

SEAL INCORPORATED BERHAD [196201000416 (4887-M)]
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/03/2022 RM'000	Preceding Year Corresponding Quarter Ended 31/03/2021 RM'000	Current Year To Date 31/03/2022 RM'000	Preceding Year Corresponding Period 31/03/2021 RM'000
Revenue	3,202	8,302	6,653	16,202
Cost of sales	(2,098)	(3,910)	(3,419)	(15,504)
Gross profit	1,104	4,392	3,234	698
Other income	1,734	1,073	3,926	3,347
Operating expenses	(1,925)	(1,946)	(3,302)	(4,803)
Finance cost	(714)	(1,458)	(2,273)	(2,711)
Profit/(Loss) before tax	199	2,061	1,585	(3,469)
Tax expense	(323)	(263)	1,020	(978)
Profit/(Loss) for the period	(124)	1,798	2,605	(4,447)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the period	(124)	1,798	2,605	(4,447)
Profit/(Loss) attributable to:				
Owners of the parent	(357)	1,780	2,373	(4,505)
Non-controlling interests	233	18	232	58
	(124)	1,798	2,605	(4,447)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	(357)	1,780	2,373	(4,505)
Non-controlling interests	233	18	232	58
	(124)	1,798	2,605	(4,447)
Earnings/(Loss) per share (sen)				
- Basic	(0.13)	0.75	0.90	(1.90)
- 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 MARCH 2022

(THE FIGURES HAVE NOT BEEN AUDITED)

	(UNAUDITED)	(AUDITED)
	As At	As At
	31/03/2022	30/06/2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	723	802
Investment properties	116,062	116,062
Inventories	95,017	95,017
Timber concessions	10,800	10,800
	<u>222,602</u>	<u>222,681</u>
Current assets		
Contract assets	5,854	5,879
Contract costs	1,286	761
Inventories	26,990	24,901
Trade receivables	42,797	53,483
Other receivables, deposits and prepayments	103,611	83,198
Current tax assets	2,678	2,823
Other investments	8,344	13,366
Fixed deposits with licensed banks	11,343	18,428
Cash and bank balances	9,851	3,028
	<u>212,754</u>	<u>205,867</u>
Assets classified as held for sale	-	110
	<u>212,754</u>	<u>205,977</u>
TOTAL ASSETS	435,356	428,658
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	156,424	142,630
Treasury shares	(2,166)	(2,166)
Reserves	353	353
Retained profits	153,913	151,540
	<u>308,524</u>	<u>292,357</u>
Non-controlling interests	4,198	5,966
Total equity	312,722	298,323
Non-current liabilities		
Deferred tax liabilities	2,138	2,138
Finance lease liabilities	26	38
Bank borrowings	62,955	66,919
	<u>65,119</u>	<u>69,095</u>
Current liabilities		
Trade payables	12,289	10,494
Other payables and accruals	32,618	34,687
Finance lease liabilities	17	61
Bank borrowings	12,435	13,163
Current tax liabilities	156	2,835
	<u>57,515</u>	<u>61,240</u>
Total liabilities	122,634	130,335
TOTAL EQUITY AND LIABILITIES	435,356	428,658
Net assets per share attributable to owners of the parent (RM)	1.090	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 CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022
(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Year To Date 31/03/2022 RM'000	Preceding Year Corresponding Period 31/03/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	1,585	(3,469)
Adjustments for:		
Non-cash items	162	263
Non-operating items	1	(213)
Interest expense	2,273	2,711
Interest income	(3,658)	(2,634)
Dividend income	(156)	(234)
Operating profit/(loss) before working capital changes	207	(3,576)
Inventories	(2,089)	3,153
Contract assets	25	(4,337)
Contract costs	(525)	-
Receivables	(9,727)	5,484
Contract liabilities	-	214
Payables	(274)	(330)
Cash (used in)/generated from operations	(12,383)	608
Interest paid	(2,273)	(2,711)
Interest received	3,421	2,364
Tax paid	(1,519)	(1,707)
Tax refunded	24	-
Net cash used in operating activities	(12,730)	(1,446)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment properties	-	(25)
Purchase of property, plant and equipment	(77)	(118)
Placement of other investments	(21,461)	(8,409)
Proceeds from redemption of other investments	26,483	13,918
Proceeds from disposal of property, plant and equipment	-	497
Proceeds from disposal of investment properties	110	705
Dividend received	156	234
Interest received	171	165
Net cash generated from investing activities	5,382	6,967
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	2,173	33,353
Private placement proceeds	13,794	-
Payment of dividend to non-controlling interests	(2,000)	-
Repayment of bank borrowings	(4,898)	(39,830)
Repayment of finance lease liabilities	(56)	(291)
Changes in fixed deposits pledged with licensed banks	522	351
Interest received	66	105
Net cash generated from/(used in) financing activities	9,601	(6,312)
NET CHANGE IN CASH AND CASH EQUIVALENTS	2,253	(791)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	6,882	9,826
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	9,135	9,035

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

Part A: 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 ("Bursa Securities").

