

**SEAL INCORPORATED BERHAD**  
Registration No. 196201000416 (4887-M)  
(Incorporated in Malaysia)

Minutes of the Extraordinary General Meeting ("**EGM**" or "**Meeting**") of Seal Incorporated Berhad ("**the Company**" or "**SIB**") conducted on a fully virtual basis via online meeting platform <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657) on Friday, 28 February 2025 at 3:00 p.m.

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**ATTENDANCE**

- DIRECTORS** : • Madam Lee Swee Kheng (*Chairman*)  
 ("**Madam Chairman**")  
• Mr. Koay Shean Loong  
• Mr. Sim Yee Fuan  
• Datuk Wira Syed Amir Syakib Arsalan bin Syed Ibrahim  
• Mr. Yow Yan Seong  
• Mr. Tan Seong Hooi
- IN ATTENDANCE** : Ms. Yeow Sze Min (*Joint Company Secretary*)  
 ("**Ms. Yeow**")
- BY INVITATION** : • Datin Wong Muh Rong (*Financial Adviser, Astramina Advisory Sdn. Bhd.*)  
• Mr. Jason Lam (*Principal Adviser, AmInvestment Bank Berhad*)  
• Ms. Teoh Teng Hien (*Principal Adviser, AmInvestment Bank Berhad*)  
• Ms. Yee Chew Yan (*Legal Adviser, Mah-Kamariyah & Philip Koh*)  
• Mr. Ong Tee Chin (*Independent Adviser, Asia Equity Research Sdn. Bhd*)  
•
- SHAREHOLDERS, CORPORATE REPRESENTATIVES AND PROXIES** : As per participants logged in to the meeting platform

**1. CHAIRMAN'S ADDRESS**

Madam Chairman welcomed and thanked the shareholders, corporate representatives, and proxies for participating in the EGM of the Company remotely from their respective location.

Madam Chairman then introduced the Board of Directors ("**Board**"), the Joint Company Secretary and the appointed Advisers.

The Meeting noted that there were two items on the agenda of EGM, i.e. Resolution 1 – the Proposed Acquisition and Resolution 2 – the Proposed Diversification.

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**2. QUORUM**

The requisite quorum being present pursuant to Article 77(a) of the Company's Constitution, the Meeting was called to order at 3:00 p.m.

The Meeting was informed that the Company is using 24 February 2025 as the determinant date of the General Meeting Record of Depositors for this EGM.

**3. POLL VOTING AND PROCEEDINGS OF THE MEETING**

Madam Chairman informed the Meeting that in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), all resolutions put forth for voting at this EGM would be voted by poll. In this regard, Madam Chairman then exercised her rights as the Chairman of the Meeting to demand a poll in accordance with Section 330 of the Companies Act 2016 in respect of all resolutions put forth for voting at this EGM to demonstrate shareholder democracy of one-share one-vote.

Madam Chairman also informed all the shareholders, corporate representatives and proxies that they may exercise their right to post questions to the Board and vote remotely at this EGM.

There were also shareholders who were unable to participate in this EGM and had appointed Madam Chairman to vote on their behalf and hence, Madam Chairman would be voting as their proxy in accordance with their voting instruction, where indicated.

The Meeting also noted that there is no legal requirement for a proposed resolution to be seconded. The shareholders, corporate representatives and proxies could proceed to vote at their own time. The voting module had been made accessible to all shareholders for submission of votes from the start of the Meeting. An additional 5 minutes was given to the shareholders for casting and submission of votes after the Meeting had dealt with all the questions submitted during the Meeting until the closure of the voting session.

Ms. Yeow further informed that the Meeting would go through the items on the agenda, then the presentations on Proposed Acquisition by the respective Adviser and followed by the Question-and-Answer ("**Q&A**") session for the Company and appointed Advisers to respond to the questions transmitted by shareholders, corporate representatives and proxies. As stipulated by the Securities Commission of Malaysia, shareholders, corporate representatives and proxies may rely on real time submission of typed texts to exercise their rights to speak or communicate in this EGM by submitting questions or remarks in relation to the items in the agenda through the chat box within the meeting platform.

Ms. Yeow explained that the Company will endeavour to answer all questions asked. However, where the questions are repeated or there are areas of overlap in the scope of the questions asked, the Company may only provide its reply once to the question, in the essence of time.

