

SEAL INCORPORATED BERHAD (4887-M)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/06/2007 RM' 000	Preceding Year Corresponding Quarter Ended 30/06/2006 RM' 000	Current Year To Date 30/06/2007 RM' 000	Preceding Year Corresponding Period 30/06/2006 RM' 000
Revenue	4,005	3,046	49,975	13,359
Cost of sales	1,599	-	(33,406)	-
Gross profit	5,604	3,046	16,569	13,359
Other income	5,118	1,324	9,560	1,997
Operating expenses	(5,355)	(4,059)	(13,004)	(11,105)
Other expenses	651	(126)	(7,197)	(65,332)
Finance cost	1,449	(1,423)	(1,908)	(7,108)
Share of results of associates	-	-	-	-
Profit / (Loss) before tax	7,467	(1,238)	4,020	(68,189)
Income tax expenses	(3,839)	(2,457)	(3,839)	(2,457)
Profit / (Loss) for the year	3,628	(3,695)	181	(70,646)
Attributable to :				
Equity holders of the parent	3,585	(3,751)	144	(70,540)
Minority interests	43	56	37	(106)
	3,628	(3,695)	181	(70,646)
Earnings per share attributable to equity holders of the parent :				
Basic earnings per ordinary share (sen)	1.96	(1.97)	0.08	(39.83)
Diluted earning per ordinary share (sen)	-	-	-	-

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2006)

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CONDENSED CONSOLIDATED BALANCE SHEET

	(UNAUDITED) As At End Of Current Quarter 30/06/2007 RM' 000	(AUDITED) As At Preceding Financial Year End 30/06/2006 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	6,402	5,151
Investment properties	38	120,000
Investment in an associated company	-	-
Development properties	17,267	17,219
Deferred tax assets	27,542	31,261
Timber concessions	8,965	3,273
Other investments	27,004	4
Goodwill on consolidation	16,642	16,642
	<u>103,860</u>	<u>193,550</u>
Current assets		
Inventories	300	-
Property development costs	6,733	34,427
Trade receivables	2,487	3,146
Other receivables, deposits and prepayments	24,987	23,472
Tax recoverable	6	78
Fixed deposits with licensed banks	31,303	338
Cash and bank balances	603	477
	<u>66,419</u>	<u>61,938</u>
TOTAL ASSETS	<u>170,279</u>	<u>255,488</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	183,427	183,427
Share premium	247,847	247,847
Reserves	353	251
Accumulated losses	(294,105)	(294,249)
	<u>137,522</u>	<u>137,276</u>
Minority interests	<u>3,731</u>	<u>3,694</u>
Total equity	<u>141,253</u>	<u>140,970</u>
Non-current liabilities		
Other payables	-	417
Hire purchase payable	-	31
Bank borrowings	1,088	1,780
	<u>1,088</u>	<u>2,228</u>
Current liabilities		
Trade payables	2,500	3,210
Other payables and accruals	17,836	28,014
Provisions for other liabilities	2,983	2,828
Hire purchase payables	-	36
Bank borrowings	4,499	78,202
Taxation	120	-
	<u>27,938</u>	<u>112,290</u>
Total liabilities	<u>29,026</u>	<u>114,518</u>
TOTAL EQUITY AND LIABILITIES	<u>170,279</u>	<u>255,488</u>
Net assets per share attributable to equity holders of the parent (RM)	0.75	0.75

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2006)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to equity holders of the parent →							Total Equity RM'000
	← Non-distributable →				Distributable		Minority Interest RM'000	
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Exchange Fluctuation Reserve RM'000	Accumulated losses RM'000	Total RM'000		
12 Months Period Ended 30 June 2007								
Balance at 1 July 2006	183,427	247,847	353	(102)	(294,249)	137,276	3,694	140,970
Currency translation difference	-	-	-	102	-	102	-	102
Profit for the year	-	-	-	-	144	144	37	181
Balance at 30 June 2007	<u>183,427</u>	<u>247,847</u>	<u>353</u>	<u>0</u>	<u>(294,105)</u>	<u>137,522</u>	<u>3,731</u>	<u>141,253</u>