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 the 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:

	<u>Effective Date</u>
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 above 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 which have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been applied by the Group:

	<u>Effective Date</u>
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 applying MFRS 9	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The initial application of the above MFRSs, amendments to MFRSs and IC Interpretations is not expected to result in any significant effect on the financial statements of the Group.

2. Seasonality or Cyclicity of Operations

The business operations of the Group were not significantly affected by any seasonal or cyclical factors during the current interim period.

3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current interim period.

4. Material Changes in Estimates

There were no changes in estimates of the amounts reported that have a material effect on the financial results of the Group for the current interim period.

5. Issues, Repurchases and Repayments of Debt 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 undertaken under the general mandate granted by the shareholders of the Company pursuant to Sections 75 and 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 current interim period. The total number of ordinary shares repurchased as at 31 March 2022 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 was paid by the Company during the current interim period.

7. Segment Information

9-Month Period Ended 31 March 2022

	Property Construction RM'000	Property Management RM'000	Timber Related RM'000	Property Development RM'000	Property Investment RM'000	Other Segment RM'000	Total RM'000
Segment revenue	3	-	-	1,410	3,393	1,847	6,653
Segment results	(427)	(3)	(141)	1,967	1,071	(2,267)	200
Interest income							3,658
Profit from operations							3,858
Finance cost							(2,273)
Profit before tax							1,585
Tax expense							1,020
Profit for the period							2,605

9-Month Period Ended 31 March 2021

	Property Construction RM'000	Property Management RM'000	Timber Related RM'000	Property Development RM'000	Property Investment RM'000	Other Segment 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)
Tax expense							(978)
Loss for the period							(4,447)

8. Revaluation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment undertaken by the Group during the current interim period.

9. Subsequent Events

Save as disclosed in Note 19(d), there were no other material events subsequent to the end of the current interim period that have not been reflected in the interim financial report.

10. Changes in Composition of the Group

Save as disclosed in Note 19(c), there were no other changes in the composition of the Group during the current interim period.

11. Contingent Liabilities and Contingent Assets

Save for the material litigations disclosed in Note 21, there were no other contingent liabilities or contingent assets that have arisen since the last annual financial statements of the Group for the financial year ended 30 June 2021.

12. Capital Commitments

There were no material capital commitments as at the end of the current interim period.

13. Significant Related Party Transactions

There were no significant related party transactions during the current interim period.

Part B: Additional Information pursuant to Main Market Listing Requirements of Bursa Securities

14. Review of Performance

	Quarter ended 31/03/2022 RM'000	Quarter ended 31/03/2021 RM'000	Financial Period ended 31/03/2022 RM'000	Financial period ended 31/03/2021 RM'000
Revenue				
Property construction	3	605	3	4,491
Property management	-	-	-	(17)
Timber related	-	3,004	-	3,004
Property development	1,410	3,580	1,410	5,230
Property investment	949	1,113	3,393	3,176
Other segment	840	-	1,847	318
	<u>3,202</u>	<u>8,302</u>	<u>6,653</u>	<u>16,202</u>
Profit/(Loss) before tax				
Property construction	645	1,812	2,276	(3,175)
Property management	(9)	(25)	(40)	977
Timber related	(66)	172	(141)	172
Property development	988	1,556	2,737	2,254
Property investment	(497)	(580)	(983)	(1,076)
Other segment	(862)	(874)	(2,264)	(2,621)
	<u>199</u>	<u>2,061</u>	<u>1,585</u>	<u>(3,469)</u>

(a) Performance of the current quarter against the immediate preceding year corresponding quarter ("Q3'21")

For the current quarter under review, the Group recorded total revenue of RM3.2 million and profit before tax of RM0.2 million against the revenue of RM8.3 million and profit before tax of RM2.1 million recorded in Q3'21. Lower revenue was recorded in the current quarter principally attributed to the decrease in the number of completed property inventories sold and the decrease in sales of timber-related products, and was partially offset by the increase in income derived from the marketing related activities in relation to Queensville Phase 2. Consequently, the decrease in revenue has resulted in lower profit before tax for the current quarter. Another reason contributing to the lower profit before tax as compared to that of Q3'21 was the reversal of over-estimation of construction cost of approximately RM1.3 million under the property construction segment in Q3'21.