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The Meeting was then informed that Boardroom Share Registrars Sdn. Bhd. was the appointed Poll Administrator for this EGM, while SKY Corporate Services Sdn. Bhd. was the appointed Independent Scrutineer to verify the results of the poll voting.

A short video on the remote polling process was then played.

**4. NOTICE OF THE EGM**

The Notice of EGM having been circulated within the prescribed period was, with the permission of the Meeting, taken as read.

**5. ORDINARY RESOLUTION 1:  
**PROPOSED ACQUISITION OF 732,464 ORDINARY SHARES IN MSR GREEN ENERGY SDN BHD ("MSRGE") FROM ONG KAH HUI AND QIANG, XIAOYU, REPRESENTING 10.00% EQUITY INTEREST IN MSRGE FOR A TOTAL PURCHASE CONSIDERATION OF RM21.00 MILLION, TO BE SATISFIED THROUGH A COMBINATION OF CASH OF RM3.00 MILLION AND ISSUANCE OF 29,508,197 NEW ORDINARY SHARES IN THE COMPANY ("CONSIDERATION SHARES") AT AN ISSUE PRICE OF RM0.61 PER CONSIDERATION SHARE ("PROPOSED ACQUISITION")****

The Meeting was informed that the first item on the agenda was to seek shareholders' approval for the Proposed Acquisition.

Madam Chairman informed that the Board of Directors, save for herself, after having considered all aspects of the Proposed Acquisition, was of the opinion that the Proposed Acquisition is in the best interest of the Company.

Madam Chairman further informed that the details of the Proposed Acquisition are set out in Part A of the Circular to shareholders dated 13 February 2025.

A brief summary on the Proposed Acquisition was presented by the Principal Advisor, AmInvestment Bank Berhad ("*Appendix I*"). This was followed by an executive summary of the Independent Adviser's Letter to the non-interested shareholders in relation to the Proposed Acquisition presented by the Independent Advisor, Asia Equity Research Sdn. Bhd. ("*Appendix II*").

**6. ORDINARY RESOLUTION 2:  
**PROPOSED DIVERSIFICATION OF THE EXISTING PRINCIPAL ACTIVITIES OF SEAL AND ITS SUBSIDIARIES TO INCLUDE INVESTMENT IN RENEWABLE ENERGY AND RELATED ACTIVITIES ("PROPOSED DIVERSIFICATION")****

The Meeting was informed that the second item on the agenda was to seek shareholders' approval for the Proposed Diversification.

Madam Chairman explained that the Proposed Diversification will expand the Group's core business to include investment in renewable energy and related activities and is in line with the Group's objectives to seek new business

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opportunities to improve its business resilience and to provide additional sources of income from the investment in renewable energy.

Madam Chairman further informed that the details of the Proposed Diversification are set out in Part C of the Circular to shareholders dated 13 February 2025.

**7. Q&A SESSION**

In response to the questions from the shareholders regarding provision of door gifts and e-wallet vouchers for participating in the Meeting, the Management responded that shareholders who attended this EGM are entitled to a RM20,000.00 rebate voucher for the purchase of properties developed by the Group. This rebate voucher is also transferable to non-shareholders. Shareholders who participated and interested may email directly to [sealcorporate@sib.com.my](mailto:sealcorporate@sib.com.my) for the details of the rebate.

**8. POLL VOTING SESSION**

After dealing with all the pertinent questions transmitted via the chat box, the shareholders, corporate representatives and proxies were given another 5 minutes to cast and submit their votes.

Upon closure of the voting session, the Scrutineer proceeded to verify the poll results.

**9. DECLARATION OF POLL RESULTS**

After the verification of the poll results by the Scrutineer, the following results of the poll were shown on the screen:

Ordinary Resolution	Vote for		Vote Against		Total vote	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
1	125,610,418	99.9999	2	0.0001	125,610,420	100
2	254,316,778	99.9999	2	0.0001	254,316,780	100

Based on the above verified poll results, Madam Chairman declared that the Ordinary Resolution 1 in relation to Proposed Acquisition and Ordinary Resolution 2 in relation to Proposed Diversification were carried.

