

SEAL INCORPORATED BERHAD [196201000416 (4887-M)]
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/06/2023 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2022 RM'000	Current Year To Date 30/06/2023 RM'000	Preceding Year Corresponding Period 30/06/2022 RM'000
Revenue	39,873	2,884	51,497	9,537
Cost of sales	(20,462)	(1,160)	(26,860)	(4,579)
Gross profit	19,411	1,724	24,637	4,958
Other income	8,001	3,830	10,985	7,756
Operating expenses	(8,129)	(2,521)	(14,594)	(5,823)
Finance cost	(1,942)	(742)	(4,869)	(3,015)
Profit before tax	17,341	2,291	16,159	3,876
Tax expense	(3,445)	(345)	(4,596)	675
Profit for the period	13,896	1,946	11,563	4,551
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	13,896	1,946	11,563	4,551
Profit attributable to:				
Owners of the parent	13,940	1,948	11,739	4,321
Non-controlling interests	(44)	(2)	(176)	230
	13,896	1,946	11,563	4,551
Total comprehensive income attributable to:				
Owners of the parent	13,940	1,948	11,739	4,321
Non-controlling interests	(44)	(2)	(176)	230
	13,896	1,946	11,563	4,551
Earnings/(Loss) per share (sen)				
- Basic	4.48	0.69	4.03	1.21
- 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 30 JUNE 2023

(THE FIGURES HAVE NOT BEEN AUDITED)

	(UNAUDITED)	(AUDITED)
	As At	As At
	30/06/2023	30/06/2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,882	728
Investment properties	167,460	118,920
Inventories	112,042	95,017
Timber concessions	6,067	10,799
	<u>287,451</u>	<u>225,464</u>
Current assets		
Contract assets	693	6,070
Contract costs	1,286	3,586
Inventories	27,721	41,877
Trade receivables	1,522	39,817
Other receivables, deposits and prepayments	117,291	91,180
Current tax assets	2,678	3,088
Other investments	9,997	14,099
Fixed deposits with licensed banks	22,517	16,376
Cash and bank balances	14,053	6,229
	<u>197,758</u>	<u>222,322</u>
TOTAL ASSETS	485,209	447,786
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	163,502	156,424
Treasury shares	(163)	(2,166)
Reserves	353	353
Retained profits	168,041	155,861
	<u>331,733</u>	<u>310,472</u>
Non-controlling interests	4,416	4,196
Total equity	336,149	314,668
Non-current liabilities		
Deferred tax liabilities	3,042	2,358
Finance lease liabilities	587	14
Bank borrowings	54,772	61,972
	<u>58,401</u>	<u>64,344</u>
Current liabilities		
Trade payables	8,119	11,649
Other payables and accruals	68,574	43,331
Finance lease liabilities	149	24
Bank borrowings	12,965	13,390
Current tax liabilities	852	380
	<u>90,659</u>	<u>68,774</u>
Total liabilities	<u>149,060</u>	<u>133,118</u>
TOTAL EQUITY AND LIABILITIES	485,209	447,786
Net assets per share attributable to owners of the parent (RM)		
	1.065	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 CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Year To Date 30/06/2023 RM'000	Preceding Year Corresponding Period 30/06/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	16,159	3,876
Adjustments for:		
Non-cash items	5,422	233
Non-operating items	(6,406)	(2,882)
Interest expense	4,869	3,015
Interest income	(3,641)	(4,526)
Dividend income	(7)	(156)
Operating profit /(loss) before working capital changes	16,396	(440)
Inventories	14,157	(19,276)
Contract assets	5,377	(190)
Contract costs	2,300	(525)
Receivables	12,184	5,683
Payables	21,731	9,799
Cash generated from/(used in) operations	72,145	(4,949)
Interest paid	(4,869)	(3,015)
Interest received	3,171	4,217
Tax paid	(3,431)	(1,832)
Tax refunded	401	24
Net cash generated from/(used in) operating activities	67,417	(5,555)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment properties	(41,699)	-
Purchase of property, plant and equipment	(187)	(117)
Net cash effect on acquisition of subsidiaries	(17,026)	-
Placement of other investments	(41,033)	(27,317)
Proceeds from redemption of other investments	45,135	26,583
Proceeds from disposal of property, plant and equipment	7	-
Proceeds from disposal of investment properties	-	110
Dividend received	7	156
Interest received	325	225
Net cash used in investing activities	(54,471)	(360)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	500	2,851
Private placement proceeds	7,078	13,795
Disposal of treasury shares	2,003	-
Payment of dividend to non-controlling interests	-	(2,000)
Repayment of bank borrowings	(7,872)	(6,267)
Repayment of finance lease liabilities	(548)	(62)
New FD pledge	(9,675)	-
Changes in interest - fixed deposits pledged with licensed banks	594	533
Interest received	145	84
Net cash (used in)/generated from financing activities	(7,775)	8,934
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,171	3,019
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	9,901	6,882
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	15,072	9,901

