

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/03/2020 RM'000	Preceding Year Corresponding Quarter Ended 31/03/2019 RM'000	Current Year To Date 31/03/2020 RM'000	Preceding Year Corresponding Period 31/03/2019 RM'000
Revenue	9,818	22,084	31,051	76,350
Cost of sales	(7,029)	(17,389)	(18,491)	(63,332)
Gross profit	2,789	4,695	12,560	13,018
Other income	1,280	2,466	6,487	22,476
Operating expenses	(2,470)	(4,330)	(10,472)	(12,355)
Finance cost	(1,417)	(322)	(4,025)	(982)
Profit before tax	182	2,509	4,550	22,157
Income tax	20	(1,339)	(1,989)	(6,781)
Profit for the period	202	1,170	2,561	15,376
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	202	1,170	2,561	15,376
Profit / (Loss) attributable to:				
Owners of the parent	180	1,167	2,501	15,341
Non-controlling interests	22	3	60	35
	202	1,170	2,561	15,376
Total comprehensive income / (loss) attributable to:				
Owners of the parent	180	1,167	2,501	15,341
Non-controlling interests	22	3	60	35
	202	1,170	2,561	15,376
Earnings per share (sen)				
- Basic	(0.84)	6.47	1.06	6.47
- Diluted	-	-	-	-

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Financial Statements for the year ended 30 June 2019)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

(THE FIGURES HAVE NOT BEEN AUDITED)

	(UNAUDITED)	
	As At	As At
	31/03/2020	30/06/2019
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,364	1,684
Right of use assets	47,718	-
Investment properties	99,809	80,270
Inventories	95,038	95,017
Timber concessions	10,800	10,799
	<u>254,729</u>	<u>187,770</u>
Current assets		
Contract assets	541	1,985
Profit for the period	30,249	28,461
Trade receivables	55,583	88,706
Other receivables, deposits and prepayments	89,174	74,299
Tax recoverable	6,806	605
Other investments	24,815	18,506
Fixed deposits with licensed banks	25,719	20,999
Cash and bank balances	6,794	8,155
	<u>239,681</u>	<u>241,716</u>
TOTAL ASSETS	494,410	429,486
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	142,630	142,630
Treasury shares	(2,166)	(2,166)
Reserves	353	353
Retained profits	148,354	145,853
	<u>289,171</u>	<u>286,670</u>
Non-controlling interests	5,987	5,927
Total equity	295,158	292,597
Non-current liabilities		
Deferred tax	511	511
Lease liabilities	41,678	-
Hire purchase payable	241	374
Bank borrowings	61,218	44,724
	<u>103,648</u>	<u>45,609</u>
Current liabilities		
Trade payables	18,461	21,189
Other payables and accruals	30,158	30,061
Hire purchase payable	193	249
Bank borrowings	35,132	39,110
Lease liabilities	6,842	-
Provision for taxation	4,818	671
	<u>95,604</u>	<u>91,280</u>
Total liabilities	<u>199,252</u>	<u>136,889</u>
TOTAL EQUITY AND LIABILITIES	494,410	429,486
	-	-
Net assets per share attributable to owners of the parent (RM)	1.22	1.21

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020
 (THE FIGURES HAVE NOT BEEN AUDITED)

	←————— Attributable to owners of the parent —————→						Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Reserve RM'000	Retained profits RM'000	Total RM'000		
9 Months Ended 31 March 2020								
Balance at 1 July 2019	142,630	-	(2,166)	353	145,853	286,670	5,927	292,597
Payment of dividends to non-controlling interests	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	2,501	2,501	60	2,561
Balance at 31 March 2020	<u>142,630</u>	<u>-</u>	<u>(2,166)</u>	<u>353</u>	<u>148,354</u>	<u>289,171</u>	<u>5,987</u>	<u>295,158</u>
9 Months Ended 31 March 2019								
Profit for the period								
Balance at 1 July 2018	142,630	-	(2,166)	353	126,050	266,867	5,886	272,753
Payment of dividends to non-controlling interests	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	15,341	15,341	35	15,376
Balance at 31 March 2019	<u>142,630</u>	<u>-</u>	<u>(2,166)</u>	<u>353</u>	<u>141,391</u>	<u>282,208</u>	<u>5,921</u>	<u>288,129</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 30 June 2019)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020
 (THE FIGURES HAVE NOT BEEN AUDITED)

