

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021
 (THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/03/2021 RM'000	Preceding Year Corresponding Quarter Ended 31/03/2020 RM'000	Current Year To Date 31/03/2021 RM'000	Preceding Year Corresponding Period 31/03/2020 RM'000
Revenue	8,302	9,818	16,202	31,051
Cost of sales	(3,910)	(7,029)	(15,504)	(18,491)
Gross profit	4,392	2,789	698	12,560
Other income	1,073	1,280	3,347	6,487
Operating expenses	(1,946)	(2,470)	(4,803)	(10,472)
Finance cost	(1,458)	(1,417)	(2,711)	(4,025)
Profit / (Loss) before tax	2,061	182	(3,469)	4,550
Income tax	(263)	20	(978)	(1,989)
Profit / (Loss) for the period	1,798	202	(4,447)	2,561
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	1,798	202	(4,447)	2,561
Profit attributable to:				
Owners of the parent	1,780	180	(4,505)	2,501
Non-controlling interests	18	22	58	60
	1,798	202	(4,447)	2,561
Total comprehensive income attributable to:				
Owners of the parent	1,780	180	(4,505)	2,501
Non-controlling interests	18	22	58	60
	1,798	202	(4,447)	2,561
Earnings per share (sen)				
- Basic	0.75	(0.84)	(1.90)	1.06
- Diluted	-	-	-	-

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Financial Statements for the year ended 30 June 2020)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 31 March 2021

(THE FIGURES HAVE NOT BEEN AUDITED)

	(UNAUDITED) As At 31/03/2021 RM'000	As At 30/06/2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	847	1,256
Investment properties	116,203	116,178
Inventories	95,017	95,017
Held-to-maturity investments	-	-
Available-for-sale financial assets	-	-
Timber concessions	10,800	10,800
	222,867	223,251
Current assets		
Contract assets	8,870	4,533
Contract cost	761	761
Inventories	25,308	28,461
Trade receivables	55,643	56,634
Other receivables, deposits and prepayments	92,579	97,072
Tax recoverable	5,107	2,421
Other investments	12,937	18,446
Fixed deposits with licensed banks	14,389	20,134
Cash and bank balances	5,390	5,258
	220,984	233,720
Assets classified as held for sale (Note 1)	-	705
	220,984	234,425
TOTAL ASSETS	443,851	457,676
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	142,629	142,629
Treasury shares	(2,166)	(2,166)
Reserves	353	353
Retained profits	157,417	161,922
	298,233	302,738
Non-controlling interests	6,078	6,020
Total equity	304,311	308,758
Non-current liabilities		
Deferred tax	1,993	1,993
Hire purchase payable	43	248
Bank borrowings	59,274	61,060
	61,310	63,301
Current liabilities		
Contract liabilities	278	64
Trade payables	16,867	19,284
Other payables and accruals	37,031	34,944
Hire purchase payable	89	175
Bank borrowings	21,364	30,507
Provision for taxation	2,601	643
	78,230	85,617
Total liabilities	139,540	148,918
TOTAL EQUITY AND LIABILITIES	443,851	457,676
Net assets per share attributable to owners of the parent (RM)	1.258	1.277

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 31 March 2021

(THE FIGURES HAVE NOT BEEN AUDITED)

	(UNAUDITED)	(AUDITED)
	As At	As At
	31/03/2021	30/06/2020
	RM' 000	RM' 000
Note 1 :		
Assets classified as held for sale		
Investment properties	-	705

(The Condensed Consolidated Statement of Financial Position should be read in conjunction
with the Audited Financial Statements for the year ended 30 June 2020)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

(THE FIGURES HAVE NOT BEEN AUDITED)

