

SEAL INCORPORATED BERHAD [196201000416 (4887-M)]
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/06/2024 RM'000	Preceding Year Corresponding Quarter Ended 30/06/2023 RM'000	Current Year To Date 30/06/2024 RM'000	Preceding Year Corresponding Period 30/06/2023 RM'000
Revenue	4,682	39,873	15,706	51,497
Cost of sales	(2,523)	(20,462)	(7,999)	(26,860)
Gross profit	2,159	19,411	7,707	24,637
Other income	5,855	8,001	8,974	10,985
Operating expenses	(4,395)	(8,129)	(14,173)	(14,594)
Profit from operations	3,619	19,283	2,508	21,028
Finance cost	(1,259)	(1,942)	(3,983)	(4,869)
Share of results of associates	(355)	-	(355)	-
Profit/(Loss) before tax	2,005	17,341	(1,830)	16,159
Tax expense	(279)	(3,445)	(1,554)	(4,596)
Profit/(Loss) for the period	1,726	13,896	(3,384)	11,563
Other comprehensive income	-	-	-	-
Total comprehensive profit/(loss) for the period	1,726	13,896	(3,384)	11,563
Profit/(Loss) attributable to:				
Owners of the parent	1,797	13,940	(3,155)	11,739
Non-controlling interests	(71)	(44)	(229)	(176)
	1,726	13,896	(3,384)	11,563
Total comprehensive profit/(loss) attributable to:				
Owners of the parent	1,797	13,940	(3,155)	11,739
Non-controlling interests	(71)	(44)	(229)	(176)
	1,726	13,896	(3,384)	11,563
Profit/(Loss) per share (sen)				
- Basic	0.86	4.48	(0.78)	4.03
- 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 2024

(THE FIGURES HAVE NOT BEEN AUDITED)

	(UNAUDITED) As At 30/06/2024 RM'000	(AUDITED) As At 30/06/2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,269	1,882
Right of use assets	1,231	-
Investment properties	167,350	167,460
Investment in Associates	14,645	-
Inventories	110,038	112,042
Timber concessions	6,067	6,067
	<u>301,600</u>	<u>287,451</u>
Current assets		
Contract assets	827	693
Contract costs	617	1,286
Inventories	68,664	27,720
Trade receivables	5,388	1,491
Other receivables, deposits and prepayments	96,377	117,296
Current tax assets	3,010	2,678
Other investments	451	9,997
Fixed deposits with licensed banks	14,979	22,517
Cash and bank balances	13,677	14,053
	<u>203,990</u>	<u>197,731</u>
TOTAL ASSETS	<u>505,590</u>	<u>485,182</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	191,697	163,502
Treasury shares	(163)	(163)
Reserves	353	353
Retained profits	164,885	168,040
	<u>356,772</u>	<u>331,732</u>
Non-controlling interests	587	4,416
Total equity	<u>357,359</u>	<u>336,148</u>
Non-current liabilities		
Deferred tax liabilities	2,961	3,041
Finance lease liabilities	800	587
Bank borrowings	61,185	54,773
	<u>64,946</u>	<u>58,401</u>
Current liabilities		
Trade payables	7,205	8,120
Other payables and accruals	62,652	68,675
Finance lease liabilities	188	149
Bank borrowings	11,994	12,837
Lease liabilities	1,090	-
Current tax liabilities	156	852
	<u>83,285</u>	<u>90,633</u>
Total liabilities	<u>148,231</u>	<u>149,034</u>
TOTAL EQUITY AND LIABILITIES	<u>505,590</u>	<u>485,182</u>
	-	-
Net assets per share attributable to owners of the parent (RM)	0.850	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 30 JUNE 2024

