

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011
(THE FIGURES HAVE NOT BEEN AUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31/03/2011 RM' 000	Preceding Year Corresponding Quarter Ended 31/03/2010 RM' 000	Current Year To Date 31/03/2011 RM' 000	Preceding Year Corresponding Period 31/03/2010 RM' 000
Revenue	7,397	13,706	25,485	26,579
Cost of sales	(1,548)	(6,847)	(7,206)	(10,233)
Gross profit	<u>5,849</u>	<u>6,859</u>	<u>18,279</u>	<u>16,346</u>
Other income	276	211	2,042	3,356
Operating expenses	(5,344)	(4,964)	(15,491)	(11,834)
Finance cost	(1)	(1)	(4)	(4)
Profit before tax	<u>780</u>	<u>2,105</u>	<u>4,826</u>	<u>7,864</u>
Income tax	81	10	81	10
Profit for the period	<u>861</u>	<u>2,115</u>	<u>4,907</u>	<u>7,874</u>
Other comprehensive income				
Fair value movement on available-for-sale investment	4	-	1	-
Total comprehensive income for the period	<u>865</u>	<u>2,115</u>	<u>4,908</u>	<u>7,874</u>
Profit attributable to:				
Owners of the parent	1,078	2,119	5,243	7,591
Non-controlling interests	(217)	(4)	(336)	283
	<u>861</u>	<u>2,115</u>	<u>4,907</u>	<u>7,874</u>
Total comprehensive income attributable to:				
Owners of the parent	1,082	2,119	5,244	7,591
Non-controlling interests	(217)	(4)	(336)	283
	<u>865</u>	<u>2,115</u>	<u>4,908</u>	<u>7,874</u>
Earnings per share (sen)				
- Basic	<u>0.60</u>	<u>1.18</u>	<u>2.93</u>	<u>4.24</u>
- Diluted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011

	(UNAUDITED) As At End Of Current Quarter 31/03/2011 RM' 000	(AUDITED) As At Preceding Financial Year End 30/06/2010 RM' 000 (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	5,227	5,350
Investment properties	1,532	1,269
Land held for development	17,409	17,390
Other investments	-	27,964
Loans and receivables	27,960	-
Available-for-sale investments	26	-
Timber concessions	24,129	22,742
Deferred tax assets	21,463	21,463
	97,746	96,178
Current assets		
Property development costs	8,526	4,068
Inventories	1,494	-
Trade receivables	5,519	7,632
Other receivables, deposits and prepayments	6,032	6,670
Tax recoverable	366	8
Short term investments	-	6,732
Financial assets held for trading	7,672	-
Fixed deposits with licensed banks	28,022	15,029
Cash and bank balances	3,069	1,504
	60,700	41,643
TOTAL ASSETS	158,446	137,821
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	73,371	183,427
Share premium	43,774	247,847
Treasury shares	(1,455)	(1,455)
Revaluation reserves	353	353
Fair value reserves	22	-
Retained profits/(Accumulated losses)	12,197	(307,169)
	128,262	123,003
Non-controlling interests	3,831	4,167
Total equity	132,093	127,170
Non-current liabilities		
Hire purchase payable	58	72
Current liabilities		
Trade payables	1,256	3,354
Other payables and accruals	25,021	7,178
Hire purchase payable	18	17
Current tax payable	0	30
	26,295	10,579
Total liabilities	26,353	10,651
TOTAL EQUITY AND LIABILITIES	158,446	137,821
Net assets per share attributable to owners of the parent (RM)	0.72	0.69

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011
(THE FIGURES HAVE NOT BEEN AUDITED)

	← Attributable to owners of the parent →					Distributable Retained profits/ (Accumulated losses) RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Revaluation Reserve RM'000	Fair Value Reserve RM'000				
9 Months Ended 31 March 2011									
Balance at 1 July 2010	183,427	247,847	(1,455)	353	-	(307,169)	123,003	4,167	127,170
Effects of applying FRS 139	-	-	-	-	21	(5)	16	-	16
Restated balance	183,427	247,847	(1,455)	353	21	(307,174)	123,019	4,167	127,186
Purchase of treasury shares	-	-	(0)	-	-	-	(0)	-	(0)
Capital reduction	(110,056)	(204,073)	-	-	-	314,129	-	-	-
Total comprehensive income for the period	-	-	-	-	1	5,242	5,243	(336)	4,907
Balance at 31 March 2011	<u>73,371</u>	<u>43,774</u>	<u>(1,455)</u>	<u>353</u>	<u>22</u>	<u>12,197</u>	<u>128,262</u>	<u>3,831</u>	<u>132,093</u>
9 Months Ended 31 March 2010									
Balance at 1 July 2009	183,427	247,847	(1,454)	353	-	(314,129)	116,044	4,273	120,317
Total comprehensive income 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>-</u>	<u>(306,538)</u>	<u>123,635</u>	<u>4,556</u>	<u>128,191</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 30 June 2010)