	← Attributable to owners of the parent →					Total RM'000	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			
9 Months Ended 31 March 2021								
Balance at 1 July 2020	142,629	-	(2,166)	353	161,922	302,738	6,020	308,758
Payment of dividends to non-controlling interests	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(4,505)	(4,505)	58	(4,447)
Balance at 31 March 2021	<u>142,629</u>	<u>-</u>	<u>(2,166)</u>	<u>353</u>	<u>157,417</u>	<u>298,233</u>	<u>6,078</u>	<u>304,311</u>
9 Months Ended 31 March 2020								
Profit for the period								
Balance at 1 July 2019	142,629	-	(2,166)	353	145,853	286,669	5,927	292,596
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>142,629</u>	<u>-</u>	<u>(2,166)</u>	<u>353</u>	<u>148,354</u>	<u>289,170</u>	<u>5,987</u>	<u>295,157</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 2020)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Year To Date 31/03/2021 RM'000	Preceding Year Corresponding Period 30/03/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(3,469)	4,550
Adjustments for:		
Non-cash items	263	6,070
Non-operating items	(213)	1
Interest expenses	2,711	4,025
Interest income	(2,634)	(4,451)
Dividend income	(234)	(456)
Operating (loss) / profit before working capital changes	<u>(3,576)</u>	<u>9,739</u>
Inventories	3,153	(1,809)
Timber concession	-	(1)
Contract liabilities	214	-
Contract assets	(4,337)	1,444
Contract cost	-	
Trade and other receivables	5,484	18,248
Trade and other payables	(330)	(2,631)
Cash (used in) / generated from operations	<u>608</u>	<u>24,990</u>
Interest paid	(2,711)	(4,025)
Interest received	2,364	-
Tax paid	(1,707)	(4,050)
Tax refund	-	6
Net cash (used in) / generated from operating activities	<u>(1,446)</u>	<u>16,921</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment properties	(25)	(19,539)
Purchase of property, plant and equipment	(118)	(24)
Placement of short term investment	(8,409)	(41,315)
Proceeds from redemption of other investments	13,918	35,006
Proceeds from disposal of property, plant and equipment	497	-
Proceeds from investment properties	705	-
Dividend received	234	456
Interest received	165	4,451
Net cash generated from / (used in) investing activities	<u>6,967</u>	<u>(20,965)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	33,353	70,060
Payment of bank borrowings	(39,830)	(60,848)
Payment of hire purchase payable	(291)	(189)
Repayment of lease liabilities	-	(4,925)
Changes in fixed deposits with licensed bank	351	(762)
Interest received	105	-
Net cash (used in) / generated from financing activities	<u>(6,312)</u>	<u>3,336</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	(791)	(708)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	9,826	15,407
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>9,035</u>	<u>14,699</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2020)

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 2020. 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 2020.

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 2020 except for the adoption of the following:

Title	Effective Date
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 Business Combinations: Definition of a Business	1 January 2020
Amendments to MFRS 9 Financial Instruments	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements	1 January 2020
MFRS 7 Financial Instruments: Disclosures: Interest Rate Benchmark Reform	1 January 2020
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material	1 January 2020
MFRS 139 Financial Instruments: Recognition and Measurement	1 January 2020

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 9 Financial Instruments	1 January 2021
MFRS 4 Insurance Contracts	1 January 2021
MFRS 7 Financial Instruments: Disclosures	1 January 2021
MFRS 16 Leases: Interest Rate Benchmark Reform – Phase 2	1 January 2021
MFRS 139 Financial Instruments: Recognition and Measurement	1 January 2021
Amendments to MFRS 3 Business Combination : Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment-Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101 Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Definition of Accounting Estimates	1 January 2023
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:

2 Seasonality or Cyclicity 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 affecting assets, liabilities, equity, net income or cash flows during the current quarter 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 2021. The total number of shares repurchased as at 31 March 2021 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 2021.

7 Segment Reporting

Period ended 31 March 2021

	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	4,491	(17)	3,004	5,230	3,176	318	16,202
Segment results	(4,975)	997	172	2,261	791	(2,638)	(3,392)
Interest income							2,634
Loss from operations							(758)
Finance cost							(2,711)
Loss before tax							(3,469)
Income tax							(978)
Loss for the period							(4,447)

Period ended 30 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 period							2,561

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

There has been no valuation under taken by the Group since the last annual financial statements for the financial year ended 30 June 2020.

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 2021.

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 2020.