It is hereby **RESOLVED**: -

**Ordinary Resolution 1**

**Proposed acquisition of 732,464 ordinary shares in MSR Green Energy Sdn Bhd ("MSRGE") from Ong Kah Hui and Qiang, Xiaoyu, representing 10.00% equity interest in MSRGE for a total purchase consideration of RM21.00 million, to be satisfied through a combination of cash of RM3.00 million and issuance of 29,508,197 new ordinary shares in the Company**

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**("Consideration Shares") at an issue price of RM0.61 per Consideration Share ("Proposed Acquisition")**

**THAT** subject to the passing of Ordinary Resolution 2, the approvals of the relevant authorities and/or parties having been obtained (where required) for the Proposed Acquisition and the conditions precedent in the share sale agreement in respect of MSRGE dated 29 October 2024 entered into between the Company (as purchaser), Ong Kah Hui and Qiang, Xiaoyu (as vendors) (collectively, the "**Vendors**") ("**SSA**"), having been obtained/fulfilled or waived (as the case may be), approval be and is hereby given to the Company to acquire 732,464 ordinary shares in MSRGE, representing 10.00% equity interest in MSRGE, from the Vendors for a total purchase consideration of RM21.00 million ("**Purchase Consideration**") to be satisfied through a combination of cash consideration amounting to RM3.00 million and the remaining amount of RM18.00 million via the allotment and issuance of 29,508,197 ordinary shares in Seal ("**Seal Shares**") at the issue price of RM0.61 per Seal Share, upon such terms and conditions set out in the SSA.

**THAT** the Board of Directors of the Company ("**Board**") be and is hereby authorised to issue an aggregate of 29,508,197 Seal Shares ("**Consideration Shares**") to the Vendors for the satisfaction of part of the Purchase Consideration in relation to the Proposed Acquisition, in accordance with the terms and conditions of the SSA.

**THAT** the Consideration Shares shall, upon allotment and issuance, rank equally in all respects with each other and with the then existing Seal Shares, save and except that the holder of such Consideration Shares shall not be entitled to any dividends, rights, allotments and/or any other distributions which may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to or on the date of allotment and issuance of the Consideration Shares.

**THAT** authority be and is hereby given to the Board to assent to any modifications to the SSA and to sign and execute any other ancillary agreements and documents in relation thereto, for and on behalf of the Company.

**AND THAT** in order to implement, complete and give full effect to the Proposed Acquisition, authority be and is hereby given to the Board to give full effect to the Proposed Acquisition, the SSA and all other agreements arising therefrom with full powers to do or procure to be done all acts, deeds and things (including all applications and submissions to the relevant regulatory authorities and bodies) and take all such decisions as they may in their absolute discretion deem fit, necessary, expedient and/or appropriate in the best interest of the Company and to take all such steps and to execute or enter into the SSA and all such agreements, arrangements, undertakings, indemnities, transfers, extensions, assignments, deeds, confirmations, declarations and/or guarantees, with any party or parties, to deliver or cause to be delivered all such documents and to do all such acts and matters as they may consider necessary to implement, finalise and give full effect to and complete the Proposed Acquisition under the terms and conditions of the SSA with full powers to negotiate, approve, agree and/or assent to any conditions, modifications, variations and/or amendments thereto

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as the Board may deem fit and/or as may be imposed by any relevant authorities, including to enter into any supplemental agreement(s) in connection with the Proposed Acquisition, and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient or in the best interest of the Company.

**Ordinary Resolution 2**

**Proposed diversification of the existing principal activities of Seal and its subsidiaries to include investment in renewable energy and related activities ("Proposed Diversification")**

**THAT** subject to the approvals of the relevant authorities and/or parties having been obtained, approval be and is hereby given to the Company to diversify the existing principal activities of Seal and its subsidiaries to include investment in renewable energy and related activities.

**AND THAT** the Board be and is hereby empowered and authorised to take all such steps and do all acts, deeds and things and to enter into any arrangements, transactions, agreements and/or undertakings and to execute, sign and deliver on behalf of the Company, all such documents as may be necessary, expedient and/or appropriate to implement and give full effect to and to complete the Proposed Diversification with full powers to assent to any conditions, modifications, variations and/or amendments as the Board may in its absolute discretion deem fit, necessary, expedient, appropriate and/or as may be imposed or permitted by any relevant authorities in connection with the Proposed Diversification.

**10. TERMINATION**

Madam Chairman concluded the EGM and thanked all those present for their attendance.

The Meeting ended at 3:55 p.m. with a vote of thanks to the Chair.

