

SEAL INCORPORATED BERHAD (4887-M)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/06/2010 RM' 000	Preceding Year Corresponding Quarter Ended 30/06/2009 RM' 000	Current Year To Date 30/06/2010 RM' 000	Preceding Year Corresponding Period 30/06/2009 RM' 000
Revenue	13,335	12,660	39,914	38,577
Cost of sales	(6,504)	(2,758)	(16,737)	(14,237)
Gross profit	6,831	9,902	23,177	24,340
Other income	592	(4,305)	3,948	5,588
Operating expenses	(5,056)	(3,984)	(16,890)	(17,226)
Other expenses	-	-	-	-
Finance cost	(2)	(2)	(6)	(7)
Profit before tax	2,365	1,611	10,229	12,695
Income tax expenses	(3,504)	(1,948)	(3,494)	(1,910)
(Loss)/Profit for the year	(1,139)	(337)	6,735	10,785
Attributable to :				
Equity holders of the parent	(595)	(383)	6,996	9,548
Minority interests	(544)	46	(261)	1,237
	(1,139)	(337)	6,735	10,785
Earnings per share attributable to equity holders of the parent :				
Basic earnings per ordinary share (sen)	(0.33)	(0.21)	3.91	5.30
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 2009)

SEAL INCORPORATED BERHAD (4887-M)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED BALANCE SHEET

	(UNAUDITED) As At End Of Current Quarter 30/06/2010 RM' 000	(AUDITED) As At Preceding Financial Year End 30/06/2009 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	4,394	4,478
Prepaid land lease payments	956	972
Investment properties	1,269	1,768
Land held for development	17,390	17,364
Other investments	27,964	27,964
Timber concessions	22,742	14,291
Deferred tax assets	21,494	24,422
	96,209	91,259
Current assets		
Property development costs	4,128	3,793
Inventories	-	9
Trade receivables	7,632	4,762
Other receivables, deposits and prepayments	6,610	5,924
Tax recoverable	8	30
Short term investments	6,732	10,325
Fixed deposits with licensed banks	15,029	14,863
Cash and bank balances	1,504	2,227
	41,643	41,933
TOTAL ASSETS	137,852	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	(1,455)	(1,454)
Other reserves	353	353
Accumulated losses	(307,133)	(314,129)
	123,039	116,044
Minority interests	4,135	4,273
Total equity	127,174	120,317
Non-current liabilities		
Hire purchase payable	72	89
Current liabilities		
Trade payables	3,361	3,310
Other payables and accruals	7,170	9,445
Hire purchase payable	17	16
Taxation	58	15
	10,606	12,786
Total liabilities	10,678	12,875
TOTAL EQUITY AND LIABILITIES	137,852	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)

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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		
12 Months Year Ended 30 June 2010								
Balance at 1 July 2009	183,427	247,847	(1,454)	353	(314,129)	116,044	4,273	120,317
Acquisition of equity interest of new subsidiary	-	-	-	-	-	-	123	123
Purchase of treasury shares	-	-	(1)	-	-	(1)	-	(1)
Profit/(Loss) for the year	-	-	-	-	6,996	6,996	(261)	6,735
Balance at 30 June 2010	<u>183,427</u>	<u>247,847</u>	<u>(1,455)</u>	<u>353</u>	<u>(307,133)</u>	<u>123,039</u>	<u>4,135</u>	<u>127,174</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		
12 Months Year Ended 30 June 2009								
Balance at 1 July 2008	183,427	247,847	(878)	353	(323,677)	107,072	3,036	110,108
Purchase of treasury shares	-	-	(576)	-	-	(576)	-	(576)
Profit for the year	-	-	-	-	9,548	9,548	1,237	10,785
Balance at 30 June 2009	<u>183,427</u>	<u>247,847</u>	<u>(1,454)</u>	<u>353</u>	<u>(314,129)</u>	<u>116,044</u>	<u>4,273</u>	<u>120,317</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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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010
(THE FIGURES HAVE NOT BEEN AUDITED)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year To Date 30/06/2010 RM'000	Preceding Year Corresponding Period 30/06/2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,229	12,695
Adjustments for:		
Non-cash items	(1,192)	346
Non-operating items	(1)	(3,123)
Interest expenses	6	7
Interest income	(491)	(2,393)
Dividend income	(1,559)	(30)
Operating profit before working capital changes	<u>6,992</u>	<u>7,502</u>
Inventories	9	421
Timber concession	(8,452)	(5,222)
Property development costs	(360)	(1,380)
Trade and other receivables	(3,379)	(5,265)
Trade and other payables	<u>(753)</u>	<u>2,874</u>
Cash used in operations	<u>(5,943)</u>	<u>(1,070)</u>
Interest paid	(6)	(7)
Tax paid	(540)	(629)
Tax refund	40	3
Net cash used in operating activities	<u>(6,449)</u>	<u>(1,703)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital contribution by minority interest in subsidiary	123	-
Purchase of investment properties	-	(1,730)
Purchase of property, plant and equipment	(171)	(223)
Proceeds from disposal of property, plant and equipment	-	1
Proceeds from disposal of investment properties	500	-
Proceed from redemption of short term investments	6,099	2,901
Net cash outflow from disposal of subsidiary company	-	(275)
Placement of Institutional Bond Fund	(2,506)	(13,225)
Placement of Institution Trust Account	-	(960)
Dividend received	1,559	30
Interest received	305	2,129
Net cash generated from / (used in) investing activities	<u>5,909</u>	<u>(11,352)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	(16)	(15)
Purchase of treasury shares	(1)	(576)
Changes in fixed deposit with licensed bank	(11)	(13)
Net cash used in financing activities	<u>(28)</u>	<u>(604)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	<u>(568)</u>	<u>(13,659)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	<u>16,697</u>	<u>30,356</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u>16,129</u>	<u>16,697</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 YEAR ENDED 30 JUNE 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 year ended 30 June 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 year ended 30 June 2010.

