

**SEAL INCORPORATED BERHAD [196201000416 (4887-M)]**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023**

(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/12/2023 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2022 RM'000	Current Year To Date 31/12/2023 RM'000	Preceding Year Corresponding Period 31/12/2022 RM'000
<b>Revenue</b>	2,827	2,055	5,571	10,013
Cost of sales	(923)	(775)	(1,894)	(5,952)
<b>Gross profit</b>	1,904	1,280	3,677	4,061
Other income	1,014	1,003	2,064	1,966
Operating expenses	(3,306)	(1,937)	(5,570)	(3,799)
Finance cost	(909)	(814)	(1,837)	(1,605)
<b>(Loss) / Profit before tax</b>	(1,297)	(468)	(1,666)	623
Tax expense	(345)	(279)	(748)	(836)
<b>Loss for the period</b>	(1,642)	(747)	(2,414)	(213)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the period</b>	(1,642)	(747)	(2,414)	(213)
<b>Profit/(Loss) attributable to:</b>				
Owners of the parent	(1,579)	(736)	(2,375)	(171)
Non-controlling interests	(63)	(11)	(39)	(42)
	(1,642)	(747)	(2,414)	(213)
<b>Total comprehensive profit /(loss) attributable to:</b>				
Owners of the parent	(1,579)	(736)	(2,375)	(171)
Non-controlling interests	(63)	(11)	(39)	(42)
	(1,642)	(747)	(2,414)	(213)
<b>Earnings/(Loss) per share (sen)</b>				
- Basic	(0.38)	(0.52)	(0.60)	(0.06)
- 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 31 DECEMBER 2023**

(THE FIGURES HAVE NOT BEEN AUDITED)

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>As At</b>	<b>As At</b>
	<b>31/12/2023</b>	<b>30/06/2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,179	1,882
Investment properties	167,350	167,460
Inventories	110,038	112,042
Timber concessions	6,067	6,067
	<u>285,634</u>	<u>287,451</u>
<b>Current assets</b>		
Contract assets	693	693
Contract costs	1,286	1,286
Inventories	27,907	27,720
Trade receivables	1,479	1,491
Accrued billings in respect of property development	-	-
Other receivables, deposits and prepayments	121,896	117,296
Current tax assets	2,776	2,678
Other investments	3,723	9,997
Fixed deposits with licensed banks	20,973	22,517
Cash and bank balances	22,703	14,053
	<u>203,436</u>	<u>197,731</u>
<b>TOTAL ASSETS</b>	<b>489,070</b>	<b>485,182</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	191,697	163,502
Treasury shares	(163)	(163)
Reserves	353	353
Retained profits	165,665	168,040
	<u>357,552</u>	<u>331,732</u>
<b>Non-controlling interests</b>	2,577	4,416
<b>Total equity</b>	<b>360,129</b>	<b>336,148</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	3,042	3,041
Finance lease liabilities	516	587
Bank borrowings	52,288	54,773
	<u>55,846</u>	<u>58,401</u>
<b>Current liabilities</b>		
Trade payables	8,372	8,120
Other payables and accruals	50,732	68,675
Finance lease liabilities	142	149
Bank borrowings	13,477	12,837
Current tax liabilities	372	852
	<u>73,095</u>	<u>90,633</u>
<b>Total liabilities</b>	<b>128,941</b>	<b>149,034</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>489,070</b>	<b>485,182</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>		
	0.852	1.047

(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 31 DECEMBER 2023**

(THE FIGURES HAVE NOT BEEN AUDITED)

	← Attributable to owners of the parent →					Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Reserves RM'000	Retained Profits RM'000	Total RM'000		
<b>6-Month Period Ended 31 December 2023</b>							
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
Issuance of shares	12,000	-	-	-	12,000	-	12,000
Dividend paid to non-controlling interests	-	-	-	-	-	(1,800)	(1,800)
Total comprehensive (loss)/income for the period	-	-	-	(2,375)	(2,375)	(39)	(2,414)
Balance at 31 December 2023	191,697	(163)	353	165,665	357,552	2,577	360,129
<b>6-Month Period Ended 31 December 2022</b>							
Balance at 1 July 2022	156,424	(2,166)	353	155,861	310,472	4,196	314,668
Non-controlling interest accumulated losses	-	-	-	-	-	396	396
Total comprehensive (loss)/income for the period	-	-	-	(171)	(171)	(42)	(213)
Balance at 31 December 2022	156,424	(2,166)	353	155,690	310,301	4,550	314,851

