

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/12/2012 RM' 000	Preceding Year Corresponding Quarter Ended 31/12/2011 RM' 000	Current Year To Date 31/12/2012 RM' 000	Preceding Year Corresponding Period 31/12/2011 RM' 000
Revenue	43,423	9,733	80,570	21,773
Cost of sales	(28,663)	(7,773)	(51,320)	(16,600)
Gross profit	14,760	1,960	29,250	5,173
Other income	1,675	1,442	2,153	1,818
Operating expenses	(6,043)	(1,678)	(9,140)	(3,893)
Finance cost	(10)	(8)	(20)	(17)
Profit before tax	10,382	1,716	22,243	3,081
Income tax	(4,450)	-	(7,470)	-
Profit for the period	5,932	1,716	14,773	3,081
Other comprehensive income				
Fair value movement on available-for-sale investment	(26)	3	(29)	5
Total comprehensive income for the period	5,906	1,719	14,744	3,086
Profit attributable to:				
Owners of the parent	4,138	1,923	9,368	3,473
Non-controlling interests	1,794	(207)	5,405	(392)
	5,932	1,716	14,773	3,081
Total comprehensive income attributable to:				
Owners of the parent	4,111	1,926	9,339	3,478
Non-controlling interests	1,795	(207)	5,405	(392)
	5,906	1,719	14,744	3,086
Earnings per share (sen)				
- Basic	1.92	0.97	4.34	1.76
- 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 31 DECEMBER 2012

	(UNAUDITED) As At End Of Current Quarter 31/12/2012 RM' 000	(AUDITED) As At Preceding Financial Year End 30/6/2012 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	2,062	6,491
Investment properties	1,532	1,532
Land held for development	17,423	17,409
Held-to-maturity investments	27,960	27,960
Available-for-sale financial assets	38	27
Timber concessions	22,921	29,011
Deferred tax assets	14,611	15,421
	<u>86,546</u>	<u>97,851</u>
Current assets		
Property development costs	74,653	55,292
Inventories	854	438
Trade receivables	16,151	13,090
Accrued billings in respect of property development	11,941	-
Other receivables, deposits and prepayments	9,523	10,121
Tax recoverable	90	63
Available-for-sale financial assets	24,073	25,408
Fixed deposits with licensed banks	28,638	36,046
Cash and bank balances	5,388	4,857
	<u>171,311</u>	<u>145,315</u>
Assets classified as held for sale (Note 1)	2,764	-
TOTAL ASSETS	<u>260,621</u>	<u>243,166</u>
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	377	406
Retained profits	40,995	31,627
	<u>173,453</u>	<u>164,129</u>
Non-controlling interests	21,557	15,293
Total equity	<u>195,010</u>	<u>179,422</u>
Non-current liabilities		
Hire purchase payable	537	645
Bank borrowings	1,240	1,240
	<u>1,777</u>	<u>1,885</u>
Current liabilities		
Trade payables	17,910	10,837
Progress billing in respect of property development	1,352	2,337
Other payables and accruals	7,023	7,881
Provision for liabilities	31,504	37,104
Hire purchase payable	214	208
Current tax payable	5,828	3,492
	<u>63,831</u>	<u>61,859</u>
Liabilities classified as held for sale (Note 1)	3	-
Total liabilities	<u>65,611</u>	<u>63,744</u>
TOTAL EQUITY AND LIABILITIES	<u>260,621</u>	<u>243,166</u>
Net assets per share attributable to owners of the parent (RM)		
	0.80	0.76

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	(UNAUDITED)	(AUDITED)
	As At End Of	As At Preceding
	Current Quarter	Financial
	31/12/2012	Year End
	RM' 000	30/6/2012
		RM' 000
Note 1 :		
Assets classified as held for sale		
Property, plant and equipment	917	-
Property development costs	538	-
Disposal group	1,309	-
	2,764	-
Liabilities classified as held for sale		
Disposal group	3	-

(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 31 DECEMBER 2012
(THE FIGURES HAVE NOT BEEN AUDITED)

