

**SEAL INCORPORATED BERHAD (4887-M)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008**  
**( THE FIGURES HAVE NOT BEEN AUDITED)**

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/03/2008 RM' 000	Preceding Year Corresponding Quarter Ended 31/03/2007 RM' 000	Current Year To Date 31/03/2008 RM' 000	Preceding Year Corresponding Period 31/03/2007 RM' 000
<b>Revenue</b>	11,062	39,592	28,231	45,970
Cost of sales	(6,424)	(35,005)	(14,586)	(35,005)
<b>Gross profit</b>	4,638	4,587	13,645	10,965
Other income	260	365	2,269	4,442
Operating expenses	(4,639)	(4,090)	(13,785)	(7,649)
Other expenses	-	347	-	(7,848)
Finance cost	(129)	(748)	(442)	(3,357)
<b>Profit / (Loss) before tax</b>	130	461	1,687	(3,447)
Income tax expenses	(0)	-	(0)	-
<b>Profit / (Loss) for the year</b>	130	461	1,687	(3,447)
<b>Attributable to :</b>				
Equity holders of the parent	384	422	2,386	(3,441)
Minority interests	(254)	39	(699)	(6)
	130	461	1,687	(3,447)
<b>Earnings per share attributable to equity holders of the parent :</b>				
Basic earnings per ordinary share (sen)	0.21	0.23	1.30	(1.88)
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 2007)

SEAL INCORPORATED BERHAD (4887-M)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008

( THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED BALANCE SHEET

	(UNAUDITED) As At End Of Current Quarter 31/03/2008 RM' 000	(AUDITED) As At Preceding Financial Year End 30/06/2007 RM' 000 (Restated)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,534	4,595
Investment properties	38	38
Prepaid lease payment	1,786	1,807
Development properties	17,304	17,267
Timber concessions	10,637	8,965
Other investments	27,004	27,004
Goodwill on consolidation	16,642	16,642
Deferred tax assets	27,542	27,542
	105,487	103,860
<b>Current assets</b>		
Inventories	745	300
Property development costs	3,814	6,733
Trade receivables	2,934	2,486
Other receivables, deposits and prepayments	25,067	24,987
Tax recoverable	246	6
Fixed deposits with licensed banks	25,703	31,303
Cash and bank balances	2,805	602
	61,314	66,417
<b>TOTAL ASSETS</b>	166,801	170,277
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	183,427	183,427
Share premium	247,847	247,847
Treasury shares	(510)	-
Reserves	353	353
Accumulated losses	(291,720)	(294,106)
	139,397	137,521
<b>Minority interests</b>	3,031	3,730
<b>Total equity</b>	142,428	141,251
<b>Non-current liabilities</b>		
Hire purchase payable	109	-
Bank borrowings	-	1,088
	109	1,088
<b>Current liabilities</b>		
Trade payables	2,822	2,500
Other payables and accruals	15,766	18,345
Provisions for other liabilities	2,491	2,474
Hire purchase payable	15	-
Bank borrowings	3,051	4,499
Taxation	119	120
	24,264	27,938
<b>Total liabilities</b>	24,373	29,026
<b>TOTAL EQUITY AND LIABILITIES</b>	166,801	170,277
<b>Net assets per share attributable to equity holders of the parent (RM)</b>		
	0.77	0.75

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2007)

**SEAL INCORPORATED BERHAD (4887-M)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to equity holders of the parent →								
	← Non-distributable →					Distributable			
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Exchange Fluctuation Reserve RM'000	Accumulated losses RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
<b>9 Months Period Ended 31 March 2008</b>									
Balance at 1 July 2007	183,427	247,847	-	353	-	(294,106)	137,521	3,730	141,251
Purchase of treasury shares	-	-	(510)	-	-	-	(510)	-	(510)
Profit / (Loss) for the period	-	-	-	-	-	2,386	2,386	(699)	1,687
Balance at 31 March 2008	<u>183,427</u>	<u>247,847</u>	<u>(510)</u>	<u>353</u>	<u>-</u>	<u>(291,720)</u>	<u>139,397</u>	<u>3,031</u>	<u>142,428</u>

	← Attributable to equity holders of the parent →								
	← Non-distributable →					Distributable			
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Exchange Fluctuation Reserve RM'000	Accumulated losses RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
<b>9 Months Period Ended 31 March 2007</b>									
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
Loss for the period	-	-	-	-	-	(3,441)	(3,441)	(6)	(3,447)
Balance at 31 March 2007	<u>183,427</u>	<u>247,847</u>	<u>-</u>	<u>353</u>	<u>-</u>	<u>(297,690)</u>	<u>133,937</u>	<u>3,688</u>	<u>137,625</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 2007)

