

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

**CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/12/2008 RM' 000	Preceding Year Corresponding Quarter Ended 31/12/2007 RM' 000	Current Year To Date 31/12/2008 RM' 000	Preceding Year Corresponding Period 31/12/2007 RM' 000
<b>Revenue</b>	10,651	9,676	16,243	17,169
Cost of sales	(5,207)	(5,166)	(7,439)	(8,162)
<b>Gross profit</b>	5,444	4,510	8,804	9,007
Other income	4,799	1,782	9,621	2,009
Operating expenses	(4,273)	(4,701)	(8,423)	(9,146)
Other expenses	-	-	-	-
Finance cost	(2)	(148)	(4)	(313)
<b>Profit before tax</b>	5,968	1,443	9,998	1,557
Income tax expenses	-	-	-	-
<b>Profit for the year</b>	5,968	1,443	9,998	1,557
<b>Attributable to :</b>				
Equity holders of the parent	6,092	1,641	8,519	2,002
Minority interests	(124)	(198)	1,479	(445)
	5,968	1,443	9,998	1,557
<b>Earnings per share attributable to equity holders of the parent :</b>				
Basic earnings per ordinary share (sen)	3.38	0.89	4.72	1.09
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 2008)**

SEAL INCORPORATED BERHAD (4887-M)

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

( THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED BALANCE SHEET

	(UNAUDITED) As At End Of Current Quarter 31/12/2008 RM' 000	(AUDITED) As At Preceding Financial Year End 30/06/2008 RM' 000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,576	4,594
Prepaid land lease payments	980	1,778
Investment properties	1,768	38
Development properties	17,340	17,316
Timber concessions	12,679	9,068
Other investments	27,004	27,004
Deferred tax assets	25,842	25,842
	90,189	85,640
<b>Current assets</b>		
Property development costs	3,115	3,107
Inventories	585	430
Trade receivables	5,053	3,075
Other receivables, deposits and prepayments	11,594	5,911
Tax recoverable	193	6
Fixed deposits with licensed banks	21,907	28,247
Cash and bank balances	996	2,490
	43,443	43,266
<b>TOTAL ASSETS</b>	133,632	128,906
<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	(1,253)	(878)
Reserves	353	353
Accumulated losses	(315,158)	(323,677)
	115,216	107,072
<b>Minority interests</b>	4,516	3,037
<b>Total equity</b>	119,732	110,109
<b>Non-current liabilities</b>		
Hire purchase payable	97	105
<b>Current liabilities</b>		
Trade payables	3,777	1,844
Other payables and accruals	10,009	15,817
Provisions for other liabilities	-	895
Hire purchase payable	16	15
Taxation	1	121
	13,803	18,692
<b>Total liabilities</b>	13,900	18,797
<b>TOTAL EQUITY AND LIABILITIES</b>	133,632	128,906
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	0.64	0.59

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2008)

**SEAL INCORPORATED BERHAD (4887-M)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to equity holders of the parent →							Minority Interest RM'000	Total Equity RM'000
	← Non-distributable →				Distributable				
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Accumulated losses RM'000	Total RM'000			
<b>6 Months Period Ended 31 December 2008</b>									
Balance at 1 July 2008	183,427	247,847	(878)	353	(323,677)	107,072	3,037	110,109	
Purchase of treasury shares	-	-	(375)	-	-	(375)	-	(375)	
Profit for the period	-	-	-	-	8,519	8,519	1,479	9,998	
Balance at 31 December 2008	<u>183,427</u>	<u>247,847</u>	<u>(1,253)</u>	<u>353</u>	<u>(315,158)</u>	<u>115,216</u>	<u>4,516</u>	<u>119,732</u>	

