

SEAL INCORPORATED BERHAD [196201000416 (4887-M)]
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/12/2021 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2020 RM'000	Current Year To Date 31/12/2021 RM'000	Preceding Year Corresponding Period 31/12/2020 RM'000
Revenue	2,322	4,030	3,451	7,900
Cost of sales	(962)	(9,400)	(1,321)	(11,594)
Gross profit / (loss)	1,360	(5,370)	2,130	(3,694)
Other income	1,094	973	2,192	2,274
Operating expenses	67	(1,391)	(1,377)	(2,857)
Finance cost	(768)	(554)	(1,559)	(1,253)
Profit / (Loss) before tax	1,753	(6,342)	1,386	(5,530)
Income tax	1,658	(290)	1,343	(715)
Profit / (Loss) for the period	3,411	(6,632)	2,729	(6,245)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	3,411	(6,632)	2,729	(6,245)
Profit / (Loss) attributable to:				
Owners of the parent	3,423	(6,630)	2,730	(6,285)
Non-controlling interests	(12)	(2)	(1)	40
	3,411	(6,632)	2,729	(6,245)
Total comprehensive income / (loss) attributable to:				
Owners of the parent	3,423	(6,630)	2,730	(6,285)
Non-controlling interests	(12)	(2)	(1)	40
	3,411	(6,632)	2,729	(6,245)
Earnings / (Loss) per share (sen)				
- Basic	1.30	(2.80)	1.08	(2.65)
- Diluted	N/A	N/A	N/A	N/A

(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 31 December 2021

(THE FIGURES HAVE NOT BEEN AUDITED)

	(UNAUDITED)	(AUDITED)
	As At	As At
	31/12/2021	30/06/2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	750	802
Investment properties	116,062	116,062
Inventories	95,017	95,017
Timber concessions	10,800	10,800
	222,629	222,681
Current assets		
Contract assets	3,419	5,879
Contract costs	1,175	761
Inventories	24,901	24,901
Trade receivables	43,072	53,483
Other receivables, deposits and prepayments	97,576	83,198
Current tax assets	2,980	2,823
Other investments	15,823	13,366
Fixed deposits with licensed banks	18,387	18,428
Cash and bank balances	4,231	3,028
	211,564	205,867
Assets classified as held for sale	-	110
	211,564	205,977
TOTAL ASSETS	434,193	428,658
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	156,425	142,630
Treasury shares	(2,166)	(2,166)
Reserves	353	353
Retained profits	154,270	151,540
	308,882	292,357
Non-controlling interests	5,965	5,966
Total equity	314,847	298,323
Non-current liabilities		
Deferred tax liabilities	2,138	2,138
Finance lease liabilities	26	38
Bank borrowings	64,236	66,919
	66,400	69,095
Current liabilities		
Trade payables	10,451	10,494
Other payables and accruals	29,703	34,687
Finance lease liabilities	23	61
Bank borrowings	12,051	13,163
Current tax liabilities	718	2,835
	52,946	61,240
Total liabilities	119,346	130,335
TOTAL EQUITY AND LIABILITIES	434,193	428,658
Net assets per share attributable to owners of the parent (RM)	1.091	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 CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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	Reserves RM'000	Retained Profits RM'000			
6 Months Ended								
31 December 2021								
Balance at 1 July 2021	142,630	-	(2,166)	353	151,540	292,357	5,966	298,323
Private placement	13,795	-	-	-	-	13,795	-	13,795
Total comprehensive income for the period	-	-	-	-	2,730	2,730	(1)	2,729
Balance at 31 December 2021	<u>156,425</u>	<u>-</u>	<u>(2,166)</u>	<u>353</u>	<u>154,270</u>	<u>308,882</u>	<u>5,965</u>	<u>314,847</u>
6 Months Ended								
31 December 2020								
Balance at 1 July 2020	142,630	-	(2,166)	353	161,923	302,740	6,019	308,759
Total comprehensive income for the period	-	-	-	-	(6,285)	(6,285)	40	(6,245)
Balance at 31 December 2020	<u>142,630</u>	<u>-</u>	<u>(2,166)</u>	<u>353</u>	<u>155,638</u>	<u>296,455</u>	<u>6,059</u>	<u>302,514</u>

