

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

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/12/2009 RM' 000	Preceding Year Corresponding Quarter Ended 31/12/2008 RM' 000	Current Year To Date 31/12/2009 RM' 000	Preceding Year Corresponding Period 31/12/2008 RM' 000
Revenue	7,209	10,651	12,873	16,243
Cost of sales	(2,211)	(5,207)	(3,386)	(7,439)
Gross profit	4,998	5,444	9,487	8,804
Other income	2,881	4,799	3,145	9,621
Operating expenses	(4,001)	(4,273)	(6,870)	(8,423)
Other expenses	-	-	-	-
Finance cost	(1)	(2)	(3)	(4)
Profit before tax	3,877	5,968	5,759	9,998
Income tax expenses	-	-	-	-
Profit for the period	3,877	5,968	5,759	9,998
Attributable to :				
Equity holders of the parent	3,898	6,092	5,472	8,519
Minority interests	(21)	(124)	287	1,479
	3,877	5,968	5,759	9,998
Earnings per share attributable to equity holders of the parent :				
Basic earnings per ordinary share (sen)	2.18	3.38	3.06	4.72
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 2009)

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CONDENSED CONSOLIDATED BALANCE SHEET

	(UNAUDITED) As At End Of Current Quarter 31/12/2009 RM' 000	(AUDITED) As At Preceding Financial Year End 30/06/2009 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	4,346	4,478
Prepaid land lease payments	964	972
Investment properties	1,768	1,768
Land held for development	17,388	17,364
Other investments	27,964	27,964
Timber concessions	15,436	14,291
Deferred tax assets	24,422	24,422
	<u>92,288</u>	<u>91,259</u>
Current assets		
Property development costs	3,563	3,793
Inventories	9	9
Trade receivables	6,186	4,762
Other receivables, deposits and prepayments	6,315	5,924
Tax recoverable	327	30
Short term investments	12,214	10,325
Fixed deposits with licensed banks	16,022	14,863
Cash and bank balances	899	2,227
	<u>45,535</u>	<u>41,933</u>
TOTAL ASSETS	137,823	133,192
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	(1,454)	(1,454)
Other reserves	353	353
Accumulated losses	(308,657)	(314,129)
	<u>121,516</u>	<u>116,044</u>
Minority interests	<u>4,560</u>	<u>4,273</u>
Total equity	126,076	120,317
Non-current liabilities		
Hire purchase payable	80	89
Current liabilities		
Trade payables	4,901	3,310
Other payables and accruals	6,749	9,445
Hire purchase payable	17	16
Taxation	0	15
	<u>11,667</u>	<u>12,786</u>
Total liabilities	<u>11,747</u>	<u>12,875</u>
TOTAL EQUITY AND LIABILITIES	137,823	133,192
Net assets per share attributable to equity holders of the parent (RM)	0.68	0.65

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2009)

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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		
6 Months Period Ended 31 December 2009								
Balance at 1 July 2009	183,427	247,847	(1,454)	353	(314,129)	116,044	4,273	120,317
Purchase of treasury shares	-	-	(0)	-	-	(0)	-	(0)
Profit for the period	-	-	-	-	5,472	5,472	287	5,759
Balance at 31 December 2009	<u>183,427</u>	<u>247,847</u>	<u>(1,454)</u>	<u>353</u>	<u>(308,657)</u>	<u>121,516</u>	<u>4,560</u>	<u>126,076</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		
6 Months Period Ended 31 December 2008								
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>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 30 June 2009)

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(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year To Date 31/12/2009 RM'000	Preceding Year Corresponding Period 31/12/2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,759	9,998
Adjustments for:		
Non-cash items	(1,322)	185
Non-operating items	0	(3,125)
Interest expenses	3	4
Interest income	(229)	(503)
Dividend income	(1,413)	(1,382)
Operating profit before working capital changes	<u>2,798</u>	<u>5,177</u>
Inventories	(0)	(155)
Timber concession	(1,145)	(3,611)
Property development costs	204	(679)
Trade and other receivables	(267)	(11,405)
Trade and other payables	<u>(1,105)</u>	<u>3,905</u>
Cash generated from / (used in) operations	485	(6,768)
Interest paid	(3)	(4)
Tax paid	(311)	(315)
Tax refund	0	3
Net cash generated from / (used in) operating activities	<u>171</u>	<u>(7,084)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment properties	-	(1,730)
Purchase of property, plant and equipment	(8)	(164)
Purchase of short term investments	(2,390)	-
Proceeds from disposal of property, plant and equipment	-	1
Proceed from redemption of short term investments	500	-
Net cash outflow from disposal of subsidiary company	-	(275)
Dividend received	1,413	1,382
Interest received	152	418
Net cash used in investing activities	<u>(333)</u>	<u>(368)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(8)	(7)
Purchase of treasury shares	(0)	(375)
Changes in fixed deposit with licensed bank	(5)	13
Net cash used in financing activities	<u>(13)</u>	<u>(369)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	(175)	(7,821)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	<u>16,697</u>	<u>30,356</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	<u>16,522</u>	<u>22,535</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2009)

**SEAL INCORPORATED BERHAD AND ITS SUBSIDIARY COMPANIES
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 Main Market 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 2009. 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 2009.

