE FIGURES HAVE NOT BEEN AUDITED

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/12/2022 RM'000	Quarter ended 31/12/2021 RM'000	Year ended 31/12/2022 RM'000	Year ended 31/12/2021 RM'000
Revenue	17,685	11,904	45,438	45,896
Cost of sales	<u>(16,208)</u>	<u>(9,237)</u>	<u>(31,045)</u>	<u>(31,275)</u>
Gross profit	1,477	2,667	14,393	14,621
Other income	18,306	3,283	18,788	3,513
Finance income	95	29	561	48
Discounting on trade receivables and trade payables	(23,855)	(403)	(24,407)	(945)
Accretion in carrying value of receivables	4,561	5,524	19,915	21,992
Unrealised foreign exchange (loss) / gain, net	(7,928)	1,282	5,031	6,926
Administrative expenses	(2,325)	(2,509)	(7,171)	(6,823)
Operating expenses	(1,352)	(39)	(2,363)	(1,104)
Depreciation	(35)	514	(135)	(137)
Finance costs on borrowings	(7,441)	(7,386)	(27,518)	(28,598)
Share of results of associates	(5)	(939)	(18)	(955)
(Loss)/profit before zakat and taxation	(18,502)	2,023	(2,924)	8,538
Tax expense	<u>(1,004)</u>	<u>(2,614)</u>	<u>(2,687)</u>	<u>(4,471)</u>
Net (loss)/profit for the period/year	(19,506)	(591)	(5,611)	4,067
Other comprehensive gain/(loss):				
Total items that may be reclassified subsequently to the profit				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange difference from translation of foreign operations	4,041	(16,298)	7,279	(11,278)
Total comprehensive (loss)/profit	(15,465)	(16,889)	1,668	(7,211)
(Loss)/profit for the period/year attributable to:				
Equity holders of the parent	(19,483)	(606)	(5,597)	4,060
Non-controlling interests	<u>(23)</u>	<u>15</u>	<u>(14)</u>	<u>7</u>
	(19,506)	(591)	(5,611)	4,067
Total comprehensive (loss)/profit for the period/year attributable to:				
Equity holders of the parent	(15,465)	(16,896)	1,668	(7,218)
Non-controlling interests	-	7	-	7
	(15,465)	(16,889)	1,668	(7,211)
Earnings/(loss) per share :				
Basic (loss)/earnings per share attributable to equity holders of the Company (sen)	<u>(2.31)</u>	<u>(0.07)</u>	<u>(0.66)</u>	<u>0.48</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
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31/12/2022 RM'000	Audited As at 31/12/2021 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	3,090	3,303
Investment properties	23,186	23,186
Investments in associates	5,133	5,151
Receivables, deposits and prepayments	638,701	682,789
Deferred tax assets	887	887
Deposits, cash and bank balances (restricted)	40,951	34,082
	<u>711,948</u>	<u>749,398</u>
CURRENT ASSETS		
Receivables, deposits and prepayments	89,345	108,756
Tax recoverable	16	19
Deposits (restricted)	139	138
Deposits, cash and bank balances	3,439	5,245
	<u>92,939</u>	<u>114,158</u>
LESS: CURRENT LIABILITIES		
Trade and other payables	196,067	241,607
Borrowings	50,483	50,751
Current tax liabilities	10,311	8,695
	<u>256,861</u>	<u>301,053</u>
NET CURRENT LIABILITIES	<u>(163,922)</u>	<u>(186,895)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>548,026</u>	<u>562,503</u>
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	84,495	84,495
Reserves	1,282	(386)
	<u>85,777</u>	<u>84,109</u>
Non-controlling interests	(327)	(327)
TOTAL EQUITY	<u>85,450</u>	<u>83,782</u>
NON-CURRENT LIABILITIES		
Other liabilities	24,644	19,990
Borrowings	433,197	452,622
Provision for taxation	1,508	2,876
Deferred tax liabilities	3,227	3,233
	<u>462,576</u>	<u>478,721</u>
TOTAL EQUITY AND NON-CURRENT LIABILITIES	<u>548,026</u>	<u>562,503</u>
Net assets per share (RM)	<u>0.10</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.

