SEAL
INCORPORATED BERHAD
(4887-M)

ANNUAL REPORT 2013

CONTENTS

CORPORATE INFORMATION

Directors

Tuan Haji Abdul Hamid Bin Mohd Hassan
Chairman, Executive Director

Chuah Chong Ewe
Chief Executive Officer, Executive Director

Fang Siew Hong
Executive Director

Chuah Chong Boon
Executive Director

Koay Teng Choon
Non-Independent Non-Executive Director

Ng Ngoon Weng
Independent Non-Executive Director

Tuan Haji Liakat Ali Bin Mohamed Ali
Independent Non-Executive Director

Allen Chee Wai Hong
Independent Non-Executive Director

Audit Committee

Chairman
Ng Ngoon Weng

Members
Tuan Haji Liakat Ali Bin Mohamed Ali
Allen Chee Wai Hong

Executive Committee

Chairman
Chuah Chong Boon

Members
Tuan Haji Abdul Hamid Bin Mohd Hassan
Fang Siew Hong
Chuah Chong Ewe

Remuneration Committee

Chairman
Koay Teng Choon

Members
Tuan Haji Abdul Hamid Bin Mohd Hassan
Tuan Haji Liakat Ali Bin Mohamed Ali
Allen Chee Wai Hong

Nominating Committee

Chairman
Ng Ngoon Weng

Members
Tuan Haji Liakat Ali Bin Mohamed Ali
Koay Teng Choon
Allen Chee Wai Hong

ESOS Committee

Chairman
Tuan Haji Abdul Hamid Bin Mohd Hassan

Members
Chuah Chong Ewe
Fang Siew Hong
Tuan Haji Liakat Ali Bin Mohamed Ali

Secretaries

Chan Yoke Yin (MAICSA 7043743)
Chai Churn Hwa (MAICSA 0811600)
Chiew Cindy (MAICSA 7057923)

Registered Office

55, Medan Ipoh 1A, Medan Ipoh Bistari
31400 Ipoh, Perak Darul Ridzuan, Malaysia
Telephone No.: 05-5474833
Fax No.: 05-5474363

Registrars

Symphony Share Registrars Sdn. Bhd.
55, Medan Ipoh 1A, Medan Ipoh Bistari
31400 Ipoh, Perak Darul Ridzuan, Malaysia
Telephone No.: 05-5474833
Fax No.: 05-5474363

Principal Place Of Business

A-8-1 Lorong Bayan Indah 4
11900 Bayan Lepas
Penang, Malaysia

Auditors

Grant Thornton
51-8-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang, Malaysia

Principal Bankers

AmBank (Malaysia) Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
United Overseas Bank (Malaysia) Berhad

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad

NOTICE IS HEREBY GIVEN THAT the Fifty-First Annual General Meeting of Seal Incorporated Berhad ("SEAL") will be held at Kapur Room, Level 2, Eastin Hotel Penang, No. 1, Solok Bayan Indah, Queensbay, 11900 Bayan Lepas, Penang, Malaysia on Friday, 29 November 2013 at 9.30 a.m. for the following purposes:

AGENDA	Resolution No.
1. To receive the Audited Financial Statements for the year ended 30 June 2013, together with the Directors' and Auditors' Reports thereon.	
2. To approve payment of Directors' fee of RM72,000/-.	1
3. To re-elect the following Directors retiring pursuant to the Articles of Association of the Company:	
3.1 Fang Siew Hong	2
3.2 Koay Teng Choon	3
4. To consider and, if thought fit, pass a resolution pursuant to Section 129 of the Companies Act, 1965 to re-appoint Tuan Haji Abdul Hamid Bin Mohd Hassan as a Director of the Company to hold office until the next Annual General Meeting of the Company.	4
5. To re-appoint Messrs Grant Thornton as Auditors and to authorise the Directors to fix the Auditors' remuneration.	5
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.	
7. As Special Business:	
Ordinary Resolution 1 – Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965	6

"That, subject to the Companies Act, 1965 and the Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad, Securities Commission and other relevant governmental or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the capital of the Company from time to time upon such terms and conditions and for such purposes as the Directors may in their discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

Ordinary Resolution 2 – Proposed Renewal of Share Buy Back Authority 7

"That, subject to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association, the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM0.40 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy Back") provided that:

i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;

ii) the maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy Back shall not exceed the sum of Retained Profits and/or the Share Premium Accounts of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy Back. As at 30 June 2013, the Retained Profits and Share Premium Account of the Company are as follows:

	As at 30 June 2012	As at 30 June 2013
Retained Profits	RM19,510,387	RM22,655,515
Share Premium	RM45,448,463	RM45,448,463

AGENDA	Resolution No.
Ordinary Resolution 2 – Proposed Renewal of Share Buy Back Authority (con't)	7

iii) the shares purchased by the Company pursuant to the Proposed Share Buy Back may be dealt with in all or any of the following manner (as selected by the Company):
   a) the shares so purchased may be cancelled; and/or
   b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
   c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

And that any authority conferred by this resolution may only continue to be in force until:

i) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting, whichever occurs first.

And that authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares) in accordance with the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company and the Main LR and/or guidelines of Bursa Securities and all other relevant governmental and/or regulatory authorities."

By Order of the Board

Chan Yoke Yin
Chai Churn Hwa
Chiew Cindy
Company Secretaries

Ipoh, Perak Darul Ridzuan, Malaysia
30 October 2013

NOTES:

1. Only members whose names appear on the Record of Depositors as at 25 November 2013 shall be entitled to attend the Annual General Meeting or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.

2. A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him. A proxy may but need not be a member of the Company.

3. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

4. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

6. The instrument appointing a proxy must be deposited at the Registered Office of the Company, 55 Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia not less than 48 hours before the time appointed for holding the Meeting.

EXPLANATORY NOTES TO SPECIAL BUSINESS

(a) **ORDINARY RESOLUTION 1 –**
AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

The Ordinary Resolution 1 proposed under item 7 if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting ("AGM") until the next AGM to allot and issue shares in the Company up to a maximum of ten per centum (10%) of the issued share capital of the Company. This general mandate will expire at the conclusion of the next AGM of the Company, unless revoked or varied at a general meeting.

The general mandate sought for issue of shares is a renewal of the mandate that was approved by the shareholders on 24 November 2012. The Company did not utilise the mandate obtained at the last AGM and thus no proceeds were raised from the previous mandate.

The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises, including but not limited to further placement of shares for the purpose of funding current and/or future investment projects, working capital and/or acquisitions.

(b) **ORDINARY RESOLUTION 2 –**
PROPOSED RENEWAL OF SHARE BUY BACK AUTHORITY

The above Ordinary Resolution 2, if passed, will empower the Directors to purchase the Company's shares through Bursa Malaysia Securities Berhad up to 10% of the issued and paid-up share capital of the Company. Details of the Proposed Share Buy Back is set out in the Circular to Shareholders of the Company, which is sent out together with the Company's 2013 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Statement Accompanying Notice of Annual General Meeting of Seal Incorporated Berhad pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities)

Further details of individuals standing for election and re-appointment as Directors are set out in the Profile of Directors and Statement of Shareholdings on page 8 to 10 and 79 respectively of this Annual Report.

On behalf of the Board of Directors of Seal Incorporated Berhad, it gives me great pleasure to present to you the Annual Report and the Audited Financial Statements for the financial year ended 30 June 2013.

According to Bank Negara Report, Malaysian economy grew by 5.6% in 2012, despite the uncertainties in the global economy where advanced countries were seen struggling.The property segment has felt the effects from the cooling off measures undertaken by Bank Negara, a signal of the Government and policy maker's desire for a stable and sustainable growth. Though, the property market plateaued, across the country key urban areas registered strong growth in the residential sector.

In view of the uncertainties in the global economy and the increasingly competitive environment, we have stepped into 2013 cautiously and remain focused in our core business activities with well-planned strategies to continue strengthening our foundation.

Financial Performance

The Group chalked up a total revenue of RM183.3 million for the financial year ended 30 June 2013, which represents an increase of RM60.6 million (49.4%) from RM122.7 million recorded in the previous financial year ended 30 June 2012. The increase is mainly attributable to the Property Development segment which registered an increase of RM52.4 million which, at RM139.1 million contributed 75.9% of the Group's total revenue. The Investment Properties and Timber segments make up the remaining 24.1%.

The Group posted a profit before tax of RM52.8 million for the financial year ended 30 June 2013, which is an increase of RM10.3 million as compared to RM42.5 million recorded in the preceding financial year ended 30 June 2012. The higher profit in the current financial year is mainly the result of the higher profit derived from the Property Development.

Operational Review

Property Development
The Group continued to be driven by its Property Development segment, notably the development of Bayan City (Phase 1) which has received positive response from the market.

Bayan City (Phase 1) is an innovative mixed development, offering the best combination between 'Lifestyle, Quality and Value'. The development comprises of two components, namely Elit Avenue Business Park and Elit Heights, both are expected to be completed by early 2014. Elit Avenue Business Park features top-notch shop-offices, designed to infuse business with pleasure, by enhancing privacy as well as promoting a prestige lifestyle. Elit Heights on the other hand, features resort-style designer suites set overlooking lush greenery with a breathtaking view.

Property Investment
Selayang Mall continues to maintain a high occupancy rate throughout the financial year, contributing revenue of approximately RM19.0 million (2012: RM18.1 million) to the Group. The Mall has continued to enhance its image and concept over the years to stay competitive and is the preferred venue for retailers and shoppers around Selayang and Batu Caves area. This success is attributable to the support from our dedicated and committed management team.

Timber Related Activities
Timber segment contributed RM25.1 million to the Group's revenue during the current financial year. This is an increase of RM7.3 million as compared to previous financial year ended 30 June 2012 of RM17.8 million.

Overall however, this segment recorded a loss of RM5 million, despite achieving operational profits from its timber extraction activities of approximately RM2.3 million. This is mainly due to the non-operating event where Great Eastern Mills Berhad, a subsidiary company has renounced its rights over logging concession pursuant to a Settlement Agreement entered with Kompleks Perkayuan Kelantan Sdn Bhd and Timber Employee Union, Peninsular Malaysia ("the Union"), to resolve claims of approximately RM5 million by the Union, as announced on 11 December 2012.

The Group shall continue to procure new timber concessions, and the segment is expected to contribute positively to the Group's result in the coming years.

Corporate Developments

Seal Concepts Sdn Bhd, a sub-subsidiary company has on 28 November 2012 entered into a Joint Venture Agreement with Koperasi Tunas Muda Sungai Ara Berhad to develop a portion of freehold land measuring approximately 12 acres in a prime location in Bayan Baru, Penang into a proposed integrated urban development. Bayan Baru is one of the most developed and rapidly developing townships in Penang. This is largely due to its close proximity to the Bayan Lepas Free Industrial Zone (FIZ), which is a source of employment for the major population in Penang. Bayan Baru had also recently been earmarked as a Business Process Outsourcing ("BPO") hub in Penang, to be rolled-out and completed within the next three to five years. The BPO hub is expected to elevate Penang's status in becoming a high-income economy.

Corporate Developments (cont'd)

Seal Properties (KL) Sdn Bhd, a wholly owned subsidiary has on 19 February 2013 entered into a Turnkey Agreement with Dwitasik Sdn Bhd to develop a portion of the land measuring 12.46 acres in Bandar Tun Razak (Bandar Sri Permaisuri), Cheras, Kuala Lumpur into a proposed integrated urban development. The development is strategically located to the South of Kuala Lumpur and right at the centre point of the Multimedia Super Corridor and is easily accessible via the Salak Selatan LRT station, Salak Selatan KTM Komuter station as well as to the Sungai Besi Expressway (BESRAYA), Kuala Lumpur Putrajaya Highway and East West Link Expressway.

Seal Properties (SP) Sdn Bhd, a subsidiary company has during the financial year acquired a piece of prime land at the new satellite town in the North of Sungai Petani, Kedah measuring approximately 88.4 acres to be developed into a landed residential and commercial development. The property is easily accessible via Sungai Petani North Toll of PLUS Highway and is close to various amenities, including a major shopping mall.

Seal City Sdn Bhd, a subsidiary company has during the year acquired another piece of land in Sungai Petani, Kedah measuring approximately 87.8 acres for investment.

The above developments are expected to generate positive results to the Group in the coming years.

Future Outlook

Based on the Group's current and forthcoming developments in the Property Development segment, together with a consistent flow of income from both Property Investment and Timber segment, the Board is confident that the Group will continue to perform and grow steadily in the coming years.

The Group continues to search for new business opportunities that are both economically viable and financially profitable. The Group is cautiously optimistic with property market bearing in mind of pre-emptive approach taken by Bank Negara in implementing stricter lending policy and prudent management of household debt. However, the Board is confident that the Group will continue to perform and grow steadily, with its well defined business strategies and plans, supported by its dynamic management team.

Appreciation

On behalf of the Board, I would like to extend my deepest appreciation to the management and all our employees which we value as our greatest assets, for their continuous efforts, hard work, commitment, dedication and contribution towards the success of the Group.

To my fellow Board members, thank you for your invaluable support and active participation throughout the year.

Our sincere thanks and gratitude also goes out to our valued shareholders, investors, customers, bankers, business associates, suppliers and various local authorities for their ongoing support, confidence, immeasurable guidance and assistance.

In closing, let us all work together in bringing Seal Incorporated Berhad to the next level as we progress towards new undertakings.

TUAN HAJI ABDUL HAMID BIN MOHD HASSAN
Chairman

From left to right :
• KOAY TENG CHOON • TUAN HAJI LIAKAT ALI BIN MOHAMED ALI • CHUAH CHONG EWE • CHUAH CHONG BOON • FANG SIEW HONG • NG NGOON WENG • TUAN HAJI ABDUL HAMID BIN MOHD HASSAN • ALLEN CHEE WAI HONG

TUAN HAJI ABDUL HAMID BIN MOHD HASSAN, *75 years of age, Malaysian*
Chairman, Executive Director
Chairman, ESOS Committee
Member, Remuneration Committee
Member, Executive Committee

He was appointed to the Board on 7 February 2002. He became a member of the Remuneration Committee and Executive Committee on 22 August 2002.

He was President of the Malaysian Institute of Taxation. He has 33 years of experience working in the Department of Inland Revenue from which he retired in June 1993 as Deputy Director General. He was the General Manager of Paramount Malaysia (1963) Sdn. Bhd. from July 1993 to August 1997 and the General Manager of the taxation division of the See Hoy Chan Sdn. Bhd. group of companies from August 1997 to January 2002.

He also sits on the Board of the Company's subsidiary, Great Eastern Mills Berhad and several other subsidiaries.

CHUAH CHONG EWE, *46 years of age, Malaysian*
Chief Executive Officer
Executive Director
Member, Executive Committee
Member, ESOS Committee

He was appointed to the Board as Chief Executive Officer and Executive Director of the Company on 20 April 2012. He was also appointed as a member of the Executive Committee on even date.

He graduated with a degree in LLB (Hons) from University of Malaya and was admitted to the Malaysian Bar Council on 26 February 1993.

He has more than 18 years of experience in legal practice and is well versed in corporate, conveyancing and litigation matters. He comes with a vast experience in practical knowledge and well-rounded exposure in all aspects of corporate, business and property development.

FANG SIEW HONG, *37 years of age, Malaysian*
Executive Director
Member, Executive Committee
Member, ESOS Committee

She was appointed to the Board as Executive Director of the Company on 12 September 2005. She was also appointed as a member of the Executive Committee on even date.

She graduated with a Bachelor of Commerce, Accounting & Information Systems from Deakin University, Australia.

She started her career with Widetech Manufacturing Sdn. Bhd. as an Accounts Executive in November 1999 and joined Chi Fat International Pty Ltd, Australia in 2002 as an Assistant Manager. Upon her return to Malaysia in 2003, she joined Khoo Choon Keat & Associates as an auditor and subsequently as an accountant in Advance Micro Devices Export Sdn. Bhd.

She also sits on the Board of the Company's subsidiary, Great Eastern Mills Berhad and several other subsidiaries.

CHUAH CHONG BOON, *52 years of age, Malaysian*
Executive Director
Chairman, Executive Committee

He was appointed to the Board as Executive Director of the Company on 28 August 2006. He became the Chairman of the Executive Committee on 18 September 2006 and as a member of the Audit Committee on 27 August 2007. Subsequently, he resigned as an Audit Committee member on 30 January 2009.

He graduated with a Master Degree in Business Administration from the Herriot-Watt University, United Kingdom.

He began his career in the banking industry as Credit Controller in Public Bank Group from 1983 to 1987 and had good exposure in Corporate Banking Division in Arab-Malaysian Banking Group from 1988 to 1996.

After he left the banking industry, he joined the development industry as General Manager of Cherating Group in year 1996 and as Executive Director of Tenco Management Sdn. Bhd. in year 1997. He joined Pintas Nitmat Sdn. Bhd. as an advisor from 1998 to 1999 and as General Manager of Antah Holdings Berhad from 2000 to 2002. He then became General Manager of Naga Sakti Sdn. Bhd. from 2003 to 2006.

He also sits on the Board of the Company's subsidiary, Great Eastern Mills Berhad and several other subsidiaries.

KOAY TENG CHOON, *50 years of age, Malaysian*
Non-Independent Non-Executive Director
Chairman, Remuneration Committee
Member, Nominating Committee

He was appointed to the Board on 12 September 2005. He was then appointed as Chairman of the Remuneration Committee and as a member of Nominating Committee on 20 April 2012. He is the Managing Director of First Tycoon Enterprise (M) Sdn. Bhd. and Syarikat Agensi Pekerjaan ACE Recruit Sdn. Bhd. since year 1999 till to date.