(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 31 DECEMBER 2023**  
(THE FIGURES HAVE NOT BEEN AUDITED)

	<b>Current Year To Date 31/12/2023 RM'000</b>	<b>Preceding Year Corresponding Period 31/12/2022 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(1,666)	623
Adjustments for:		
Non-cash items	233	459
Non-operating items	(209)	1
Interest expense	1,837	1,605
Interest income	(1,748)	(1,722)
Dividend income	(24)	(7)
Operating (loss)/profit before working capital changes	(1,577)	959
Inventories	1,817	4,892
Contract assets	-	5,376
Contract costs	-	(1,815)
Receivables	(4,588)	337
Payables	(17,690)	14,779
Cash (used in)/generated from operations	(22,038)	24,528
Interest paid	(1,837)	(1,605)
Interest received	1,435	1,527
Tax paid	(1,422)	(512)
Tax refunded	96	-
<b>Net cash (used in)/generated from operating activities</b>	<b>(23,766)</b>	<b>23,938</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(526)	(830)
Net cash effect on acquisition of subsidiaries	-	(14,998)
Placement of other investments	(8,100)	(9,661)
Proceeds from redemption of other investments	14,573	16,487
Proceeds from disposal of property, plant and equipment	132	-
Proceeds from disposal of investment properties	128	-
Dividend received	24	7
Interest received	105	153
<b>Net cash generated from/(used in) investing activities</b>	<b>6,336</b>	<b>(8,842)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings	-	1,587
Private placement proceeds	16,195	-
Issuance of shares	12,000	-
Payment of dividend to non-controlling interests	(1,800)	-
Repayment of bank borrowings	(2,464)	(6,112)
Repayment of finance lease liabilities	(78)	475
Changes in interest - fixed deposits pledged with licensed banks	(208)	42
Interest received	208	-
<b>Net cash generated from/(used in) financing activities</b>	<b>23,853</b>	<b>(4,008)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>6,423</b>	<b>11,088</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>15,072</b>	<b>9,901</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>21,495</b>	<b>20,989</b>

(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:

	<b><u>Effective Date</u></b>
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:

	<b><u>Effective Date</u></b>
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	
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 pursuant to the private placement exercise approved by its shareholders at the Company's Extraordinary General Meeting ("EGM") held on 13 July 2023.

**(b) Proposed Acquisition**

The Company has on 03 October 2023, listed 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 which was satisfied via a combination of cash and allotment of 40,677,966 new ordinary shares 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-Back**

There was no share buy-back during the current interim period. The total number of ordinary shares still in treasury as at 31 December 2023 is 445,400.

## 6. Dividend Paid

No dividend was paid by the Company during the current interim period.

## 7. Segment Information

### 6-Month Period Ended 31 December 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	-	1,125	-	1,194	3,050	202	5,571
Segment results	(649)	1,113	(10)	(152)	875	(2,754)	(1,577)
Interest income							1,748
Profit from operations							171
Finance cost							(1,837)
Loss before tax							(1,666)
Tax expense							(748)
Loss for the period							(2,414)

### 6-Month Period Ended 31 December 2022

	Property Construction RM'000	Property Management RM'000	Timber Related RM'000	Property Development RM'000	Property Investment RM'000	Other Segment RM'000	Total RM'000
Segment revenue	-	-	-	6,919	2,737	357	10,013
Segment results	(525)	(19)	(1)	1,492	1,281	(1,722)	506
Interest income							1,722
Profit from operations							2,228
Finance cost							(1,605)
Profit before tax							623
Tax expense							(836)
Loss for the period							(213)

## 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 on the Status of Corporate Proposed Announced, there were no material changes in the composition of the Group for the current financial period ended 31 December 2023, except for the following:-

- During the current financial period to date, the wholly owned subsidiary named Seal Properties (PG) Sdn Bhd increased its equity interest in Mutiara Biopolis Developments Sdn Bhd 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; and
- On 03 October 2023, the Company completed the proposed acquisition of 100% equity interest of Daiman Majumas Sdn Bhd for a total consideration of RM17 million satisfied via a combination of cash and allotment of 40,677,966 new ordinary shares which was approved by the shareholders of the Company at the Company's EGM held on 12 May 2022. Refer to note 5(b) and note 19(b).