** Note: The comparative for the financial year ended 31 December 2021 have been restated as disclosed in Note 19.*

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent							Total Equity RM'000	
	Share Capital 31/12/2022	Foreign Exchange Reserve 31/12/2021	Capital Reserve * RM'000	General Reserve * RM'000	Revaluation Reserve* RM'000	Accumulated Losses RM'000	Sub - total RM'000		Non-controlling interests RM'000
Twelve months to 31 December 2022									
Balance as at 1 January 2022	84,495	(5,279)	35,458	4,261	1,155	(35,981)	84,109	(327)	83,782
(Loss)/profit for the financial year	-	-	-	-	-	(5,597)	(5,597)	(14)	(5,611)
Other comprehensive income: Currency translation reserve	-	7,265	-	-	-	-	7,265	14	7,279
Total comprehensive income/(loss) for the financial year	-	7,265	-	-	-	(5,597)	1,668	-	1,668
Balance as at 31 December 2022	84,495	1,986	35,458	4,261	1,155	(41,578)	85,777	(327)	85,450
Twelve months to 31 December 2021									
Balance as at 1 January 2021	84,495	5,999	35,458	4,261	1,155	(43,366)	88,002	(327)	87,675
Restated	-	-	-	-	-	3,325	3,325	-	3,325
Profit for the financial year	-	-	-	-	-	4,060	4,060	7	4,067
Other comprehensive income: Currency translation difference	-	(11,278)	-	-	-	-	(11,278)	(7)	(11,285)
Total comprehensive (loss)/income for the financial year	-	(11,278)	-	-	-	4,060	(7,218)	-	(7,218)
Balance as at 31 December 2021	84,495	(5,279)	35,458	4,261	1,155	(35,981)	84,109	(327)	83,782

* 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.

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CONSOLIDATED STATEMENT OF CASH FLOWS

	Financial Year Ended 31/12/2022 RM'000	Financial Year Ended 31/12/2021 RM'000
OPERATING ACTIVITIES		
Net (loss)/profit for the year attributable to equity holders of the Company	(5,597)	4,060
Adjustments for:		
Tax expense	2,687	4,471
Depreciation of property, plant and equipment	135	137
Gain on disposal of property, plant & equipment	(45)	-
Accretion of interest in carrying value of long term receivables	(19,915)	(21,992)
Provision for impairment of receivables	208	-
Interest income	(561)	(48)
Discounting on trade receivables and trade payables	24,407	945
Finance costs	27,518	28,598
Net unrealised gain on foreign exchange	(5,031)	(6,926)
Non-controlling interests	14	(7)
Share of results of associates	18	955
	23,837	10,193
Changes in working capital :		
Receivables	59,267	21,801
Payables	(33,104)	41,288
Cash used in operations	50,000	73,282
Tax paid	(922)	(2,223)
Net cash flows generated in operating activities	49,078	71,059
INVESTING ACTIVITIES		
Interest received from deposits and investments	561	48
Purchase of property, plant and equipment	80	-
Net cash flows generated from investing activities	641	48
FINANCING ACTIVITIES		
Repayments of borrowings	(30,396)	(23,502)
Repayments of hire purchase creditors	(103)	(107)
Interest paid	(21,612)	(29,543)
Additional deposits pledged as security	(6,870)	(7,015)
Net cash flows used in financing activities	(58,981)	(60,167)
Net movement in cash and cash equivalents	(9,262)	10,940
Cash and cash equivalents at the beginning of the financial year	5,245	5,583
Currency translation differences	7,456	(11,278)
Cash and cash equivalents at the end of the financial year	3,439	5,245

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

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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 1 January 2022: The adoption of the above amendment to MFRS did not have a material impact on the financial statement of the Group.

