

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/09/2013 RM' 000	Preceding Year Corresponding Quarter Ended 30/09/2012 RM' 000	Current Year To Date 30/09/2013 RM' 000	Preceding Year Corresponding Period 30/09/2012 RM' 000
Revenue	56,915	37,147	56,915	37,147
Cost of sales	(29,437)	(22,657)	(29,437)	(22,657)
Gross profit	<u>27,478</u>	<u>14,490</u>	<u>27,478</u>	<u>14,490</u>
Other income	469	478	469	478
Operating expenses	(6,503)	(3,097)	(6,503)	(3,097)
Finance cost	(7)	(10)	(7)	(10)
Profit before tax	<u>21,437</u>	<u>11,861</u>	<u>21,437</u>	<u>11,861</u>
Income tax	(8,516)	(3,020)	(8,516)	(3,020)
Profit for the period	<u>12,921</u>	<u>8,841</u>	<u>12,921</u>	<u>8,841</u>
Other comprehensive income				
Fair value movement on available-for-sale investment	(81)	(3)	(81)	(3)
Total comprehensive income for the period	<u>12,840</u>	<u>8,838</u>	<u>12,840</u>	<u>8,838</u>
Profit attributable to:				
Owners of the parent	6,138	5,230	6,138	5,230
Non-controlling interests	6,783	3,611	6,783	3,611
	<u>12,921</u>	<u>8,841</u>	<u>12,921</u>	<u>8,841</u>
Total comprehensive income attributable to:				
Owners of the parent	6,075	5,228	6,075	5,228
Non-controlling interests	6,765	3,610	6,765	3,610
	<u>6,765</u>	<u>8,838</u>	<u>12,840</u>	<u>8,838</u>
Earnings per share (sen)				
- Basic	2.84	2.42	2.84	2.42
- Diluted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2013)

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

	(UNAUDITED) As At End Of Current Quarter 30/9/2013 RM' 000	(AUDITED) As At Preceding Financial Year End 30/6/2013 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	1,839	1,912
Investment properties	17,011	1,532
Land held for development	17,442	17,435
Held-to-maturity investments	27,960	27,960
Available-for-sale financial assets	-	49
Timber concessions	23,444	24,273
Deferred tax assets	11,713	11,713
	<u>99,409</u>	<u>84,875</u>
Current assets		
Property development costs	69,027	83,341
Inventories	6,835	5,433
Trade receivables	15,182	13,629
Accrued billings in respect of property development	5,851	795
Other receivables, deposits and prepayments	38,322	42,409
Tax recoverable	130	63
Available-for-sale financial assets	10,329	10,135
Fixed deposits with licensed banks	30,690	46,868
Cash and bank balances	2,794	6,750
	<u>179,160</u>	<u>209,423</u>
Assets classified as held for sale (Note 1)	<u>2,720</u>	<u>2,746</u>
TOTAL ASSETS	<u>281,289</u>	<u>297,044</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	(1,974)	(1,950)
Reserves	335	398
Retained profits	57,346	51,208
	<u>189,716</u>	<u>183,665</u>
Non-controlling interests	<u>189,716</u>	<u>31,345</u>
Total equity	<u>379,432</u>	<u>215,010</u>
Non-current liabilities		
Hire purchase payable	381	431
Bank borrowings	925	1,030
	<u>1,306</u>	<u>1,461</u>
Current liabilities		
Trade payables	19,725	24,453
Progress billing in respect of property development	0	23,050
Other payables and accruals	7,503	8,175
Provision for liabilities	16,200	20,765
Hire purchase payable	210	215
Bank borrowings	315	210
Current tax payable	8,202	3,700
	<u>52,155</u>	<u>80,569</u>
Liabilities classified as held for sale (Note 1)	<u>2</u>	<u>4</u>
Total liabilities	<u>53,463</u>	<u>82,034</u>
TOTAL EQUITY AND LIABILITIES	<u>432,895</u>	<u>297,044</u>
Net assets per share attributable to owners of the parent (RM)	0.88	0.85

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

	(UNAUDITED)	(AUDITED)
	As At End Of	As At Preceding
	Current Quarter	Financial
	30/9/2013	Year End
	RM' 000	30/6/2013
	RM' 000	RM' 000
Note 1 :		
Assets classified as held for sale		
Property, plant and equipment	917	917
Property development costs	538	538
Disposal group	1,265	1,291
	<u>2,720</u>	<u>2,746</u>
Liabilities classified as held for sale		
Disposal group	<u>2</u>	<u>4</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2013)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2013
(THE FIGURES HAVE NOT BEEN AUDITED)

