

SEAL INCORPORATED BERHAD (4887-M)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/03/2009 RM' 000	Preceding Year Corresponding Quarter Ended 31/03/2008 RM' 000	Current Year To Date 31/03/2009 RM' 000	Preceding Year Corresponding Period 31/03/2008 RM' 000
Revenue	9,674	11,062	25,917	28,231
Cost of sales	(4,040)	(6,424)	(11,479)	(14,586)
Gross profit	5,634	4,638	14,438	13,645
Other income	272	260	9,893	2,269
Operating expenses	(4,819)	(4,639)	(13,242)	(13,785)
Other expenses	-	-	-	-
Finance cost	(1)	(129)	(5)	(442)
Profit before tax	1,086	130	11,084	1,687
Income tax expenses	38	-	38	-
Profit for the year	1,124	130	11,122	1,687
Attributable to :				
Equity holders of the parent	1,412	384	9,931	2,386
Minority interests	(288)	(254)	1,191	(699)
	1,124	130	11,122	1,687
Earnings per share attributable to equity holders of the parent :				
Basic earnings per ordinary share (sen)	0.79	0.21	5.51	1.30
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)

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED BALANCE SHEET

	(UNAUDITED) As At End Of Current Quarter 31/03/2009 RM' 000	(AUDITED) As At Preceding Financial Year End 30/06/2008 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	4,516	4,594
Prepaid land lease payments	976	1,778
Investment properties	1,768	38
Development properties	17,352	17,316
Timber concessions	11,289	9,068
Other investments	27,964	27,004
Deferred tax assets	25,842	25,842
	<u>89,707</u>	<u>85,640</u>
Current assets		
Property development costs	3,150	3,107
Inventories	321	430
Trade receivables	7,480	3,075
Other receivables, deposits and prepayments	6,099	5,911
Tax recoverable	373	6
Fixed deposits with licensed banks	27,018	28,247
Cash and bank balances	899	2,490
	<u>45,340</u>	<u>43,266</u>
TOTAL ASSETS	<u>135,047</u>	<u>128,906</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	183,427	183,427
Share premium	247,847	247,847
Treasury shares	(1,278)	(878)
Reserves	353	353
Accumulated losses	(313,746)	(323,677)
	<u>116,603</u>	<u>107,072</u>
Minority interests	<u>4,228</u>	<u>3,037</u>
Total equity	<u>120,831</u>	<u>110,109</u>
Non-current liabilities		
Hire purchase payable	93	105
Current liabilities		
Trade payables	4,144	1,844
Other payables and accruals	9,963	15,817
Provisions for other liabilities	-	895
Hire purchase payable	16	15
Taxation	0	121
	<u>14,123</u>	<u>18,692</u>
Total liabilities	<u>14,216</u>	<u>18,797</u>
TOTAL EQUITY AND LIABILITIES	<u>135,047</u>	<u>128,906</u>
Net assets per share attributable to equity holders of the parent (RM)		
	0.65	0.59

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

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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			
9 Months Period Ended 31 March 2009									
Balance at 1 July 2008	183,427	247,847	(878)	353	(323,677)	107,072	3,037	110,109	
Purchase of treasury shares	-	-	(400)	-	-	(400)	-	(400)	
Profit for the period	-	-	-	-	9,931	9,931	1,191	11,122	
Balance at 31 March 2009	<u>183,427</u>	<u>247,847</u>	<u>(1,278)</u>	<u>353</u>	<u>(313,746)</u>	<u>116,603</u>	<u>4,228</u>	<u>120,831</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			
9 Months Period Ended 31 March 2008									
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>(291,720)</u>	<u>139,397</u>	<u>3,031</u>	<u>142,428</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)

