

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013
(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/06/2013 RM' 000	Preceding Year Corresponding Quarter Ended 30/06/2012 RM' 000	Current Year To Date 30/06/2013 RM' 000	Preceding Year Corresponding Period 30/06/2012 RM' 000
Revenue	43,195	33,823	183,300	122,684
Cost of sales	(29,008)	(19,030)	(109,840)	(74,542)
Gross profit	14,187	14,793	73,460	48,141
Other income	654	472	3,175	2,888
Operating expenses	(5,613)	(1,799)	(23,782)	(8,481)
Finance cost	(8)	(9)	(37)	(34)
Profit before tax	9,220	13,457	52,816	42,514
Income tax	(5,486)	(7,907)	(18,036)	(13,427)
Profit for the period	3,734	5,550	34,780	29,087
Other comprehensive income				
Fair value movement on available-for-sale investment	13	9	(12)	19
Total comprehensive income for the period	3,747	5,559	34,768	29,106
Profit attributable to:				
Owners of the parent	1,305	2,498	19,582	17,736
Non-controlling interests	2,429	3,052	15,198	11,351
	3,734	5,550	34,780	29,087
Total comprehensive income attributable to:				
Owners of the parent	1,313	2,505	19,574	17,753
Non-controlling interests	2,434	3,054	15,194	11,353
	3,747	5,559	34,768	29,106
Earnings per share (sen)				
- Basic	0.60	1.23	9.07	8.98
- 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 JUNE 2013

	(UNAUDITED) As At End Of Current Quarter 30/06/2013 RM' 000	(AUDITED) As At Preceding Financial Year End 30/06/2012 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	1,912	6,491
Investment properties	1,532	1,532
Land held for development	17,435	17,409
Held-to-maturity investments	27,960	27,960
Available-for-sale financial assets	49	27
Timber concessions	24,046	29,011
Deferred tax assets	11,713	15,421
	<u>84,647</u>	<u>97,851</u>
Current assets		
Property development costs	83,341	55,292
Inventories	5,433	438
Trade receivables	13,629	13,090
Accrued billings in respect of property development	795	-
Other receivables, deposits and prepayments	42,637	10,121
Tax recoverable	63	63
Available-for-sale financial assets	10,135	25,408
Fixed deposits with licensed banks	46,868	36,046
Cash and bank balances	6,750	4,857
	<u>209,651</u>	<u>145,315</u>
Assets classified as held for sale (Note 1)	2,746	-
TOTAL ASSETS	<u>297,044</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	(1,950)	(1,913)
Reserves	398	406
Retained profits	51,209	31,627
	<u>183,666</u>	<u>164,129</u>
Non-controlling interests	31,345	15,293
Total equity	<u>215,011</u>	<u>179,422</u>
Non-current liabilities		
Hire purchase payable	431	645
Bank borrowings	1,030	1,240
	<u>1,461</u>	<u>1,885</u>
Current liabilities		
Trade payables	24,453	10,837
Progress billing in respect of property development	23,050	2,337
Other payables and accruals	8,175	7,881
Provision for liabilities	20,765	37,104
Hire purchase payable	215	208
Bank borrowings	210	-
Current tax payable	3,700	3,492
	<u>80,568</u>	<u>61,859</u>
Liabilities classified as held for sale (Note 1)	4	-
Total liabilities	<u>82,033</u>	<u>63,744</u>
TOTAL EQUITY AND LIABILITIES	<u>297,044</u>	<u>243,166</u>
Net assets per share attributable to owners of the parent (RM)	0.85	0.76

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	(UNAUDITED)	(AUDITED)
	As At End Of	As At Preceding
	Current Quarter	Financial
	30/06/2013	Year End
	RM' 000	30/06/2012
		RM' 000
Note 1 :		
Assets classified as held for sale		
Property, plant and equipment	917	-
Property development costs	538	-
Disposal group	1,291	-
	2,746	-
Liabilities classified as held for sale		
Disposal group	4	-
	4	-

(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 JUNE 2013
(THE FIGURES HAVE NOT BEEN AUDITED)