**SEAL INCORPORATED BERHAD (4887-M)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008**  
**( THE FIGURES HAVE NOT BEEN AUDITED)**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>Current Year To Date 31/03/2008 RM'000</b>	<b>Preceding Year Corresponding Period 31/03/2007 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	1,687	(3,447)
Adjustments for:		
Bad debts written off	-	65
Depreciation and amortisation	258	215
Doubtful debts	-	51
Property, plant and equipment written off	2	-
Gain on disposal of property, plant and equipment	(3)	(37)
Gain on disposal of subsidiary company	-	(337)
Payables written off	-	(3,242)
Reversal of provision for doubtful debts	-	(51)
Interest expenses	443	3,357
Interest income	(2,132)	(483)
Operating profit/(loss) before working capital changes	255	(3,909)
Inventories	(445)	(147)
Timber concession	(1,672)	(5,284)
Property development costs	2,999	32,672
Trade and other receivables	(498)	(3,057)
Trade and other payables	(2,383)	(7,756)
Cash (used in)/generated from operations	(1,744)	12,519
Interest paid	(295)	(6,691)
Tax paid	(241)	-
Tax refund	-	72
<b>Net cash (used in)/generated from operating activities</b>	<b>(2,280)</b>	<b>5,900</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(177)	(108)
Proceeds from disposal of property, plant and equipment	3	70
Proceeds from disposal of investment property	-	120,000
Interest received	2,101	388
<b>Net cash generated from investing activities</b>	<b>1,927</b>	<b>120,350</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loan	(559)	(63,772)
Repayment of hire purchase payables	(2)	(67)
Purchase of treasury shares	(510)	-
Changes in fixed deposit with licensed bank	(26)	(6)
<b>Net cash used in financing activities</b>	<b>(1,097)</b>	<b>(63,845)</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>(1,450)</b>	<b>62,405</b>
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	<b>(0)</b>	<b>(2)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>28,056</b>	<b>(5,317)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>26,606</b>	<b>57,086</b>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2007)

**SEAL INCORPORATED BERHAD AND ITS SUBSIDIARY COMPANIES**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008**

**NOTES TO THE INTERIM FINANCIAL REPORT****1 Basis of Preparation**

The interim financial statements are unaudited and have 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.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2007. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2007.

**2 Changes in Accounting Policies**

The significant accounting policies adopted by the Group in the interim financial statements are consistent with those adopted in the financial statements for the financial year ended 30 June 2007 except for the adoption of new/revised Financial Reporting Standards ("FRS") that are effective as stated below:

FRS		Effective for financial periods beginning on or after
FRS 107	Cash Flow Statements	01 July 2007
FRS 111	Construction Contracts	01 July 2007
FRS 112	Income Taxes	01 July 2007
FRS 117	Leases	01 October 2006
FRS 118	Revenue	01 July 2007
Amendment to FRS119 <sub>2004</sub>	Employee Benefits-Actuarial Gains and Losses, Group Plans and Disclosures	01 January 2007
FRS 124	Related Party Disclosures	01 October 2006
FRS 134	Interim Financial Reporting	01 July 2007
FRS 137	Provision, Contingent Liabilities and Contingent Assets	01 July 2007

The adoption of these FRSs does not have significant financial impact on the Group other than the change discussed below:

**FRS 117 : Leases**

The adoption of FRS 117 has resulted in a change in accounting policy relating to the classification of leasehold land. The lease of land and building are classified as operating or finance lease in the same way as leases of other assets. The land and building elements of a lease of land and building are considered separately for the purposes of lease classification. The up-front payments made represent prepaid lease payments and amortised on a straight-line basis over the lease term.

In prior year, leasehold land for own use was classified as property, plant and equipment and was stated at valuation less accumulated depreciation and impairment losses, if any. Upon adoption of FRS 117, this leasehold land is now classified as operating lease and the unamortised carrying amount is retained as the surrogate carrying amount of prepaid lease payment as allowed by the transitional provisions.

The classification of leasehold land as prepaid lease payment has been accounted for retrospectively and comparative amounts as at 30 June 2007 have been restated as follows:

	Previously stated RM'000	Adoption of FRS 117 RM'000	Restated RM'000
As at 30 June 2007			
Property, plant and equipment	6,402	(1,807)	4,595
Prepaid lease payment	-	1,807	1,807

**3 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report in respect of financial statements for the financial year ended 30 June 2007 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 period ended 31 March 2008 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 period ended 31 March 2008.

**7 Issuances, Cancellations, Repurchases, Resale and Repayments of Debts and Equity Securities****Share Buy Backs**

During the financial period ended 31 March 2008, the Company has repurchased 1,329,800 of its issued ordinary shares from the open market for total consideration of RM510,316, including the transaction costs, and this was financed by internally generated funds. The shares repurchased were held as treasury shares in accordance with the requirement of Section 67A of the Companies Act 1965.

## 8 Dividend

No dividend has been recommended and paid during the current quarter and financial period ended 31 March 2008.

## 9 Segment Reporting

Business Segments	Revenue		Profit / (Loss) before tax	
	9 months ended			
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
	RM'000	RM'000	RM'000	RM'000
Investment properties	10,203	9,396	1,656	(3,917)
Property Construction	-	-	60	-
Property Development	3,973	34,960	62	(70)
Timber Related Industries *	11,017	1,614	(241)	205
Trading	3,038	-	152	-
Others	-	-	(2)	335
	<u>28,231</u>	<u>45,970</u>	<u>1,687</u>	<u>(3,447)</u>

\* Timber related industries carried out the activities in Kedah and Kelantan State which generated profit before taxation of RM1.487 million and loss before taxation of RM1.728 million respectively.

