



**ZELAN BERHAD**  
(COMPANY NO: 197601001688 (27676-V )  
INCORPORATED IN MALAYSIA

**QUARTERLY REPORT ON THE CONSOLIDATED  
RESULTS FOR THE FIRST QUARTER ENDED  
31ST MARCH 2025**

*(The figures in the Quarterly Report have not been Audited)*

**ZELAN BERHAD**  
Company No. : 197601001688 (27676-V)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

THE FIGURES HAVE NOT BEEN AUDITED

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31/03/2025 RM'000	Quarter ended 31/03/2024 RM'000	Period ended 31/03/2025 RM'000	Period ended 31/03/2024 RM'000
Revenue	6,878	7,321	6,878	7,321
Cost of sales	(2,301)	(2,876)	(2,301)	(2,876)
Gross profit	4,577	4,445	4,577	4,445
Other income	1,740	75	1,740	75
Finance income	128	143	128	143
Discounting on trade receivables and trade payables	(114)	(178)	(114)	(178)
Accretion in carrying value of receivables	3,821	4,424	3,821	4,424
Unrealised foreign exchange gain, net	-	3,729	-	3,729
Administrative and Operating expenses	(1,787)	(1,618)	(1,787)	(1,618)
Finance costs on borrowings	(5,391)	(6,225)	(5,391)	(6,225)
<b>Profit before zakat and taxation</b>	<b>2,974</b>	<b>4,795</b>	<b>2,974</b>	<b>4,795</b>
Tax expense	(803)	(725)	(803)	(725)
<b>Net profit for the period</b>	<b>2,171</b>	<b>4,070</b>	<b>2,171</b>	<b>4,070</b>
<b>Other comprehensive gain/(loss):</b>				
<u>Total items that will be reclassified subsequently to profit or loss :</u>				
Exchange difference from translation of foreign operations	906	(1,245)	906	(1,245)
<b>Total comprehensive income for the period</b>	<b>3,077</b>	<b>2,825</b>	<b>3,077</b>	<b>2,825</b>
<b>Profit for the period attributable to:</b>				
Equity holders of the parent	2,171	4,070	2,171	4,070
Non-controlling interests	-	-	-	-
	<b>2,171</b>	<b>4,070</b>	<b>2,171</b>	<b>4,070</b>
<b>Total comprehensive profit for the period attributable to:</b>				
- Equity holders of the parent	3,077	2,825	3,077	2,825
- Non-controlling interests	-	-	-	-
	<b>3,077</b>	<b>2,825</b>	<b>3,077</b>	<b>2,825</b>
<b>Earnings per share :</b>				
Basic earnings per share attributable to equity holders of the Company (sen)	0.26	0.48	0.26	0.48

The above unaudited Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024.

**ZELAN BERHAD**  
**Company No. : 197601001688 (27676-V)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As at 31/03/2025 RM'000	Audited As at 31/12/2024 RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	2,193	2,190
Rights-of-use assets	318	361
Investment properties	20,610	20,610
Receivables, deposits and prepayments	316,982	327,601
Deposits, cash and bank balances (restricted)	46,926	45,263
	<u>387,029</u>	<u>396,025</u>
<b>CURRENT ASSETS</b>		
Receivables, deposits and prepayments	62,839	60,056
Tax recoverable	83	27
Deposits (restricted)	144	143
Deposits, cash and bank balances	3,639	3,851
	<u>66,705</u>	<u>64,077</u>
<b>LESS: CURRENT LIABILITIES</b>		
Trade and other payables	133,548	135,808
Borrowings	96,887	47,856
Current tax liabilities	13,046	12,859
	<u>243,481</u>	<u>196,523</u>
<b>NET CURRENT LIABILITIES</b>	<u>(176,776)</u>	<u>(132,446)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>210,253</u>	<u>263,579</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	(174,184)	(177,261)
	<u>(89,689)</u>	<u>(92,766)</u>
Non-controlling interests	(331)	(331)
<b>TOTAL EQUITY</b>	<u>(90,020)</u>	<u>(93,097)</u>
<b>NON-CURRENT LIABILITIES</b>		
Other liabilities	32,467	30,801
Borrowings	267,756	325,787
Provision for taxation	50	88
	<u>300,273</u>	<u>356,676</u>
<b>TOTAL EQUITY AND NON-CURRENT LIABILITIES</b>	<u>210,253</u>	<u>263,579</u>
Net assets per share (RM)	<u>(0.11)</u>	<u>(0.11)</u>

The above Unaudited Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the financial year ended 31 December 2024.