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 2009 except for the adoption of FRS 8, Operating Segments that effective for the financial statements of the Group commencing 1 July 2009:-

FRS 8, Operating Segments

FRS 8, which replaced FRS 114²⁰⁰⁴, Segment Reporting, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the chief operating decision maker of the Group in order to allocate resources to the segment and to assess its performance. Adoption of FRS 8 will not have any significant impact on the financial statements of the Group other than the changes in disclosures.

The followings new and revised FRSs and Interpretations were issued but not yet effective and have not been adopted by the Group:-

FRSs/ Interpretations		Effective for financial periods beginning on or after
Amendments to FRS 1, First-time Adoption of Financial Reporting Standard and FRS 127, Consolidated and Separate Financial Statements	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2	Share-based Payment - Vesting Conditions and Cancellations	1 January 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Shares Transactions	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report in respect of financial statements for the financial year ended 30 June 2009 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 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 December 2009.

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

Share Buy Backs

During the financial period ended 31 December 2009, The Company has repurchased 1,000 of its issued ordinary shares from the open market for total consideration of RM416, including the transaction costs, and this was financed by internally generated funds. The total number of shares repurchased as at 31 December 2009 was 4,321,500, being 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 2009.

8 Segment Reporting

Period ended 31 December 2009	Investment Properties RM'000	Property Construction RM'000	Property Development RM'000	Timber Related RM'000	Others RM'000	Total RM'000
Segment revenue	7,925	-	3,368	1,580	-	12,873
Segment results	3,997	-	1,216	696	(376)	5,533
Interest income						229
Profit from operations						5,762
Finance costs						(3)
Profit before tax						5,759
Income tax expenses						-
Profit for the year						5,759
Segment assets	61,630	420	26,656	24,360	8	113,074
Deferred tax assets						24,422
Tax recoverable						327
Total assets						137,823
Segment liabilities	4,890	616	3,718	2,515	8	11,747
Taxation						0
Total liabilities						11,747
Period ended 31 December 2008	Investment Properties RM'000	Property Construction RM'000	Property Development RM'000	Timber Related RM'000	Others RM'000	Total RM'000
Segment revenue	7,165	-	4,419	4,659	0	16,243
Segment results	2,150	-	1,156	3,471	2,722	9,499
Interest income						503
Profit from operations						10,002
Finance costs						(4)
Profit before tax						9,998
Income tax expenses						-
Profit for the year						9,998
Segment assets	60,890	420	23,915	22,361	11	107,597
Deferred tax assets						25,842
Tax recoverable						193
Total assets						133,632
Segment liabilities	6,585	616	1,153	5,531	14	13,899
Taxation						1
Total liabilities						13,900

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 2009.

10 Material Subsequent Events

There were no material events subsequent to the end of the quarter under review.

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 2009.

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 RM0.10 million and RM0.05 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.

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 2009.

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

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 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 December 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	5,044	7,644
b) Disposals of property, plant and equipment:		
Proceeds from disposal	-	-
Net Book Value at the date of disposals	-	-
Gain / (Loss) on disposals	-	-

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 2009.

18 Fundamental Errors

There were no corrections of fundamentals errors in previously reported financial data during current quarter and financial period ended 31 December 2009.

19 Debt Default or Any Breach of a Debt Covenant

As at 31 December 2009, the Group was not in default in payments to financial institutions in respect of credit facilities granted to the Group.

20 Related Party Transactions

There were no significant related party transactions occurred during the current quarter and financial period ended 31 December 2009.

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**21 Review of Performance of the Company and Its Principal Subsidiaries**

For the current quarter under review, the Group recorded total revenue of RM7.21 million and profit before taxation of RM3.88 million as compared to the revenue of RM10.65 million and profit before taxation of RM5.97 million in the preceding year corresponding quarter.

For the financial year under review, the Group recorded total revenue of RM12.87 million and profit before taxation of RM5.76 million as compared to the revenue of RM16.24 million and profit before taxation of RM10 million in the preceding year corresponding period. The decline in Group's revenue was mainly due to slow down in timber activities in Kedah and Kelantan States, and the decline in profit before taxation mainly due to the absence of income from the reversal of the claims by Union and the gain on disposal of subsidiary company, which has been featured in the preceding year corresponding period.

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

Timber activities in Perak State which has been carried out during the current quarter and the revenue recognition from Krai Eco Park have resulted in positive contribution to the revenue of the Group from RM5.66 million in preceding quarter to RM7.21 in the current quarter under review. Furthermore, the receipt of income from Institutional Trust Account and deposit received forfeited have resulted significant increase in profit before taxation of the Group from RM1.88 million as recorded in the preceding quarter to RM3.88 million in the current quarter.

23 Prospect for the Current Financial Year

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

24 Variance of Actual Profit from Forecast Profit

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

25 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 2009.

26 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 December 2009.

27 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 2009.

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

	RM
i) Cost	4,000
ii) Book value	4,000
iii) Market value	21,652

28 Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement.

29 Group Borrowings

There were no outstanding Group Borrowings as at 31 December 2009.

30 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 this announcement.

31 Changes in Material Litigation

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

32 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 RM5,472,216 divided by the weighted average number of ordinary shares in issue as at 31 December 2009 of 179,106,537 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 31 December 2009.