

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/03/2019 RM'000	Preceding Year Corresponding Quarter Ended 31/03/2018 RM'000	Current Year To Date 31/03/2019 RM'000	Preceding Year Corresponding Period 31/03/2018 RM'000
Revenue	22,084	52,609	76,350	109,599
Cost of sales	(17,389)	(41,484)	(63,332)	(88,877)
Gross profit	4,695	11,125	13,018	20,722
Other income	2,466	3,955	22,476	8,416
Operating expenses	(4,330)	(4,186)	(12,355)	(12,221)
Finance cost	(322)	(336)	(982)	(1,060)
Profit before tax	2,509	10,558	22,157	15,857
Income tax	(1,339)	(3,059)	(6,781)	(3,952)
Profit for the period	1,170	7,499	15,376	11,905
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,170	7,499	15,376	11,905
Profit / (Loss) attributable to:				
Owners of the parent	1,167	7,475	15,341	12,345
Non-controlling interests	3	24	35	(440)
	1,170	7,499	15,376	11,905
Total comprehensive income / (loss) attributable to:				
Owners of the parent	1,167	7,475	15,341	12,345
Non-controlling interests	3	24	35	(440)
	1,170	7,499	15,376	11,905
Earnings per share (sen)				
- Basic	6.47	3.15	6.47	5.21
- Diluted	-	-	-	-

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2018)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

(THE FIGURES HAVE NOT BEEN AUDITED)

	(UNAUDITED) As At 31/03/2019 RM'000	RESTATED As At 30/06/2018 RM'000	RESTATED As At 01/07/2017 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	1,883	2,172	2,094
Investment properties	56,134	54,768	67,610
Inventories	94,978	94,957	72,575
Timber concessions	10,800	11,314	11,897
	<u>163,795</u>	<u>163,211</u>	<u>154,176</u>
Current assets			
Property development costs	16,780	16,682	36,868
Inventories	11,300	11,366	15,009
Trade receivables	90,092	69,987	57,071
Other receivables, deposits and prepayments	69,581	63,793	77,497
Tax recoverable	4,672	4,316	1,379
Other investments	17,312	21,444	811
Fixed deposits with licensed banks	31,983	24,368	7,330
Cash and bank balances	5,303	8,251	7,871
	<u>247,023</u>	<u>220,207</u>	<u>203,836</u>
Assets classified as held for sale (Note 1)	-	14,065	-
	<u>247,023</u>	<u>234,272</u>	<u>203,836</u>
TOTAL ASSETS	<u>410,818</u>	<u>397,483</u>	<u>358,012</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	142,630	142,630	142,630
Treasury shares	(2,166)	(2,166)	(2,166)
Reserves	353	353	353
Retained profits	141,391	126,051	111,403
	<u>282,208</u>	<u>266,868</u>	<u>252,220</u>
Non-controlling interests	5,921	5,886	6,776
Total equity	<u>288,129</u>	<u>272,754</u>	<u>258,996</u>
Non-current liabilities			
Deferred tax	483	483	390
Hire purchase payable	434	514	473
Bank borrowings	21,862	22,750	23,839
	<u>22,779</u>	<u>23,747</u>	<u>24,702</u>
Current liabilities			
Contract liabilities	7,822	6,035	3,295
Trade payables	22,590	28,041	16,134
Other payables and accruals	23,654	30,213	24,104
Hire purchase payable	242	277	244
Bank borrowings	42,064	35,442	29,019
Provision for taxation	3,538	974	1,518
	<u>99,910</u>	<u>100,982</u>	<u>74,314</u>
Total liabilities	<u>122,689</u>	<u>124,729</u>	<u>99,016</u>
TOTAL EQUITY AND LIABILITIES	<u>410,818</u>	<u>397,483</u>	<u>358,012</u>
	-	-	-
Net assets per share attributable to owners of the parent (RM)	1.19	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 2018)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

(THE FIGURES HAVE NOT BEEN AUDITED)

	(UNAUDITED)	(AUDITED)	(AUDITED)
	As At	As At	As At
	31/03/2019	30/06/2018	01/07/2017
	RM' 000	RM' 000	RM' 000
Note 1 :			
Assets classified as held for sale			
Investment properties	-	14,065	-