**ZELAN BERHAD**  
Company No. : 197601001688 (27676-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to equity holders of the parent								
	Share Capital RM'000	Foreign Exchange Reserve RM'000	Capital Reserve * RM'000	General Reserve * RM'000	Revaluation Reserve* RM'000	(Accumulated Losses) / Retained Earnings RM'000	Sub - total RM'000	Non-controlling interests RM'000	Total Equity RM'000
<b>Three months to 31 March 2025</b>									
Balance as at 1 January 2025	84,495	1,942	35,458	4,261	1,155	(220,077)	(92,766)	(331)	(93,097)
Profit for the financial period	-	-	-	-	-	2,171	2,171	-	2,171
<u>Other comprehensive income:</u> Foreign currency translation differences - net movement	-	906	-	-	-	-	906	-	906
Total comprehensive income for the financial period	-	906	-	-	-	2,171	3,077	-	3,077
Balance as at 31 March 2025	84,495	2,848	35,458	4,261	1,155	(217,906)	(89,689)	(331)	(90,020)
<b>Three months to 31 March 2024</b>									
Balance as at 1 January 2024	84,495	(1,604)	35,458	4,261	1,155	32,157	155,922	(331)	155,591
Profit for the financial period	-	-	-	-	-	4,070	4,070	-	4,070
<u>Other comprehensive loss:</u> Foreign currency translation differences - net movement	-	(1,245)	-	-	-	-	(1,245)	-	(1,245)
Total comprehensive income for the financial period	-	(1,245)	-	-	-	4,070	2,825	-	2,825
Balance as at 31 March 2024	84,495	(2,849)	35,458	4,261	1,155	36,227	158,747	(331)	158,416

\* 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 above Unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024.

**ZELAN BERHAD**  
**Company No. : 197601001688 (27676-V)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	Period Ended 31/03/2025 RM'000	Period Ended 31/03/2024 RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before taxation and zakat	2,974	4,795
Adjustments for:		
Depreciation of property, plant and equipment	14	13
Accretion of interest in carrying value of long term receivables	(3,821)	(4,424)
Finance income	(128)	(143)
Discounting on trade receivables and trade payables	114	178
Finance costs	5,391	6,225
Net unrealised gain on foreign exchange	-	(3,729)
Gain on disposal of assets	-	(34)
Depreciation of right-of-use assets	43	44
	<u>4,587</u>	<u>2,925</u>
Changes in working capital :		
Receivables	11,656	3,718
Payables	(734)	1,211
Cash generated from operations	<u>15,509</u>	<u>7,854</u>
Tax paid	<u>(546)</u>	<u>(512)</u>
<b>Net cash flows generated from operating activities</b>	<u>14,963</u>	<u>7,342</u>
<b>INVESTING ACTIVITIES</b>		
Proceed from disposal of property, plant & equipment	-	34
Purchase of property, plant and equipment	(17)	-
Interest received from deposits and investments	128	143
<b>Net cash flows generated from investing activities</b>	<u>111</u>	<u>177</u>
<b>FINANCING ACTIVITIES</b>		
Interest paid	(4,705)	(5,124)
Repayments of borrowings	(9,800)	(8,649)
(Additional)/Upliftment of deposits pledged as security	(1,664)	377
<b>Net cash flows used in financing activities</b>	<u>(16,169)</u>	<u>(13,396)</u>
Net movement in cash and cash equivalents	(1,095)	(5,877)
Cash and cash equivalents at the beginning of the financial period	3,851	8,476
Currency translation differences	883	588
<b>Cash and cash equivalents at the end of the financial period</b>	<u>3,639</u>	<u>3,187</u>
<i>Cash &amp; cash equivalents at the end of the period:</i>		
Cash and bank balances	3,661	3,210
Less: Bank overdraft	(22)	(23)
	<u>3,639</u>	<u>3,187</u>

The above Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2024.