	← Attributable to equity holders of the parent →							Minority Interest RM'000	Total Equity RM'000
	← Non-distributable →				Distributable				
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Accumulated losses RM'000	Total RM'000			
<b>6 Months Period Ended 31 December 2007</b>									
Balance at 1 July 2007	183,427	247,847	-	353	(294,106)	137,521	3,730	141,251	
Purchase of treasury shares	-	-	(159)	-	-	(159)	-	(159)	
Profit / (Loss) for the period	-	-	-	-	2,002	2,002	(445)	1,557	
Balance at 31 December 2007	<u>183,427</u>	<u>247,847</u>	<u>(159)</u>	<u>353</u>	<u>(292,104)</u>	<u>139,364</u>	<u>3,285</u>	<u>142,649</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 2008)

**SEAL INCORPORATED BERHAD (4887-M)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2008**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>Current Year To Date 31/12/2008 RM'000</b>	<b>Preceding Year Corresponding Period 31/12/2007 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	9,998	1,557
Adjustments for:		
Non-cash items	185	170
Non-operating items	(3,125)	(1)
Interest expenses	4	314
Interest income	(503)	(524)
Dividend income	(1,382)	(1,408)
Operating profit before working capital changes	5,177	108
Inventories	(155)	(190)
Timber concession	(3,611)	(3,071)
Property development costs	(679)	(422)
Trade and other receivables	(11,405)	2,324
Trade and other payables	3,905	463
Cash used in operations	(6,768)	(788)
Interest paid	(4)	(217)
Tax paid	(315)	-
Tax refund	3	-
<b>Net cash used in operating activities</b>	<b>(7,084)</b>	<b>(1,005)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(164)	(16)
Purchase of investment properties	(1,730)	-
Proceeds from disposal of property, plant and equipment	1	3
Net cash outflow from disposal of subsidiary company	(275)	-
Dividend received	1,382	1,408
Interest received	418	503
<b>Net cash (used in) / generated from investing activities</b>	<b>(368)</b>	<b>1,898</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loan	-	(300)
Repayment of hire purchase payables	(7)	-
Purchase of treasury shares	(375)	(159)
Changes in fixed deposit with licensed bank	13	(28)
<b>Net cash used in financing activities</b>	<b>(369)</b>	<b>(487)</b>
<b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>(7,821)</b>	<b>406</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>30,356</b>	<b>28,056</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>22,535</b>	<b>28,462</b>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2008)

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

**NOTES TO THE INTERIM FINANCIAL REPORT****1 Basis of Preparation and Accounting Policies**

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 2008. 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 2008.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the financial year ended 30 June 2008.

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

The auditors' report in respect of financial statements for the financial year ended 30 June 2008 was not subject to any qualification.

**3 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.

**4 Unusual Items**

There were no material unusual items in the current quarter and financial period ended 31 December 2008 that affecting assets, liabilities, equity, net income or cash flows based on their nature, size and/or incidence.

**5 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 December 2008.

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

During the financial period ended 31 December 2008, the Company has repurchased 3,659,300 of its issued ordinary shares from the open market for total consideration of RM1,252,824, 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.

**7 Dividend**

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

**8 Segment Reporting**

	Revenue		Profit / (Loss) before tax	
	<----- 6 months ended ----->			
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
<u>Business Segments</u>	RM'000	RM'000	RM'000	RM'000
Investment properties	7,165	6,706	2,563	1,490
Property Construction	-	-	-	60
Property Development	4,419	24	1,101	(18)
Timber Related Industries *	4,659	7,689	3,612	(117)
Trading	-	2,750	(2)	143
Others	0	-	2,724	(1)
	<u>16,243</u>	<u>17,169</u>	<u>9,998</u>	<u>1,557</u>

\* Timber related industries carried out the activities in Kedah and Kelantan State which generated profit before taxation of RM0.02 million and RM3.59 million respectively.

**9 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 2008.

**10 Material Subsequent Events**

Subsequent to the financial period ended 31 December 2008, the Company has entered into a Supplemental Lease Annexure with Amanah Raya Berhad ("ARB") on 6 January 2009 pertaining to additional lease rental payable by the Company on the extensions carried out by ARB to the Selayang Mall Shopping Centre. An announcement was made on the same date.

