

# **NWP HOLDINGS BERHAD**

(Registration no. 199901020576 (495476-M))

Incorporated in Malaysia

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER ENDED 31 AUGUST 2022**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 AUG 2022**

	<b>(Unaudited)</b>			<b>(Unaudited)</b>		
	<b>3 months ended (Quarter)</b>			<b>6 Months Ended (Cumulative)</b>		
	<b>31.08.2022</b>	<b>31.08.2021</b>	<b>Chg</b>	<b>31.08.2022</b>	<b>31.08.2021</b>	<b>Chg</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>%</b>	<b>RM '000</b>	<b>RM '000</b>	<b>%</b>
<b>Continuing operations:</b>						
Revenue	625	1,343	-53.5%	1,322	2,287	-42.2%
Cost of Sales	(1,223)	(2,084)		(2,457)	(3,572)	
<b>Gross loss</b>	<b>(598)</b>	<b>(741)</b>	19.3%	<b>(1,135)</b>	<b>(1,285)</b>	11.7%
Other income	18	521		28	940	
Administrative expenses	(521)	(2,133)		(1,868)	(4,174)	
Other operating expenses	(44)	(14)		(890)	(16)	
Finance cost	(9)	(163)		(41)	(338)	
<b>Loss before taxation</b>	<b>(1,154)</b>	<b>(2,530)</b>	54.4%	<b>(3,906)</b>	<b>(4,873)</b>	19.8%
Taxation	-	-		-	-	
<b>Loss for the period from continuing operations</b>	<b>(1,154)</b>	<b>(2,530)</b>	54.4%	<b>(3,906)</b>	<b>(4,873)</b>	19.8%
<b>Discontinued operations:</b>						
Profit/(Loss) after tax from discontinued operations	-	(261)		-	(599)	
<b>Loss for the period</b>	<b>(1,154)</b>	<b>(2,791)</b>	58.7%	<b>(3,906)</b>	<b>(5,472)</b>	28.6%
Other comprehensive income, net of tax	-	-		-	-	
<b>Total comprehensive loss for the period</b>	<b>(1,154)</b>	<b>(2,791)</b>	58.7%	<b>(3,906)</b>	<b>(5,472)</b>	28.6%
<b>Total comprehensive profit/(loss) for the period attributable to:</b>						
- Owners of the Company	(1,154)	(2,791)		(3,906)	(5,472)	
- Non-controlling interests	-	-		-	-	
	<b>(1,154)</b>	<b>(2,791)</b>		<b>(3,906)</b>	<b>(5,472)</b>	
<b>Total comprehensive profit/(loss) for the period attributable to owners of the Company relates to:</b>						
- Continuing operations	(1,154)	(2,530)		(3,906)	(4,873)	
- Discontinued operations	-	(261)		-	(599)	
	<b>(1,154)</b>	<b>(2,791)</b>		<b>(3,906)</b>	<b>(5,472)</b>	
<b>Basic earnings/(loss) per share (sen) from:</b>						
- Continuing operations	(0.22)	(0.50)		(0.74)	(0.96)	
- Discontinued operations	-	(0.05)		-	(0.12)	
	<b>(0.22)</b>	<b>(0.55)</b>		<b>(0.74)</b>	<b>(1.08)</b>	

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 28 February 2022, and the accompanying explanatory notes attached to this report).

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUG 2022**

	(Unaudited) As at 31.08.2022 RM '000	Audited) As at 28.02.2022 RM '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	26,269	26,923
Investment property	-	691
Right-of-use asset	47	27
	<b>26,316</b>	<b>27,641</b>
<b>Current assets</b>		
Inventories	2,502	2,555
Trade and other receivables	391	550
Deposits with licensed financial institutions	83	83
Cash and bank balances	218	765
	<b>3,194</b>	<b>3,953</b>
<b>TOTAL ASSETS</b>	<b>29,510</b>	<b>31,594</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	34,775	34,775
Retained earnings/(Accumulated losses)	(16,830)	(12,924)
<b>Total Equity</b>	<b>17,945</b>	<b>21,851</b>
<b>Non-current liabilities</b>		
Other payables	3,974	3,974
Lease liability	18	-
	<b>3,992</b>	<b>3,974</b>
<b>Current liabilities</b>		
Other payables	7,543	4,984
Lease liability	30	-
Hire purchase creditors	-	785
	<b>7,573</b>	<b>5,769</b>
<b>Total liabilities</b>	<b>11,565</b>	<b>9,743</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>29,510</b>	<b>31,594</b>
Net assets per share (RM)	0.034	0.042

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 28 February 2022, and the accompanying notes attached to this report).