	←----- Attributable to owners of the parent -----→					-----→	Total	Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Treasury Shares	Revaluation Reserve	Fair Value Reserve				
12 Months Ended	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 June 2013									
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	-	-	(37)	-	-	-	(37)	-	(37)
Acquisition of equity interest of subsidiaries	-	-	-	-	-	-	-	858	858
Total comprehensive income for the period	-	-	-	-	(8)	19,582	19,574	15,194	34,768
Balance at 30 June 2013	<u>88,561</u>	<u>45,448</u>	<u>(1,950)</u>	<u>353</u>	<u>45</u>	<u>51,209</u>	<u>183,666</u>	<u>31,345</u>	<u>215,011</u>
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 period	-	-	-	-	17	17,736	17,753	11,353	29,106
Balance at 30 June 2012	<u>88,561</u>	<u>45,448</u>	<u>(1,913)</u>	<u>353</u>	<u>53</u>	<u>31,627</u>	<u>164,129</u>	<u>15,293</u>	<u>179,422</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 JUNE 2013
(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Year To Date 30/06/2013 RM'000	Preceding Year Corresponding Period 30/06/2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	52,816	42,488
Adjustments for:		
Non-cash items	2,367	562
Non-operating items	1,428	(12)
Interest expenses	37	34
Interest income	(917)	(1,237)
Dividend income	(1,891)	(1,595)
Operating profit before working capital changes	53,840	40,240
Inventories	(5,033)	(377)
Timber concession	4,824	(4,074)
Property development costs	(44,868)	(1,100)
Trade and other receivables	(35,710)	(2,471)
Trade and other payables	35,327	(17,299)
Cash used in operations	8,380	14,919
Interest paid	(122)	(34)
Tax paid	(14,121)	(5,777)
Net cash used in operating activities	(5,863)	9,108
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital contribution by minority interests in subsidiaries	858	-
Purchase of property, plant and equipment	(93)	(432)
Placement of Institutional Bond Fund	(26,809)	(15,258)
Proceeds from redemption of other investments	42,100	4,002
Proceeds from disposal of property, plant and equipment	35	-
Dividend received	1,891	1,595
Interest received	917	1,139
Net cash generated from investing activities	18,899	(17,737)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of hire purchase payable	(207)	(150)
Purchase of treasury shares	(37)	(458)
Changes in fixed deposits with licensed bank	(97)	(12)
Net cash used in financing activities	(341)	8,615
NET CHANGES IN CASH AND CASH EQUIVALENTS	12,695	(14)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	40,476	40,490
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	53,171	40,476

(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 JUNE 2013

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.

To converge with International Financial Reporting Standards ("IFRSs") in 2012, the MASB had on 19 November 2011, issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), which are mandatory for annual financial periods beginning on or after 1 January 2012, with exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer ("Transitioning Entities")

Transitioning Entities will be allowed to defer adoption of the new MFRSs for additional two years. Consequently, adoption of the MFRSs by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the scope of a Transitioning Entity and has opted to defer adoption of MFRSs. The Group expect to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 June 2016.

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 2013.

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 2013.

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

Share Buy Backs

During the financial year ended 30 June 2013, the Company has repurchased 80,000 of its issued ordinary shares from the open market for total consideration of RM37,397 including the transaction costs, and this was financed by internally generated funds. The total number of shares repurchased as at 30 June 2013 was 5,521,500, 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 2013.

7 Segment Reporting

Year ended 30 June 2013	Investment Properties RM'000	Property Construction RM'000	Property Development RM'000	Timber Related RM'000	Others RM'000	Total RM'000
Segment revenue	19,038	-	139,105	25,157	-	183,300
Segment results	4,347	-	55,200	(4,886)	(2,725)	51,936
Interest income						917
Profit from operations						52,853
Finance cost						(37)
Profit before tax						52,816
Income tax						(18,036)
Profit for the year						34,780
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	-	86,692	17,865	-	122,684
Segment results	4,340	-	37,458	1,323	(1,810)	41,311
Interest income						1,237
Profit from operations						42,548
Finance cost						(34)
Profit before tax						42,514
Income tax						(13,427)
Profit for the year						29,087

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 3 July 2013, the proposed acquisition of the lands by Seal City Sdn. Bhd. (formerly known as Takdir Mekar Sdn. Bhd.), a fifty-one percent owned subsidiary company from Ideal Appraisal Sdn. Bhd. (Company No. 237845-P) pursuant to the Sale and Purchase Agreement dated 3 April 2013 has been completed.

