

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017
 (THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30-09-2017 RM' 000	Preceding Year Corresponding Quarter Ended 30-09-2016 RM' 000	Current Period To Date 30-09-2017 RM' 000	Preceding Year Corresponding Period 30-09-2016 RM' 000
Revenue	33,159	16,920	33,159	16,920
Cost of sales	(26,506)	(14,106)	(26,506)	(14,106)
Gross profit	6,653	2,814	6,653	2,814
Other income	198	621	198	621
Operating expenses	(5,016)	(2,385)	(5,016)	(2,385)
Finance cost	(383)	(298)	(383)	(298)
Profit before tax	1,452	752	1,452	752
Income tax	(490)	(573)	(490)	(573)
Profit for the period	962	179	962	179
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	962	179	962	179
Profit attributable to:				
Owners of the parent	1,194	134	1,194	134
Non-controlling interests	(232)	45	(232)	45
	962	179	962	179
Total comprehensive income attributable to:				
Owners of the parent	1,194	134	1,194	134
Non-controlling interests	(232)	45	(232)	45
	962	179	962	179
Earnings per share (sen)				
- Basic	0.50	0.06	0.50	0.06
- Diluted	-	-	-	-

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2017)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017
 (THE FIGURES HAVE NOT BEEN AUDITED)

	(UNAUDITED)	(AUDITED)
	As At	As At
	30-09-2017	30-06-2017
	RM' 000	RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	2,011	2,094
Investment properties	67,610	67,610
Land held for development	72,648	72,575
Timber concessions	11,897	11,897
	154,166	154,176
Current assets		
Property development costs	36,938	36,868
Inventories	14,671	15,009
Trade receivables	66,422	57,071
Other receivables, deposits and prepayments	80,063	77,497
Tax recoverable	2,506	1,379
Available-for-sale financial assets	1,272	811
Fixed deposits with licensed banks	7,040	7,331
Cash and bank balances	9,800	7,871
	218,712	203,837
TOTAL ASSETS	372,878	358,013
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	142,629	142,629
Treasury shares	(2,165)	(2,165)
Reserves	353	353
Retained profits	112,596	111,402
	253,413	252,219
Non-controlling interests		
	6,545	6,777
Total equity	259,958	258,996
Non-current liabilities		
Deferred tax	390	390
Hire purchase payable	431	473
Bank borrowings	23,571	23,839
	24,392	24,702
Current liabilities		
Gross amount due to customer on contract	4,027	3,295
Trade payables	21,808	16,135
Other payables and accruals	25,013	24,105
Hire purchase payable	226	243
Bank borrowings	35,446	29,019
Provision for taxation	2,008	1,518
	88,528	74,315
Total liabilities	112,920	99,017
TOTAL EQUITY AND LIABILITIES	372,878	358,013
Net assets per share attributable to owners of the parent (RM)		
	1.07	1.06

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2017)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017
 (THE FIGURES HAVE NOT BEEN AUDITED)

	← Attributable to owners of the parent →					Non-Controlling Interests	Total Equity	
	← Non-distributable		→ Distributable					
3 Months Ended	Share Capital	Share Premium	Treasury Shares	Reserve	Retained profits	Total	Non-Controlling Interests	Total Equity
30 September 2017	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 July 2017	142,629	-	(2,165)	353	111,402	252,219	6,777	258,996
Total comprehensive income for the period	-	-	-	-	1,194	1,194	(232)	962
Balance at 30 September 2017	<u>142,629</u>	<u>-</u>	<u>(2,165)</u>	<u>353</u>	<u>112,596</u>	<u>253,413</u>	<u>6,545</u>	<u>259,958</u>
3 Months Ended	Share Capital	Share Premium	Treasury Shares	Reserve	Retained profits	Total	Non-Controlling Interests	Total Equity
30 September 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 July 2016	88,561	45,448	(2,164)	(955)	110,308	241,198	65,257	306,455
Purchase of treasury shares	-	-	(2)	-	-	(2)	-	(2)
Total comprehensive income for the period	-	-	-	-	134	134	45	179
Balance at 30 September 2016	<u>88,561</u>	<u>45,448</u>	<u>(2,166)</u>	<u>(955)</u>	<u>110,442</u>	<u>241,330</u>	<u>65,302</u>	<u>306,632</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 2017)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017
 (THE FIGURES HAVE NOT BEEN AUDITED)

