

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/09/2012 RM' 000	Preceding Year Corresponding Quarter Ended 30/09/2011 RM' 000	Current Year To Date 30/09/2012 RM' 000	Preceding Year Corresponding Period 30/09/2011 RM' 000
Revenue	37,147	12,040	37,147	12,040
Cost of sales	(22,657)	(8,827)	(22,657)	(8,827)
Gross profit	14,490	3,213	14,490	3,213
Other income	478	376	478	376
Operating expenses	(3,097)	(2,215)	(3,097)	(2,215)
Finance cost	(10)	(9)	(10)	(9)
Profit before tax	11,861	1,365	11,861	1,365
Income tax	(3,020)	-	(3,020)	-
Profit for the period	8,841	1,365	8,841	1,365
Other comprehensive income				
Fair value movement on available-for-sale investment	(3)	2	(3)	2
Total comprehensive income for the period	8,838	1,367	8,838	1,367
Profit attributable to:				
Owners of the parent	5,230	1,550	5,230	1,550
Non-controlling interests	3,611	(185)	3,611	(185)
	8,841	1,365	8,841	1,365
Total comprehensive income attributable to:				
Owners of the parent	5,228	1,552	5,228	1,552
Non-controlling interests	3,610	(185)	3,610	(185)
	8,838	1,367	8,838	1,367
Earnings per share (sen)				
- Basic	2.42	0.79	2.42	0.79
- Diluted	-	-	-	-

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012)

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

	(UNAUDITED)	(AUDITED)
	As At End Of	As At Preceding
	Current Quarter	Financial
	30/9/2012	Year End
	RM' 000	30/6/2012
		RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	6,353	6,491
Investment properties	1,532	1,532
Land held for development	17,416	17,409
Held-to-maturity investments	27,960	27,960
Available-for-sale financial assets	33	27
Timber concessions	27,370	29,011
Deferred tax assets	15,001	15,421
	95,665	97,851
Current assets		
Property development costs	59,392	55,292
Inventories	2,242	438
Trade receivables	15,923	13,090
Accrued billings in respect of property development	15,935	-
Other receivables, deposits and prepayments	8,934	10,121
Tax recoverable	66	63
Available-for-sale financial assets	26,120	25,408
Fixed deposits with licensed banks	22,647	36,046
Cash and bank balances	5,575	4,857
	156,834	145,315
TOTAL ASSETS	252,499	243,166
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	88,561	88,561
Share premium	45,448	45,448
Treasury shares	(1,928)	(1,913)
Reserves	404	406
Retained profits	36,857	31,627
	169,342	164,129
Non-controlling interests	19,761	15,293
Total equity	189,103	179,422
Non-current liabilities		
Hire purchase payable	592	645
Bank borrowings	1,240	1,240
	1,832	1,885
Current liabilities		
Trade payables	13,054	10,837
Progress billing in respect of property development	1,140	2,337
Other payables and accruals	6,958	7,881
Provision for liabilities	36,904	37,104
Hire purchase payable	211	208
Current tax payable	3,297	3,492
	61,564	61,859
Total liabilities	63,396	63,744
TOTAL EQUITY AND LIABILITIES	252,499	243,166
Net assets per share attributable to owners of the parent (RM)	0.78	0.76

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012)

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

	← Attributable to owners of the parent →						Distributable Retained profits/ (Accumulated losses)	Non- Controlling Interests	Total Equity
	← Non-distributable →								
3 Months Ended 30 September 2012	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Fair Value Reserve RM'000	(Accumulated losses) RM'000	RM'000	RM'000	RM'000
Balance at 1 July 2012	88,561	45,448	(1,913)	353	53	31,627	164,129	15,293	179,422
Purchase of treasury shares	-	-	(15)	-	-	-	(15)	-	(15)
Acquisition of equity interest of subsidiaries	-	-	-	-	-	-	-	858	858
Total comprehensive income for the period	-	-	-	-	(2)	5,230	5,228	3,610	8,838
Balance at 30 September 2012	<u>88,561</u>	<u>45,448</u>	<u>(1,928)</u>	<u>353</u>	<u>51</u>	<u>36,857</u>	<u>169,342</u>	<u>19,761</u>	<u>189,103</u>
3 Months Ended 30 September 2011	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Fair Value Reserve RM'000	(Accumulated losses) RM'000	Total	RM'000	RM'000
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	-	-	(183)	-	-	-	(183)	-	(183)
Total comprehensive income for the period	-	-	-	-	2	1,550	1,552	(185)	1,367
Balance at 30 September 2011	<u>80,708</u>	<u>45,306</u>	<u>(1,638)</u>	<u>353</u>	<u>38</u>	<u>15,441</u>	<u>140,208</u>	<u>3,755</u>	<u>143,963</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 2012)