(The Condensed Consolidated Statement of Changes in Equity 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 CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021
(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Year To Date 31/12/2021 RM'000	Preceding Year Corresponding Period 31/12/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	1,386	(5,530)
Adjustments for:		
Non-cash items	139	189
Non-operating items	1	(155)
Interest expense	1,559	1,253
Interest income	(2,006)	(1,719)
Dividend income	(147)	(174)
Operating profit / (loss) before working capital changes	<u>932</u>	<u>(6,136)</u>
Inventories	-	1,141
Contract liabilities	-	278
Contract assets	2,460	(6,742)
Contract costs	(414)	-
Receivables	(3,967)	5,718
Payables	<u>(5,027)</u>	<u>3,381</u>
Cash used in operations	(6,016)	(2,360)
Interest paid	(1,559)	(1,253)
Interest received	1,863	1,518
Tax paid	<u>(931)</u>	<u>(1,112)</u>
Net cash used in operating activities	<u>(6,643)</u>	<u>(3,207)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment properties	-	(25)
Purchase of property, plant and equipment	(71)	(75)
Placement of other investments	(14,063)	(5,359)
Proceeds from redemption of other investments	11,606	11,629
Proceeds from disposal of property, plant and equipment	-	432
Proceeds from disposal of investment properties	110	705
Dividend received	147	174
Interest received	<u>104</u>	<u>118</u>
Net cash (used in) / generated from investing activities	<u>(2,167)</u>	<u>7,599</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	961	23,017
Private placement proceeds	13,795	-
Repayment of bank borrowings	(2,845)	(31,995)
Repayment of finance lease liabilities	(50)	(258)
Changes in fixed deposits pledged with licensed banks	549	21
Interest received	<u>39</u>	<u>82</u>
Net cash generated from / (used in) financing activities	<u>12,449</u>	<u>(9,133)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,639	(4,741)
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>10,521</u>	<u>5,085</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 Standard ("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*, the provisions 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 report 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 audited financial statements of the Group for the financial year ended 30 June 2021 except for the adoption of the following:

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

The adoption of the abovementioned MFRSs, amendments to MFRSs and IC Interpretations did not have any significant effect on the financial statements of the Group.

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 been applied by the Group:

Title	Effective Date
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	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 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 initial application of the abovementioned MFRSs, amendments to MFRSs and IC Interpretations is not expected to have any significant effect on the financial statements of the Group upon adoption.

2 Seasonality or Cyclicity of 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 a material effect on the financial results of the Group during the period under review.

5 Issuances, Repurchases and Repayments of Debts and Equity Securities

- (a) The Company has on 9 September 2021 and 16 December 2021 allotted 23,000,000 and 23,070,000 new ordinary shares at the issue price of RM0.346 and RM0.253 per share respectively pursuant to the private placement exercise under the general mandate granted by its Shareholders pursuant to Section 76 of the Companies Act 2016 at the Company's 58th Annual General Meeting held on 21 December 2020.

(b) Share Buy-Backs

There was no shares buy-back during the financial period ended 31 December 2021. The total number of shares repurchased as at 31 December 2021 were 5,896,500 shares, which are held as treasury shares in accordance with the requirements of Section 127 of the Companies Act 2016.

6 Dividend Paid

No dividend has been paid during the financial period ended 31 December 2021.

7 Segment Reporting

Period ended 31 December 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	-	-	-	-	2,444	1,007	3,451
Segment results	(236)	(7)	(75)	1,721	940	(1,404)	939
Interest income							2,006
Profit from operations							2,945
Finance cost							(1,559)
Profit before tax							1,386
Income tax							1,343
Profit for the period							2,729

Period ended 31 December 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	3,886	(17)	-	1,650	2,063	318	7,900
Segment results	(6,519)	1,008	(1)	709	570	(1,763)	(5,996)
Interest income							1,719
Loss from operations							(4,277)
Finance cost							(1,253)
Loss before tax							(5,530)
Income tax							(715)
Loss for the period							(6,245)

8 Revaluation of Property, Plant and Equipment and Investment Properties

There was no revaluation undertaken by the Group during the financial period ended 31 December 2021.

9 Material Subsequent Events

There were no material events subsequent to the end of the financial period, other than those disclosed in Note 19.

10 Changes in the Composition of the Group

There were no changes in the composition of the Group for the financial period ended 31 December 2021.

11 Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets arising since the last annual financial statements for the financial year ended 30 June 2021.