	Current Period To Date 30-09-2017 RM'000	Preceding Year Corresponding Period 30-09-2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,452	752
Adjustments for:		
Non-cash items	102	119
Non-operating items	0	(2)
Interest expenses	383	298
Interest income	(29)	(404)
Dividend income	(11)	(73)
Operating profit before working capital changes	1,897	690
Inventories	338	338
Property development costs	(143)	(74)
Trade and other receivables	(11,921)	(8,628)
Trade and other payables	7,313	(2,210)
Cash used in operations	(2,516)	(9,884)
Interest paid	(383)	(413)
Tax paid	(1,426)	(582)
Tax refund	298	-
Net cash used in operating activities	(4,027)	(10,879)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(15)	(53)
Placement of short term investment	(900)	(2,000)
Proceeds from redemption of other investments	440	7,056
Proceeds from disposal of property, plant and equipment	-	3
Dividend received	11	73
Interest received	29	404
Net cash (used in) / generated from investing activities	(435)	5,483
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	11,628	3,489
Payment of bank borrowings	(11,149)	(1,701)
Payment of hire purchase payable	(60)	(74)
Purchase of treasury shares	-	(2)
Changes in fixed deposits with licensed bank	1,023	(23)
Net cash generated from financing activities	1,442	1,689
NET CHANGES IN CASH AND CASH EQUIVALENTS	(3,020)	(3,707)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	3,580	48,238
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	560	44,531

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2017)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

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 2017. 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 2017.

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 2017 except for the adoption of the following FRSS and Amendments to FRSS effective for annual periods beginning on or after 1 January 2017.

Amendments to FRS 12 Disclosure of Interest in Other Entities (under Annual Improvements to FRS 2014-2016 Cycle)

Amendments to FRS 107 Statement of Cash Flows: Disclosure Initiatives

Amendments to FRS 112 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the abovementioned FRSS and Amendments to FRSS did not have significant impact on the financial statements of the Group upon initial application

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 141 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 2018.

The Company and certain subsidiaries fall within the definition of Transitioning Entity and have opted to defer adoption of MFRS Framework. 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 2019.

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 period under review.

4 Material Changes in Estimates

There were no material changes in estimates that have had any material effect in the period under review.

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

Share Buy Backs

There was no share buy back during the financial period ended 30 September 2017. The total number of shares repurchased as at 30 September 2017 was 5,896,500, being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act, 2016.

6 Dividend Paid

No dividend has been paid during the financial period ended 30 September 2017.

7 Segment Reporting

Period ended 30 September 2017

	Property Construction RM'000	Property Management RM'000	Timber Related RM'000	Property Development RM'000	Investment Properties RM'000	Others RM'000	Total RM'000
Segment revenue	23,494	5,009	-	580	590	3,486	33,159
Segment results	597	1,750	(45)	259	175	(930)	1,806
Interest income							29
Profit from operations							1,835
Finance cost							(383)
Profit before tax							1,452
Income tax							(490)
Profit for the period							962

Period ended 30 September 2016

	Property Construction RM'000	Property Management RM'000	Timber Related RM'000	Property Development RM'000	Investment Properties RM'000	Others RM'000	Total RM'000
Segment revenue	10,400	4,978	-	576	393	573	16,920
Segment results	224	1,100	(41)	166	220	(1,023)	646
Interest income							404
Profit from operations							1,050
Finance cost							(298)
Profit before tax							752
Income tax							(573)
Profit for the period							179

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 2017.

9 Material Subsequent Events

- (a) On 19 October 2017, Seal Management Sdn Bhd (formerly known as Gem Board Sendirian Berhad), a wholly-owned subsidiary had entered into a Tenancy Agreement with CIMB Islamic Trustee Berhad (as Trustee for and on behalf of AmanahRaya REIT) for tenancy of Selayang Mall Shopping Centre for a term of three (3) years with an option to renew for a further two (2) terms of three (3) years. Announcement was made on the even date.
- (b) On 22 November, Seal Properties Sdn. Bhd., a wholly-owned subsidiary had entered into a Sale and Purchase Agreement to dispose all that vacant development lots which consists of twenty eight (28) pieces of land held under Geran H.S. (M) 3893, Lot 71826 to Geran H.S. (M) 3920, Lot 71853 all of Mukim 12, Tempat Batu Maung, Daerah Barat Daya, Penang to Kayangstar Property Sdn. Bhd. for a total consideration of RM27,000,000.00. Announcement was made on the even date.