NG NGOON WENG, *55 years of age, Malaysian*
Independent Non-Executive Director
Chairman, Audit Committee
Chairman, Nominating Committee

He was appointed to the Board and the Audit Committee on 30 January 2009 and was subsequently appointed as the Chairman of the Audit Committee on 13 May 2009. He was also appointed as member of the Nominating Committee on 13 May 2009 and then redesignated as Chairman of the Nominating Committee on 20 April 2012.

He holds a Diploma in Selling Financial Services from International Management Centre, London and a Degree in Social Science (Management Studies) from Universiti Sains of Malaysia.

He has more than 20 years operation experience in the banking industry holding managerial positions from 1984 to 2005 in various financial institutions. After he left the banking industry, he joined WinSun Technologies Berhad as Director till April 2010. He is now an Independent Non-Executive Director of Supercomnet Technologies Berhad.

TUAN HAJI LIAKAT ALI BIN MOHAMED ALI, *50 years of age, Malaysian*
Independent Non-Executive Director
Member, Audit Committee
Member, Remuneration Committee
Member, Nominating Committee
Member, ESOS Committee

He was appointed to the Board and the Audit Committee on 25 September 2009. He was also appointed as a member of the Remuneration Committee and Nominating Committee on even date.

He was a Penang Municipal Councilor from 2000 to 2002 and was appointed as the Treasury State UMNO Youth in 2001 and subsequently appointed as Deputy State UMNO Youth from 2002 to 2004. At the same time, he was the State Secretary of the Barisan Nasional Youth from 2001 to 2004. Currently he is the Managing Director of Pangkal Sinar Sdn. Bhd., the Public Relations Director of Systematic Conglomerate Sdn. Bhd. and the Vice President of UMNO Bayan Baru Division.

ALLEN CHEE WAI HONG, *40 years of age, Malaysian*
Independent Non-Executive Director
Member, Audit Committee
Member, Remuneration Committee
Member, Nominating Committee

He was appointed to the Board and the Audit Committee on 20 April 2012. He was also appointed as a member of the Remuneration Committee and Nominating Committee on even date.

He holds an LL.B Honours Degree from University of London, United Kingdom and a Master Degree in Business Administration from University Utara Malaysia. He is a qualified Advocate and Solicitor and is a member of the Malaysian Bar. He is also a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom and a Member of the Malaysia Institute of Accountants.

He helmed the position of Executive Director of a Main Market listed company in Malaysia for 12 years where he was involved in the area of corporate finance and accounting. He is now a partner of a public practice in Penang.

The Board of Directors ('the Board') of Seal Incorporated Berhad ('Seal') acknowledges that sound principles of corporate governance are fundamental in managing business and affairs of the Group, and the Board is committed to ensure that the highest standard of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to safeguard and enhance long term shareholders' value.

The Board is pleased to disclose a narrative statement, as outlined below, on the manner the Group has applied the principles and extent of compliance with the recommendations as set out in the Malaysian Code on Corporate Governance 2012.

A. Board of Directors

Roles and Responsibilities of the Board

The Board is responsible for overall performance and management of the Group. To sustain and promote ethical conduct in business dealing, the Board has legal and fiduciary duty to act to the best interest of the Group and to effectively represent and promote the interests of the shareholders and stakeholders with a view to achieve its vision towards corporate sustainability by setting the policies, strategic directions, establishing and evaluating the business conducts, identifying principal risks and ensuring the implementation of the appropriate control and systems to manage the risk.

Generally, the Executive Directors are responsible for day-to-day management of the Group's business, implementation of Board's policies and making operational decisions while the Non-Executive Directors contribute their knowledge and experience in business strategic plans.

The Independent Non-Executive Directors provide significant contribution towards the formulation of policies and decision making. The presence of Independent Non-Executive Directors is essential as they provide an unbiased and independent view, advice and judgement to the decision making of the Board and brings the caliber necessary to carry sufficient weight in Board decisions. Their main role is to ensure that the strategies and plans proposed by executive management are fully discussed and examined, and take into account of the long term interest, not only of the Shareholders, but also other Stakeholders of the Group.

The roles and responsibilities for the Chairman and the Chief Executive Officer have been defined in the Board Charter to ensure that there is balance of power and authority.

Board Composition and Independence

The Group is led by an effective Board, comprising members with a wide range of expertise in accounting, finance, banking, legal, property sector and public service. Together, the Directors bring a broad range of skills, experiences and knowledge that are essential to govern and direct the Group's business activities, which are vital to the success of the Group.

The Board currently comprises 8 members, with 4 Executive Directors, 1 Non-Independent Non-Executive Director and 3 Independent Non-Executive Directors. Together, the Board has a balanced composition of Executive and Non-Executive Directors where no individual or small group of individuals can dominate the Board's decision making. The Board complies with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") which requires that at least two Directors or one-third of the Board of the Company, whichever is higher, are Independent Directors. The Board also adopts the gender diversity with Fang Siew Hong being a member of the Board.

The Board acknowledges that a well-balanced board will benefit the Group in appraising matters and arriving decisions which will enhance the performance of the Group. The Directors together bring a wide range of business, financial, industrial and technical experience to lead the Group in the area of business strategies, performance, and utilisation of resources and standards of conduct.

A brief description of the background of each director is presented under Profile of Directors on pages 8 to 10 of the Annual Report.

The Board is mindful that the Chairman, Tuan Haji Abdul Hamid Bin Mohd Hassan is an Executive Director of the Board. However, the presence of sufficient Independent Directors on the Board who provides unbiased and independent views, advice and judgement plays a pivotal role in ensuring there is enough check and balance and corporate accountability. Moreover, the Chairman's experience in the taxation field would enable him to provide the Board with diverse experience and knowledge to proper manage and run the Group.

Board Charter

The Board has established clear functions reserved for the Board and those delegated to management in the Board Charter which serves a source reference and primary induction literature, providing insights to prospective board members and senior management. The concise Board Charter is available at the corporate website at www.sib.com.my.

Formalised Ethical Standards through Code of Conduct

The Group has also formalised a Code of Conduct which sets out the principles and standards of business ethics and conduct of the Group to establish a standard of ethical behaviour for Directors and employees based on trustworthiness and values that can be accepted. The Code of Conduct includes principles relating to conflict of interest, confidentiality of information, insider trading, compliance with laws and regulations, health, safety and environment and protection of the Group's assets. In addition, a Whistleblowing Policy and Procedure is also in place to commit to the Group's culture of honesty, integrity and transparency while also providing a mechanism for employees, Directors or any persons to report instances of unethical behaviour, actual or suspected fraud.

Board Meetings

The Board meets at least four (4) times a year on a scheduled basis with additional meetings convened as and when necessary. The meetings are scheduled in advance before the end of the financial year to enable the Directors to plan accordingly, to fit the Board meetings into their schedules.

The Board has met for a total of five (5) times during the financial year ended 30 June 2013. All Directors have fulfilled the MMLR in relation to their attendance at Board Meetings. Details of attendance of Directors at the Board Meetings are as follow:

Name of Directors	Number of Meetings held in financial year during Director's tenure in office	Number of Meetings Attended
Tuan Haji Abdul Hamid Bin Mohd Hassan	5	4
Chuah Chong Ewe	5	4
Fang Siew Hong	5	5
Chuah Chong Boon	5	5
Koay Teng Choon	5	4
Ng Ngoon Weng	5	4
Tuan Haji Liakat Ali Bin Mohamed Ali	5	5
Allen Chee Wai Hong	5	5

The agenda for all board meetings, board papers and relevant documents are circulated in advance. All proceedings from the Board meetings are duly recorded and the minutes thereof are signed by the Chairman of the meeting.

Supply of Information

In enhancing their duties, the Board members have unrestricted access to timely and accurate information within the Group. A Board report is prepared prior to the Board meeting and sufficient notice is given to the Directors to review the papers and agenda of the meeting.

Generally, the Board papers provide information on the operation results, financial, corporate development, policies and procedures, acquisitions and disposals proposals, if any, and any other important matters to be brought to the attention of the Board.

Qualified and Competent Company Secretary

All Directors have unrestricted access to the advice and services of the Company Secretary on matter s relating to their roles and responsibilities. The Directors are regularly updated by the Company Secretary on new statutory as well as regulatory requirements.

Directors' Training

All the Directors have completed the Mandatory Accreditation Program and are encouraged to attend training programmes under the Continuing Education Program to broaden their perspectives, to keep abreast with developments in the industries and further enhance their skill and knowledge to discharge their duties and responsibilities effectively.

In line with the provisions of Paragraph 15.08 of the MMLR, the Directors have undergone the following training programmes during the financial year ended 30 June 2013:

a) Tax Audits & Investigations
b) Board Oversight Responsibilities for Merger & Acquisition
c) 3rd Annual Shopping Mall
d) Malaysian Budget 2013 Highlights & Implications
e) Sales Tax & GST Implications on Manufacturing Companies
f) Getting the GST Essentials Right

Board Committees

The Board of Directors has delegated certain responsibilities to the Board Committees, namely the Audit Committee, Executive Committee, Nominating Committee and Remuneration Committee in order to enhance business and operational efficiency as well as efficacy. These Board Committees, which operate within defined terms of reference, assist the Board in the execution of its duties.

The terms of reference of the Audit Committee are set out in the section under the Audit Committee Report.

Appointments to the Board

The Nominating Committee was formed on 22 August 2002 to ensure an effective director selection process and appropriate structure for management development. Its responsibilities include the following:

a) proposing new nominees to the Board and Committees of the Board;
b) assessing the structure, size and composition of the Board;
c) reviewing annually relevant mix of skills and other qualities, including core competence which Non-Executive Directors should bring to the Board;
d) assessing annually the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director; and
e) ensure orientation and education programme is provided for directors.

The members of the Nominating Committee during the year, composed exclusively of Non-Executive Directors, were as follows:

Name of members	
Ng Ngoon Weng	- Independent Non-Executive Director (Chairman)
Tuan Haji Liakat Ali Bin Mohamed Ali	- Independent Non-Executive Director (Member)
Allen Chee Wai Hong	- Independent Non-Executive Director (Member)
Koay Teng Choon	- Non-Independent Non-Executive Director (Member)

The Nominating Committee shall meet at least once a year and as and when deemed necessary. One meeting was held during the financial year ended 30 June 2013. The annual assessments of each individual Director, independent directors, retiring Directors and the Board as a whole have been documented and noted.

Re-appointment and Re-election of Directors

In accordance with the Articles of Association of the Company, an election of Directors shall take place every year and all Directors shall retire from office once at least in every 3 years. In addition, a Director who attains the age of 70 retires at every Annual General Meeting pursuant to the Companies Act, 1965.

B. Directors' Remuneration

The members of the Remuneration Committee during the year, composed mainly of Non-Executive Directors, were as follows:

Name of members	
Koay Teng Choon	- Non-Independent Non-Executive Director (Chairman)
Tuan Haji Abdul Hamid Bin Mohd Hassan	- Executive Director (Member)
Tuan Haji Liakat Ali Bin Mohamed Ali	- Independent Non-Executive Director (Member)
Allen Chee Wai Hong	- Independent Non-Executive Director (Member)

The Remuneration Committee shall meet at least once a year and as and when deemed necessary. One meeting was held during the financial year ended 30 June 2013.

Fees payable to the Directors are recommended by the Board with the approval from shareholders at the Annual General Meeting.

Generally, the remuneration package will be structured according to the skills, experience and performance of Executive Directors to ensure the Group attracts and retains the Directors needed to run the Group successfully, whereas the remuneration package of Non-Executive Directors is reflective of their experience and level of responsibilities, which is determined collectively by the whole Board. The Executive Director however, plays no part in the deliberation and decision on his own remuneration.

B. Directors' Remuneration (cont'd)

Details of Directors' Remuneration for Directors of the Company received and/or receivable for the year ended 30 June 2013 are as follows:

	Executive Directors RM	Non-Executive Directors RM	Total RM
Fees	–	72,000	72,000
Salaries & Other Emoluments	793,500	–	793,500
Employees Provident Fund	81,000	–	81,000
Total	874,500	72,000	946,500

The number of Directors of the Company whose total remuneration falls within the following bands for the year ended 30 June 2013 is as follows:

Range	Executive Directors	Non-Executive Directors	Total
Below RM50,000	1	3	4
RM50,001-RM100,000	–	–	–
RM100,001-RM150,000	1	–	1
RM150,001-RM200,000	–	–	–
RM200,001-RM250,000	–	–	–
RM250,001-RM300,000	1	–	1
RM300,001-RM350,000	–	–	–
RM350,001-RM400,000	1	–	1

C. Relations with Shareholders and Investors

Dialogue between Company and Investors

The Group acknowledges the importance of maintaining transparent and effective communications with the shareholders and investors. Therefore, all major development within the Group is conveyed by way of announcements on Bursa Securities website, the Company's annual reports and other circulars to shareholders. In addition, the Group maintains a website at www.sib.com.my for convenient access by the shareholders and general public. The Group has also adopted a Shareholder Communication Policy to practice high quality, ongoing dialogue and communication with its shareholders in order to build trust and understanding in the relationship between the Company and its shareholders.

Annual General Meeting

The principal forum for dialogue and communication with shareholders remains at the Annual General Meeting (AGM) and Extraordinary General Meeting. The shareholders are encouraged to participate and pose questions during AGM on both the resolutions being proposed or about the Group's operations in general. Where appropriate, the Chairman will endeavour to provide the shareholders with written answer to any significant question raised.

Notice of AGM which is contained in the Annual Report is sent out at least 21 days prior to the date of the meeting.

D. Accountability and Audit

Financial Reporting

In presenting the annual financial statements and quarterly announcements to the shareholders, the Board is responsible to present and provide a clear, balanced and understandable assessment of the Group's positions and prospects.

The Audit Committee assists the Board in overseeing the Group's financial reporting processes and the quality of the financial reporting to ensure accuracy and authenticity of the reporting.

D. Accountability and Audit (cont'd)

Corporate Disclosure Policy

The Group has on the recommendation of the Malaysian Code on Corporate Governance 2012, adopted a Corporate Disclosure Policy to ensure accurate, clear, timely, factual and broad dissemination of material information necessary for informed investing and take reasonable steps to ensure that all who invest in the Company's securities enjoy equal access to such information to avoid an individual or selective disclosure.

Directors' Responsibility Statement

The Directors are required to prepare the financial statements for each financial year which have been drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of their financial performance and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have selected appropriate accounting policies which are applied consistently, supported by reasonable and prudent judgments and estimates.

The Directors also have general responsibilities for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Relationship with the Auditors

The Board, through the Audit Committee, has established a transparent and appropriate relationship with the Group's auditors. The Audit Committee has been explicitly accorded to communicate and meet the auditors to discuss the conduct and findings arising from audit, wherever necessary.

E. Risk Management and Internal Control

The Group has established a sound risk management framework and internal control system to safeguard shareholders' investment and the Group's assets, as presented in the Statement on Risk Management and Internal Control on page 17 to 18 of the Annual Report.

Compliance Statement

The Group has substantially complied with the Principles and Best Practice and Recommendations of Malaysian Code on Corporate Governance 2012.

CORPORATE RESPONSIBILITY

At Seal Incorporated Berhad ("Seal"), the Board of Directors acknowledges the importance of corporate social responsibility for sustainable development, where it is a continuing commitment by businesses to behave ethically, creating shared values and contribute to the economic development. Seal realizes that as a responsible corporate citizen in our community, we believe in contributing back to the society in a meaningful way.

The Workplace

"People first, profit later" is the philosophy of the Group.

Seal is well aware of the importance of our employees, their dedication and commitment contributes to the successes of the Group. We strive to constantly look at ways to reward them for their efforts.

COMPANY ANNUAL DINNER 2013 WITH THE THEME OF "SHANGHAI NIGHTS"

In line with the Group's strong believe on human capital development, we conduct and also send our employees for training and courses to improve their skills and competency levels. Continuous learning and professional development is vital for career advancement.

To cultivate a harmonious working environment, the Group consistently organizes activities such as annual dinner, company trips, group outings, employees' birthday celebration and sports/recreational programs. All employees are encouraged to participate as this can foster closer ties and better working relationships among all levels.

The Group ensures to provide a safe and healthy working environment for all its employees. Regular in-house health talks, fire drills and other safety and healthy activities were carried out during the year.

CROSS FUNCTIONAL BOWLING COMPETITION

The Community

Continuous efforts are being made by the Group to the community by contributing financially to those in need as well as by sponsoring social activities. Charity visits were made to needy homes and families, providing both monetary and non-

CONTRIBUTIONS TO KOPERASI OKU

monetary assistance. The Group is also active in promoting voters' registration, contribution to zakat and customer relations with various governmental bodies. Contributions were also made to Koperasi OKU to cover rental of the OKU Koperasi Centre during the year. The Group's staff recruitment focuses its primary priority in recruiting local talents, with foreign resources being considered only when locals are not available.

GROUP CHARITY VISIT TO SERI CAHAYA HOME

The Environment

The Group believes that with new developments and fast growing urban infrastructures, greater responsibilities should be placed towards the environment, to protect, preserve and minimize the adverse impacts. In respecting the environment and lowering our carbon footprint, the Group continues to identify and devote resources in environmental friendly initiatives. The Group practices reforestation, recycling of waste, 5S housekeeping and organizes "green" campaigns aimed at promoting environmental awareness.

We constantly look for ways to improve our operations with energy saving drive in mind. Simple steps like switching off non-essential equipment and lightings, maintaining electrical devices and air-conditioning on a need-to-use basis, recycling paper and reducing paper wastage are strongly recommended and practiced at all times.

