

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012
(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/06/2012 RM' 000	Preceding Year Corresponding Quarter Ended 30/06/2011 RM' 000	Current Year To Date 30/06/2012 RM' 000	Preceding Year Corresponding Period 30/06/2011 RM' 000
Revenue	33,993	26,336	122,854	51,821
Cost of sales	(16,060)	(17,499)	(62,005)	(24,705)
Gross profit	17,933	8,837	60,849	27,116
Other income	472	280	2,888	2,322
Operating expenses	(4,965)	(5,042)	(21,215)	(20,533)
Finance cost	(9)	(3)	(34)	(7)
Profit before tax	13,431	4,072	42,488	8,898
Income tax	(7,907)	(2,274)	(13,427)	(2,193)
Profit for the year	5,524	1,798	29,061	6,705
Other comprehensive income				
Fair value movement on available-for-sale investment	9	19	19	20
Total comprehensive income for the year	5,533	1,817	29,080	6,725
Profit attributable to:				
Owners of the parent	2,469	1,689	17,707	6,932
Non-controlling interests	3,055	109	11,354	(227)
	5,524	1,798	29,061	6,705
Total comprehensive income attributable to:				
Owners of the parent	2,476	1,708	17,724	6,952
Non-controlling interests	3,057	109	11,356	(227)
	5,533	1,817	29,080	6,725
Earnings per share (sen)				
- Basic	1.21	0.91	8.96	3.84
- Diluted	-	-	-	-

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	(UNAUDITED) As At End Of Current Quarter 30/06/2012 RM' 000	(AUDITED) As At Preceding Financial Year End 30/06/2011 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	6,491	6,250
Investment properties	3,942	1,532
Land held for development	17,410	17,415
Held-to-maturity investments	27,960	27,960
Available-for-sale financial assets	27	27
Timber concessions	29,011	24,937
Deferred tax assets	15,446	19,796
	100,287	97,917
Current assets		
Property development costs	52,680	14,471
Inventories	438	61
Trade receivables	13,090	12,474
Other receivables, deposits and prepayments	10,121	8,210
Tax recoverable	63	56
Available-for-sale financial assets	25,408	7,749
Fixed deposits with licensed banks	36,046	38,043
Cash and bank balances	4,857	2,861
	142,703	83,925
TOTAL ASSETS	242,990	181,842
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	88,561	80,708
Share premium	45,448	45,306
Treasury shares	(1,913)	(1,455)
Reserves	408	389
Retained profits	31,596	13,891
	164,100	138,839
Non-controlling interests	15,296	3,940
Total equity	179,396	142,779
Non-current liabilities		
Deferred tax	25	-
Hire purchase payable	645	535
Bank borrowings	1,240	-
	1,910	535
Current liabilities		
Trade payables	13,004	12,170
Other payables and accruals	7,876	26,009
Provision for liabilities	37,104	-
Hire purchase payable	208	140
Current tax payable	3,492	209
	61,684	38,528
Total liabilities	63,594	39,063
TOTAL EQUITY AND LIABILITIES	242,990	181,842
Net assets per share attributable to owners of the parent (RM)	0.76	0.70

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2011)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012
(THE FIGURES HAVE NOT BEEN AUDITED)

