

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30-06-2018 RM' 000	Preceding Year Corresponding Quarter Ended 30-06-2017 RM' 000	Current Year To Date 30-06-2018 RM' 000	Preceding Year Corresponding Period 30-06-2017 RM' 000
Revenue	22,273	15,548	131,872	83,183
Cost of sales	(19,457)	(13,016)	(108,334)	(67,758)
Gross profit	2,816	2,532	23,538	15,425
Other income	2,692	1,088	11,108	9,690
Operating expenses	(2,360)	(7,322)	(14,581)	(15,185)
Finance cost	(330)	(293)	(1,390)	(1,184)
Profit / (Loss) before tax	2,818	(3,995)	18,675	8,746
Income tax	(140)	(3,258)	(4,092)	(7,922)
Profit / (Loss) for the year	2,678	(7,253)	14,583	824
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the year	2,678	(7,253)	14,583	824
Profit / (Loss) attributable to:				
Owners of the parent	2,668	(12,450)	15,013	(9,037)
Non-controlling interests	10	5,197	(430)	9,861
	2,678	(7,253)	14,583	824
Total comprehensive income / (loss) attributable to:				
Owners of the parent	2,668	(12,450)	15,013	(9,037)
Non-controlling interests	10	5,197	(430)	9,861
	2,678	(7,253)	14,583	824
Earnings / (loss) per share (sen)				
- Basic	1.13	(5.50)	6.33	(3.98)
- 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 JUNE 2018
 (THE FIGURES HAVE NOT BEEN AUDITED)

	(UNAUDITED)	(AUDITED)
	As At	As At
	30-06-2018	30-06-2017
	RM' 000	RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	2,172	2,094
Investment properties	54,768	67,610
Land held for development	94,957	72,575
Timber concessions	11,323	11,897
	163,220	154,176
Current assets		
Property development costs	16,682	36,868
Inventories	11,366	15,009
Trade receivables	70,213	57,071
Other receivables, deposits and prepayments	65,981	77,497
Tax recoverable	4,316	1,379
Available-for-sale financial assets	21,444	811
Fixed deposits with licensed banks	25,017	7,331
Cash and bank balances	7,601	7,871
	222,620	203,837
Assets classified as held for sale (Note 1)	14,065	-
	236,685	203,837
TOTAL ASSETS	399,905	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	126,210	111,402
	267,027	252,219
Non-controlling interests	5,992	6,777
Total equity	273,019	258,996
Non-current liabilities		
Deferred tax	483	390
Hire purchase payable	514	473
Bank borrowings	22,731	23,839
	23,728	24,702
Current liabilities		
Gross amount due to customer on contract	6,035	3,295
Trade payables	28,041	16,135
Other payables and accruals	32,370	24,105
Hire purchase payable	277	243
Bank borrowings	35,461	29,019
Provision for taxation	974	1,518
	103,158	74,315
Total liabilities	126,886	99,017
TOTAL EQUITY AND LIABILITIES	399,905	358,013
Net assets per share attributable to owners of the parent (RM)	1.13	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 FINANCIAL POSITION
AS AT 30 JUNE 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

(UNAUDITED)	(AUDITED)
As At	As At
30-06-2018	30-06-2017
RM' 000	RM' 000

Note 1 :

Assets classified as held for sale

Investment properties

14,065

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(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 YEAR ENDED 30 JUNE 2018
 (THE FIGURES HAVE NOT BEEN AUDITED)

	←----- Attributable to owners of the parent -----→						Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Reserve RM'000	Retained profits RM'000	Total RM'000		
12 Months Ended 30 June 2018								
Balance at 1 July 2017	142,629	-	(2,165)	353	111,402	252,219	6,777	258,996
Payment of dividends to non-controlling interests	-	-	-	-	-	-	(560)	(560)
Acquisition of subsidiary from non-controlling interest	-	-	-	-	(205)	(205)	205	(0)
Total comprehensive income for the year	-	-	-	-	15,013	15,013	(430)	14,583
Balance at 30 June 2018	<u>142,629</u>	<u>-</u>	<u>(2,165)</u>	<u>353</u>	<u>126,210</u>	<u>267,027</u>	<u>5,992</u>	<u>273,019</u>
12 Months Ended 30 June 2017								
Balance at 1 July 2016	88,561	45,448	(2,164)	(955)	110,308	241,198	65,257	306,455
Private placement	8,620	-	-	-	-	8,620	-	8,620
Purchase of treasury shares	-	-	(1)	-	-	(1)	-	(1)
Payment of dividends to non-controlling interests	-	-	-	-	-	-	(56,322)	(56,322)
Acquisition of subsidiary from non-controlling interest	-	-	-	1,308	10,131	11,439	(12,019)	(580)
Total comprehensive income for the year	-	-	-	-	(9,037)	(9,037)	9,861	824
Reclassification pursuant to S618(2) *	45,448	(45,448)	-	-	-	-	-	-
Balance at 30 June 2017	<u>142,629</u>	<u>-</u>	<u>(2,165)</u>	<u>353</u>	<u>111,402</u>	<u>252,219</u>	<u>6,777</u>	<u>258,996</u>

