



SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 30 JUNE 2009

	INDIVIDUAL		CUMULATIVE	
	CURRENT YEAR QUARTER 30 JUNE 2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 JUNE 2008 RM'000	CURRENT YEAR TO DATE 30 JUNE 2009 RM'000	PRECEDING YEAR TO DATE 30 JUNE 2008 RM'000
Revenue	53,747	57,924	105,047	114,253
Cost of sales	(34,861)	(35,187)	(68,995)	(70,837)
Gross profit	18,886	22,737	36,052	43,416
Other operating income	659	-	17,237	494
Other operating expenses	(127)	-	(127)	-
Administrative expenses	(4,370)	(3,726)	(8,368)	(5,729)
Finance costs	(2,657)	(2,632)	(5,968)	(6,320)
Profit before tax	12,391	16,379	38,826	31,861
Excess of fair value of assets & liabilities over their purchase consideration	-	8,718	-	8,718
Profit before tax	12,391	25,097	38,826	40,579
Income tax expense	(2,198)	(2,444)	(7,408)	(4,631)
Profit for the period	10,193	22,653	31,418	35,948
Attributable to:				
Equity holders of the Company	10,193	21,579	31,418	30,159
Minority interest	-	1,074	-	5,789
	10,193	22,653	31,418	35,948
Weighted average number of shares in issue ('000)	500,000	144,455	500,000	70,674
Earnings per share (sen)				
- Basic	2.04	14.94	6.28	42.67
- Diluted	2.04	14.94	6.28	42.67

The unaudited Condensed Consolidated Income Statements should be read in conjunction with the Directors' Report and Audited Financial Statements for the period ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2009

	AS AT END OF CURRENT QUARTER 30 JUNE 2009 RM'000	AUDITED AS AT 31 DECEMBER 2008 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	290,905	305,309
Prepaid land lease payments	51,653	52,275
Other receivables	878	741
	<u>343,436</u>	<u>358,325</u>
CURRENT ASSETS		
Inventories	296,565	276,779
Trade receivables	24,883	43,503
Due from customer on contracts	-	28,141
Other receivables	108,864	99,878
Tax recoverable	345	302
Cash and bank balances	85,511	39,790
TOTAL CURRENT ASSETS	<u>516,168</u>	<u>488,393</u>
TOTAL ASSETS	<u>859,604</u>	<u>846,718</u>
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	250,000	250,000
Share Premium	79,087	79,087
Retained earnings	76,795	65,377
Other reserves	970	624
TOTAL EQUITY	<u>406,852</u>	<u>395,088</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	70,992	62,855
Other payables	1,305	830
Deferred tax liabilities	46,650	45,415
TOTAL NON-CURRENT LIABILITIES	<u>118,947</u>	<u>109,100</u>
CURRENT LIABILITIES		
Short term borrowings	194,135	207,402
Trade payables	39,898	63,763
Provision for maintenance warranties	1,400	1,900
Due to customer on contracts	12,001	31,225
Other payables	59,149	36,250
Provision for taxation	7,222	1,990
Proposed dividend	20,000	-
TOTAL CURRENT LIABILITIES	<u>333,805</u>	<u>342,530</u>
TOTAL LIABILITIES	<u>452,752</u>	<u>451,630</u>
TOTAL EQUITY AND LIABILITIES	<u>859,604</u>	<u>846,718</u>
Net asset per share (sen)	81.37	79.02

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Directors' Report and Audited Financial Statements for the period ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2009

	Attributable to equity holders of the Company					Minority Interest	Total Equity
	Share Capital	Share Premium	Other Reserves	Distributable Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At date of Incorporation	***				***		***
Effects arising from merger and acquisition of subsidiary companies	193,315			6,532	199,847	(5,789)	194,058
Profit for the period				30,159	30,159	5,789	35,948
Foreign currency translation			320		320		320
Balance as at 30 June 2008	193,315	-	320	36,691	230,326	-	230,326
Balance as at 1 January 2009	250,000	79,087	624	65,377	395,088	-	395,088
Profit for the period				31,418	31,418		31,418
Foreign currency translation			346		346		346
Dividend				(20,000)	(20,000)		(20,000)
Balance as at 30 June 2009	250,000	79,087	970	76,795	406,852	-	406,852

*** denotes RM1.50

The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Directors' Report and Audited Financial Statements for the period ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 JUNE 2009