Confirmed as a correct record,

**-Signed-**

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**Lee Swee Kheng**  
Chairman

**EXTRAORDINARY GENERAL MEETING (“EGM”)**

**PROPOSED ACQUISITION OF 732,464 ORDINARY SHARES IN MSR GREEN ENERGY SDN BHD (“MSRGE”) FROM ONG KAH HUI (“OKH”) AND QIANG, XIAOYU (“QX”), REPRESENTING 10.00% EQUITY INTEREST IN MSRGE FOR A TOTAL PURCHASE CONSIDERATION OF RM21.00 MILLION, TO BE SATISFIED THROUGH A COMBINATION OF CASH OF RM3.00 MILLION AND ISSUANCE OF 29,508,197 NEW ORDINARY SHARES IN SEAL INCORPORATED BERHAD (“SEAL” OR “COMPANY”) (“CONSIDERATION SHARES”) AT AN ISSUE PRICE OF RM0.61 PER CONSIDERATION SHARE (“PROPOSED ACQUISITION”)**

Principal Adviser



**AmInvestment Bank**

**AmInvestment Bank Berhad**

(Registration No. 197501002220 (23742-V))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Financial Adviser



**Astramina Advisory Sdn Bhd**

(Registration No. 200801009417 (810705-K))

(A licensed corporate finance advisory firm by the Securities Commission Malaysia)

**28 February 2025**

## Details of the Proposed Acquisition

### Vendors

- **OKH:** 519,087 ordinary shares in MSRGE (“**Sale Shares**”), representing 7.09% equity interest in MSRGE
- **QX:** 213,377 Sale Shares, representing 2.91% equity interest in MSRGE

### Purchase Consideration

- **OKH:** RM14.88 million
- **QX:** RM6.12 million
- **Total:** RM21.00 million

### Mode of settlement

RM3.00 million in cash and RM18.00 million through allotment and issuance of 29,508,197 new ordinary shares in Seal (“**Shares**”)

### Issue Price

RM0.61 per Consideration Share

### Principal activities of MSRGE

- Principally involved in solar photovoltaic (“**PV**”) installation system and renewal energy projects, project management, and consultancy and electrical works
- Develops solar PV plants, the process of which includes design and engineering, procurement, construction and commissioning (“**EPCC**”) of solar PV system
- Provides engineering, procurement and construction services for battery energy storage system (“**BESS**”)

**SEAL**

  
**AmInvestment Bank**

  
**ASTRAMINA**  
ADVISORY



## Details of the Proposed Acquisition (cont'd)

### On-going projects of MSRGE

- Engineering, procurement and construction of 100 megawatt and energy storage of 400 megawatt-hour BESS in the district of Lahad Datu, Sabah, Malaysia for a contract sum of RM644.63 million ("**Sabah BESS Project**")
- EPCC for a solar power plant under the corporate green power programme in Perak for a contract sum of RM125.00 million
- EPCC for a solar power plant under the corporate green power programme in Kedah for a contract sum of RM88.36 million

### Profit Guarantee

The Vendors irrevocably and unconditionally guarantee to the Company that MSRGE will achieve a sum of **not less than RM21.00 million** as the cumulative actual consolidated profit after tax ("**PAT**") of MSRGE for the financial year ended ("**FYE**") 31 December 2024 and 31 December 2025 (collectively, the "**Guaranteed Financial Years**") ("**Aggregate Guaranteed Profit**")

### Pledged Shares

19,180,328 or 65.00% of the Consideration Shares that will be pledged to a trust company in Malaysia to be appointed by the Company and the Vendors ("**Stakeholder**") as security for the performance of the Vendors' obligation in respect of the Profit Guarantee

- Upon completion of the Proposed Acquisition, the Company's equity interest in MSRGE will increase from 20.00% to 30.00%
- The Proposed Acquisition is deemed as a related party transaction pursuant to the provisions of Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**")
- The Board of Directors of Seal ("**Board**") (save for Lee Swee Kheng) appointed Asia Equity Research Sdn Bhd as the independent adviser to advise the non-interested directors and non-interested shareholders of the Company on the Proposed Acquisition

# Basis of and Justification for the Purchase Consideration

## Basis of the Purchase Consideration

- the Aggregate Guaranteed Profit of not less than RM21.00 million for the Guaranteed Financial Years was arrived at based on the expectation that MSRGE would be able to record a PAT of RM10.00 million a year, supported by its orderbook of approximately RM858.00 million, plus a further upside of 5%
- a forward price-to-earnings (“**PE**”) multiple of 20.00 times (after taking into consideration the PE multiples of the Comparable Companies (as defined herein))