## **1. Basis of Preparation**

The condensed consolidated interim financial statements ("Condensed Report") 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 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Condensed Report are prepared on a going concern basis, notwithstanding of Zelan Berhad and its subsidiaries ("the Group") being an affected issuer under Practice Note 17 ("PN17") after it triggered Paragraph 8.04 of the Main Market Listing Requirements, Paragraph 2.1(a) and 2.1(d) of the PN17 on the assumption that the Group is able to turnaround on successful implementation and completion of its regularisation plan.

The Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024. These explanatory notes attached to the Condensed Report 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 2024.

The Condensed Report are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000").

## **2. Significant Accounting Policies**

The significant accounting policies and methods of computation adopted for the Condensed Report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2024. The adoption of the following amendments to MFRS that are mandatory for annual periods beginning on or after 1 January 2025,

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendment to MFRS 121 Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
Annual Improvements to MFRS 7 Financial Instruments: Disclosures	1 January 2026
Annual Improvements to MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2026
Annual Improvements to MFRS 10 Consolidated Financial Statements	1 January 2026
Annual Improvements to MFRS 107 Statement of Cash Flows	1 January 2026
Amendments to MFRS 9 and MFRS 7 Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

The Group's External Auditors, Nexia SSY PLT, have expressed a disclaimer of opinion on the Group's Audited Financial Statements for the financial year ended 31 December 2024.

The auditors' basis for disclaimer of opinion has been disclosed in the Independent Auditors' Report section of the Group's Annual Report for the year ended 31 December 2024 (page 169 to page 172).

In relation to disclaimer of opinion disclosed in the Independent Auditors' Report mentioned above, the Group has taken necessary steps as stated below: -

#### ***Material uncertainty as regards going concern***

##### ***(a) Practice Note 17 ("PN 17")***

On 30 April 2025, Bursa Securities granted an extension of time of six (6) months up to 31 October 2025 to submit its regularisation plan to the relevant regulatory authorities. This request is contingent upon the resolution of key legal matters that impact the Group's financial position and ongoing negotiations with potential investors. The Group is in the process of formulating the Proposed Regularisation Plan for submission.

The Company has appointed Malacca Securities Sdn. Bhd. on 21 March 2025 as the Principal Advisor for the regularisation plan pursuant to PN17 of the Listing Requirement.

##### ***(b) Borrowings***

The Group has complied with the monthly repayment schedule as per the approved Rescheduling Agreement dated 15 December 2023. Ongoing monitoring of cash flow ensures that all obligations are met promptly.

##### ***(c) Use of the going concern assumption***

The Group is of the opinion that the Proposed Regularisation Plan once formulated and implemented after obtaining the approval from relevant authorities will enable the Group to generate sufficient cash flows to meet its obligations and continue sustainable and viable operations.

### **4. Seasonal or Cyclical Factors**

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

### **5. 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.

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

There was no change in estimates of amounts that have had a material effect on the results in the current financial period.

### **7. Debt and Equity Securities**

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

## 8. Dividend

For the current financial period, no dividend has been declared.

## 9. Segmental Reporting

Segment analysis for the current financial quarter ended 31 March 2025 is as follows:

The Group's revenue comprises the following:

	Engineering and Construction	Asset Management Services	Others	Total
	RM '000	RM '000	RM '000	RM '000
<b><u>Revenue</u></b>				
Segment revenue	-	6,297	581	6,878
	-	6,297	581	6,878
<b><u>Results</u></b>				
Segment profit	-	6,816	1,549	8,365
Finance costs	-	(4,590)	(801)	(5,391)
	-	2,226	748	2,974
Profit before zakat and taxation	-	2,226	748	2,974
Tax expense	-	(534)	(269)	(803)
Net profit after zakat and taxation	-	1,692	479	2,171



## 9. Segmental Reporting (Continued)

	Quarter ended 31/3/2025 RM'000	Quarter ended 31/3/2024 RM'000
- Revenue from contracts with customers:	-	514
- Asset Facilities Management	6,297	6,303
- Others	581	504
	6,878	7,321

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

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

There was no material event subsequent to the end of the current financial period, except for: -

On 17 April 2025, the Group submitted a further extension of time application to Bursa Securities for six (6) months i.e up to 31 October 2025.

On 30 April 2025, Bursa Securities granted an extension of 6 months up to 31 October 2025 for the Group to submit the regularisation plan.

