

**SEAL INCORPORATED BERHAD (4887-M)**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/9/2019 RM'000	Preceding Year Corresponding Quarter Ended 30/9/2018 RM'000	Current Year To Date 30/9/2019 RM'000	Preceding Year Corresponding Period 30/9/2018 RM'000
<b>Revenue</b>	10,280	31,149	10,280	31,149
Cost of sales	(4,083)	(25,506)	(4,083)	(25,506)
<b>Gross profit</b>	6,197	5,643	6,197	5,643
Other income	3,054	19,085	3,054	19,085
Operating expenses	(5,069)	(5,846)	(5,069)	(5,846)
Finance cost	(656)	(331)	(656)	(331)
<b>Profit before tax</b>	3,526	18,551	3,526	18,551
Income tax	(1,341)	(5,134)	(1,341)	(5,134)
<b>Profit for the period</b>	2,185	13,417	2,185	13,417
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	2,185	13,417	2,185	13,417
<b>Profit / (Loss) attributable to:</b>				
Owners of the parent	2,166	13,413	2,166	13,413
Non-controlling interests	19	4	19	4
	2,185	13,417	2,185	13,417
<b>Total comprehensive income / (loss) attributable to:</b>				
Owners of the parent	2,166	13,413	2,166	13,413
Non-controlling interests	19	4	19	4
	2,185	13,417	2,185	13,417
<b>Earnings per share (sen)</b>				
- Basic	0.91	5.66	0.91	5.66
- Diluted	-	-	-	-

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Financial Statements for the year ended 30 June 2019)

**SEAL INCORPORATED BERHAD (4887-M)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2019**

(THE FIGURES HAVE NOT BEEN AUDITED)

	<b>(UNAUDITED)</b>	
	<b>As At 30/9/2019 RM'000</b>	<b>As At 30/6/2019 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,573	1,684
Investment properties	99,809	80,270
Inventories	95,024	95,017
Timber concessions	10,800	10,799
	207,206	187,770
<b>Current assets</b>		
Contract assets	380	1,985
Inventories	28,516	28,461
Trade receivables	72,863	88,706
Other receivables, deposits and prepayments	83,687	74,299
Tax recoverable	6,249	605
Other investments	18,403	18,506
Fixed deposits with licensed banks	26,189	20,999
Cash and bank balances	4,071	8,155
	240,358	241,716
<b>TOTAL ASSETS</b>	<b>447,564</b>	<b>429,486</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	142,630	142,630
Treasury shares	(2,166)	(2,166)
Reserves	353	353
Retained profits	148,019	145,853
	288,836	286,670
<b>Non-controlling interests</b>	5,946	5,927
<b>Total equity</b>	<b>294,782</b>	<b>292,597</b>
<b>Non-current liabilities</b>		
Deferred tax	511	511
Hire purchase payable	320	374
Bank borrowings	47,584	44,724
	48,415	45,609
<b>Current liabilities</b>		
Trade payables	22,994	21,189
Other payables and accruals	45,496	30,061
Hire purchase payable	236	249
Bank borrowings	29,680	39,110
Provision for taxation	5,961	671
	104,367	91,280
<b>Total liabilities</b>	152,782	136,889
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>447,564</b>	<b>429,486</b>
	-	-
<b>Net assets per share attributable to owners of the parent (RM)</b>	1.22	1.21

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019)

**SEAL INCORPORATED BERHAD (4887-M)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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		
<b>3 Months Ended 30 September 2019</b>								
Balance at 1 July 2019	142,630	-	(2,166)	353	145,853	286,670	5,927	292,597
Payment of dividends to non-controlling interests	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	2,166	2,166	19	2,185
Balance at 30 September 2019	<u>142,630</u>	<u>-</u>	<u>(2,166)</u>	<u>353</u>	<u>148,019</u>	<u>288,836</u>	<u>5,946</u>	<u>294,782</u>
<b>3 Months Ended 30 September 2018</b>								
Balance at 1 July 2018	142,630	-	(2,166)	353	126,051	266,868	5,886	272,754
Payment of dividends to non-controlling interests	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	13,413	13,413	4	13,417
Balance at 30 September 2018	<u>142,630</u>	<u>-</u>	<u>(2,166)</u>	<u>353</u>	<u>139,464</u>	<u>280,281</u>	<u>5,890</u>	<u>286,171</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 2019)