	← Attributable to equity holders of the parent →							Total Equity RM'000
	← Non-distributable →				Distributable		Minority Interest RM'000	
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Exchange Fluctuation Reserve RM'000	Accumulated losses RM'000	Total RM'000		
12 Months Period Ended 30 June 2006								
Balance at 1 July 2005	176,403	249,612	353	(87)	(223,710)	202,571	3,800	206,371
Issuance of shares	7,024	(1,756)	-	-	-	5,268	-	5,268
Placement expenses	-	(9)	-	-	-	(9)	-	(9)
Currency translation difference	-	-	-	(15)	-	(15)	-	(15)
Loss for the year	-	-	-	-	(70,539)	(70,539)	(106)	(70,645)
Balance at 30 June 2006	<u>183,427</u>	<u>247,847</u>	<u>353</u>	<u>(102)</u>	<u>(294,249)</u>	<u>137,276</u>	<u>3,694</u>	<u>140,970</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 30 June 2006)

SEAL INCORPORATED BERHAD (4887-M)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year To Date 30/06/2007 RM'000	Preceding Year Corresponding Period 30/06/2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	4,020	(68,189)
Adjustments for:		
Amortisation of goodwill	-	992
Bad debts written off	243	336
Depreciation	302	445
Impairment loss	-	65,000
Loss on disposal of property, plant and equipment	0	-
Property, plant and equipment written off	3	43
Inventories written off	-	199
Gain on disposal of property, plant and equipment	(37)	(33)
Gain on disposal of subsidiary company	(337)	-
Payables written off	(3,258)	-
Reversal of provision for doubtful debts	(197)	(334)
Waiver of debts	(3,443)	-
Interest expenses	1,908	7,108
Interest income	(758)	(153)
Operating (loss) / profit before working capital changes	<u>(1,554)</u>	<u>5,414</u>
Inventories	(300)	-
Timber concession	(5,692)	(518)
Property development costs	26,848	(1,548)
Trade and other receivables	(853)	3,705
Trade and other payables	<u>(6,472)</u>	<u>1,735</u>
Cash generated from operations	11,977	8,788
Interest paid	(6,825)	(4,038)
Tax refund	72	-
Taxation paid	-	(823)
Net cash generated from operating activities	<u>5,224</u>	<u>3,927</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,630)	(17)
Institutional Trust Account	(27,000)	-
Proceeds from disposal of property, plant and equipment	74	461
Proceeds from disposal of investment property	120,000	14,500
Proceeds from disposal of subsidiary companies	0	-
Interest received	709	153
Net cash generated from investing activities	<u>92,153</u>	<u>15,097</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(63,922)	(16,800)
Repayment of hire purchase payables	(67)	(493)
Private placement expenses	-	(9)
Changes in fixed deposit with licensed bank	(12)	81
Net cash used in financing activities	<u>(64,001)</u>	<u>(17,221)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	33,376	1,803
EFFECT OF EXCHANGE RATE CHANGES	(2)	(14)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	<u>(5,317)</u>	<u>(7,106)</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u>28,057</u>	<u>(5,317)</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2006)

**SEAL INCORPORATED BERHAD AND ITS SUBSIDIARY COMPANIES
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007**

NOTES TO THE INTERIM FINANCIAL REPORT

1 Basis of Preparation and Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2006.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 30 June 2006 except for the changes in accounting policy as detailed in Note 2 below.

Timber concessions expenses are stated at cost less impairment losses.

2 Changes in Accounting Policies

Adoption of new/revised Financial Reporting Standards ("FRS") issued by the Malaysian Accounting Standards Board that are effective for financial period beginning 1 January 2006 as follows:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events After the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effect of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 132	Financial Instruments : Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of FRS 2, 5, 102, 108, 110, 116, 121, 127, 128, 132 and 133 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the new/revised FRSs are discussed below:

(a) FRS 3 : Business Combination, FRS 136 : Impairment of Assets and FRS 138 : Intangible Assets

The adoption of these FRSs has resulted in the Group ceasing amortisation of goodwill annually. Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Impairment losses are recognised in the income statement when the carrying amount of the cash generating unit to which the goodwill has been allocated exceeds the recoverable amount and subsequent reversal of these impairment losses are not allowable.