## 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 31 December 2023 is as follows:

	Financial Period ended 31/12/2023 RM'000	Financial Period ended 31/12/2022 RM'000
Contracted but not provided for:		
- Reclamation of land	19,929	-

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 31/12/2023 RM'000	Quarter ended 31/12/2022 RM'000	Financial Period ended 31/12/2023 RM'000	Financial Period ended 31/12/2022 RM'000
<b>Revenue</b>				
Property management	565	-	1,125	-
Property development	580	599	1,194	6,919
Property investment	1,536	1,389	3,050	2,737
Other segment	146	67	202	357
	<u>2,827</u>	<u>2,055</u>	<u>5,571</u>	<u>10,013</u>
<b>(Loss) / Profit before tax</b>				
Property construction	73	428	587	1,014
Property management	603	(15)	1,111	(17)
Timber related	(5)	(1)	(10)	(1)
Property development	(263)	58	70	1,537
Property investment	(238)	(33)	(667)	(192)
Other segment	(1,467)	(905)	(2,757)	(1,718)
	<u>(1,297)</u>	<u>(468)</u>	<u>(1,666)</u>	<u>623</u>

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

The Group recorded a higher revenue of RM2.83 million for the current quarter under review, an RM0.77 million or 37.6% higher than the RM2.05 million recorded in the preceding year's corresponding quarter. The primary cause of the growth was:-

- RM0.57 million revenue contributed from car park management, which is located at Queensville, Bandar Sri Permaisuri, Kuala Lumpur and Elit Height and Elit Avenue, Penang; commencing its business operations in year 2023 and
- A higher revenue of RM1.53 million was recorded under the investment properties segment, attributable to an increase in tenancy revenue from newly acquired investment properties in June 2023.

Notwithstanding with the above, the Group recorded a loss before tax of RM1.27 million in the current quarter compared to a loss before tax of RM0.47 million recorded in the preceding year's corresponding quarter, which is mainly due to late payment interest expense accrued under material litigation and the late delivery interest expenses of the reclamation land amounted to RM0.58 million.

#### Performance of the current financial period against the preceding year corresponding financial period.

The Group recorded a revenue of RM5.57 million for the current financial period, an RM4.44 million, or 44% lower to RM10.01 million in the preceding year's corresponding financial period. The lower revenue was due to following net impact:-

- A lower revenue of RM1.194 million was recorded under the property development segment, comprising 2 units of completed properties for a project named North Avenue, Sungai Petani, Kedah, 82.7% lower compared to RM6.91 million in the preceding year's corresponding financial period, which have sold 8 units of completed properties and vacant land in the same location;
- RM1.25 million revenue contributed by the car park management, which are located at Queensville, Bandar Sri Permaisuri, Kuala Lumpur and Elit Height and Elit Avenue, Penang; commencing its operations in year 2023 and
- A higher revenue of RM0.31 million, or 11% higher compared to RM2.7 million was recorded in the preceding year's corresponding financial period under the investment properties segment, attributable to an increase in tenancy from newly acquired investment properties in June 2023.

Notwithstanding with the above, the Group recording a loss before tax of RM1.67 million in the current financial period compared to a profit before tax of RM0.62 million recorded in the preceding year's financial period, mainly due to late payment interest expense and higher administrative expense arose due to increased activities, particular commencement of Queensville Phase 2 and Bayan Suite project.

### 15. Changes in Current Quarter as compared with Preceding Quarter

	Current quarter 31/12/2023 RM'000	Immediate preceding quarter 30/09/2023 RM'000
Revenue	<u>2,827</u>	<u>2,744</u>
Loss before tax	<u>(1,297)</u>	<u>(369)</u>

Compared to the RM2.74 million reported in the immediate preceding quarter, the Group's revenue for the current quarter was RM2.83 million, a 3% increase. Revenue growth was captured from the attributable higher marketing revenue earned in relation to marketing activities for Queensville Phase 2, which is located in Bandar Sri Permaisuri, Kuala Lumpur.

Despite registering higher revenue, the Group recorded a loss before tax of RM 1.297 million compared to a loss before tax of RM0.37 million in the immediate preceding quarter. This loss is primarily caused by the legal fee incurred, late payment interest expense accrued under material litigation, and the late delivery interest expenses of the reclamation land.