	Current Year To Date 31/03/2020 RM'000	Preceding Year Corresponding Period 31/03/2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,550	22,157
Adjustments for:		
Non-cash items	6,070	416
Non-operating items	1	(15,922)
Interest expenses	4,025	982
Interest income	(4,451)	(4,296)
Dividend income	(456)	(771)
Operating profit before working capital changes	9,739	2,566
Inventories	(1,809)	43
Timber concession	(1)	514
Contract liabilities	-	1,787
Contract assets	1,444	(98)
Trade and other receivables	18,248	(25,893)
Trade and other payables	(2,631)	(12,010)
Cash generated from / (used in) operations	24,990	(33,091)
Interest paid	(4,025)	(982)
Tax paid	(4,050)	(4,584)
Tax refund	6	10
Net cash generated from / (used in) operating activities	16,921	(38,647)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment properties	(19,539)	(1,366)
Purchase of property, plant and equipment	(24)	(28)
Placement of short term investment	(41,315)	(113,240)
Proceeds from disposal of assets held for sale	-	30,000
Proceeds from redemption of other investments	35,006	117,372
Dividend received	456	771
Interest received	4,451	4,296
Net cash (used in) / generated from investing activities	(20,965)	37,805
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	70,060	68,169
Payment of bank borrowings	(60,848)	(62,188)
Payment of hire purchase payable	(189)	(225)
Repayment of lease liabilities	(4,925)	-
Changes in fixed deposits with licensed bank	(762)	(850)
Net cash generated from financing activities	3,336	4,906
NET CHANGES IN CASH AND CASH EQUIVALENTS	(708)	4,064
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	15,407	19,747
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	14,699	23,811

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019)

SEAL INCORPORATED BERHAD (4887-M)
Interim Financial Report For The Period Ended 31 March 2020

(The figures have not been audited)

Explanatory Notes pursuant to Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting

1 Basis of Preparation and Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting*, provision of the Companies Act 2016 in Malaysia and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2019. The explanatory notes attached to the interim financial 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 30 June 2019.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended June 2019 except for the adoption of the following:

Title	Effective Date
MFRS 16 Leases	1 January 2019
Amendments to MFRS 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015 - 2017 Cycle:	
(i) Amendments to MFRS 3 Business Combinations	1 January 2019
(ii) Amendments to MFRS 11 Joint Arrangements	1 January 2019
(iii) Amendments to MFRS 112 Income Taxes	1 January 2019
(iv) Amendments to MFRS 123 Borrowing Costs	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019

The following are the MFRSs, amendments to MFRSs and IC Interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but not yet effective and have not applied by the Group:

Title	Effective Date
Amendments to MFRS 2 Share-based Payments	1 January 2020
Amendments to MFRS 3 Business Combinations	1 January 2020
Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendments to MFRS 14 Regulatory Deferral Accounts.	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134 Interim Financial Reporting	1 January 2020
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendment to MFRS 138 Intangible Assets	1 January 2020
Amendments to IC Interpretation 12 Service Concession Arrangements	1 January 2020
Amendments to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendments to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
Amendments to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2020
Amendments to IC Interpretation 132 Intangible Assets - Web Site Costs	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the abovementioned MFRSs, amendments to MFRSs and IC Interpretations did not result in significant changes in the accounting policies of the Group and had no significant effect on the financial performance and position of the Group except as mentioned below:

MFRS 16 Leases

MFRS 16 was issued in January 2016 and it replaces MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

1 Basis of Preparation and Accounting Policies (continued)

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under MFRS 16 is substantially unchanged from today's accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under MFRS 117.

The Group and the Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application and lease contracts for which the underlying asset is of low value. The Group and the Company have leases of certain machinery that are considered of low value.