Prior to the adoption of these FRSs, goodwill was amortised on a straight-line basis over its estimated useful life of twenty (20) years.

In accordance with the transitional provision of FRS 3, the carrying amount of accumulated amortisation as at 1 July 2006 has been eliminated against the carrying amount of the goodwill. The carrying amount of goodwill as at 1 July 2006 of RM16,642,392 ceased to be amortised.

This change in accounting policy has been applied prospectively and no restatement of comparative as at 30 June 2006 is required. This has effect of reducing the amortisation charges by RM248,085 for the current quarter and RM992,339 for the financial year ended 30 June 2007.

(b) FRS 101 : Presentation of Financial Statements

The adoption of FRS 101 has affected the presentation of minority interests and other disclosure. In consolidated income statement, minority interests are presented as an allocation of the net profit or loss for the financial period. In consolidated balance sheet and consolidated statement of changes in equity, minority interests are presented within total equity. Further disclosure on the face of consolidated statement of changes in equity of total recognised income and expenses for the financial period, showing separately the amount attributable to the equity holders of the parent and the minority interests.

The presentation of minority interest in the consolidated balance sheet, income statement and statement of changes in equity for the comparative period has been restated accordingly.

(c) FRS 140 : Investment property

The adoption of FRS 140 has resulted the properties which held for rental and/or capital appreciation are classified as investment properties. Investment properties of the Group are stated at fair value. Under fair value model, a gain or loss arising from the changes in fair value of an investment property is recognised in income statement in the period in which it arises.

In accordance with the transitional provisions of FRS 140, this change in accounting policy has been applied prospectively and no restatement of comparative as at 30 June 2006 is required.

3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report in respect of financial statements for the financial year ended 30 June 2006 was not subject to any qualification.

4 Seasonality or Cyclicity of Interim Operations

The operations of the Group were not subject to any seasonal or cyclical changes for the current quarter under review.

5 Unusual Items

There were no material unusual items in the current quarter and financial year ended 30 June 2007 that affecting assets, liabilities, equity, net income or cash flows based on their nature, size and/or incidence.

6 Changes in Accounting Estimates

There were no changes in accounting estimates of amounts reported in prior financial year which have material effect in the current quarter and financial year ended 30 June 2007.

7 Issuances, Cancellations, Repurchases, Resale and Repayments of Debts and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current quarter and financial year ended 30 June 2007 other than repayment of RM34,828,125 million has been made to Bank Kerjasama Rakyat Malaysia Berhad from the disposal proceeds of Selayang Mall Shopping Centre and completion of debt settlement with Malayan Banking Berhad as detailed in Note 30 below.

8 Dividend

No dividend has been recommended and paid during the current quarter and financial year ended 30 June 2007.

9 Segment Reporting

Business Segments	Revenue		Profit / (Loss) before tax	
	30 June 2007	30 June 2006	30 June 2007	30 June 2006
Investment properties	12,655	12,701	1,298	(66,092)
Property Construction	739	645	150	642
Property Development	33,109	13	1,929	(1,516)
Timber Related Industries	3,472	-	307	(228)
Others	-	-	336	(995)
	49,975	13,359	4,020	(68,189)

10 Valuation of Property, Plant and Equipment, Investment Properties and Development Properties

There has been no valuation undertaken by the Group since the last annual financial statements for the financial year ended 30 June 2006.

(a) Property, plant and equipment

The valuations of property, plant and equipment have been brought forward without any amendment from the last audited financial statements.

(b) Investment property

At cost,	RM'000
Leasehold land and building	197,574
Less: Portion of profit guarantee received in 1998	(1,720)
	195,854
Allowance for permanent diminution in value	(75,854)
	120,000
Less: Disposal during the year	(120,000)
	-

(c) Development properties

At 1 July 2006	RM'000
Freehold land	26,000
Development costs	17,372
	43,372
Add: Costs incurred during the year	
Freehold land	-
Development costs	2,463
	2,463
Less: Costs recognised in income statement	
At 1 July 2006	(8,945)
Recognised during the year	(30,157)
At 30 June 2007	(39,102)
At 30 June 2007	6,733

11 Material Subsequent Events

There were no material subsequent events at the date of this announcement.