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.

On 24 June 2013, Seal Incorporated Berhad acquired Fifty One (51) ordinary shares of RM1/- each representing 51% of the total issued and paid up share capital of Seal Properties (SP) Sdn Bhd (formerly known as Sektor Bonanza 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

	As at 30 June 2013 RM'000
Approved and contracted for:	
- development land	<u>12,622</u>

13 Operating Lease Commitments

	As at 30 June 2013 RM'000
Not later than one year	9,920
Later than one year and not later than five years	<u>23,869</u>
	<u>33,789</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 2013 RM'000
Seal Incorporated Berhad and its subsidiaries	
- Administration fee	193
- Project management fee	<u>3,429</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 RM43.2 million and profit before taxation of RM9.2 million as compared to the revenue of RM33.8 million and profit before taxation of RM13.4 million in the preceding year corresponding quarter.

The Group recorded a revenue of RM183.3 million and profit before taxation of RM52.8 million as compared to the revenue of RM122.6 million and profit before taxation of RM42.5 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 RM139.1 million as compared to the revenue of RM86.7 million in the preceding year corresponding period. This improved revenue resulted the increase in the Group's profit before taxation by RM10.3 million. Property development segment continues to be the major contributor towards the Group's revenue for the current quarter.

Timber related segment has recorded a loss of RM4.8 million for the year ended 30 June 2013 as stated in Note 7 above, mainly due to the non operational event relating to the 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 RM2.5 million generated from timber activities.

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
Malaysian income tax:		
- Current tax expense	2,588	14,513
- Under provision in prior year	0	(185)
Deferred tax expense	2,898	3,708
	<u>5,486</u>	<u>18,036</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 30 June 2013 are as follows:

	Secured RM'000
<u>Long term borrowings</u>	
Term loans	<u>1,030</u>
<u>Short term borrowings</u>	
Term loans	210
Overdrafts	<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 ("Trade Union Debt").

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 Trade Union Debt 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 Union hereby agrees:

a) not later than seven (7) business days from the date of KPK Settlement Agreement, to withdraw the winding-up petition or any other claim, suit, demand or any other legal proceeding whatsoever initiated by the 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 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 Union in relation to the settlement of the Trade Union Debt. GEM, KPK and the 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, the 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 year ended 30 June 2013.

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 RM19,581,511 divided by the weighted average number of ordinary shares in issue as at 30 June 2013 of 215,919,814 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 2013.

25 Disclosure of Realised and Unrealised Profits/Losses

	As at 30 June 2013 RM'000	As at 30 June 2012 RM'000
The retained profits of the Company and its subsidiaries		
- Realised	13,348	(5,662)
- Unrealised	11,713	15,421
	<u>25,061</u>	<u>9,759</u>
Add : Consolidation adjustments	26,147	21,868
Total retained profits as per consolidated accounts	<u>51,209</u>	<u>31,627</u>

26 Profit before taxation

	3 months ended 30 June 2013 RM'000	Year-to-date ended 30 June 2013 RM'000
Profit before taxation is arrived at after crediting/(charging):		
Bad debts written off	0	(1,831)
Depreciation	(116)	(510)
Deposits written off	0	(210)
Dividend income	89	1,891
Gain on disposal of property, plant and equipment	5	5
Gain on redemption of investment	(0)	52
Interest expenses	(8)	(37)
Interest income	317	917
Loss on disposal of property, plant and equipment	13	(1,485)
Property, plant and equipment written off	<u>0</u>	<u>0</u>

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 year ended 30 June 2013.

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.