

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2013
(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/12/2013 RM' 000	Preceding Year Corresponding Quarter Ended 31/12/2012 RM' 000	Current Year To Date 31/12/2013 RM' 000	Preceding Year Corresponding Period 31/12/2012 RM' 000
Revenue	64,073	43,423	120,988	80,570
Cost of sales	(36,341)	(28,663)	(65,778)	(51,320)
Gross profit	27,732	14,760	55,210	29,250
Other income	8,006	1,675	8,475	2,153
Operating expenses	(7,382)	(6,043)	(13,885)	(9,140)
Finance cost	(7)	(10)	(14)	(20)
Profit before tax	28,349	10,382	49,786	22,243
Income tax	(5,944)	(4,450)	(14,460)	(7,470)
Profit for the period	22,405	5,932	35,326	14,773
Other comprehensive income				
Fair value movement on available-for-sale investment	(36)	(26)	(117)	(29)
Total comprehensive income for the period	22,369	5,906	35,209	14,744
Profit attributable to:				
Owners of the parent	7,171	4,138	13,309	9,368
Non-controlling interests	15,234	1,794	22,017	5,405
	22,405	5,932	35,326	14,773
Total comprehensive income attributable to:				
Owners of the parent	7,152	4,111	13,227	9,339
Non-controlling interests	15,217	1,795	21,982	5,405
	22,369	5,906	35,209	14,744
Earnings per share (sen)				
- Basic	3.32	1.92	6.17	4.34
- Diluted	-	-	-	-

(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 31 DECEMBER 2013

	(UNAUDITED) As At End Of Current Quarter 31/12/2013 RM' 000	(AUDITED) As At Preceding Financial Year End 30/6/2013 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	1,691	1,912
Investment properties	17,485	1,532
Land held for development	17,448	17,435
Held-to-maturity investments	27,960	27,960
Available-for-sale financial assets	-	49
Timber concessions	22,776	24,273
Deferred tax assets	11,713	11,713
	<u>99,073</u>	<u>84,875</u>
Current assets		
Property development costs	81,493	83,341
Inventories	5,111	5,433
Trade receivables	58,733	13,629
Accrued billings in respect of property development	333	795
Other receivables, deposits and prepayments	38,788	42,409
Tax recoverable	160	63
Available-for-sale financial assets	10,377	10,135
Fixed deposits with licensed banks	28,926	46,868
Cash and bank balances	14,517	6,750
	<u>238,438</u>	<u>209,423</u>
Assets classified as held for sale (Note 1)	-	2,746
TOTAL ASSETS	<u>337,511</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	316	398
Retained profits	64,517	51,208
	<u>196,868</u>	<u>183,665</u>
Non-controlling interests	<u>53,327</u>	<u>31,345</u>
Total equity	<u>250,195</u>	<u>215,010</u>
Non-current liabilities		
Hire purchase payable	232	431
Bank borrowings	785	877
	<u>1,017</u>	<u>1,308</u>
Current liabilities		
Trade payables	21,546	24,453
Progress billing in respect of property development	31,085	23,050
Other payables and accruals	9,406	8,175
Provision for liabilities	12,279	20,765
Hire purchase payable	140	215
Bank borrowings	423	363
Current tax payable	11,422	3,700
	<u>86,300</u>	<u>80,722</u>
Liabilities classified as held for sale (Note 1)	-	4
Total liabilities	<u>87,316</u>	<u>82,034</u>
TOTAL EQUITY AND LIABILITIES	<u>337,511</u>	<u>297,044</u>
Net assets per share attributable to owners of the parent (RM)	0.91	0.85

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	(UNAUDITED)	(AUDITED)
	As At End Of	As At Preceding
	Current Quarter	Financial
	31/12/2013	Year End
	RM' 000	30/6/2013
	RM' 000	RM' 000
Note 1 :		
Assets classified as held for sale		
Property, plant and equipment	-	917
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 2013)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2013
(THE FIGURES HAVE NOT BEEN AUDITED)

	←----- Attributable to owners of the parent -----→					-----→			
	←----- Non-distributable -----→					Distributable			
	Share Capital	Share Premium	Treasury Shares	Revaluation Reserve	Fair Value Reserve	Retained profits/ (Accumulated losses)	Total	Non- Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 Months Ended 31 December 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	-	-	-	-	(82)	13,309	13,227	21,982	35,209
Balance at 31 December 2013	<u>88,561</u>	<u>45,448</u>	<u>(1,974)</u>	<u>353</u>	<u>(37)</u>	<u>64,517</u>	<u>196,868</u>	<u>53,327</u>	<u>250,195</u>
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>