10 Changes in the Composition of the Group

There were no changes in the composition of the Group for the financial period ended 30 September 2017.

11 Contingent Liabilities and Contingent Assets

There was no contingent liability or contingent asset arising since the last annual financial statements for the financial year ended 30 June 2017.

12 Commitments

There were no capital commitments as at the date of this report.

13 Operating Lease Commitments

	As at 30 Sep 2017 RM'000
Not later than one year	8,972
Later than one year and not later than five years	14,953
	<u>23,924</u>

The operating lease commitments are in relation to leasing of Selayang Mall for a term of three years.

14 Related Party Transactions

There were no related party transactions for the financial period under review.

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**15 Review of Performance of the Company and Its Principal Subsidiaries**

	Quarter ended 30 Sep 2017 RM' 000	Quarter ended 30 Sep 2016 RM' 000
Revenue		
Property Construction	23,494	10,400
Property Management	5,009	4,978
Property Development	580	576
Investment Properties	590	393
Others	3,486	573
	<u>33,159</u>	<u>16,920</u>
Profit before tax		
Property Construction	603	220
Property Management	1,698	1,088
Timber Related	(45)	(41)
Property Development	246	499
Investment Properties	(119)	10
Others	(931)	(1,024)
	<u>1,452</u>	<u>752</u>

For current quarter under review, the Group recorded a revenue of RM33.1 million and profit before tax of RM1.4 million, an increase of RM16.2 million revenue and RM0.7 million profit before tax. The increases in both revenue and profit before tax were mainly contributed from Queensville Project which generated about RM23.4 million from property construction segment and the other RM3.4 million from marketing services.

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

	Current quarter 30 Sep 2017 RM' 000	Immediate preceding quarter 30 Jun 2017 RM' 000
Revenue	33,159	15,515
Profit / (Loss) before tax	<u>1,452</u>	<u>(3,989)</u>

The Group reported a revenue of RM33.1 million and a profit before tax of RM1.4 million in the current quarter as compared to the revenue of RM15.5 million and a loss before tax of RM3.9 million in preceding quarter ended 30 June 2017. Apart from the increase in revenue as explained in Note 15 above, and an impairment loss in timber concession that was recorded in the preceding quarter, there are no other material changes in revenue generating activities of the Group.

17 Prospect

The property industry continues to be challenging as the outlook for the property market is expected to remain sluggish. The Group however committed to continue its projects and expected to deliver satisfactory results in 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 year to date RM'000
Malaysian income tax:		
- Current tax expense	490	490
	<u>490</u>	<u>490</u>

The Group's effective tax rate for the financial year was higher than the statutory tax rate mainly due to tax losses incurred by certain subsidiary companies that were not available to 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 2017 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long term borrowings</u>			
Term loans	23,571	-	23,571
<u>Short term borrowings</u>			
Term loans	11,127	8,722	19,849
Overdrafts	15,597	-	15,597
	<u>26,724</u>	<u>8,722</u>	<u>35,446</u>

22 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 2017.

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 RM1,193,594 divided by the weighted average number of ordinary shares in issue as at 30 September 2017 of 237,056,184 shares after taking in 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 2017.

25 Disclosure of Realised and Unrealised Profits

	As at 30 Sep 2017 RM'000	As at 30 Jun 2017 RM'000
The retained profits of the Company and its subsidiaries		
- Realised	120,980	117,528
- Unrealised	6,713	6,713
	<u>127,693</u>	<u>124,241</u>
Add : Consolidation adjustments	(15,097)	(12,839)
Total retained profits as per consolidated accounts	<u>112,596</u>	<u>111,402</u>

26 Profit before taxation

	Current quarter RM'000	Financial year to date RM'000
Profit before taxation is arrived at after crediting/(charging):		
Interest income	29	29
Dividend income	11	11
Interest expenses	(383)	(383)
Depreciation	(98)	(98)
Bad debts written off	(4)	(4)

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Bursa Listing Requirements are not applicable.

27 Auditors' Report on Preceding Annual Financial Statements

The auditors' report in respect of financial statements for the financial year ended 30 June 2017 was not subject to any qualification.