## 16. Prospect

Malaysia's property development outlook remains positive, mainly arising from implementing several key infrastructure projects by the government. Recently, Bank Negara Malaysia announced in January 2024 to maintain its overnight policy rate at 3%. Stable overnight policy rate will bring confidence to the real estate market, which will have a broader impact on the overall economy. In addition, an RM10 billion housing credit guarantee scheme, was proposed in the recent Budget 2024, is also envisaged to impact the property development sector positively. The Group is currently focusing on the Queensville Phase 2 construction project located in Bandar Sri Permaisuri, Kuala Lumpur ("Queensville") and a property development project in Penang, Bayan Suites. Queensville with an estimated gross development value RM806 million comprises of 3 blocks of service apartments with a total of 972 units of service apartments and a shopping mall while Bayan Suites with an estimated gross development value of RM204 million comprises of 20 units of shop lots and 326 units of residential units. Queensville is expected to bring in revenue to the Group in the next quarter while Bayan Suites is expected to be launched in the 4th quarter of FY2024.

The Group will continue to explore other opportunities, such as venturing into renewable energy industries. In 2020, the Ministry of Energy and Natural Resources of Malaysia set a target to reach 31% of renewable energy ("RE") share in the national installed capacity mix by 2025. The Malaysia Renewable Energy Roadmap ("MyRER") was launched in 2021, aiming to achieve this target and attaining decarbonization of the electricity sector by 2035. The MyRER also outlines strategies and an action plan to achieve a 40% RE installed capacity target by 2035. Solar photovoltaic ("PV") was projected to be a dominant source of RE in the system, contributing 7,280 megawatt to the country by 2035. In the Malaysia's Sustainable Energy Development Prospectus, the installed capacity of solar PV is projecting to grow at a compounded annual growth rate of 14% from approximately 5.5 gigawatt ("GW") in 2025 to 56.3GW in 2050, contributing 58% of the power system installed capacity by 2050. MyRER has also outlined that Malaysia has a total of 269GW solar PV potential. On 26 January 2024, the Ministry of Energy Transition and Public Utilities announced that the government will roll out quotas for 2.8GW of new RE capacities. The venturing into renewable energy by the Group expect to contribute positively to the Group's earnings.

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	344	747

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 had on 13 March 2023 allotted 28,312,618 new ordinary shares at the issue price of RM0.25 per share pursuant to the private placement exercise undertaken under the general mandate granted by the Company's 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 had completed following the listing and quotation of the above-mentioned ordinary shares on the Main Market of Bursa Securities on 15 March 2023

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	4,780	-	within 12 months
Estimated expenses for the Private Placement	250	250	-	Immediate
<b>Total</b>	<b>7,078</b>	<b>7,078</b>	<b>-</b>	

Subsequently, on 18 July 2023, the Company had allotted 62,287,760 new ordinary shares to Chen Khai Voon ("Subscriber") at an issue price of RM0.26 per share pursuant to the private placement exercise undertaken vide a conditional subscription agreement entered into between the Company and the Subscriber on 8 May 2023. The Private Placement was approved by the Company's shareholders at the Company's EGM held on 13 July 2023 and completed on 20 July 2023 following the listing and quotation of the said 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	5,000	10,595	within 18 months
Estimated expenses for the Private Placement	600	514	86	within 1 month
<b>Total</b>	<b>16,195</b>	<b>5,514</b>	<b>10,681</b>	

### (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.



**19. Corporate Proposals (continued)**

**(b) Proposed Acquisition (continued)**

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.

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 Proposed Acquisition was completed on 3 October 2023 following the listing and quotation of the consideration shares on the Main Market of Bursa Securities. 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.

The Company has announced on 24 November 2023 that the Company entered into a Supplemental Letter Agreement to mutually agree to extend the deadline for execution of the Definitive Agreements for the Proposed Investments from 5 December 2023 to 31 January 2024.

On 31 January 2024, The Company has announced that the Parties entered into a Supplemental Letter Agreement to mutually agree to further extend the deadline for execution of the Definitive Agreements for the Proposed Investments from 31 January 2024 to 31 March 2024.

**(d) Proposed MSRGE Investment**

The Company has announced on 06 February 2024 that, the Company had on this date entered into a subscription agreement with MSR Green Energy Sdn Bhd ("MSRGE") for a proposed subscription of 20% equity stake in MSRGE by the company for an aggregate subscription price of RM15,000,000.00 ("Subscription Amount") in the following manner:-

(a) 1,464,926 ordinary shares in MSRGE which represents an equity stake of 20% in MSRGE, for a total subscription prices of RM8,704,220; and

(b) 1,059,583 irredeemable convertible preference shares in MSRGE for a total subscription prices of RM6,295,780.