* Pursuant to Section 618(2) of the Companies Act 2016 ("CA 2016"), any amount standing to the credit of the share premium account shall become part of share capital. Included in share capital is share premium amounting to RM45,448,463 that is available to be utilised in accordance with Section 618(3) of CA 2016 on or before 30 January 2019.

(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 YEAR ENDED 30 JUNE 2018

(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Year To Date 30-06-2018 RM'000	Preceding Year Corresponding Period 30-06-2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	18,675	8,745
Adjustments for:		
Non-cash items	555	450
Non-operating items	(1,213)	(2,224)
Interest expenses	1,390	1,184
Interest income	(4,136)	(1,189)
Dividend income	(245)	(565)
Operating profit before working capital changes	<u>15,026</u>	<u>6,401</u>
Inventories	3,642	7,225
Timber concession	574	-
Property development costs	(2,196)	16,511
Trade and other receivables	(1,645)	(47,275)
Trade and other payables	<u>22,910</u>	<u>3,250</u>
Cash generated from / (used in) operations	38,311	(13,888)
Interest paid	(1,390)	(1,484)
Tax paid	(7,826)	(5,480)
Tax refund	346	-
Net cash generated from / (used in) operating activities	<u>29,441</u>	<u>(20,852)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(273)	(86)
Purchase of shares from non-controlling interests	(0)	(580)
Placement of short term investment	(61,454)	(13,000)
Proceeds from redemption of other investments	40,821	33,739
Proceeds from disposal of property, plant and equipment	-	3
Dividend received	245	565
Interest received	4,136	1,184
Net cash (used in) / generated from investing activities	<u>(16,525)</u>	<u>21,825</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	69,001	15,676
Private placement	-	8,620
Payment of dividends to non-controlling interests	(560)	(56,322)
Payment of bank borrowings	(63,382)	(13,609)
Payment of hire purchase payable	(275)	(291)
Purchase of treasury shares	-	(1)
Changes in fixed deposits with licensed bank	<u>(1,046)</u>	<u>296</u>
Net cash generated from / (used in) financing activities	<u>3,738</u>	<u>(45,631)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	16,654	(44,658)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>3,580</u>	<u>48,238</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>20,234</u>	<u>3,580</u>

(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 YEAR ENDED 30 JUNE 2018

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 year ended 30 June 2018. The total number of shares repurchased as at 30 June 2018 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 year ended 30 June 2018.

7 Segment Reporting

Year ended 30 June 2018

	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	75,633	19,381	2,765	27,580	2,219	4,294	131,872
Segment results	3,811	6,313	534	8,614	1,440	(4,783)	15,929
Interest income							4,136
Profit from operations							20,065
Finance cost							(1,390)
Profit before tax							18,675
Income tax							(4,092)
Profit for the year							14,583

Year ended 30 June 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	45,708	20,010	-	14,256	1,866	1,343	83,183
Segment results	1,015	4,894	(4,990)	4,831	8,047	(5,056)	8,741
Interest income							1,189
Profit from operations							9,930
Finance cost							(1,184)
Profit before tax							8,746
Income tax							(7,922)
Profit for the year							824

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

On 27 December 2017, Seal City Sdn Bhd ("SCSB"), a wholly-owned subsidiary of Seal Incorporated Berhad, entered into a Sale and Purchase Agreement with Tristar Bay Sdn Bhd ("Tristar") to dispose all that piece of vacant land and hereditaments known Lot No. 65140, Bandar Amanjaya, Daerah Kuala Muda, Negeri Kedah and held under HSD 127766 measuring approximately 35.55 hectare to Tristar for a total consideration of RM30,000,000.00. Subsequently, the disposal of properties was completed and announcement for completion was made on 31 July 2018.