SEAL INCORPORATED BERHAD (4887-M)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011
(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Year To Date 31/03/2011 RM'000	Preceding Year Corresponding Period 31/03/2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,826	7,864
Adjustments for:		
Non-cash items	2	(1,249)
Non-operating items	4	(1)
Interest expenses	4	4
Interest income	(342)	(356)
Dividend income	(1,381)	(1,496)
Operating profit before working capital changes	3,113	4,766
Inventories	(1,494)	(1,018)
Investment properties	-	499
Timber concession	(1,387)	(4,181)
Property development costs	(4,477)	478
Trade and other receivables	2,735	(2,839)
Trade and other payables	15,988	(68)
Cash generated from / (used in) operations	14,478	(2,363)
Interest paid	(4)	(4)
Tax paid	(306)	(458)
Net cash generated from / (used in) operating activities	14,168	(2,825)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment properties	(263)	-
Purchase of property, plant and equipment	(115)	(119)
Placement of Institutional Bond Fund	(930)	(1,853)
Placement of Principal Money Market Income Fund	(12)	(603)
Proceeds from redemption of financial assets held for trading	-	2,301
Dividend received	1,381	1,496
Interest received	342	225
Net cash generated from investing activities	403	1,447
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of hire purchase payable	(13)	(12)
Purchase of treasury shares	(0)	-
Changes in fixed deposits with licensed bank	(7)	(8)
Net cash used in financing activities	(20)	(20)
NET CHANGES IN CASH AND CASH EQUIVALENTS	14,551	(1,398)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	16,129	16,697
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	30,680	15,299

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2010)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2011

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 2010. 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 2010.

Except as described below, 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 2010:

FRS 101(revised), Presentation of Financial Statements

FRS 101 requires all owner changes in equity to be presented in the consolidated statement of changes in equity and all non-owner changes in equity to be presented in the consolidated statement of comprehensive income. Adoption of this standard only affects presentation of the components of the interim financial report and does not have any impact on the financial position and results of the Group.

FRS 139, Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. With adoption of FRS 139, all financial assets and financial liabilities are recognised at contract dates when, and only when, the Group becomes a party to the contractual provisions of the instruments. At initial recognition, all financial assets and financial liabilities are measured at their fair value plus, in the case of financial instruments not at fair value through profit and loss, transaction costs directly attributable to the acquisition or issuance of the financial instruments. Subsequent measurement depends on the classification of the financial instruments.

The Group determines the classification at initial recognition bases on the nature and purpose of the assets and liabilities that acquired and incurred. The major changes on the classification as follows:

(i) Loans and receivables

The Group's loans and receivables consist of financial asset with fixed or determinable payments that are not quoted in an active market, trade and other receivables. Financial assets categorised as loan and receivables are subsequently measured at amortised cost using the effective interest method.

(ii) Available-for-sale financial asset

The Group's available-for-sale financial asset consist of financial asset that is not held for trading purposes. Subsequent measurement is at fair value with gain or loss recognised in other comprehensive income. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss.

(iii) Financial assets at fair value through profit or loss

The Group's financial assets at fair value through profit or loss consist of financial assets that held for trading purposes. Such financial assets are initially measured at fair value and subsequent changes in fair value will be recognised as gains or losses in the income statement.

(iv) Financial liabilities

The Group's financial liabilities consist of trade and other payables. These financial liabilities are initially measured at fair value and subsequently measured at amortised cost using effective interest method.

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives are not restated. Instead, the changes have been accounted for by making adjustments to the following opening balances:

	As previously reported RM'000	Effect of Applying FRS 139 RM'000	After adoption of FRS 139 RM'000
Non-current assets			
Other investments	27,964	(27,964)	-
Loans and receivables	-	27,960	27,960
Available-for-sale investments	-	25	25
Current assets			
Short term investments	6,732	(6,732)	-
Financial assets held for trading	-	6,727	6,727
Equity			
Fair value reserves	-	21	21
Accumulated losses	(307,169)	(5)	(307,174)

Amendment to FRS 117, Leases

With adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership lie. The Group has reassessed and determined that the leasehold land of the Group is in substance finance lease and has changed the classification from prepaid land lease payment to property, plant and equipment in the current quarter. This change in classification has been made retrospectively and the effect on the consolidated statement of financial position as at 30 June 2010 is as follow:

	As previously reported RM'000	Effect of Amendment to FRS 117 RM'000	As restated RM'000
As at 30 June 2010			
Property, plant and equipment	4,394	956	5,350
Prepaid land lease payment	956	(956)	-

2 Seasonality or Cyclicity of Interim Operations

The operations of the Group were not significantly affected by any seasonal or cyclical factors.

3 Unusual Items

There were no unusual items of nature, size or incidence that affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial period ended 31 March 2011.

4 Changes in Estimates

There were no changes in estimates that have had any material effect in the current quarter and financial period ended 31 March 2011.

