

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

(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/12/2022 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2021 RM'000	Current Year To Date 31/12/2022 RM'000	Preceding Year Corresponding Period 31/12/2021 RM'000
Revenue	2,055	2,322	10,013	3,451
Cost of sales	(775)	(962)	(5,952)	(1,321)
Gross profit	1,280	1,360	4,061	2,130
Other income	1,003	1,094	1,966	2,192
Operating expenses	(1,937)	67	(3,799)	(1,377)
Finance cost	(814)	(768)	(1,605)	(1,559)
(Loss)/Profit before tax	(468)	1,753	623	1,386
Tax expense	(279)	1,658	(836)	1,343
(Loss)/Profit for the period	(747)	3,411	(213)	2,729
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income for the period	(747)	3,411	(213)	2,729
(Loss)/Profit attributable to:				
Owners of the parent	(736)	3,423	(171)	2,730
Non-controlling interests	(11)	(12)	(42)	(1)
	(747)	3,411	(213)	2,729
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(736)	3,423	(171)	2,730
Non-controlling interests	(11)	(12)	(42)	(1)
	(747)	3,411	(213)	2,729
Earnings/(Loss) per share (sen)				
- Basic	(0.26)	1.30	(0.06)	1.08
- 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 2022 and the accompanying explanatory notes attached to this interim financial report.)

SEAL INCORPORATED BERHAD [196201000416 (4887-M)]
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

(THE FIGURES HAVE NOT BEEN AUDITED)

	(UNAUDITED) As At 31/12/2022 RM'000	(AUDITED) As At 30/06/2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,452	728
Investment properties	118,920	118,920
Inventories	110,031	95,017
Timber concessions	10,800	10,800
	241,203	225,465
Current assets		
Contract assets	693	6,069
Contract costs	5,401	3,586
Inventories	36,985	41,877
Trade receivables	5,450	39,817
Other receivables, deposits and prepayments	125,210	91,180
Current tax assets	2,961	3,088
Other investments	7,275	14,099
Fixed deposits with licensed banks	22,263	16,376
Cash and bank balances	11,347	6,229
	217,585	222,321
TOTAL ASSETS	458,788	447,786
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	156,424	156,424
Treasury shares	(2,166)	(2,166)
Reserves	353	353
Retained profits	155,690	155,861
	310,301	310,472
Non-controlling interests	4,550	4,196
Total equity	314,851	314,668
Non-current liabilities		
Deferred tax liabilities	2,358	2,358
Finance lease liabilities	399	14
Bank borrowings	57,391	61,972
	60,148	64,344
Current liabilities		
Trade payables	10,369	11,649
Other payables and accruals	59,390	43,331
Finance lease liabilities	114	24
Bank borrowings	13,339	13,390
Current tax liabilities	577	380
	83,789	68,774
Total liabilities	143,937	133,118
TOTAL EQUITY AND LIABILITIES	458,788	447,786
Net assets per share attributable to owners of the parent (RM)	1.096	1.097

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.)

SEAL INCORPORATED BERHAD [196201000416 (4887-M)]
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

(THE FIGURES HAVE NOT BEEN AUDITED)

	← Attributable to owners of the parent →						Non-Controlling Interests	Total Equity
	← Non-distributable →			Distributable				
	Share Capital RM'000	Treasury Shares RM'000	Reserves RM'000	Retained Profits RM'000	Total RM'000	RM'000	RM'000	
6-Month Period Ended 31 December 2022								
Balance at 1 July 2022	156,424	(2,166)	353	155,861	310,472	4,196	314,668	
Non-controlling interest accumulated losses	-	-	-	-	-	396	396	
Total comprehensive income for the period	-	-	-	(171)	(171)	(42)	(213)	
Balance at 31 December 2022	156,424	(2,166)	353	155,690	310,301	4,550	314,851	
6-Month Period 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/(loss) for the period	-	-	-	2,730	2,730	(1)	2,729	
Balance at 31 December 2021	156,425	(2,166)	353	154,270	308,882	5,965	314,847	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.)