## Justification for the Purchase Consideration

- PE multiples of public companies listed on Bursa Securities, which are principally involved as the EPCC service provider for solar PV projects ranging from 24.14 to 39.08 times (“**Comparable Companies**”)
- the rationale and benefits of the Proposed Acquisition as set out in Slide 7
- the prospects of MSRGE and its associate companies (collectively, the “**MSRGE Group**”), taking into consideration its pipeline projects and bids submitted
- MSRGE Group’s orderbook of approximately RM858.00 million which were secured after the execution of the subscription agreement for the initial MSRGE subscription on 6 February 2024 (“**Initial MSRGE Subscription**”), which gave rise to a higher price per ordinary share of MSRGE (“**MSRGE Share**”) of RM28.67 under the Proposed Acquisition as compared to RM5.9417 per MSRGE Share under the Initial MSRGE Subscription
- the views and recommendations of the Independent Adviser

## Basis of and Justification for the Purchase Consideration (*cont'd*)

### Reasonableness of the Profit Guarantee

- the expectation of MSRGE recording PAT of RM10.00 million a year is supported by its orderbook of approximately RM858.00 million
- the additional upside of RM0.5 million is undemanding and achievable if MSRGE secures new projects, or manages its project costs for its existing orderbook well
- the experience and track record of the Vendors, who are also the key management of MSRGE, in the RE sector, in particular solar PV related projects
- the overview and outlook of the RE sector as well as the prospects of the MSRGE Group

# Basis of and Justification for the Issue Price

## Basis of the Issue Price

- the Issue Price was arrived at on a willing-buyer willing-seller basis after taking into consideration the historical trading price of the Shares.

## Justification for the Issue Price

- the Issue Price represents a premium of 8.41% over the 12-month volume weighted average market price (“**VWAMP**”) up to and including 7 August 2024, being the last trading day of the Shares before the execution of the binding term sheet between the Company and the Vendors on 8 August 2024 in relation to the Proposed Acquisition (“**LTD**”), of RM0.5627 per Share, which includes the period prior to the Company’s entry into the RE sector through the Initial MSRGE Subscription, which was completed on 8 April 2024
- the Issue Price represents a discount of approximately 2.88% to the six (6)-month VWAMP of the Shares up to and including LTD of RM0.6281 per Share, which substantially includes the period after the Company completed the Initial MSRGE Subscription
- the partial settlement of the Purchase Consideration through the allotment and issuance of the Consideration Shares minimises Seal and its subsidiaries’ (collectively, the “**Group**”) cash outlay, thereby allowing them to preserve the cash reserves which can be utilised for other business segments of the Group

## Rationale and Benefits of the Proposed Acquisition

Realign the strategic direction of the Group to **improve business resilience** and have identified the RE sector to **diversify the Group's revenue stream**

+

The additional investment in MSRGE will **contribute positively to the future earnings** of the Group. Further, the Profit Guarantee provided by the Vendors will aid in **mitigating the investment risk** faced by the Group

+

The partial settlement of the Purchase Consideration through the allotment and issuance of the Consideration Shares also **minimises the Group's cash outlay** and helps **strengthen the Group's capital base to reflect enlarged operations**

## Prospects of MSRGE Group

- 1 Being involved in the RE sector, MSRGE Group is **well positioned to benefit** from potential opportunities arising from the Government of Malaysia's ("GOM") **intense efforts to decarbonise the economy**, more importantly, the roll out of 2.8 gigawatt of new RE capacities
- 2 MSRGE will **actively source and work** with potential owners of large-scale solar power plants in the process of submitting tender by the project owners, where MSRGE will **assist in providing services such as designing and budgeting** prior to the project owners commencing the necessary processes for securing projects and constructing solar power plants
- 3 MSRGE has also **benefitted from Malaysia's first utility-scale battery energy storage project** announced by the GOM i.e. the Sabah BESS Project. The 400 megawatt-hour BESS project was awarded by Sabah Electricity Sdn Bhd to MSRGE via a tender exercise
- 4 MSRGE also aims to become a **renewable assets owner** through its associate companies and plan to provide EPCC services for other RE companies