	←----- Attributable to owners of the parent -----→						Distributable Retained profits/ (Accumulated losses) RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Fair Value Reserve RM'000	Non-distributable				
12 Months Ended 30 June 2012										
Balance at 1 July 2011	80,708	45,306	(1,455)	353	36	13,891	138,839	3,940	142,779	
Purchase of treasury shares	-	-	(458)	-	-	-	(458)	-	(458)	
Private placement	7,853	216	-	-	-	-	8,069	-	8,069	
Private placement expenses	-	(74)	-	-	-	-	(74)	-	(74)	
Total comprehensive income for the year	-	-	-	-	19	17,705	17,724	11,356	29,080	
Balance at 30 June 2012	<u>88,561</u>	<u>45,448</u>	<u>(1,913)</u>	<u>353</u>	<u>55</u>	<u>31,596</u>	<u>164,100</u>	<u>15,296</u>	<u>179,396</u>	
12 Months Ended 30 June 2011										
Balance at 1 July 2010	183,427	247,847	(1,455)	353	-	(307,170)	123,002	4,167	127,169	
Effects of applying FRS 139	-	-	-	-	16	-	16	-	16	
Restated balance	<u>183,427</u>	<u>247,847</u>	<u>(1,455)</u>	<u>353</u>	<u>16</u>	<u>(307,170)</u>	<u>123,018</u>	<u>4,167</u>	<u>127,185</u>	
Capital reduction	(110,056)	(204,073)	-	-	-	314,129	-	-	-	
Private placement	7,337	1,596	-	-	-	-	8,933	-	8,933	
Private placement expenses	-	(64)	-	-	-	-	(64)	-	(64)	
Total comprehensive income for the year	-	-	-	-	20	6,932	6,952	(227)	6,725	
Balance at 30 June 2011	<u>80,708</u>	<u>45,306</u>	<u>(1,455)</u>	<u>353</u>	<u>36</u>	<u>13,891</u>	<u>138,839</u>	<u>3,940</u>	<u>142,779</u>	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 30 June 2011)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012
(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Year To Date 30/06/2012 RM'000	Preceding Year Corresponding Period 30/06/2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	42,488	8,898
Adjustments for:		
Non-cash items	562	463
Non-operating items	(12)	6
Interest expenses	34	7
Interest income	(1,237)	(572)
Dividend income	(1,595)	(1,455)
Operating profit before working capital changes	40,240	7,347
Inventories	(377)	(61)
Timber concession	(4,074)	(2,195)
Property development costs	(1,100)	(10,429)
Trade and other receivables	(2,471)	(6,755)
Trade and other payables	(17,299)	27,891
Cash generated from operations	14,919	15,798
Interest paid	(34)	(7)
Tax paid	(5,777)	(444)
Tax refund	-	50
Net cash generated from operating activities	9,108	15,397
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment properties	(2,410)	(263)
Purchase of property, plant and equipment	(432)	(627)
Placement of Institutional Bond Fund	(15,258)	(983)
Placement of Principal Money Market Income Fund	(6,373)	(21)
Proceeds from redemption of other investments	4,002	-
Dividend received	1,595	1,455
Interest received	1,139	572
Net cash (used in) / generated from investing activities	(17,737)	133
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown from bank borrowings	1,240	-
Payment of hire purchase payable	(150)	(28)
Purchase of treasury shares	(458)	(0)
Private placement	8,069	8,933
Private placement expenses	(74)	(64)
Changes in fixed deposits with licensed bank	(12)	(10)
Net cash generated from financing activities	8,615	8,831
NET CHANGES IN CASH AND CASH EQUIVALENTS	(14)	24,361
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	40,490	16,129
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	40,476	40,490

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited
Financial Statements for the year ended 30 June 2011)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

1 Basis of Preparation and Accounting Policies

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2011. These explanatory notes attached to the interim financial statements 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 2011.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the financial year ended 30 June 2011 except for the adoption of the following new and revised FRSs, amendments to FRSs and IC Interpretations:-

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for the First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Improvements to FRSs (2010)	
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement

The adoption of the above standards, amendments and interpretations has no significant impact on the financial statements to the Group.

2 Seasonality or Cyclicity of Interim Operations

The operations of the Group were not significantly affected by any seasonal or cyclical factors.

3 Unusual Items

There were no unusual items of nature, size or incidence that affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial year ended 30 June 2012.

4 Changes in Estimates

There were no changes in estimates that have had any material effect in the current quarter and financial year ended 30 June 2012.

5 Issuances, Repurchases, and Repayments of Debts and Equity Securities

Private Placement

During the current financial period to-date, the Company has made private placement of 19,632,800 new ordinary shares of RM0.40 each.

Share Buy Backs

During the financial year-to-date, the Company has repurchased 1,118,000 of its issued ordinary shares from the open market for total consideration of RM457,484, including the transaction costs, and this was financed by internally generated funds. The total number of shares repurchased as at 30 June 2012 was 5,441,500, being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

6 Dividend Paid

No dividend has been paid during financial year ended 30 June 2012.

7 Segment Reporting

Year ended 30 June 2012	Investment Properties RM'000	Property Construction RM'000	Property Development RM'000	Timber Related RM'000	Others RM'000	Total RM'000
Segment revenue	18,126	-	86,863	17,865	-	122,854
Segment results	4,340	-	37,432	1,323	(1,810)	41,285
Interest income						1,237
Profit from operations						42,522
Finance cost						(34)
Profit before tax						42,488
Income tax						(13,427)
Profit for the year						29,061
Year ended 30 June 2011	Investment Properties RM'000	Property Construction RM'000	Property Development RM'000	Timber Related RM'000	Others RM'000	Total RM'000
Segment revenue	17,358	-	13,655	20,808	(0)	51,821
Segment results	4,405	(352)	4,285	1,775	(1,780)	8,333
Interest income						572
Profit from operations						8,905
Finance cost						(7)
Profit before tax						8,898
Income tax						(2,193)
Profit for the year						6,705

8 Valuation of Property, Plant and Equipment, Investment Properties and Development Properties

There has been no valuation undertaken by the Group since the last annual financial statements for the financial year ended 30 June 2011.

9 Material Subsequent Events

There were no material subsequent events at the date of this announcement, except as disclosed in Note 23.

10 Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year ended 30 June 2012.

11 Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets since the end of the last annual reporting date.

12 Capital Commitments

There were no capital commitments as at the date of this report.

13 Operating Lease Commitments

	As at 30 June 2012 RM'000
Not later than one year	9,685
Later than one year and not later than five years	33,789
	<u>43,474</u>

The operating lease commitments are in respect of leaseback of Selayang Mall for a term of ten years.