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

Share Buy Backs

During the financial year ended 30 June 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 30 June 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 year ended 30 June 2010.

8 Segment Reporting

Year ended 30 June 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	16,320	-	6,492	17,102	-	39,914
Segment results	5,223	177	2,058	3,212	(926)	9,744
Interest income						491
Profit from operations						10,235
Finance costs						(6)
Profit before tax						10,229
Income tax expenses						(3,494)
Profit for the year						6,735
Segment assets	54,599	420	27,094	34,229	8	116,350
Deferred tax assets						21,494
Tax recoverable						8
Total assets						137,852
Segment liabilities	5,023	354	1,893	3,253	97	10,620
Taxation						58
Total liabilities						10,678
Year ended 30 June 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	14,753	-	7,055	16,769	-	38,577
Segment results	1,755	-	2,165	4,102	2,287	10,309
Interest income						2,393
Profit from operations						12,702
Finance costs						(7)
Profit before tax						12,695
Income tax expenses						(1,910)
Profit for the year						10,785
Segment assets	59,922	420	25,084	23,308	6	108,740
Deferred tax assets						24,422
Tax recoverable						30
Total assets						133,192
Segment liabilities	6,265	616	1,936	4,025	18	12,860
Taxation						15
Total liabilities						12,875

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 30 June 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 to recover the principal debts amounting to approximately RM0.05 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.

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 year ended 30 June 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 year ended 30 June 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 year ended 30 June 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	51,956	170,815
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 year ended 30 June 2010.

18 Fundamental Errors

There were no corrections of fundamentals errors in previously reported financial data during current quarter and financial year ended 30 June 2010.

19 Debt Default or Any Breach of a Debt Covenant

As at 30 June 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 year ended 30 June 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 RM13.34 million and profit before taxation of RM2.37 million as compared to the revenue of RM12.66 million and profit before taxation of RM1.61 million in the preceding year corresponding quarter.

For the financial year under review, the Group recorded total revenue of RM39.91 million and profit before taxation of RM10.23 million as compared to the revenue of RM38.58 million and profit before taxation of RM12.70 million in the preceding year corresponding period. An improvement in Group's revenue was mainly contributed by rental income generated from Selayang Mall and timber activities in Kedah and Perak States. 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

Apart from the settlement of certain legal proceedings, which has been featured in other income during the current quarter, there are no other material changes in current quarter as compared with preceding quarter.

23 Prospect for the Current Financial Year

Barring unforeseen circumstances, the Board expects to maintain its performance for the forthcoming financial year. The increased market activities especially in the property sector augurs well for the Group's projects in progress. We therefore look forward to gain new grounds in the market place, while continuing 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

	Current quarter RM'000	Financial year to date RM'000
Current tax expense	576	576
Over provision in prior year	-	(10)
Deferred tax expense	2,928	2,928
	<u>3,504</u>	<u>3,494</u>

The effective tax rate of the Group was higher than statutory tax rate for financial year ended 30 June 2010 mainly relating to the reversal of temporary differences

26 Sale of Unquoted Investments and/or Properties

There were no sale of unquoted investment and/or properties during the current quarter and financial year ended 30 June 2010.

27 Purchase or Disposal of Quoted Securities

There were no purchase or disposal of quoted securities during the current quarter and financial year ended 30 June 2010.

The investments in quoted securities as at 30 June 2010 is:

	RM
i) Cost	4,000
ii) Book value	4,000
iii) Market value	25,065

28 Corporate Proposals

Proposed Capital Reduction, Proposed Private Placement, Proposed ESOS, and Proposed Amendment to the MA

On 26 May 2010, MIDF Amanah Investment Bank Berhad ("MIDF") had, on behalf of the Board, announced that the Company was proposing to undertake the following proposals:

(i) Proposed reduction of RM204,072,607 in the share premium account of SEAL and capital reduction by the cancellation of RM0.60 of the par value of every existing ordinary share of RM1.00 each to RM0.40 each in SEAL to be off-set against the accumulated losses of SEAL ("Proposed Capital Reduction")

(ii) Proposed private placement of up to 18,342,717 new ordinary shares of RM0.40 each in SEAL representing approximately ten per centum (10%) of the issued and paid-up share capital of SEAL after the Proposed Capital Reduction ("Proposed Private Placement");

(iii) Proposed establishment of an Employees' Share Option Scheme ("ESOS") of up to ten per centum (10%) of the issued and paid-up share capital of SEAL for the Directors (including Non-Executive Directors) and eligible employees of SEAL and its subsidiaries (which are not dormant) after the Proposed Capital Reduction ("Proposed ESOS"); and

(iv) Proposed amendment to the Memorandum of Association of SEAL ("MA") to facilitate the change in the par value of the ordinary share of SEAL resulting from the Proposed Capital Reduction ("Proposed Amendment to the MA").

(Collectively referred to as the "Proposals").

On 10 June 2010, MIDF had, on behalf of the Board, announced that Bursa Malaysia Securities Berhad had, vide its letter dated 9 June 2010 approved the Proposed Private Placement and Proposed ESOS. Subsequently, the Proposals was approved by the Company's shareholders at Extraordinary General Meeting held on 15 July 2010. An announcement was made on the even date.

29 Group Borrowings

There were no outstanding Group Borrowings as at 30 June 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 RM6,995,794 divided by the weighted average number of ordinary shares in issue as at 30 June 2010 of 179,106,105 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 30 June 2010.