12 Capital Commitments

There were no material 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 31/12/2021 RM'000	Quarter ended 31/12/2020 RM'000	Financial Period ended 31/12/2021 RM'000	Financial period ended 31/12/2020 RM'000
Revenue				
Property Construction	-	1,083	-	3,886
Property Management	-	-	-	(17)
Property Development	-	1,650	-	1,650
Investment Properties	1,316	1,144	2,444	2,063
Others	1,006	153	1,007	318
	<u>2,322</u>	<u>4,030</u>	<u>3,451</u>	<u>7,900</u>
Profit / (Loss) before tax				
Property Construction	847	(6,222)	1,631	(4,987)
Property Management	(18)	3	(31)	1,002
Timber Related	27	156	(75)	-
Property Development	1,734	512	1,749	698
Investment Properties	(209)	(212)	(486)	(496)
Others	(628)	(579)	(1,402)	(1,747)
	<u>1,753</u>	<u>(6,342)</u>	<u>1,386</u>	<u>(5,530)</u>

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 RM2.32 million and a profit before tax of RM1.75 million compared to the revenue of RM4.03 million and loss before tax of RM6.34 million in the preceding year corresponding quarter. Lower revenue was recorded in the current quarter due to the completion of the Queensville Phase 1 ("Queensville") project and the sales of property inventories under the property development segment in the preceding year corresponding quarter. The increase in profit before tax was due to the reversal of overprovision of tax penalty in prior year under the property development segment. In addition, the additional costs incurred after the main contractor's self-termination of its contract also resulted in substantial losses under the construction segment in the preceding year corresponding quarter.

The investment property segment recorded revenue and loss before tax of RM1.32 million and RM0.21 million respectively in the current quarter under review, against the preceding year corresponding quarter's revenue of RM1.14 million and loss before tax of RM0.21 million. The revenue increased slightly compared to the preceding year corresponding quarter as a result of lower rebates given to tenants in the current quarter.

Other segment recorded a revenue of RM1.01 million and a loss before tax of RM0.63 million in the current quarter. The revenue was mainly derived from the marketing related income in relation to Queensville Phase 2 and the loss before tax were those operating costs of dormant companies which fall under this segment.

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

The Group recorded total revenue of RM3.45 million for the current financial period as compared to RM7.90 million in the preceding year corresponding financial period. Similarly, lower revenue was recorded in the current financial period due to the completion of the Queensville Phase 1 project and the sales of property inventories under the property development segment in the preceding year corresponding period.

The Group recorded profit before tax of RM1.39 million for the current financial period as compared to loss before tax of RM5.53 million in the preceding year corresponding financial period. This was mainly due to the reversal of over provision of tax penalty and losses incurred as a result of the main contractor's self-termination of the contract as explained above.

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

	Current quarter 31/12/21 RM'000	Immediate preceding quarter 30/09/21 RM'000
Revenue	2,322	1,129
Profit / (Loss) before tax	1,753	(367)

Compared to the preceding quarter, the increase in revenue was mainly derived from the marketing-related income under other segments in relation to Queensville Phase 2 and the increase in profit before tax was mainly attributed to the reversal of over provision of tax penalty in prior year under the property development segment.

16 Prospect

Although the government has gradually eased certain restrictions imposed on Covid-19 pandemic, Malaysia is not free from virus, the fast-spreading Omicron variant continues to pose a threat to the economic outlook of the country. Against this backdrop, the Directors anticipate that the current financial year remains challenging. Nevertheless, the Group will strive to remain vigilant in its cash conservation measures and focus on monetising its property inventories and rental collections under the investment properties segment as well as obtaining the necessary approvals for the resumption of its timber logging operation and turnkey construction project i.e. Queensville.

17 Variance from Profit Forecast and Profit Guarantee

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

18 Income Tax Expense

	Current quarter RM'000	Financial year to date RM' 000
Malaysian income tax:		
- Current tax expense	376	691
- Overprovision in prior year	(2,034)	(2,034)
	<u>(1,658)</u>	<u>(1,343)</u>

The effective tax rate for the current financial period was higher than the statutory income tax rate in Malaysia mainly due to certain expenses which were not deductible for tax purposes and losses of certain companies which are not allowed to be offset against the profit of other companies within the Group.

19 Corporate Proposals

- (a) The Company has on 9 September 2021 and 16 December 2021 allotted 23,000,000 and 23,070,000 new ordinary shares at the issue price of RM0.346 and RM0.253 per share respectively pursuant to the private placement exercise under the general mandate granted by its Shareholders pursuant to Section 75 and 76 of the Companies Act 2016 at the Company's 58th Annual General Meeting held on 21 December 2020 ("Private Placement"). The Private Placement is deemed completed after the issuance of the above shares.