SEAL INCORPORATED BERHAD [196201000416 (4887-M)]
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022
(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Year To Date 31/12/2022 RM'000	Preceding Year Corresponding Period 31/12/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	623	1,386
Adjustments for:		
Non-cash items	459	139
Non-operating items	1	1
Interest expense	1,605	1,559
Interest income	(1,722)	(2,006)
Dividend income	(7)	(147)
Operating profit /(loss) before working capital changes	<u>959</u>	<u>932</u>
Inventories	4,892	-
Contract assets	5,376	2,460
Contract costs	(1,815)	(414)
Receivables	337	(3,967)
Contract liabilities	-	-
Payables	<u>14,779</u>	<u>(5,027)</u>
Cash generated from/(used in) operations	<u>24,528</u>	<u>(6,016)</u>
Interest paid	(1,605)	(1,559)
Interest received	1,527	1,863
Tax paid	(512)	(931)
Tax refunded	-	-
Net cash generated from/(used in) operating activities	<u><u>23,938</u></u>	<u><u>(6,643)</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(830)	(71)
Net cash effect on acquisition of subsidiaries	(14,998)	-
Placement of other investments	(9,661)	(14,063)
Proceeds from redemption of other investments	16,487	11,606
Proceeds from disposal of investment properties	-	110
Dividend received	7	147
Interest received	<u>153</u>	<u>104</u>
Net cash used in investing activities	<u><u>(8,842)</u></u>	<u><u>(2,167)</u></u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	1,587	961
Private placement proceeds	-	13,795
Repayment of bank borrowings	(6,112)	(2,845)
Repayment of finance lease liabilities	475	(50)
Changes in interest fixed deposits pledged with licensed banks	42	549
Interest received	-	39
Net cash (used in)/generated from financing activities	<u><u>(4,008)</u></u>	<u><u>12,449</u></u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	11,088	3,639
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>9,901</u>	<u>6,882</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>20,989</u></u>	<u><u>10,521</u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.)

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 2022. 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 2022.

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 2022 except for the adoption of the following:

	<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

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>
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 17 Insurance Contracts: Initial application of MFRS 17 and MFRS 9 - Comparative Information	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 16 Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024
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

Share Buy-Backs

There was no shares buy-back during the current interim period. The total number of ordinary shares repurchased as at 31 December 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

6-Month Period Ended 31 December 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	-	-	-	6,919	2,737	357	10,013
Segment results	(525)	(19)	(1)	1,492	1,281	(1,722)	506
Interest income							1,722
Profit from operations							2,228
Finance cost							(1,605)
Profit before tax							623
Tax expense							(836)
Loss for the period							(213)

6-Month Period Ended 31 December 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	-	-	-	-	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
Tax expense							1,343
Profit for the period							2,729

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. Material Events Subsequent to the End of Financial Period

On 27 May 2022, Seal Properties (SP) Sdn Bhd, a wholly-owned subsidiary of Seal Incorporated Berhad, entered into a Sale and Purchase Agreement with Smart Budget Economy Sdn Bhd for the disposal of all that piece of vacant land held under HSD 90454, PT 48857, Bandar Sungai Petani, Daerah Kuala Muda, Kedah measuring approximately 375,655.7 square metres for a total consideration of Ringgit Malaysia Thirty Seven Million (RM37,000,000). Further details of the disposal are set out in the announcement dated 27 May 2022 and 01 June 2022. As on 25 October 2022, SPSP has received confirmation from the Purchaser to mutually agree to extend the period for the fulfilment of the condition precedent under the SPA for a further period of 3 months, ending on 26 February 2023. Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed within two (2) months from 26 February 2023. Apart save as disclosed in Note 19, 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(b), 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 2022.

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.

