

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2014
(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/12/2014 RM' 000	Preceding Year Corresponding Quarter Ended 31/12/2013 RM' 000	Current Period To Date 31/12/2014 RM' 000	Preceding Year Corresponding Period 31/12/2013 RM' 000
Revenue	5,919	64,073	12,137	120,988
Cost of sales	(3,779)	(36,341)	(7,837)	(65,778)
Gross profit	2,140	27,732	4,300	55,210
Other income	2,125	8,006	2,828	8,475
Operating expenses	(2,850)	(7,382)	(5,372)	(13,885)
Finance cost	(7)	(7)	(15)	(14)
Profit before tax	1,408	28,349	1,741	49,786
Income tax	(580)	(5,944)	(872)	(14,460)
Profit for the period	828	22,405	869	35,326
Other comprehensive income				
Fair value movement on available-for-sale investment	11	(36)	46	(117)
Total comprehensive income for the period	839	22,369	915	35,209
Profit attributable to:				
Owners of the parent	1,013	7,171	1,247	13,309
Non-controlling interests	(185)	15,234	(378)	22,017
	828	22,405	869	35,326
Total comprehensive income attributable to:				
Owners of the parent	1,018	7,152	1,271	13,227
Non-controlling interests	(179)	15,217	(356)	21,982
	839	22,369	915	35,209
Earnings per share (sen)				
- Basic	0.47	3.32	0.58	6.17
- 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 31 DECEMBER 2014

	(UNAUDITED) As at Financial Year End 31/12/14 RM' 000	(AUDITED) As At Preceding Financial Year End 30/06/14 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	1,894	2,072
Investment properties	52,253	51,949
Land held for development	17,474	17,461
Held-to-maturity investments	19,299	28,163
Timber concessions	18,298	18,493
Deferred tax assets	7,718	7,718
	<u>116,936</u>	<u>125,856</u>
Current assets		
Property development costs	70,042	44,234
Inventories	26,216	25,953
Trade receivables	22,253	24,874
Other receivables, deposits and prepayments	98,721	76,462
Tax recoverable	6,469	49
Available-for-sale financial assets	16,433	15,980
Fixed deposits with licensed banks	38,069	74,905
Cash and bank balances	3,947	14,687
	<u>282,150</u>	<u>277,144</u>
TOTAL ASSETS	<u>399,086</u>	<u>403,000</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	(2,094)	(2,093)
Reserves	366	342
Retained profits	113,482	112,235
	<u>245,763</u>	<u>244,493</u>
Non-controlling interests	66,843	85,741
Total equity	<u>312,606</u>	<u>330,234</u>
Non-current liabilities		
Hire purchase payable	407	487
Bank borrowings	13,650	575
	<u>14,057</u>	<u>1,062</u>
Current liabilities		
Trade payables	13,289	11,825
Progress billing in respect of property development	3,366	3,350
Other payables and accruals	31,884	41,801
Hire purchase payable	161	168
Bank borrowings	10,087	420
Provision for taxation	13,636	14,140
	<u>72,423</u>	<u>71,704</u>
Total liabilities	<u>86,480</u>	<u>72,766</u>
TOTAL EQUITY AND LIABILITIES	<u>399,086</u>	<u>403,000</u>
Net assets per share attributable to owners of the parent (RM)	1.14	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 31 DECEMBER 2014
(THE FIGURES HAVE NOT BEEN AUDITED)

	← Attributable to owners of the parent →					→ 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
6 Months Ended 31 December 2014									
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)
Payment of dividends to non-controlling interests	-	-	-	-	-	-	-	(18,620)	(18,620)
Dilution of non-controlling interest of subsidiaries	-	-	-	-	-	-	-	78	78
Total comprehensive income / (loss) for the period	-	-	-	-	24	1,247	1,271	(356)	915
Balance at 31 December 2014	<u>88,561</u>	<u>45,448</u>	<u>(2,094)</u>	<u>353</u>	<u>13</u>	<u>113,482</u>	<u>245,763</u>	<u>66,843</u>	<u>312,606</u>
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 / (loss) 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>

(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 31 DECEMBER 2014
(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Period To Date 31/12/14 RM'000	Preceding Year Corresponding Period 31/12/13 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,741	49,786
Adjustments for:		
Non-cash items	207	2,787
Non-operating items	4	(4,776)
Interest expenses	15	14
Interest income	(1,100)	(473)
Dividend income	(1,381)	(1,259)
Operating (loss) / profit before working capital changes	(514)	46,079
Inventories	(262)	322
Timber concession	194	1,638
Property development costs	(24,694)	(6,034)
Trade and other receivables	(19,637)	(43,564)
Trade and other payables	(8,436)	6,428
Cash (used in) / generated from operations	(53,349)	4,869
Interest paid	(137)	(91)
Tax paid	(7,797)	(6,859)
Tax refund	-	24
Net cash used in operating activities	(61,283)	(2,057)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment properties	-	(15,953)
Purchase of property, plant and equipment	(45)	(175)
Purchase of shares from non-controlling interests	(1,230)	-
Placement of short term investment	(31,325)	(315)
Proceeds from disposal of a subsidiary	-	3,000
Proceeds from redemption of other investments	39,792	54
Proceeds from disposal of property, plant and equipment	1	3,868
Dividend received	1,381	1,259
Interest received	1,100	473
Net cash generated from / (used in) investing activities	9,674	(7,789)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	31,285	-
Payment of dividends to non-controlling interests	(18,620)	-
Payment of bank borrowings	(9,210)	(35)
Payment of hire purchase payable	(87)	(274)
Purchase of treasury shares	(1)	(24)
Changes in fixed deposits with licensed bank	1	254
Net cash generated from / (used in) financing activities	3,368	(79)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(48,241)	(9,925)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	87,707	52,869
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	39,466	42,944