	← Attributable to owners of the parent →					Distributable	Total	Non-Controlling	Total
	Non-distributable								
	Share Capital	Share Premium	Treasury Shares	Revaluation Reserve	Fair Value Reserve	(Accumulated losses)		RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 Months Ended									
30 September 2013									
Balance at 1 July 2013	88,561	45,448	(1,950)	353	45	51,208	183,665	31,345	215,010
Purchase of treasury shares	-	-	(24)	-	-	-	(24)	-	(24)
Total comprehensive income for the period	-	-	-	-	(63)	6,138	6,075	6,765	12,840
Balance at 30 September 2013	<u>88,561</u>	<u>45,448</u>	<u>(1,974)</u>	<u>353</u>	<u>(18)</u>	<u>57,346</u>	<u>189,716</u>	<u>38,110</u>	<u>227,826</u>
3 Months Ended									
30 September 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	-	-	-	-	-	-	-	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>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 30 June 2013)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2013
(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Year To Date 30/9/2013 RM'000	Preceding Year Corresponding Period 30/9/2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	21,437	11,861
Adjustments for:		
Non-cash items	2,690	147
Non-operating items	(51)	(2)
Interest expenses	7	10
Interest income	(252)	(225)
Dividend income	(95)	(243)
Operating profit before working capital changes	<u>23,736</u>	<u>11,548</u>
Inventories	(1,402)	(1,804)
Timber concession	829	1,641
Property development costs	9,763	(4,285)
Trade and other receivables	(5,088)	(17,581)
Trade and other payables	<u>(28,451)</u>	<u>97</u>
Cash used in from operations	(613)	(10,384)
Interest paid	(29)	(32)
Tax paid	<u>(4,082)</u>	<u>(2,798)</u>
Net cash used in operating activities	<u>(4,724)</u>	<u>(13,214)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital contribution by minority interests in subsidiaries	-	858
Purchase of investment properties	(15,479)	-
Purchase of property, plant and equipment	(25)	(9)
Placement of Institutional Bond Fund	(230)	(1,517)
Proceeds from redemption of other investments	55	798
Dividend received	95	243
Interest received	252	225
Net cash (used in)/generated from investing activities	<u>(15,332)</u>	<u>598</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of hire purchase payable	(54)	(50)
Purchase of treasury shares	(24)	(15)
Changes in fixed deposits with licensed bank	<u>(128)</u>	<u>(193)</u>
Net cash used in financing activities	<u>(206)</u>	<u>(258)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	(20,262)	(12,874)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	<u>53,171</u>	<u>40,476</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u>32,909</u>	<u>27,602</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2013)

SEAL INCORPORATED BERHAD (4887-M)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 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 2013. 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 2013.

In the current financial period ended 30 September 2013, the significant accounting policies and methods of computation adopted are consistent with those adopted for the audited financial statement for the financial year ended 30 June 2013 save for the adoption of the followings:

FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investments in Associates and Joint Ventures
Amendments to FRS 1	Government Loans
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Liabilities
Amendments to FRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to FRS 11	Joint Arrangements: Transition Guidance
Amendments to FRS 12	Disclosure of Interests in Other Entities: Transition Guidance
IC Interpretation 20	Stripping Costs in the Production of a Surface Mine
Improvements to FRSs issued in 2012	

The Directors anticipate that the adoption of the abovementioned Standards will not have any material impact on the financial statements of the Group.

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual period beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 14 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. Consequently, adoption of the MFRS Framework 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 Cyclical 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 ended 30 September 2013.

4 Changes in Estimates

There were no changes in estimates that have had any material effect in the current quarter ended 30 September 2013.

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

Share Buy Backs

During the period ended 30 September 2013, the Company has repurchased 50,000 of its issued ordinary shares from the open market for total consideration of RM23,672 including the transaction costs, and this was financed by internally generated funds. The total number of shares repurchased as at 30 September 2013 was 5,571,500, 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 period ended 30 September 2013.

7 Segment Reporting

Period ended 30 September 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	4,935	-	51,426	554	(0)	56,915
Segment results	(1,791)	-	23,510	87	(614)	21,192
Interest income						252
Profit from operations						21,444
Finance cost						(7)
Profit before tax						21,437
Income tax						(8,516)
Profit for the year						12,921
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 year						8,841

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 2013.

