

SEAL INCORPORATED BERHAD [196201000416 (4887-M)]
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/09/2021 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2020 RM'000	Current Year To Date 30/09/2021 RM'000	Preceding Year Corresponding Period 30/09/2020 RM'000
Revenue	1,129	3,870	1,129	3,870
Cost of sales	(359)	(2,194)	(359)	(2,194)
Gross profit	770	1,676	770	1,676
Other income	1,098	1,301	1,098	1,301
Operating expenses	(1,444)	(1,466)	(1,444)	(1,466)
Finance cost	(791)	(699)	(791)	(699)
(Loss) / Profit before tax	(367)	812	(367)	812
Income tax	(315)	(425)	(315)	(425)
(Loss) / Profit for the period	(682)	387	(682)	387
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income for the period	(682)	387	(682)	387
Profit attributable to:				
Owners of the parent	(693)	345	(693)	345
Non-controlling interests	11	42	11	42
	(682)	387	(682)	387
Total comprehensive income attributable to:				
Owners of the parent	(693)	345	(693)	345
Non-controlling interests	11	42	11	42
	(682)	387	(682)	387
Earnings per share (sen)				
- Basic	(0.29)	0.15	(0.29)	0.15
- Diluted	-	-	-	-

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2021)

SEAL INCORPORATED BERHAD [196201000416 (4887-M)]
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 30 September 2021

(THE FIGURES HAVE NOT BEEN AUDITED)

	(UNAUDITED)	
	As At	As At
	30/09/2021	30/06/2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	753	802
Investment properties	116,062	116,062
Inventories	95,017	95,017
Timber concessions	10,800	10,800
	222,632	222,681
Current assets		
Contract assets	5,798	5,879
Contract cost	761	761
Inventories	24,901	24,901
Trade receivables	53,510	53,934
Other receivables, deposits and prepayments	88,833	83,198
Current tax assets	5,897	5,527
Other investments	13,056	13,366
Fixed deposits with licensed banks	19,880	18,428
Cash and bank balances	3,457	3,028
	216,093	209,022
Assets classified as held for sale (Note 1)	-	110
	216,093	209,132
TOTAL ASSETS	438,725	431,813
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	150,588	142,630
Treasury shares	(2,166)	(2,166)
Reserves	353	353
Retained profits	150,847	151,540
	299,622	292,357
Non-controlling interests	5,977	5,966
Total equity	305,599	298,323
Non-current liabilities		
Deferred tax	2,138	2,138
Hire purchase payable	38	38
Bank borrowings	65,513	66,919
	67,689	69,095
Current liabilities		
Trade payables	9,667	10,494
Other payables and accruals	34,062	35,277
Hire purchase payable	32	61
Bank borrowings	15,822	13,024
Provision for taxation	5,854	5,539
	65,437	64,395
Total liabilities	133,126	133,490
TOTAL EQUITY AND LIABILITIES	438,725	431,813
Net assets per share attributable to owners of the parent (RM)	1.237	1.233

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2021)

SEAL INCORPORATED BERHAD [196201000416 (4887-M)]
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 30 September 2021

(THE FIGURES HAVE NOT BEEN AUDITED)

	(UNAUDITED) As At 30/09/2021 RM' 000	(AUDITED) As At 30/06/2021 RM' 000
Note 1 :		
Assets classified as held for sale		
Investment properties	-	110

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited
Financial Statements for the year ended 30 June 2021)

SEAL INCORPORATED BERHAD [196201000416 (4887-M)]
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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			
3 Months Ended 30 September 2021								
Balance at 1 July 2021	142,630	-	(2,166)	353	151,540	292,357	5,966	298,323
Private placement	7,958	-	-	-	-	7,958	-	7,958
Total comprehensive loss for the period	-	-	-	-	(693)	(693)	11	(682)
Balance at 30 September 2021	<u>150,588</u>	<u>-</u>	<u>(2,166)</u>	<u>353</u>	<u>150,847</u>	<u>299,622</u>	<u>5,977</u>	<u>305,599</u>
3 Months Ended 30 September 2020								
Profit for the period								
Balance at 1 July 2020	142,630	-	(2,166)	353	161,923	302,740	6,019	308,759
Total comprehensive income for the period	-	-	-	-	345	345	42	387
Balance at 30 September 2020	<u>142,630</u>	<u>-</u>	<u>(2,166)</u>	<u>353</u>	<u>162,268</u>	<u>303,085</u>	<u>6,061</u>	<u>309,146</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 2021)