(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			
12-Month Period Ended 30 June 2024							
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	-	-	-	-	-	(3,600)	(3,600)
Total comprehensive loss for the period	-	-	-	(3,155)	(3,155)	(229)	(3,384)
Balance at 30 June 2024	<u>191,697</u>	<u>(163)</u>	<u>353</u>	<u>164,885</u>	<u>356,772</u>	<u>587</u>	<u>357,359</u>
12-Month Period Ended 30 June 2023							
Balance at 1 July 2022	156,424	(2,166)	353	155,860	310,471	4,196	314,667
Private placement	7,078	-	-	-	7,078	-	7,078
Dispose of treasury shares	-	2,003	-	441	2,444	-	2,444
Non-controlling interest accumulated profit	-	-	-	-	-	396	396
Total comprehensive income for the period	-	-	-	11,739	11,739	(176)	11,563
Balance at 30 June 2023	<u>163,502</u>	<u>(163)</u>	<u>353</u>	<u>168,040</u>	<u>331,732</u>	<u>4,416</u>	<u>336,148</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 JUNE 2024
(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Year To Date 30/06/2024 RM'000	Preceding Year Corresponding Period 30/06/2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(1,830)	16,159
Adjustments for:		
Non-cash items	854	5,422
Non-operating items	(275)	(6,406)
Interest expense	3,983	4,869
Interest income	(2,598)	(3,641)
Dividend income	(26)	(7)
Operating profit before working capital changes	108	16,396
Inventories	(38,940)	14,157
Contract assets	(134)	5,377
Contract costs	669	2,300
Receivables	17,022	12,184
Payables	(6,938)	21,731
Cash (used in)/generated from operations	(28,213)	72,145
Interest paid	(3,983)	(4,869)
Interest received	2,054	3,171
Tax paid	(2,760)	(3,431)
Tax refunded	97	401
Net cash (used in)/generated from operating activities	(32,805)	67,417
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment properties	-	(41,699)
Purchase of property, plant and equipment	(443)	(187)
Acquisition of equipment - Right of Use Assets	(1,343)	-
Net cash effect on acquisition of subsidiaries	-	(17,026)
Placement of other investments	(8,500)	(41,033)
Investment in associates	(15,000)	-
Proceeds from redemption of other investments	18,270	45,135
Proceeds from disposal of property, plant and equipment	174	7
Proceeds from disposal of investment properties	128	-
Dividend received	26	7
Interest received	189	325
Net cash used in investing activities	(6,499)	(54,471)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	12,000	500
Proceeds from lease liabilities	1,090	-
Private placement proceeds	16,195	7,078
Issuance of shares	12,000	-
Payment of dividend to non-controlling interests	(3,600)	-
Repayment of bank borrowings	(4,966)	(7,872)
Repayment of finance lease liabilities	(168)	(548)
Placement of deposits pledged with licensed bank	-	(9,675)
Disposal of treasury shares	-	2,003
Changes in interest - fixed deposits pledged with licensed banks	(355)	594
Interest received	355	145
Net cash generated from/(used in) financing activities	32,551	(7,775)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(6,753)	5,171
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	15,072	9,901
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	8,319	15,072

(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 2024
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
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 had 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 the Company's shareholders at the Company's Extraordinary General Meeting held on 13 July 2023.

(b) Proposed Acquisition

The Company had on 03 October 2023 listed 40,677,966 new ordinary shares at an 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 which was 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 financial year ended 30 June 2024. The total number of shares repurchased as of 30 June 2024 was 445,400 ordinary shares, which were held as treasury shares.

6. Dividend Paid

No dividend was paid by the Company during the financial year ended 30 June 2024.

7. Segment Information

12-Month Period Ended 30 June 2024

	Property Construction RM'000	Property Management RM'000	Property Development RM'000	Property Investment RM'000	Other Segment RM'000	Total RM'000
Segment revenue	5,427	2,320	1,194	6,532	233	15,706
Segment results	4,198	2,188	(2,159)	1,605	(5,922)	(90)
Interest income						2,598
Profit from operations						2,508
Finance cost						(3,983)
Share of results of associates						(355)
Loss before tax						(1,830)
Tax expense						(1,554)
Loss for the period						(3,384)

12-Month Period Ended 30 June 2023

	Property Construction RM'000	Property Management RM'000	Property Development RM'000	Property Investment RM'000	Other Segment RM'000	Total RM'000
Segment revenue	283	655	44,519	5,522	518	51,497
Segment results	(2,144)	408	18,790	9,037	(8,704)	17,387
Interest income						3,641
Profit from operations						21,028
Finance cost						(4,869)
Share of results of associates						-
Profit before tax						16,159
Tax expense						(4,596)
Profit for the period						11,563

8. Revaluation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment undertaken by the Group for the financial year ended 30 June 2024.