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2018)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019
 (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		
9 Months Ended 31 March 2019								
Balance at 1 July 2018	142,630	-	(2,166)	353	126,050	266,867	5,886	272,753
Payment of dividends to non-controlling interests	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	15,341	15,341	35	15,376
Balance at 31 March 2019	<u>142,630</u>	<u>-</u>	<u>(2,166)</u>	<u>353</u>	<u>141,391</u>	<u>282,208</u>	<u>5,921</u>	<u>288,129</u>
9 Months Ended 31 March 2018								
Balance at 1 July 2017	142,630	-	(2,166)	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	-
Total comprehensive income for the period	-	-	-	-	12,345	12,345	(440)	11,905
Balance at 31 March 2018	<u>142,630</u>	<u>-</u>	<u>(2,166)</u>	<u>353</u>	<u>123,542</u>	<u>264,359</u>	<u>5,982</u>	<u>270,341</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 2018)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Year To Date 31/03/2019 RM'000	Preceding Year Corresponding Period 31/03/2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	22,157	15,857
Adjustments for:		
Non-cash items	416	396
Non-operating items	(15,922)	6
Interest expenses	982	1,060
Interest income	(4,296)	(3,472)
Dividend income	(771)	(97)
Operating profit before working capital changes	<u>2,566</u>	<u>13,750</u>
Inventories	43	3,542
Timber concession	514	407
Property development costs	(98)	(1,778)
Contract liabilities	1,787	-
Trade and other receivables	(25,893)	6,452
Trade and other payables	(12,010)	13,929
Cash (used in) / generated from operations	<u>(33,091)</u>	<u>36,302</u>
Interest paid	(982)	(1,060)
Tax paid	(4,584)	(4,174)
Tax refund	10	298
Net cash (used in) / generated from operating activities	<u>(38,647)</u>	<u>31,366</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment properties	(1,366)	-
Purchase of property, plant and equipment	(28)	(262)
Placement of short term investment	(113,240)	(30,930)
Proceeds from disposal of assets held for sale	30,000	-
Proceeds from redemption of other investments	117,372	17,112
Dividend received	771	97
Interest received	4,296	3,472
Net cash generated from / (used in) investing activities	<u>37,805</u>	<u>(10,511)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	68,169	53,798
Payment of dividends to non-controlling interests	-	(560)
Payment of bank borrowings	(62,188)	(43,199)
Payment of hire purchase payable	(225)	(197)
Changes in fixed deposits with licensed bank	(850)	(336)
Net cash generated from financing activities	<u>4,906</u>	<u>9,506</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	4,064	30,361
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>19,747</u>	<u>3,580</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>23,811</u>	<u>33,941</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2018)

SEAL INCORPORATED BERHAD (4887-M)
Interim Financial Report For The Period Ended 31 March 2019
(The figures have not been audited)

Explanatory Notes pursuant to Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting

1 Basis of Preparation and Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting, Interim Financial Reporting*, provision of the Companies Act 2016 in Malaysia 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 2018. The explanatory notes attached to the interim financial report 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 2018.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended June 2018 except for the adoption of the following new/revised MFRSs and amendments of MFRSs:

Title	Effective Date
MFRS 9 Financial Instruments (IFRS as issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 1 Annual Improvements to MFRS Standards 2014 - 2016 Cycle	1 January 2018
Amendments to MFRS 2 Classification and Measurement of Shared-based Payment	1 January 2018
Amendments to MFRS 4 Applying MFRS 9 Financial Instruments with MFRS 4 Insurance	1 January 2018
Amendments to MFRS 140 Transfer to Investment Property	1 January 2018
Amendments to MFRS 128 Annual Improvements to MFRS Standards 2014 - 2016 Cycle	1 January 2018
IC Interpretation ("IC Int") 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119 Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015 - 2017 Cycle:	
(i) Amendments to MFRS 3 Business Combinations	1 January 2019
(ii) Amendments to MFRS 11 Joint Arrangements	1 January 2019
(iii) Amendments to MFRS 112 Income Taxes	1 January 2019
(iv) Amendments to MFRS 123 Borrowing Costs	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019