SEAL INCORPORATED BERHAD [196201000416 (4887-M)]
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021
(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Year To Date 30/09/2021 RM'000	Preceding Year Corresponding Period 30/09/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(367)	812
Adjustments for:		
Non-cash items	73	101
Non-operating items	1	(73)
Interest expenses	791	699
Interest income	(1,010)	(134)
Dividend income	(65)	(102)
Operating (loss) / profit before working capital changes	<u>(577)</u>	<u>1,303</u>
Contract liabilities	-	169
Contract assets	81	(1,266)
Receivables	(5,211)	4,797
Payables	<u>(2,042)</u>	<u>(7,689)</u>
Cash used in operations	(7,749)	(2,686)
Interest paid	(791)	(699)
Interest received	943	41
Tax paid	<u>(370)</u>	<u>(912)</u>
Net cash used in operating activities	<u>(7,967)</u>	<u>(4,256)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment properties	-	(25)
Purchase of property, plant and equipment	(16)	(48)
Placement of short term investment	(995)	(5,299)
Proceeds from redemption of other investments	1,305	11,551
Proceeds from disposal of property, plant and equipment	-	127
Proceeds from investment properties	110	-
Dividend received	65	102
Interest received	45	29
Net cash generated from investing activities	<u>514</u>	<u>6,437</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	401	10,395
Private placement	7,958	-
Payment of bank borrowings	(1,326)	(13,743)
Payment of hire purchase payable	(29)	(220)
Changes in fixed deposits with licensed bank	566	73
Interest received	22	64
Net cash generated from / (used in) financing activities	<u>7,592</u>	<u>(3,431)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	139	(1,250)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>6,882</u>	<u>9,826</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>7,021</u>	<u>8,576</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2021)

(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 2021. 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 2021.

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 2021 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
Amendment to MFRS16 Leases: Covid-19 - Related Rent Concessions beyond 30 June 2021	1 April 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 4 Insurance Contracts - Extension of the Temporary Exemption from MFRS 9	
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 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 30 September 2021. The total number of shares repurchased as at 30 September 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 30 September 2021.

7 Segment Reporting

Period ended 30 September 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	-	-	-	-	1,128	1	1,129
Segment results	(156)	(3)	(102)	(1)	450	(774)	(586)
Interest income							1,010
Profit from operations							424
Finance cost							(791)
Loss before tax							(367)
Income tax							(315)
Loss for the period							(682)

Period ended 30 September 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	2,803	(17)	-	-	919	165	3,870
Segment results	1,190	1,013	(156)	191	317	(1,178)	1,377
Interest income							134
Profit from operations							1,511
Finance cost							(699)
Profit before tax							812
Income tax							(425)
Profit for the period							387

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 2021.

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 30 September 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 2021.

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 30/09/2021 RM'000	Quarter ended 30/09/2020 RM'000	Financial Period ended 30/09/2021 RM'000	Financial period ended 30/09/2020 RM'000
Revenue				
Property Construction	-	2,803	-	2,803
Property Management	-	(17)	-	(17)
Investment Properties	1,128	919	1,128	919
Others	1	165	1	165
	1,129	3,870	1,129	3,870
(Loss) / Profit before tax				
Property Construction	784	1,235	784	1,235
Property Management	(13)	999	(13)	999
Timber Related	(102)	(156)	(102)	(156)
Property Development	15	186	15	186
Investment Properties	(277)	(284)	(277)	(284)
Others	(774)	(1,168)	(774)	(1,168)
	(367)	812	(367)	812

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 RM1.13 million and a loss before tax of RM0.37 million compared to the revenue of RM3.87 million and profit before tax of RM0.81 million in the preceding period corresponding quarter. The reduction in revenue and profit before tax was mainly due to completion of the Queensville Phase 1 ("Queensville") project.