(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 31 DECEMBER 2013
(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Year To Date 31/12/2013 RM'000	Preceding Year Corresponding Period 31/12/2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	49,786	22,243
Adjustments for:		
Non-cash items	2,787	2,137
Non-operating items	(4,776)	1,426
Interest expenses	14	20
Interest income	(473)	(395)
Dividend income	(1,259)	(1,676)
Operating profit before working capital changes	46,079	23,755
Inventories	322	(425)
Timber concession	1,638	5,950
Property development costs	(6,034)	(25,471)
Trade and other receivables	(43,564)	(16,261)
Trade and other payables	6,428	5,233
Cash generated from / (used in) operations	4,869	(7,219)
Interest paid	(91)	(63)
Tax paid	(6,859)	(4,350)
Tax refund	24	-
Net cash used in operating activities	(2,057)	(11,632)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital contribution by minority interests in subsidiaries	-	859
Purchase of investment properties	(15,953)	-
Purchase of property, plant and equipment	(175)	(28)
Placement of short term investment	(315)	(14,321)
Proceeds from disposal of a subsidiary	3,000	-
Proceeds from redemption of other investments	54	15,662
Proceeds from disposal of property, plant and equipment	3,868	705
Dividend received	1,259	1,676
Interest received	473	395
Net cash (used in)/generated from investing activities	(7,789)	4,948
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of bank borrowings	(35)	-
Payment of hire purchase payable	(274)	(102)
Purchase of treasury shares	(24)	(15)
Changes in fixed deposits with licensed bank	254	(95)
Net cash used in financing activities	(79)	(212)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(9,925)	(6,896)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	52,869	40,476
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	42,944	33,580

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

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 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 31 December 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 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 financial period ended 31 December 2013.

4 Changes in Estimates

There were no changes in estimates that have had any material effect in the financial period ended 31 December 2013.

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

Share Buy Backs

During the period ended 31 December 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 31 December 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 the period ended 31 December 2013.

7 Segment Reporting

Period ended 31 December 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	9,860	-	108,164	2,964	-	120,988
Segment results	(50)	-	47,673	4,450	(2,746)	49,327
Interest income						473
Profit from operations						49,800
Finance cost						(14)
Profit before tax						49,786
Income tax						(14,460)
Profit for the year						35,326
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 year						14,773

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

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

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. The sale has been completed during the financial period.

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 31 December 2013 except for the Joint Venture commitment as follows:

- i) cash consideration of RM63,311,480; and
- ii) construction of one block of commercial building, actual cost of which is yet to be ascertained.

13 Operating Lease Commitments

	As at 31 December 2013 RM'000
Not later than one year	9,988
Later than one year and not later than five years	19,038
	<u>29,026</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 2013 RM'000
Seal Incorporated Berhad and its subsidiaries	
- Administration fee	86
- Project management fee	2,869
- 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 RM64 million and profit before taxation of RM28 million as compared to the revenue of RM43 million and profit before taxation of RM10 million in the preceding year corresponding quarter.

For the financial period ended 31 December 2013, the Group recorded a total revenue of RM121 million and profit before taxation of RM49 million as compared to the revenue of RM81 million and profit before taxation of RM22 million in the preceding year corresponding financial period. Property development segment continues to be the major contributor towards the Group's revenue for the financial period ended 31 December 2013, recording a total revenue of RM108 million as compared to RM58 million in the preceding year corresponding financial period. The improved revenue results in an increase of RM27 million in the Group's profit before taxation.

Timber related segment recorded a profit of RM4.45 million for the financial period ended 31 December 2013 as stated in Note 7 above, arising mainly due to the non operational event of the completion of the disposal of a subsidiary and assets held for sale. Great Eastern Mills Berhad ("GEM"), a subsidiary company, has entered into a Sale & Purchase Agreement on 11 December 2012 to dispose a wholly-owned subsidiary company of GEM (refer Note 10) and a piece of leasehold land located at Kelantan Darul Naim measuring approximately thirty acres. The disposal has been completed on 21 November 2013.

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 period to date RM'000
Malaysian income tax:		
- Current tax expense	5,944	14,459
- Under provision in prior year	(0)	1
	<u>5,944</u>	<u>14,460</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 2013 are as follows:

	Secured RM'000
<u>Long term borrowings</u>	
Term loans	785
<u>Short term borrowings</u>	
Term loans	420
Overdrafts	3

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 31 December 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 RM13,308,775 divided by the weighted average number of ordinary shares in issue as at 31 December 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 31 December 2013.

25 Disclosure of Realised and Unrealised Profits/Losses

	As at 31 December 2013 RM'000	As at 30 June 2013 RM'000
The retained profits of the Company and its subsidiaries		
- Realised	61,682	9,535
- Unrealised	11,713	11,713
	73,395	21,248
Add : Consolidation adjustments	(8,878)	29,959
Total retained profits as per consolidated accounts	64,517	51,207

26 Profit before taxation

	3 months ended 31 December 2013 RM'000	Year-to-date ended 31 December 2013 RM'000
Profit before taxation is arrived at after crediting/(charging):		
Bad debts written off	0	(2,573)
Depreciation	(97)	(214)
Dividend income	1,164	1,259
Gain on disposal of property, plant and equipment	2,744	2,744
Gain on disposal of a subsidiary	1,981	1,981
Gain on redemption of investment	(0)	51
Interest expenses	(7)	(14)
Interest income	221	473

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 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.