

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

(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/09/2023 RM'000	Preceding Year Corresponding Quarter Ended 30/09/2022 RM'000	Current Year To Date 30/09/2023 RM'000	Preceding Year Corresponding Period 30/09/2022 RM'000
Revenue	2,744	7,958	2,744	7,958
Cost of sales	(971)	(5,177)	(971)	(5,177)
Gross profit	1,773	2,781	1,773	2,781
Other income	1,050	963	1,050	963
Operating expenses	(2,264)	(1,862)	(2,264)	(1,862)
Finance cost	(928)	(791)	(928)	(791)
Profit before tax	(369)	1,091	(369)	1,091
Tax expense	(403)	(557)	(403)	(557)
Profit for the period	(772)	534	(772)	534
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	(772)	534	(772)	534
Profit attributable to:				
Owners of the parent	(796)	565	(796)	565
Non-controlling interests	24	(31)	24	(31)
	(772)	534	(772)	534
Total comprehensive income attributable to:				
Owners of the parent	(796)	565	(796)	565
Non-controlling interests	24	(31)	24	(31)
	(772)	534	(772)	534
Earnings/(Loss) per share (sen)				
- Basic	(0.22)	0.20	(0.22)	0.20
- 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 2023 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
	30/09/2023	30/06/2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,160	1,882
Investment properties	167,460	167,460
Inventories	112,042	112,042
Timber concessions	6,067	6,067
	<u>287,729</u>	<u>287,451</u>
Current assets		
Contract assets	693	693
Contract costs	1,286	1,286
Inventories	27,647	27,720
Trade receivables	1,147	1,522
Other receivables, deposits and prepayments	121,549	117,291
Current tax assets	2,657	2,678
Other investments	13,825	9,997
Fixed deposits with licensed banks	21,525	22,517
Cash and bank balances	19,317	14,053
	<u>209,646</u>	<u>197,757</u>
TOTAL ASSETS	497,375	485,208
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	179,697	163,502
Treasury shares	(163)	(163)
Reserves	353	353
Retained profits	167,244	168,040
	<u>347,131</u>	<u>331,732</u>
Non-controlling interests	2,640	4,416
Total equity	349,771	336,148
Non-current liabilities		
Deferred tax liabilities	3,041	3,041
Finance lease liabilities	552	587
Bank borrowings	54,378	54,773
	<u>57,971</u>	<u>58,401</u>
Current liabilities		
Trade payables	9,112	8,119
Other payables and accruals	67,531	68,574
Finance lease liabilities	146	149
Bank borrowings	12,582	12,965
Current tax liabilities	262	852
	<u>89,633</u>	<u>90,659</u>
Total liabilities	147,604	149,060
TOTAL EQUITY AND LIABILITIES	497,375	485,208
Net assets per share attributable to owners of the parent (RM)		
	0.915	0.875

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023 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 30 SEPTEMBER 2023

(THE FIGURES HAVE NOT BEEN AUDITED)

	← Attributable to owners of the parent →				Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Reserves RM'000	Retained Profits RM'000			
3-Month Period Ended 30 September 2023							
Balance at 1 July 2023	163,502	(163)	353	168,040	331,732	4,416	336,148
Private placement	16,195	-	-	-	16,195	-	16,195
Dividend paid to non-controlling interests	-	-	-	-	-	(1,800)	(1,800)
Total comprehensive (loss)/income for the period	-	-	-	(796)	(796)	24	(772)
Balance at 30 September 2023	<u>179,697</u>	<u>(163)</u>	<u>353</u>	<u>167,244</u>	<u>347,131</u>	<u>2,640</u>	<u>349,771</u>
3-Month Period Ended 30 September 2022							
Balance at 1 July 2022	156,424	(2,166)	353	155,861	310,472	4,196	314,668
Total comprehensive income/(loss) for the period	-	-	-	565	565	(31)	534
Balance at 30 September 2022	<u>156,424</u>	<u>(2,166)</u>	<u>353</u>	<u>156,426</u>	<u>311,037</u>	<u>4,165</u>	<u>315,202</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023 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 SEPTEMBER 2023
(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Year To Date 30/09/2023 RM'000	Preceding Year Corresponding Period 30/09/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(369)	1,091
Adjustments for:		
Non-cash items	113	47
Non-operating items	11	-
Interest expense	928	791
Interest income	(856)	(852)
Dividend income	-	(7)
Operating (loss)/profit before working capital changes	(173)	1,070
Inventories	73	4,617
Contract assets	-	5,306
Contract costs	-	(1,365)
Receivables	(3,883)	(5,231)
Payables	(50)	(895)
Cash (used in)/generated from operations	(4,033)	3,502
Interest paid	(928)	(791)
Interest received	698	765
Tax paid	(1,068)	(272)
Tax refunded	96	-
Net cash (used in)/generated from operating activities	(5,235)	3,204
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(393)	(32)
Placement of other investments	(8,228)	(5,892)
Proceeds from redemption of other investments	4,400	7,565
Dividend received	-	7
Interest received	54	66
Net cash (used in)/generated from investing activities	(4,167)	1,714
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	-	775
Private placement proceeds	16,195	-
Payment of dividend to non-controlling interests	(1,800)	-
Repayment of bank borrowings	(1,232)	(4,046)
Repayment of finance lease liabilities	(38)	(7)
Changes in interest - fixed deposits pledged with licensed banks	(104)	(21)
Interest received	104	21
Net cash generated from/(used in) financing activities	13,125	(3,278)
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,723	1,640
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	15,072	9,901
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	18,795	11,541