## 11. Changes in Composition of the Group

There was no change in the composition of the Group during the current financial period except for the following: -

On 17 October 2024, the Group had submitted an application to strike-out its dormant subsidiary, Vispa Sdn Bhd pursuant to Section 550 of the Companies Act 2016 to the Companies Commission of Malaysia. Vispa Sdn. Bhd was dissolved on 6 March 2025.

## 12. Changes in Contingent Liabilities or Contingent Assets

There are no contingencies for the period under review.

**ZELAN BERHAD**  
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**13. Review of Performance**

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

	Individual Quarter			Cumulative Period		
	Preceding Year		Variance	Preceding Year		Variance
	Current Quarter	Corresponding Quarter		Current Period	Corresponding Period	
	31/03/2025	31/03/2024		31/03/2025	31/03/2024	
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue	6,878	7,321	(443)	6,878	1,066	5,812
Operating profit	2,974	1,066	1,908	2,974	1,066	1,908
Net foreign exchange translation gain	-	3,729	(3,729)	-	3,729	(3,729)
Profit before finance cost, zakat and taxation	2,974	4,795	(1,821)	2,974	4,795	(1,821)
Profit before zakat and taxation ("PBZT")	2,974	4,795	(1,821)	2,974	4,795	(1,821)

The Group's revenue of RM6.9 million for the current quarter ended 31 March 2025 was lower than the revenue of RM7.3 million registered in the same quarter of Financial Year 2024 ("FY 2024") by RM0.4 million. The lower revenue is mainly due to the decrease in revenue from local projects.

The Group reported a lower profit before zakat and taxation ("PBZT") of RM3.0 million in the current quarter under review compared to a profit before zakat and taxation ("PBZT") of RM4.8 million in the corresponding quarter of FY2024. The variance in PBZT is mainly due to unrealised foreign exchange gain.

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

	Individual Quarter		
	Quarter ended	Quarter ended	Variance
	31/03/2025	30/12/2024	
	RM '000	RM '000	RM '000
Revenue	6,878	7,535	(657)
Profit before taxation	2,974	(230,428)	233,402

In the current quarter ended 31 March 2025, the Group reported lower revenue of RM6.9 million compared to the preceding quarter revenue of RM7.5 million. The lower revenue of RM0.6 million for the current quarter is principally due to lower revenue from local projects.

In the current quarter ended 31 March 2025, the Group reported profit before taxation of RM3.0 million compared to the preceding quarter loss before taxation of RM230 million due to the impairment loss on receivables.

**14. Prospects**

The Group is actively addressing the ongoing PN17 issues and is currently looking into and developing a proposed regularisation plan to improve its financial conditions and performance. To assist with this, the Group has engaged an advisor to give professional advice and assistance during its restructuring initiatives.

The Group is committed to submit its regularisation plan on or before 31 October 2025.

In the meantime, the Group remains cautious and committed to improve operational efficiencies and enhancing profitability. Despite these challenges, the Group remains positive about its future opportunities.

**15. Profit Forecast or Profit Guarantee**

There was no profit forecast published for the current financial period.

**16. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31.03.2025 RM '000	Preceding year corresponding quarter 31.03.2024 RM '000	Three months ended 31.03.2025 RM '000	Three months ended 31.03.2024 RM '000
Malaysian income tax - current	(803)	(725)	(803)	(725)
Foreign income tax - current	-	-	-	-
	(803)	(725)	(803)	(725)
Deferred tax	-	-	-	-
Tax expense	(803)	(725)	(803)	(725)

For the financial period ended 31 March 2025 the taxation charge arose mainly from certain profit-making subsidiary companies and certain expenses which were not deductible for income tax purposes.