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 AUG 2022**

	<b>Attributable to owners of the Company</b>		
	<b>Non- distributable</b>	<b>Distributable Retained earnings / (Accumulated losses)</b>	<b>Total equity</b>
	<b>Share capital RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
<b>As at 1 March 2021</b>	118,052	(87,548)	30,504
Profit/(Loss) for the period	-	(5,472)	(5,472)
Other comprehensive income/(loss)	-	-	-
Issuance of shares	8,722	-	8,722
Share capital reduction	(92,000)	92,000	-
<b>As at 31 Aug 2021</b>	<b>34,774</b>	<b>(1,020)</b>	<b>33,754</b>
<b>As at 1 March 2022</b>	<b>34,775</b>	<b>(12,924)</b>	<b>21,851</b>
Profit/(Loss) for the period	-	(3,906)	(3,906)
Other comprehensive income/(loss)	-	-	-
<b>As at 31 Aug 2022</b>	<b>34,775</b>	<b>(16,830)</b>	<b>17,945</b>

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 28 February 2022, and the accompanying explanatory notes attached to this report).

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 AUG 2022**

	(Unaudited) 6 Months Ended	
	31.08.2022	31.08.2021
	RM '000	RM '000
<b>Cash Flows from Operating Activities</b>		
Profit/(Loss) before taxation from:		
- Continuing operations	(3,906)	(4,873)
- Discontinued operations	-	(599)
	<b>(3,906)</b>	<b>(5,472)</b>
<u>Adjustments for:</u>		
Non-cash items	1,416	3,109
Non-operating items	41	285
Operating profit/(loss) before working capital changes	(2,449)	(2,078)
<u>Changes in working capital:</u>		
Decrease/(Increase) in current assets	214	(1,774)
Increase /(Decrease) in current liabilities	2,558	(1,065)
Cash generated from operations	323	(4,917)
Interest (paid)/received	(41)	4
<b>Net cash generated/(used) in operating activities</b>	<b>282</b>	<b>(4,913)</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(95)	(124)
<b>Net cash generated/(used) in investing activities</b>	<b>(95)</b>	<b>(124)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuance of shares	4	8,722
Repayment of lease liabilities	47	(1,790)
Net repayment of hire purchase creditors	(785)	(17)
Interest paid	-	(2)
<b>Net cash generated/(used) in financing activities</b>	<b>(734)</b>	<b>6,913</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(547)</b>	<b>1,876</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>765</b>	<b>1,431</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>218</b>	<b>3,307</b>
<u><b>Cash and cash equivalents comprise:</b></u>		
Fixed deposits with licensed banks	83	83
Cash and bank balances	218	3,307
	301	3,390
Less: fixed deposits pledged with licensed banks	(83)	(83)
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>218</b>	<b>3,307</b>

(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 28 February 2022, and the accompanying explanatory notes attached to this report).

**NOTES TO THE QUARTERLY REPORT – 31 AUGUST 2022**

**Part A. EXPLANATORY NOTES PURSUANT TO MFRS 134 -INTERIM FINANCIAL REPORTING**

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**1.1. Basis of Preparation**

The interim financial report is unaudited and NWP Holdings Berhad (“the Group”) has prepared its financial report in compliance with the Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial period ended 28 February 2022 and the accompanying explanatory notes attached to the interim financial statements.

The accounting policies and methods of computations used in the preparation of this interim financial report are consistent with those adopted by the Group in the audited financial statements for the financial period ended 28 February 2022, except for the adoption of the new MFRS and revision and amendments to MFRS and IC Interpretations effective as of 1 April 2021 as issued by the Malaysian Accounting Standards Board.

These new MFRS and revision and amendments do not have any significant impact on the financial statements of the Group.

**1.2. Seasonal or Cyclical Factors**

The Group’s businesses were not materially affected by any seasonal or cyclical factors.

**1.3. Unusual Items**

There were no unusual items due to their nature, size or incidence affecting assets, liabilities, equity, net income or cash flows of the Group in the current period under review.

**1.4. Material Changes in Estimates**

There were no changes in estimates that have a material effect on the amounts reported for the current financial period under review.

**1.5. Issuances and Repayment of Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale or repayment of debt and/or equity securities nor any share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period under review.