10 Changes in the Composition of the Group

Acquisition

Pursuant to Settlement Agreement dated 16 December 2016, Seal Properties Sdn Bhd ("SPSB"), a wholly-owned subsidiary of the Company, has acquired 40% equity interest, which comprising 40 ordinary shares in the capital of Seal Concepts Sdn Bhd and 40 ordinary shares in the capital of Seal Mall Sdn Bhd, for a total consideration of RM80.

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 June 2018 RM'000
Not later than one year	8,972
Later than one year and not later than five years	8,224
	<u>17,196</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 year 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-Jun-18 RM' 000	Quarter ended 30-Jun-17 RM' 000	Financial period ended 30-Jun-18 RM' 000	Financial period ended 30-Jun-17 RM' 000
Revenue				
Property Construction	15,817	9,730	75,633	45,708
Property Management	4,769	5,040	19,381	20,010
Timber Related	1,009	-	2,765	-
Property Development	0	-	27,580	14,256
Investment Properties	523	556	2,219	1,866
Others	155	222	4,294	1,343
	<u>22,273</u>	<u>15,548</u>	<u>131,872</u>	<u>83,183</u>
Profit / (Loss) before tax				
Property Construction	1,025	290	6,543	1,030
Property Management	1,309	1,195	6,129	4,961
Timber Related	271	(4,883)	534	(4,990)
Property Development	252	234	9,222	5,714
Investment Properties	1,445	798	1,033	7,091
Others	(1,484)	(1,629)	(4,786)	(5,060)
	<u>2,818</u>	<u>(3,995)</u>	<u>18,675</u>	<u>8,746</u>

For the current quarter under review, the Group recorded a total revenue of RM22.27 million and profit before tax of RM2.82 million compared with the revenue of RM15.55 million and loss before tax of RM4 million recorded in the preceding year corresponding quarter.

For the 12 months financial period ended 30 June 2018, the Group recorded a revenue of RM131.87 million and profit before tax of RM18.68 million, an increase of RM48.69 million revenue and RM9.93 million profit before tax compared to preceding year corresponding financial period. The main contributor to the increase comes from Queensville Project which recorded an increase of about RM29.92 million revenue in the property construction segment and RM2.95 million in sales and marketing services.

During the 3rd financial quarter, Seal Properties Sdn Bhd, a wholly-owned subsidiary of the Group disposed off a piece of development land for a consideration of RM27 million giving rise to approximately RM4.5 million profit to the property development segment. During the same period, timber activities were recommenced and as at the end of the financial year has brought in about RM2.77 million in revenue and RM0.5 million in profits to the Group.

For investment properties segment, there was a decrease in profit before tax of RM6.06 million due to the RM6.3 million fair value gain for the year having been recognised in the preceding year corresponding quarter, thus causing an apparent depletion of the current year's profit. However despite this apparent decrease, the overall results of the Group for the financial year ended 30 June 2018 remain satisfactory.

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

	Current quarter 30-Jun-18 RM' 000	Immediate preceding quarter 31-Mar-18 RM' 000
Revenue	22,273	52,609
Profit before tax	<u>2,818</u>	<u>10,558</u>

Apart from the gain on disposal of development land as mentioned in Note 15 above, there were no other material changes in current quarter as compared with the preceding quarter.

17 Prospect

As the Malaysian property industry remains to be challenging in view of the continued softening of the property market, exacerbated by the stringent lending controls by the financial institutions and the rising supply from property developers, the Group will continue to focus on delivering the Queensville Project, Phase 1 which is scheduled to be completed by next financial year. Continued efforts will also be focused on property development segment, timber related activities and leasing management to deliver a satisfactory results in the years to come.

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	140	3,719
- Under provision in prior year	(0)	373
	<u>140</u>	<u>4,092</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 30 June 2018 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long term borrowings</u>			
Term loans	<u>22,731</u>	-	<u>22,731</u>
<u>Short term borrowings</u>			
Term loans	6,140	19,690	25,830
Overdrafts	9,631	-	9,631
	<u>15,771</u>	<u>19,690</u>	<u>35,461</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 year ended 30 June 2018.

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 RM15,012,403 divided by the weighted average number of ordinary shares in issue as at 30 June 2018 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 June 2018.

25 Profit before taxation

	Current quarter RM'000	Financial year to date RM'000
Profit before taxation is arrived at after crediting/(charging):		
Interest income	664	4,136
Dividend income	148	245
Fair value gain on investment properties	1,223	1,223
Interest expenses	(330)	(1,390)
Depreciation	(146)	(536)
Bad debts written off	(0)	(6)
Fixed assets written off	<u>(4)</u>	<u>(10)</u>

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

26 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.