The Private Placement has raised a total gross proceeds of approximately RM13.795 million and the details of utilisation of the proceeds as at the date of this report are as follows:-

Purposes	Amount Allocated for Utilisation (RM'000)	Amount of Actual Utilisation (RM'000)	Unutilised Amount (RM'000)	Estimated Timeframe for Utilisation
Working capital for the existing construction project	7,000	1,375	5,625	within 12 months
Future property development projects	6,665	6,665	-	within 12 months
Estimated expenses for the Private Placement	130	130	-	Immediate
Total	13,795	8,170	5,625	

- (b) On 15 December 2021, the Company announced that Seal Properties (PG) Sdn Bhd ("SPPG"), a wholly-owned subsidiary of the Company, had on 14 December 2021 entered into an Assignment of Development Rights Agreement ("ADRA") with Mutiara Regal Sdn Bhd ("MRSB"), Mutiara Bay Residency Sdn Bhd and Mutiara Biopolis Developments Sdn Bhd. Pursuant to the ADRA, SPPG has agreed to acquire the rights from MRSB in respect of the development of Parcel 6 and Parcel 7 located at part of Lot 20506 held under GRN 175635 in Mukim 13, Daerah Timor Laut, Pulau Pinang and in doing so, SPPG agreed to reimburse RM16,500,000 in cash to MRSB. Further details of the proposed assignment are set out in the announcement dated 15 December 2021. As at the date of this report, the proposed assignment has yet to be completed and is expected to be completed by 1st half of year 2022.
- (c) On 15 December 2021, the Company announced that SPPG had on 14 December 2021 entered into Shares Subscription Agreement with Mutiara Bay Residency Sdn Bhd and Mutiara Biopolis Developments Sdn Bhd in which the parties had agreed for SPPG to subscribe for new ordinary shares in Mutiara Bay Residency Sdn Bhd and Mutiara Biopolis Developments Sdn Bhd respectively. Further details of the shares subscription are set out in the announcement dated 15 December 2021. As at the date of this report, the Shares Subscription Agreement have yet to be completed.
- (d) On 2 January 2022, the Company announced that the Company had proposed to undertake the proposed acquisition of 100% equity interest of Daiman Majumas Sdn Bhd ("Daiman"), comprising 100 ordinary shares in Daiman, from Wan Chun Yeow and Chen Chieh Rong for a total purchase consideration of RM17.00 million, to be satisfied via a combination of cash payment of RM5.00 million and the issuance of 40,677,966 new ordinary shares of the Company at the issue price of RM0.295 each. Further details of the proposed acquisition are set out in the announcement dated 2 January 2022. As at the date of this report, the proposed acquisition has yet to be completed and is expected to be completed by 3rd quarter of 2022.

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

20 Group Borrowings and Debts Securities

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Denominated in Ringgit Malaysia			
<u>Long term borrowings</u>			
Term loans	64,236	-	64,236
<u>Short term borrowings</u>			
Term loans	4,424	-	4,424
Overdrafts	7,627	-	7,627
	<u>12,051</u>	<u>-</u>	<u>12,051</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 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 Malaysia 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.

21 Material Litigation (continued)

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.

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. The hearing of the matter is fixed on 07 April 2022.

Adjudication No: AIAC/D/ADJ-3236-2020

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 14 March 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 hearing date on the same date which is 4 March 2022.

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. The Court has dismissed Wabina's Judicial Review application with cost to be paid to SPKL.

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 further fixed the hearing date on 14 March 2022.

22 Dividends

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

23 Earnings / (Loss) per Share

Basic Earnings / (Loss) per Share

Basic earnings / (loss) 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 31/12/2021 RM'000	Quarter ended 31/12/2020 RM'000	Financial period ended 31/12/2021 RM'000	Financial period ended 31/12/2020 RM'000
Profit attributable to owners of the Company	3,423	(6,630)	2,730	(6,285)
Weighted average number of ordinary shares in issue ('000)	264,068	237,056	253,312	237,056
Earning / (Loss) per share (sen)	1.30	(2.80)	1.08	(2.65)

Diluted Earnings / (Loss) per Share

There is no diluted earnings / (loss) per share as there were no potential dilutive ordinary shares as at 31 December 2021.

24 Profit / (Loss) before Tax

	Current quarter RM'000	Financial year to date RM'000
Profit / (Loss) before tax is arrived at after crediting / (charging):		
Administrative income	1	5
Interest income	996	2,006
Dividend income	82	147
Interest expense	(768)	(1,559)
Depreciation	(57)	(122)
Property, plant and equipment written off	-	(1)

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

25 Auditors' Report on Preceding Annual Financial Statements

The auditors' report in respect of the financial statements of the Group for the financial year ended 30 June 2021 was not subject to any qualification.