

**SEAL INCORPORATED BERHAD (4887-M)**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/06/2014 RM' 000	Preceding Year Corresponding Quarter Ended 30/06/2013 RM' 000	Current Year To Date 30/06/2014 RM' 000	Preceding Year Corresponding Period 30/06/2013 RM' 000
<b>Revenue</b>	10,044	43,195	287,047	183,300
Cost of sales	(8,998)	(29,008)	(133,673)	(109,840)
<b>Gross profit</b>	1,046	14,187	153,374	73,460
Other income	1,183	654	35,925	3,175
Operating expenses	(4,708)	(5,615)	(24,633)	(23,784)
Finance cost	(8)	(8)	(28)	(37)
<b>(Loss) / Profit before tax</b>	(2,487)	9,218	164,638	52,814
Income tax	(3,875)	(5,486)	(45,362)	(18,036)
<b>(Loss) / Profit for the year</b>	(6,362)	3,732	119,276	34,778
<b>Other comprehensive income</b>				
Fair value movement on available-for-sale investment	70	13	(63)	(12)
<b>Total comprehensive (loss) / income for the year</b>	(6,292)	3,745	119,213	34,766
<b>(Loss) / Profit attributable to:</b>				
Owners of the parent	(5,276)	1,303	61,632	19,581
Non-controlling interests	(1,086)	2,429	57,644	15,197
	(6,362)	3,732	119,276	34,778
<b>Total comprehensive (loss) / income attributable to:</b>				
Owners of the parent	(5,240)	1,312	61,576	19,573
Non-controlling interests	(1,052)	2,433	57,637	15,193
	(6,292)	3,745	119,213	34,766
<b>Earnings per share (sen)</b>				
- Basic	(2.44)	0.60	28.56	9.07
- 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 30 JUNE 2014**

	(UNAUDITED) As at Financial Year End 30/06/2014 RM' 000	(AUDITED) As At Preceding Financial Year End 30/06/2013 RM' 000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,085	1,912
Investment properties	51,949	1,532
Land held for development	17,461	17,435
Held-to-maturity investments	28,163	27,960
Available-for-sale financial assets	-	49
Timber concessions	19,074	24,273
Deferred tax assets	7,744	11,713
	126,476	84,875
<b>Current assets</b>		
Property development costs	44,188	83,341
Inventories	26,000	5,433
Trade receivables	24,874	13,629
Accrued billings in respect of property development	-	795
Other receivables, deposits and prepayments	76,602	42,409
Tax recoverable	49	63
Available-for-sale financial assets	15,980	10,135
Fixed deposits with licensed banks	74,905	46,868
Cash and bank balances	14,687	6,750
	277,285	209,423
<b>Assets classified as held for sale (Note 1)</b>	-	2,746
<b>TOTAL ASSETS</b>	403,761	297,044
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	88,561	88,561
Share premium	45,448	45,448
Treasury shares	(2,093)	(1,950)
Reserves	342	398
Retained profits	114,474	51,208
	246,732	183,665
<b>Non-controlling interests</b>	87,348	31,345
<b>Total equity</b>	334,080	215,010
<b>Non-current liabilities</b>		
Deferred tax	26	-
Hire purchase payable	487	431
Bank borrowings	575	877
	1,088	1,308
<b>Current liabilities</b>		
Trade payables	7,457	24,453
Progress billing in respect of property development	3,350	23,050
Other payables and accruals	41,777	8,175
Provision for liabilities	-	20,765
Hire purchase payable	168	215
Bank borrowings	420	363
Current tax payable	15,421	3,700
	68,593	80,722
<b>Liabilities classified as held for sale (Note 1)</b>	-	4
<b>Total liabilities</b>	69,681	82,034
<b>TOTAL EQUITY AND LIABILITIES</b>	403,761	297,044
<b>Net assets per share attributable to owners of the parent (RM)</b>	1.14	0.85