	CURRENT YEAR TO DATE 30 JUNE 2009 RM'000	PRECEDING YEAR TO DATE 30 JUNE 2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	38,826	40,579
Adjustments:-		
Non-cash items	(3,140)	(1,784)
Non-operating items (net of income)	5,266	6,287
Operating profit before changes in working capital	<u>40,952</u>	<u>45,082</u>
<u>Changes in working capital</u>		
Net change in current assets	(31,940)	(56,034)
Net change in current liabilities	<u>29,451</u>	<u>41,272</u>
Total changes in working capital	<u>(2,489)</u>	<u>(14,762)</u>
Net cash used in operations	38,463	30,320
Interest paid	(5,416)	(6,320)
Income tax paid	(1,871)	(579)
Income tax refund	3	-
Net cash from / (used in) operating activities	<u>31,179</u>	<u>23,421</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries	-	(16,585)
Increase in prepaid land lease payments	(3)	-
Purchase of property, plant and equipment	(16,594)	(48,734)
Proceeds from disposal of property, plant and equipment	36,401	978
Interest received	150	33
Net cash from / (used in) investing activities	<u>19,954</u>	<u>(64,308)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movements in trade financing	(5,778)	19,022
Proceeds from hire purchase	-	341
Proceeds from term loans	21,510	22,442
Repayments of term loans	(11,427)	(4,898)
Repayments of hire purchase payables	(3,008)	(2,077)
Net cash from / (used in) financing activities	<u>1,297</u>	<u>34,830</u>
Net increase/(decrease) in cash and cash equivalents	52,430	(6,057)
Cash and cash equivalents at beginning of financial year	13,346	(9,858)
Effect of foreign exchange rate changes	26	-
Cash and cash equivalents at the end of financial period	<u>65,802</u>	<u>(15,915)</u>
<u>Cash and cash equivalents at the end of the period comprised the following:</u>		
Cash and bank balances	85,511	16,994
Bank overdraft	<u>(19,709)</u>	<u>(32,909)</u>
	<u>65,802</u>	<u>(15,915)</u>

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Directors' Report and Audited Financial Statements for the period ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

(A) NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134) : INTERIM FINANCIAL REPORTING

A1. Basis of reporting preparation

The unaudited interim financial statements have been prepared in accordance with the Financial Reporting Standards 134 (FRS134) : "Interim Financial Reporting" and Appendix 9B part A of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report contains condensed consolidated financial statement and selected explanatory notes. The notes include an explanation of events and transactions that are significant to the understanding of the changes in financial position and performance of the Group ("SIB and its subsidiaries"). The interim financial report and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with Financial Reporting Standards ("FRS").

A2. Summary of significant accounting policies

Significant accounting policies adopted are consistent with those of the statutory financial statements for the financial period ended 31 December 2008. The following new FRs and Interpretations were issued but not yet effective on 30 June 2009 and have not been applied by the Company ("Sealink International Berhad"):

FRS and Interpretation		Effective for financial periods beginning on or after
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
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

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Company and its subsidiaries for the period ended 31 December 2008 were not qualified.

A4. Seasonal or cyclical factors

The Group's performance is affected by the oil and gas industry. The demand for our vessels are closely associated with the cyclical fluctuations of the oil and gas industry.

A5. Items of unusual nature and amount

There were no items affecting the assets, liabilities, equity, net income or cash flow of the Group that are unusual in their nature, size or incidence for the current financial period under review.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2009

(A) NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134) : INTERIM FINANCIAL REPORTING

A6. Material changes in estimates

There were no changes in the estimates that have had a material effect in the current financial period under review.

A7. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period.

A8. Dividends Paid

No dividend was paid during the current quarter under review.

A9. Segmental information

Segmental analysis for the Group's revenue and results by business segments for the current financial period to date is as follows:

	Current Quarter 30 June 2009 RM'000	Current Period to date 30 June 2009 RM'000
Revenue		
Shipbuilding	38,072	74,880
Chartering	15,675	30,167
	<u>53,747</u>	<u>105,047</u>
Profit from operations		
Shipbuilding	10,502	21,550
Chartering	8,384	14,502
	<u>18,886</u>	<u>36,052</u>
Other operating income	659	17,237
Other operating expenses	(127)	(127)
Administrative expenses	(4,370)	(8,368)
Finance costs	(2,657)	(5,968)
Profit before tax	<u>12,391</u>	<u>38,826</u>