For lease contracts which lease terms ends more than 12 months as of the date of initial application, the Group and the Company have performed a detailed impact assessment of MFRS 16. In summary, the impact of MFRS 16 adoption is expected to be as follows:

Impacts on the Group's statement of financial position as at 1 July 2019:

	Audited	Effect	
Statement of financial position	01/07/2019	of adoption	After adoption
ASSET		of MFRS16	of MFRS16
Right of use assets	-	53,445	53,445
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NON-CURRENT LIABILITIES			
Lease Liabilities	-	46,839	46,839
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CURRENT LIABILITIES			
Lease Liabilities	-	6,606	6,606
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2 Seasonality or Cyclical of Interim Operations

The operations of the Group were not significantly affected by any seasonal or cyclical factors.

3 Unusual Items

There were no unusual items of nature, size or incidence that affecting assets, liabilities, equity, net income or cash flows during the period under review.

4 Material Changes in Estimates

There were no material changes in estimates that have had any material effect in the period under review.

5 Issuances, Repurchases, and Repayments of Debts and Equity Securities

Share Buy Backs

There was no share buy back during the financial period ended 31 March 2020. The total number of shares repurchased as at 30 June 2019 was 5,896,500, being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act, 2016.

6 Dividend Paid

No dividend has been paid during the financial period ended 31 March 2020.

7 Segment Reporting

Period ended 31 March 2020

	Property Construction RM'000	Property Management RM'000	Timber Related RM'000	Property Development RM'000	Investment Properties RM'000	Others RM'000	Total RM'000
Segment revenue	8,962	13,658	-	-	2,154	6,277	31,051
Segment results	404	4,477	(72)	559	194	(1,438)	4,124
Interest income							4,451
Profit from operations							8,575
Finance cost							(4,025)
Profit before tax							4,550
Income tax							(1,989)
Profit for the year							2,561

Period ended 31 March 2019

	Property Construction RM'000	Property Management RM'000	Timber Related RM'000	Property Development RM'000	Investment Properties RM'000	Others RM'000	Total RM'000
Segment revenue	54,000	13,976	3,777	-	1,906	2,691	76,350
Segment results	2,125	4,018	1,822	391	14,121	(3,634)	18,843
Interest income							4,296
Profit from operations							23,139
Finance cost							(982)
Profit before tax							22,157
Income tax							(6,781)
Profit for the year							15,376

8 Valuation of Property, Plant and Equipment, Investment Properties and Development Properties

There has been no valuation undertaken by the Group since the last annual financial statements for the financial year ended 30 June 2019.

9 Material Subsequent Events

There were no material events subsequent to the end of the financial period.

10 Changes in the Composition of the Group

There were no changes in the composition of the Group for the financial period ended 31 March 2020.

11 Contingent Liabilities and Contingent Assets

There was no contingent liability or contingent asset arising since the last annual financial statements for the financial year ended 30 June 2019.

12 Commitments

There were no capital commitments as at the date of this report.

13 Lease Liabilities

The lease liabilities are in relation to a lease of Selayang Mall for a term of six years.

As at	
31-Mar-20	
RM'000	
Current Liabilities	6,842
Non Current Liabilities	41,678
	<u>48,520</u>

14 Related Party Transactions

There were no related party transactions for the financial period under review.

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**15 Review of Performance of the Company and Its Principal Subsidiaries**

	Quarter ended 31/03/2020 RM'000	Quarter ended 31/03/2019 RM'000	Financial period ended 31/03/2020 RM'000	Financial period ended 31/03/2019 RM'000
Revenue				
Property Construction	3,290	14,674	8,962	54,000
Property Management	4,620	4,671	13,658	13,976
Timber Related	-	-	-	3,777
Property Development	-	-	-	-
Investment Properties	804	636	2,154	1,906
Others	1,104	2,103	6,277	2,691
	<u>9,818</u>	<u>22,084</u>	<u>31,051</u>	<u>76,350</u>
Profit before tax				
Property Construction	120	2,228	4,339	5,686
Property Management	822	1,313	2,646	3,880
Timber Related	42	(67)	(72)	1,826
Property Development	(10)	212	(337)	827
Investment Properties	(443)	46	(609)	13,566
Others	(349)	(1,223)	(1,417)	(3,628)
	<u>182</u>	<u>2,509</u>	<u>4,550</u>	<u>22,157</u>

For the current quarter under review, the Group recorded a total revenue of RM9.82 million and profit before tax of RM0.18 million compared with the revenue of RM22.08 million and profit before tax of RM2.51 million recorded in the preceding year corresponding quarter. Revenue and profit before taxation was lower in the current quarter mainly due to lower contributions from property construction segment which was caused by the lower sales recognition and property management segment pursuant to the adoption of MFRS16 Leases which was effective from 1 July 2019.