**SEAL INCORPORATED BERHAD (4887-M)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2014**

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>As at Financial</b>	<b>As At Preceding</b>
	<b>Year End</b>	<b>Financial</b>
	<b>30/06/2014</b>	<b>Year End</b>
	<b>RM' 000</b>	<b>30/06/2013</b>
		<b>RM' 000</b>
<b>Note 1 :</b>		
<b>Assets classified as held for sale</b>		
Property, plant and equipment	-	917
Property development costs	-	538
Disposal group	-	1,291
	<u>-</u>	<u>2,746</u>
<b>Liabilities classified as held for sale</b>		
Disposal group	<u>-</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 FINANCIAL YEAR ENDED 30 JUNE 2014**  
**(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				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>12 Months Ended</b>									
<b>30 June 2014</b>									
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	-	-	(143)	-	-	-	(143)	-	(143)
Dilution of non-controlling interest of a subsidiary	-	-	-	-	-	1,634	1,634	(1,634)	-
Total comprehensive income for the year	-	-	-	-	(56)	61,632	61,576	57,637	119,213
Balance at 30 June 2014	<u>88,561</u>	<u>45,448</u>	<u>(2,093)</u>	<u>353</u>	<u>(11)</u>	<u>114,474</u>	<u>246,732</u>	<u>87,348</u>	<u>334,080</u>
<b>12 Months Ended</b>									
<b>30 June 2013</b>									
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	-	-	-	-	-	-	-	859	859
Total comprehensive income for the year	-	-	-	-	(8)	19,581	19,573	15,193	34,766
Balance at 30 June 2013	<u>88,561</u>	<u>45,448</u>	<u>(1,950)</u>	<u>353</u>	<u>45</u>	<u>51,208</u>	<u>183,665</u>	<u>31,345</u>	<u>215,010</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 FINANCIAL YEAR ENDED 30 JUNE 2014**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

	<b>Current Year To Date 30/06/2014 RM'000</b>	<b>Preceding Year Corresponding Period 30/06/2013 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	164,638	52,814
Adjustments for:		
Non-cash items	(15,304)	2,329
Non-operating items	(6,071)	1,428
Interest expenses	28	37
Interest income	(1,848)	(917)
Dividend income	(1,409)	(1,891)
Operating profit before working capital changes	<u>140,034</u>	<u>53,800</u>
Inventories	(20,567)	(4,995)
Timber concession	5,339	4,597
Property development costs	991	(44,868)
Trade and other receivables	(47,637)	(35,482)
Trade and other payables	<u>(3,026)</u>	<u>35,328</u>
Cash generated from operations	75,134	8,380
Interest paid	(354)	(122)
Tax paid	(29,979)	(14,121)
Tax refund	352	-
<b>Net cash generated from operating activities</b>	<u>45,153</u>	<u>(5,863)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital contribution by minority interests in subsidiaries	-	858
Purchase of investment properties	(14,065)	-
Purchase of property, plant and equipment	(368)	(93)
Placement of short term investment	(7,247)	(26,809)
Proceeds from disposal of assets held for sale	8,500	-
Proceeds from redemption of other investments	1,239	42,100
Proceeds from disposal of property, plant and equipment	363	35
Dividend received	1,409	1,891
Interest received	1,848	917
<b>Net cash (used in)/generated from investing activities</b>	<u>(8,321)</u>	<u>18,899</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of bank borrowings	(245)	-
Payment of hire purchase payable	(472)	(207)
Purchase of treasury shares	(143)	(37)
Changes in fixed deposits with licensed bank	245	(97)
<b>Net cash used in financing activities</b>	<u>(615)</u>	<u>(341)</u>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	36,217	12,695
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<u>52,869</u>	<u>40,476</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<u>89,086</u>	<u>53,171</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)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014

**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 year ended 30 June 2014, 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 current quarter and financial year ended 30 June 2014.

**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 2014.

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

**Share Buy Backs**

During the financial year ended 30 June 2014, the Company has repurchased 250,000 of its issued ordinary shares from the open market for total consideration of RM142,933 including the transaction costs, and this was financed by internally generated funds. The total number of shares repurchased as at 30 June 2014 was 5,771,500, 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 financial year ended 30 June 2014.