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

Cumulatively, the Group's 9-month revenue experienced a decrease of 59% on year-on-year basis, from RM16.2 million in prior year's financial period to RM6.7 million in the current financial period. Other than the decrease in revenue in property development segment and timber-related segment as aforesaid, the completion of Queensville Phase 1 project under the property construction segment in prior year has also contributed to the decrease in the Group's revenue. Notwithstanding the decrease in revenue, the Group recorded a turnaround in profitability, from a loss before tax of RM3.5 million in prior year's financial period to a profit before tax of RM1.6 million in the current financial period. The improved financial results was mainly due to the reversal of tax penalty in the current financial period after the finalisation of tax investigation and the substantial loss incurred in prior year as a result of the unilateral termination of construction contract by the main contractor of Queensville Phase 1 project.

15. Changes in Current Quarter as compared with Preceding Quarter

	Current quarter 31/03/2022 RM'000	Immediate preceding quarter 31/12/2021 RM'000
Revenue	<u>3,202</u>	<u>2,322</u>
Profit before tax	<u>199</u>	<u>1,753</u>

Higher revenue was recorded by the Group in the current quarter as compared to that of the preceding quarter i.e. Q2'22 mainly due to the sales of completed property inventories in the current quarter (Q2'22: Nil). However, Q2'22 has shown a better results because of the reversal of tax penalty as aforesaid in Q2'22.

16. Prospect

Although Malaysia has begun its transition to endemic phase commencing 1 April 2022, the country is not yet free from Covid-19 virus especially the fast-spreading Omicron variant. Other challenges have also emerged in particular the inflationary pressure around the global economies, conflicts in East Europe and global supply chain disruption by the China's zero-Covid policy, which have further shrouded the world with cloud of uncertainties. Against this backdrop, the Directors opine that the current financial year remains challenging. The Group will strive to remain vigilant in its cash conservation measures and continue to focus on monetising its property inventories and rental collection under the property investment segment as well as obtaining the necessary approvals for the resumption of its timber logging operation and turnkey construction project i.e. Queensville.

17. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee.

18. Tax Expense

	Current quarter RM'000	Financial year to date RM'000
Malaysian income tax:		
Current tax - current year	342	1,042
- prior years	(19)	(2,062)
	323	(1,020)

The effective tax rate is higher than the statutory tax rate in Malaysia mainly due to certain expenses which are not deductible for tax purposes and losses of certain companies which are not allowed to be offset against the profits of other companies within the Group.

19. Corporate Proposals

(a) Private Placement

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 undertaken under the general mandate granted by the shareholders of the Company pursuant to Sections 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 RM13.794 million and the status of utilisation of the proceeds as at the latest practicable date is as follows:

Purposes	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Intended Timeframe for Utilisation
Working capital for the existing construction project	7,000	4,783	2,217	within 12 months
Future property development projects	6,664	6,664	-	within 12 months
Estimated expenses for the Private Placement	130	130	-	Immediate
Total	13,794	11,577	2,217	

(b) Assignment of Development Rights Agreement

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 from MRSB the rights 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.

On 14 March 2022, the Company announced that all the conditions precedent set out in the ADRA had been fulfilled and the ADRA had become unconditional.

(c) Shares Subscription Agreements

On 15 December 2021, the Company announced that SPPG had on 14 December 2021 entered into Shares Subscription Agreements with MRSB, 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.

On 28 March 2022, the Company announced that the aforesaid shares subscription by SPPG had been completed. Consequently, Mutiara Bay Residency Sdn Bhd and Mutiara Biopolis Developments Sdn Bhd have become subsidiaries of the Group.

(d) Proposed Acquisition

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 ("Proposed Acquisition"). Further details of the Proposed Acquisition are set out in the announcement dated 2 January 2022.

On 5 April 2022, the Company announced that Bursa Securities had, vide its letter dated 5 April 2022, resolved to approve the listing and quotation of up to 40,677,966 ordinary shares to be issued pursuant to the Proposed Acquisition subject to fulfilment of certain conditions.

On 12 May 2022, the Company announced that the shareholders of the Company had approved the Proposed Acquisition at the Extraordinary General Meeting held on the even date.

(e) Save as disclosed above, there were no other corporate proposals announced but not completed during the current interim period.