Description	Effective for annual periods beginning on or after
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):-

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

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2. 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 Company incurred a net loss of RM3.04 million during the year ended 31 December 2021 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 period 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 period.

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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 period.

7. Dividend

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

8. Segmental Reporting

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

The Group's revenue comprises the following:

	Engineering and Construction RM '000	Asset Management Services RM '000	Others RM '000	Total RM '000
Revenue				
Segment revenue	8,890	8,295	500	17,685
	<u>8,890</u>	<u>8,295</u>	<u>500</u>	<u>17,685</u>
Results				
Segment (loss)/profit	(21,991)	11,466	(531)	(11,056)
Finance costs	(1,714)	(5,726)	(1)	(7,441)
Share of results of associates	(5)	-	-	(5)
(Loss)/profit/ before zakat and taxation	(23,710)	5,740	(532)	(18,502)
Tax credit/(expense)	173	(1,213)	36	(1,004)
Net (loss)/profit after zakat and taxation	<u>(23,537)</u>	<u>4,527</u>	<u>(496)</u>	<u>(19,506)</u>

	Quarter ended 31/12/2022 RM'000	Quarter ended 31/12/2021 RM'000
Revenue from contracts with customers	8,890	5,785
Asset Facilities Management	8,295	5,622
Others	500	497
	<u>17,685</u>	<u>11,904</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 period.

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10. Changes in Composition of the Group

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

11. Changes in Contingent Liabilities or Contingent Assets

As at 31 December 2022, the Company had given a guarantee amounting to RM12,880,410 (Q4 FY2021: RM12,880,410) 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			Cumulative Quarter				
	Current 31-12-2022 RM '000	Year Preceding Year Corresponding Quarter 31-12-2021 RM '000	Changes RM '000	12 Months Ended 31-12-2022 RM '000	12 Months Ended 31-12-2021 RM '000	Changes RM '000		
							Preceding Year	
							12 Months Ended 31-12-2021	12 Months Ended 31-12-2021
Revenue	17,685	11,904	5,781	45,438	45,896	(458)		
Operating (loss)/profit	(1,996)	119	(2,115)	5,064	6,694	(1,630)		
Non Operating profit/(loss)	(8,573)	1,561	(10,134)	(13,001)	(4,127)	(8,874)		
Net foreign exchange (loss)/ gain	(7,928)	1,282	(9,210)	5,031	6,926	(1,895)		
Share of results of associates	(5)	(939)	934	(18)	(955)	937		
(Loss)/profit before zakat and taxation	(18,502)	2,023	(20,525)	(2,924)	8,538	(11,462)		

The Group's revenue of RM17.7 million for the current quarter ended 31 December 2022 was slightly higher than the revenue of RM11.9 million registered in the same quarter of FY2021 by RM5.8 million. Higher revenue principally due to recognition of additional revenue from local projects.

The Group reported a loss before zakat and taxation ("LBZT") of RM18.5 million in the current quarter under review compared to a PBZT of RM2.0 million in the corresponding quarter of FY2021. This is mainly due to discounting of receivables amounting to RM23.9 million. (Q4 2021: Nil).

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12. Review of Performance

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

	Individual Quarter		Variance RM '000
	Quarter ended	Quarter ended	
	31-12-2022 RM '000	30-09-2022 RM '000	
<u>Revenue</u>			
Engineering and Construction	8,890	-	8,890
Asset Management Services	8,295	5,327	2,968
Others	500	505	(5)
Total	17,685	5,832	11,853

In the current quarter ended 31 December 2022, the Group reported higher revenue by RM11.9 million compared to the preceding quarter. The higher revenue in the current quarter is derived from revenue on local projects amounting to RM8.8 million and higher contribution from Asset Management Services amounting to RM2.1 million due to revenue from other works.

13. Prospects

Based on Budget 2023, the domestic construction sector is expected to increase by 6.1 per cent this year, supported by an improved performance by all subsectors. Further, the report noted that the domestic construction sector projected to grow steadily. The Group is actively participating in tender exercises in the efforts to pursue new projects whilst continuously implementing strategies for cost control.