14. Review of Performance

	Quarter ended 31/12/2022 RM'000	Quarter ended 31/12/2021 RM'000	Financial Period ended 31/12/2022 RM'000	Financial Period ended 31/12/2021 RM'000
Revenue				
Property development	599	-	6,919	-
Property investment	1,389	1,316	2,737	2,444
Other segment	67	1,006	357	1,007
	<u>2,055</u>	<u>2,322</u>	<u>10,013</u>	<u>3,451</u>
Profit/(Loss) before tax				
Property construction	428	847	1,014	1,631
Property management	(15)	(18)	(17)	(31)
Timber related	(1)	27	(1)	(75)
Property development	58	1,734	1,537	1,749
Property investment	(33)	(209)	(192)	(486)
Other segment	(905)	(628)	(1,718)	(1,402)
	<u>(468)</u>	<u>1,753</u>	<u>623</u>	<u>1,386</u>

(a) Performance of the current quarter against the immediate preceding year corresponding quarter ("Q2'22")

For the current quarter under review, the Group recorded total revenue of RM2.05 million and loss before tax of RM0.47 million against the revenue of RM2.32 million and profit before tax of RM1.75 million recorded in the corresponding quarter ended 31 December 2021. Lower revenue was recorded in the current quarter from the property development for the sales of the North Avenue shop lot located at Sungai Petani, and there were no contributions from sales commissions and marketing services under other segments. The decrease in profit before tax was mainly due to the reversal of the over-provision of a tax penalty of RM1.8 million in the preceding year's corresponding quarter under the property development segment.

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

The Group recorded a revenue of RM10.0 million for the current financial period as compared to RM3.45 million in the preceding year corresponding financial period. The increase in revenue is mainly due to the sales of completed properties and vacant lands located at North Avenue, Sungai Petani.

The Group recorded a profit before tax of RM0.62 million for the current financial period as compared to a profit before tax of RM1.39 million in the preceding year corresponding financial period. The reduced financial results was mainly due to lower sales of completed properties and vacant land under the property development segment and an increase in finance cost under the investment properties.

There was no revenue generated from the property construction segment, however, the profit is derived from reimbursement of finance costs from queensville project. There was no revenue recorded under the timber segment because it is still pending licensing approval from the authorities.

15. Changes in Current Quarter as compared with Preceding Quarter

	Current quarter 31/12/2022 RM'000	Immediate preceding quarter 30/09/2022 RM'000
Revenue	<u>2,055</u>	<u>7,958</u>
Profit before tax	<u>(468)</u>	<u>1,091</u>

Lower revenue and a decrease in profit before tax were recorded in the current quarter compared to the preceding quarter, i.e. Q1'23, mainly due to the higher sales of completed properties and vacant lands at Sungai Petani in Q1'23 and the increase of staff cost and finance cost in Q2'23.

16. Prospect

Malaysia's economy is expected a slow recovery period despite the newly formed government is attempting to engineer the economy to recover soonest after the pandemic. The nation is stalling, confronting the critical supply chain that soared in 2022, yet the surge in interest rates further affecting the finance and operating cost.

The slowdown in the year 2022 did not severely the group's financial position, the profit is expected to fall as higher material price pressure from the critical supply chain and inflation concerns. Ultimately the group expects the sales to continue in slow as consumer spending power is reduced after being impacted by the interest rates and inflation surges.

Despite the gloom, the group was prepared to stabilise its operating return and expenses, tide over difficult times with strong financial reserves, aims to look for the right partner for the creation of expansion and opportunities, and keep strong and resilient for a better comeback.

The Group will continue to focus on monetising its inventories, rental collections under the property investment segment and ongoing turnkey construction projects for Queensville, planning on its recent development rights in Penang and new product launches will be phased according to prevailing market conditions.

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	836	836

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.

Utilisation of Proceeds	Actual Proceeds Raised (RM'000)	Actual Utilised (RM'000)	Balance Unutilised (RM'000)	Intended Timeframe for Utilisation
Working capital for the existing construction project	7,000	7,000	-	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	13,794	-	

(b) 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.

On 30 May 2022, the Company announced that both parties mutually agreed to extend the fulfilment date of the conditions precedent by another 3 months (i.e. by 31 August 2022) and on 30 August 2022, further extend another 3 months to 30 November 2022.

On 21 September 2022, TA Securities announced that the Company had on this date submitted an application to Bursa Securities seeking its approval for an extension of time of up to 4 April 2023 for the Company to complete the issuance of the Consideration Shares.