A10. Valuation of property, plant and equipment

The valuation of property, plant and equipment has been brought forward without amendment from the audited financial statements for the financial period ended 31 December 2008.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2009

(A) NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134) : INTERIM FINANCIAL REPORTING

A11. Capital commitments

Capital commitments are as follows:

	Current Period to date 30 June 2009 RM'000
<u>Approved and contracted for:</u>	
- Property, plant and equipment	8,099
<u>Approved but not contracted for:</u>	
- Property, plant and equipment	104,000

A12. Material events subsequent to the end of period reported

Sealink Shipyard Sdn Bhd ("SSSB"), a wholly owned subsidiary of SIB has signed and concluded the disposal of an offshore marine support vessel to an overseas buyer in July 2009.

A barge belonging to our subsidiary, SSB ("Sealink Sdn Bhd") whilst on charter to an overseas client, travelling from Singapore to the Port of Suez, was hijacked in the Gulf of Aden, off Somalia's northern coast. The said barge was released on 11 July 2009 to the charterer.

A13. Changes in composition of the group

There were no changes in composition of the Group for the financial quarter under review .

A14. Contingent Liabilities and Contingent Assets

Contingent liabilities of the Group are as follows:

	Current Period to date 30 June 2009 RM'000
(i) Bank guarantees for contracts entered with customer and supplier	6,341
(ii) Corporate guarantees to financial institutions in respect of banking facilities granted to subsidiaries	126,005
(iii) Corporate guarantee to a financial institution in respect of documentary credits issued on behalf of a subsidiary	4,026
	<u>136,372</u>

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2009

(A) NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134) : INTERIM FINANCIAL REPORTING

A15. Significant related party transactions

The Company entered into the following transactions with related parties during the financial period:

	Transaction value for 3 months ended 30 June 2009 RM'000	Current Period to date 30 June 2009 RM'000
(i) Transactions with companies in which certain directors of the Company have substantial interest :		
Ming Kiong Agencies (Singapore) Pte Ltd - Rental of office at Far East shopping centre, Singapore	44	87
Manmohan's (Labuan) Sdn Bhd - Rental of office at Lot 20, Labuan	3	6
Syarikat Guan Teck Enterprise (Sarawak) Sdn Bhd - Lease of office at Lot 1035, Piasau	25	49
Syarikat Lambir Timber Sdn Bhd - Chartering of vessels	53	106
Khoo & Co., Advocates and Solicitors - Provision of legal services	35	39
Rajah & Tann - Provision of legal services	-	12
(ii) Transactions with director :		
Yong Foh Choi - Rental of senior staff quarter at Lot 334, Jalan Lutong-Pujut	2	2
	<u>162</u>	<u>301</u>

In the opinion of the directors, the above transactions have been entered into in the ordinary course of business and have been established under terms no less favourable than those transacted with unrelated parties.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2009

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B1. Variance of results against preceding year quarter.

For the current quarter ended 30 June 2009, the Group recorded consolidated revenue of RM53.7 million. This represents a decline of RM4.2 million or 7 % as compared to RM57.9 million recorded in the corresponding quarter last year.

Net profit after tax recorded for the current quarter ended 30 June 2009 of RM10.2 million is RM12.5 million lower than that recorded in the corresponding quarter ended 30 June 2008.

The decline in revenue was due to more contracts signed for sale of vessels last year. Whereas the drop in profit after tax was attributed to last years profit included the excess of fair value of assets and liabilities over their purchase consideration amounted to RM8.7 million. Excluding the excess of fair value, profit after tax only declined by RM3.7 million.

B2. Variance of results against preceding quarter.

	Current Quarter ended 30 June 2009 RM'000	Preceding Quarter ended 31 March 2009 RM'000	Variance RM'000	%
Revenue	53,747	51,300	2,447	5%
Profit before tax	12,391	26,435	(14,044)	-53%

The group recorded lower profit before tax by RM14 million compared to Quarter 1. Reduction in profit before tax was mainly due to gain on sale of vessels in Quarter 1.

Other than the gain on sale of vessels recorded in Quarter 1, the current quarter results were not materially different from the preceding quarter.

B3. Current year prospects

Despite the global economic downturn, the Board of Directors is still cautiously optimistic with respect to the offshore support industry, especially with the current improvement of the global economy and from the depletion of global oil reserves.