The Group's current revenue is principally derived from the Asset Management Service ("AMS") at Centre for Foundation Studies (Phase 3) International Islamic University Malaysia, Gambang Campus, Pahang Darul Makmur ("IIUM Gambang Project"). The provision of AMS is in accordance with the terms and conditions of the Concession Agreement which has been executed with the Government of Malaysia and International Islamic University Malaysia ("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 31.12.2022 RM '000	Preceding year corresponding quarter 31.12.2021 RM '000	12 months ended 31.12.2022 RM '000	12 months ended 31.12.2021 RM '000
Malaysian income tax - current	1,004	2,614	2,692	3,341
Deferred tax	-	-	(5)	-
Tax expense	1,004	2,614	2,687	3,341

For the financial year ended 31 December 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 December 2022 are as follows:

	As at 31.12.2022					
	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
Secured						
Term loan	6,300	7,530	88,251	105,487	94,551	113,018
Islamic financing	-	42,953	-	327,710	-	370,663
	6,300	50,483	88,251	433,197	94,551	483,681
^ Exchange rate: AED1 = RM1.1953						
	As at 31.12.2021					
	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
Secured						
Term loan	6,300	7,144	83,840	95,069	90,140	102,213
Islamic financing	-	43,567	-	357,490	-	401,057
Unsecured						
Hire purchase	-	40	-	63	-	103
	6,300	50,751	83,840	452,622	90,140	503,373
^ Exchange rate: AED1 = RM1.1339						

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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 commenced an arbitration proceeding against its sub-contractor appointed for the development and construction of the Centre for Foundation Studies International Islamic University Malaysia, Gambang Campus, Pahang Darul Makmur ("IIUM Gambang Project"). The amount of reliefs sought against the sub-contractor in the Re-Amended Statement of Case dated 24 January 2022 is approximately RM258 mil *inter alia*, for the following:-
- (i) Direct costs, losses, expenses and/or damages incurred by ZCSB pursuant to ZCSB's measures to prevent or minimize the sub-contractor's delay in completing the work;
 - (ii) Costs and expenses incurred by IIUM and the Concession Company as a result of delay in completion of the sub-contractor's works;
 - (iii) Costs of rectification and reinstatement works incurred by ZCSB; and
 - (iv) Damages as a result of the sub-contractor's delay in completing its works.

The sub-contractor had filed its Re-Amended Statement of Defence and Counterclaim dated 31 January 2022, claiming for approximately the sum of RM20,150,640.55 being the unpaid certified invoices, retention sum, outstanding variation order and GST. As directed by the arbitrator, ZCSB submitted a Scott Schedule consisting of supporting documentations for claim on rectification cost against its sub-contractor in the sum of RM59,894,944.56. Subsequently, ZCSB has submitted a Re Amended Scott Schedule for a revised rectification cost of RM 45,905,466.33.

ZCSB appointed an expert witness for Quantum and Liability respectively to support its claim against its sub-contractor for this arbitration proceeding whereby the expert witnesses will provide their expert opinions/Reports to support ZCSB's claim.

The Hearing dates are fixed on 5-9 December 2022, 11-13 January 2023 and 21-24 February 2023 (These hearing dates have been vacated by the Learned Arbitrator and additional Hearing dates have been fixed as set out below).

As at todate, both parties have complied with the following:-

- (a) Filing and exchange of the Witness Statements on 11 October 2022;
- (b) Filing and exchange of Expert Reports for Liability and Quantum on 1 November 2022 respectively; and
- (c) Filing and exchange of the Rebuttal Witness Statements on 13 February 2023.

Parties are currently complying with the procedural timelines of the proceeding with the filing of Rebuttal Expert Reports (Quantum and Liability) tentatively due on 20.3.2023. Additional Hearing dates for the proceeding have been fixed on 27-29 March 2023, 11-14 April 2023, 3-5 July 2023, 24-25 August 2023.