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

	Current Year To Date 30/9/2012 RM'000	Preceding Year Corresponding Period 30/9/2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,861	1,365
Adjustments for:		
Non-cash items	147	128
Non-operating items	(2)	(2)
Interest expenses	10	9
Interest income	(225)	(263)
Dividend income	(243)	(75)
Operating profit before working capital changes	11,548	1,162
Inventories	(1,804)	(522)
Timber concession	1,641	424
Property development costs	(4,285)	(13,000)
Trade and other receivables	(17,581)	(13,708)
Trade and other payables	97	16,628
Cash used in operations	(10,384)	(9,016)
Interest paid	(32)	(9)
Tax paid	(2,798)	(103)
Net cash used in operating activities	(13,214)	(9,128)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital contribution by minority interests in subsidiaries	858	-
Purchase of property, plant and equipment	(9)	(98)
Placement of Institutional Bond Fund	(1,517)	(61)
Placement of Principal Money Market Income Fund	-	(3)
Proceeds from redemption of other investments	798	1,001
Dividend received	243	75
Interest received	225	263
Net cash generated from investing activities	598	1,177
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of hire purchase payable	(50)	(34)
Purchase of treasury shares	(15)	(183)
Changes in fixed deposits with licensed bank	(193)	(1)
Net cash used in financing activities	(258)	(218)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(12,874)	(8,169)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	40,476	40,490
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	27,602	32,321

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2012)

SEAL INCORPORATED BERHAD (4887-M)

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

1 Basis of Preparation and Accounting Policies

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard ("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 2012. 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 2012.

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 2012 except for the adoption of the following new/revised FRSs and amendments to FRSs:-

FRS 124	Related party disclosures
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Transfers of Financial Assets
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income
Amendments to FRS 112	Deferred tax : Recovery of Underlying Assets
Mandatory Effective Date of FRS 9 and Transition Disclosures	

The adoption of the above FRS and amendments to FRSs has no significant impact on the financial statements to the Group.

As stated in our audited financial statements for the financial year ended 30 June 2012, the Group has yet to adopt the Malaysian Financial Reporting Standards ("MFRS") framework, but has elected to be a transitioning entity which will only adopt the MFRS framework for the financial year ending 30 June 2015.

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 period ended 30 September 2012.

4 Changes in Estimates

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

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

Share Buy Backs

During the financial period 30 September 2012, the Company has repurchased 30,000 of its issued ordinary shares from the open market for total consideration of RM15,488 including the transaction costs, and this was financed by internally generated funds. The total number of shares repurchased as at 30 September 2012 was 5,471,500, 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 period ended 30 September 2012.

7 Segment Reporting

Period ended 30 September 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	4,632	-	25,731	6,784	-	37,147
Segment results	875	-	10,914	438	(581)	11,646
Interest income						225
Profit from operations						11,871
Finance cost						(10)
Profit before tax						11,861
Income tax						(3,020)
Profit for the period						8,841
Period ended 30 September 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	4,425	-	1,282	6,333	-	12,040
Segment results	832	-	7	820	(548)	1,111
Interest income						263
Profit from operations						1,374
Finance cost						(9)
Profit before tax						1,365
Income tax						-
Profit for the period						1,365

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 2012.

9 Material Subsequent Events

There were no material subsequent events at the date of this announcement.

10 Changes in the Composition of the Group

On 22 November 2012, Seal Properties Sdn Bhd, a wholly-owned subsidiary company acquired Fifty One (51) ordinary shares of RM1/- each representing 51% of the total issued and paid up share capital of Aspire Milan Sdn Bhd ("AMSB") for RM51.00.