**SEAL INCORPORATED BERHAD (4887-M)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

(THE FIGURES HAVE NOT BEEN AUDITED)

	<b>Current Year To Date 30/9/2019 RM'000</b>	<b>Preceding Year Corresponding Period 30/9/2018 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,526	18,551
Adjustments for:		
Non-cash items	113	147
Non-operating items	1	(13,354)
Interest expenses	656	331
Interest income	(2,563)	(2,106)
Dividend income	(201)	(247)
Operating profit before working capital changes	1,532	3,322
Inventories	(62)	(1)
Timber concession	(1)	514
Contract liabilities	-	707
Contract assets	1,605	-
Trade and other receivables	6,455	(18,650)
Trade and other payables	17,240	(4,168)
Cash generated from / (used in) operations	26,769	(18,276)
Interest paid	(656)	(331)
Tax paid	(1,703)	(1,651)
Tax refund	6	10
<b>Net cash generated from / (used in) operating activities</b>	24,416	(20,248)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investment properties	(19,539)	(2,581)
Purchase of property, plant and equipment	(3)	(8)
Placement of short term investment	(20,333)	(25,015)
Proceeds from disposal of assets held for sale	-	30,000
Proceeds from redemption of other investments	20,436	7,100
Dividend received	201	247
Interest received	2,563	2,106
<b>Net cash (used in) / generated from investing activities</b>	(16,675)	11,849
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of borrowings	10,404	13,088
Payment of bank borrowings	(17,357)	(4,758)
Payment of hire purchase payable	(67)	(78)
Changes in fixed deposits with licensed bank	(852)	(394)
<b>Net cash (used in) / generated from financing activities</b>	(7,872)	7,858
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	(131)	(541)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	15,406	19,748
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	15,275	19,207

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2019)

**SEAL INCORPORATED BERHAD (4887-M)**  
**Interim Financial Report For The Period Ended 30 September 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*, 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 2019. 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 2019.

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 2019 except for the adoption of the following:

<b>Title</b>	<b>Effective Date</b>
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:

<b>Title</b>	<b>Effective Date</b>
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 Consideration	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.

**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 2019. The total number of shares repurchased as at 30 June 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 30 September 2019.

#### 7 Segment Reporting

Period ended 30 September 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	678	4,568	-	-	659	4,375	10,280
Segment results	(43)	1,252	(115)	193	245	87	1,619
Interest income							2,563
Profit from operations							4,182
Finance cost							(656)
Profit before tax							3,526
Income tax							(1,341)
Profit for the year							2,185

Period ended 30 September 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	21,828	4,608	3,776	-	613	324	31,149
Segment results	1,052	1,252	1,950	125	13,554	(1,157)	16,776
Interest income							2,106
Profit from operations							18,882
Finance cost							(331)
Profit before tax							18,551
Income tax							(5,134)
Profit for the year							13,417

#### 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 2019.

#### 9 Material Subsequent Events

There were no material events 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 30 September 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 2019.

## 12 Commitments

Capital commitments of the Group in respect of capital expenditure are as follows:

As at  
30-Sep-19  
RM'000

### Investment Properties

Approved and contracted for

16,319

On 5 August 2019, Seal City Sdn Bhd ("SCSB"), a wholly-owned subsidiary of Seal Incorporated Berhad, entered into a Sale and Purchase Agreement with Dwitasik Sdn Bhd ("Vendor") to acquire 20 units of commercial lots held under master title HS(D) 119054 PT No. 9149, in Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur from the Vendor for a total consideration of RM21.76 million. An announcement was made on 05 August 2019. The acquisition is expected to be completed on second quarter of financial year 2020.

