

SEAL INCORPORATED BERHAD (4887-M)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/03/2010 RM' 000	Preceding Year Corresponding Quarter Ended 31/03/2009 RM' 000	Current Year To Date 31/03/2010 RM' 000	Preceding Year Corresponding Period 31/03/2009 RM' 000
Revenue	13,706	9,674	26,579	25,917
Cost of sales	(6,847)	(4,040)	(10,233)	(11,479)
Gross profit	6,859	5,634	16,346	14,438
Other income	211	272	3,356	9,893
Operating expenses	(4,964)	(4,819)	(11,834)	(13,242)
Other expenses	-	-	-	-
Finance cost	(1)	(1)	(4)	(5)
Profit before tax	2,105	1,086	7,864	11,084
Income tax expenses	10	38	10	38
Profit for the period	2,115	1,124	7,874	11,122
Attributable to :				
Equity holders of the parent	2,119	1,412	7,591	9,931
Minority interests	(4)	(288)	283	1,191
	2,115	1,124	7,874	11,122
Earnings per share attributable to equity holders of the parent :				
Basic earnings per ordinary share (sen)	1.18	0.79	4.24	5.51
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)

SEAL INCORPORATED BERHAD (4887-M)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED BALANCE SHEET

	(UNAUDITED) As At End Of Current Quarter 31/03/2010 RM' 000	(AUDITED) As At Preceding Financial Year End 30/06/2009 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	4,388	4,478
Prepaid land lease payments	960	972
Investment properties	1,269	1,768
Land held for development	17,383	17,364
Other investments	27,964	27,964
Timber concessions	18,472	14,291
Deferred tax assets	24,422	24,422
	94,858	91,259
Current assets		
Property development costs	3,296	3,793
Inventories	1,027	9
Trade receivables	8,750	4,762
Other receivables, deposits and prepayments	6,376	5,924
Tax recoverable	484	30
Short term investments	10,480	10,325
Fixed deposits with licensed banks	14,073	14,863
Cash and bank balances	1,627	2,227
	46,113	41,933
TOTAL ASSETS	140,971	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	(306,538)	(314,129)
	123,635	116,044
Minority interests	4,556	4,273
Total equity	128,191	120,317
Non-current liabilities		
Hire purchase payable	76	89
Current liabilities		
Trade payables	4,159	3,310
Other payables and accruals	8,528	9,445
Hire purchase payable	17	16
Taxation	0	15
	12,704	12,786
Total liabilities	12,780	12,875
TOTAL EQUITY AND LIABILITIES	140,971	133,192
Net assets per share attributable to equity holders of the parent (RM)	0.69	0.65

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

SEAL INCORPORATED BERHAD (4887-M)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010
(THE FIGURES HAVE NOT BEEN AUDITED)

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		Total RM'000		
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Accumulated losses RM'000				
9 Months Period Ended 31 March 2010									
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	-	-	-	-	7,591	7,591	283	7,874	
Balance at 31 March 2010	<u>183,427</u>	<u>247,847</u>	<u>(1,454)</u>	<u>353</u>	<u>(306,538)</u>	<u>123,635</u>	<u>4,556</u>	<u>128,191</u>	

	← Attributable to equity holders of the parent →							Minority Interest RM'000	Total Equity RM'000
	← Non-distributable →				Distributable		Total RM'000		
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Accumulated losses 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>	

(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)

SEAL INCORPORATED BERHAD (4887-M)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year To Date 31/03/2010 RM'000	Preceding Year Corresponding Period 31/03/2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	7,864	11,084
Adjustments for:		
Non-cash items	(1,249)	268
Non-operating items	(1)	(3,125)
Interest expenses	4	5
Interest income	(356)	(771)
Dividend income	(1,496)	(1,382)
Operating profit before working capital changes	4,766	6,079
Inventories	(1,018)	109
Investment properties	499	
Timber concession	(4,181)	(2,221)
Property development costs	478	(725)
Trade and other receivables	(2,839)	(8,245)
Trade and other payables	(68)	4,226
Cash used in operations	(2,363)	(777)
Interest paid	(4)	(5)
Tax paid	(458)	(458)
Tax refund	0	3
Net cash used in operating activities	(2,825)	(1,237)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment properties	-	(1,730)
Purchase of property, plant and equipment	(119)	(183)
Purchase of short term investments	(2,456)	-
Proceeds from disposal of property, plant and equipment	-	1
Proceed from redemption of short term investments	2,301	-
Net cash outflow from disposal of subsidiary company	-	(275)
Placement of Institution Trust Account	-	(960)
Dividend received	1,496	1,382
Interest received	225	594
Net cash generated from / (used in) investing activities	1,447	(1,171)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(12)	(11)
Purchase of treasury shares	(0)	(400)
Changes in fixed deposit with licensed bank	(8)	9
Net cash used in financing activities	(20)	(402)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(1,398)	(2,810)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	16,697	30,356
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	15,299	27,546

(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 MARCH 2010**

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 March 2010 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 2010.