12 Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the current quarter and financial year ended 30 June 2007 other than the disposal of 100% equity interest comprising 3 ordinary shares of SGD1.00 each in the capital of Seal Trading Pte. Ltd. for a total consideration of SGD3.00 on 25 September 2006. An announcement was made on the same day.

13 Contingent Liabilities and Contingent Assets

(a) Guarantees	RM' 000
Guarantees to banks for credit facilities extended to subsidiary companies	7,260

(b) Litigations

Certain creditors have filed claims against the Group and the Company to recover the principal debts amounting to approximately RM1.08 million and RM0.68 million respectively plus interest and costs which pending the outcome and settlement of the legal proceedings. The Directors are of the opinion that such contingent liabilities, if any, are not significant to the financial statements of the Group and the Company.

14 Write-down of Inventories to Net Realisable Value and the Reversal of Such a Write-Down

There was no write-down of inventories to net realisable value and the reversal of such a write-down for the current quarter and financial year ended 30 June 2007.

15 Loss from the Impairment of Property, Plant and Equipment, Intangible Assets or Other Assets and the Reversal of Such An Impairment Loss

There was no provision and/or reversal on the impairment of property, plant and equipment, intangible assets or other assets during the current quarter and financial year ended 30 June 2007.

16 Reversal of any Provision for the Costs of Restructuring

There was no provision for the costs of restructuring has been made as at financial year ended 30 June 2007.

17 Acquisitions and Disposals of Items of Property, Plant and Equipment

	Current quarter RM	Financial year to date RM
a) Acquisitions of property, plant and equipment - at cost	1,521,996	1,630,248
b) Disposals of property, plant and equipment:		
Proceeds from disposal	3,674	73,644
Net Book Value at the date of disposals	(3,674)	(37,207)
Gain on disposals	-	36,437

18 Commitments for the Purchase of Property, Plant and Equipment

There were no material capital commitments for current quarter and financial year ended 30 June 2007.

19 Litigation Settlements

On 20 January 2005, Great Eastern Mills Berhad (GEM), a subsidiary of the Group, had entered into a settlement agreement with the Timber Employee Union of Malaysia (Union) for the claim of RM4,989,877.98 being termination benefit, notice pay, pro-rated bonuses and payment in lieu of annual leave for 472 employees of GEM. GEM had received a letter of award dated 13 April 2006 from the Industrial Court. Settlement of the claim will be commenced upon re-commencement of logging operations of GEM and with the condition that GEM is making profit from the logging operations.

20 Fundamental Errors

There were no corrections of fundamentals errors in previously reported financial data during current quarter and financial year ended 30 June 2007.

21 Debt Default or Any Breach of a Debt Covenant

As at 30 June 2007, the Group was not in default in payments to financial institutions in respect of credit facilities granted to the Group.

22 Related Party Transactions

There were no significant related party transactions occurred during the current quarter and financial year ended 30 June 2007.

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

23 Review of Performance of the Company and Its Principal Subsidiaries

For the current quarter under review, the Group recorded a revenue of RM4.01 million and profit before taxation of RM7.47 million as compared to the revenue of RM3.05 million and loss before taxation of RM1.24 million in the preceding year corresponding quarter.

For the financial year under review, the Group reported a revenue of RM49.98 million and profit before taxation of RM4.02 million as compared to the revenue of RM13.36 million and the loss before taxation of RM68.19 million in the preceding year. The improvement in performance was due to disposal of development land upon completion of Proposed Debt Settlement as detailed in Note 30 and recommencement of development and timber activities during the financial year.

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

The Group's turnover in current quarter was RM4.01 million as compared to RM39.59 million in preceding quarter. The decrease mainly due to revenue recognition for development activities at Phase 1 and disposal of Phase 2-7 development land of Permatang Pauh Project in preceding quarter. However, interest waived in current quarter upon completion of Proposed Debt Settlement has resulted the Group recorded a profit before taxation of RM7.47 million as compared to profit before taxation of RM0.46 million in preceding quarter.