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(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year To Date 31/03/2009 RM'000	Preceding Year Corresponding Period 31/03/2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,084	1,687
Adjustments for:		
Non-cash items	268	258
Non-operating items	(3,125)	(1)
Interest expenses	5	443
Interest income	(771)	(724)
Dividend income	(1,382)	(1,408)
Operating profit before working capital changes	<u>6,079</u>	<u>255</u>
Inventories	109	(445)
Timber concession	(2,221)	(1,672)
Property development costs	(725)	2,999
Trade and other receivables	(8,245)	(498)
Trade and other payables	<u>4,226</u>	<u>(2,383)</u>
Cash used in operations	(777)	(1,744)
Interest paid	(5)	(295)
Tax paid	(458)	(241)
Tax refund	3	-
Net cash used in operating activities	<u>(1,237)</u>	<u>(2,280)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(183)	(177)
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)	-
Placement of Institution Trust Account	(960)	-
Dividend received	1,382	1,408
Interest received	594	693
Net cash (used in) / generated from investing activities	<u>(1,171)</u>	<u>1,927</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	-	(559)
Repayment of hire purchase payables	(11)	(2)
Purchase of treasury shares	(400)	(510)
Changes in fixed deposit with licensed bank	9	(26)
Net cash used in financing activities	<u>(402)</u>	<u>(1,097)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	(2,810)	(1,450)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>30,356</u>	<u>28,056</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>27,546</u>	<u>26,606</u>

(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 MARCH 2009

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 March 2009 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 March 2009.

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

During the financial period ended 31 March 2009, the Company has repurchased 3,759,400 of its issued ordinary shares from the open market for total consideration of RM1,278,378, 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 March 2009.

8 Segment Reporting

	Revenue		Profit / (Loss) before tax	
	<----- 9 months ended ----->			
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
<u>Business Segments</u>	RM'000	RM'000	RM'000	RM'000
Investment properties	10,885	10,203	3,164	1,656
Property Construction	-	-	-	60
Property Development	6,228	3,973	1,889	62
Timber Related Industries *	8,809	11,017	3,549	(241)
Trading	(5)	3,038	(8)	152
Others	-	-	2,490	(2)
	<u>25,917</u>	<u>28,231</u>	<u>11,084</u>	<u>1,687</u>

* Timber related industries carried out the activities in Kedah and Kelantan State which generated profit before taxation of RM0.73 million and RM2.82 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

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

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 March 2009 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 March 2009.

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 March 2009.

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 March 2009.

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	18,249	182,601
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 March 2009.

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 March 2009.

20 Debt Default or Any Breach of a Debt Covenant

As at 31 March 2009, 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 March 2009.

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 RM9.67 million and profit before taxation of RM1.12 million as compared to the revenue of RM11.06 million and profit before taxation of RM0.13 million in the preceding year corresponding quarter.

For the financial period under review, the Group recorded a revenue of RM25.92 million and profit before taxation of RM11.08 million as compared to the revenue of RM28.23 million and profit before taxation of RM1.69 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 and Kelantan State. However, the improvement in profit before taxation was mainly resulted from 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 preceding quarter.

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

Apart from 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

Baring unforeseen circumstances, the Board expects to maintain its performance for the remaining quarter. Looking at the current financial scenario, the Group will continue to be vigilant against unnecessary spending and risk taking.

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 was an over provision of taxation for prior year amounted to RM0.04 million.

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 March 2009.

The investments in quoted securities as at 31 March 2009 is:

	RM
i) Cost	4,000
ii) Book value	4,000
iii) Market value	17,706

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 ("SC") 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 SC, save for RM25.5 million allocated for acquisition of new businesses which prior approval from SC for the utilisation is required.

On 15 October 2008, MIMB had, on behalf of the Board, apply to SC on the revision for the utilisation of the RM25.5 million for its existing property development and logging activities. An announcement was made on the even date. On 6 May 2009, MIMB had, on behalf of the Board, announced that SC had, vide its letter dated 5 May 2009 approved the application on the revision.

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 RM9,930,655 divided by the weighted average number of ordinary shares in issue as at 31 March 2009 of 180,236,631 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.