## 7 Segment Reporting

Year ended 30 June 2014	Investment Properties RM'000	Property Construction RM'000	Property Development RM'000	Timber Related RM'000	Others RM'000	Total RM'000
Segment revenue	19,864	-	264,203	2,980	0	287,047
Segment results	21,533	-	145,935	3,421	(8,072)	162,817
Interest income						1,848
Profit from operations						164,665
Finance cost						(28)
Profit before tax						164,637
Income tax						(45,362)
Profit for the year						119,276
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	3,152	-	55,201	(4,886)	(2,722)	50,745
Interest income						2,108
Profit from operations						52,853
Finance cost						(37)
Profit before tax						52,816
Income tax						(18,036)
Profit for the year						34,780

## 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 Significant Events

On 27 June 2014, Seal Properties Sdn Bhd, a wholly-owned subsidiary of Seal Incorporated Berhad, entered into a Sale and Purchase Agreement with Ascall Sdn Bhd ("Ascall") to purchase all that piece of land and hereditaments known as Geran Mukim No. Hakmilik 557, Lot No. 370, Tempat Batu Maung, Mukim 12, Daerah Barat Daya, Pulau Pinang with area measuring approximately 80,107 square feet and Geran Mukim No. Hakmilik 1145, Lot No. 377, Tempat Bayan Lepas, Mukim 12, Daerah Barat Daya, Pulau Pinang with area measuring approximately 44,023 square feet respectively from Ascall for a total consideration of RM18,619,437.30. An announcement was made on the even date.

## 10 Material Subsequent Events

On 8 July 2014, Seal Incorporated Berhad ("SEAL") acquired the following investments:

- forty nine (49) ordinary shares of RM1/- each representing 49% of the total issued and paid up share capital of Seal Properties (SP) Sdn Bhd ("SPSP") for a total consideration of RM1,000,000 and resulting in SPSP becoming a wholly-owned subsidiary of SEAL; and
- forty nine (49) ordinary shares of RM1/- each representing 49% of the total issued and paid up share capital of Seal City Sdn Bhd ("SCSB") for a total consideration of RM230,000 and resulting in SCSB becoming a wholly-owned subsidiary of SEAL.

## 11 Changes in the Composition of the Group

### Acquisitions

On 8 May 2014, Seal Incorporated Berhad ("SEAL") acquired:

- two (2) ordinary shares of RM1/- each representing 100% of the total issued and paid up share capital of Ardentige Marketing Sdn Bhd ("AMSB") for a total consideration of RM2. AMSB was incorporated on 2 December 2013 and is presently dormant. Its authorised and paid up share capital are RM400,000 and RM2 respectively; and
- two (2) ordinary shares of RM1/- each representing 100% of the total issued and paid up share capital of Utmost Construction Sdn Bhd ("UCSB") for a total consideration of RM2.00. UCSB was incorporated on 1 April 2014 and is presently dormant. Its authorised and paid up capital are RM400,000 and RM2 respectively.

### 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 year.

### Subscriptions

On 27 June 2014, Seal Incorporated Berhad ("SEAL") and its wholly owned subsidiary, Seal Properties (KL) Sdn Bhd had subscribed Rights Issue Shares of 891,771 and 156,709 ordinary shares of RM1/- each respectively representing additional 32.31% equity interest of Great Eastern Mills Berhad ("GEMB"), a subsidiary company of SEAL, for a total consideration of RM1,048,481. Consequently thereto, GEMB becomes 92.27% owned subsidiary of SEAL.

## **12 Contingent Liabilities and Contingent Assets**

There were no changes in contingent liabilities or contingent assets since the end of the last annual reporting date.

## **13 Capital Commitments**

There were no capital commitments as at 30 June 2014 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.

## **14 Operating Lease Commitments**

	As at 30 June 2014 RM'000
Not later than one year	10,037
Later than one year and not later than five years	14,105
	<u>24,142</u>

The operating lease commitments are in respect of leaseback of Selayang Mall for a term of ten years.