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023 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 2023. 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 2023.

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 2023 except for the adoption of the following:

	<u>Effective Date</u>
MFRS 17 Insurance Contracts	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 -	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 112 Income Taxes: International Tax Reform - Pillar Two Model Rules	1 January 2023

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

The following are the MFRSs, amendments to MFRSs and IC Interpretations which have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been applied by the Group:

	<u>Effective Date</u>
Amendments to MFRS 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 7 Financial Instruments: Disclosures and MFRS 107 Statement of Cash Flows - Supplier Finance Arrangements	1 January 2025
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
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 18 July 2023 allotted 62,287,760 new ordinary shares at the issue price of RM0.26 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 Extraordinary General Meeting held on 13 July 2023.

(b) Repayments of Debt

The Company on 03 October 2023, allotted 40,677,966 new ordinary shares at the issue price of RM0.295 per share pursuant to the Proposed Acquisition of 100% equity interest of Daiman Majumas Sdn Bhd for a total consideration of RM17 million to be satisfied via a combination of cash and 40,677,966 new ordinary shares which was announced on 22 January 2022 and approved by the shareholders of the Company at the Company's Extraordinary General Meeting held on 12 May 2022.

(c) Share Buy-Backs

There was no shares buy-back during the current interim period. The total number of ordinary shares repurchased as at 30 September 2023 were 445,400 treasury 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

3-Month Period Ended 30 September 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	-	560	-	614	1,514	56	2,744
Segment results	446	(25)	(5)	221	352	(1,286)	(297)
Interest income							856
Profit from operations							559
Finance cost							(928)
Loss before tax							(369)
Tax expense							(403)
Loss for the period							(772)

3-Month Period Ended 30 September 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	-	-	-	6,320	1,348	290	7,958
Segment results	(183)	7	-	1,460	560	(814)	1,030
Interest income							852
Profit from operations							1,882
Finance cost							(791)
Profit before tax							1,091
Tax expense							(557)
Profit for the period							534

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

On 09 November 2023, the wholly-owned subsidiary named Seal Properties (PG) Sdn Bhd ("SPPG") increased its equity interest in Mutiara Biopolis Developments Sdn Bhd ("MBD") by increasing its paid-up capital by 1,000 to 6,000,000 via an allotment and issuance of 5,999,000 ordinary shares to the Company by way of cash.

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 2023.

12. Capital Commitments

The amount of capital commitment as at 30 September 2023 is as follows:

	Financial Period ended 30/09/2023 RM'000	Financial Period ended 30/06/2023 RM'000
Contracted but not provided for:		
- Reclamation of land	19,929.00	-

Save as disclosed above, there were no other 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 30/09/2023 RM'000	Quarter ended 30/09/2022 RM'000	Financial Period ended 30/09/2023 RM'000	Financial Period ended 30/09/2022 RM'000
Revenue				
Property management	560	-	560	-
Property development	614	6,320	614	6,320
Property investment	1,514	1,348	1,514	1,348
Other segment	56	290	56	290
	2,744	7,958	2,744	7,958
Profit/(Loss) before tax				
Property construction	514	586	514	586
Property management	508	(2)	508	(2)
Timber related	(5)	-	(5)	-
Property development	333	1,479	333	1,479
Property investment	(429)	(159)	(429)	(159)
Other segment	(1,290)	(813)	(1,290)	(813)
	(369)	1,091	(369)	1,091