# Risk Factors

1

## Non-completion of the Proposed Acquisition

- There can be no assurance that the conditions precedent of the share sale agreement dated 29 October 2024 entered into between the Company and the Vendors in relation to the Proposed Acquisition (“SSA”) will be fulfilled or waived in a timely manner or at all. In the event any of the conditions precedent cannot be fulfilled or waived on or before the expiry of the conditional period or such extended time as the Company and the Vendors may mutually agree upon in writing, the SSA shall be terminated and all the potential benefits arising from the Proposed Acquisition will not materialise

2

## Dependency on key personnel of MSRGE

- The continued success of MSRGE is dependent on the experience, commitment and efforts of the key personnel of MSRGE, particularly OKH and QX, as the Company will not have any involvement in the day-to-day operations of MSRGE following the completion of the Proposed Acquisition. The loss of services of any of the key personnel of MSRGE without any suitable and timely replacement may adversely affect the continued ability of MSRGE to compete successfully with its peers

3

## Investment risk

- There can be no assurance that the anticipated benefits of the Proposed Acquisition will be realised or that the Group will be able to generate sufficient returns through the further investment in MSRGE to offset the costs incurred for the Proposed Acquisition
- The achievability of the Profit Guarantee is also subject to uncertainties and contingencies, which are often outside the control of the Group and/or the Vendors and there can be no assurance that the Profit Guarantee will be met

## Pro Forma Effects

	Audited as at 30 June 2024	After the Proposed Acquisition
Issued share capital (excluding treasury shares) (RM'000)	191,534	209,534 ▲ RM18.00 mil
Number of Shares in issue (excluding treasury shares)	419,856	449,364 ▲ 29.51 mil
Loss attributable to the owners of the Company (RM'000)	(3,170)	(4,006) <sup>(a)</sup> ▼ RM0.84 mil
Loss per Share (sen)	(0.78)	(0.92) ▼ 0.14 sen
Net asset (RM'000)	356,757	373,757 <sup>(b)</sup> ▲ RM17.00 mil
Net asset per Share (RM)	0.85	0.83 ▼ RM0.02
Borrowings (RM'000)	74,067	74,067
Gross gearing (times)	0.21	0.20 ▲ 0.01

### Notes:

(a) After adjusting for:

(i) the estimated expenses to be incurred in relation to the Proposed Acquisition of approximately RM1.00 million; and

(ii) the Company's additional share of MSRGE's results for the FYE 31 December 2023, calculated based on the 10% equity interest in MSRGE to be acquired by the Company pursuant to the Proposed Acquisition.

(b) After taking into consideration the settlement of the Purchase Consideration through the allotment and issuance of the Consideration Shares of RM0.61 per Consideration Share and estimated expenses to be incurred in relation to the Proposed Acquisition of approximately RM1.00 million.

The substantial shareholders' shareholdings in the Company will be diluted due to the increase in the number of Shares arising from the allotment and issuance of the Consideration Shares. The eventual shareholdings of the Vendors in the Company after the completion of the Proposed Acquisition would depend on MSRGE's ability to achieve the Aggregate Guaranteed Profit and whether all the Pledged Shares will be released to them. Assuming all the Pledged Shares are fully released to the Vendors, Ong Kah Hui and Qiang, Xiaoyu will hold 20,912,048 Shares and 8,596,149 Shares respectively, representing approximately 4.65% and 1.91% equity interests in the Company.