The Marketplace

The Group is responsible in maintaining a high standard of corporate governance with the objective of safeguarding our shareholders' value and other stakeholders' interest. The Group is also sensitive to our customer's satisfaction, feedbacks and on-time delivery principles and seek efforts to improve using out-of-the-box concepts. To have a better understanding of the Group's operation, strategies, performance and growth prospects, effective communication channels such as regular meetings and dialogues are conducted, and a website provided for the general public to access.

INTRODUCTION

The Malaysian Code of Corporate Governance 2012 requires listed companies to maintain a sound system of internal controls to safeguard shareholders' investment and the Group's assets.

Guided by the Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Companies, the Board of Directors of Seal Incorporated Berhad is pleased to present the Statement on Risk Management and Internal Control which is prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

RESPONSIBILITY FOR RISK AND INTERNAL CONTROL

The Board recognises its overall responsibility for the Group's systems of internal control and for reviewing the adequacy and integrity of those systems. In view of the limitations that are inherent in any systems of internal control, the systems of internal control are designed to manage risk within tolerable levels rather than eliminate the risk of failure to achieve business objectives. Hence, such system by its nature can only provide reasonable and not absolute assurance against material misstatement, error or losses.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced, or potentially exposed to, by the Group in pursuing its business objectives. This process has been in place throughout the financial year and up to the date of approval of the annual report. The adequacy and effectiveness of this process have been continually reviewed by the Board and are in accordance with the Internal Control Guidance.

RISK MANAGEMENT

The Board and the management practice proactive significant risks identification in the processes and activities of the Group, particularly in major proposed transactions, changes in nature of activities and/or operating environment, or venturing into new operating environment which may entail different risks, and put in place the appropriate risk response strategies and controls until those risks are managed to, and maintained at, a tolerance level acceptable by the Board.

INTERNAL AUDIT

The Board acknowledges the importance of internal audit function and has outsourced its internal audit function to an independent professional accounting and consulting firm, BDO Governance Advisory Sdn Bhd as part of its efforts to provide adequate and effective internal control systems. The performance of internal audit function is carried out as per the annual audit plan approved by the Audit Committee.

The internal audit adopts a risk-based approach in developing its audit plan which addresses all the core auditable areas of the Group based on their risk profile. The audit focuses on high risk area to ensure that an adequate action plan has in place to improve the controls in place. The audit ascertains that the risks are effectively mitigated by the controls. On a half yearly basis or earlier as appropriate, the internal auditors report to the Audit Committee on areas for improvement. The highlighted areas will be followed up closely to determine the extent of their recommendations that have been implemented by the management.

INTERNAL CONTROL

Apart from risk management and internal audit, the Group has put in place the following key elements of internal control:

- An organization structure with well-defined scopes of responsibility, clear lines of accountability, and appropriate levels of delegated authority;
- A process of hierarchical reporting which provides a documented and auditable trail of accountability;
- A set of documented internal policies and procedures which is subject to regular review and improvement;
- Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators, for effective monitoring and decision making;
- Monthly monitoring of results against budget, with major variances being followed up and management action taken, where necessary; and
- Regular visits to operating units by members of the Board and senior management.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Recommended Practice guide ("RPG") 5 issued by the Malaysian Institute of Accountants. RPG 5 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION

The Board has received assurance from Chief Executive Officer that the Group's risk management and internal control systems have been operating adequately and effectively, in all material aspects, during the financial year under review and up to date of this statement. Taking this assurance into consideration, the Board is of the view that there were no significant weaknesses in the current system of internal control of the Group that may have material impact on the operations of the Group for the financial year ended 30 June 2013. The Board and the management will continue to take necessary measures and ongoing commitment to strengthen and improve its internal control environment and risk management.

This statement is issued in accordance with a resolution of the Directors dated 7 October 2013.

TERMS OF REFERENCE

Compositions and Meetings

The Audit Committee comprises three members, all of whom are Independent Non-Executive Directors.

During the financial year under review, 5 audit committee meetings were held and the details of the attendance of each member of the committee are tabulated below:

Name of Members		Number of Meetings Attended
Ng Ngoon Weng	Chairman, Independent Non-Executive Director	5 out of 5
Tuan Haji Liakat Ali Bin Mohamed Ali	Member, Independent Non-Executive Director	5 out of 5
Allen Chee Wai Hong	Member, Independent Non-Executive Director	5 out of 5

The Committee shall be appointed by the Board from among its Directors (except alternate directors) and shall fulfil the requirement of paragraph 15.09 (c)(i) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Board shall, within three (3) months of any vacancy occurring in the Committee which results in the non-compliance of the composition of the Committee appoint such number of new members as may be required to comply with the required composition.

The Committee shall meet with the external auditors without executive board members present at least twice a year. The external auditors may request a meeting if they consider that one is necessary and shall have the right to appear and be heard at any meeting of the Committee. The Chairman shall convene a meeting whenever any member of the Committee requests for a meeting. Written notice of the meeting together with the agenda shall be given to the members of the Committee and external auditor where applicable. The quorum for a meeting of the Committee shall be two (2) provided always that the majority of members present must be independent directors and any decision shall be by a simple majority.

Other Board members and employees may attend any particular meeting only at the Committee's invitation. The Company Secretary shall be the Secretary of the Committee. The Secretary shall maintain minutes of the proceedings of the meetings of the Committee and circulate such minutes to all members of the Board.

Functions

The functions of the Committee shall include the following:

(1) review the following and report the same to the Board:

- (a) with the external auditors, their audit plan;
- (b) with the external auditors, their evaluation of the system of internal controls;
- (c) with the external auditors, their audit report, management letter and management's response;
- (d) the assistance given by the employees of the Company to the external auditor;
- (e) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- (g) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
  - (i) changes in or implementation of major accounting policy changes;
  - (ii) significant and unusual events; and
  - (iii) compliance with accounting standards and other legal requirements;
- (h) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (i) any letter of resignation from the external auditors of the Company; and
- (j) whether there is reason (supported by grounds) to believe that the Company's external auditor is not suitable for re-appointment; and

(2) recommend the nomination of a person or persons as external auditors.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

In line with the terms of reference of the Audit Committee, the summary of the main activities carried out by the audit committee during the financial year under review is as follows:

(a) Reviewed the Audit Planning Memorandum with the external auditors;
(b) Reviewed the results and audit report arising from audit with the external auditors;
(c) Reviewed the annual and quarterly financial statements and reporting to the Bursa Securities and ensured compliance with the additional disclosure requirements in accordance with the Listing Requirements of Bursa Securities;
(d) Reviewed the internal audit reports and audit recommendations made by the internal auditors and management's responses thereto; and
(e) Reviewed the reports of Management on risk management and performance of the Group.

INTERNAL AUDIT FUNCTION

The Company outsourced the internal audit function to a professional accounting firm. The internal auditor reports directly to the Audit Committee and assists the Board in obtaining the assurance concerning adequacy and effectiveness of the system of internal control, risk management and governance framework of the Group. The internal auditor undertakes internal audit function based on the audit plan approved by the Audit Committee. The costs incurred for the internal audit function for the financial year were RM22,000.

During the financial year under review, the following activities were carried out by the internal audit function:

(a) Ascertained the extent of compliance with established policies, procedures and statutory requirements;
(b) Reviewed and assessed the adequacy and effectiveness of the system of internal control of the Group;
(c) Reported the findings of assessment and recommended improvements where necessary; and
(d) Performed follow-up audit on implementation of audit recommendations agreed by the management.

Conflict of Interest

None of the Directors has any family relationship with each other and/or major shareholders of the Company except:

- Mr Chuah Chong Boon and Mr Chuah Chong Ewe are brothers.
- Ms Fang Siew Hong is the sister of Ms Fang Siew Poh, a major shareholder of the Company.

None of the Directors has any conflict of interest with the Company

Convictions of Offences

None of the Directors has been convicted of any offences within the past ten (10) years other than traffic offences, if any.

Utilisation of Proceeds

The Company did not raise any fund through any corporate proposal during the financial year.

Share Buy-Backs

The information on share buybacks for the financial year was presented in the Directors' Report.

Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the financial year.

Depository Receipt Programme

The Company did not sponsor any Depository Receipt Programme during the financial year.

Sanctions and/or Penalties

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by any regulatory bodies during the financial year.

Non-Audit Fees

There was no non-audit fees paid or payable to the external auditors for the financial year.

Variation in Results

There was no material variance between the audited results for the financial year ended 30 June 2013 and unaudited results announced for the financial quarter ended 30 June 2013.

Profit Guarantee

There was no profit guarantee given by the Company during the financial year.

Material Contracts

There was no material contract entered into by the Company and its subsidiaries involving Directors' and major shareholders interests which were still subsisting at the end of the financial year or entered into since the end of the previous financial year.

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2013.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of property investment, building contractor, project manager for property development, trading of goods and extraction and sale of timber. The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Profit after taxation for the year	**34,778,566**	**3,145,128**
Attributable to:		
Owners of the parent	**19,580,694**	**3,145,128**
Non-controlling interests	**15,197,872**	**–**
	34,778,566	**3,145,128**

In the opinion of the directors, except for those disclosed in the financial statements, the results of the operations of the Group and of the Company for the financial year ended **30 June 2013** have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

DIVIDENDS

No dividends have been declared or paid by the Company since the end of the previous financial year.

The directors do not recommend any dividend payment for the financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the notes to the financial statements.

SHARE CAPITAL AND DEBENTURE

The Company did not issue any share or debenture during the financial year and did not grant any option to anyone to take up unissued shares of the Company.

TREASURY SHARES

During the financial year, the Company repurchased **80,000** (2012: 1,118,000) of its issued ordinary shares from the open market at an average price of **RM0.47** (2012: RM0.41) per share for a total consideration of **RM37,397** (2012: RM457,484). The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 30 June 2013, the Company held a total of 5,521,500 treasury shares out of its 221,402,684 issued ordinary shares. The treasury shares are held at a carrying amount of RM1,950,237 and further relevant details are disclosed in Note 20 to the financial statements.

EMPLOYEE SHARE OPTION SCHEME

The Company had on 9 June 2010 and 15 July 2010 obtained approvals from Bursa Malaysia Securities Berhad and its shareholders respectively to establish an Employee Share Option Scheme ("ESOS") with duration of ten years from the effective date.

As at 30 June 2013, no options were granted.

The salient features of the ESOS are disclosed in Note 38 to the financial statements.

DIRECTORS

The directors who served since the date of the last report are as follows:

Tuan Haji Abdul Hamid Bin Mohd Hassan
Chuah Chong Ewe
Fang Siew Hong
Chuah Chong Boon
Koay Teng Choon
Ng Ngoon Weng
Tuan Haji Liakat Ali Bin Mohamed Ali
Allen Chee Wai Hong

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:

	Number of ordinary shares of RM0.40 each			
	Balance at 1.7.12	**Bought**	**Sold**	**Balance at 30.6.13**
The Company				
Direct Interest:				
Chuah Chong Ewe	1,105,000	–	–	1,105,000
Koay Teng Choon	17,462,000	–	–	17,462,000
Deemed Interest:				
* Chuah Chong Ewe	40,000,000	–	–	40,000,000
* Fang Siew Hong	40,000,000	–	–	40,000,000
** Koay Teng Choon	1,867,100	–	–	1,867,100

* Deemed interested by virtue of shares held by a company in which the directors have interest.

** Deemed interested by virtue of shares held by immediate family members of the director.

By virtue of their interests in the Company, **Mr. Chuah Chong Ewe** and **Ms. Fang Siew Hong** are deemed interested in the shares of the subsidiaries, to the extent that the Company has interests.

Other than as disclosed above, none of the other directors have any interest in shares in the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts, and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(i) that would render the amount written off for bad debts, or the amount of the allowance for doubtful debts in the Group and in the Company inadequate to any substantial extent, and

(ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, and

(iii) that would render any amount stated in the financial statements of the Group and of the Company misleading, and

(iv) which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other persons, and

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

SIGNIFICANT EVENTS

Details of significant events are disclosed in Note 39 to the financial statements.

AUDITORS

The auditors, **Grant Thornton**, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors:

....	....
Chuah Chong Boon	**Tuan Haji Abdul Hamid Bin Mohd Hassan**

Penang,

Date: 7 October 2013

DIRECTORS' STATEMENT

We, **Chuah Chong Boon** and **Tuan Haji Abdul Hamid Bin Mohd Hassan**, being two of the directors of **Seal Incorporated Berhad** state that in the opinion of the directors, the financial statements set out on pages 28 to 76 are properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **30 June 2013** and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 40 on page 76 to the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors:

....
Chuah Chong Boon

....
Tuan Haji Abdul Hamid Bin Mohd Hassan

Date: 7 October 2013

STATUTORY DECLARATION

I, **Chuah Chong Boon**, the director primarily responsible for the financial management of **Seal Incorporated Berhad** do solemnly and sincerely declare that the financial statements set out on pages 28 to 76 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed in Penang this **7th**)
day of **October 2013.**)

....
Chuah Chong Boon

Before me,

....
(t.t.) Goh Suan Bee
No. : P125
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEAL INCORPORATED BERHAD

Report on the Financial Statements

We have audited the financial statements of **Seal Incorporated Berhad**, which comprise the statements of financial position as at **30 June 2013** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 28 to 76.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of these financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at **30 June 2013** and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act,
(b) We have considered the accounts of a subsidiary of which we have not acted as auditors which is indicated in Note 7 to the financial statements,
(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes, and
(d) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 40 on page 76 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Grant Thornton
No. AF: 0042
Chartered Accountants

John Lau Tiang Hua, DJN
No. 1107/03/14 (J)
Chartered Accountant

Date: 7 October 2013

Penang

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	NOTE	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	**1,912,211**	6,490,508	**426,461**	471,336
Investment properties	5	**1,532,147**	1,532,147	**1,494,327**	1,494,327
Land held for development	6	**17,435,492**	17,409,641	**17,435,492**	17,409,641
Investment in subsidiaries	7	**-**	-	**6,561,573**	10,373,471
Other investments	8	**28,008,850**	27,986,878	**27,960,000**	27,960,000
Timber concession	9	**24,273,477**	29,011,674	**10,754,117**	11,205,507
Deferred tax assets	10	**11,713,000**	15,421,000	**11,744,000**	12,613,000
		84,875,177	97,851,848	**76,375,970**	81,527,282
Current assets					
Property development costs	11	**83,341,368**	55,292,727	**-**	-
Inventories	12	**5,432,954**	437,660	**8,359**	119,496
Trade receivables	13	**13,627,958**	13,090,051	**442,003**	500,213
Accrued billings in respect of property development		**794,759**	-	**-**	-
Other receivables	14	**42,409,016**	10,120,594	**2,910,831**	6,307,158
Amount due from subsidiaries	15	**-**	-	**84,531,878**	33,528,738
Tax recoverable		**63,251**	62,554	**-**	-
Other investments	8	**10,135,026**	25,408,307	**1,170,135**	19,365,989
Deposits with licensed banks	16	**46,868,373**	36,046,346	**5,480,403**	15,394,803
Cash and bank balances	17	**6,749,673**	4,856,829	**1,355,125**	2,293,622
		209,422,378	145,315,068	**95,898,734**	77,510,019
Assets classified as held for sale	18	**2,746,339**	-	**-**	-
		212,168,717	145,315,068	**95,898,734**	77,510,019
TOTAL ASSETS		**297,043,894**	243,166,916	**172,274,704**	159,037,301
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	19	**88,561,074**	88,561,074	**88,561,074**	88,561,074
Share premium	19	**45,448,463**	45,448,463	**45,448,463**	45,448,463
Treasury shares	20	**(1,950,237)**	(1,912,840)	**(1,950,237)**	(1,912,840)
Reserves	21	**397,683**	405,970	**355,362**	378,860
Retained profits	22	**51,207,728**	31,627,034	**22,655,515**	19,510,387
		183,664,711	164,129,701	**155,070,177**	151,985,944
Non-controlling interests		**31,344,854**	15,293,477	**-**	-
Total equity		**215,009,565**	179,423,178	**155,070,177**	151,985,944
Non-current liabilities					
Borrowings	23	**1,308,932**	1,885,499	**-**	-
Current liabilities					
Trade payables	24	**24,453,080**	10,837,110	**133,263**	137,286
Progress billings in respect of property development		**23,050,258**	2,337,190	**-**	-
Other payables	25	**28,941,663**	44,984,143	**5,781,674**	5,661,110
Amount due to subsidiaries	15	**-**	-	**11,186,590**	1,140,961
Borrowings	23	**576,667**	208,162	**-**	-
Provision for taxation		**3,700,217**	3,491,634	**103,000**	112,000
		80,721,885	61,858,239	**17,204,527**	7,051,357
Liabilities classified as held for sale	18	**3,512**	-	**-**	-
Total liabilities		**82,034,329**	63,743,738	**17,204,527**	7,051,357
TOTAL EQUITY AND LIABILITIES		**297,043,894**	243,166,916	**172,274,704**	159,037,301

The notes set out on pages 34 to 76 form an integral part of these financial statements.