	← Attributable to owners of the parent →						Distributable Retained profits/ (Accumulated losses)	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				
6 Months Ended 31 December 2012										
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	-	-	-	-	-	-	-	859	859	
Total comprehensive income for the period	-	-	-	-	(29)	9,368	9,339	5,405	14,744	
Balance at 31 December 2012	<u>88,561</u>	<u>45,448</u>	<u>(1,928)</u>	<u>353</u>	<u>24</u>	<u>40,995</u>	<u>173,453</u>	<u>21,557</u>	<u>195,010</u>	
6 Months Ended 31 December 2011										
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	-	-	(414)	-	-	-	(414)	-	(414)	
Total comprehensive income for the period	-	-	-	-	5	3,473	3,478	(392)	3,086	
Balance at 31 December 2011	<u>80,708</u>	<u>45,306</u>	<u>(1,869)</u>	<u>353</u>	<u>41</u>	<u>17,364</u>	<u>141,903</u>	<u>3,548</u>	<u>145,451</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 31 DECEMBER 2012
(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Year To Date 31/12/2012 RM'000	Preceding Year Corresponding Period 31/12/2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	22,243	3,081
Adjustments for:		
Non-cash items	2,137	257
Non-operating items	1,426	(2)
Interest expenses	20	17
Interest income	(395)	(473)
Dividend income	(1,676)	(1,305)
Operating profit before working capital changes	23,755	1,575
Inventories	(425)	(1,808)
Timber concession	5,950	(1,333)
Property development costs	(25,471)	(19,641)
Trade and other receivables	(16,261)	(26,380)
Trade and other payables	5,233	46,690
Cash used in operations	(7,219)	(897)
Interest paid	(63)	(17)
Tax paid	(4,350)	(191)
Net cash used in operating activities	(11,632)	(1,105)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital contribution by minority interests in subsidiaries	859	-
Purchase of property, plant and equipment	(28)	(267)
Placement of Institutional Bond Fund	(14,321)	(110)
Placement of Principal Money Market Income Fund	-	(2)
Proceeds from redemption of other investments	15,662	1,001
Proceeds from disposal of property, plant and equipment	705	-
Dividend received	1,676	1,305
Interest received	395	473
Net cash generated from investing activities	4,948	1,056
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of hire purchase payable	(102)	(69)
Purchase of treasury shares	(15)	(414)
Changes in fixed deposits with licensed bank	(95)	(6)
Net cash used in financing activities	(212)	751
NET CHANGES IN CASH AND CASH EQUIVALENTS	(6,896)	702
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	40,476	40,490
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	33,580	41,192

(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 31 DECEMBER 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 31 December 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 31 December 2012.

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

Share Buy Backs

During the financial period 31 December 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 31 December 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 31 December 2012.

7 Segment Reporting

Period ended 31 December 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	9,362	-	58,035	13,174	-	80,571
Segment results	2,959	-	24,792	(4,714)	(1,169)	21,868
Interest income						395
Profit from operations						22,263
Finance cost						(20)
Profit before tax						22,243
Income tax						(7,470)
Profit for the period						14,773
Period ended 31 December 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	8,890	-	2,022	10,861	-	21,773
Segment results	2,991	-	(151)	888	(1,103)	2,625
Interest income						473
Profit from operations						3,098
Finance cost						(17)
Profit before tax						3,081
Income tax						-
Profit for the period						3,081

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

On 19 February 2013, Seal Properties (KL) Sdn Bhd (formerly known as Seal Services Corporation Sdn Bhd) ("SPKL"), a wholly-owned subsidiary company has entered into a Turnkey Agreement to develop a portion of a land in Bandar Tun Razak (Bandar Seri Permaisuri), Cheras, Kuala Lumpur measuring 12.46 acres into a mixed development area.

10 Changes in the Composition of the Group

Acquisitions

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 Seal Mall Sdn Bhd (previously known as Aspire Milan Sdn Bhd) for RM51.00.

On 26 December 2012, the Company acquired Fifty One (51) ordinary shares of RM1/- each representing 51% of the total issued and paid up share capital of Seal City Sdn Bhd (previously known as Takdir Mekar Sdn Bhd) for RM51.00.

Disposal

On 11 December 2012, Great Eastern Mills Berhad, a subsidiary company has entered into a Sale and Purchase of Assets Agreement to dispose its 100% equity interest in Kelantan Lumber Products Sdn. Berhad for RM3 million.

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 31 December 2012 RM'000
Not later than one year	9,920
Later than one year and not later than five years	28,829
	<u>38,749</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
	31 December 2012
	RM'000
Seal Incorporated Berhad and its subsidiaries	
- Administration fee	93
- Project management fee	<u>1,370</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 RM43.4 million and profit before taxation of RM10.3 million as compared to the revenue of RM9.7 million and profit before taxation of RM1.7 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.