For the 9 months financial period ended 31 March 2020, the Group recorded a revenue of RM31.05 million and profit before tax of RM4.55 million, a decrease of RM45.30 million in revenue and RM17.61 million in profit before tax compared to preceding year corresponding financial period.

The main contributor to the decrease of revenue about RM45.04 million was caused by the lower revenue recognition recorded for Queensville Phase 1 Project under construction segment. The decrease of profit before taxation of RM14.17 million was mainly resulted from the gain on the disposal of a development land from the investment properties segment in the preceeding year corresponding financial period.

16 Material Changes for the Current Quarter as Compared with the Preceding Quarter

	Current quarter 31-Mar-20 RM'000	Immediate preceding quarter 31-Dec-19 RM'000
Revenue	9,818	10,953
Profit before tax	<u>182</u>	<u>842</u>

Compared to the preceeding quarter, there was a decrease in revenue and profit before taxation of RM1.14 million and RM0.6 million respectively. The lower sales in the current quarter was mainly due to the lower sales recognition in property construction segment and the implementation of the Movement Control Order ("MCO") by the Malaysian Government. This MCO was announced on 16 March 2020 and was effected from 18 March 2020. As a result of the MCO, the construction industry which is considered non-essential activity was prohibited to operate during the MCO period.

17 Prospect

The Covid-19 pandemic has resulted in unprecedented preventive global lockdown measures of varying degrees and has undoubtedly adversely impacted the global economy. As of to date, many countries are also beginning to ease their respective lockdown measures in phases. In Malaysia, the MCO which began on 18 March 2020, had eased into a Conditional MCO ("CMCO") from 4 May 2020 to 9 May 2020. On 7 June 2020, the Malaysian Government announced that CMCO will end on 9 June 2020 and Malaysia will ease into a Recovery MCO ("RMCO") from 10 June 2020 to 31 August 2020.

The outbreak of the Covid-19 pandemic and the unprecedented enforcement of the MCO is expected to adversely affect the Group's financial performance in the final quarter for the financial ending 30 June 2020. Although Operations have since recommenced, but under strict Standard Operating Procedures, have disrupted operational efficiency, and resulted in sub-optimal utilisation of assets and the dislocation of resources. The Group will continue to focus on the delivering of the Queensville project and has been proactive in taking action to mitigate the delays and has also implemented stringent cost control measures.

The impact of the Covid-19 outbreak in the longer term cannot be accurately estimated at this juncture as there are still significant uncertainties on how and when the outbreak would be contained and full business activities will resume.

18 Variance from Forecast Profit and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee.

19 Income Tax Expenses

	Current quarter RM'000	Financial year to date RM' 000
Malaysian income tax:		
- Current tax expense	(20)	1,989

The effective tax rate for the current quarter was higher than the statutory income tax rate in Malaysia mainly due to certain non-tax-deductible expenses and provisions of the Group.

20 Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement.

21 Group Borrowings and Debts Securities

Total Group borrowings as at 31 March 2020 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long term borrowings</u>			
Term loans	61,218	-	61,218
<u>Short term borrowings</u>			
Term loans	2,103	-	2,103
Commodity financing	14,815	-	14,815
Factoring	-	5,380	5,380
Overdrafts	12,834	-	12,834
	<u>29,752</u>	<u>5,380</u>	<u>35,132</u>

22 Material Litigation

Other than stated below, there were no changes in material litigation since the last annual balance sheet date:

A. On 16 December 2019, the Company's wholly-owned subsidiary, Seal Properties (KL) Sdn Bhd ("SPKL") have filed a Writ and Statement of Claim against Wabina Constructions & Engineering Sdn Bhd (formerly known as Wabina Construction & Engineering Sdn Bhd) ("Wabina") vide Suit No. PA-22NCVC-251-12/2019 to the High Court of Malaya at Penang to claim the following:-

- a sum of RM22,816,000.00 as Liquidated Damages;
- SPKL entitled to deduct liquidated damages from interim certificate of RM7,033,696.27;
- cost incurred to claim Wabina of RM1,840,146.81;
- loss and damages;
- interest at a rate of 5% per annum on item (a) to (c).