**1.6. Dividends paid or declared**

There were no dividends paid nor declared in the current period under review.

**NOTES TO THE QUARTERLY REPORT – 31 AUGUST 2022**

**Part A. EXPLANATORY NOTES PURSUANT TO MFRS 134 -INTERIM FINANCIAL REPORTING**

**1.7. Segmental Reporting**

**(a) Information about business segment**

The reportable business segments of the Group comprise the following:

- Moulding and timber; and
- Investment and others

	<b>Moulding &amp; Timber RM '000</b>	<b>Investment &amp; Others RM '000</b>	<b>Discontinued Operations RM '000</b>	<b>Consolidated RM '000</b>
<b><u>6 Months Ended 31.08.2022</u></b>				
Total revenue	1,322	-	-	1,322
Segment result:				
Profit/(Loss) for the period	<u>(1,566)</u>	<u>(2,340)</u>	<u>-</u>	<u>(3,906)</u>

**6 Months Ended 31.08.2021**

Total revenue	1,166	1,117	190	2,473
Segment result:				
Profit/(Loss) for the period	<u>(1,773)</u>	<u>(3,100)</u>	<u>(599)</u>	<u>(5,472)</u>

**(b) Information about geographical segment**

	<b>6 months ended</b>	
	<b>31.08.2022</b>	<b>31.08.2021</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>Revenue from geographical segments:</b>		
Malaysia - Continuing operations	69	1,170
Malaysia - Discontinued operations	-	190
Asia Pacific	1,253	1,113
Total	<u>1,322</u>	<u>2,473</u>

**1.8. Material Events Subsequent to the End of the Current Quarter**

Pursuant to the private placement proposal approved by Bursa Securities Malaysia Berhad on 23 August 2022, the Company had issued new shares in the following private placement tranches subsequent to the end of current quarter under review:

- (i) Tranche 1: 12,613,400 shares at an issue price of RM0.2085 on 2 September 2022
- (ii) Tranche 2: 13,957,000 shares at an issue price of RM0.2085 on 22 September 2022
- (iii) Tranche 3: 14,311,700 shares at an issue price of RM0.2185 on 6 October 2022

Following the above, number of issued shares of the Company had increased to 567,285,600 shares with issued share capital of RM 43,441,740.

There were no other material events subsequent to the end of the current quarter under review.

**NOTES TO THE QUARTERLY REPORT – 31 AUGUST 2022**

**Part A. EXPLANATORY NOTES PURSUANT TO MFRS 134 -INTERIM FINANCIAL REPORTING**

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**1.9. Changes in the Composition of the Group**

On 20 June 2022, the Company incorporated a new wholly-owned subsidiary, namely, NWP Marine Sdn Bhd (“NWP Marine”) with paid-up capital of RM2 comprising of 2 ordinary shares. The intended principal activities of NWP Marine are mainly sand dredging, sand trading, sand mining, sand dredger / vessel hiring, sand excavation, sand supply and land reclamation works.

There were no other changes to the composition of the Group during the current quarter under review.

**1.10. Significant Related Party Transactions**

There were no material related party transactions during the current quarter under review.

**1.11. Contingent Liabilities and Contingent Assets**

There were no contingent liabilities nor contingent assets as at the end of the quarter under review.

**1.12. Capital Commitments**

There were no capital commitments as at the end of the quarter under review.



**NOTES TO THE QUARTERLY REPORT – 31 AUGUST 2022**

**Part B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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**2.1. Review of Performance**

**2nd Quarter 2022 vs 2nd Quarter 2021**

Group revenue from continuing operations for the second quarter ended 31 August 2022 was RM0.63 million which was a 53% decrease from RM1.34 million for the same period last year ended 31 August 2021. Loss for the period from continuing operations was about RM1.15 million which was lower than the loss of RM2.53 million for the same period last year. Loss in prior year was mainly due to one-off compensation expenses for termination of rental agreement by one of the wholly-owned subsidiaries. The Group also recorded lower administrative expenses in current quarter compared to same period last year, partly due to lower headcount.

**Half year 2022 vs half year 2021**

The Group revenue from continuing operations for the half year ended 31 August 2022 was RM1.32 million compared to RM2.29 million recorded for the corresponding period in the previous year. Lower revenue for the half year under review was mainly due to no revenue contribution from a wholly-owned subsidiary which had ceased operations in the prior year.

Loss for the period from continuing operations was RM3.91 million compared to RM4.87 million for the half year period last year. Lower loss for the period was due to lower administrative expenses resulting from cost reduction efforts by Management to lower overheads like rental and salary expenses.