**17. Status of Corporate Proposals Announced**

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

**ZELAN BERHAD**  
**Company No: 197601001688 (27676-V)**

**18. Borrowings**

Details of the Group's borrowings as at 31 March 2025 are as follows:

As at 31.03.2025						
	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	51,400	62,020	-	-	51,400	62,020
Islamic financing	-	34,663	-	267,591	-	302,254
<b>Unsecured</b>						
Lease Liabilities	-	182	-	165	-	347
Bank Overdraft	18	22	-	-	18	22
	51,418	96,887	-	267,756	51,418	364,643
^ Exchange rate: AED1 = RM1.2066						
As at 31.12.2024						
	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	2,400	2,924	48,945	59,639	51,345	62,563
Islamic financing	-	44,728	-	265,938	-	310,666
Lease Liabilities	-	182	-	210	-	392
Bank Overdraft	18	22	-	-	18	22
	2,418	47,856	48,945	325,787	51,363	373,643
^ Exchange rate: AED1 = RM1.2185						

\* AED - The United Arab Emirates Dirham

\*\* RM - Ringgit Malaysia

## **19. 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. The sub-contractor had on 24 April 2019 filed a response and counterclaim for RM19,418,937 against ZCSB for the unpaid certified invoices, retention sum, outstanding variation order and GST.

Subsequently, on 6 November 2019, ZCSB submitted its Statement of Case, inter-alia claiming as follows:

- (i) Declaration that the Certificate of Practical Completion was properly revoked by ZCSB;
- (ii) Declaration that the sub-contractor failed to achieve practical completion of the works in accordance with the Contract;
- (iii) Declaration that ZCSB is entitled to step-in as provided under Clause 40A of the Contract;
- (iv) Payment of RM8,269,219 being liquidated damages for the sub-contractor delay in completing its Works from 1 July 2015 to 22 December 2015;
- (v) Payment of RM17,393,875 being liquidated damages for the sub-contractor delay in completing its Works from 1 July 2015 to 30 June 2016;
- (vi) Direct cost, losses, expenses and/or damages which incurred by ZCSB amounting to RM45,774,742;
- (vii) Payment of RM186,283,268 for other costs, losses, expenses and/or damages incurred by ZCSB;
- (viii) Consultant fees and petty cash amounting to RM617,175 incurred by ZCSB;
- (ix) Electricity charges amounting to RM3,446,341 incurred by ZCSB;
- (x) Pre-award interest at the rate of 5% per annum from the respective due dates until settlement in full; and
- (xi) Post-award interest at the rate of 5% calculated on the sum awarded until the date of settlement.

The sub-contractor submitted its Statement of Defence and Counterclaim dated 19 March 2020 and ZCSB submitted its Reply to the sub-contractor's Statement of Defence and Counterclaim on 1 June 2020. The Scott Schedule was submitted to the Arbitrator and the sub-contractor on 14 January 2021.

On 17 June 2020, ZCSB submitted its Amended Statement of Case and the sub-contractor submitted its Amended Statement of Defence and Counterclaim. On 1 August 2020, ZCSB submitted its Amended Reply and on 29 August 2020 the sub-contractor submitted its Reply for Counterclaim.

As directed by the Arbitrator, ZCSB submitted its Amended Scott Schedule on 9 August 2021 with total rectification cost inclusive of management fees in the sum of RM59,894,945. There is an increase in claim for rectification cost from RM53,456,994 as submitted in previous Scott Schedule. Subsequently, ZCSB has submitted a Re-Amended Scott Schedule for a revised rectification cost of RM45,905,466.

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

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

Projects in Malaysia (continued)

(a) (continued)

On 23 November 2022, the sub-contractor changed their appointed lawyer and the subcontractor informed ZCSB that they will be applying to amend its Amended Statement of Defence and Counterclaim. In these 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 RM59,894,945.

ZCSB submitted its Re-Amended Statement of Case on 24 January 2022, the sub-contractor submitted its Re-Amended Statement of Defence and Counterclaim on 31 January 2022 and ZCSB submitted its Re-Amended Reply and Re-Amended Defence to Counterclaim on 11 February 2022.

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 were fixed on 5 to 9 December 2022, 11 to 13 January 2023 and 21 to 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 to date, both parties have complied with the following:-

- (i) Filing and exchange of the Witness Statements on 11 October 2022;
- (ii) Filing and exchange of Expert Reports for Liability and Quantum on 1 November 2022 respectively;
- (iii) Filing and exchange of the Rebuttal Witness Statements on 13 February 2022; and
- (iv) Filing and exchange of Rebuttal Expert Reports for Liability and Quantum on 24 March 2023 respectively.