		GROUP		COMPANY	
		2013	2012	**2013**	2012
	NOTE	**RM**	RM	**RM**	RM
Revenue	**26**	**183,299,398**	122,684,138	**47,144,233**	35,850,219
Cost of sales	**27**	**(109,839,850)**	(74,542,491)	**(29,053,384)**	(25,301,303)
Gross profit		**73,459,548**	48,141,647	**18,090,849**	10,548,916
Other income		**3,175,263**	2,888,465	**2,227,095**	2,187,893
Timber concession cost recognised pursuant to settlement agreement	**39.1**	**(3,865,387)**	–	**–**	–
Administrative expenses		**(19,917,826)**	(8,481,005)	**(14,859,080)**	(4,886,573)
Operating profit		**52,851,598**	42,549,107	**5,458,864**	7,850,236
Finance costs		**(36,879)**	(34,246)	**–**	–
Profit before taxation	**28**	**52,814,719**	42,514,861	**5,458,864**	7,850,236
Taxation	**29**	**(18,036,153)**	(13,427,491)	**(2,313,736)**	(2,046,400)
Profit for the year		**34,778,566**	29,087,370	**3,145,128**	5,803,836
Total other comprehensive (loss)/income:					
Fair value adjustment on available-for-sale financial assets		**(12,380)**	18,656	**(23,498)**	11,484
Total comprehensive income for the year		**34,766,186**	29,106,026	**3,121,630**	5,815,320
Profit attributable to:					
Owners of the parent		**19,580,694**	17,735,774	**3,145,128**	5,803,836
Non-controlling interests		**15,197,872**	11,351,596	**–**	–
		34,778,566	29,087,370	**3,145,128**	5,803,836
Total comprehensive income attributable to:					
Owners of the parent		**19,572,407**	17,752,767	**3,121,630**	5,815,320
Non-controlling interests		**15,193,779**	11,353,259	**–**	–
		34,766,186	29,106,026	**3,121,630**	5,815,320
Earnings per share attributable to owners of the parent (sen)	**30**	**9.07**	8.98		

The note set out on pages 34 to 76 form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

		Attributable to Owners of the Parent							
		Non-distributable				Distributable			
	NOTE	Share Capital RM	Share Premium RM	Treasury Shares RM	Reserves RM	Retained Profits RM	Total RM	Non-controlling Interests RM	Total Equity RM
2013									
Balance at beginning		**88,561,074**	**45,448,463**	**(1,912,840)**	**405,970**	**31,627,034**	**164,129,701**	**15,293,477**	**179,423,178**
Purchase of treasury shares	**20**	**–**	**–**	**(37,397)**	**–**	**–**	**(37,397)**	**–**	**(37,397)**
Issuance of shares to non-controlling interest of subsidiaries		**–**	**–**	**–**	**–**	**–**	**–**	**857,598**	**857,598**
Total comprehensive income for the year		**–**	**–**	**–**	**(8,287)**	**19,580,694**	**19,572,407**	**15,193,779**	**34,766,186**
Balance at end		**88,561,074**	**45,448,463**	**(1,950,237)**	**397,683**	**51,207,728**	**183,664,711**	**31,344,854**	**215,009,565**
2012									
Balance at beginning		80,707,954	45,306,309	(1,455,356)	388,977	13,891,260	138,839,144	3,940,218	142,779,362
Private placement	19	7,853,120	142,154	–	–	–	7,995,274	–	7,995,274
Purchase of treasury shares	20	–	–	(457,484)	–	–	(457,484)	–	(457,484)
Total comprehensive income for the year		–	–	–	16,993	17,735,774	17,752,767	11,353,259	29,106,026
Balance at end		88,561,074	45,448,463	(1,912,840)	405,970	31,627,034	164,129,701	15,293,477	179,423,178

The notes set out on pages 34 to 76 form an integral part of these financial statements

		← Non-distributable			→	← Distributable →	
		Share Capital	**Share Premium**	**Treasury Shares**	**Reserves**	**Retained Profits**	**Total Equity**
	NOTE	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
2013							
Balance at beginning		**88,561,074**	**45,448,463**	**(1,912,840)**	**378,860**	**19,510,387**	**151,985,944**
Purchase of treasury shares	**20**	**–**	**–**	**(37,397)**	**–**	**–**	**(37,397)**
Total comprehensive income for the year		**–**	**–**	**–**	**(23,498)**	**3,145,128**	**3,121,630**
Balance at end		**88,561,074**	**45,448,463**	**(1,950,237)**	**355,362**	**22,655,515**	**155,070,177**
2012							
Balance at beginning		80,707,954	45,306,309	(1,455,356)	367,376	13,706,551	138,632,834
Private placement	19	7,853,120	142,154	–	–	–	7,995,274
Purchase of treasury shares	20	–	–	(457,484)	–	–	(457,484)
Total comprehensive income for the year		–	–	–	11,484	5,803,836	5,815,320
Balance at end		88,561,074	45,448,463	(1,912,840)	378,860	19,510,387	151,985,944

The notes set out on pages 34 to 76 form an integral part of these financial statements

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	**52,814,719**	42,514,861	**5,458,864**	7,850,236
Adjustments for:				
Bad debts	**1,830,848**	–	**–**	–
Depreciation	**509,516**	519,622	**90,543**	84,227
Dividend income	**(700,490)**	(384,465)	**(374,652)**	(311,479)
Gain on redemption of investment in unit trusts	**(51,662)**	(12,204)	**(35,090)**	(12,204)
Interest expense	**36,879**	34,246	**–**	–
Interest income	**(2,108,084)**	(2,447,472)	**(1,553,001)**	(1,757,807)
Impairment loss on investment in a subsidiary	**–**	–	**3,812,000**	–
Impairment loss on receivables	**–**	42,405	**–**	42,405
Loss/(Gain) on disposal of property, plant and equipment	**1,480,071**	–	**(4,999)**	–
Property, plant and equipment written off	**350**	3	**335**	3
Timber concession cost recognised	**7,853,540**	2,830,474	**3,988,153**	2,592,756
Operating profit before working capital changes	**61,665,687**	43,097,470	**11,382,153**	8,488,137
(Increase)/Decrease in land held for development	**(25,851)**	5,664	**(25,851)**	5,664
Increase in property development costs	**(28,502,184)**	(40,770,565)	**–**	–
Increase in progress billings	**19,918,309**	2,139,537	**–**	–
(Increase)/Decrease in inventories	**(4,995,294)**	(376,590)	**111,137**	(58,426)
(Increase)/Decrease in receivables	**(34,697,851)**	(9,823,605)	**3,454,537**	(2,446,743)
(Decrease)/Increase in payables	**(1,722,998)**	25,191,642	**116,541**	(402,382)
Net change in subsidiaries' balances	**–**	–	**1,484,326**	225,659
Cash generated from operations	**11,639,818**	19,463,553	**16,522,843**	5,811,909
Income tax paid	**(14,162,205)**	(5,785,654)	**(1,453,736)**	(413,516)
Income tax refund	**41,554**	8,192	**–**	8,192
Interest paid	**(121,819)**	(85,675)	**–**	–
Net cash (used in)/from operating activities carried forward	**(2,602,652)**	13,600,416	**15,069,107**	5,406,585

The notes set out on pages 34 to 76 form an integral part of these financial statements

	Group		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Net cash (used in)/from operating activities brought forward	**(2,602,652)**	13,600,416	**15,069,107**	5,406,585
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividend received	**700,490**	384,418	**374,652**	311,479
Interest received	**2,091,671**	2,338,723	**1,542,762**	1,748,522
Net change in subsidiaries' balances	**–**	–	**(45,860,217)**	(8,207,603)
Payment for timber concession	**(3,256,143)**	(6,904,860)	**(118,383)**	(154,860)
Purchase of short term investments	**(26,808,691)**	(21,630,821)	**(14,628,877)**	(16,668,350)
Placement of fixed deposits	**(376,053)**	(10,000)	**–**	(10,000)
Proceeds from issuance of shares to non-controlling interest of subsidiaries	**857,598**	–	–	–
Proceeds from disposal of property, plant and equipment	**39,426**	–	**8,843**	–
Proceeds from redemption of unit trusts	**42,099,282**	4,002,149	**32,836,323**	4,002,149
Purchase of investment in subsidiaries	**–**	–	**(102)**	–
* Purchase of property, plant and equipment	**(97,093)**	(432,102)	**(49,847)**	(114,213)
Net cash from/(used in) investing activities	**15,250,487**	(22,252,493)	**(25,894,846)**	(19,092,876)
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of term loan	**–**	1,240,000	**–**	–
Net change in subsidiaries' balances	**–**	–	**–**	(5,245)
Repayment of finance lease liabilities	**(208,062)**	(149,612)	**–**	–
Payment of private placement expenses	**–**	(73,807)	**–**	(73,807)
Proceeds from issuance of shares	**–**	8,069,081	**–**	8,069,081
Purchase of treasury shares	**(37,397)**	(457,484)	**(37,397)**	(457,484)
Net cash (used in)/from financing activities	**(245,459)**	8,628,178	**(37,397)**	7,532,545
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**12,402,376**	(23,899)	**(10,863,136)**	(6,153,746)
CASH AND CASH EQUIVALENTS AT BEGINNING	**40,466,219**	40,490,118	**17,347,350**	23,501,096
CASH AND CASH EQUIVALENTS AT END	**52,868,595**	40,466,219	**6,484,214**	17,347,350
Cash and cash equivalents are represented by:				
Deposits with licensed banks	**46,118,584**	35,609,390	**5,129,089**	15,053,728
Cash and bank balances	**6,749,673**	4,856,829	**1,355,125**	2,293,622
Cash at bank classified as held for sale (Note 18)	**338**	–	**–**	–
	52,868,595	40,466,219	**6,484,214**	17,347,350
* **Purchase of property, plant and equipment**				
Total acquisition cost	**97,093**	760,102	**49,847**	114,213
Acquisition under finance lease	**–**	(328,000)	**–**	–
Total cash acquisition	**97,093**	432,102	**49,847**	114,213

The notes set out on pages 34 to 76 form an integral part of these financial statements

1. CORPORATE INFORMATION

General

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 55 Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak.

The principal place of business of the Company is located at A-8-1 Lorong Bayan Indah 4, 11900 Bayan Lepas, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 7 October 2013.

Principal Activities

The principal activities of the Company consist of property investment, building contractor, project manager for property development, trading of goods and extraction and sale of timber.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the summary of accounting policies as set out in Note 3.

2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency.

2.4 Changes in Accounting Policies

On 1 July 2012, the Group and the Company adopted the following new FRS and Amendments to FRSs:

FRS 124	Related Party Disclosures
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 101	Presentation of Items of Other Comprehensive Income
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets

Adoption of the above standards did not have any significant effect on the financial statements of the Group and of the Company.

2.5 Standards Issued But Not Yet Effective

The following are accounting standards and amendments that have been issued by the Malaysian Accounting Standards Board ("MASB") but not yet effective:

Effective for financial periods beginning on or after 1 January 2013

FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities

2. BASIS OF PREPARATION (cont'd)

2.5 Standards Issued But Not Yet Effective (cont'd)

Effective for financial periods beginning on or after 1 January 2013 (cont'd)

FRS 13	Fair Value Measurement
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investments in Associates and Joint Ventures
Amendments to FRS 1	Government Loans
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Liabilities
Amendments to FRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to FRS 11	Joint Arrangements: Transition Guidance
Amendments to FRS 12	Disclosure of Interests in Other Entities: Transition Guidance
IC Interpretation 20	Stripping Costs in the Production of a Surface Mine
Improvements to FRSs issued in 2012	

Effective for financial periods beginning on or after 1 January 2014

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Liabilities
IC Interpretation 21	Levies
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting

Effective for financial periods beginning on or after 1 January 2015

FRS 9	Financial Instruments

Unless otherwise described below, the new FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations above are expected to have no significant impact on the financial statements of the Group and of the Company upon its initial application except for the changes in presentation and disclosures of financial information arising from the adoption of certain FRSs, IC Interpretations and Amendments to FRSs and IC Interpretations above.

The Group is currently assessing the impact that the adoption of the standards below will have on its financial position and performance.

FRS 9 Financial Instruments

FRS 9 addresses the classification and measurement of financial instruments. FRS 9 defines criteria for financial assets that can be measured at amortised costs subsequent to its initial recognition and also requires changes of fair value attributable to credit risk change for financial liabilities to be presented in statement of other comprehensive income.

FRS 10 Consolidated Financial Statements

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in IC Interpretation 112 Consolidations – Special Purpose Entities. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by the parent, compared with the requirements that were in FRS 127.

FRS 13 Fair Value Measurement

FRS 13 established a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted.

2. BASIS OF PREPARATION (cont'd)

2.5 Standards Issued But Not Yet Effective (cont'd)

Malaysian Financial Reporting Standards Framework

On 19 November 2011, the 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 MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Company and certain subsidiaries fall within the definition of Transitioning Entities and have opted to defer the adoption of MFRS Framework. However, for subsidiaries which financial statements are prepared in accordance with MFRS Framework, their financial statements were converted to FRSs for the purpose of the preparation of the Group financial statements.

In presenting their first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group and the Company are in the process of assessing the financial effects of the differences between FRSs and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the financial year ended 30 June 2013 could be different if prepared under the MFRS Framework.

The Group and the Company expect to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 June 2016.

2.6 Significant Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.6.1 Judgements made in applying accounting policies

There are no significant areas of critical judgement in applying accounting policies that have a significant effect on the amount recognised in the financial statements.

2.6.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Useful lives of depreciable assets

The depreciable costs of plant and equipment are allocated on the straight line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 5 to 20 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of these assets affecting future depreciation charges.

2. BASIS OF PREPARATION (cont'd)

2.6 Significant Accounting Estimates and Judgements (cont'd)

2.6.2 Key sources of estimation uncertainty (cont'd)

(ii) Impairment of loans and receivables

The Group and the Company assess at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics.

(iii) Property development

The Group recognises property development revenue and expenses by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(iv) Timber concession

Timber concession costs charged to profit or loss are based on quantity of timber extracted over the estimated quantity of timber available for extraction.

Significant judgement is required in determining the total estimated quantity of timber available for extraction. In making the judgement, the Group and the Company evaluate based on past experience and by relying on the work of specialists.

(v) Income taxes

The Group and the Company are subject to income taxes whereby significant judgement is required in determining the provision for taxation. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(vi) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the tax losses and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below.

3.1 Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating activities so as to obtain benefits therefrom.

Investment in subsidiaries which is eliminated on consolidation is stated at cost or valuation less accumulated impairment losses.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Subsidiaries and Basis of Consolidation (cont'd)

(ii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date which is the date on which control is transferred to the Group.

Acquisition on or after 1 July 2011

For acquisitions on or after 1 July 2011, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognised amount of any non-controlling interest in the acquiree, plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, less
- the net recognised amount at fair value of the identifiable assets acquired and liabilities assumed

When the excess is negative, a bargain purchase gain is recognised in profit or loss.

For each business combination, the Group elects whether to recognise non-controlling interest in the acquiree at fair value, or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserve.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated in preparing the consolidated financial statements.

3.2 Property, Plant and Equipment

Property, plant and equipment are initially stated at cost. Certain property, plant and equipment are subsequently shown at valuation based on valuations by external independent valuers, less subsequent depreciation and accumulated impairment losses. All other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 Property, Plant and Equipment (cont'd)

Surpluses arising on revaluation are credited to asset revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the asset revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is recognised in profit or loss.

Property, plant and equipment are depreciated on the straight line method to write off the cost of each asset to its residual value over its estimated useful life at the following annual rates:

Long leasehold land	Amortised over the lease period of 88 years
Factory building	2%
Leasehold shoplot	Amortised over the lease period of 59 years
Plant and machinery	5% - 20%
Electrical installation	10%
Office equipment, furniture and fittings	5% - 20%
Motor vehicles	10% - 20%

Long leasehold land refers to land with an unexpired lease period of fifty years or more determined as at the end of the reporting period.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

3.3 Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is derived based on directors' valuation by reference to the existing market condition.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

3.4 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

Finance lease

Leases in terms of which the Group or the Company assume substantially all the risks and rewards of ownership, which include hire purchase arrangement, are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 Leases (cont'd)

Finance lease (cont'd)

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group and the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

Operating leases

Leases, where the Group and the Company do not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

3.5 Land Held for Development and Property Development Costs

Land held for development

Land held for development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less impairment losses.

Land held for development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Where the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as expenses are recognised as assets, which are measured at the lower of cost and net realisable value.

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Timber Concession

Timber concession is the cost of timber logs to be extracted and/or rights conferred for timber extraction and are stated at cost. Timber concession cost is charged to profit or loss based on the percentage of the volume of timber extracted compared to the total estimated volume of timber available for extraction.

3.7 Impairment of Non-Financial Assets

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired.

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation surplus.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.8 Financial Instruments

3.8.1 Initial recognition and measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

3.8.2 Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.8 Financial Instruments (cont'd)

3.8.2 Financial instrument categories and subsequent measurement (cont'd)

(b) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group and the Company have the positive intention and ability to hold the investment to maturity. The Institutional Trust Account of the Group and of the Company is designated into this category with a maturity period of 10 years.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using effective interest method, except for short-term receivables when the recognition of interest would be immaterial. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the end of the reporting period which are classified as current.

(c) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities are classified as current liabilities, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

3.8.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

As at the end of the reporting period, no values were placed on corporate guarantees provided by the Company to secure a bank loan and other bank facilities granted to a subsidiary where such loan and banking facilities are fully collaterised by fixed charges over other assets of the subsidiary and where the directors regard the value of the credit enhancement by the corporate guarantees as minimal.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.8 Financial Instruments (cont'd)

3.8.4 Derecognition

A financial asset or part of it is derecognised, when and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.9 Impairment of Financial Assets

All financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiaries) are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

3.10 Inventories

Inventories of completed properties

Inventories of completed properties are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and includes cost of land, construction, development costs and appropriate overheads. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Inventories of logs

Inventories of logs are stated at the lower of cost, which is determined on the weighted average basis, and net realisable value. Cost includes the related timber concession cost plus the cost of bringing the inventories to their present location and condition. Net realisable value is based on estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11 Cash and Cash Equivalents

Cash comprises cash in hand, cash at bank and demand deposits. Cash equivalents are short term and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

3.12 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

3.13 Income Recognition

Sale of goods

Revenue from invoiced value of goods sold is recognised when significant risks and ownership have been transferred to the customers.