12 Commitments

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

13 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

14 Review of Performance of the Company and Its Principal Subsidiaries

	Quarter ended 31/03/2021 RM'000	Quarter ended 31/03/2020 RM'000	Financial Period ended 31/03/2021 RM'000	Financial period ended 31/03/2020 RM'000
Revenue				
Property Construction	605	3,290	4,491	8,962
Property Management	-	4,620	(17)	13,658
Timber Related	3,004	-	3,004	-
Property Development	3,580	-	5,230	-
Investment Properties	1,113	804	3,176	2,154
Others	-	1,104	318	6,277
	8,302	9,818	16,202	31,051
Profit / (Loss) before tax				
Property Construction	1,812	120	(3,175)	4,339
Property Management	(25)	822	977	2,646
Timber Related	172	42	172	(72)
Property Development	1,556	(10)	2,254	(337)
Investment Properties	(580)	(443)	(1,076)	(609)
Others	(874)	(349)	(2,621)	(1,417)
	2,061	182	(3,469)	4,550

14 Review of Performance of the Company and Its Principal Subsidiaries (continued)

(a) Performance of the current quarter against the immediate preceding year corresponding quarter.

For the current quarter under review, the Group recorded total revenue of RM8.3 million and a profit before tax of RM2.06 million compared with the revenue of RM9.82 million and profit before tax of RM0.18 million recorded in the preceding period corresponding quarter.

The decrease in the Group's revenue was due to the discontinuance of Selayang Mall's operation under the property management segment. There were no sales commission received and marketing related income recognised under other segments due to lesser sales and marketing activities from on-going projects as a result of Movement Control Order implemented by Malaysian Government.

The property construction segment in the current quarter under review recorded a revenue of RM0.61 million and an increase in profit before tax of RM1.81 million compared to a revenue of RM3.29 million and a profit before tax of RM0.12 million in the preceding year corresponding quarter. The increase in profit before tax was caused by the over stating of the construction cost of RM1.3 million under Queensville project.

The investment property segment recorded a revenue of RM1.1 million in the current quarter under review and loss before tax of RM0.58 million, against the preceding year corresponding quarter's revenue of RM0.80 million and loss before tax of RM0.44 million. The increase in revenue was mainly due to successful entry of new tenancies of Q Tower and Q Avenue at Queensville for the current quarter. The tenancy occupancy rate in the current quarter was 68% for Queensville and 91% for Elit Avenue and Heights. The loss before tax of the current quarter in this segment was mainly due to the interest of the term loan incurred and also rental rebates given to tenants.

On the other hand, there was an increase in revenue of RM3.58 million and profit before tax RM1.56 million from the property development segment as compared to the preceding year's corresponding quarter, mainly due to sales of nine (9) units of North Avenue's shoplots located at Sungai Petani, Kedah.

The trading of timber logs at Kedah in the current quarter generated a revenue of RM3.0 million and profit before tax of RM0.17 million under the timber related segment.

(b) Performance of the current financial period against the preceding year corresponding financial period.

The Group recorded revenue of RM16.2 million for the current financial period as compared to RM31.0 million in the preceding year corresponding financial period. The decrease in revenue was mainly due to the discontinuance of Selayang Mall's operation under the property management segment. There were no sales commission received and marketing related income recognised under other segments due to lesser sales and marketing activities from on-going projects as a result of Movement Control Order implemented by Malaysian Government.

The Group recorded loss before tax of RM3.47 million for the current financial period as compared to profit before tax of RM4.55 million in the preceding year corresponding financial period. The incurred loss of before tax was mainly due to the discontinuance of Selayang Mall's operation under property management segment by RM1.7 million and arose from additional costs incurred after the main contractor self-termination of its contract under the property construction segment.

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

	Current quarter 31-Mar-21 RM'000	Immediate preceding quarter 31-Dec-20 RM'000
Revenue	8,302	4,030
Profit / (Loss) before tax	2,061	(6,342)

Compared to the preceding quarter, the increase in revenue due to the additional sale of six (6) units North Avenue's shoplots under the property development segment and the trading of timber logs at Kedah, aggregating to a total of RM4.93 million, have significantly gave rise to the higher financial performance in the current quarter under review. The profit before tax was mainly derived from the sales of six (6) units of North Avenue's shoplots located at Sungai Petani and over stated of construction cost for RM1.3 million for the Queensville project under the property construction segment.

16 Prospect

With the current COVID-19 pandemic still ravaging the whole world, prospects are anything but good. Uncertainties abound and infection numbers continue to soar despite the containment efforts taken by the Government, are on going. The Group's performance is greatly hindered by this prolonged enforced breakdown in various governmental and financial institutions which are unable to function at pre-pandemic levels. This situation will certainly adversely affect our overhead administrative costs and will worsen if the current MCO remains at this very restrictive level.