Additional Hearing dates for the proceeding have been fixed on 27 to 29 March 2023, 11 to 14 April 2023, 3 to 5 July 2023, 24 to 25 August 2023 and 5 to 7, 19 to 20, 22, 25 to 27 and 29 September 2023.

The hearing was concluded on 22 September 2023 and the Tribunal has directed parties to work on the common dates for parties to submit and exchange Notes of Proceedings, written submission and submission-in-reply ("Documents").

The confirmed dates that have been mutually agreed upon by both parties are as follows:-

- (i) Notes of Proceedings to be filed on 23 November 2023;
- (ii) Closing Submission including cost to be filed on 29 February 2024;
- (iii) Reply Submission to be filed on 31 May 2024;
- (iv) Oral Clarification on Liability and Quantum is fixed on 2 and 3 July 2024;
- (v) Written Submission on Costs to be filed on 31 July 2024;
- (vi) Reply to Written Submission on Costs to be filed on 23 August 2024; and
- (vii) Arbitrator closed the proceedings on 30 August 2024.

Parties have complied with (i) to (vii) above. The arbitration proceedings have completed, and the Group anticipates that the decision of the arbitration will be delivered by end of 2025.

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

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

Projects in Malaysia (continued)

- (b) In relation to a project in Malaysia, a subsidiary company, ZCSB had issued a Notice of Arbitration dated 8 March 2019 to a consultant in respect of the disputes and differences under the Consultancy Services Agreement dated 9 May 2013.

ZCSB claims for the following:-

- (i) Declaration that a consultant has breached its obligations under the Contract;
- (ii) Payment for the refund on value of cost savings for deviation items amounting to RM5,969,352;
- (iii) Cost in rectifying the non-conformance/deviation items in the sum of RM43,057,017;
- (iv) Payment for electricity charges paid by ZCSB on behalf of client from February 2016 until June 2019 in the sum of RM3,446,341;
- (v) Payment for ZCSB's loss of income from January 2016 until 30 June 2018 amounting to RM138,959,161; and
- (vi) general damages, cost of Arbitration proceeding and other cost the Arbitrator deems appropriate.

The Asian International Arbitration Centre ("AIAC") had appointed a sole arbitrator on 14 August 2019, however due to disagreement on the terms of engagement of the arbitrator, the said arbitrator offered resignation.

Upon the inauguration of the Director of the AIAC after the position being vacant for almost a year, a substitute arbitrator has been appointed on 8 January 2021.

Subsequently, ZCSB filed its Statement of Case to the AIAC on 12 April 2021 and the consultant then filed its Statement of Defence and Counterclaim on 28 May 2021. ZCSB filed its Reply to Defence and Defence to Counterclaim on 25 June 2021 and the consultant filed its Rejoinder on 23 July 2021.

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 2023, 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 had 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.

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

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

Projects in Malaysia (continued)

(b) (continued)

On 25 March 2023, both parties have submitted Joint Experts' Reports for Liability and Quantum.

The hearing was conducted on 12 to 15 June 2023, and 19 to 21 June 2023. However, the hearing dates fixed from 19 to 21 June 2023 have been vacated by the Learned Arbitrator in view of the Security for Costs Application filed by the lead consultant on 7 June 2023.

ZCSB has complied with the Arbitrator's decision for security for costs and has paid the security for costs into ZCSB's solicitors' client's account as stakeholder.

The Arbitration proceeding continued on 15 to 18 January 2024 and 29 to 31 January 2024. The sub-contractor produced 3 factual witnesses and they gave evidence before the Arbitrator.

The Arbitration Proceedings resumed on 22 and 23 July 2024. The expert witnesses for both ZCSB and the sub-contractor gave evidence during the Arbitration proceeding. The Arbitration proceeding resumed on 18 September 2024.

Arbitration completed on 23 September 2024. The Arbitrator directed parties to file the followings:

- (i) Notes of Proceedings on 16 December 2024.
- (ii) Both parties to file Written Submission on or before 7 March 2025; and
- (iii) Both parties to file Written Submission in Reply on or before 12 June 2025.

Parties have complied with (i) and (ii) above.