20. Group Borrowings and Debt Securities

The Group's borrowings, all denominated in Ringgit Malaysia, as at the end of the reporting period are as follows::

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long term borrowings</u>			
Term loans	62,955	-	62,955
<u>Short term borrowings</u>			
Term loans	4,872	-	4,872
Overdrafts	7,563	-	7,563
	12,435	-	12,435

21. Material Litigations

Save as disclosed below, there were no other changes in material litigations since the date of the last annual statement of financial position:

(a) Civil Suit and 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 the High Court of Malaya to claim, inter-alia, the following:

- a sum of RM22,816,000 as liquidated damages;
- a declaration that SPKL entitled to deduct liquidated damages from interim certificates of payment for a total sum of RM7,033,696;
- 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 damages 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 5% per annum on items (a) to (f); and
- costs.

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 items (a) and (b); and
- 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 26 months from the date of commencement of works i.e. 31 August 2018. An extension of 3 months had been granted to Wabina to complete the entire project. As at 5 August 2019, Wabina has breached its obligations under the contract as the works for the project was not yet completed. SPKL 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 Asian International Arbitration Centre ('AIAC')'s appointment, the Arbitrator had issued Procedural Order No. 1 and the parties are to comply with the Arbitrator's procedural orders stated therein. The Hearing for the Arbitration is now fixed at 15 August 2022 until 7 October 2022.

(b) 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 and further allowed Wabina's application to enforce the Adjudication Decision with costs of RM15,000. 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's application in part by ordering, amongst others, for Wabina to preserve its assets up to RM7,752,928 until the disposal of both appeals. On 30 September 2021, the Court of Appeal dismissed SPKL's appeal with costs. Thereafter, SPKL filed a Motion for leave to appeal together with the affidavit in support to Federal Court and the Federal Court dismissed SPKL's application for leave with costs of RM30,000 on 7 April 2022.

21. Material Litigations (continued)

(c) 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 ("CIPAA") on SPKL with the intention to claim the overdue payment of RM8,688 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 also 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 Arbitrator handed down the Adjudication Decision on 18 May 2021 and held that:

No.	Description	Amount (RM)
i.	Certificate of Payment No. 37	8,688
ii.	Progress claim No. 38	5,180,381
iii.	Legal cost	65,000
iv.	Adjudicator fee	89,615
v.	Other expenses	19,687
	Total	5,363,371
vi.	Payment shall be paid within 30 days from the date of decision	
vii.	Late payment interest at 5% per annum from the decision date	

On 28 May 2021, Wabina filed Application made under Section 28 of the CIPAA to enforce the Adjudication Decision under Penang High Court Originating Summons No. PA-24C-14-05/2021. The matter has been fixed for Case Management and/or Hearing on 4 August 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 High Court had on 6 April 2022 allowed SPKL's Originating Summons to stay the Adjudication Decision pending disposal of the arbitration proceeding and SPKL had subsequently withdrawn the Originating Summons to set aside the adjudication decision as it has become academic.

(d) Judicial Review Proceedings: PA-25-26-05/2020

Wabina filed a Judicial Review proceedings 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(1)(a) Companies Act 2016 statutory notice demanding for payment of the adjudicated sum. The Court in the Hearing held on 15 December 2021 had dismissed Wabina's Judicial Review application with costs to be paid to SPKL.

(e) Penang High Court Originating Summons 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 Summons. The initial Hearing date of 13 January 2022 has been vacated and adjourned to 31 May 2022.

22. Dividend

No dividend has been declared during the current interim period.

23. Earnings/(Loss) per Share

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue.

	Quarter ended 31/03/2022 RM'000	Quarter ended 31/03/2021 RM'000	Financial period ended 31/03/2022 RM'000	Financial period ended 31/03/2021 RM'000
Profit/(Loss) attributable to owners of the Company	(357)	1,780	2,373	(4,505)
Weighted average number of ordinary shares in issue ('000)	283,126	237,056	263,105	237,056
Basic earnings/(loss) per share (sen)	(0.13)	0.75	0.90	(1.90)

(b) Diluted earnings/(loss) per share

No diluted earnings/(loss) per share is calculated as there were no dilutive potential ordinary shares during the current interim period.

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):		
Dividend income	9	156
Interest income	1,652	3,658
Depreciation	(32)	(154)
Interest expense	(714)	(2,273)
Property, plant and equipment written off	-	(1)
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Save as disclosed above, the other items as required under Paragraph 16 of Part A of Appendix 9B 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 unmodified.