Timber related segment has recorded a loss of RM4.7 million for the period ended 31 December 2012 as stated in Note 7 above, mainly due to the non operational event relating to the KPK Settlement Agreement (refer Note 22), whereby a subsidiary, Great Eastern Mills Berhad ("GEM") has renounce its rights absolutely over logging concession rights over land measuring 7,049 acres and rescission of a supplemental agreement between GEM and the Timber Employee Union, Peninsular Malaysia dated 20 August 2008. Operationally, there are profits of RM2.8 million generated from timber activities in Perak State .

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	4,060	6,660
Deferred tax expense	<u>390</u>	<u>810</u>
	<u>4,450</u>	<u>7,470</u>

20 Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement.

21 Group Borrowings and Debts Securities

Total Group borrowings as at 31 December 2012 are as follows:

	Secured RM'000
<u>Long term borrowings</u>	
Term loans	<u>1,240</u>
<u>Short term borrowings</u>	
Overdraft	<u>-</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.

On 11 December 2012, GEM had entered into a settlement agreement ("KPK Settlement Agreement") with GEM's shareholder, Kompleks Perkayuan Kelantan Sdn Bhd ("KPK") and the Union, whereby KPK will assume the debts of RM4,976,531.18 in consideration that GEM renouncing in favour of KPK its rights absolutely over a logging concession right over land measuring 7,049 acres which was granted by Perbadanan Kemajuan Iktisad Negeri Kelantan ("PKINK") pursuant to an agreement dated 14 March 2004 and upon the rescission of the supplemental agreement between GEM and the Union dated 20 August 2008.

In consideration of KPK's agreement to assume and settle the Trade Union Debt on behalf of GEM, the Trade Union hereby agrees:

a) not later than seven (7) business days from the date of the Settlement Agreement, to withdraw the winding-up petition or any other claim, suit, demand or any other legal proceeding whatsoever initiated by the Trade Union against GEM in relation to the Trade Union Debt with no liberty to file afresh against GEM and with no order to the costs; and

b) not to institute any legal proceeding against GEM in respect of the Trade Union Debt for any reason whatsoever.

Upon the withdrawal of the winding-up petition and for the removal of doubt, the supplemental agreement between GEM and the Trade Union dated 20 August 2008 shall be deemed rescinded free from any claims and liabilities. For the avoidance of doubt, the Settlement Agreement shall record the final terms and supersede any previous agreement entered into or agreed upon between GEM and the Trade Union in relation to the settlement of the Trade Union Debt. GEM, KPK and the Trade Union further agree that pursuant to the execution of the Settlement Agreement, any previous court order or award granted with regard to the settlement of the Trade Union Debt shall cease to be enforceable.

On 14 December 2012, Trade Union has withdrawn the winding-up petition with no liberty to file afresh against GEM and with no order to the costs.

23 Dividends

No dividend has been proposed for the financial period ended 31 December 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 RM9,366,462 divided by the weighted average number of ordinary shares in issue as at 31 December 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 31 December 2012.

25 Disclosure of Realised and Unrealised Profits/Losses

	As at 31 December 2012 RM'000	As at 30 June 2012 RM'000
The retained profits of the Company and its subsidiaries		
- Realised	1,441	(5,662)
- Unrealised	14,611	15,421
	<hr/> 16,052	<hr/> 9,759
Add : Consolidation adjustments	24,943	21,868
Total retained profits as per consolidated accounts	<hr/> 40,995	<hr/> 31,627

26 Profit before taxation

	3 months ended 31 December 2012 RM'000	Year-to-date ended 31 December 2012 RM'000
Profit before taxation is arrived at after crediting/(charging):		
Depreciation	(444)	(297)
Dividend income	1,433	1,676
Property, plant and equipment written off	(1,472)	(1,472)
Impairment loss on receivables	(1,831)	(1,831)
Gain on redemption of investment	43	45
Gain on disposal of property, plant and equipment	1	1
Interest expenses	(10)	(20)
Interest income	170	395

Save as disclosed above, there were no foreign exchange gain or loss, gain or loss on derivatives and exceptional items for the current quarter and financial period ended 31 December 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.