25 Prospect for the Current Financial Year

Barring unforeseen circumstances, the Board is optimistic of better performance in the next financial year in view of continuous growth in development and timber industry. The Group will continue to focus on its business activities and identify new business opportunity to enhance the earnings of the Group.

26 Variance of Actual Profit from Forecast Profit

The Company has not provided any profit forecast or profit guarantee.

27 Tax Charges and Variance Between the Effective and Statutory Tax Rate

	Current quarter RM'000	Financial year to date RM'000
Current tax expense	(120)	(120)
Deferred tax expense	(3,719)	(3,719)
	<u>(3,839)</u>	<u>(3,839)</u>

The effective tax rate of the Group was higher than statutory tax rate for current quarter and financial year to date mainly due to certain expenses not allowable for tax purposes and deduction in statutory tax rate in accordance with Malaysia Tax Budget 2007.

28 Sale of Unquoted Investments and/or Properties

There was a gain on disposal of subsidiary to the Group of RM337,387 from the disposal of Seal Trading Pte. Ltd. as detailed in Note 12 above.

29 Purchase or Disposal of Quoted Securities

There were no purchase or disposal of quoted securities during the current quarter and financial year ended 30 June 2007.

The investments in quoted securities as at 30 June 2007 is:

	RM
i) Cost	4,000
ii) Book value	4,000
iii) Market value	14,399

30 Corporate Proposals

(i) Proposed Debt Settlement with Malayan Banking Berhad (MBB)

The Company and its wholly owned subsidiary company, Wistana Realty Sdn. Bhd.(WRSB) had accepted the settlement arrangement proposed by MBB for the settlement of term loan facilities extended by MBB to the Company and WRSB. The details of the Proposed Debt Settlement had been announced on 13 September 2005.

	Principal RM'000	Accrued Interest RM'000	Total RM'000
The Company	40,096	4,258	44,354
The subsidiary company	12,567	1,098	13,665
	<u>52,663</u>	<u>5,356</u>	<u>58,019</u>

Pursuant to the Proposed Debt Settlement above, the outstanding debts have been and shall be repaid as follows:

- a) Loan of RM40.09 million and accrued interest of RM4.26 million
The principal outstanding of RM40.09 million have been and shall be repaid in the following manner:
- the remaining sales proceed from the earlier disposal of Geran 5432 Lot 1213, GM 537 Lot 480 and GM 536 Lot 481 all in Mukim Cheras, Daerah Hulu Langat, Selangor to Darul Kencana Sdn Bhd, amounting to RM2.1 million, which was repaid to MBB on 4 August 2005;
 - RM14.5 million being the redemption sum from the sale of Bukit Maluri Complex Industrial Complex to Remarkable Property Sdn. Bhd. The proceeds was repaid to MBB on 7 October 2005;
 - the remaining principal of approximately RM23.49 million shall be swapped with Phases 2 to 7 of the land charged to MBB as security (2nd legal charge) and presently registered in the name of WRSB held under the master title identified as Geran No. 23391 Lot 1585, Mukim 6, Daerah Seberang Perai Tengah, Pulau Pinang.

The interest accrued amounting to RM4.26 million shall be settled by way of issuing approximately 5.68 million new ordinary shares of RM1.00 in the Company ("Seal Shares") on the basis of four new Seal Shares for every RM3.00 debt.

- b) Loan of RM12.57 million and accrued interest of RM1.10 million
The aggregate principal outstanding for Term Loans together with accrued interest shall be swapped repaid in the following manner:
- the aggregate principal outstanding of RM10,000,000 for Term Loans shall be swapped with Phases 2 to 7 of the land charged to MBB as security (1st legal charge) and presently registered in the name of WRSB held under the master title identified as Geran No. 23391 Lot 1585, Mukim 6, Daerah Seberang Perai Tengah, Pulau Pinang;
 - the aggregate accrued interest amounting to RM1.01 million shall be settled by way of issuing approximately 1.35 million new Seal Shares on the basis of four new Seal Shares for every RM3.00 debt; and
 - the remaining debts together with accrued interest of RM2.65 million will be restructured into a new 3 and a half years term loan in which interest repayment commencing from 30 August 2005 and the principal repayment commencing at the end of the 7th month from the date of the settlement agreement.