Performance of the current quarter against the immediate preceding year corresponding quarter

The Group recorded a lower revenue of RM2.74 million for the current quarter under review, an RM5.2 million or 65.5% lower than the RM7.96 million recorded in the preceding year's corresponding quarter. The decrease was mainly due to:-

- (a) Lower revenue was recorded under the property development segment due to sales of development properties of RM5.71 million, comprising of 7 units of completed properties and 10 plots of vacant land located at North Avenue, Sungai Petani, recorded in the preceding year's corresponding quarter; and
- (b) Offset by RM0.56 million contributed by revenue from car park management which located at Queensville, Bandar Sri Permaisuri and Elit Height and Elit Avenue, Penang which commenced its operation in February 2023 and April 2023 respectively.

This resulted in the Group recording a loss before tax of RM0.37 million in the current quarter compared to a profit before tax of RM1.09 million recorded in the preceding year's corresponding quarter.

15. Changes in Current Quarter as compared with Preceding Quarter

	Current quarter 30/09/2023 RM'000	Immediate preceding quarter 30/06/2023 RM'000
Revenue	2,744	39,873
(Loss) / Profit before tax	(369)	17,341

The Group recorded a revenue of RM2.74 million for the current quarter, which was RM37.13 million or 93% lower than the RM 39.88 million recorded in the immediate preceding quarter. The lower in revenue was mainly due to the absence of sales of development vacant land located at Sungai Petani recorded in the immediate preceding quarter.

Impacted from the lower revenue, the Group recorded a loss before tax of RM 0.37 million as compared to a profit before tax of RM17.34 million in the immediate preceding quarter. This was mainly due to the sales of the development of vacant land at Sungai Petani of RM15.4 million and the recognition of the fair value gain from the property investment of RM6.8 million in the immediate preceding quarter.

16. Prospect

The global growth in the third quarter of 2023 was moderate, weighed by higher interest rates and elevated inflation. China's growth showed early signs of improvement as consumption rose, though its property market remained weak. While global core inflation continued to moderate, headline inflation edged up, albeit temporarily, partly due to higher commodity prices. Regional exports showed tentative signs of recovery. This was in line with a nascent turnaround in the global Electronic & Electrical sector. However, headwinds remain due to moderating demand conditions, shifts in consumption from goods to services, and ongoing trade restrictions. (Source: Bank Negara Malaysia).

Consistent with the market sentiment, the Group maintains its focus on its core projects, Queensville Phase 2, which is located at Bandar Sri Permaisuri, Kuala Lumpur, and Bayan Suite, a mixed development project located in Penang.

The Group will continue to explore other opportunities, such as venturing into renewable energy industries. The Board remains cautiously optimistic of the Group's prospects.

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	403	403
- prior years	-	-
	403	403

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 15 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. 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	2,048	-	within 12 months
Operating expenses and administrative expenses such as payment to suppliers and contractors, utilities, rental costs and upkeep of office	4,780	2,289	2,491	within 12 months
Estimated expenses for the Private Placement	250	250	-	Immediate
Total	7,078	4,587	2,491	

Subsequently, 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	409	191	within 1 month
Total	16,195	409	15,786	

(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 Holdings Berhad ("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 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 announced 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.

On 29 September 2023, TA Securities announced that all the Conditions Subsequent pursuant to the SSA (as varied by the Supplemental Letter) have been fulfilled and the proposed acquisition has become unconditional. The issuance of shares as disclosed in Note 5(b).

(c) Proposed Investments

The Company has announced on 06 September 2023 that the Company had on this date entered into a Binding Term Sheet ("BTS") with Hutan Melintang Power Plant Sdn Bhd ("HMPP"), the sole shareholder of HMPP, namely Tan Tang Seong ("TTS"), Ikhtiar Gawa Sdn Bhd ("IGSB") and the shareholders of IGSB, namely TTS and Tan Shun Yu ("TSY") for the proposed subscription by Company or its wholly-owned subsidiary of preference shares in HMPP and IGSB.

(a) 387,500 new redeemable convertible preference shares in HMPP for a total subscription price of RM5,000,000;

(b) 222,234 redeemable convertible preference shares in IGSB for a total subscription price of RM5,000,000; and

(c) 5,000,000 redeemable preference shares in IGSB for a total subscription price of RM5,000,000.