However, the Wabina filed the Counterclaim claimed against the SPKL for the following:

- (a) a sum of RM26,401,538.47 under Final Account Claim dated 20 January 2020;
- (b) a sum of RM17,500,000.00 as general, aggravated and/or exemplary damages;
- (c) interest at the rate of 5% per annum on item a and b;
- (d) cost.

SPKL has filed an application to strike out that part of Wabina's counterclaim for RM26,401,538.47 under Final Account on the basis that the claim was premature. The Court has given directions for parties to file and serve their written submissions simultaneously by 10/07/2020 and their reply submissions, if any, by 24/07/2020. Thereafter, the Court would fix a date for clarification and decision.

- B. Adjudication Decision dated 24 February 2020 in Adjudication No. AIAC/D/ADJ-2825-2019 in respect of the interim progress claims by Wabina of RM7,033,696.27, SPKL filed Originating Summons No. PA-24C-01-03/2020 and Originating Summons PA-24C-02-03/2020 respectively in the High Court of Malaya at Penang to set aside and to stay the Adjudication Decision.

The Court fixed both case management on 9 July 2020 and 20 July 2020 respectively pending filing and exchange of Affidavits in respect of both the Originating Summons as well as Application for Stay.

- C. Wabina filed Originating Summons No. PA-24C-05-03/2020 in High Court Malaya at Penang to enforce the Adjudication Decision dated 24 February 2020 and to enter Judgment against SPKL for:-

- (a) a sum of RM7,025,008.30;
- (b) Costs of Adjudication of RM30,300.00
- (c) Interest on RM7,025,008.30 at 5% p.a. from 25/8/2019 to 24/2/2020 in the sum of RM176,924.09
- (d) Interest on RM7,232,232.39 at 5% p.a. from 24/2/2020 to the date of full settlement
- (e) Legal Cost of RM75,000.00

The Court fixed the case management on 9 July 2020 pending filing and exchange of Affidavits in respect of both the Originating Summons as well as SPKL's application.

- D. SPKL has filed an Originating Summons No. PA-24NCVC-289-05/2020 on 28 May 2020 for, amongst other things, an Injunction against Wabina, to restrain Wabina from presenting or filing a petition to wind-up SPKL.

The above proceedings for an injunction was filed following the Notice of Demand dated 8 May 2020 issued by Wabina against SPKL, claiming a sum of RM7,381,333.13 which was owing by SPKL as at 8 May 2020 pursuant to the Adjudication Decision dated 24 February 2020 in Adjudication No. AIAC/D/ADJ-2825-2019 being interim progress claims by Wabina.

During the case management before the Judge on 19 June 2020, we informed the Court of Wabina's acknowledgement that the Notice of Demand dated 8 May 2020 is not a statutory notice issued under s466 of the Companies Act.

The matter is now fixed for further case management on 22/7/2020.

23 Dividends

No dividend has been proposed for the financial period ended 31 March 2020.

24 Earnings Per Share

Basic Earnings per Share

The calculation of the basic earnings per share is based on the profit attributable to the owners of the parent of RM2,165,556 divided by the weighted average number of ordinary shares issued as at 31 March 2020 of 237,056,184 shares after deducting the treasury shares of the Company.

Diluted Earnings per Share

There is no diluted earnings per share as there were no potential dilutive ordinary shares as at 31 March 2020.

25 Profit before taxation

	Current quarter RM'000	Financial year to date RM'000
Profit before taxation is arrived at after crediting/(charging):		
Interest income	206	4,451
Dividend income	104	456
Interest expenses	(1,417)	(4,025)
Depreciation	(113)	(343)
Fixed assets written off	-	(1)
		<hr/>

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Bursa Listing Requirements are not applicable.

26 Auditors' Report on Preceding Annual Financial Statements

The auditors' report in respect of financial statements for the financial year ended 30 June 2019 was not subject to any qualification.