(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 31 DECEMBER 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 31 December 2014.

4 Changes in Estimates

There were no changes in estimates that have had any material effect in the current quarter ended 31 December 2014.

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

Share Buy Backs

During the financial period ended 31 December 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 31 December 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 31 December 2014.

7 Segment Reporting

Period ended 31 December 2014	Investment Properties RM'000	Property Development RM'000	Timber Related RM'000	Others RM'000	Total RM'000
Segment revenue	9,904	1,933	-	300	12,137
Segment results	2,503	(84)	(48)	(1,715)	656
Interest income					1,100
Profit from operations					1,756
Finance cost					(15)
Profit before tax					1,741
Income tax					(872)
Profit for the period					869
Period ended 31 December 2013	Investment Properties 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 period					35,326

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 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 pieces 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.

On 23 September 2014, Seal Properties Sdn Bhd had granted Ascall extension period of another thirty (30) days until 24 October 2014 to obtain its shareholders' approval and that of its holding company, Acme Holdings Berhad. On 24 October 2014, the Proposed Acquisition has been approved by the shareholders of Acme Holdings Berhad. Announcements were made on the even date respectively.

On 28 November 2014, the Conditions Precedents in the Sale and Purchase Agreement dated 27 June 2014 have been fulfilled and the Balance Purchase Price was paid on 6 February 2015, marking the completion of the Proposed Acquisition. Announcements were made on the even date respectively.

10 Material Subsequent Events

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

11 Changes in the Composition of the Group

Acquisitions

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

i) 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 RM1,000,000.00 and resulting in SPSP becoming a wholly-owned subsidiary of SEAL; and

ii) forty nine (49) ordinary shares fo RM1/-each representing 49% of the total issued and paid up share capital of Seal City Sdn Bhd ("SCSB") for a total consideration of RM230,000.00 and resulting in SCSB becoming a wholly-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 Commitments

Joint venture commitment

- i) balance of cash consideration of RM41,749,280; and
- ii) construction of one block of commercial building, actual cost of which is yet to be ascertained.

14 Operating Lease Commitments

	As at
	31 December 2014
	RM'000
Not later than one year	10,054
Later than one year and not later than five years	9,100
	<u>19,154</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 period ended 31 December 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 RM5.9 million and profit before taxation of RM1.4 million as compared to the revenue of RM64.1 million and profit before taxation of RM28.3 million in the preceding year corresponding quarter.

For the financial period ended 31 December 2014, the Group recorded a total revenue of RM12.1 million and profit before taxation of RM1.7 million as compared to the revenue of RM120.9 million and profit before taxation of RM49.7 million in the preceding year corresponding financial period.

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.

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

Apart from the receipt of income from Institutional Trust Account in the current quarter, there are no material changes in the current quarter as compared with the preceding quarter.

18 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.

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	<u>580</u>	<u>872</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.

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 31 December 2014 are as follows:

	Secured RM'000
<u>Long term borrowings</u>	
Term loans	<u>13,650</u>
<u>Short term borrowings</u>	
Term loans	9,420
Overdrafts	<u>667</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 period ended 31 December 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 RM1,246,871 divided by the weighted average number of ordinary shares in issue as at 31 December 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 31 December 2014.

26 Disclosure of Realised and Unrealised Profits/Losses

	As at 31 December 2014 RM'000	As at 30 June 2014 RM'000
The retained profits of the Company and its subsidiaries		
- Realised	103,199	101,047
- Unrealised	<u>7,718</u>	<u>7,718</u>
	110,917	108,765
Add : Consolidation adjustments	<u>2,565</u>	<u>3,470</u>
Total retained profits as per consolidated accounts	<u>113,482</u>	<u>112,235</u>

27 Profit before taxation

	3 months ended 31 December 2014 RM'000	Year-to-date ended 31 December 2014 RM'000
Profit before taxation is arrived at after crediting/(charging):		
Depreciation	(103)	(207)
Dividend income	1,265	1,381
Fixed assets written off	(16)	(18)
Gain on redemption of investment	0	14
Interest expenses	(7)	(15)
Interest income	<u>654</u>	<u>1,100</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 31 December 2014.

28 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.