9. Material Events Subsequent to the End of Financial Period

Save as disclosed in Notes 10(vi) and 19(d), 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 proposals announced, there were no material changes in the composition of the Group for the financial year ended 30 June 2024, except for the following:-

- Seal Properties (PG) Sdn Bhd, a wholly owned subsidiary of the Company increased its equity interest in Mutiara Biopolis Developments Sdn Bhd by increasing its paid up capital from 1,000 to 6,000,000 via an allotment and issuance of 5,999,000 ordinary shares to the Company by way of cash;
- 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 Extraordinary General Meeting held on 12 May 2022;
- The Company had on 6 February 2024 entered into a Subscription Agreement with MSR Green Energy Sdn Bhd ("MSRGE") where the Company will subscribe to a 20% equity stake in MSRGE for an aggregate investment amount of RM15 million. All the conditions precedent as set out in the Subscription Agreement have been fulfilled and have become unconditional on 05 April 2024. MSRGE allotted 1,464,926 ordinary shares and 1,059,583 irredeemable convertible preference shares both at an issue price of RM5.9417 per share to the Company on 08 April 2024. MSRGE became an associate company to the Group on 08 April 2024;
- Seal Properties Sdn Bhd, a wholly-owned subsidiary of the Company, acquired the remaining 40% equity interest in Seal Properties (Bayan City) Sdn Bhd on 24 July 2024 for a total consideration of RM400,000 in cash and Seal Properties (Bayan City) Sdn Bhd has become a wholly owned subsidiary of the Company;
- The Company increased its equity interest in wholly-owned subsidiary, Seal Land Sdn Bhd by increasing its paid up capital from 250,000 to 1,000,000 via an allotment and issuance of 750,000 ordinary shares by way of cash in September 2023; and
- The Company increased its equity interest in wholly-owned subsidiary, Damai Kiarajaya Sdn Bhd by increasing its paid up capital from 1 to 700,000 via an allotment and issuance of 699,999 ordinary shares by way of cash in July 2023. Subsequently, the paid up capital further increased to 2,000,000 via an allotment and issuance of 1,300,000 ordinary shares by way of cash in July 2024.

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

There were no material capital commitments as at the end of the financial year ended 30 June 2024.

13. Significant Related Party Transactions

There were no significant related party transactions during the financial year under review.

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

14. Review of Performance

	Quarter ended 30/06/2024 RM'000	Quarter ended 30/06/2023 RM'000	Financial Period ended 30/06/2024 RM'000	Financial Period ended 30/06/2023 RM'000
Revenue				
Property construction	2,440	283	5,427	283
Property management	629	489	2,320	655
Property development	-	37,600	1,194	44,519
Property investment	1,722	1,361	6,532	5,522
Other segment	(109)	140	233	518
	<u>4,682</u>	<u>39,873</u>	<u>15,706</u>	<u>51,497</u>
(Loss) / Profit before tax				
Property construction	4,873	(851)	5,702	(45)
Property management	603	366	2,186	403
Property development	(657)	17,196	(1,747)	18,575
Property investment	(1,158)	6,512	(2,013)	5,928
Other segment	(1,656)	(5,882)	(5,958)	(8,702)
	<u>2,005</u>	<u>17,341</u>	<u>(1,830)</u>	<u>16,159</u>

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

The Group recorded lower revenue of RM4.7 million for the current quarter (Q4FY2024) under review, RM35.2 million or 88% lower than the RM39.87 million recorded in the preceding year's corresponding quarter (Q4FY2023). The decrease was mainly due to the absence of revenue from the property development segment in the current year compared with the one-off disposal of vacant land in Bandar Sungai Petani in the preceding year's corresponding quarter. Notwithstanding this, the Group recorded higher revenue of RM2.44 million and RM1.72 million in the construction and property investment segments, respectively, attributable to the commencement of construction of Queensville Phase 2b project in Bandar Sri Permaisuri, Kuala Lumpur, and the increase in rental income from the investment properties acquired in June 2023.