On 05 October 2022, both parties had mutually agreed to extend the fulfilment date of the conditions precedent until 31 March 2023 and on 07 October 2022, Bursa Securities granted the Company an extension of time up to 4 April 2023 for the Company to complete the issuance of the Consideration Shares.

On 18 October 2022, the Company announced that both parties had executed a supplemental letter to vary certain Conditions Precedent contained in the SSA change to Conditions Subsequent. Therefore, Daiman Majumas Sdn Bhd become subsidiary of the Group.

(c) 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	57,391	-	57,391
<u>Short term borrowings</u>			
Term loans	5,245	-	5,245
Overdrafts	8,095	-	8,095
	13,340	-	13,340

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) a sum of RM22,816,000 as liquidated damages;
- (b) a declaration that SPKL entitled to deduct liquidated damages from interim certificates of payment for a total sum of RM7,033,696;
- (c) liquidated damages of RM1,468,500 in respect of the TNB sub-station and the three mock-up sample units;
- (d) outstanding overtime claims of RM105,852;
- (e) outstanding TNB charges of RM230,800 for temporary electricity supply to the project site from February 2019 to July 2019;
- (f) 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;
- (g) loss and damages for breach of contract;
- (h) interest at 5% per annum on items (a) to (f); and
- (i) costs.

Wabina had also counterclaimed against SPKL the following:

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

On 30 September 2022, the Arbitration between SPKL and Wabina is now fixed for Hearing on 9 January 2023 until 12 January 2023 and on 20 February 2023 until 24 February 2023.

On 09 February 2023, the Arbitration between SPKL and Wabina is further fixed for Hearing on 12 June 2023 until 16 June 2023 and on 3 July 2023 until 7 July 2023.

(b) 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 20 September 2022 and the Court has fixed the matter for Hearing on 14 November 2022 and now rescheduled to 20 January 2023.

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.

21. Material Litigations (continued)

On 04/8/2022, the Court of Appeal has vide Court of Appeal Civil Appeal No P-02(C)(A)-649-04/2022 and Civil Appeal No P-02(IM)-647-04/2022 allowed Wabina's application to appeal against the High Court's decision in Originating Summon No. PA-24C-19-07/2021 and the Court of Appeal have fixed the Hearing for the matter on 15 September 2022 and on 20 September 2022, the Court has fixed the matter for Case Management on 23 September 2022. and the Court of Appeal has fixed the Hearing on 21 November 2022. On 21 November 2022, the Court of Appeal overturned the High Court decision.

SPKL has thereafter taken the following actions:-

- 1 Filed a Motion for leave to appeal to the Federal Court against the Court of Appeal's decision dated 21st November 2022 which had set aside the High Court decision to stay the Adjudication Decision together with the certificate of urgency. The Federal Court indicated that Grounds of Judgment is required for this matter and fixed for Case management on 27 March 2023.
- 2 Filed an Originating Summons with the High Court to set aside the CIPAA Award together with the certificate of urgency and has fixed the Hearing on 7 April 2023.
- 3 Opposed the winding-up Petition and also filed a Notice of Motion to stay the winding up proceeding pending the disposal of the arbitration has fixed the Hearing on 21 April 2023

Save as disclosed above, there was no material financial impact on the Group.

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 31/12/2022 RM'000	Quarter ended 31/12/2021 RM'000	Financial period ended 31/12/2022 RM'000	Financial period ended 31/12/2021 RM'000
(Loss)/Profit attributable to owners of the Company	(736)	3,423	(171)	2,730
Weighted average number of ordinary shares in issue ('000)	283,126	264,068	283,126	253,312
Basic (loss)/earnings per share (sen)	(0.26)	1.30	(0.06)	1.08

(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. (Loss)/Profit before Tax

	Current quarter RM'000	Financial year to date RM'000
(Loss)/Profit before tax is arrived at after crediting/(charging):		
Dividend income	-	7
Interest income	870	1,722
Depreciation	(67)	(105)
Interest expense	(814)	(1,605)

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 2022 was unmodified.