Property development revenue

Revenue from sale of properties is accounted for by the stage of completion method as described in the accounting policy as set out in Note 3.5.

Revenue from sale of completed development properties is recognised upon the finalisation of sale and purchase agreements and when the risk and rewards of ownership have been transferred to the buyer.

Rental and interest income

These income are recognised on the accrual basis.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Provision of services

Provision of services are recognised when services are rendered.

3.14 Employee Benefits

Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plans

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as expenses as and when incurred.

3.15 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.16 Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income tax payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted by the end of the reporting period.

Deferred tax is provided for, using the liability method, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

3.17 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, who in this case are the Executive Directors of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3.18 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3.19 Non-current Assets Held For Sale

Non-current assets, or disposal group comprising assets and liabilities, that are expected to be recovered primarily through sale rather than continuing use, are classified as held for sale.

Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale are not amortised or depreciated.

3.20 Share Capital and Share Issuance Expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Share capital represents the nominal value of shares that have been issued. Dividends on ordinary shares are accounted for in shareholder's equity as an appropriation of retained profits and recognised as a liability in the period in which they are declared.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.21 Treasury Shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	At valuation		At cost						
2013	**Long leasehold land RM**	**Factory building RM**	**Factory building RM**	**Leasehold shoplot RM**	**Plant and machinery RM**	**Electrical installation RM**	**Office equipment, furniture and fittings RM**	**Motor vehicles RM**	**Total RM**
At valuation/cost									
Balance at beginning	1,019,730	5,183,266	1,410,541	347,614	8,711,458	1,105,811	4,456,105	2,346,927	24,581,452
Additions	–	–	–	–	–	–	92,678	4,415	97,093
Disposals	–	(5,125,838)	(103,175)	–	(5,084,859)	(637,474)	(58,136)	(185,435)	(11,194,917)
Written off	–	–	–	–	(268,758)	–	(14,653)	–	(283,411)
Transfer to assets held for sale (Note 18)	(1,019,730)	(57,428)	(1,307,366)	–	(3,138,818)	(435,610)	–	–	(5,958,952)
Balance at end	–	–	–	347,614	219,023	32,727	4,475,994	2,165,907	7,241,265
Accumulated depreciation									
Balance at beginning	94,588	3,030,417	1,342,786	5,758	7,494,121	1,084,541	3,806,950	1,231,783	18,090,944
Current charge	7,840	25,629	516	5,895	85,088	3,273	118,608	262,667	509,516
Disposals	–	(2,998,619)	(35,939)	–	(5,084,766)	(637,466)	(51,489)	(167,141)	(8,975,420)
Written off	–	–	–	–	(268,752)	–	(14,309)	–	(283,061)
Transfer to assets held for sale (Note 18)	(102,428)	(57,427)	(1,307,363)	–	(2,110,101)	(435,606)	–	–	(4,012,925)
Balance at end	–	–	–	11,653	115,590	14,742	3,859,760	1,327,309	5,329,054
Carrying amount	–	–	–	335,961	103,433	17,985	616,234	838,598	1,912,211

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

GROUP

	At valuation		At cost						
	Long leasehold land	Factory building	Factory building	Leasehold shoplot	Plant and machinery	Electrical installation	Office equipment, furniture and fittings	Motor vehicles	Total
2012	RM	RM	RM	RM	RM	RM	RM	RM	RM
At valuation/cost									
Balance at beginning	1,019,730	5,183,266	1,410,541	337,114	8,692,158	1,105,811	4,162,242	1,932,548	23,843,410
Additions	–	–	–	10,500	19,300	–	315,923	414,379	760,102
Written off	–	–	–	–	–	–	(22,060)	–	(22,060)
Balance at end	1,019,730	5,183,266	1,410,541	347,614	8,711,458	1,105,811	4,456,105	2,346,927	24,581,452
Accumulated depreciation									
Balance at beginning	79,413	2,927,901	1,340,722	–	7,410,018	1,081,268	3,723,914	1,030,143	17,593,379
Current charge	15,175	102,516	2,064	5,758	84,103	3,273	105,093	201,640	519,622
Written off	–	–	–	–	–	–	(22,057)	–	(22,057)
Balance at end	94,588	3,030,417	1,342,786	5,758	7,494,121	1,084,541	3,806,950	1,231,783	18,090,944
Carrying amount	925,142	2,152,849	67,755	341,856	1,217,337	21,270	649,155	1,115,144	6,490,508

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

COMPANY

	Plant and machinery	Electrical installation	Office equipment, furniture and fittings	Motor vehicles	Total
2013	**RM**	**RM**	**RM**	**RM**	**RM**
At cost					
Balance at beginning	**285,959**	**32,727**	**4,038,979**	**414,498**	**4,772,163**
Additions	**–**	**–**	**49,847**	**–**	**49,847**
Disposals	**–**	**–**	**(5,639)**	**(34,870)**	**(40,509)**
Written off	**–**	**–**	**(11,215)**	**–**	**(11,215)**
Balance at end	**285,959**	**32,727**	**4,071,972**	**379,628**	**4,770,286**
Accumulated depreciation					
Balance at beginning	**172,252**	**11,469**	**3,710,174**	**406,932**	**4,300,827**
Current charge	**10,274**	**3,273**	**75,346**	**1,650**	**90,543**
Disposals	**–**	**–**	**(1,796)**	**(34,869)**	**(36,665)**
Written off	**–**	**–**	**(10,880)**	**–**	**(10,880)**
Balance at end	**182,526**	**14,742**	**3,772,844**	**373,713**	**4,343,825**
Carrying amount	**103,433**	**17,985**	**299,128**	**5,915**	**426,461**

2012					
At cost					
Balance at beginning	266,659	32,727	3,966,126	414,498	4,680,010
Additions	19,300	–	94,913	–	114,213
Written off	–	–	(22,060)	–	(22,060)
Balance at end	285,959	32,727	4,038,979	414,498	4,772,163
Accumulated depreciation					
Balance at beginning	162,964	8,196	3,662,215	405,282	4,238,657
Current charge	9,288	3,273	70,016	1,650	84,227
Written off	–	–	(22,057)	–	(22,057)
Balance at end	172,252	11,469	3,710,174	406,932	4,300,827
Carrying amount	113,707	21,258	328,805	7,566	471,336

4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

GROUP

(i) The long leasehold land and factory building of the Group stated at valuation was last revalued in the year 1983 by an independent firm of professional valuers, based on the open market value method. As permitted under the transitional provisions of International Accounting Standard No. 16 (Revised): Property, Plant and Equipment, these assets continue to be stated at their 1983 valuation less accumulated depreciation and accumulated impairment losses.

The carrying amount of revalued properties of the Group that would have been included in the financial statements, had these assets been carried at cost less accumulated depreciation are as follows:

	GROUP	
	2013	2012
	RM	RM
Long leasehold land	**–**	88,242
Factory building	**–**	597,821

(ii) The carrying amount of motor vehicles acquired under finance lease is **RM810,062** (2012: RM1,059,597). The leased assets are pledged as securities for the related finance lease liabilities (Note 23).

5. INVESTMENT PROPERTIES

Investment properties, at fair value are as follows:

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Freehold land	**262,927**	262,927	**262,927**	262,927
Freehold shoplots	**1,231,400**	1,231,400	**1,231,400**	1,231,400
Leasehold building	**37,820**	37,820	**–**	–
	1,532,147	1,532,147	**1,494,327**	1,494,327

The amounts recognised in profit or loss are as follows:

	GROUP AND COMPANY	
	2013	2012
	RM	RM
Rental income from rental generating property	**48,000**	–
Direct operating expenses arising from rental generating property	**1,984**	–

6. LAND HELD FOR DEVELOPMENT

	GROUP AND COMPANY	
	2013	2012
	RM	RM
Land, at cost	**17,060,055**	17,060,055
Property development costs		
Balance at beginning	**349,586**	355,250
Additions - current year	**25,851**	25,852
- rebate during the year	**–**	(31,516)
Balance at end	**375,437**	349,586
	17,435,492	17,409,641
Represented by:		
Freehold land	**7,920,430**	7,920,430
Long leasehold land	**9,139,625**	9,139,625
Property development costs	**375,437**	349,586
	17,435,492	17,409,641

The freehold land and long leasehold land are pledged to a licensed bank for banking facilities granted to the Company.

7. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2013	2012
	RM	RM
Unquoted shares, at cost	**10,261,208**	10,261,106
Less: Impairment loss	**(4,415,622)**	(4,415,622)
	5,845,586	5,845,484
Unquoted shares, at valuation	**11,234,545**	11,234,545
Less: Impairment loss	**(10,518,558)**	(6,706,558)
	715,987	4,527,987
	6,561,573	10,373,471

Details of the subsidiaries which are all incorporated in Malaysia are as follows:

Name of Company	Effective Equity Interest		Principal Activities
	2013	2012	
	%	%	
Great Eastern Mills Berhad	**51**	51	Extraction and sale of timber and property development.
Sam Koh Company Sdn. Bhd.	**100**	100	Extraction and sale of timber.
Seal Ventures Sdn. Bhd.	**100**	100	Property development.

7. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of Company	Effective Equity Interest 2013 %	2012 %	Principal Activities
Seal Trading Corporation Sdn. Bhd.	**100**	100	Trading of timber.
Seal Properties (KL) Sdn. Bhd. (formerly known as Seal Services Corporation Sdn. Bhd.)	**100**	100	Project and turnkey manager for property development.
SM Management Sdn. Bhd.	**100**	100	Providing administrative services.
Seal Development Sdn. Bhd.	**100**	100	Property management services.
Seal Land Sdn. Bhd.	**100**	100	Property development.
Seal Properties Sdn. Bhd.	**100**	100	Dormant.
Seal Place Sdn. Bhd. (formerly known as Maynah Sdn. Bhd.)	**100**	100	Property investment.
Seal City Sdn. Bhd. (formerly known as Takdir Mekar Sdn. Bhd.)	**51**	–	Property investment.
* Seal Properties (SP) Sdn. Bhd. (formerly known as Sektor Bonanza Sdn. Bhd.)	**51**	–	The intended principal activity of the Company is property development. However, the Company has not commenced operations as at the end of the reporting period.
Indirect-held through Great Eastern Mills Berhad			
Kelantan Lumber Products Sdn. Berhad	**60**	60	Sawmilling and provision of sawing services and extraction and sales of timber.
Gem Board Sendirian Berhad	**60**	60	Dormant.
Indirect-held through Seal Properties Sdn. Bhd.			
Seal Lifestyle Development Sdn. Bhd.	**51**	51	Property development.
Seal Concepts Sdn. Bhd.	**51**	51	Property development.
Seal Properties (Bayan City) Sdn. Bhd.	**51**	51	Property development.
Seal Mall Sdn. Bhd. (formerly known as Aspire Milan Sdn. Bhd.)	**51**	–	Mall management.
Indirect-held through Seal Properties (KL) Sdn. Bhd. formerly known as Seal Services Corporation Sdn. Bhd.			
Great Eastern Mills Berhad	**9**	9	Extraction and sale of timber and property development.

7. INVESTMENT IN SUBSIDIARIES (cont'd)

* Grant Thornton has performed a special audit on this subsidiary for the purpose of consolidation within the Group.

2013

(i) On 22 November 2012, Seal Properties Sdn. Bhd., a wholly-owned subsidiary company had acquired 51% equity interest in the issued and paid-up capital of Seal Mall Sdn. Bhd. (formerly known as Aspire Milan Sdn. Bhd.) for a total cash consideration of RM51.

(ii) On 26 December 2012, the Company had acquired 51% equity interest in the issued and paid-up capital of Seal City Sdn. Bhd. (formerly known as Takdir Mekar Sdn. Bhd.) for a total cash consideration of RM51.

(iii) On 24 June 2013, the Company had acquired 51% equity interest in the issued and paid-up capital of Seal Properties (SP) Sdn. Bhd. (formerly known as Sektor Bonanza Sdn. Bhd.) for a total cash consideration of RM51.

(iv) On 11 December 2012, Great Eastern Mills Berhad had entered into an agreement to dispose of Kelantan Lumber Products Sdn. Berhad. As at the date of this report, the sale has yet to be completed. Information regarding this disposal is set out in Note 39.2.

8. OTHER INVESTMENTS

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
(a) Held-to-maturity investments:				
At cost:				
Institutional Trust Account	**27,960,000**	27,960,000	**27,960,000**	27,960,000
(b) Available-for-sale financial assets:				
At fair value:				
Quoted shares in Malaysia	**48,850**	26,878	**–**	–
Unit trusts	**10,135,026**	25,408,307	**1,170,135**	19,365,989
Total available-for-sale financial assets	**10,183,876**	25,435,185	**1,170,135**	19,365,989
Total investments	**38,143,876**	53,395,185	**29,130,135**	47,325,989
Analysed as:				
Non-current	**28,008,850**	27,986,878	**27,960,000**	27,960,000
Current	**10,135,026**	25,408,307	**1,170,135**	19,365,989
	38,143,876	53,395,185	**29,130,135**	47,325,989
Market value of:				
Quoted shares in Malaysia	**48,850**	26,878	**–**	–
Unit trusts	**10,135,026**	25,408,307	**1,170,135**	19,365,989
	10,183,876	25,435,185	**1,170,135**	19,365,989

The Institutional Trust Account (ITA) is earmarked as a security deposit for the lease of a shopping complex which the Company has sold to Amanah Raya Berhad pursuant to the sale and purchase agreement dated 17 January 2006.

The market value of the ITA cannot be determined based on observable market data and hence the carrying value is stated at cost.

The effective interest rate of the ITA at the end of the reporting period is **3.75%** (2012: 4.25%) per annum.

9. TIMBER CONCESSION

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Balance at beginning	**29,011,674**	24,937,288	**11,205,507**	10,664,643
Additions	**3,256,143**	6,904,860	**118,383**	154,860
Recognised in profit or loss pursuant to the execution of Settlement Agreement (Note 39.1)	**(3,865,387)**	–	**–**	–
Assigned from a subsidiary	**–**	–	**3,418,380**	2,978,760
Transfer to assets held for sale (Note 18)	**(140,800)**	–	**–**	–
	28,261,630	31,842,148	**14,742,270**	13,798,263
Cost recognised in profit or loss	**(3,988,153)**	(2,830,474)	**(3,988,153)**	(2,592,756)
Balance at end	**24,273,477**	29,011,674	**10,754,117**	11,205,507

10. DEFERRED TAX ASSETS

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Balance at beginning	**15,421,000**	19,795,746	**12,613,000**	14,230,000
Transfer to profit or loss	**(797,000)**	(4,271,746)	**(792,000)**	(1,518,000)
	14,624,000	15,524,000	**11,821,000**	12,712,000
Over provision in prior year	**(2,911,000)**	(103,000)	**(77,000)**	(99,000)
Balance at end	**11,713,000**	15,421,000	**11,744,000**	12,613,000

The net deferred tax assets are represented by temporary differences arising from:

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Property, plant and equipment	**(85,000)**	(184,000)	**(54,000)**	(47,000)
Unabsorbed tax losses	**–**	3,819,000	**–**	874,000
Unabsorbed capital allowances	**11,798,000**	11,786,000	**11,798,000**	11,786,000
	11,713,000	15,421,000	**11,744,000**	12,613,000

11. PROPERTY DEVELOPMENT COSTS

	GROUP	
	2013	2012
	RM	RM
Balance at beginning		
Long leasehold land, at valuation	**542,734**	626,340
Freehold land, at cost	**41,275,644**	4,172,094
Development costs	**61,510,724**	14,710,559
	103,329,102	19,508,993
Cost incurred during the year		
Freehold land, at cost	**21,903,157**	37,103,550
Development costs	**92,138,587**	51,004,085
	114,041,744	88,107,635
	217,370,846	107,616,628
Transfer to assets held for sale (Note 18)	**(538,483)**	–
Unsold units transferred to inventories	**(4,002,703)**	(318,164)
Reversal of completed project	**(9,258,218)**	(3,969,362)
	203,571,442	103,329,102
Cost recognised in profit or loss		
Balance at beginning	**(48,036,375)**	(5,038,260)
Recognised during the year	**(81,451,917)**	(46,967,477)
Reversal of completed project	**9,258,218**	3,969,362
Balance at end	**(120,230,074)**	(48,036,375)
	83,341,368	55,292,727
Represented by:		
Freehold land	**61,936,941**	41,275,644
Long leasehold land	–	542,734
Development costs	**141,634,501**	61,510,724
Cost recognised in profit or loss	**(120,230,074)**	(48,036,375)
	83,341,368	55,292,727

(i) Freehold land of **RM1,812,238** (2012: RM1,786,619) is charged to a bank to secure a term loan referred to in Note 23.

(ii) Included in property development costs incurred during the financial year is borrowing costs of **RM84,940** (2012: RM51,429).

(iii) Seal Properties (Bayan City) Sdn. Bhd. ("SPBC") had on 16 December 2009 and 14 February 2011 entered into a Joint Venture Agreement and a Supplemental Agreement with Koperasi Tunas Muda Sungai Ara Berhad ("the Landowner") to develop part of the Landowner's land.