Total comprehensive loss for the period was RM3.91 million for the half year under review compared to loss of RM5.47 million for the same period last year. Last year's results included loss of RM0.60 million from discontinued operations.

**NOTES TO THE QUARTERLY REPORT – 31 AUGUST 2022**

**Part B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**2.2. Material Changes in the Quarterly Results Compared to the Immediately Preceding Quarter's Results**

	(Unaudited)		Chg %
	3 months ended		
	31.08.2022	31.05.2022	
	RM '000	RM '000	
<b>Continuing operations:</b>			
Revenue	625	697	-10.3%
Cost of Sales	(1,223)	(1,234)	
<b>Gross loss</b>	<b>(598)</b>	<b>(537)</b>	11.4%
Other income	18	11	
Administrative expenses	(521)	(1,348)	
Other operating expenses	(44)	(846)	
Finance cost	(9)	(32)	
<b>Loss for the period from continuing operations</b>	<b>(1,154)</b>	<b>(2,752)</b>	-58.1%
<b>Discontinued operations:</b>			
Profit/(Loss) after tax from discontinued operations	-	-	
<b>Loss for the period</b>	<b>(1,154)</b>	<b>(2,752)</b>	-58.1%
Other comprehensive income, net of tax	-	-	
<b>Total comprehensive loss for the period</b>	<b>(1,154)</b>	<b>(2,752)</b>	-58.1%
<b>Total comprehensive profit/(loss) for the period attributable to:</b>			
- Owners of the Company	(1,154)	(2,752)	
- Non-controlling interests	-	-	
	<b>(1,154)</b>	<b>(2,752)</b>	
<b>Total comprehensive profit/(loss) for the period attributable to owners of the Company relates to:</b>			
- continuing operations	(1,154)	(2,752)	
- discontinued operations	-	-	
	<b>(1,154)</b>	<b>(2,752)</b>	

Revenue for the Group for the second quarter was marginally lower at RM0.63 million compared to RM0.70 million in the preceding quarter ended 31 May 2022. The Group recorded lower loss from continuing operations for the period of RM1.15 million compared to RM2.75 million for the preceding quarter ended 31 May 2022. Results for the last quarter ended 31 May 2022 included one-off legal expenses, penalty paid to Suruhanjaya Syarikat Malaysia to settle a court case and depreciation for leased premises which have since been terminated.

**NOTES TO THE QUARTERLY REPORT – 31 AUGUST 2022**

**Part B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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**2.3. Prospects for the Financial Year Ending 28 February 2023**

The NWP Group is principally involved in wood-based industry which encompasses manufacturing of wood moulding, priming timber and laminated timber, trading of sawn timber, plywood and veneer, provision of kiln drying services, sawmilling service and trading of agricultural products.

The Group remains focused on growing orders from new and existing customers and managing its production capacity and operating expenses. With the reopening of international borders following the transition to an endemic phase with Covid-19, the Group is geared to tap the surge in demand for its timber manufacturing business, in particular, orders from China. Coupled with the increase in timber prices of about 20% from the average selling prices in 2021, the Board is cautiously optimistic of recording a turnaround in the upcoming financial year.

The Group also proposed to diversify into the sand concession business, which would allow the Group to generate additional revenue and earnings. NWP Marine Sdn Bhd (“NWP Marine”), a wholly-owned subsidiary of NWP had on 26 July 2022 entered into a joint venture agreement with OneOne Auro Marine Sdn Bhd for the purpose of undertaking the contracting work to dredge, transport and load marine sand from the concession area onto vessels for export and to dredge marine sand from the concession area to local reclamation sites.

Based on the positive outlook for the sand business industry, the Board is optimistic about the enhancement of the financial performance of the Group moving forward, barring any unforeseen circumstances.

**2.4. Variance of Actual Profit from Forecast Profit / Profit Guarantee**

This is not applicable as no profit forecast was published.

**2.5. Taxation**

There was no provision for tax in the current quarter as the subsidiaries of the Group have sufficient unutilised tax losses, unabsorbed capital allowances and reinvestment allowances to set off against any taxable profit.