## 13 Operating Lease Commitments

As at  
30-Sep-19  
RM'000

Not later than one year

5,981

Later than one year and not later than five years

-

5,981

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 30/9/2019 RM'000	Quarter ended 30/9/2018 RM'000	Financial period ended 30/9/2019 RM'000	Financial period ended 30/9/2018 RM'000
<b>Revenue</b>				
Property Construction	678	21,828	678	21,828
Property Management	4,568	4,608	4,568	4,608
Timber Related	-	3,776	-	3,776
Property Development	-	-	-	-
Investment Properties	659	613	659	613
Others	4,375	324	4,375	324
	<u>10,280</u>	<u>31,149</u>	<u>10,280</u>	<u>31,149</u>
<b>Profit before tax</b>				
Property Construction	2,367	2,916	2,367	2,916
Property Management	1,242	1,197	1,242	1,197
Timber Related	(115)	1,952	(115)	1,952
Property Development	(70)	286	(70)	286
Investment Properties	14	13,354	14	13,354
Others	88	(1,154)	88	(1,154)
	<u>3,526</u>	<u>18,551</u>	<u>3,526</u>	<u>18,551</u>

For the current quarter under review, the Group recorded a total revenue of RM10.28 million and profit before tax of RM3.53 million compared with the revenue of RM31.15 million and profit before tax of RM18.55 million recorded in the preceding year corresponding quarter.

For the 3 months financial period ended 30 September 2019, the Group recorded a revenue of RM10.28 million and profit before tax of RM3.53 million, a decrease of RM20.87 million in revenue and decrease of RM15.02 million in profit before tax compared to preceding year corresponding financial period. The main contributor to the decrease was from Queensville Project that has recorded an decrease about RM21.15 million in revenue and decrease of RM13.34 million profit in the investment properties segment.

During financial period 30 September 2018, Seal City Sdn Bhd, a wholly-owned subsidiary of the Group has disposed a development land at the consideration of RM30.0 million which has generated approximately RM13.4 million profit to the investment properties segment. In the same quarter, the timber activities has been carried out and generated about RM3.78 million revenue and RM1.9 million profit to the Group.

During the current quarter, there was a reduction in revenue of RM21.15 million was due to the lower sales recognition under property construction segment of Queensville Phase 1.

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

	Current quarter 30-Sep-19 RM'000	Immediate preceding quarter 30-Jun-19 RM'000
Revenue	10,280	23,879
Profit before tax	<u>3,526</u>	<u>5,886</u>

Compared to the preceding quarter, there was a decrease in revenue of RM13.6 million and profit before taxation of RM2.36 million mainly caused by the lower recognition of the revenue in property construction segment of Queensville Phase 1.

## 17 Prospect

The Malaysian government has taken several steps which has announced in the Malaysia budget 2020 to curtail the problems with the oversupply of real estate, however the overall momentum and prospects of the property market in the short term is expected to remain soft and challenging. The Group will continue to focus on delivering the Queensville Project under the property construction 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	<u>1,341</u>	<u>1,341</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 30 September 2019 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long term borrowings</u>			
Term loans	<u>47,584</u>	-	<u>47,584</u>
<u>Short term borrowings</u>			
Term loans	1,323	-	1,323
Commodity financing	14,069	-	14,069
Factoring	-	4,375	4,375
Overdrafts	9,913	-	9,913
	<u>25,305</u>	<u>4,375</u>	<u>29,680</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 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 RM2,165,556 divided by the weighted average number of ordinary shares in issue as at 30 September 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 30 September 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	2,563	2,563
Dividend income	201	201
Interest expenses	(656)	(656)
Depreciation	(113)	(113)
Fixed assets written off	(1)	(1)

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 2019 was not subject to any qualification.