14 Related Party Transactions

	As at 30 June 2012 RM'000
Seal Incorporated Berhad and its subsidiaries	
- Administration fee	91
- Project management fee	<u>2,357</u>

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

15 Review of Performance of the Company and Its Principal Subsidiaries

For the current quarter under review, the Group recorded total revenue of RM33.99 million and profit before taxation of RM13.4 million as compared to the revenue of RM26.3 million and profit before taxation of RM4.07 million in the preceding year corresponding quarter.

The Group recorded a revenue of RM122.85 million and profit before taxation of RM42.49 million as compared to the revenue of RM51.82 million and profit before taxation of RM8.9 million in the preceding year corresponding period. The increase in revenue was mainly from revenue generated by property development segment, which recorded a revenue of RM86.86 million. This improved revenue resulted the increase in the Group's profit before taxation by RM33.5 million.

16 Material Changes for the Current Quarter as Compared with the Preceding Quarter

Apart from the improvement in property development segment as mentioned above, there are no other material changes in the current quarter as compared with the preceding quarter.

17 Prospect

Barring unforeseen circumstances, the Board expects continued improvement in the Group's performance in the next financial year with the steady flow of income from its property development activities. The Group continue to focus on and enhance its main core business, while exploring for new resources to generate sustainable income.

18 Variance from Forecast Profit and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee.

19 Income Tax Expenses

	Current quarter RM'000	Financial year to date RM'000
Current tax expense	3,532	9,032
Under provision in prior year	0	20
Deferred tax expense	4,375	4,375
	<u>7,907</u>	<u>13,427</u>

20 Corporate Proposals

On 2 August 2012, OSK Investment Bank Berhad had, on behalf of the Board, announced that Koperasi Tunas Muda Sungai Ara Berhad, the landowner of Elit Heights and Elit Avenue Business Park, and Seal Properties (Bayan City) ("Seal Properties") have entered into 52 sale and purchase agreements ("SPAs"), together with other agreements supplemental to the SPAs, with certain related parties of Seal for the sale of certain business suites (apartments) and commercial lots developed by Seal Properties for an aggregate cash consideration of RM31,249,036. An announcement was made on the same date.

21 Utilisation of proceeds

As disclosed in note 5, the total proceeds raised from the Private Placement of RM8,069,081 was utilised as working capital for development projects and defraying expenses relating to the Private Placement.

22 Group Borrowings and Debts Securities

Total Group borrowings as at 30 June 2012 are as follows:

<u>Long term borrowings</u>	RM'000
Secured	<u>1,240</u>

23 Changes in Material Litigation

Great Eastern Mills Berhad ("GEM"), a subsidiary company has received a letter dated 31 July 2012 from the solicitor of Timber Employee Union, Peninsular Malaysia ("the Union") terminating the Settlement Agreement entered into between the Union and GEM dated 20th January 2005, on alleged ground that GEM has failed to pay the Union the settlement amount of RM4,976,531.18 and demand for GEM to settle the amount of RM4,976,531.18.

GEM has further received a letter on 27 August 2012 from the solicitor of the Union, enclosing a statutory demand pursuant to Section 218 of the Companies Act 1965 (Act 125).

The Board of Directors of the Company is of the opinion that the Company has a good chance to succeed in defending the claim and will file an application for injunction restraining the Union from carrying out the winding up action on the ground that all outstanding debts have been fully settled by way of acceptance of 2,000 acres of concession quota by the Union.

The claim will not have any material financial or operational impact on SEAL Group.

24 Dividends

No dividend has been proposed for the financial period ended 30 June 2012.

25 Earnings Per Share

Basic Earnings per Share

The calculation of basic earnings per share is based on the profit attributable to the owners of the parent of RM17,706,449 divided by the weighted average number of ordinary shares in issue as at 30 June 2012 of 197,563,074 shares after taking into the effects of share buy back of the Company.

Diluted Earnings per Share

There is no diluted earnings per share as there were no potential dilutive ordinary shares as at 30 June 2012.

26 Disclosure of Realised and Unrealised Profits/Losses

	As at 30 June 2012 RM'000	As at 30 June 2011 RM'000
The retained profits of the Company and its subsidiaries		
- Realised	16,175	(5,905)
- Unrealised	15,421	19,796
Total retained profits as per consolidated accounts	<u>31,596</u>	<u>13,891</u>

27 Profit before taxation

	3 months ended 30 June 2012 RM'000	Year ended 30 June 2012 RM'000
Profit before taxation is arrived at after crediting/(charging):		
Depreciation	(130)	(520)
Dividend income	181	1,595
Doubtful debts	0	(42)
Gain on redemption of investment	10	12
Interest expenses	(9)	(34)
Interest income	<u>281</u>	<u>1,237</u>

Save as disclosed above, there were no provision for and write off of inventories, impairment of assets, foreign exchange gain or loss, gain or loss on derivatives and exceptional items for the current quarter and financial period ended 30 June 2012.

28 Auditors' Report on Preceding Annual Financial Statements

The auditors' report in respect of financial statements for the financial year ended 30 June 2011 was not subject to any qualification.