## 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 2007.

### (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 fair value,	RM'000
Freehold land and buildings	<u>37,820</u>

### (c) Development properties

At 1 July 2007	RM'000
Freehold land	4,354
Development costs	<u>10,894</u>
	<u>15,248</u>
Add: Costs incurred during the period	
Freehold land	-
Development costs	<u>1,101</u>
	<u>1,101</u>
Less: Costs recognised in income statement	
At 1 July 2007	(8,515)
Recognised during the period	<u>(4,020)</u>
At 31 March 2008	<u>(12,535)</u>
At 31 March 2008	<u>3,814</u>

## 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 period ended 31 March 2008.

## 13 Contingent Liabilities and Contingent Assets

### (a) Guarantees

Guarantees to banks for credit facilities extended to subsidiary companies	RM' 000
	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 period ended 31 March 2008.

## 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 period ended 31 March 2008.

## 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 period ended 31 March 2008.

## 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	161,850	177,459
b) Disposals of property, plant and equipment:		
Proceeds from disposal	-	3,400
Net Book Value at the date of disposals	-	(1)
Gain on disposals	-	3,399

## 18 Commitments for the Purchase of Property, Plant and Equipment

There were no material capital commitments for current quarter and financial period ended 31 March 2008.

## 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. As at 31 December 2007, total repayment amounting to RM13,346.80 has been made.

## 20 Fundamental Errors

There were no corrections of fundamentals errors in previously reported financial data during current quarter and financial period ended 31 March 2008.

## 21 Debt Default or Any Breach of a Debt Covenant

As at 31 March 2008, 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 period ended 31 March 2008.

## 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 RM11.06 million and profit before taxation of RM0.13 million as compared to the revenue of RM39.59 million and profit before taxation of RM0.46 million in the preceding year corresponding quarter.

For the financial period under review, the Group recorded a revenue of RM28.23 million and profit before taxation of RM1.69 million as compared to the revenue of RM45.97 million and loss before taxation of RM3.45 million in the preceding year corresponding period. The decrease in revenue resulted mainly from sale of Phase 2-7 of the Permatang Pauh Project land in the preceding year corresponding period and the improvement in profit before taxation was mainly due to the absence of cost incurred for corporate exercise which has been featured in preceding year corresponding period.

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

Revenue recognition from Permatang Pauh Project has resulted the revenue of the Group recorded at RM11.06 million for the current quarter as compared to RM9.68 million in the preceding quarter. However, the receipt of income from Institutional Trust Account in the preceding quarter resulted in a decrease in profit before taxation from RM1.44 million as recorded in the preceding quarter to RM0.13 million in the current quarter.

### 25 Prospect for the Current Financial Year

Barring unforeseen circumstances, the Board is optimistic of the Group's prospect for the forthcoming financial quarters with ongoing effort to improve the productivity and efficiency of the operation for 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

There were no tax charges for the current quarter and financial period ended 31 March 2008.

### 28 Sale of Unquoted Investments and/or Properties

There were no sale of unquoted investment and/or properties during the current quarter and financial period ended 31 March 2008.

### 29 Purchase or Disposal of Quoted Securities

There were no purchase or disposal of quoted securities during the current quarter and financial period ended 31 March 2008.

The investments in quoted securities as at 31 March 2008 is:

	RM
i) Cost	4,000
ii) Book value	4,000
iii) Market value	15,999

### 30 Corporate Proposals

#### 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 Memorandum of Understanding

On 29 June 2007, the Company had entered into a Memorandum of Understanding ("MOU") with Great Eastern Mills Berhad, a 60% owned subsidiary of the Company, in developing part of leasehold land held under Lot No. 1421 in the Mukim of Kuala Nal, District of Kuala Krai. An announcement was made on the same date.

On 29 October 2007, the Company announced that there has been no material development to the MOU. Both parties are still working on the areas of collaboration as envisaged under the MOU.

On 15 April 2008, the MOU has been terminated with immediate effect as the Company has nominated its wholly-owned subsidiary, Seal Ventures Sdn. Bhd. (formerly known as Seal Board Sdn. Berhad) to enter into a joint venture agreement with Great Eastern Mills Berhad instead. An announcement was made on the same date.

#### 32 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	113	1,412	1,525
Term Loan (Repayable within 12 months)	-	1,526	1,526
Term Loan (Repayable after 12 months)	-	(0)	(0)
	<u>113</u>	<u>2,938</u>	<u>3,051</u>

#### 33 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.

#### 34 Changes in Material Litigation

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

#### 35 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 RM2,385,704 divided by the weighted average number of ordinary shares in issue as at 31 March 2008 of 183,079,309 shares after taking into the effects of share buy back of the Company

##### Diluted Earnings per Share

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

#### 36 Non-cash Transactions

The principal non-cash transactions for the financial period ended 31 March 2008 are the direct remittance of certain rental income amounting to RMNil (financial year ended 30 June 2007 : RM1,028,675) to repay the borrowings of the Group and the Company.