The following are the MFRSs, amendments to MFRSs and IC Interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but not yet effective and have not applied by the Group:

Title	Effective Date
Amendments to MFRS 2 Share-based Payments	1 January 2020
Amendments to MFRS 3 Business Combinations	1 January 2020
Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendments to MFRS 14 Regulatory Deferral Accounts.	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134 Interim Financial Reporting	1 January 2020
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendment to MFRS 138 Intangible Assets	1 January 2020
Amendments to IC Interpretation 12 Service Concession Arrangements	1 January 2020
Amendments to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendments to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
Amendments to IC Interpretation 22 Foreign Currency Transactions and Advance	1 January 2020
Amendments to IC Interpretation 132 Intangible Assets - Web Site Costs	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the abovementioned MFRSs, amendments to MFRSs and IC Interpretations did not result in significant changes in the accounting policies of the Group and had no significant effect on the financial performance and position of the Group except as mentioned below:

i. MFRS 9 Financial Instruments

MFRS 9 replaces the guidance in MFRS 139: Financial instruments: Recognition and Measurement on the classification and measurement of financial asset and financial liabilities and on hedge accounting. MFRS 9 is effective for annual reporting period beginning on or after 1 January 2018.

Restrospective application is required but restatement of comparative information is not compulsory. The Group has applied this standard for financial year beginning on 1 July 2018 where no restatement of comparative was made.

In respect of impairment of financial assets, MFRS 9 replaces the 'incurred loss' model in MFRS 139 with an "expected credit loss" ("ECL") model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt instruments measured at fair value through other comprehensive income, but not to investment in equity instruments.

The Group has assessed the impact of the adoption of MFRS 9 and concluded that the adoption does not have any material impact on the financial performance or position of the Group.

ii. MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers of which it will supersede current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it become effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services when a performance obligation is satisfied.

The initial application of MFRS 15 does not have any significant impact on the financial statements of the Group.

iii. MFRS 16 Leases

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclose of leases and requires for lessee to account for all lease under a single on balance sheet model. MFRS 16 will supersede MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease - Incentives and IC Interpretation 127 Evaluating the Substance of Transaction Involving the Legal Form of a Lease.

The initial application of MFRS 16 does not have any significant impact on the financial statements of the Group.

iv. Financial Impact

The financial impact from the initial application of MFRS 9, 15 and 16 are as follows:-

Condensed Consolidated Statement of Financial Position

	(Audited) As previously stated RM'000	Effect of adoption MFRS 9 RM'000	Reclassification MFRS 15 RM'000	Effect of adoption MFRS 15 RM'000	Effect of adoption MFRS 16 RM'000	As restated RM'000
As at 30 June						
Non-current Assets						
Land held for development	94,957	-	(94,957)	-	-	-
Inventories	-	-	94,957	-	-	94,957
Current Liabilities						
Gross amount due to customer contract	6,035	-	(6,035)	-	-	-
Contract liabilities	-	-	6,035	-	-	6,035
As at 1 July						
Non-current Assets						
Land held for development	72,575	-	(72,575)	-	-	-
Inventories	-	-	72,575	-	-	72,575
Current Liabilities						
Gross amount due to customer contract	3,295	-	(3,295)	-	-	-
Contract liabilities	-	-	3,295	-	-	3,295

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 31 March 2019. The total number of shares repurchased as at 31 March 2019 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 31 March 2019.

7 Segment Reporting

Period ended 31 March 2019

	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	54,000	13,976	3,777	-	1,906	2,691	76,350
Segment results	2,125	4,018	1,822	391	14,121	(3,634)	18,843
Interest income							4,296
Profit from operations							23,139
Finance cost							(982)
Profit before tax							22,157
Income tax							(6,781)
Profit for the period							15,376

Period ended 31 March 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	59,816	14,612	1,756	27,580	1,696	4,139	109,599
Segment results	2,819	4,973	263	8,515	175	(3,300)	13,445
Interest income							3,472
Profit from operations							16,917
Finance cost							(1,060)
Profit before tax							15,857
Income tax							(3,952)
Profit for the period							11,905

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 period ended 31 March 2019.