For the current quarter, the Group recorded a profit before tax of RM2.0 million, compared to a profit before tax of RM17.34 million in the preceding year's corresponding quarter (Q4FY2023), which are mainly due to the following:-

- Absence of revenue from the property development segment and higher administration and operation expenses for the preliminary activities of Bayan Suite project in Penang and provisional of late delivery interest expenses for the reclamation land from the property development segment;
- Higher administrative and operation expenses from the preliminary activities for commencement of the construction of Queensville Phase 2b under the property construction segment;
- Reversal of provision of construction cost and late payment interest of RM4.34 million and RM1.52 million, respectively, upon full and final settlement of material litigations in connection with Queensville Phase 1 Project under property construction segment; and
- Written off of RM4.7 million timber concession cost capitalized after the concession right owner company was dissolved under other segments in the preceding year corresponding quarter.

Performance of the current financial year against the preceding financial year

The Group recorded a revenue of RM15.71 million for the current financial year, RM35.79 million, or 70% lower than RM51.5 million in the preceding financial year. The revenue movement by segment are as follows:-

- A lower revenue of RM1.19 million was recorded under the property development segment, 97.3% lower than RM44.52 million in the preceding financial year. The reduction in revenue was due to the sales of 2 units of completed properties in the current financial year, compared to the sales of 8 units of completed properties and the disposal of vacant lands located at Bandar Sungai Petani, Kedah in the preceding financial year;
- Higher revenue from the property construction segment of RM5.4 million was recorded after the commencement of construction for the Queensville Phase 2b project in the current year;
- The property management segment recorded revenue of RM2.3 million contributed by the car park management, which is located at Queensville, Bandar Sri Permaisuri, Kuala Lumpur, and Elit Height and Elit Avenue in Penang; after commencing its operations in the year 2023; and
- The investment properties segment reported a higher revenue of RM6.5 million, or 18% higher than RM5.5 million which was recorded in the preceding financial year under the investment properties segment. This increase is attributable to the increase in the tenancy rate and additional rental revenue from the investment properties acquired in June 2023.

The Group recorded a loss before tax of RM1.8 million in the current financial year compared to a profit before tax of RM16.2 million recorded in the preceding financial year, mainly due to a one-off gain of RM15.6 million derived from the sales of vacant lands at Sungai Petani in the preceding financial year and higher administrative and operation expenses incurred from the preliminary activities to commence the construction of Queensville Phase 2b project and Bayan Suite project in Penang and the late delivery interest expenses from reclamation land which have been mitigated by the reversal of provision of construction cost and late payment interest amounted to RM5.8 million in current financial year.

15. Changes in Current Quarter as compared with Preceding Quarter

	Current quarter 30/06/2024 RM'000	Immediate preceding quarter 31/03/2024 RM'000
Revenue	4,682	5,453
Profit / (Loss) before tax	2,005	(2,169)

For the current quarter, revenue decreased by 14% to RM4.68 million compared to RM5.45 million in the immediate preceding quarter (Q3FY2024). The Group recorded a profit before tax of RM2.0 million compared to a loss before tax of RM2.17 million in the immediate preceding quarter, mainly due to the reversal of provision for construction cost and late payment interest from the settlement of material litigation under the property construction segment.

16. Prospect

Malaysia's property market is expected to remain stable with a gradual and sustainable growth trajectory in light of improving economic conditions and consumer sentiments, following numerous measures, incentives, and promotions implemented by both the government and developers. Notwithstanding the recovery tracks and marketing sentiments, the Group remains cautious, focusing on the existing Queensville Phase 2b construction project, located in Bandar Sri Permaisuri, Kuala Lumpur ("Quartz Residence"), and a property development project in Penang, Bayan Suites. Quartz Residence has an estimated gross construction value of RM132 million, while Bayan Suites has an estimated gross development value of RM204 million. These projects are significant undertakings that are part of the Group's commitment to enhancing its construction and property development portfolio and are expected to contribute substantially to overall revenue.

The Group is optimistic on the favorable outlook of the renewable energy industry in Malaysia, taking into consideration the various initiatives and policies announced by the government, such as the Large-Scale Solar 5 programme and the opening of feed-in-tariff quota for non-solar renewable energy technology. On 8 August 2024, the Group executed a binding terms sheet with the shareholders of MSRGE to increase the Company's equity stake in MSRGE from the present 20% to 30%. Meanwhile, the Group will actively explore further opportunities in other investments in renewable energy.

Barring any unforeseen circumstances, 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 year under review.