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

Share Buy Backs

During the financial period ended 31 March 2010, 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 March 2010 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 March 2010.

8 Segment Reporting

Period ended 31 March 2010	Investment Properties RM'000	Property Construction RM'000	Property Development RM'000	Timber Related RM'000	Others RM'000	Total RM'000
Segment revenue	12,611	-	5,575	8,393	-	26,579
Segment results	4,673	-	2,016	1,526	(703)	7,512
Interest income						356
Profit from operations						7,868
Finance costs						(4)
Profit before tax						7,864
Income tax expenses						10
Profit for the year						7,874
Segment assets	57,734	420	26,616	31,183	112	116,065
Deferred tax assets						24,422
Tax recoverable						484
Total assets						140,971
Segment liabilities	4,572	582	2,614	4,965	47	12,780
Taxation						0
Total liabilities						12,780
Period ended 31 March 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	10,885	-	6,228	8,809	(5)	25,917
Segment results	2,576	-	1,708	3,552	2,482	10,318
Interest income						771
Profit from operations						11,089
Finance costs						(5)
Profit before tax						11,084
Income tax expenses						38
Profit for the year						11,122
Segment assets	60,622	420	24,719	23,066	5	108,832
Deferred tax assets						25,842
Tax recoverable						373
Total assets						135,047
Segment liabilities	6,377	616	915	6,293	15	14,216
Taxation						-
Total liabilities						14,216

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 year ended 31 March 2010 other than the followings:

- i) On 30 July 2009, Seal Properties Sdn Bhd, a wholly owned subsidiary of the Company has acquired 51% equity interest comprising 51 ordinary shares of RM1.00 each in the capital of Seal Concepts Sdn Bhd (formerly known as Lifestyle Definition Sdn Bhd) for a total consideration of RM51.00. An announcement was made on the same day.
- ii) On 30 November 2009, Seal Properties Sdn Bhd, a wholly owned subsidiary of the Company has acquired 51% equity interest comprising 51 ordinary shares of RM1.00 each in the capital of Seal Properties (Bayan City) Sdn Bhd (formerly known as Seal Definition Sdn Bhd) for a total consideration of RM51.00. 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 RM0.10 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 March 2010.

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 2010.

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 2010.

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	111,215	118,859
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 March 2010.

18 Fundamental Errors

There were no corrections of fundamentals errors in previously reported financial data during current quarter and financial period ended 31 March 2010.

19 Debt Default or Any Breach of a Debt Covenant

As at 31 March 2010, 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 March 2010.

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 RM13.71 million and profit before taxation of RM2.11 million as compared to the revenue of RM9.67 million and profit before taxation of RM1.09 million in the preceding year corresponding quarter.

For the financial year under review, the Group recorded total revenue of RM26.58 million and profit before taxation of RM7.86 million as compared to the revenue of RM25.92 million and profit before taxation of RM11.08 million in the preceding year corresponding period. A slight improvement in Group's revenue was mainly contributed by rental generated from Selayang Mall. However, the decline in profit before taxation for the Group was mainly due to the absence of income from the reversal of the claims by Union and the 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 Kedah and Perak States which have been carried out during the current quarter have resulted in positive contribution to the revenue of the Group from RM7.21 million in preceding quarter to RM13.71 in the current quarter under review. However, the receipt of income from Institutional Trust Account in the preceding quarter resulted in a decrease in profit before taxation from RM3.88 million as recorded in the preceding quarter to RM2.11 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 quarter. Looking at the improved national economic scenario, the Group looks forward to more aggressive business activities, but 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 was an over provision of taxation for prior year amounted to RM0.01 million.

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 March 2010.

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 March 2010.

The investments in quoted securities as at 31 March 2010 is:

	RM
i) Cost	4,000
ii) Book value	4,000
iii) Market value	28,798

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 March 2010.

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 RM7,591,131 divided by the weighted average number of ordinary shares in issue as at 31 March 2010 of 179,106,251 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 March 2010.