(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

(a) Private Placement

The Company has on 13 March 2023 allotted 28,312,618 new ordinary shares at the issue price of RM0.25 per share respectively pursuant to the private placement exercise under the general mandate granted by its Shareholders pursuant to Section 75 and Section 76 of the Companies Act 2016 at the Company's Annual General Meeting held on 22 December 2022.

(b) Share Buy-Backs

There was no shares buy-back during the current interim period except for on 30 June 2023, the Company disposed of a total 5,451,100 of its treasury shares from the open market for a total consideration of RM2,442,989. As of 30 June 2023, the Company remains holding 445,400 treasury shares at a cost of RM163,397, pursuant to 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

12-Month Period Ended 30 June 2023

	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	283	655	-	44,519	5,522	518	51,497
Segment results	(2,144)	408	(4,742)	18,790	9,037	(3,962)	17,387
Interest income							3,641
Profit from operations							21,028
Finance cost							(4,869)
Profit before tax							16,159
Tax expense							(4,596)
Profit for the period							11,563

12-Month Period Ended 30 June 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	340	-	-	2,870	4,310	2,017	9,537
Segment results	(99)	1	(185)	2,206	3,811	(3,369)	2,365
Interest income							4,526
Profit from operations							6,891
Finance cost							(3,015)
Profit before tax							3,876
Tax expense							675
Profit for the period							4,551

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

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.

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

14. Review of Performance

	Quarter ended 30/06/2023 RM'000	Quarter ended 30/06/2022 RM'000	Financial Period ended 30/06/2023 RM'000	Financial Period ended 30/06/2022 RM'000
Revenue				
Property construction	283	337	283	340
Property management	489	-	655	-
Property development	37,600	1,460	44,519	2,870
Property investment	1,361	917	5,522	4,310
Other segment	140	170	518	2,017
	39,873	2,884	51,497	9,537
Profit/(Loss) before tax				
Property construction	(851)	1,157	(45)	3,433
Property management	366	(8)	403	(48)
Timber related	(4,736)	(43)	(4,742)	(184)
Property development	17,196	250	18,575	2,987
Property investment	6,512	2,036	5,928	1,053
Other segment	(1,146)	(1,101)	(3,960)	(3,365)
	17,341	2,291	16,159	3,876

14. Review of Performance (continued)

(a) Performance of the current quarter against the immediate preceding year corresponding quarter ("Q4'22")

The Group recorded a revenue of RM39.9 million for the fourth quarter ended 30 June 2023, an RM36.9 million or 1282% higher than the RM2.9 million recorded in the corresponding quarter ended 30 June 2022. The increase was mainly attributable to the sale of vacant land located at Bandar Sungai Petani for RM37 million completed in the current quarter ended on 30 June 2023.

The Group recorded a profit before tax of RM17.3 million for the current quarter, a net increase of RM15.6 million from the previous year's corresponding quarter's profit before tax of RM2.3 million. Apart from the loss in the timber segment of RM4.7 million derived from the written-off of timber concession cost capitalized, the higher profit before tax in the current quarter was mainly attributable from:

- (a) the higher revenue recorded in the current quarter as compared to the previous year's corresponding quarter; and
- (b) recognition of the fair value gain of RM3.9 million from the property investment segment.