On 19 December 2012, SPBC entered into another Supplemental Agreement with the Landowner to release SPBC from its obligation to construct the Hotel and Ruang Niaga in consideration of SPBC agreeing to pay the Landowner a sum of RM36,207,800 subject to the terms and conditions as stated in the Supplemental Agreement. The balance payable is as stated in Note 25.

(iv) On 28 November 2012, Seal Concepts Sdn. Bhd. ("SCSB") entered into a Joint Venture Agreement ("JVA") with Koperasi Tunas Muda Sungai Ara Berhad ("the Landowner") to develop part of the Landowner's freehold land at SCSB's cost and expenses including the following consideration and upon the terms and conditions as stated in the JVA:

(a) Cash payment of RM86,248,800; and
(b) Construction of one block of commercial building for the Landowner.

12. INVENTORIES

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Completed development properties	**5,424,595**	318,164	**–**	–
Logs	**8,359**	119,496	**8,359**	119,496
	5,432,954	437,660	**8,359**	119,496

13. TRADE RECEIVABLES

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Trade receivables	**21,170,363**	34,171,878	**484,408**	14,082,040
Less: Impairment loss	**(7,542,405)**	(21,081,827)	**(42,405)**	(13,581,827)
	13,627,958	13,090,051	**442,003**	500,213

The movement of impairment loss is as follows:

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Balance at beginning	**21,081,827**	21,211,600	**13,581,827**	13,711,600
Current year	**–**	42,405	**–**	42,405
Written off	**(13,539,422)**	(172,178)	**(13,539,422)**	(172,178)
Balance at end	**7,542,405**	21,081,827	**42,405**	13,581,827

The trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

The trade receivables are non-interest bearing and the credit terms granted to the trade receivables are as follows:

(i) Property development : Credit term for sale of completed properties is generally for a period of three months, extending up to four months while the credit term for progress billings range from **14 to 21 days** (2012: 14 to 21 days) from the date of the progress billings.

(ii) Timber and others : Credit term for other business activities range from **7 to 90 days** (2012: 7 to 90 days).

14. OTHER RECEIVABLES

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Other receivables (Note 14.1)				
Total amount	**39,576,604**	3,958,323	**3,342,532**	3,373,154
Less: Impairment loss	**(885,120)**	(885,120)	**(769,849)**	(769,849)
	38,691,484	3,073,203	**2,572,683**	2,603,305
Deposits (Note 14.2)				
Total amount	**2,545,862**	1,755,573	**31,150**	16,150
Less: Impairment loss	**–**	(180,000)	**–**	–
	2,545,862	1,575,573	**31,150**	16,150
Prepayments				
Total amount	**16,089,010**	20,389,158	**15,224,338**	18,605,043
Less: Impairment loss	**(14,917,340)**	(14,917,340)	**(14,917,340)**	(14,917,340)
	1,171,670	5,471,818	**306,998**	3,687,703
	42,409,016	10,120,594	**2,910,831**	6,307,158

14.1 On 19 February 2013, Seal Properties (KL) Sdn. Bhd. had entered into a Turnkey Agreement with Dwitasik Sdn. Bhd. to develop a land measuring 12.46 acres into a mixed development project ("the Development") subject to the terms and conditions contained therein.

Included in other receivables is **RM36,115,801** (2012: RM Nil) which is the consideration and payment of land premiums and other charges to authorities pursuant to the terms and condition of the Turnkey Agreement and is repayable from the Development.

14.2 Included in deposits is **RM1,402,424** (2012: RM Nil) paid for the acquisition of freehold land. The balance purchase consideration is disclosed as capital commitment in Note 32.

The movement of the Group's impairment loss on deposits is as follows:

	2013	2012
	RM	RM
Balance at beginning	**180,000**	180,000
Written off	**(180,000)**	–
Balance at end	**–**	180,000

15. AMOUNT DUE FROM/TO SUBSIDIARIES

	COMPANY	
	2013	2012
	RM	RM
Amount due from subsidiaries		
- Trade related	**908,492**	2,392,818
- Non-trade related	**83,683,466**	31,196,000
Less: Impairment loss	**(60,080)**	(60,080)
	83,623,386	31,135,920
	84,531,878	33,528,738
Amount due to subsidiaries		
- Non-trade related	**11,186,590**	1,140,961

The non-trade related amount is unsecured, non-interest bearing and is repayable on demand.

16. DEPOSITS WITH LICENSED BANKS

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Fixed deposits	**28,409,973**	33,171,242	**3,975,730**	15,394,803
Short term deposits	**18,458,400**	2,875,104	**1,504,673**	–
	46,868,373	36,046,346	**5,480,403**	15,394,803

Included in deposits with licensed banks of the Group and of the Company are amounts of **RM749,789** (2012: RM436,956) and **RM351,314** (2012: RM341,075) respectively which have been pledged to banks as security for bank guarantees granted to the Company and certain subsidiaries.

The effective interest rates per annum and maturities of deposits with licensed banks at the end of the reporting period are as follows:

	GROUP		COMPANY	
	2013	2012	**2013**	2012
Interest rate (%)				
Fixed deposits	**2.75 to 3.15**	2.75 to 3.20	**2.75 to 3.15**	2.75 to 3.20
Short term deposits	**0.50 to 2.60**	0.50 to 2.50	**1.90 to 2.35**	–
Maturities (Days)				
Fixed deposits	**30 to 365**	30 to 365	**30 to 365**	30 to 365
Short term deposits	**1 to 23**	1 to 18	**3 to 23**	–

17. CASH AND BANK BALANCES

Included in cash and bank balances is an amount of **RM470** (2012: RM480) which consist of monies available in the Project Development Account and is assigned and charged as security for a term loan granted by a bank to a subsidiary as disclosed in Note 23.

18. DISPOSAL GROUP HELD FOR SALE

On 11 December 2012, a subsidiary of the Company, Great Eastern Mills Berhad ("GEMB") entered into a Sale and Purchase of Assets Agreement ("SPA") (see Note 39.2) to dispose of a subsidiary, Kelantan Lumber Products Sdn. Berhad. and certain assets. Following the execution of the SPA, the net assets of the subsidiary and GEMB's leasehold land under property, plant and equipment and property development cost are presented as disposal group held for sale. As at 30 June 2013, the assets and liabilities of the disposal group are as follows:

	NOTE	GROUP RM
Assets classified as held for sale:		
Property, plant and equipment (Note 4)	a	**1,946,027**
Timber concession (Note 9)	b	**140,800**
Property development cost (Note 11)	c	**538,483**
Receivables		**43,796**
Tax recoverable		**384**
Fixed deposit with a licensed bank	d	**76,511**
Cash and bank balances		**338**
		2,746,339
Liabilities classified as held for sale:		
Payables		**3,512**

18. DISPOSAL GROUP HELD FOR SALE (cont'd)

Note:

(a) Property, plant and equipment held for sale comprise the following:

	RM
Cost	**5,958,952**
Accumulated depreciation	**(4,012,925)**
	1,946,027

Included herein is leasehold land with a carrying amount of RM917,302 which is charged in favour of the Company.

(b) Timber concession is carried at cost.

(c) Property development cost comprises leasehold land and is carried at cost. The leasehold land is charged in favour of the Company.

(d) Fixed deposit is pledged to a licensed bank as security for bank guarantee facility granted to the subsidiary.

19. SHARE CAPITAL AND SHARE PREMIUM

GROUP AND COMPANY

Share capital

	Number of ordinary shares of RM0.40 each		Amount	
	2013	2012	**2013**	2012
			RM	RM
Authorised	**500,000,000**	500,000,000	**200,000,000**	200,000,000
Issued and fully paid:				
Balance at beginning	**221,402,684**	201,769,884	**88,561,074**	80,707,954
Private placement	**–**	19,632,800	**–**	7,853,120
Balance at end	**221,402,684**	221,402,684	**88,561,074**	88,561,074

Share premium

	GROUP AND COMPANY	
	2013	2012
	RM	RM
Balance at beginning	**45,448,463**	45,306,309
Issue of shares arising from private placement	**–**	215,961
Less: Share issue expenses	**–**	(73,807)
Balance at end	**45,448,463**	45,448,463

Private placement

In the previous financial year, the Company obtained approvals for its private placement exercise from the shareholders and Bursa Malaysia Securities Berhad on 8 December 2011 and 11 June 2012 respectively.

The Company issued 19,632,800 ordinary shares of RM0.40 each through private placement at an average issue price of RM0.411 per ordinary share for cash, for additional working capital purposes. The share premium arising from this private placement amounted to RM215,961.

20. TREASURY SHARES

The shareholders of the Company, by a resolution passed at the Annual General Meeting held on 16 November 2007, approved the Company's plan and mandate to authorise the Directors of the Company to buy back its own shares up to 10% of the existing total issued and paid up share capital. This mandate was renewed at the Annual General Meeting of the Company, held on 24 November 2012.

The details of the shares repurchased during the year are as follows:

Month	Price per share Lowest	Price per share Highest	Price per share Average	Number of shares	Total consideration RM
September 2012	0.51	0.52	0.51	30,000	15,488
February 2013	0.44	0.44	0.44	50,000	21,909
				80,000	37,397

During the financial year, the Company repurchased **80,000** (2012: 1,118,000) of its issued ordinary shares from the open market at an average price of **RM0.47** (2012: RM0.41) per share for a total consideration of **RM37,397** (2012: RM457,484). The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Of the total **221,402,684** (2012: 221,402,684) issued and fully paid ordinary shares as at 30 June 2013, **5,521,500** (2012: 5,441,500) are held as treasury shares by the Company. As at 30 June 2013, the number of outstanding ordinary shares in issue and fully paid after the set off is therefore **215,881,184** (2012: 215,961,184) ordinary shares of **RM0.40** (2012: RM0.40) each.

Treasury shares have no rights to voting, dividends and participation in other distribution.

21. RESERVES

	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
Asset revaluation reserve	**352,940**	352,940	**352,940**	352,940
Fair value adjustment reserve				
Balance at beginning	**53,030**	36,037	**25,920**	14,436
Current year	**(8,287)**	16,993	**(23,498)**	11,484
Balance at end	**44,743**	53,030	**2,422**	25,920
	397,683	405,970	**355,362**	378,860

Asset revaluation reserve

Asset revaluation reserve is in respect of the surplus on revaluation of properties, net of deferred tax.

Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed or impaired.

22. RETAINED PROFITS

Subject to agreement by the Inland Revenue Board, the Company has 108 balance and tax exempt income account to frank and distribute all of its retained profits at the end of the reporting period if paid out as dividends.

The Finance Act, 2007 introduced a single tier company income tax system with effect from 1 January 2008. As such, the remaining 108 balance as at the end of the reporting period will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

23. BORROWINGS

	GROUP	
	2013	2012
Non-current liabilities	**RM**	RM
Finance lease liabilities		
Minimum payments:		
Within 1 year	**240,320**	245,040
Later than 1 year but not later than 2 years	**207,027**	240,220
Later than 2 years but not later than 5 years	**247,134**	454,161
	694,481	939,421
Future finance charges	**(48,882)**	(85,760)
	645,599	853,661
Amount due within 1 year included under current liabilities	**(214,767)**	(208,162)
	430,832	645,499
Term loan		
Total amount repayable	**1,240,000**	1,240,000
Amount due within 1 year included under current liabilities	**(361,900)**	-
	878,100	1,240,000
	1,308,932	1,885,499
Current liabilities		
Finance lease liabilities	**214,767**	208,162
Term loan	**361,900**	-
	576,667	208,162
Total borrowings	**1,885,599**	2,093,661

The finance lease liabilities are secured over the leased assets (Note 4).

The term loan is secured by way of:

(i) Facility Agreement for RM1,240,000;
(ii) First party first fixed charge over certain freehold land (Note 11);
(iii) Assignment by way of charge over certain sales proceeds in respect of the development properties of a subsidiary as well as monies available in the Project Development Account (Note 17); and
(iv) Corporate guarantee from the Company.

A summary of the effective interest rates and the maturities of the borrowings are as follows:

	Average effective interest rate per annum	**Total**	**Within one year**	**More than one year and less than two years**	**More than two years and less than five years**
	(%)	**RM**	**RM**	**RM**	**RM**
2013					
Finance lease liabilities	**2.38 to 3.50**	**645,599**	**214,767**	**191,639**	**239,193**
Term loan	**6.85**	**1,240,000**	**361,900**	**620,400**	**257,700**
2012					
Finance lease liabilities	2.38 to 3.50	853,661	208,162	214,667	430,832
Term loan	6.85	1,240,000	–	361,900	878,100

24. TRADE PAYABLES

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Trade payables	**12,545,993**	6,615,607	**133,263**	137,286
Retention sums	**11,907,087**	4,221,503	**–**	–
	24,453,080	10,837,110	**133,263**	137,286

The trade payables are non-interest bearing and the normal credit term granted to the Company range from **30 to 90 days** (2012: 30 to 90 days). The retention sums are repayable upon the expiry of the defect liability period of **12 to 24 months** (2012: 12 to 24 months).

25. OTHER PAYABLES

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Other payables	**699,738**	1,557,885	**242,644**	530,898
Balance payable to the Landowner (Note 11(iii))	**20,765,173**	37,103,550	**–**	–
Accruals	**2,100,431**	1,600,431	**882,709**	697,935
Deposits received from:				
– Property buyers	**210,000**	280,000	**–**	–
– Tenants	**4,656,321**	4,432,277	**4,656,321**	4,432,277
* – Others	**510,000**	10,000	**–**	–
	5,376,321	4,722,277	**4,656,321**	4,432,277
	28,941,663	44,984,143	**5,781,674**	5,661,110

* Included herein are deposits amounting to **RM500,000** (2012: RM Nil) received from the buyer for the sale of land and shares of a subsidiary, pursuant to the Sale and Purchase of Assets Agreement, as disclosed in Note 39.2.

26. REVENUE

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Property development revenue	**139,104,786**	86,693,376	**–**	–
Sale of timber	**25,156,363**	17,864,957	**24,676,791**	15,350,073
Rental income	**19,038,249**	18,125,805	**19,038,249**	18,125,805
Project management fee	**–**	–	**3,429,193**	2,374,341
	183,299,398	122,684,138	**47,144,233**	35,850,219

27. COST OF SALES

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Property development costs	**80,348,190**	46,967,477	**–**	–
Cost of timber related operations	**16,151,675**	14,836,013	**15,713,399**	12,562,302
Direct operating costs relating to rental	**13,339,985**	12,739,001	**13,339,985**	12,739,001
	109,839,850	74,542,491	**29,053,384**	25,301,303

28. PROFIT BEFORE TAXATION

This is arrived at:

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
After charging:				
Audit fees – current year	**82,500**	65,100	**35,000**	32,000
– prior years	**(2,200)**	–	**–**	–
Bad debts	**1,830,848**	–	**–**	–
Depreciation	**509,516**	519,622	**90,543**	84,227
* Directors' fee for non-executive directors	**72,000**	72,000	**72,000**	72,000
Impairment loss on investment in a subsidiary	**–**	–	**3,812,000**	–
Impairment loss on receivables	**–**	42,405	**–**	42,405
Interest expense on finance lease	**36,879**	34,246	**–**	–
Lease rental	**9,685,000**	9,316,000	**9,685,000**	9,316,000
Loss on disposal of property, plant and equipment	**1,480,071**	–	**–**	–
Property, plant and equipment written off	**350**	3	**335**	3
Rental expenses	**318,420**	333,760	**135,060**	129,600
** Staff costs	**4,588,251**	3,464,386	**3,112,286**	2,438,724
And crediting:				
Dividend income from investments quoted in Malaysia	**280**	187	**–**	–
Dividend income from investment in unit trusts	**700,210**	384,278	**374,652**	311,479
Gain on disposal of property, plant and equipment	**–**	–	**4,999**	–
Gain on redemption of investment in unit trusts	**51,662**	12,204	**35,090**	12,204
Interest income	**2,061,677**	2,349,590	**1,553,001**	1,757,807
Late payment interest	**46,407**	97,882	**–**	–

* **Directors' fee for non-executive directors**				
- Present directors	**72,000**	52,000	**72,000**	52,000
- Past director	**–**	20,000	**–**	20,000
	72,000	72,000	**72,000**	72,000

** Staff costs				
- Salaries, wages, overtime, allowance, incentive, and bonus	**4,130,599**	3,138,867	**2,777,351**	2,196,842
- EPF	**424,005**	297,601	**311,611**	221,664
- SOCSO	**33,647**	27,918	**23,324**	20,218
	4,588,251	3,464,386	**3,112,286**	2,438,724

28. PROFIT BEFORE TAXATION (cont'd)

Directors' remuneration for executive directors

Included in staff costs of the Group and of the Company is the aggregate amount of remuneration received and receivable by directors of the Company as shown below:

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Salaries, bonus and incentive	**793,500**	403,000	**675,000**	325,000
EPF	**81,000**	39,000	**81,000**	39,000
Fee	**–**	30,000	**–**	30,000
Total directors'remuneration	**874,500**	472,000	**756,000**	394,000

29. TAXATION

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Malaysian income tax:				
Based on results for the year				
- Current tax	**(14,513,070)**	(9,032,647)	**(1,504,000)**	(428,000)
- Deferred tax relating to the origination and reversal of temporary differences	**(797,000)**	(4,271,746)	**(792,000)**	(1,518,000)
	(15,310,070)	(13,304,393)	**(2,296,000)**	(1,946,000)
Under provision in prior years				
- Current tax	**184,917**	(20,098)	**59,264**	(1,400)
- Deferred tax	**(2,911,000)**	(103,000)	**(77,000)**	(99,000)
	(2,726,083)	(123,098)	**(17,736)**	(100,400)
	(18,036,153)	(13,427,491)	**(2,313,736)**	(2,046,400)

The reconciliation of tax expense of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Profit before taxation	**52,814,719**	42,514,861	**5,458,864**	7,850,236
Income tax at Malaysian statutory tax rate of 25%	**(13,203,680)**	(10,628,715)	**(1,364,716)**	(1,962,559)
Income not subject to tax	**187,323**	99,121	**102,436**	80,921
Expenses not deductible for tax purposes	**(1,758,158)**	(324,323)	**(1,033,720)**	(64,362)
Deferred tax movement not recognised	**(535,555)**	(2,450,476)	**–**	–
	(15,310,070)	(13,304,393)	**(2,296,000)**	(1,946,000)
Under provision in prior years	**(2,726,083)**	(123,098)	**(17,736)**	(100,400)
	(18,036,153)	(13,427,491)	**(2,313,736)**	(2,046,400)

29. TAXATION (cont'd)

The amount and future availability of unabsorbed tax losses and unabsorbed capital allowances at the end of the reporting period are as follows:

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Unabsorbed tax losses	**23,334,000**	26,559,000	**–**	3,495,000
Unabsorbed capital allowances	**52,019,000**	50,463,000	**47,192,000**	47,144,000

These unabsorbed tax losses and capital allowances are available to be carried forward for set off against future assessable income of the Company and its subsidiaries.