With the view of economy recovery by the end of 2021 and barring any unforeseen circumstances, the Group plans to commence the construction of Phase 2 of Queensville project in the 2nd quarter of financial 2022 and this project will be one of the Group's main drivers for year 2022 and beyond.

This unprecedented pandemic situation has caused an upheaval in the whole of the economic spectrum causing untold losses and failures. With consumer sentiments at the lowest ebb, the market is expected to be heavily bearish throughout the remaining half year of 2021 and remain so far an unpredictable period. The Group will, however, continue to be vigilant with its cash conservation measures and focus on monetising its inventories and regarding timber related activities the implemented by government MCO 3.0 expands to the whole Malaysia restrictions from 12 May 2021 onwards will slow down the progress of license approval. However, the Group will put effort to catch up the various licensing procedures so that in the coming quarters of the year we will see some timber logs rolling out and at the same time exercise stringent cost control measures for the current financial year 2021 and beyond.

17 Variance from Forecast Profit and Profit Guarantee

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

18 Income Tax Expenses

	Current quarter RM'000	Financial year to date RM' 000
Malaysian income tax:		
- Current tax expense	315	1,030
- Over provision in prior year	(52)	(52)
	<u>263</u>	<u>978</u>

The effective tax rate for the current quarter was higher than the statutory income tax rate in Malaysia mainly due to the losses of certain subsidiaries that were not available for full set off against taxable profits of other subsidiaries and certain expenses which were not deductible for tax purposes.

19 Corporate Proposals

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

20 Group Borrowings and Debts Securities

Total Group borrowings as at 31 March 2021 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long term borrowings</u>			
Term loans	59,274	-	59,274
<u>Short term borrowings</u>			
Term loans	2,961	-	2,961
Commodity financing	12,500	-	12,500
Overdrafts	5,903	-	5,903
	<u>21,364</u>	<u>-</u>	<u>21,364</u>

21 Material Litigation

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

Civil Suit & Arbitration between Seal Properties (KL) Sdn Bhd v Wabina Constructions & Engineering Sdn Bhd

On 16 December 2019, Seal Properties (KL) Sdn. Bhd. ("SPKL"), a subsidiary of the Company has filed a Writ and Statement of Claim against Wabina Constructions & Engineering Sdn. Bhd. (formerly known as Wabina Construction & Engineering Sdn. Bhd.) ("Wabina") at High Court of Malaya to claim the following:

- a sum of RM22,816,000.00 as Liquidated Damages;
- a declaration that SPKL entitled to deduct liquidated damages from interim certificate of RM7,033,696.27;
- liquidated damages of RM1,468,500 in respect of the TNB sub-station and the three mock-up sample units;
- outstanding overtime claims of RM105,852;
- outstanding TNB charges of RM230,800 for temporary electricity supply to the project site from February 2019 to July 2019;
- cost to employ third party contractors of RM34,994 to rectify for the damage to external bus stop roof and to clear-up and de-silt drains at project site;
- loss and damages for breach of contract;
- interest at a rate of 5% per annum on item (a) to (f).
- costs.

In addition to the above, Wabina had also counterclaimed against SPKL the following:

- a sum of RM26,401,538 under Final Account Claim dated 20 January 2020;
- a sum of RM17,500,000 as general, aggravated and/or exemplary damages;
- interest at 5% per annum on item (a) and (b);
- costs.

Pursuant to the contract entered between SPKL and Wabina, the date of commencement of works shall be 1 July 2016 and the works shall be completed within the completion period of twenty-six (26) months from the date of commencement of works, i.e. 31 August 2018. An extension of three months had been granted to Wabina to complete the whole project. As at 5 August 2019, Wabina has breached its obligations under the contract as the work for the project is yet complete. SPKL, however, had disputed Wabina's counterclaim on the basis, amongst others, that the Final Account Claim is premature as the dispute resolution process has yet to be fully exhausted whilst the claim for damages is without basis as the construction contract had been wrongfully terminated by Wabina.

Currently, all proceedings have been stayed pursuant to Section 10 of the Arbitration Act 2005 and the dispute is now being referred to arbitration.

Pursuant to AIAC's appointment, the Arbitrator had issued Procedural Order No.1 and parties are to comply with the Arbitrator's procedural orders stated therein. The Hearing for Arbitration is now fixed on 18 July 2022 until 07 October 2022.