(collectively, "Proposed MSRGE Investment")

The Proposed MSRGE Investment provide an opportunity for the Company to diversify its existing businesses into renewable energy, in particular for the Engineering, Procurement, Construction and Commissioning ("EPCC") works for solar and renewable energy segment to tap into the potential opportunities arising from the government's intense effort to decarbonise the power sector.

The Proposed MSRGE Investment is expected to be completed by the second quarter of 2024.

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	52,288	-	52,288
<u>Short term borrowings</u>			
Term loans	5,071	-	5,071
Overdrafts	8,406	-	8,406
	13,477	-	13,477

## 21. Material Litigations

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

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

On 16 December 2019, Seal Properties (KL) Sdn Bhd ("SPKL"), a subsidiary of the Company, has filed a Writ and Statement of Claim against Wabina Constructions & Engineering Sdn Bhd (formerly known as Wabina Construction & Engineering Sdn Bhd) ("Wabina") at the High Court of Malaya to claim, inter-alia, the following:

- a sum of RM22,816,000 as liquidated damages;
- a declaration that SPKL entitled to deduct liquidated damages from interim certificates of payment for a total sum of RM7,033,696;
- liquidated damages of RM1,468,500 in respect of the TNB sub-station and the three mock-up sample units;
- outstanding overtime claims of RM105,852;
- outstanding TNB charges of RM230,800 for temporary electricity supply to the project site from February 2019 to July 2019;
- cost to employ third party contractors of RM34,994 to rectify for the damages to external bus stop roof and to clear-up and de-silt drains at project site;
- loss and damages for breach of contract;
- interest at 5% per annum on items (a) to (f); and
- costs.

Wabina had also counterclaimed against SPKL the following:

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

Pursuant to the contract entered between SPKL and Wabina, the date of commencement of works shall be 1 July 2016 and the works shall be completed within the completion period of 26 months from the date of commencement of works i.e. 31 August 2018. An extension of 3 months had been granted to Wabina to complete the entire project. As at 5 August 2019, Wabina has breached its obligations under the contract as the works for the project was not yet completed. SPKL had disputed Wabina's counterclaim on the basis, amongst others, that the Final Account Claim is premature as the dispute resolution process has yet to be fully exhausted whilst the claim for damages is without basis as the construction contract had been wrongfully terminated by Wabina.

Currently, all proceedings have been stayed pursuant to Section 10 of the Arbitration Act 2005 and the dispute is now being referred to arbitration.

Pursuant to Asian International Arbitration Centre ('AIAC')'s appointment, the Arbitrator had issued Procedural Order No. 1 and the parties are to comply with the Arbitrator's procedural orders stated therein. The Hearing for the Arbitration is now fixed at 15 August 2022 until 7 October 2022.

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.

On 26 January 2024, the Arbitration between SPKL and Wabina is further fixed for Hearing on 20 February 2024 until 23 February 2024, 27 June 2024 until 28 June 2024, 1 July 2024, 08 August 2024 until 10 August 2024 and 12 August 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.

**21. Material Litigations (continued)**  
**(b) Adjudication No. AIAC/D/ADJ-3236-2020 (continued)**

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
	<b>Total</b>	<b>5,363,371</b>
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. 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.

**(c) 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.

**21. Material Litigations (continued)****(d) 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 31/12/2023 RM'000	Quarter ended 31/12/2022 RM'000	Financial period ended 31/12/2023 RM'000	Financial period ended 31/12/2022 RM'000
Loss attributable to owners of the Company	(1,579)	(736)	(2,375)	(171)
Weighted average number of ordinary shares in issue ('000)	419,856	141,563	393,527	283,126
Basic earnings/(loss) per share (sen)	(0.38)	(0.52)	(0.60)	(0.06)

**(b) Diluted earnings/(loss) per share**

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

**24. (Loss)/Profit before Tax**

	Current quarter RM'000	Financial year to date RM'000
(Loss)/Profit before tax is arrived at after crediting/(charging):		
Dividend income	24	24
Interest income	892	1,748
Depreciation	(113)	(217)
Gain on disposal of investment properties	(18)	(18)
Gain on redemption of investment	322	194
Interest expense	(2,765)	(1,837)
Property, plant and equipment written off	(1)	(12)
Gain on disposal of property, plant and equipment	9	9

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.