The investment property segment recorded revenue and loss before tax of RM1.13 million and RM0.28 million respectively in the current quarter under review, against the preceding year's corresponding quarter's revenue of RM0.92 million and loss before tax of RM0.28 million. The increase in revenue was mainly due to the achievement of 68% rental occupancy rate from investment properties at Queensville compared to only 44% in the preceding year's corresponding quarter.

There was no sales commission received and marketing related income recognised under other segments as, conventions and exhibitions were prohibited under the standard operating procedures ("SOPs") of the National Recovery Plan Phase 2, during the first quarter of the financial year 2022.

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

The Group recorded revenue of RM1.13 million for the current financial period as compared to RM3.87 million in the preceding year corresponding financial period. The decrease in revenue was mainly due to the completion of the Queensville project under the construction segment.

The Group recorded loss before tax of RM0.37 million for the current financial period as compared to profit before tax of RM0.81 million in the preceding year corresponding financial period. The loss before tax was mainly due to the discontinuance of Selayang Mall's operation under property management segment and completion of Queensville project under the construction segment.

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

	Current quarter 30-Sep-21 RM'000	Immediate preceding quarter 30-Jun-21 RM'000
Revenue	1,129	2,603
Loss before tax	(367)	(765)

Compared to the preceding quarter, the revenue had significantly decreased as a result of one (1) unit of North Avenue's shop lot sold and adoption of MFRS 16 Leases in the preceding quarter.

16 Prospect

The Malaysian government's vaccination program for Covid-19 saw approximately 80% of its adult population having been fully vaccinated as at todate. This has managed to reduce the country's Covid-19 infection rate. Due to the dip in fresh Covid-19 infections, decline in overall infectivity rate and the high adult vaccination rate, all states in the country with the exception of Sarawak and Kelantan are currently under the National Recovery Plan Phase 4 which sees greater relaxation in the SOPs. With additional doses including both booster shots to fully vaccinated individuals to curb waning immunity, as well as extra doses for people who did not receive full protection from primary vaccination, such as the immunocompromised, the Group believes Malaysia's economy will rebound in 2022. However, the property market will remain challenging with the increase in price of materials and supply. Therefore, the Group will take the necessary precautions for its Queensville Phase 2 project, which is anticipated to commence in the 3rd quarter of 2022.

The Group will continue to be vigilant in its cash conservation measures and focus on monetising its inventories and rental collections under the investment properties segment. The Group's timber-related activities are still pending license approval due to the Covid-19 pandemic. However, the Group will minimise the delay in the licensing approval application procedures, and will resume timber logging activities while observing and maintaining stringent cost control measures for the current financial year 2022 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	315
- Deferred tax expense	145	145
	<u>460</u>	<u>460</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 Proposal

On 9 September 2021, the Company has allotted 23,000,000 new ordinary shares at an issue price of RM0.346 per share pursuant to a Private Placement exercise ("Allotment") which has utilised the general mandate granted by its Shareholders pursuant to Section 76 of the Companies Act 2016 at the Company's 58th Annual General Meeting ("AGM") held on 21 December 2020. The general mandate shall continue to be in force until the conclusion of the Company's forthcoming AGM ("Private Placement").

The Allotment arising from the Private Placement has raised a gross proceed of RM7.958 million and the details of utilisation of the proceed as at todate are as follows:-

Purposes	Amount Allocated for Utilisation (RM'000)	Amount of Actual Utilisation (RM'000)	Unutilised Amount (RM'000)
Working capital for the existing construction project	7,000	-	7,000
Future property development projects	828	-	828
Estimated expenses for the Proposed Private Placement	130	101	29
Total	7,958	101	7,857

The Company had on 22 November 2021 submitted an application to Bursa Securities seeking its approval for an extension of time until 31 December 2021 for the Company to implement and complete the Private Placement.