18. Tax Expense

	Current quarter RM'000	Financial year to date RM'000
Malaysian income tax:		
Current tax - current year	361	1,303
- prior years	-	333
Deferred tax expense	(82)	(82)
	<u>279</u>	<u>1,554</u>

The tax expenses for the financial year ended were attributed to the profit of certain subsidiaries, as losses of other companies within the Group are not allowed to be offset against these profits and certain expenses that are not deductible for tax purposes.

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
Total	7,078	7,078	-	

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 Extraordinary General Meeting 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.

19. Corporate Proposals (continued)**(a) Private Placement (continued)**

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	600	-	within 1 month
Total	16,195	16,195	-	

(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 (collectively, the "Vendors") 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 29 September 2023, the Company announced that all the conditions subsequent pursuant to the share sale agreement dated 01 January 2022 entered into between the Company and the Vendors for the Proposed Acquisition (as varied by the Supplemental Letter dated 18 October 2022) have been fulfilled and the Proposed Acquisition has become unconditional. The Proposed Acquisition was completed on 03 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 the Company or its wholly-owned subsidiary of preference shares in HMPP and IGSB as follows:

- (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.

The Company has on 9 April 2024 served a written notice to IGSB, HMPP, TTS and TSY to terminate the BTS with immediate effect due to unsatisfactory on the outcome of due diligence carried out by the Company on IGSB and HMPP ("Termination Event").

In accordance with the terms and conditions of the duly executed and stamped BTS, in the event the BTS is terminated, IGSB is obliged to refund the refundable deposit with accrued interests for a total sum of RM5,100,000 ("Refundable Amount") to the Company within 30 days from the date of Termination Event, ie: on or before 9 May 2024.

However, on 8 May 2024, HMPP and IGSB have requested an extension of time to refund the refundable deposit to SIB. On 17 May 2024, IGSB has refunded an amount of RM1.1 million and the remaining balance will be refunded via monthly instalments of RM0.5 million. SIB has received a total up to RM2.6 million as of 16 August 2024 and the outstanding balance as at August 2024 is RM2.5 million.

(d) Proposed MSRGE Investment

The Company has announced on 06 February 2024 that, the Company had on the even 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")

MSRGE is principally involved in the installation and servicing of solar photovoltaic ("PV") systems, renewable energy project management, consultancy and construction, electrical works, and any other ancillary business. MSRGE is a developer developing solar PV projects that include design and engineering, procurement, construction, and commissioning of solar PV systems.

All the conditions precedent as set out in the Subscription Agreement have been fulfilled, met, and/or waived as of 5 April 2024, and the Subscription Agreement became unconditional on that date. The Proposed MSRGE Investment was completed on 8 April 2024. Please refer to Note 10(iii) for the allotment of shares.

19. Corporate Proposals (continued)

(e) Proposed Shares Acquisition

On 8 August 2024, the Company entered into a binding term sheet with Ong Kah Hui and Qiang, Xia Yu for the proposed acquisition of an additional 10% ordinary share capital in MSRGE (an associate company of the Group) for an aggregate purchase consideration of RM21 million, of which will be settled in the following manner:-

- (a) RM3 million refundable deposit in cash payable to the Sellers.
- (b) RM18 million via issuance of new ordinary shares in Seal at an issue price of RM0.61 each, representing 7.0% of the Company's enlarged share capital post completion of the Proposed Shares Acquisition.

Upon completion of the Proposed Shares Acquisition, the Company's equity interest in MSRGE will increase from 20% to 30%.

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	61,185	-	61,185
<u>Short term borrowings</u>			
Term loans	5,579	-	5,579
Overdrafts	6,415	-	6,415
Total	73,179	-	73,179

21. Material Litigations

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

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

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

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

Wabina had also counterclaimed against SPKL the following:

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

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

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

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

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

21. Material Litigations (continued)

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

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 to 23 February 2024, 27 June 2024 and 28 June 2024, 1 July 2024, 8 August 2024 to 10 August 2024 and 12 August 2024. Subsequently, the Arbitrator has further fixed the hearing date from 09 September 2024 to 11 September 2024.