**11 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 December 2008 other than the followings:

- i) On 09 September 2008, there has been a re-organisation of group structure of SEAL. The Company has acquired 100% equity interest comprising 2 ordinary shares of RM1.00 each in the capital of Maynah Sdn Bhd for a total consideration of RM2.00. An announcement was made on the same day.
- ii) On 05 November 2008, the Company has disposed 100% equity interest comprising 1,000,000 ordinary shares of RM1.00 each in the capital of Wistana Realty Sdn Bhd for a total consideration of RM2.00. An announcement was made on the same day.
- iii) On 02 December 2008, the Company has acquired 49% equity interest comprising 49 ordinary shares of RM1.00 each in the capital of Majmesra Development Sdn Bhd for a total consideration of RM49.00. An announcement was made on the same day.

## 12 Contingent Liabilities and Contingent Assets

Certain creditors have filed claims against the Group and the Company to recover the principal debts amounting to approximately RM0.68 million 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.

## 13 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 December 2008.

## 14 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 December 2008.

## 15 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 December 2008.

## 16 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	6,654	164,352
b) Disposals of property, plant and equipment:		
Proceeds from disposal	-	1,209
Net Book Value at the date of disposals	-	(5,215)
Loss on disposals	-	(4,006)

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

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

## 18 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 commence upon re-commencement of logging operations of GEM and with the condition that GEM makes profits from the logging operations. As at 30 June 2008, total repayment amounting to RM13,346.80 has been made.

On 20 August 2008, GEM had further entered into an agreement with the Union to allocate 2,000 acres, being part of the 10,000 acres forest concession awarded by Perbadanan Kemajuan Iktisad Negeri Kelantan to GEM on 14 March 2004, to the Union as full and final settlement of the claims against GEM.

## 19 Fundamental Errors

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

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

As at 31 December 2008, the Group was not in default in payments to financial institutions in respect of credit facilities granted to the Group.

## 21 Related Party Transactions

There were no significant related party transactions occurred during the current quarter and financial period ended 31 December 2008.

## ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

### 22 Review of Performance of the Company and Its Principal Subsidiaries

For the current quarter under review, the Group recorded a revenue of RM10.65 million and profit before taxation of RM5.97 million as compared to the revenue of RM9.68 million and profit before taxation of RM1.44 million in the preceding year corresponding quarter.

For the financial period under review, the Group recorded a revenue of RM16.24 million and profit before taxation of RM10 million as compared to the revenue of RM17.17 million and profit before taxation of RM1.56 million in the preceding year corresponding period. A slight decline in Group's revenue was mainly from a slow down in timber activities carried out in Kedah State where the extraction work only started at the end of the quarter. However, this slow down has been covered by contribution from revenue recognition from Krai Eco Industrial Park. On the other hand, the improvement in profit before taxation was due to a reversal of the claims by Union, as detailed in Note 18 above, and a gain on disposal of subsidiary company, Wistana Realty Sdn Bhd, during the current quarter.

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

Apart from the revenue recognition from Krai Eco Industrial Park and the gain on disposal of subsidiary company as mentioned above, there are no material changes in current quarter as compared with preceding quarter.

### 24 Prospect for the Current Financial Year

Going ahead the Group will be cautious in view of the current global financial melt down which may eventually affect the business activities of the Group.

### 25 Variance of Actual Profit from Forecast Profit

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

### 26 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 December 2008.

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

There was a gain on disposal of subsidiary to the Group from the disposal of Wistana Realty Sdn Bhd as detailed in Note 11 above.

## 28 Purchase or Disposal of Quoted Securities

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

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

	RM
i) Cost	4,000
ii) Book value	4,000
iii) Market value	15,466

## 29 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.

### 30 Group Borrowings

There were no outstanding Group Borrowings as at end of the reporting period.

### 31 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.

### 32 Changes in Material Litigation

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

### 33 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 RM8,519,356 divided by the weighted average number of ordinary shares in issue as at 31 December 2008 of 180,479,776 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.