## **15 Related Party Transactions**

There were no related party transactions for the financial year ended 30 June 2014.

## **ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

### **16 Review of Performance of the Company and Its Principal Subsidiaries**

For the current quarter under review, the Group recorded total revenue of RM10 million and loss before taxation of RM2 million as compared to the revenue of RM43 million and profit before taxation of RM9 million in the preceding year corresponding quarter. The marginal losses of RM2 million were mainly due to an increase in the development cost of Bayan City (Phase 1) which was previously not captured. (Bayan City (Phase 1) is the Group's development project which was completed during the third quarter of the financial year ended 30 June 2014.) The loss after taxation of RM6 million were mainly due to deferred tax asset (refer Note 20) charged out during the current quarter.

For the financial year ended 30 June 2014, the Group recorded a total revenue of RM287 million and profit before taxation of RM165 million as compared to the revenue of RM183 million and profit before taxation of RM53 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 year ended 30 June 2014, recording a total revenue of RM264 million as compared to RM139 million in the preceding year corresponding financial period. The improved revenue results in an increase of RM112 million in the Group's profit before taxation.

Timber related segment recorded a profit of RM3.4 million for the financial year ended 30 June 2014 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 11) and a piece of leasehold land located at Kelantan Darul Naim measuring approximately thirty acres. The disposal has been completed on 21 November 2013.

Investment properties segment recorded a profit of RM21.5 million for the financial year ended 30 June 2014 as stated in Note 7 above, arising mainly due to the fair value gain on investment properties.

### **17 Material Changes for the Current Quarter as Compared with the Preceding Quarter**

Apart from the decrease of profit in the property development segment as mentioned in Note 16 above, there are no other material changes in the current quarter as compared with the preceding quarter.



## 18 Prospect

In consideration of prevailing market conditions and barring any unforeseen circumstances, the Group expects to remain profitable for the next financial year.

## 19 Variance from Forecast Profit and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee.

## 20 Income Tax Expenses

	Current quarter RM'000	Financial period to date RM'000
Malaysian income tax:		
- Current tax expense	(120)	41,349
- Under provision in prior year	(0)	18
Deferred tax expense	3,995	3,995
	<u>3,875</u>	<u>45,362</u>

## 21 Corporate Proposals

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

## 22 Group Borrowings and Debts Securities

Total Group borrowings as at 30 June 2014 are as follows:

	Secured RM'000
<u>Long term borrowings</u>	
Term loans	<u>575</u>
<u>Short term borrowings</u>	
Term loans	420
Overdrafts	<u>-</u>

## 23 Changes in Material Litigation

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

## 24 Dividends

No dividend has been proposed for the financial year ended 30 June 2014.

## 25 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 RM61,632,076 divided by the weighted average number of ordinary shares in issue as at 30 June 2014 of 215,829,359 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 2014.

## 26 Disclosure of Realised and Unrealised Profits/Losses

	As at 30 June 2014 RM'000	As at 30 June 2013 RM'000
The retained profits of the Company and its subsidiaries		
- Realised	103,262	9,535
- Unrealised	7,744	11,713
	<u>111,006</u>	<u>21,248</u>
Add : Consolidation adjustments	3,468	29,960
Total retained profits as per consolidated accounts	<u>114,474</u>	<u>51,208</u>

**27 Profit before taxation**

	3 months ended 30 June 2014 RM'000	Year-to-date ended 30 June 2014 RM'000
Profit before taxation is arrived at after crediting/(charging):		
Bad debts written off	0	(2,573)
Deposits written off	(447)	(447)
Depreciation	(106)	(419)
Dividend income	72	1,409
Fair value gain on investment properties	0	18,743
Fixed assets written off	(1)	(212)
Liquidated and ascertained damages income	0	7,268
Gain on disposal of property, plant and equipment	0	41
Gain on disposal of assets held for sale	0	4,694
Gain on redemption of investment	0	55
Interest expenses	(8)	(28)
Interest income	810	1,848

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 2014.

**28 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.