On 16 August 2024, SPKL and Wabina entered into a Settlement Agreement, followed by the Tripartite Agreement dated 23 August 2024, mutually agreed by the parties between SPKL, Wabina, and NSCs for the full and final settlement and there shall be no further claims whatsoever including but not limited to any demands, costs, interest, proceedings and/or actions taken by any Party against any other Party in respect of and/or arising from the Project and the relevant construction contracts entered in relation to the Project. In view of the Full and Final Settlement, all Parties shall be released and discharged from their respective duties, covenants, liabilities and/or obligation(s) under, in relation to and/or arising from the Project and the relevant construction contracts entered in relation to the Project, as against any other Party. Under the Settlement Agreement, the Parties agreed to terminate arbitration proceedings within 14 days from the date of the Tripartite Agreement dated 23 August 2024.

(b) 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

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. However, the Court on 27 May 2024 dismissed the appeal with costs to be paid by SPKL to Fulloop subject to allocator fees.

On 23 August 2024, SPKL, Wabina and Fulloop have mutually entered into the Tripartite Agreement for the full and final settlement and there shall be no further claims whatsoever including but not limited to any demands, costs, interest, proceedings and/or actions taken by any Party against any other Party in respect of and/or arising from the Project and the relevant construction contracts entered in relation to the Project. In view of the Full and Final Settlement, all Parties shall be released and discharged from their respective duties, covenants, liabilities and/or obligation(s) under, in relation to and/or arising from the Project and the relevant construction contracts entered in relation to the Project, as against any other Party.

(c) 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. However, the Court on 30 May 2024, dismissed SPKL appeal with costs to be paid by SPKL to LDE.

SPKL had on 17 May 2024 been served with a sealed copy of the Winding Up Petition dated 13 May 2024 by the solicitors of LDE, the matter has been fixed for Case Management on 26 June 2024 and the Hearing for the Winding Up petition has been fixed on 12 July 2024 was adjourned to 23 July 2024. In light of discussion between LDE and SPKL to resolve the matter amicably, the Court has fixed the matter for case management on 12

In respect of SPKL motion to stay the Court of Appeals decision on 30 May 2024 which affirmed the High Court decision, the hearing has been fixed on 4 October 2024 and the SPKL application for leave to the Federal Court, the Federal Court has fixed the case management on 10 September 2024 and hearing for SPKL motion for leave fixed on 24 September 2024.

On 23 August 2024, SPKL, Wabina, and LDE have mutually entered into the Tripartite Agreement for the full and final settlement and there shall be no further claims whatsoever including but not limited to any demands, costs, interest, proceedings and/or actions taken by any Party against any other Party in respect of and/or arising from the Project and the relevant construction contracts entered in relation to the Project. In view of the Full and Final Settlement, all Parties shall be released and discharged from their respective duties, covenants, liabilities and/or obligation(s) under, in relation to and/or arising from the Project and the relevant construction contracts entered in relation to the Project, as against any other Party. Parties shall withdraw any ongoing winding up proceeding and/or proceedings commenced against any party to this agreement without any order as to costs upon receipt of the Settlement Sum by the LDE from SPKL.

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

22. Dividend

No dividend has been proposed for the financial year ended 30 June 2024.

23. Earnings/(Loss) per Share

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue.

	Quarter ended 30/06/2024 RM'000	Quarter ended 30/06/2023 RM'000	Financial period ended 30/06/2024 RM'000	Financial period ended 30/06/2023 RM'000
(Loss)/Profit attributable to owners of the Company	1,797	13,940	(3,155)	11,739
Weighted average number of ordinary shares in issue ('000)	208,781	311,439	406,619	291,504
Basic (loss)/earnings per share (sen)	0.86	4.48	(0.78)	4.03

(b) Diluted earnings/(loss) per share

No diluted earnings/(loss) per share is calculated as there were no dilutive potential ordinary shares as at 30 June 2024.

24. Profit/(Loss) before Tax

	Current quarter RM'000	Financial year to date RM'000
(Loss)/Profit before tax is arrived at after crediting/(charging):		
Dividend income	-	26
Interest income	(30)	2,598
Depreciation	(110)	(464)
Gain on disposal of investment properties	-	(18)
Gain on disposal of assets held for sale	-	-
Gain on redemption of investment	1	218
Reversal of impairment loss	-	104
Interest expense	(1,259)	(3,983)
Bad debts written off	-	-
Property, plant and equipment written off	-	(12)
Gain on disposal of property, plant and equipment	-	51

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.