The following (deductible)/taxable temporary differences have not been recognised in the financial statements:

	GROUP	
	2013	2012
	RM	RM
Property, plant and equipment	**201,000**	564,000
Unabsorbed tax losses	**(23,334,000)**	(23,064,000)
Unabsorbed capital allowances	**(4,827,000)**	(3,319,000)
	(27,960,000)	(25,819,000)

Deferred tax assets have not been recognised on the above temporary differences as it is not probable that taxable profit will be available in the foreseeable future to the extent that the above deductible temporary differences can be utilised.

30. EARNINGS PER SHARE

GROUP

Basic earnings per share is calculated by dividing the profit for the financial year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	2013	2012
Profit attributable to owners of the parent (RM)	**19,580,694**	17,735,774
Weighted average number of ordinary shares of RM0.40 each	**215,919,914**	197,563,074
Earnings per share (sen)	**9.07**	8.98

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the reporting period.

31. CONTINGENT LIABILITIES (UNSECURED)

	COMPANY	
	2013	2012
	RM	RM
Corporate guarantees extended to a bank for banking facilities granted to a subsidiary		
- Limit	**1,240,000**	1,240,000
- Amount utilised	**1,240,000**	1,240,000

32. COMMITMENTS

(a) Capital commitment

	GROUP	
	2013	2012
	RM	RM
Approved and contracted for:		
- Freehold land	**12,621,812**	–

(b) Operating lease commitments

Operating lease commitments represent rentals payable for use of a shopping mall for a term of ten years. Future minimum rentals payable under non-cancellable operating leases as at the end of the reporting period are as follows:

	GROUP AND COMPANY	
	2013	2012
	RM	RM
Within one year	**9,920,000**	9,685,000
More than one year and less than two years	**9,924,000**	9,920,000
More than two years and less than five years	**13,944,667**	23,868,667
	33,788,667	43,473,667

(c) Joint venture commitment

GROUP

The balance consideration payable to Koperasi Tunas Sungai Ara Berhad ("the Landowner") pursuant to the Joint Venture Agreement dated 28 November 2012 (see Note 11(iv)) is as follows:

(i) Balance of cash consideration of RM76,248,800; and
(ii) Construction cost of one block of commercial building for the Landowner, actual cost of which is yet to be ascertained.

33. SEGMENT INFORMATION

Segmental information is presented in respect of the Group's business segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business Segments

The Group is organised into business units based on their products and services, which comprise the following:

(1) Investment properties
(2) Property construction
(3) Timber related
(4) Property development
(5) Others which consist of trading of goods and investment holding

33. SEGMENT INFORMATION (cont'd)

2013	Investment properties RM	Property construction RM	Timber related RM	Property development RM	Others RM	Elimination RM	Note	Total RM
Revenue								
External sales	19,038,249	–	25,156,363	139,104,786	–	–		183,299,398
Inter–segment sales	–	–	–	–	6,347,971	(6,347,971)	A	–
Total revenue	19,038,249	–	25,156,363	139,104,786	6,347,971	(6,347,971)		183,299,398
Result								
Segment results	3,345,002	–	(5,079,772)	51,385,500	1,914,156	(821,372)		50,743,514
Interest income								2,108,084
Profit from operations								52,851,598
Finance costs								(36,879)
Profit before taxation								52,814,719
Taxation								(18,036,153)
Net profit for the year								34,778,566
Assets								
Segment assets	136,623,264	–	29,450,320	189,719,604	38,723,035	(109,248,580)		285,267,643
Deferred tax assets								11,713,000
Tax recoverable								63,251
Total assets								297,043,894
Liabilities								
Segment liabilities	19,003,695	–	22,711,597	100,516,723	37,422,297	(101,320,200)		78,334,112
Provision for taxation								3,700,217
Total liabilities								82,034,329
Other information								
Additions to non-current assets	49,847	–	–	52,236	–	(4,990)	B	97,093
Depreciation	90,543	–	136,197	285,301	165	(2,690)		509,516
Non–cash (income)/expenses other than depreciation	(4,664)	–	11,166,711	2,762	(51,662)	–	C	11,113,147

33. SEGMENT INFORMATION (cont'd)

	Investment properties RM	Property construction RM	Timber related RM	Property development RM	Others RM	Elimination RM	Note	Total RM
2012								
Revenue								
External sales	18,125,805	–	17,864,957	86,693,376	–	–		122,684,138
Inter–segment sales	–	–	–	–	4,652,737	(4,652,737)	A	–
Total revenue	18,125,805	–	17,864,957	86,693,376	4,652,737	(4,652,737)		122,684,138
Result								
Segment results	4,431,315	–	1,231,110	34,523,078	56,946	(140,814)		40,101,635
Interest income								2,447,472
Profit from operations								42,549,107
Finance costs								(34,246)
Profit before taxation								42,514,861
Taxation								(13,427,491)
Net profit for the year								29,087,370
Assets								
Segment assets	111,876,467	–	42,475,967	117,269,915	4,444,274	(48,383,261)		227,683,362
Deferred tax assets								15,421,000
Tax recoverable								62,554
Total assets								243,166,916
Liabilities								
Segment liabilities	7,601,784	19,628	25,191,874	68,189,232	1,525,121	(42,275,535)		60,252,104
Provision for taxation								3,491,634
Total liabilities								63,743,738
Other information								
Additions to non–current assets	114,213	–	–	645,889	–	–	B	760,102
Depreciation	84,227	–	76,104	359,126	165	–		519,622
Non–cash expenses/(income) other than depreciation	42,408	–	2,830,474	–	(12,204)	–	C	2,860,678

33. SEGMENT INFORMATION (cont'd)

Notes to segment information:

A Inter–segment revenues are eliminated on consolidation.

B Additions to non–current assets consists of total costs incurred during the financial year to acquire property, plant and equipment, land held for development and timber concession.

C Other non–cash expenses/(income) consist of the following items:

	2013 RM	2012 RM
Bad debts	**1,830,848**	–
Impairment loss on receivables	**–**	42,405
Property, plant and equipment written off	**350**	3
Loss on disposal of property, plant and equipment	**1,480,071**	–
Gain on redemption of investment in unit trusts	**(51,662)**	(12,204)
Timber concession cost recognised	**7,853,540**	2,830,474
	11,113,147	2,860,678

By geographical segments
No information on geographical segment is presented as the Group's business is operated solely in Malaysia.

Information about major customers
During the year, there was no one single customer that contributed to more than 10% of the Group's revenue.

34. RELATED PARTY DISCLOSURES

(i) Related party transactions

	COMPANY	
	2013 RM	2012 RM
Administrative fee charged by a subsidiary	**1,710,929**	1,575,616
Administrative fee charged to subsidiaries	**193,343**	91,330
Project management fee charged to subsidiaries	**3,429,193**	2,374,431
Sale of property, plant and equipment to a subsidiary	**3,843**	–
Purchase of property, plant and equipment from a subsidiary	**1,147**	–

(ii) Compensation of key management personnel

The Group and the Company have no other members of key management personnel apart from the Board of Directors of the Company and of a subsidiary, which their compensation has been shown in Note 28.

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, directly or indirectly.

35. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as:

(i) Loans and receivables ("L&R");
(ii) Held–to–maturity investments ("HTM");
(iii) Available–for–sale financial assets ("AFS"); and
(iv) Other liabilities measured at amortised cost ("FL").

	Carrying amount RM	L&R RM	HTM RM	AFS RM	FL RM
GROUP					
2013					
Financial assets					
Other investments (Note 8)	**38,143,876**	**–**	**27,960,000**	**10,183,876**	**–**
Trade receivables (Note 13)	**13,627,958**	**13,627,958**	**–**	**–**	**–**
Other receivables and refundable deposits (Note 14)	**39,834,922**	**39,834,922**	**–**	**–**	**–**
Deposits with licensed banks (Note 16)	**46,868,373**	**46,868,373**	**–**	**–**	**–**
Cash and bank balances (Note 17)	**6,749,673**	**6,749,673**	**–**	**–**	**–**
	145,224,802	**107,080,926**	**27,960,000**	**10,183,876**	**–**
Financial liabilities					
Borrowings (Note 23)	**1,885,599**	**–**	**–**	**–**	**1,885,599**
Trade payables (Note 24)	**24,453,080**	**–**	**–**	**–**	**24,453,080**
Other payables (Note 25)	**28,441,663**	**–**	**–**	**–**	**28,441,663**
	54,780,342	**–**	**–**	**–**	**54,780,342**
2012					
Financial assets					
Other investments (Note 8)	53,395,185	–	27,960,000	25,435,185	–
Trade receivables (Note 13)	13,090,051	13,090,051	–	–	–
Other receivables and refundable deposits (Note 14)	4,648,776	4,648,776	–	–	–
Deposits with licensed banks (Note 16)	36,046,346	36,046,346	–	–	–
Cash and bank balances (Note 17)	4,856,829	4,856,829	–	–	–
	112,037,187	58,642,002	27,960,000	25,435,185	–
Financial liabilities					
Borrowings (Note 23)	2,093,661	–	–	–	2,093,661
Trade payables (Note 24)	10,837,110	–	–	–	10,837,110
Other payables (Note 25)	7,880,593	–	–	–	7,880,593
	20,811,364	–	–	–	20,811,364

35. CATEGORIES OF FINANCIAL INSTRUMENTS (cont'd)

	Carrying amount RM	L&R RM	HTM RM	AFS RM	FL RM
COMPANY					
2013					
Financial assets					
Other investments (Note 8)	**29,130,135**	**–**	**27,960,000**	**1,170,135**	**–**
Trade receivables (Note 13)	**442,003**	**442,003**	**–**	**–**	**–**
Other receivables and refundable deposits (Note 14)	**2,603,833**	**2,603,833**	**–**	**–**	**–**
Amount due from subsidiaries (Note15)	**84,304,118**	**84,304,118**	**–**	**–**	**–**
Deposits with licensed banks (Note 16)	**5,480,403**	**5,480,403**	**–**	**–**	**–**
Cash and bank balances (Note 17)	**1,355,125**	**1,355,125**	**–**	**–**	**–**
	123,315,617	**94,185,482**	**27,960,000**	**1,170,135**	**–**
Financial liabilities					
Trade payables (Note 24)	**133,263**	**–**	**–**	**–**	**133,263**
Other payables (Note 25)	**5,781,674**	**–**	**–**	**–**	**5,781,674**
Amount due to subsidiaries (Note 15)	**11,186,590**	**–**	**–**	**–**	**11,186,590**
	17,101,527	**–**	**–**	**–**	**17,101,527**
2012					
Financial assets					
Other investments (Note 8)	47,325,989	–	27,960,000	19,365,989	–
Trade receivables (Note 13)	500,213	500,213	–	–	–
Other receivables and refundable deposits (Note 14)	2,619,455	2,619,455	–	–	–
Amount due from subsidiaries (Note15)	33,528,738	33,528,738	–	–	–
Deposits with licensed banks (Note 16)	15,394,803	15,394,803	–	–	–
Cash and bank balances (Note 17)	2,293,622	2,293,622	–	–	–
	101,662,820	54,336,831	27,960,000	19,365,989	–
Financial liabilities					
Trade payables (Note 24)	137,286	–	–	–	137,286
Other payables (Note 25)	5,661,110	–	–	–	5,661,110
Amount due to subsidiaries (Note 15)	1,140,961	–	–	–	1,140,961
	6,939,357	–	–	–	6,939,357

36. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk and liquidity risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative activities.

36.1 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group's exposure to credit risk arises principally from its trade receivables. The Company's exposure to credit risk arises principally from trade receivables, advances and financial guarantees given to its subsidiaries.

36.1.1 Trade receivables

In respect of trade receivables arising from the sale of development properties, the Group mitigates its credit risk by maintaining its name as the registered owner of the development properties until full settlement by the purchaser of the self–financed portion of the purchase consideration or upon undertaking of end–financing by the purchaser's end–financier.

As for timber and other business activities, the Group and the Company will take into consideration factors such as the relationship with the customers, their payment history and credit worthiness in deciding whether credit shall be extended. The Group and the Company subject new customers to credit verification procedures. In addition, debt monitoring procedures are performed on an on–going basis with the result that the Group's and the Company's exposure to bad debts is not significant.

The ageing of trade receivables and accumulated impairment losses of the Group and of the Company are as follows:

	2013			2012		
GROUP	**Gross RM**	**Impairment RM**	**Net RM**	Gross RM	Impairment RM	Net RM
Not past due	**12,312,261**	**–**	**12,312,261**	8,238,341	–	8,238,341
1 to 30 days past due	**699,933**	**–**	**699,933**	244,450	–	244,450
31 to 60 days past due	**6,443**	**–**	**6,443**	306,544	–	306,544
Past due more than 60 days	**8,151,726**	**(7,542,405)**	**609,321**	25,382,543	(21,081,827)	4,300,716
	8,858,102	**(7,542,405)**	**1,315,697**	25,933,537	(21,081,827)	4,851,710
	21,170,363	**(7,542,405)**	**13,627,958**	34,171,878	(21,081,827)	13,090,051
COMPANY						
Not past due	**215,925**	**–**	**215,925**	174,346	–	174,346
1 to 30 days past due	**20,084**	**–**	**20,084**	7,648	–	7,648
31 to 60 days past due	**6,443**	**–**	**6,443**	306,544	–	306,544
Past due more than 61 days	**241,956**	**(42,405)**	**199,551**	13,593,502	(13,581,827)	11,675
	268,483	**(42,405)**	**226,078**	13,907,694	(13,581,827)	325,867
	484,408	**(42,405)**	**442,003**	14,082,040	(13,581,827)	500,213

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group and the Company. None of the Group's and the Company's trade receivables that are neither pass due nor impaired have been renegotiated during the financial year.

The Group and the Company have trade receivables amounting to **RM1,315,697** (2012: RM4,851,710) and **RM226,078** (2012: RM325,867) respectively that are past due at the end of the reporting period but not impaired. The management is of the view that these receivables are recoverable and no impairment is necessary.

As at the end of the reporting period, the Group and the Company have no significant concentration of credit risks.

36. FINANCIAL RISK MANAGEMENT (cont'd)

36.1.2 Intercompany balances

The Company provides advances to its subsidiaries and monitors the results of the subsidiaries regularly.

Debt monitoring procedures are performed on an on–going basis and as at the end of the reporting period, there was no indication that the advances to its subsidiaries are not recoverable.

36.1.3 Financial guarantees

The Company provides unsecured corporate guarantees to a bank in respect of banking facilities granted to a subsidiary. The maximum exposure to credit risk is disclosed in Note 31, representing the outstanding banking facilities of the said subsidiary as at the end of the reporting period. The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary. As at the end of the reporting period, there was no indication that the subsidiary would default on repayment.

36.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient level of cash and cash equivalents to meet their working capital requirements.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM
GROUP					
2013					
Interest bearing borrowings	**1,885,599**	**2,014,381**	**614,615**	**869,924**	**529,842**
Trade and other payables	**52,894,743**	**52,894,743**	**52,894,743**	**–**	**–**
	54,780,342	**54,909,124**	**53,509,358**	**869,924**	**529,842**
2012					
Interest bearing borrowings	2,093,661	2,261,261	245,040	626,005	1,390,216
Trade and other payables	18,717,703	18,717,703	18,717,703	–	–
	20,811,364	20,978,964	18,962,743	626,005	1,390,216
COMPANY					
2013					
Trade and other payables	**5,914,937**	**5,914,937**	**5,914,937**	–	–
Amount due to subsidiaries	**11,186,590**	**11,186,590**	**11,186,590**	–	–
	17,101,527	**17,101,527**	**17,101,527**	–	–
2012					
Trade and other payables	5,798,396	5,798,396	5,798,396	–	–
Amount due to subsidiaries	1,140,961	1,140,961	1,140,961	–	–
	6,939,357	6,939,357	6,939,357	–	–

36. FINANCIAL RISK MANAGEMENT (cont'd)

36.3 Interest rate risk

The Group's and the Company's fixed rate financial instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's floating rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's and of the Company's interest–bearing financial instruments based on the carrying amounts as at the end of the reporting period is as follows:

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Fixed rate instruments				
Financial assets	**74,828,373**	64,006,346	**33,440,403**	43,354,803
Financial liabilities	**645,599**	853,661	**–**	–
Floating rate instruments				
Financial liabilities	**1,240,000**	1,240,000	**–**	–

Sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial instruments at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have increased property development costs by **RM3,100** (2012: RM1,877) and a corresponding decrease would have an equal but opposite effect. This analysis assumes that all other variables remain constant.