- b) In relation to a project in Malaysia, a subsidiary company, ZCSB had commenced an arbitration proceeding against its lead consultant appointed for the development and construction of the IIUM Gambang Project. The amount of claim sought against the consultant in the Statement of Case dated 12 April 2021 is approximately RM191mil *inter alia* for the following:-

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18. Changes in Material Litigation (Continued)

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

Projects in Malaysia (continued)

- (i) As-built drawings or costs incurred by ZCSB in preparing the As-built drawings;
- (ii) Special Damages being refund to IIUM for the Non-Conformance/Deviation Items;
- (iii) Special Damages being cost in rectifying the Non-Conformance/Deviation Items; and
- (iv) Other costs, losses, expenses and/or damages suffered by ZCSB pursuant to the breach by the lead consultant.

The lead consultant had filed its Statement of Defence and Counterclaim dated 28 May 2021 for the sum of RM1,585,942.99 being the unpaid consultancy fees, supervision fees and additional supervision fees.

ZCSB has appointed an expert witness for Quantum and Liability respectively to support its claim against its lead consultant for this arbitration proceeding whereby the expert witnesses will provide their expert opinions/Reports to support ZCSB's claim.

On 28 February 2022, both parties submitted their respective Witness Statements and ZCSB submitted its expert report (Quantum). On 28 July 2022, the lead consultant submitted its expert report (Quantum) in reply to ZCSB's expert report (Quantum).

On 25 August 2022, both parties submitted their Rebuttal Witness Statements. ZCSB has submitted its expert report (Liability) on 14 October 2022 and its rebuttal expert report (Quantum) on 26 October 2022.

Both parties have submitted the Rebuttal Expert's Report (Liability) on 29 December 2022 and the lead Consultant has submitted the Rebuttal Expert's Report (Quantum) on 22 December 2022.

Parties are currently complying with the procedural timelines of the proceeding with the filing of Joint Experts' Report (Liability and Quantum) tentatively due on 28 February 2023.

Additional Hearing dates for the proceeding have been fixed on 17-19 April 2023, 27-28 April 2023, 12-15 June 2023, and 19-21 June 2023.

- 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 its 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 247,384m³ left undone by the sub-contractor in the sum of RM4,976,998.76.

On 19 January 2020, the High Court 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 247,384m³ to be assessed by Court by way of assessment of damages proceeding.

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18. Changes in Material Litigation (Continued)

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

Projects in Malaysia (continued)

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 ("COA"), Putrajaya against the High Court's decision ("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 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.

After reviewing the Grounds of Judgment 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 stay 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.

On 17 December 2021, the Sub-Contractor filed three (3) Notices of Motion for Leave to Appeal to the Federal Court against the Court of Appeal Decision ("the Leave Applications"). The Leave Applications have been fixed for Hearing on **12 April 2023**.

19. Changes in Comparative

The comparative for the financial year ended 31 December 2021 have been restated as follows:-

Statement of Financial Position (RM'000)	As previously stated	Adjustment (Note a)	As restated
As at 31 December 2021			
Trade Debtors	679,464	3,325	682,789
Accumulated losses	39,306	(3,325)	35,981
Note a: Being reclassification to conform with current year's presentation			

ZELAN BERHAD
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20. (Loss)/Earnings Per Share

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

	Individual Quarter		Cumulative Quarter	
	3 months Quarter ended 31-12-2022	3 months Quarter ended 31-12-2021	12 months Year ended 31-12-2022	12 months Year ended 31-12-2021
(Loss)/profit attributable to equity holders of the parent (RM'000)	(19,483)	(606)	(5,597)	4,060
Number of ordinary shares in issue ('000)	844,895	844,895	844,895	844,895
Basic (loss)/earnings per share (sen)	(2.31)	(0.07)	(0.66)	0.48

21. 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 28 February 2023.

By order of the Board

Yusrenawati binti Mohd Yusof
Secretary

Kuala Lumpur
28 February 2023