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 for the financial period ended 31 March 2019.

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 2018.

12 Commitments

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

13 Operating Lease Commitments

	As at 31 March 2019 RM'000
Not later than one year	8,972
Later than one year and not later than five years	1,495
	<u>10,467</u>

The operating lease commitments are in relation to a lease 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 31-Mar-19 RM'000	Quarter ended 31-Mar-18 RM'000	Financial period ended 31-Mar-19 RM'000	Financial period ended 31-Mar-18 RM'000
Revenue				
Property Construction	14,674	18,231	54,000	59,816
Property Management	4,671	4,791	13,976	14,612
Timber Related	-	1,756	3,777	1,756
Property Development	-	27,000	-	27,580
Investment Properties	636	540	1,906	1,696
Others	2,103	291	2,691	4,139
	<u>22,084</u>	<u>52,609</u>	<u>76,350</u>	<u>109,599</u>
Profit before tax				
Property Construction	2,228	4,491	5,686	5,519
Property Management	1,313	1,593	3,880	4,820
Timber Related	(67)	357	1,826	263
Property Development	212	8,711	827	8,970
Investment Properties	46	(319)	13,566	(412)
Others	(1,223)	(4,275)	(3,628)	(3,303)
	<u>2,509</u>	<u>10,558</u>	<u>22,157</u>	<u>15,857</u>

For the current quarter under review, the Group recorded a total revenue of RM22.08 million and profit before tax of RM2.5 million compared with the revenue of RM52.6 million and profit before tax of RM10.55 million recorded in the preceding year corresponding quarter.

For the 9 months financial period ended 31 March 2019, the Group recorded a revenue of RM76.35 million and profit before tax of RM22.16 million, a decrease of RM33.25 million revenue and increase of RM6.3 million profit before tax compared to preceding year corresponding financial period. The profit before taxation with an increase of RM6.3 million was mainly resulted from the gain on disposal of a development land from the investment properties segment the during the period under review.

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

	Current quarter 31-Mar-19 RM'000	Immediate preceding quarter 31-Dec-18 RM'000
Revenue	22,084	23,117
Profit before tax	<u>2,509</u>	<u>1,097</u>

Compared to the preceding quarter, there was a reduction in revenue from property construction segment by RM2.8 million. However, the marketing services segment has an increase in revenue of RM2.0 million. The increase in profit before taxation of RM1.5 million mainly contribute by property construction segment.

17 Prospect

The Malaysian property market will remain challenging with continuing tight mortgage financing and the global uncertainties. The Group will continue to focus on delivering the Queensville Project under the property constructions segment. Therefore, barring any unforeseen circumstances, the Group is cautiously optimistic in the results of 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 year to date RM' 000
Malaysian income tax:		
- Current tax expense	(2,299)	3,063
- Under provision in prior year	3,638	3,718
- Deferred tax expense	-	-
	<u>1,339</u>	<u>6,781</u>

The effective tax rate for the current quarter was higher than the statutory income tax rate in Malaysia mainly due to certain non-tax-deductible expenses and provisions of 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 31 March 2019 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long term borrowings</u>			
Term loans	<u>21,862</u>	-	<u>21,862</u>
<u>Short term borrowings</u>			
Term loans	11,174	21,506	32,680
Overdrafts	9,384	-	9,384
	<u>20,558</u>	<u>21,506</u>	<u>42,064</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 31 March 2019.

24 Earnings Per Share

Basic Earnings per Share

The calculation of the basic earnings per share is based on the profit attributable to the owners of the parent of RM15,339,212 divided by the weighted average number of ordinary shares in issue as at 31 March 2019 of 237,056,184 shares after deducting the treasury share 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 March 2019.

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	1,924	4,296
Dividend income	207	771
Gain on disposal of assets held for sale	2,581	15,935
Interest expenses	(322)	(982)
Depreciation	(122)	(414)
Stock written off	(1)	(2)
Fixed assets written off	(8)	(13)

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 2018 was not subject to any qualification.