Save as disclosed above, there were no other corporate proposal announced but not completed during the quarter under review.

20 Group Borrowings and Debts Securities

Total Group borrowings as at 30 September 2021 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long term borrowings</u>			
Term loans	65,513	-	65,513
<u>Short term borrowings</u>			
Term loans	3,958	-	3,958
Commodity financing	-	-	-
Overdrafts	11,864	-	11,864
	15,822	-	15,822

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 and 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 Adjudication Decision dated 24 February 2020 in favour of Wabina, SPKL had filed an application by an Originating Summons to set aside the Adjudication Decision and Wabina had filed an application vide Originating Summons to enforce the said Adjudication Decision. On 10 March 2021, the Penang High Court dismissed SPKL's application to set aside the Adjudication Decision with costs of RM20,000.00 and further allowed Wabina's application to enforce the Adjudication Decision with costs of RM15,000.00. Dissatisfied with the whole decision, SPKL had vide Notice of Appeal dated 12 March 2021 appealed against the said decision 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.

Both appeals were consolidated by consent vide a Motion dated 5 May 2021 and were heard together.

The Honorable Judges at the Court of Appeal allowed SPKL application in part by ordering, amongst others, for Wabina to preserve its assets up to RM7,752,928.43 until the disposal of both appeals. On 30 September 2021, the Court of Appeal had dismissed SPKL's appeal with cost. Thereafter, SPKL filed a Motion for leave to appeal together with the affidavit in support to Federal Court and the Court has now fixed the matter for case management by way of e-review on 02 December 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 RM8,688.00 due under Interim Certificate of Payment No. 37 and purported progress claim No. 38 of RM21,190,132. The purported progress claim No. 38 under the Notice of Adjudication was submitted by Wabina after the termination of contract on 5 August 2019. There is an 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 contract on 5 August 2019.

The Tribunal handed down the Adjudication 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	

On 28 May 2021, Wabina filed Application made under Section 28 CIPAA to enforce the Adjudication Decision under Penang High Court Originating Summons No. PA-24C-14-05/2021. The hearing of the matter is fixed on 24 January 2022.

SPKL has filed to Penang High Court Originating Summons No. PA-24C-16-06/2021 to set aside and PA-24C-19-07/2021 to stay the adjudication decision. The Court has fixed for both case management on 30 November 2021 and 08 December 2021 respectively.

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 initial hearing date has been vacated and a new hearing date is to be fixed by the Court.

Penang High Court Originating Summon No. PA-24NCC-18-07/2021

Wabina had on 18 June 2021 served a Statutory Notice of Demand to SPKL.

SPKL had filed an Originating Summons at the Penang High Court to restrain Wabina from presenting winding-up petition against SPKL. The High Court had granted interim injunctions to restrain Wabina from presenting winding-up petition against SPKL until the disposal of the Originating Summon. The Court has now fixed the hearing date on 13 January 2022.

22 Dividends

No dividend has been proposed for the financial period ended 30 September 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 30/09/2021 RM'000	Quarter ended 30/09/2020 RM'000	Financial period ended 30/09/2021 RM'000	Financial period ended 30/09/2020 RM'000
Profit attributable to owners of the Company (RM)	(693)	345	(693)	345
Weighted average number of ordinary shares in issue ('000)	242,306	237,056	242,306	237,056
Earning per shares (sen)	(0.29)	0.15	(0.29)	0.15

Diluted Earnings per Share

There is no diluted earnings per share as there were no potential dilutive ordinary shares as at 30 September 2021.

24 (Loss) / Profit before taxation

	Current quarter RM'000	Financial year to date RM'000
Profit before taxation is arrived at after crediting/(charging):		
Administrative income	4	4
Interest income	1,010	1,010
Dividend income	65	65
Interest expenses	(791)	(791)
Depreciation	(65)	(65)
Fixed assets written off	(1)	(1)

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 2021 was not subject to any qualification.