**NOTES TO THE QUARTERLY REPORT – 31 AUGUST 2022**

**Part B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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**2.6. Status of Corporate Proposals**

On 26 July 2022, the Board of Directors announced the following corporate proposals:

(a) Proposed Joint Venture

NWP Marine Sdn Bhd, a wholly-owned subsidiary of the Company had on 26 July 2022 entered into a joint venture agreement with OneOne Auro Marine Sdn Bhd ("OOA Marine") for the purpose of undertaking the contracting work to dredge, transport and load marine sand from the concession area onto vessel(s) for export purposes and/ or dredge and transport marine sand from the concession area to local reclamation sites for reclamation purposes. A joint venture company would be established for the purposes of carrying out the joint venture operations with OOA Marine.

(b) Proposed Diversification; and

In conjunction with the joint venture in the abovementioned, the Company proposes to diversify the existing business activities of NWP and its subsidiaries to include sand mining, trading and export of sand and related business activities. With the aim of expanding the NWP Group's revenue and income stream, the Board has identified the sand concession business as a new business segment. The execution of the joint venture with OOA Marine anticipates that this new business may contribute more than 25% of the net profits of the Group. This, in turn, results in a diversion of more than 25% of the net assets of the Group towards the new business activities moving forward. As such, the Board proposes to seek approval from shareholders of NWP at an extraordinary meeting for the proposed diversification.

(c) Proposed Private Placement

The private placement would entail an issuance of up to 10% of the total number of shares of the Company to third party investors to be identified later. The proceeds from the private placement would be used to fund working capital requirements of existing businesses and also capital requirements of the joint venture.

On 23 August 2022, the Company received approval from Bursa Securities for the listing and quotation of up to 52,640,350 placement shares on the Main Market of Bursa Securities. Subsequent to the financial quarter ended 31 August 2022, the company had issued a 40,882,100 new shares pursuant to the private placement and raised about RM8,667,035 in proceeds towards the proposed utilisation. Details of the private placement tranches are mentioned in Item 1.8: Material Events Subsequent to the End of the Current Quarter.

**2.7. Borrowings and Debt Securities**

There were no borrowings and debt securities as at the end of the quarter under review.

**NOTES TO THE QUARTERLY REPORT – 31 AUGUST 2022**

**Part B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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**2.8. Material Litigation**

***NWP Builder Sdn Bhd (“NWPBu”) -vs- Listari Marina (MM2H) Sdn Bhd (“LMSB”)***

On 7 November 2016, the Board announced that a Turnkey Construction Agreement (“TCA”) has been entered into between LMSB and NWPBu for a total contract sum of RM22 million for the construction of 9-storey tower block with 160 units of service suites on HS(D) 70398 PT 497 Pekan Klebang, Sek 11, Daerah Melaka Tengah, Melaka.

Despite sufficient time provided to LMSB to hand over the project site to NWPBu in order for NWPBu to perform its role as Turnkey Contractor, LMSB has continuously failed, neglected and/or unfulfilled its obligation.

Due to alleged failure and breach of TCA by LMSB, NWPBu is seeking a refund of advances (RM6.5 million) made under TCA. NWPBu had served a sealed Writ of Summons together with Statement of Claim both dated 5 November 2018, through its solicitors, Messrs. Weng Seng & Co, to LMSB. This event was announced to Bursa on 7 November 2018.

On 18 December 2018, the Board announced that NWPBu had received Statement of Defense and Counter-Claim from LMSB. The Company has given instruction to its solicitor to in no uncertain terms to enforce NWPBu's right to the fullest extent claiming the refund of advances and also vigorously defend the said Counter-Claim.

On 18 September 2019, judgment was entered against LMSB ordering that the TCA is terminated by LMSB, LMSB to pay RM6.5 million to NWPBu within 14 days from date of Order, LMSB to pay to NWPBu interest at rate of 5% p.a. on the sum of RM6.5 million from 27 March 2018 to full settlement, costs in the sum of RM5,000.00 and LMSB's counter-claim is struck off.

On 25 October 2019, LMSB filed an application at the Kuala Lumpur High Court applying to set aside the judgment entered on 18 September 2019. The matter is now fixed for further hearing on 3 August 2020.

On 3 August 2020, by a consent order was entered at the Kuala Lumpur High Court, in relation to the original Judgment dated 18 September 2019 entered against the Defendant be amended as follows:

- (1) LMSB to serve NWPBu with a notice of arbitration relating to the counter-claim on or before 10 August 2020;
- (2) A stay of execution in relation to the original Judgment, inter alia, the sum of RM6.5 million awarded to NWPBu and termination of the Turnkey Construction Agreement under the original Judgment including winding-up proceeding until disposal of the arbitration;
- (3) NWPBu is given the liberty to apply for security to be provided during the arbitration;
- (4) Costs in cause at the arbitration; and
- (5) In the event LMSB failed to provide the notice as stated under the condition in Paragraph (1) above, then the original Judgment will automatically be reinstated.