5 Issuances, Repurchases, and Repayments of Debts and Equity Securities

Share Buy Backs

During the financial period ended 31 March 2011, the Company has repurchased 2,000 of its issued ordinary shares from the open market for total consideration of RM892, including the transaction costs, and this was financed by internally generated funds. The total number of shares repurchased as at 31 March 2011 was 4,323,500, being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

6 Dividend Paid

No dividend has been paid during financial period ended 31 March 2011.

7 Segment Reporting

Period ended 31 March 2011	Investment Properties RM'000	Property Construction RM'000	Property Development RM'000	Timber Related RM'000	Others RM'000	Total RM'000
Segment revenue	12,915	-	4,328	8,242	0	25,485
Segment results	3,508	-	728	1,526	(1,274)	4,488
Interest income						342
Profit from operations						4,830
Finance cost						(4)
Profit before tax						4,826
Income tax						81
Profit for the period						4,907
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 cost						(4)
Profit before tax						7,864
Income tax						10
Profit for the period						7,874

8 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 2010.

9 Material Subsequent Events

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

10 Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period ended 31 March 2011.

11 Contingent Liabilities and Contingent Assets

There were no significant changes in contingent liabilities or contingent assets since the end of the last annual reporting date.

12 Capital Commitments

	As at 31 March 2011 RM'000
Contracted but not provided for	
- Land held for development	<u>1,602</u>

13 Operating Lease Commitments

	As at 31 March 2011 RM'000
Not later than one year	9,314
Later than one year and not later than five years	<u>45,804</u>
	<u>55,118</u>

The operating lease commitments are in respect of leaseback of Selayang Mall for a term of ten years.

14 Related Party Transactions

	As at 31 March 2011 RM'000
Seal Incorporated Berhad and its subsidiaries	
- Administration fee	104
- Project management fee	<u>2,115</u>

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

15 Review of Performance of the Company and Its Principal Subsidiaries

For the current quarter under review, the Group recorded a revenue of RM7.4 million and profit before taxation of RM0.78 million as compared to the revenue of RM13.71 million and profit before taxation of RM2.11 million in the preceding year corresponding quarter.

The Group recorded a revenue of RM25.49 million and profit before taxation of RM4.83 million as compared to the revenue of RM26.58 million and profit before taxation of RM7.86 million in the preceding year corresponding period. The completion of Phase 1(A) of Krai Eco Park and a slow down in timber activities in Kedah State have resulted a slight decline in Group's revenue. The decrease in profit before taxation is the result of several factors, namely, the absence of income arising from deposit forfeited and reversal of previously expensed off items featured in the preceding year corresponding period. Furthermore, the current period sees activities in promoting development properties giving rise to increase in expenditure of the Group.

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

Apart from the lack of revenue from Krai Eco Park and the slow down in timber activities generally, coupled with the non receipt of income from Institutional Trust Account featured in the last quarter, there are no other material changes in revenue generating activities of the Group in the current quarter.

17 Prospect for the Current Financial Year

Barring unforeseen circumstances, the Board expects the Group's performance to remain positive for the remaining quarter with continuous growth in property market. The Group has created awareness of its presence and will continue to generate sustainable income from the property segment.

18 Variance from Forecast Profit and Profit Guarantee

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

19 Income Tax Expenses

There was an over provision of taxation for prior year amounted to RM0.08 million.

20 Sale of Unquoted Investments and Properties

There were no sale of unquoted investment and/or properties during the current quarter and financial period ended 31 March 2011.

21 Quoted Securities

There were no purchase or disposal of quoted securities during the current quarter and financial period ended 31 March 2011.

The investments in quoted securities as at 31 March 2011 is:

	RM
i) Cost	4,000
ii) Book value	4,000
iii) Market value	25,918

22 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.

On 12 November 2010, MIDF had, on behalf of the Board, announced that the High Court Malaya in Penang had granted an order confirming the capital reduction of the issued and paid up share capital of the Company via the cancellation of RM0.60 of the par value of each share pursuant to Section 64 of the Companies Act, 1965. Subsequently, the office copy of the sealed order of the High Court of Malaya in Penang confirming the Capital Reduction has been lodged with the Companies Commission of Malaysia on 14 December 2010. This marks the completion of the Capital Reduction exercise of SEAL. The announcements were made on the even dates.

23 Group Borrowings and Debts Securities

There were no borrowings or debts securities as at 31 March 2011.

24 Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk for the Group as at the date of this announcement.

25 Changes in Material Litigation

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

26 Dividends

No dividend has been proposed for the financial period ended 31 March 2011.

27 Earnings Per Share

Basic Earnings per Share

The calculation of basic earnings per share is based on the profit attributable to the owners of the parent of RM5,244,196 divided by the weighted average number of ordinary shares in issue as at 31 March 2011 of 179,104,499 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 2011.

28 Disclosure of Realised and Unrealised Profits/Losses

As at
31 March
2011
RM'000

The retained profits/(accumulated losses) of the Company and its subsidiaries

- Realised

(9,266)

- Unrealised

21,463

Total group retained profits as per consolidated accounts

12,197

29 Auditors' Report on Preceding Annual Financial Statements

The auditors' report in respect of financial statements for the financial year ended 30 June 2010 was not subject to any qualification.