9 Material Subsequent Events

Great Eastern Mills Berhad ("GEM") a subsidiary company, has entered into a Sales & Purchase Agreement on 11 December 2012 with Kompleks Perkayuan Kelantan Sdn Bhd ("KPK") to dispose off the following assets to KPK for a total consideration of RM8,500,000.00 ("SPA"):

- 2,000,000 ordinary shares of RM1.00 each in Kelantan Lumber Products Sdn. Berhad ("KLP"), a wholly-owned subsidiary company of GEM, which represents the entire issued and paid-up shares in KLP, and
- a piece of leasehold land held under H.S.(D) 7897, PT 3976, Mukim Kuala Nal, Daerah Baru Mengkebang, Jajahan Kuala Krai, Kuala Nal, Kelantan Darul Naim measuring approximately thirty acres.

On 30 September 2013, GEM entered into a Tripartite Agreement with KPK and Prestij Mega Venture Sdn Bhd ("PMV") to vary certain terms of the SPA as PMV had on 30 December 2012 entered into another agreement with KPK to purchase the abovementioned assets from KPK.

The disposal has been completed on 21 November 2013. An announcement has been made on the even date.

10 Changes in the Composition of the Group

Acquisitions

There were no acquisitions since the end of the last annual reporting date.

Disposal

On 11 December 2012, Great Eastern Mills Berhad, a subsidiary company has entered into an agreement to dispose its 100% equity interest in Kelantan Lumber Products Sdn. Berhad for RM3 million, see Note 9 for details.

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 30 September 2013 except for the Joint Venture commitment as follows:

- cash consideration of RM76,248,800; and
- construction of one block of commercial building, actual cost of which is yet to be ascertained.

13 Operating Lease Commitments

	As at 30 September 2013 RM'000
Not later than one year	9,920
Later than one year and not later than five years	<u>21,389</u>
	<u>31,309</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 2013 RM'000
Seal Incorporated Berhad and its subsidiaries	
- Administration fee	52
- Project management fee	1,581
- Purchase of investment properties	<u>3,635</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 RM57 million and profit before taxation of RM21.4 million as compared to the revenue of RM37.1 million and profit before taxation of RM11.8 million in the preceding year corresponding quarter. Property development segment continues to be the major contributor towards the Group's revenue, recording a total revenue of RM51.4 million in the current quarter, which results in an increase in the Group's profit before tax by RM9.6 million.

For the investment properties segment, operationally the Group has recorded a total revenue of RM4.9 million and profit before taxation of RM0.9 million. However, the segment results shows a loss of RM1.7 million due to the clearing off of long outstanding debts during the current quarter.

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 continues 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	<u>8,516</u>	<u>8,516</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 September 2013 are as follows:

	Secured RM'000
<u>Long term borrowings</u>	
Term loans	<u>925</u>
<u>Short term borrowings</u>	
Term loans	315
Overdrafts	<u>22</u>

22 Changes in Material Litigation

There were no material litigation as at the date of this announcement.

23 Dividends

No dividend has been proposed for the period ended 30 September 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 RM6,137,701 divided by the weighted average number of ordinary shares in issue as at 30 September 2013 of 215,867,054 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 2013.

25 Disclosure of Realised and Unrealised Profits/Losses

	As at 30 September 2013 RM'000	As at 30 June 2013 RM'000
The retained profits of the Company and its subsidiaries		
- Realised	25,608	9,535
- Unrealised	11,713	11,713
	<u>37,321</u>	<u>21,248</u>
Add : Consolidation adjustments	20,025	29,959
Total retained profits as per consolidated accounts	<u>57,346</u>	<u>51,208</u>

26 Profit before taxation

	3 months ended 30 September 2013 RM'000	Year-to-date ended 30 September 2013 RM'000
Profit before taxation is arrived at after crediting/(charging):		
Bad debts written off	(2,573)	(2,573)
Depreciation	(117)	(117)
Dividend income from investment in unit trusts	95	95
Gain on redemption of investment in unit trusts	51	51
Interest expenses on finance lease	(7)	(7)
Interest income	<u>252</u>	<u>252</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 September 2013.

27 Auditors' Report on Preceding Annual Financial Statements

The auditors' report in respect of financial statements for the financial year ended 30 June 2013 was not subject to any qualification.