

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/09/2014 RM' 000	Preceding Year Corresponding Quarter Ended 30/09/2013 RM' 000	Current Year To Date 30/09/2014 RM' 000	Preceding Year Corresponding Period 30/09/2013 RM' 000
<b>Revenue</b>	6,218	56,915	6,218	56,915
Cost of sales	(4,058)	(29,437)	(4,058)	(29,437)
<b>Gross profit</b>	2,160	27,478	2,160	27,478
Other income	703	469	703	469
Operating expenses	(2,522)	(6,503)	(2,522)	(6,503)
Finance cost	(8)	(7)	(8)	(7)
<b>Profit before tax</b>	333	21,437	333	21,437
Income tax	(292)	(8,516)	(292)	(8,516)
<b>Profit for the year</b>	41	12,921	41	12,921
<b>Other comprehensive income</b>				
Fair value movement on available-for-sale investment	35	(81)	35	(81)
<b>Total comprehensive income for the year</b>	76	12,840	76	12,840
<b>Profit attributable to:</b>				
Owners of the parent	234	6,138	234	6,138
Non-controlling interests	(193)	6,783	(193)	6,783
	41	12,921	41	12,921
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	253	6,075	253	6,075
Non-controlling interests	(177)	6,765	(177)	6,765
	76	12,840	76	12,840
<b>Earnings per share (sen)</b>				
- Basic	0.11	2.84	0.11	2.84
- Diluted	-	-	-	-

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014)

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

	(UNAUDITED) As at Financial Year End 30/09/2014 RM' 000	(AUDITED) As At Preceding Financial Year End 30/06/2014 RM' 000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,971	2,072
Investment properties	51,949	51,949
Land held for development	17,468	17,461
Held-to-maturity investments	28,163	28,163
Timber concessions	18,298	18,493
Deferred tax assets	7,718	7,718
	125,567	125,856
<b>Current assets</b>		
Property development costs	55,750	44,234
Inventories	26,216	25,953
Trade receivables	23,627	24,874
Other receivables, deposits and prepayments	104,153	76,462
Tax recoverable	6,676	49
Available-for-sale financial assets	23,529	15,980
Fixed deposits with licensed banks	22,847	74,905
Cash and bank balances	11,758	14,687
	274,556	277,144
<b>TOTAL ASSETS</b>	400,123	403,000
<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	(2,094)	(2,093)
Reserves	361	342
Retained profits	112,469	112,235
	244,745	244,493
<b>Non-controlling interests</b>	65,714	85,741
<b>Total equity</b>	310,459	330,234
<b>Non-current liabilities</b>		
Hire purchase payable	447	487
Bank borrowings	16,470	575
	16,917	1,062
<b>Current liabilities</b>		
Trade payables	13,080	11,825
Progress billing in respect of property development	2,513	3,350
Other payables and accruals	33,180	41,801
Hire purchase payable	164	168
Bank borrowings	9,581	420
Current tax payable	14,229	14,140
	72,747	71,704
<b>Total liabilities</b>	89,664	72,766
<b>TOTAL EQUITY AND LIABILITIES</b>	400,123	403,000
<b>Net assets per share attributable to owners of the parent (RM)</b>	1.13	1.13

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014)

**SEAL INCORPORATED BERHAD (4887-M)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2014**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

	←----- Attributable to owners of the parent -----→						-----→		
	←----- Non-distributable -----→			-----→ Distributable					
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Fair Value Reserve RM'000	Retained profits RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>3 Months Ended 30 September 2014</b>									
Balance at 1 July 2014	88,561	45,448	(2,093)	353	(11)	112,235	244,493	85,741	330,234
Purchase of treasury shares	-	-	(1)	-	-	-	(1)	-	(1)
Purchase of shares from non-controlling interests	-	-	-	-	-	-	-	(1,230)	(1,230)
Payment of dividends to non-controlling interests	-	-	-	-	-	-	-	(18,620)	(18,620)
Total comprehensive income / (loss) for the year	-	-	-	-	19	234	253	(177)	76
Balance at 30 September 2014	<u>88,561</u>	<u>45,448</u>	<u>(2,094)</u>	<u>353</u>	<u>8</u>	<u>112,469</u>	<u>244,745</u>	<u>65,714</u>	<u>310,459</u>
<b>3 Months Ended 30 September 2013</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	-	-	(24)	-	-	-	(24)	-	(24)
Total comprehensive income / (loss) for the year	-	-	-	-	(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>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 30 June 2014)

**SEAL INCORPORATED BERHAD (4887-M)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2014**  
**(THE FIGURES HAVE NOT BEEN AUDITED)**

	<b>Current Year To Date 30/09/2014 RM'000</b>	<b>Preceding Year Corresponding Period 30/09/2013 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	333	21,437
Adjustments for:		
Non-cash items	104	2,690
Non-operating items	(12)	(51)
Interest expenses	8	7
Interest income	(446)	(252)
Dividend income	(116)	(95)
Operating (loss) / profit before working capital changes	(129)	23,736
Inventories	(262)	(1,402)
Timber concession	194	829
Property development costs	(11,400)	9,763
Trade and other receivables	(26,282)	(5,088)
Trade and other payables	(8,203)	(28,451)
Cash used in operations	(46,082)	(613)
Interest paid	(130)	(29)
Tax paid	(6,830)	(4,082)
<b>Net cash used in operating activities</b>	<b>(53,042)</b>	<b>(4,724)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment properties	-	(15,479)
Purchase of property, plant and equipment	(6)	(25)
Purchase of shares from non-controlling interests	(1,230)	-
Placement of short term investment	(20,000)	(230)
Proceeds from redemption of other investments	12,497	55
Proceeds from disposal of property, plant and equipment	1	-
Dividend received	116	95
Interest received	446	252
<b>Net cash used in investing activities</b>	<b>(8,176)</b>	<b>(15,332)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of loan	25,000	-
Payment of dividends to non-controlling interests	(18,620)	-
Payment of bank borrowings	(105)	-
Payment of hire purchase payable	(43)	(54)
Purchase of treasury shares	(0)	(24)
Changes in fixed deposits with licensed bank	1	(128)
<b>Net cash generated from / (used in) financing activities</b>	<b>6,233</b>	<b>(206)</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>(54,985)</b>	<b>(20,262)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>87,707</b>	<b>53,171</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>32,722</b>	<b>32,909</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 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 2014. 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 2014.