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 September 2012 RM'000
Not later than one year	9,835
Later than one year and not later than five years	31,309
	<u>41,144</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 September 2012 RM'000
Seal Incorporated Berhad and its subsidiaries	
- Administration fee	46
- Project management fee	611

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 RM37.1 million and profit before taxation of RM11.8 million as compared to the revenue of RM12.0 million and profit before taxation of RM1.3 million in the preceding year corresponding quarter. Property development segment continues to be the major contributor towards the Group's revenue for the current quarter and resulting an increase in Group's profit as compared to the same quarter in preceding year.

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 remaining quarters 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	2,600	2,600
Deferred tax expense	420	420
	<u>3,020</u>	<u>3,020</u>

20 Corporate Proposals

On 2 August 2012, OSK Investment Bank Berhad ("OSK") 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 ("the Properties") developed by Seal Properties for an aggregate cash consideration of RM31,249,036 ("Proposed Sales"). An announcement was made on the same date.

On 2 October 2012, OSK announced that the Landowner and Seal Properties have entered into 52 rescission agreements ("Rescission Agreements") with the related parties, whereby all 52 SPAs (together with the agreements supplemental to the SPAs) executed on 2 August 2012 pursuant to the Proposed Sales has been rescinded and cease to be of any further effect whatsoever with effect on the even date. The Rescission Agreements were entered pursuant to the updated valuation undertaken by C H William as part of the procedures required under Paragraph 10.04(3)(b) of the Main LR, in view of the earlier valuation (which was carried out on 30 March 2012) would be invalid by the time the circular in relation to the Proposed Sales is despatched to shareholders of the Company. In relation thereto, Seal Properties proposed to the related parties to revise upwards the selling prices of 26 units of the Properties as the latest market values were above the prices stated in the SPAs ("Proposed Revision"). However, the parties cannot reach an agreement to the Proposed Revision, hence the Rescission Agreements were entered into. An announcement for the Rescission Agreements was made on the same date.

21 Group Borrowings and Debts Securities

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

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

22 Changes in Material Litigation

Great Eastern Mills Berhad ("GEM"), a subsidiary company has received a letter dated 31 July 2012 from the solicitors of Timber Employee Union, Peninsular Malaysia ("the Union") terminating the settlement agreement entered into between the Union and GEM dated 20th January 2005 ("Settlement Agreement"), 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 on 27 August 2012 received from the solicitors of the Union, a letter enclosing a statutory demand pursuant to Section 218 of the Companies Act 1965 (Act 125). A winding up petition which was presented on 10 October 2012 was then received by GEM on 15 October 2012.

An injunction application filed by GEM to restrain the winding up petition by the Union has been dismissed by the Court on 1 October 2012. GEM has filed an appeal against the decision. The step proposed to be taken by GEM with respect to the winding up petition is to oppose the winding up petition.

23 Dividends

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

24 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 RM5,230,379 divided by the weighted average number of ordinary shares in issue as at 30 September 2012 of 215,952,054 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 September 2012.

25 Disclosure of Realised and Unrealised Profits/Losses

	As at 30 September 2012 RM'000	As at 30 June 2012 RM'000
The retained profits of the Company and its subsidiaries		
- Realised	(48)	(5,662)
- Unrealised	15,001	15,421
	<hr/> 14,953	<hr/> 9,759
Add : Consolidation adjustments	21,904	21,868
Total retained profits as per consolidated accounts	<hr/> <hr/> 36,857	<hr/> <hr/> 31,627

26 Profit before taxation

	3 months ended 30 September 2012 RM'000	Year-to-date ended 30 September 2012 RM'000
Profit before taxation is arrived at after crediting/(charging):		
Depreciation	(147)	(147)
Dividend income	243	243
Gain on redemption of investment	2	2
Interest expenses	(10)	(10)
Interest income	225	225
	<hr/> <hr/> 225	<hr/> <hr/> 225

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 September 2012.

27 Auditors' Report on Preceding Annual Financial Statements

The auditors' report in respect of financial statements for the financial year ended 30 June 2012 was not subject to any qualification.