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

The Group recorded a revenue of RM51.5 million for the financial year ended 30 June 2023 was RM41.9 million or 440% higher than the RM9.5 million recorded in the financial year ended 30 June 2022. The increase was mainly due to:

- (a) increase sales of development properties of RM4.6 million compared to RM2.8 million for the financial period ended 30 June 2022;
- (b) sales of vacant land located at Bandar Sungai Petani RM37 million (Financial Period ended 30 June 2022 : RMNil); and
- (c) the commencement of car park management located at Queensville Phase 1, Bandar Sri Permaisuri, Kuala Lumpur and Elit Avenue in Penang has contributed RM0.65 million.

Notwithstanding the above, the Group recorded a profit before tax of RM16.1 million in the financial period ended 30 June 2023 as compared to a profit before tax of RM3.9 million financial period ended 30 June 2022. The increase/lower was mainly due to:

- (a) increase in the property development segment of RM15.6 million derived from sales of development properties located at North Avenue and vacant land at Sungai Petani;
- (b) loss before tax from the timber segment due to the written-off concession cost of RM4.7 million, after the concession right owner dissolved; and
- (c) increase in the property investment segment is derived from the recognition of the fair value gain of RM3.9 million.

15. Changes in Current Quarter as compared with Preceding Quarter

	Current quarter 30/06/2023 RM'000	Immediate preceding quarter 31/03/2023 RM'000
Revenue	39,873	1,611
Profit/(Loss) before tax	17,341	(1,805)

Higher revenue and profit before tax were recorded under the current quarter due to the sales of development properties located at North Avenue and vacant land at Sungai Petani under property development segment.

16. Prospect

The Malaysian property market remains challenging in the year 2023, with the changes in interest rates, shortage of labour, elevated prices of commodities and materials, high inflation, and the softening of the global economy. Meanwhile, the Group is currently focusing on the Queensville Phase 2 construction project in Bandar Sri Permaisuri, Kuala Lumpur, as well as the development of Parcel 7 of the Penang Mixed Development. The projects are anticipated to contribute progressively towards revenue in the immediate coming years and to the future earnings of the Group.

Further, the Board of Seal will continue to realign the strategic direction of the Group to improve business resilience, measures being considered to venture into other viable businesses, and diversify the Group's revenue stream. In this regard, the Group is on the lookout for businesses involved in renewable energy and its related activities, such as those involved in EPCC for solar and related renewable energy activities in the near to medium term, to acquire or invest in.

Despite challenges and uncertainties in both local and global economic outlook, as well as the property, construction, and venturing into the renewable energy industries, the Board remains cautiously optimistic of the prospects of the Group.

17. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee for the financial period under review.

18. Tax Expense

	Current quarter RM'000	Financial year to date RM'000
Malaysian income tax:		
Current tax - current year	2,761	3,892
- prior years	-	20
- Deferred tax expense	684	684
	3,445	4,596

The year to date 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	-	

Subsequently on 13 March 2023, the Company has allotted 28,312,618 new ordinary shares at the issue price of RM0.25 per share respectively pursuant to the private placement exercise under the general mandate granted by its Shareholders pursuant to Section 75 and Section 76 of the Companies Act 2016 at the Company's Annual General Meeting held on 22 December 2022. 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
Payment of salaries to staff of the Group	2,048	1,910	138	within 12 months
Operating expenses and administrative expenses such as payment to suppliers and contractors, utilities, rental costs and upkeep of office	4,780	1,591	3,189	within 12 months
Estimated expenses for the Private Placement	250	250	-	Immediate
Total	7,078	3,751	3,327	

Then, on 8 May 2023, the Company announced that the Company proposed to undertake a private placement of 62,287,760 new ordinary shares in Seal, representing approximately 20% of the total number of issued Shares (excluding treasury shares), to Chen Khai Voon at an issue price of RM0.26 per Seal Share, vide a conditional subscription agreement entered into between the Company and the Subscriber on 8 May 2023. The Bursa Securities had vide its letter dated 14 June 2023 approved the listing and quotation of 62,287,760 new Seal Shares. The Private Placement has been completed on 20 July 2023 after the issuance of 62,287,760 shares on the main Market of Bursa Securities.