On 7 August 2020, LMSB served the Notice of Arbitration to NWPBu. The claim contained in the said Notice of Arbitration is essentially LMSB counter-claim on the said KL High Court suit. LMSB is claiming against NWPBu for a sum of RM15,632,784.88 being alleged damages and losses suffered by LMSB due to LMSB allegation that NWPBu's failure, refusal and/or neglect to commence and perform the work pursuant to the Turnkey Contract and Supplementary Agreement.

**NOTES TO THE QUARTERLY REPORT – 31 AUGUST 2022**

**Part B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

On 16 March 2021, Dato' Sri Gopal Sri Ram was appointed as the sole Arbitrator by the Director of AIAC. The arbitration process is still on-going as at the date of this report.

At the arbitral meeting on 14 October 2022, the Tribunal has awarded by consent of both parties that the arbitration is withdrawn by the claimant, LMSB and is struck out without liberty to file afresh. The counterclaim in the arbitration by NWPBu is also withdrawn and further undertakes to not enforce the judgment in default dated 18 September 2019.

**2.9. Earnings / (Loss) Per Share**

(a) Basic loss per share

	(Unaudited)		(Unaudited)	
	3 months ended (Quarter)		6 Months Ended (Cumulative)	
	31.08.2022	31.08.2021	31.08.2022	31.08.2021
Net loss attributable to owners of the Company (RM'000):				
- Continuing operations	(1,154)	(2,530)	(3,906)	(4,873)
- Discontinued operations	-	(261)	-	(599)
<b>Total</b>	<b>(1,154)</b>	<b>(2,791)</b>	<b>(3,906)</b>	<b>(5,472)</b>
Weighted average no. of shares ('000)	526,404	505,042	526,404	505,042
Basic loss per share (sen) from:				
- Continuing operations	(0.22)	(0.50)	(0.74)	(0.96)
- Discontinued operations	-	(0.05)	-	(0.12)
<b>Total</b>	<b>(0.22)</b>	<b>(0.55)</b>	<b>(0.74)</b>	<b>(1.08)</b>

(b) Diluted loss per share

The fully diluted earnings per share for the Group is not presented as there are no potential dilutive shares outstanding as at the balance sheet date.

**NOTES TO THE QUARTERLY REPORT – 31 AUGUST 2022**

**Part B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**2.10. Auditor's Report**

The Company's external auditors, Messrs. HLB Ler Lum Chew PLT expressed their unqualified opinion with material uncertainty relating to going concern in the audited financial statements of the Company for the financial year ended 28 February 2022.

The Group and the Company have prepared their financial statements by applying the going concern assumption, notwithstanding that:

- (a) the Group and the Company incurred a net loss of RM17,354,415 and RM8,727,063 respectively during the financial year ended 28 February 2022;
- (b) the Group and the Company reported a net operating cash outflow of RM6,027,323 and RM3,700,263 respectively during the financial year ended 28 February 2022; and
- (c) as at 28 February 2022, the Group's and the Company's current liabilities exceeded its current assets by RM1,815,900 and RM705,590 respectively.

These conditions, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. The auditor's opinion is not modified in respect of this matter.

Pursuant to the above, the Directors of the Company have engaged an advisor to undertake a private placement exercise which, upon completion, is expected to resolve any cash flow requirements of the Company. Update on the proposed private placement is mentioned in Item 2.6: Status of Corporate Proposal.

**2.11. Notes to the Statement of Comprehensive Income**

Profit/(Loss) before taxation is arrived at after crediting/(charging) the following income/(expense) items:

	<b>3 months ended (Quarter)</b>		<b>6 Months Ended (Cumulative)</b>	
	<b>31.08.2022</b>	<b>31.08.2021</b>	<b>31.08.2022</b>	<b>31.08.2021</b>
	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>	<b>RM '000</b>
Interest expense	(9)	(163)	(41)	(338)
Depreciation and amortisation	(246)	(1,479)	(1,310)	(3,020)
Foreign exchange gain/(loss)	5	-	9	-

**2.12. Derivatives**

The Group did not enter into any derivatives during the current financial quarter under review.

By order of the Board  
 NWP Holdings Berhad  
 Dated: 28 October 2022