21 Material Litigation (continued)

Adjudication No AIAC/D/ADJ-2825

In response to the Adjudicator's Decision dated 24 February 2020 in favour of Wabina, SPKL had filed the Originating Summons to set aside the Adjudicator decision and Wabina filed Originating Summons to enforce the said Adjudicator decision. On 10 March 2021, the High Court at Penang had dismissed SPKL's Originating Summons to set aside the Adjudicator Decision with cost of RM20,000.00 and had allowed Wabina's Originating Summons to enforce the Adjudicator Decision with cost of RM15,000.00. SPKL had vide Notice of Appeals dated 12 March 2021 appealed against the said decisions to Court of Appeal. Further, SPKL had filed a Motion pursuant to Section 44 of the Courts of Judicature Act for an Order for interim preservation which is fixed for Hearing of Motion on 18 June 2021.

Adjudication No: AIAC/D/ADJ-32366-2020

Wabina had also served a Notice of Adjudication pursuant to Sections 7 and 8 of the Construction Industry Payment and Adjudication Act 2012 on SPKL with the intention to claim the overdue payment of RM8,688 due under Interim Certificate of Payment No. 37 and overdue payment of RM21,190,132 under purported progress claim No. 38. The purported progress claim No. 38 under the Notice of Adjudication was submitted by Wabina after the termination of the contract on 5 August 2019. There is overlapping of the progress claim No. 38 as it is included as part of the Final Account Claim of RM26,401,538. In any event, SPKL has disputed the purported progress claim No. 38 on the basis that Wabina has no contractual basis to submit any further progress payments after the termination of the contract on 5 August 2019.

The Tribunal handed down the Adjudicator Decision on 18th May 2021 and held that:-

No.	Description	Amount (RM)
i.	Payment Certificate No. 37	8,687.96
ii.	Progress Claim No. 38	5,180,381.08
iii.	Legal cost	65,000.00
iv.	Adjudicator fee	89,615.00
v.	Other expenses	19,687.38
	Total	5,363,371.42
vi.	Payment shall be paid within 30 days from the date of decision	
vii.	Late payment interest 5% from the decision date	

SPKL had further instructed its solicitor to file Originating Summons at the High Court to set aside (and stay) the said Adjudicator Decision.

Item i and ii, the total sum of RM5,189,069.30 has been fully provided and accounted for in the financial statement year ended 2020.

Judicial Review Proceedings: PA-25-26-05/2020

Wabina filed a Judicial Review proceeding to set aside the Companies (Exemption) (No. 2) Order 2020. The Judicial Review proceedings is mainly against Malaysia Government and in particular, the Ministry of Domestic Trade and Consumers Affairs. However, SPKL was named as a respondent in the Judicial Review proceedings since Wabina is alleging that the Companies (Exemption) (No. 2) Order 2020 is preventing Wabina from presenting a winding-up petition against SPKL within 21 days of service of a Section 466 statutory notice demanding for payment of the adjudicated sum. The Court has now fixed the matter for case management on 16 June 2021.

22 Dividends

No dividend has been proposed for the financial period ended 31 March 2021.

23 Earnings Per Share

Basic Earnings per Share

Basic earnings per share is calculated by dividing the profit for the financial period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue.

	Quarter ended 31/03/2021 RM'000	Quarter ended 31/03/2020 RM'000	Financial period ended 31/03/2021 RM'000	Financial period ended 31/03/2020 RM'000
Profit attributable to owners of the Company (RM)	1,780	180	(4,505)	2,501
Weighted average number of ordinary shares in issue ('000)	237,056,184	237,056,184	237,056,184	237,056,184
Earning per shares (sen)	0.75	(0.84)	(1.90)	1.06

Diluted Earnings per Share

There is no diluted earnings per share as there were no potential dilutive ordinary shares as at 31 March 2021.

24 Profit before taxation

	Current quarter RM'000	Financial year to date RM'000
Profit before taxation is arrived at after crediting/(charging):		
Administrative income	6	19
Interest income	915	2,634
Dividend income	60	234
Reversal of impairment loss	20	20
Interest expenses	(1,458)	(2,711)
Depreciation	(68)	(243)
Fixed assets written off	1	(8)
Gain on disposal of property, plant and equipment	222	221

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

25 Auditors' Report on Preceding Annual Financial Statements

The auditors' report in respect of financial statements for the financial year ended 30 June 2020 was not subject to any qualification.