The accounting policies adopted by the Group in this interim financial statements are consistent with those adopted for the audited financial statement for the financial year ended 30 June 2014 except for the adoption of the followings which effective for the financial period beginning on or after 1 January 2014 and 1 July 2014.

*Effective for the financial periods beginning on or after 1 January 2014*

Amendments to IC Int 21	Levies
Amendments to FRS 10, FRS 12 and FRS 127	Consolidated Financial Statement, Disclosure of Interests in Other Entities and Separated Financial Statements: Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation Hedge Accounting

*Effective for the financial periods beginning on or after 1 July 2014*

Amendments to FRS 119	Defined Benefit Plans: Employee Contribution
Annual improvements to FRSs 2010-2012 Cycle	
Annual improvements to FRSs 2011-2013 Cycle	

The adoption of the abovementioned amendments and improvements to IC Int and FRSs do not have any material impact on the financial position and results of the Group.

On 19 November 2011, the Malaysian Accounting Standards Board ("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 2017.

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 2018.

**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 ended 30 September 2014.

**4 Changes in Estimates**

There were no changes in estimates that have had any material effect in the current quarter ended 30 September 2014.

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

**Share Buy Backs**

During the financial period ended 30 September 2014, the Company has repurchased 1,000 of its issued ordinary shares from the open market for total consideration of RM1,342 including the transaction costs, and this was financed by internally generated funds. The total number of shares repurchased as at 30 September 2014 was 5,772,500, 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 period ended 30 September 2014.

## 7 Segment Reporting

Period ended 30 September 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	4,876	-	1,342	-	-	6,218
Segment results	812	-	141	(145)	(913)	(105)
Interest income						446
Profit from operations						341
Finance cost						(8)
Profit before tax						333
Income tax						(292)
Profit for the period						41
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 period						12,921

## 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 2014.

## 9 Material Subsequent Events

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

## 10 Changes in the Composition of the Group

There were no changes in the composition of the Group since the end of last annual reporting date.

## 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 Commitments

### Capital commitment

Approved and contracted for:

- purchase of development land of RM16,757,494

### Joint venture commitment

- i) balance of cash consideration of RM53,311,480; and
- ii) construction of one block of commercial building, actual cost of which is yet to be ascertained.

## 13 Operating Lease Commitments

	As at 30 September 2014 RM'000
Not later than one year	10,039
Later than one year and not later than five years	11,594
	<u>21,633</u>

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

#### 14 Related Party Transactions

There were no related party transactions for the financial period ended 30 September 2014.

### **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 RM6.2 million and profit before taxation of RM0.3 million as compared to the revenue of RM56.9 million and profit before taxation of RM21.4 million in the preceding year corresponding quarter. The decrease in both revenue and profit before taxation was mainly due to the absence of income from Bayan City which was completed in the previous financial year ended 30 June 2014 and slow down of timber operations during the current quarter.

#### 16 Material Changes for the Current Quarter as Compared with the Preceding Quarter

Apart from the decrease as mentioned in Note 15 above, there are no other material changes in the current quarter as compared with the preceding quarter.

#### 17 Prospect

The Board expects a steady stream of income from its investment property segment and contribution from its property development segment in the current financial year. In view of the prevailing market conditions and barring any unforeseen circumstances, the Board is confident that the Group will continue to record a decent performance in the current financial year.

#### 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	<u>292</u>	<u>292</u>

The Group's effective tax rate for the financial period was higher than the statutory rate as losses incurred by certain subsidiary companies were also not available for set off against taxable profits in other companies within the Group.

#### 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 2014 are as follows:

	Secured RM'000
<u>Long term borrowings</u>	
Term loans	<u>16,470</u>
<u>Short term borrowings</u>	
Term loans	<u>9,581</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 financial period ended 30 September 2014.

#### 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 RM233,789 divided by the weighted average number of ordinary shares in issue as at 30 September 2014 of 215,881,119 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 2014.

**25 Disclosure of Realised and Unrealised Profits/Losses**

	As at 30 September 2014 RM'000	As at 30 June 2014 RM'000
The retained profits of the Company and its subsidiaries		
- Realised	101,288	101,047
- Unrealised	7,718	7,718
	<u>109,006</u>	<u>108,765</u>
Add : Consolidation adjustments	3,463	3,470
Total retained profits as per consolidated accounts	<u>112,469</u>	<u>112,235</u>

**26 Profit before taxation**

	3 months ended 30 September 2014 RM'000	Year-to-date ended 30 September 2014 RM'000
Profit before taxation is arrived at after crediting/(charging):		
Depreciation	(104)	(104)
Dividend income	116	116
Fixed assets written off	(2)	(2)
Gain on redemption of investment	14	14
Interest expenses	(8)	(8)
Interest income	<u>446</u>	<u>446</u>

Save as disclosed above, there were no provision for and write off of receivables and inventories, impairment of assets, foreign exchange gain or loss, gain or loss on derivatives and exceptional items for the current quarter and the financial period ended 30 September 2014.

**27 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report in respect of financial statements for the financial year ended 30 June 2014 was not subject to any qualification.