(collectively the "Proposed Investments")

The Proposed Investments provide an opportunity for the Company to diversify its existing businesses into renewable energy to tap into the potential opportunities arising from the government's intense effort to decarbonise the power sector. The venturing into biomass renewable energy will enable the Group to develop a more resilient business model and generate more consistent revenue and profits.

The Company, HMPP and IGSB have agreed to enter into the Definitive Agreements within 90 days from the date of the BTS or such other date as may be mutually agreed by the Parties. Further details of the BTS are set out in the announcement dated 06 September 2023.

(d) 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	54,378	-	54,378
<u>Short term borrowings</u>			
Term loans	4,206	-	4,206
Overdrafts	8,376	-	8,376
	12,582	-	12,582

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.

21. Material Litigations (continued)

(a) Civil Suit and Arbitration between Seal Properties (KL) Sdn Bhd and Wabina Constructions & Engineering Sdn Bhd

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 January 2024 and on 19 February 2024 until 23 February 2024.

(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.

21. Material Litigations (continued)

(b) Adjudication No. AIAC/D/ADJ-3236-2020

- 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. In view of the aforementioned settlement, the winding-up petition and application to appoint liquidators as well as SPKL's application to stay the winding-up petition all of which filed in the Penang High Court were all ordered to be struck off with no order as to costs.

On 8 June 2023, SPKL has executed and filed Notice of Discontinuation ("NOD") at the Penang High Court for the withdrawal of all proceedings, appeals, notice of motions and related action without cost in accordance with the Consent Order dated 20 April 2023. Subsequently, this matter has been struck off by the Penang High Court on 13 June 2023.

d. SPKL vs. Fulloop Sdn. Bhd. ("Fulloop")

Fulloop, who is Wabina's nominated sub-contractor, had obtained an adjudication decision dated 27 January 2022 against Wabina awarding the adjudicated sum of RM1,497,280 excluding costs and interest. As a result of Wabina failing to pay the said adjudicated sum, Fulloop brought the action against SPKL to claim for direct payment of the sum of RM1,898,030 from SPKL, being the overall sums allegedly due under the said adjudication decision. However, SPKL disputed Fulloop's entitlement on the basis that there were no sums due and owing to Wabina at the time of the delivery of Fulloop's notice of demand dated 17 February 2022 pursuant to Section 30 of the Construction Industry Payment and Adjudication Act 2012.

On 5 July 2023, the High Court has allowed Fulloop's application. SPKL has appealed against the High Court's decision to the Court of Appeal ("SPKL's Appeal"). The case management is further fixed on 14 May 2024.

On 14 August 2023, SPKL has brought an application against Fulloop for a Fortuna injunction to prevent the presentation of a winding up petition being made against SPKL by Fulloop based on the High Court Order dated 5 July 2023. On 27 September 2023, the High Court has granted an injunction to restrain Fulloop from presenting a winding up petition against SPKL until the disposal of SPKL's Appeal on 27 May 2024.

e. SPKL vs. LDE Project Sdn. Bhd. ("LDE")

LDE, who is Wabina's nominated sub-contractor, had obtained an adjudication decision dated 29 December 2022 against Wabina awarding the adjudicated sum of RM1,378,803 excluding costs and interest. As a result of Wabina failing to pay the adjudicated sum, LDE brought the action against SPKL to claim for direct payment of the sum of RM1,713,627 from SPKL, being the overall sums allegedly due under the adjudication decision. However, SPKL disputed LDE's entitlement on the basis that there were no sums due and owing to Wabina at the time of the delivery of LDE's notice of demand dated 16 January 2023 pursuant to Section 30 of the Construction Industry Payment and Adjudication Act 2012.

On 8 August 2023, the High Court has allowed LDE's application. SPKL has appealed against the High Court's decision to the Court of Appeal. The case management is now fixed on 16 May 2024 and the hearing date is fixed on 30 May 2024.

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 30/09/2023 RM'000	Quarter ended 30/09/2022 RM'000	Financial period ended 30/09/2023 RM'000	Financial period ended 30/09/2022 RM'000
Profit attributable to owners of the Company	(796)	565	(796)	565
Weighted average number of ordinary shares in issue ('000)	366,314	283,126	366,314	267,970
Basic earnings per share (sen)	(0.22)	0.20	(0.22)	0.21

(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
Profit/(Loss) before tax is arrived at after crediting/(charging):		
Dividend income	-	-
Interest income	856	856
Depreciation	(104)	(104)
Interest expense	(928)	(928)
Property, plant and equipment written off	(11)	(11)
	<hr/>	<hr/>

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 2023 was unmodified.