On 10 April 2006, OSK Investment Bank Berhad ("OSK") had, on behalf of the Board, announced that Securities Commission ("SC") had, vide its letter dated 7 April 2006, which was received on 10 April 2006, granted its approval for the Proposed Debt Settlement.

Following the SC's approval on the Proposed Debt Settlement, an additional of 7,024,435 ordinary shares were issued for settlement of interest portion of the Term Loan Facility by MBB. The share were listed and quoted on the Bursa Malaysia Securities Berhad on 2 June 2006.

On 23 April 2007, OSK had, on behalf of the Board, announced that the Proposed Debt Settlement is completed as WRSB had obtained the subdivided titles for the settlement land on 7 February 2007 and have executed the Memorandum of Transfer on 7 March 2007. Subsequently, the subdivided titles have been presented for registration by Malayan Banking Berhad's solicitor, Zaid Ibrahim & Co on 20 April 2007.

(ii) Proposed Sale and Leaseback of Selayang Mall

On 23 December 2005, MIMB Investment Bank Berhad ("MIMB") had, on behalf of the Board, announced that Amanah Raya Berhad ("ARB"), vide its letter dated 21 December 2005 had extended an offer to acquire from SEAL a piece of land held under H.S.(M) 7114, Lot PT 12299 (38451), Mukim Batu, District of Gombak, State of Selangor, together with all the erected buildings / structures on the site ("Property") at a cash consideration of RM120,000,000 upon terms and conditions in the offer letter. The Property will then be leaseback by ARB to SEAL. The offer had been accepted by SEAL on the same date ("Proposed Sale and Leaseback"). Subsequently, on 17 January 2006, SEAL had entered into a conditional sale and purchase agreement and a conditional lease annexure with ARB in relation to the Proposed Sale and Leaseback. An announcement was made on the same date.

The Proposed Sale and Leaseback was approved by Company's shareholders at Extraordinary General Meeting held on 11 May 2006. An announcement was made on the even date. On 17 July 2006, MIMB had, on behalf of the Board, announced that Securities Commission had, vide its letter dated 14 July 2006 approved the Proposed Sale and Leaseback.

On 24 November 2006, MIMB had, on behalf of the Board, announced that the Proposed Sale and Leaseback has been completed and the leaseback period for Selayang Mall Shopping Centre will be effective 23 November 2006.

The disposal proceeds were being utilised in accordance with the usage approved by Securities Commission.

31 Group Borrowings

Group Borrowings as at the end of the reporting period are as follows:

	Unsecured RM' 000	Secured RM' 000	Total RM' 000
Bank Overdrafts	486	3,013	3,499
Term Loan (Repayable within 12 months)	-	1,000	1,000
Term Loan (Repayable after 12 months)	-	1,088	1,088
	<u>486</u>	<u>5,101</u>	<u>5,587</u>

32 Financial Instruments with Off Balance Sheet Risk

There were no financial instruments with off balance sheet risk for the Group as at the date of quarterly report.

33 Changes in Material Litigation

There were no pending material litigations as at the date of this announcement.

34 Earnings Per Share

Basic Earnings per Share

The calculation of basic earnings per share is based on the profit attributable to the ordinary holders of the parent of RM144,006 divided by the number of ordinary shares in issue as at 30 June 2007 of 183,427,167 shares.

Diluted Earnings per Share

There is no diluted earnings per share as there were no potential dilutive ordinary shares as at the end of the reporting period.

35 Non-cash Transactions

The principal non-cash transactions for the financial year ended 30 June 2007 are the direct remittance of certain rental income amounting to RM1,028,675 (financial year ended 30 June 2006 : RM3,799,638) to repay the borrowings of the Group and the Company.