Utilisation of Proceeds	Actual Proceeds Raised (RM'000)	Actual Utilised (RM'000)	Balance Unutilised (RM'000)	Intended Timeframe for Utilisation
Acquisition of/investment in new viable business involved in renewable energy and its related activities, including those involved in engineering, procurement, construction and commissioning ("EPCC") for solar and related renewable energy activities.	15,595	-	15,595	within 18 months
Estimated expenses for the Private Placement	600	208	392	within 1 month
Total	16,195	208	15,987	

(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.

On 21 March 2023, the Company announced that had submitted an application to Bursa Securities seeking its approval for an additional extension of time of up to 4 July 2023 for the Company to complete the issuance of the Consideration Shares

19. Corporate Proposals (continued)
(b) Proposed Acquisition (continued)

On 31 March 2023, TA Securities announced that the application submitted to Bursa Securities seeking its approval for an additional extension of time for the Company to complete the issuance of the Consideration Shares is for a period up to 4 October 2023 and on the same day, SEAL and the Vendors mutually agreed to extend the fulfilment date of the Conditions Subsequent until 30 September 2023.

On 10 April 2023, TA Securities wishes to announce that Bursa Securities had vide its letter dated 7 April 2023 granted the Company a further extension of time up to 4 October 2023 for the Company to complete the issuance of the Consideration Shares.

(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	54,772	-	54,772
<u>Short term borrowings</u>			
Term loans	5,034	-	5,034
Overdrafts	7,931	-	7,931
	<u>12,965</u>	<u>-</u>	<u>12,965</u>

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.

On 19 May 2023, the Arbitration between SPKL and Wabina is further fixed for Hearing on 22 January 2024 until 26 February 2024 and on 19 February 2024 until 23 February 2024.

21. Material Litigations (continued)

(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.

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 Summons 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

On 20 April 2023, SPKL and Wabina have agreed to resolve the matter amicably and filed a consent order based upon the following terms of settlement:-

- a. SPKL is to pay a sum of Ringgit Malaysia Two Million and Five Hundred Thousand (RM2,500,000.00) only to Wabina's solicitors within 30 days from 20 April 2023.
- b. SPKL to pay the balance sum of Ringgit Malaysia Three Million Two Hundred and Eighty-seven Thousand Seven Hundred and Forty-one and Sen Forty-three (RM3,287,741.43) only (together with interest calculated as at 20 April 2023) ("said Balance Sum") into a joint stakeholder account maintained by Wabina's and SPKL's solicitors ("Joint Stakeholders") within 45 days from 20 April 2023 of which the monies are to be kept in an interest bearing account pending the disposal of the arbitration proceeding ("the Arbitration Proceeding") between the parties.
- c. The Joint Stakeholders shall release the said Balance Sum together with interest to the successful party of the aforementioned Arbitration Proceeding within 14 days from the decision of the Arbitration Proceeding.

Both Wabina and SPKL ("the Parties") will withdraw and cause the withdrawal of all proceedings, appeal, notice of motion and related action without cost within 7 days upon fulfilment of paragraphs (a) and (b) above, save and except for the aforementioned Arbitration Proceedings between the Parties. The Parties shall not file any fresh legal action against each other in relation to the subject construction project save and except in or related to the existing Arbitration Proceeding.

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 30/06/2023 RM'000	Quarter ended 30/06/2022 RM'000	Financial period ended 30/06/2023 RM'000	Financial period ended 30/06/2022 RM'000
Profit attributable to owners of the Company	13,940	1,948	11,739	4,321
Weighted average number of ordinary shares in issue ('000)	311,439	283,126	291,504	267,970
Basic earnings per share (sen)	4.48	0.69	4.03	1.61

(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 before Tax

	Current quarter RM'000	Financial year to date RM'000
Profit before tax is arrived at after crediting/(charging):		
Dividend income	-	7
Interest income	1,021	3,641
Depreciation	(94)	(278)
Fair value gain on investment properties	6,841	6,841
Interest expense	(1,942)	(4,869)
Property, plant and equipment written off	(1)	(1)
Gain on disposal of property, plant and equipment	7	7
Concession cost written off	(4,732)	(4,732)

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.