## Approvals required

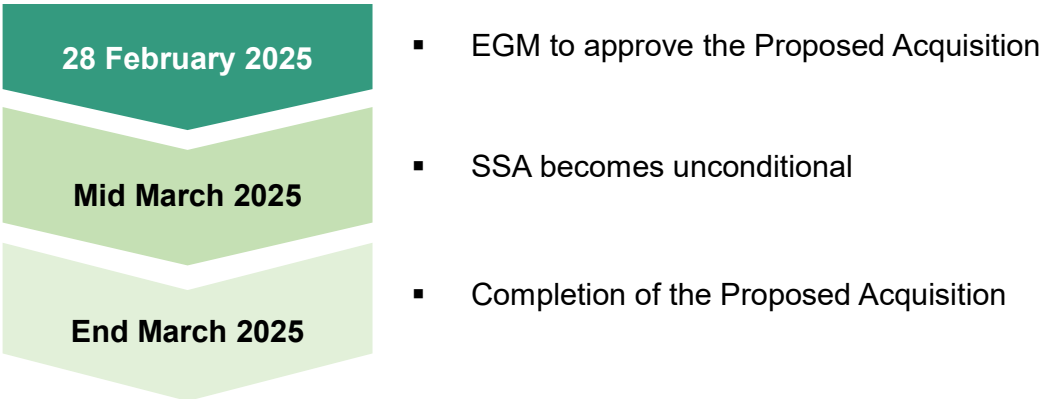
- The Proposed Acquisition is subject to and conditional upon the following approvals/consents being obtained:
  - (a) the shareholders of the Company for the Proposed Acquisition at this EGM;
  - (b) Bursa Securities for the listing and quotation of the Consideration Shares on the Main Market of Bursa Securities, which was obtained vide its letter dated 22 January 2025;
  - (c) the financiers of the MSRGE Group for, inter alia, the sale and transfer of the Sale Shares in favour of the Company, upon the terms and subject to the conditions of the SSA, where required; and
  - (d) any other relevant authorities/parties, if required.
- In view that the future contribution from MSRGE Group to the Company's net profits is expected to exceed 25% following the completion of the Proposed Acquisition, the Company is seeking approval from its shareholders at this EGM for the proposed diversification of the existing principal activities of the Group to include investment in RE and related activities ("**Proposed Diversification**") as well
- The Proposed Acquisition is conditional upon the approval from the Company's shareholders for the Proposed Diversification. However, the Proposed Diversification is not conditional upon the Proposed Acquisition

## Statement by the Audit and Risk Management Committee and Directors' Recommendation

- The Audit and Risk Management Committee, after having considered all aspects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is:
  - (a) **in the best interest of the Company;**
  - (b) **fair, reasonable and on normal commercial terms; and**
  - (c) **not detrimental to the interests of the non-interested shareholders of the Company.**
- The Board (save for Lee Swee Kheng), after having considered all aspects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition **in the best interest of the Company** and recommends that you **vote in favour** of the resolution pertaining to the Proposed Acquisition to be tabled at this EGM

# Estimated Timeframe for Completion

- Barring any unforeseen circumstances and subject to all requisite approvals/consents being obtained, the Proposed Acquisition is expected to be completed by the **first quarter of 2025**
- The tentative timeline in relation to the Proposed Acquisition is as follows:



**THANK YOU**





**INDEPENDENT ADVICE LETTER FROM AER TO THE NON-INTERESTED SHAREHOLDERS  
OF SEAL INCORPORATED BERHAD IN RELATION TO THE PROPOSED ACQUISITION**

Presentation date: Friday, 28 February 2025 at EGM held at 3 pm



Ong Tee Chin,  
CFA, FRM, CAIA

## About us

- ❑ Asia Equity Research Sdn Bhd is licensed by Securities Commission Malaysia to provide advisory services in corporate finance and investment advice.
- ❑ Our website:  
[www.aer.finance](http://www.aer.finance)

## Eligibility to act as an independent adviser

- ❑ Independence declaration by AER.

We **confirm** that we comply with the guidance on independent assessment as provided for under the listing requirements.

- ❑ Appointment date : **29 October 2024**



## **IMPORTANT NOTICE**

**No reproduction or recirculation** of the contents in these slides is permitted without first obtaining the written consent from AER.

Source of information:

- Circular to shareholders dated 13 February 2025
- Part B of our Independent Advice Letter from Pages 98 to 141 of the Circular

**Do not remove this notice.**



## 1.0 Background information

### 20% acquisition by Seal in MSRGE

On 6 February 2024, SEAL announced its plan to invest in MSR Green Energy Sdn Bhd (MSRGE) by subscribing to a **20%** equity stake for a total of RM15 million. This investment was structured as follows:

- 1,464,927 ordinary shares in MSRGE for RM8,704,220; and
- 1,059,583 irredeemable convertible preference shares in MSRGE for RM6,295,780.

The investment was completed on 8 April 2024, with MSRGE allotting the shares to SEAL at approximately RM5.9417 per share.

MSRGE became an associate company of SEAL on this date.

### 10% acquisition by Seal in MSRGE Ordinary Resolution 1

On 8 August 2024, SEAL signed a binding term sheet with Ong Kah Hui and Qiang Xiao Yu to acquire an **additional 10%** of MSRGE's ordinary shares for **RM21 million**. The payment structure was:

- **RM3 million** refundable deposit in cash to the Sellers;
- **RM18 million** through the issuance of new ordinary shares in SEAL at RM0.61 each, representing 7.0% of SEAL's enlarged share capital post-acquisition.