36.4 Capital management

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and maximise shareholders value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts.

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets (other than investments in equity instruments) and financial liabilities are reasonable approximation of fair values, due to their short–term nature at the end of the reporting period. The fair value of investments in quoted shares and unit trusts is its quoted market price at 30 June 2013. The carrying amount of the non–current portion of finance lease liabilities is reasonable approximation of fair value due to the insignificant impact of discounting.

37.1 Fair value hierarchy

The table below analyses financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 Inputs for the asset and liability that are not based on observable market data (unobservable inputs).

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

37.1 Fair value hierarchy (cont'd)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
GROUP				
2013				
Held–to–maturity investments				
– Institutional Trust Account	**–**	**–**	**27,960,000**	**27,960,000**
Available–for–sale financial assets				
– Quoted shares	**48,850**	**–**	**–**	**48,850**
– Unit trusts	**10,135,026**	**–**	**–**	**10,135,026**
2012				
Held–to–maturity investments				
- Institutional Trust Account	–	–	27,960,000	27,960,000
Available-for-sale financial assets				
- Quoted shares	26,878	–	–	26,878
- Unit trusts	25,408,307	–	–	25,408,307
COMPANY				
2013				
Held–to–maturity investments				
– Institutional Trust Account	**–**	**–**	**27,960,000**	**27,960,000**
Available–for–sale financial assets				
– Unit trusts	**1,170,135**	**–**	**–**	**1,170,135**
2012				
Held–to–maturity investments				
– Institutional Trust Account	–	–	27,960,000	27,960,000
Available–for–sale financial assets				
– Unit trusts	19,365,989	–	–	19,365,989

38. EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The Company had on 9 June 2010 and 15 July 2010 obtained approvals from Bursa Malaysia Securities Berhad and the shareholders respectively to establish an ESOS with duration of ten years from the effective date.

As at 30 June 2013, no options were granted.

The salient features of the ESOS are as follows:

(i) The aggregate number of options offered under the ESOS shall not exceed ten per centum (10%) of the issued and paid–up share capital during the duration of the ESOS or such additional number that may be permitted by the relevant authorities during the duration of the ESOS,

(ii) Not more than fifty per centum (50%) of the shares available under the ESOS should be allocated, in aggregate, to directors (including non–executive directors) and senior management of the Group. In addition, not more than ten per centum (10%) of the shares available under the ESOS should be allocated to any individual director or employee who, either singly or collectively through his/her associates, holds twenty per centum (20%) or more in the issued and paid–up share capital of the Company,

38. EMPLOYEE SHARE OPTION SCHEME ("ESOS") (cont'd)

(iii) An employee (including directors of any company comprised in the Group) shall be eligible to participate in the ESOS is the employee is at least eighteen (18) years of age on the date of offer; employed full time by and on the payroll of any company in the Group and his employment must have been confirmed on the date of offer,

(iv) The option price shall be based on the 5–day volume weighted average market price of the shares of the Company immediately prior to the date of offer provided that the price shall not be at a discount of more than ten per centum (10%) of the 5–day volume weighted average market prices and shall not be less than the par value of the shares of the Company, and

(v) The new shares to be issued and allotted upon exercise of the option will upon allotment and issuance rank pari passu in all respect with the then existing issued shares except that the shares so issued will not be entitled for any right, dividend, allotment and/or any other distributions declared, made or paid, the entitlement date of which is prior to the date of allotment of the shares. The new shares will be subjected to all the provisions of the Articles of Association of the Company.

39. SIGNIFICANT EVENTS

In addition to the significant events detailed elsewhere in the financial statements, other significant events during the year for the Group are as follows:–

39.1 Settlement Agreement

On 11 December 2012, Great Eastern Mills Berhad ("GEMB") entered into a Settlement Agreement with a shareholder, Kompleks Perkayuan Kelantan Sdn. Bhd. ("KPK") and Timber Employee Union, Peninsular Malaysia ("the Trade Union") to settle the Trade Union's claim against GEMB for the sum of RM4,976,531 ("Trade Union Debt") on the following terms and conditions stated in the Settlement Agreement:

(i) KPK has agreed to assume the Trade Union Debt on behalf of GEMB in consideration of GEMB renouncing in favour of KPK its right absolutely over a logging concession right over lands measuring approximately 7,049 acres which was granted by the Perbadanan Kemajuan Iktisad Negeri Kelantan ("PKINK"). Timber concession cost amounting RM3,865,387 (Note 9) is recognised in profit or loss upon the Company renouncing to KPK its rights over the logging concession.

(ii) In consideration of KPK's agreement to assume and settle the Trade Union Debt on behalf of GEMB, the Trade Union agrees:

(a) To withdraw the winding–up petition or any other claim suit, demand or any other legal proceeding whatsoever initiated by the Trade Union against GEMB in relation to the Trade Union Debt with no liberty to file afresh against GEMB and with no order to the costs; and

(b) Not to institute legal proceeding against GEMB in respect of the Trade Union Debt for any reason whatsoever.

(iii) Upon the withdrawal of the winding–up petition and for the removal of doubt, the supplemental agreement between GEMB and the Trade Union dated 20 August 2008 shall be deemed rescinded free from any claims and liabilities.

39.2 Sale and Purchase of Assets Agreement

On 11 December 2012, GEMB entered into a Sale and Purchase of Assets Agreement ("SPA") with KPK to dispose of the following assets to KPK for a total consideration of RM8,500,000:

(i) 2,000,000 ordinary shares of RM1 each in Kelantan Lumber Products Sdn. Berhad ("KLP"), a wholly–owned subsidiary of GEMB, which represents the entire issued and paid–up shares in KLP for RM3,000,000; and

(ii) A piece of leasehold land measuring approximately 30 acres for RM5,500,000 which is presently charged in favour of the Company.

On 30 September 2013, GEMB entered into a Tripartite Agreement with KPK and Prestij Mega Venture Sdn. Bhd. ("PMV") to vary certain terms of the SPA as PMV has entered into another agreement with KPK to purchase the abovementioned assets from KPK.

39. SIGNIFICANT EVENTS (cont'd)

39.3 Sale and Purchase Agreements for acquisition of freehold land

(i) Seal Properties (SP) Sdn. Bhd. acquired a freehold land for property development in two tranches at a consideration sum of RM11,009,398 and RM633,319 respectively. The first tranche was completed during the financial year, whereas the second tranche was completed on 3 July 2013.

(ii) Seal City Sdn. Bhd. acquired a freehold land for property investment at a consideration sum of RM13,390,919 which was completed on 3 July 2013.

40. DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of retained profits of the Group and of the Company as at the end of the reporting period has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad and the Guidance on Special Matter No. 1 – Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants are as follows:

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Total retained profits of the Company and its subsidiaries:				
– Realised	**13,347,289**	(5,662,423)	**10,911,515**	6,897,387
– Unrealised	**11,713,000**	15,421,000	**11,744,000**	12,613,000
	25,060,289	9,758,577	**22,655,515**	19,510,387
Add: Consolidation adjustments	**26,147,439**	21,868,457	**–**	–
Total retained profits as per statements of financial position	**51,207,728**	31,627,034	**22,655,515**	19,510,387

	Company Location of property	Date of Acquisition/ Revaluation* (Age of Building)	Area	Tenure	Description/ Existing Use	Net Book Value (RM)
1	H.S.(M) 15224 to H.S.(M) 15233 Lot No. 20689 to Lot No. 20698 H.S.(M) 15234 to H.S.(M) 15238 Lot No. 20700 to Lot No. 20704 H.S.(M) 15249 to H.S.(M) 15267 Lot No. 20712 to Lot No. 20730 H.S.(M) 14590, Lot No. 20688 H.S.(M) 11782, Lot No. 20699 H.S.(M) 22243, Lot No. 20705 H.S.(M) 23415, Lot No. 20706 H.S.(M) 22004, Lot No. 20707 H.S.(M) 22248, Lot No. 20708 H.S.(M) 23261, Lot No. 20709 H.S.(M) 23264, Lot No. 20710 H.S.(M) 23265, Lot No. 20711 and H.S.(M) 16394, Lot No. 20906 Mukim of Sungai Petani Kuala Muda, Kedah	23/09/1999	6,951.75 sq.metres	Leasehold expiring in 2092	Vacant land for development	5,008,722
2	H.S.(M) 15268 to H.S.(M) 15308 Lot No. 20731 to Lot No. 20771 Mukim of Sungai Petani Kuala Muda, Kedah	23/09/1999	5,886.52 sq.metres	Leasehold expiring in 2092	Vacant land for development	4,384,611
3	G.M. 5823 to G.M. 5827 Lot No. 146 to Lot No. 150 G.M. 5811 to G.M. 5820 Lot No. 134 to Lot No. 143 and G.M. 5810, Lot No. 132 Mukim of Kuah Langkawi, Kedah	11/10/1999	1,841 sq.metres	Freehold	Vacant land for development	1,877,531
4	G.M. 5828 to G.M. 5833 Lot No. 151 to Lot No. 156 Mukim of Kuah Langkawi, Kedah	11/10/1999	666 sq.metres	Freehold	Vacant land for development	715,667
5	G.M. 5834, Lot No. 157 and G.M 5797 to G.M 5803 Lot No. 119 to Lot No. 125 Mukim of Kuah Langkawi, Kedah	11/10/1999	940 sq.metres	Freehold	Vacant land for development	952,015
6	G.M 5796, Lot No. 117 Mukim of Kuah Langkawi, Kedah	11/10/1999	4,324 sq.metres	Freehold	Vacant land for development	4,496,946
7	No. 2, Jalan Desa Pauh Taman Desa Pauh 13700 Perai, Penang	6/10/2008	292.3 sq.metres	Freehold	Commercial lot	741,800

	Company Location of property	Date of Acquisition/ Revaluation* (Age of Building)	Area	Tenure	Description/ Existing Use	Net Book Value (RM)
	Subsidiary companies					
8	H.S.(D) 2631/95 to H.S.(D) 2640/95 PT 22250 to PT 22259 H.S.(D) 2733/95 to H.S.(D) 2764/95 PT 22352 to PT 22383 and H.S.(D) 2769/95 PT 22388 Mukim of Sungai Petani Kuala Muda, Kedah	29/9/2010	16,618.60 sq.metres	Freehold	Development	1,748,174
9	H.S.(D) 2684/95 to H.S.(D) 2732/95 and H.S.(D) 2768/95 PT 22303 to PT 22351 and PT 22387 Mukim of Sungai Petani Kuala Muda, Kedah	29/9/2010	12,718.50 sq.metres	Freehold	Development	4,162,718
10	H.S.(D) 90454 PT 48857 Bandar Sungai Petani Daerah Kuala Muda, Kedah	5/3/2013	84.25 acres	Freehold	Development	11,009,398

Authorised Capital	:	RM200,000,000.00
Issued and fully paid-up capital	:	RM86,332,473.60 (Excluding 5,571,500 Treasury Shares)
Class of Shares	:	Ordinary shares of RM0.40 each fully paid
Voting Rights	:	One vote per RM0.40 share

BREAKDOWN OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	Percentage of Shareholders	No. of RM0.40 Shares	Percentage of Issued Capital
Less than 100	214	2.82	7,758	0.00
100 – 1,000	2,384	31.44	2,165,878	1.00
1,001 – 10,000	3,811	50.26	16,310,970	7.56
10,001 – 100,000	1,020	13.45	31,240,695	14.48
100,001– 10,791,558*	150	1.98	90,301,166	41.84
10,791,559 and above**	4	0.05	75,804,717	35.12
TOTAL	7,583	100.00	215,831,184	100.00

Note : * - Less than 5% of issued shares
** - 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES) AS AT 30 SEPTEMBER 2013

According to the Register of Substantial Shareholders required to be kept under Section 69L of the Companies Act, 1965, the following are the substantial shareholders of the Company:

Name of Substantial Shareholders	Direct Interest		Deemed Interest (excluding bare trustees)	
	No.	%	No.	%
KAPEN Capital Partners Limited	18,342,717	8.50	–	–
Kesan Anggun Sdn. Bhd.	40,000,000	18.53	–	–
Chuah Chong Ewe	1,105,000	0.51	40,000,000	18.53
Koay Teng Choon	17,462,000	8.09	1,867,100	0.87
Fang Siew Hong	–	–	40,000,000	18.53
Fang Siew Poh	1,906,900	0.88	40,000,000	18.53
Poly Dynamic Motion Sdn. Bhd.	–	–	40,000,000	18.53

DIRECTORS' INTERESTS AS AT 30 SEPTEMBER 2013

According to the Register of Directors' Shareholdings required to be kept under Section 134 of the Companies Act, 1965, the Directors' interests in the ordinary share capital of RM0.40 each of the Company are as follows:

Name of Directors	Direct Interest		Deemed Interest (excluding bare trustees)	
	No.	%	No.	%
Chuah Chong Ewe	1,105,000	0.51	40,000,000	18.53
Fang Siew Hong	–	–	40,000,000	18.53
Koay Teng Choon	17,462,000	8.09	1,867,100	0.87

Other than as disclosed above, none of the other Directors have interest in the shares of the Company and its related companies.

LIST OF TOP THIRTY SHAREHOLDERS
AS AT 30 SEPTEMBER 2013

	Name	Shareholdings	Percentage
1	Kesan Anggun Sdn. Bhd.	20,000,000	9.27
2	HDM Nominees (Tempatan) Sdn. Bhd. [HDM Capital Sdn Bhd for Kesan Anggun Sdn. Bhd.]	20,000,000	9.27
3	Citigroup Nominees (Asing) Sdn. Bhd. [Exempt An For UBS AG Singapore (Foreign)]	18,342,717	8.50
4	Koay Teng Choon	17,462,000	8.09
5	Koid Hang Say @ Koid Hun Seng	9,816,400	4.55
6	Tan Chee Soon	9,816,400	4.55
7	Ooi Lai Hock	4,124,300	1.91
8	Fang Siew Ling	3,982,500	1.85
9	Ong Beng Hooi	3,695,800	1.71
10	Public Nominees (Tempatan) Sdn. Bhd. [Pledged Securities Account for Low Ah Kou (E-SPI)]	2,666,000	1.24
11	Quah Jo Leen	2,209,900	1.02
12	JF Apex Nominees (Tempatan) Sdn. Bhd. [Pledged Securities Account for Queck Han Tiong (STA 2)]	2,192,800	1.02
13	Fang Siew Poh	1,906,900	0.88
14	Teoh Tian Wen	1,903,000	0.88
15	Low Ah Kou	1,872,800	0.87
16	Tan Guik Lan	1,867,100	0.87
17	Chuah Swee Hoon	1,590,000	0.74
18	Mah Beng Fong	1,568,700	0.73
19	Low Hun Seah	1,432,200	0.66
20	Lau Kim Wah	1,405,000	0.65
21	Chai Mooi Chong	1,368,800	0.63
22	Central Kedah Plywood Factory Sendirian Berhad	1,175,400	0.54
23	Lit Khee Realty Sdn. Berhad	1,110,000	0.51
24	Chuah Chong Ewe	1,105,000	0.51
25	Yip Soon Nam	1,080,000	0.50
26	Song Kim Lee	1,002,000	0.46
27	RHB Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Mah Beng Fong)	974,800	0.45
28	Maybank Securities Nominees (Tempatan) Sdn. Bhd. [Pledged Securities Account for Glorious Future Sdn. Bhd. (REM 646)]	909,000	0.42
29	Tan Hock Seong	700,000	0.32
30	Maybank Securities Nominees (Tempatan) Sdn. Bhd. [Pledged Securities Account for Lim Chee Sing (R01-Margin)]	624,300	0.29
	TOTAL	137,903,817	63.89

FORM OF PROXY

I/We,……….................

NRIC No./Company No. ……………………………………………………………………of………………………………………................

....………………………………being a member of Seal Incorporated Berhad hereby appoint the following person(s):

	Name of proxy & NRIC No.	No. of shares	%
1.			
2.			

or failing him/her

1.			
2.			

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Fifty-First Annual General Meeting of the Company to be held on 29 November 2013 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Ordinary Business		**For**	**Against**
The payment of Directors' fee	Resolution 1		
The re-election of Directors: - Fang Siew Hong	Resolution 2		
- Koay Teng Choon	Resolution 3		
The re-appointment of the following Director in accordance with Section 129 of the Companies Act, 1965: Tuan Haji Abdul Hamid Bin Mohd Hassan	Resolution 4		
The re-appointment of Auditors and their remuneration	Resolution 5		
Special Business Ordinary Resolution 1 – Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965	Resolution 6		
Ordinary Resolution 2 – Proposed Renewal of Share Buy Back Authority	Resolution 7		

Please indicate with (✓) how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Date:

No. of shares held	
CDS A/C No.	

………………………………………………….
Signature of Shareholder

NOTES

1. Only members whose names appear on the Record of Depositors as at 25 November 2013 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.

2. A member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of him. A proxy may but need not be a member of the Company.

3. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

4. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

6. The instrument appointing a proxy must be deposited at the Registered Office of the Company, 55 Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia not less than 48 hours before the time appointed for holding the Meeting.

fold

AFFIX
80 sen
STAMP
(within Malaysia)

The Registered Office
SEAL INCORPORATED BERHAD
55 Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh

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SEAL INCORPORATED BERHAD (4887-M)
No. 55, Medan Ipoh 1A, Medan Ipoh Bistari
31400 Ipoh, Perak Darul Ridzuan

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