Foreign Projects

- (a) In relation to a project in Abu Dhabi, a subsidiary company, Zelan Holdings (M) Sdn. Bhd. ("ZHM") was served with an Originating Summons ("OS") on 5 July 2023 by the sub-contractor. The sub-contractor is applying for the High Court to recognise the Award dated 30 December 2019 for the principal sum of AED28,934,208.90 (RM36,804,313.72) in respect of the claim against ZHM regarding the project in Abu Dhabi as binding from the date of the Arbitration award on 30 December 2019. The OS was fixed for case management on 31 October 2023.

On the same date, the sub-contractor also served on ZHM a Notice of Application for Discovery (Discovery Application) for an order that the original arbitration agreement between ZHM and the sub-contractor contained in the document titled "Conditions of Subcontract" be produced and that a certified true copy of the original arbitration agreement be served on the sub-contractor's solicitors.

The case management of the Discovery Application was fixed by the High Court on 18 July 2023. The parties were given directions by the Court to file their respective Affidavits and Written Submissions for the Discovery Application on or before 5 September 2023 and to file submissions in reply on or before 5 October 2023. The High Court fixed the Hearing of the Discovery Application on 31 October 2023.

On 31 October 2023, the sub-contractor withdrew the discovery application with costs of RM3,000 to be paid to ZHM. The sub-contractor paid the costs of RM3,000 to ZHM on 29 January 2024, only after the filing of security for costs by ZHM.



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

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

ZHM has filed an Affidavit in Reply to the sub-contractor's Affidavit in Support for the Originating Summons on 1 December 2023.

The sub-contractor has filed its Affidavit in Reply to ZHM's Affidavit in Reply on 22 December 2023. Further to the sub-contractor's Affidavit in Reply, the Court gave new directions as follows: -

- (i) ZHM to file Further Affidavit on 19 January 2024;
- (ii) Parties to file Written Submissions by 23 February 2024;
- (iii) Parties to file Submissions in Reply by 22 March 2024; and
- (iv) A new Hearing was fixed on 3 April 2024 before the High Court Judge.

ZHM has complied with the directions in paragraphs (i) to (iii) above.

ZHM has also filed an interlocutory application for security for costs against the sub-contractor on 19 January 2024. The application for security for costs was fixed for case management on 5 February 2024. On 5 February 2024, the Court directed as follows:-

- (i) Sub-Contractor to file Affidavit in Reply on or before 9 February 2024;
- (ii) ZHM to file Affidavit in Reply on or before 23 February 2024;
- (iii) Parties to file Written Submissions on 15 March 2024;
- (iv) Parties to file Submissions in Reply on 29 March 2024; and
- (v) Hearing is fixed together with the Originating Summons on 3 April 2024.

ZHM has complied with the directions in paragraphs (i) to (iv) above.

The Hearing of the application for security for costs and the originating summons was adjourned on 3 April 2024 and was scheduled on 16 July 2024.

The Hearing for the application for security for costs proceeded on 16 July 2024. On 17 July 2024 the High Court ordered the sub-contractor to provide security for costs in the sum of RM200,000 to be paid to the ZHM's solicitors (as the stakeholders) within three (3) weeks from 17 July 2024 (last date being 7 August 2024). The sub-contractor provided security for costs on 7 August 2024.

Hearing of the Originating Summons that was fixed on 1 October 2024 was vacated. The new directions from the High Court are as follows:

- (i) Parties to file further submission (if any) on or before 30 October 2024; and
- (ii) Hearing of the originating summons is fixed on 13 January 2025.

The Hearing on 13 January 2025 proceeded. Decision of the Originating Summons was fixed on 7 March 2025. The High Court has dismissed the sub-contractor's Originating Summons with costs of RM20,000. The sub-contractor filed a notice of appeal against the High Court decision on 3 April 2025 and the said Appeal is fixed for case management on 4 July 2025.

**20. Earnings Per Share**

The basic earnings per share is 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 period:-

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year quarter	Current year-to- date	Preceding year-to- date
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
Profit attributable to equity holders of the company (RM'000)	2,171	4,070	2,171	4,070
Number of ordinary shares in issue ('000)	844,895	844,895	844,895	844,895
<b>Basic earnings per share (sen)</b>	<b>0.26</b>	<b>0.48</b>	<b>0.26</b>	<b>0.48</b>

**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 27 May 2025.

**By order of the Board**

**Jamalia Sheridan binti Khotib**  
**Secretary**

**Kuala Lumpur**  
**27 May 2025**