This is equivalent to approximately RM28.6704 per share.

Upon completion, SEAL's equity interest in MSRGE will increase from **20% to 30%**.



## 2.0 Summary of Proposed Acquisition

### Summary of the Proposed Acquisition

Vendors	:	Collectively, OKH and QX
Purchaser	:	Seal
Name of company to be acquired	:	MSRGE
Background information on MSRGE	:	MSRGE, incorporated in Malaysia on 18 September 2012, is a private limited company primarily involved in solar PV installation systems, renewable energy projects, project management, consultancy, and electrical works. KVC Corp became its shareholder on 31 December 2022, taking over operations from Malaysian Solar Resources Sdn Bhd.
Number of MSRGE's shares to be acquired	:	<b>732,464</b> ordinary shares in MSRGE, representing a <b>10%</b> equity stake based on the total number of issued shares of 7,324,630 as of the LPD
Purchase consideration <sup>(1)</sup>	:	<b>RM21,000,000</b>

## 2.0 Summary of Proposed Acquisition

Mode of settlement of the Purchase Consideration	: <b>RM3,000,000 in cash</b> and <b>RM18,000,000 in the form of 29,508,197 new Seal Shares</b> based on an issue price of RM0.61 per Consideration Share.
Profit guarantee	: Irrevocable and unconditional guarantee provided by the Vendors to Seal pursuant to the SSA that MSRGE will achieve a cumulative actual consolidated PAT for the period commencing from <b>1 January 2024 to 31 December 2025</b> of <b>not less than RM21.00 million</b> .
Pledged Shares	: <b>19,180,328 or 65.00%</b> <sup>(2)</sup> of the Consideration Shares that will be pledged to the Stakeholder as security for the performance of the Vendors' obligation in respect of Profit Guarantee in accordance with the terms of the SSA and the Stakeholder Agreement.
Percentage of equity interest held by SEAL in MSRGE as at LPD	: As at LPD, Seal owns a <b>20.00%</b> stake in MSRGE. After the Proposed Acquisition, Seal's equity interest will rise to <b>30.00%</b> <sup>(3)</sup> .





Issue price = RM0.61 per share

For two years prior to the LPD, Seal's Issue Price was higher than its historical trading price. We observed that the Issue Price was at a **premium** for all of the trading days **prior to 9 July 2024** in the preceding trading prices for the past two years measured from LTD. **From 9 July 2024**, the Issue Price was at a **discount** compared to the last traded price. **Since this discount occurred close to the LTD**, we find the Issue Price **reasonable** and **not detrimental** to non-interested shareholders, as we noted positive announcements related to the Sabah BESS project between 9 July 2024 and LPD.



Source: Bloomberg L.P.

In our evaluation of the Proposed Acquisition, and in arriving at our opinion, we have taken into consideration various factors as follows:

- (a) the rationale for the Proposed Acquisition by the Board and the Company, are **reasonable** and not **detrimental** to the non-interested shareholders;
- (b) the basis and justification of the Purchase Consideration are **fair, reasonable**, and **not detrimental** to the non-interested shareholders;
- (c) the Issue Price is **fair, reasonable** and **not detrimental** to the non-interested shareholders;
- (d) the salient terms of SPA are **reasonable**, and **not detrimental** to the non-interested shareholders.
- (e) the issuance of Consideration Shares though having a dilutive effect being a disadvantage to non-interested shareholders, the avoidance of using internal cash resources or incurring additional borrowings makes the Proposed Acquisition **reasonable** and **not detrimental** to non-interested shareholders;
- (f) the financial effects in terms of NA per Share, Earnings or Loss per Share and gearing are reasonable; and
- (g) risk factors are reasonably addressed by your Company.

After having considered all the various factors included in our evaluation for the Proposed Acquisition that is based on the information made available to us, we are of the opinion that the Proposed Acquisition is **fair** and **reasonable** insofar as to the non-interested shareholders are concerned and it is **not to the detriment** of the non-interested shareholders.

Accordingly, we recommend the non-interested shareholders to **vote in favour** of the ordinary resolution pertaining to the Proposed Acquisition which is to be tabled at the Company's forthcoming EGM.







# Asia Equity Research Sdn Bhd (AER)

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