We believe that the oil majors would continue with their committed capital expenditures and this would sustain the demand for the offshore support vessels.

During this period, the Group will continue to improve on its core competencies in ship building and ship chartering while at the same time maintain its investment in fleet expansion and renewal to consolidate and increase its market share in preparation for the economic turnaround.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2009

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B4. Variance between actual profit from forecast profit

Not applicable as no profit forecast was published.

B5. Taxation

Current tax expense:	Current Quarter RM'000	Current Period to date RM'000
Malaysian income tax	949	6,173
Deferred income tax	1,249	1,235
Total tax expense	<u>2,198</u>	<u>7,408</u>

B6. Profit from sale of unquoted investments and/or properties

There were no disposal of unquoted investment and properties for the current quarter and financial period to date.

B7. Quoted securities

There was no purchase or disposal of quoted securities for the current quarter and financial period to date.

B8. Status of corporate proposal

There were no corporate proposals announced but not completed as at the reporting date.

B9. Group borrowings and debt securities

Total Group's borrowings as at 30 June 2009 were as follows:

1. Total Borrowings	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	130,538	63,597	194,135
Long term borrowings	70,992	-	70,992
	<u>201,530</u>	<u>63,597</u>	<u>265,127</u>
2. Borrowings denominated in US Dollars	Secured USD'000	Unsecured USD'000	Total USD'000
Short term borrowings	2,342	-	2,342
Long term borrowings	6,141	-	6,141
	<u>8,483</u>	<u>-</u>	<u>8,483</u>

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B10. Off balance sheet financial instruments

The Group does not have any financial instruments with off-balance sheet risk.

B11. Material litigation

As at the date of this Interim financial report, there are no material litigations against the Group. The following litigation was disclosed in the Prospectus :

SSB ("Sealink Sdn Bhd") purchased two tugs (which was named Sealink Maju 4 and Sealink Maju 5) (the "Vessels") from Zhejiang Tianlong Import & Export Co Ltd ("ZTIECL"). The Vessels were provisionally registered in the name of ESSB ("Era Surplus Sdn Bhd"). The Vessels were wrongly attached by an Order of Court issued by Shaoxing Intermediate Court on the application of a Shaoxing Tianlong Import & Export Co Ltd ("STIECL") on 25 Jan 2006 who alleged, inter alia, the Vessels belonged to ZTIECL. The case has moved to Ningbo Maritime Court. SSB also filed a claim against ZTIECL for loss of use of the Vessels due to the latter's wrongful attachment of the Vessels. The Ningbo Maritime Court held on 25 July 2006 that the Vessels were in fact owned by SSB by virtue of the sale of the Vessels by ZTIECL and that ZTIECL shall release the Vessels. Ningbo Maritime Court further awarded USD1,000 per day damage in favour of SSB for the period that the Vessels were wrongly attached. ZTIECL appealed to the Zhejiang Provincial High Court. The Zhejiang Provincial High Court held on 25 April 2007 that SSB is the owner of the Vessel and the Vessels shall be released to SSB. However, Zhejiang Provincial High Court did not award any damage to SSB for wrongful detention. Being unsatisfied with the decision of the Zhejiang Provincial High Court, SSB applied to the Supreme Court of the People's Republic of China for a review of the former's decision. Sometime in late 2008, ZTIECL also applied for review on the decision that the Vessels are owned by SSB.

SSB and ESSB also started a fresh claim in the Ningbo Maritime Court against STIECL for various damages due to the latter's wrongful attachment of the Vessels (the "2nd Action"). The 2nd Action is for RMB9 million at the time the claim was mounted and is subject to upward revision after SSB has completed its repairs on the Vessel. The Case was heard on 31 July 2008 and the claim (2nd Action) was dismissed by the Ningbo Maritime Court. SSB and ESSB have submitted another appeal.

Zhejiang Provincial High Court had a hearing on the "2nd Action" on 30 October 2008. SSB and ESSB were requested by the Court to provide further evidence. The 2nd Action was dismissed by the Zhejiang Provincial High Court on 6 January 2009. Being unsatisfied with the decision of the Zhejiang Provincial High Court, SSB and ESSB applied to the Supreme Court of the People's Republic of China for a retrial of the former's decision. The application for retrial on "2nd Action" was accepted by the Supreme Court of China on 15 July 2009. The hearing date has yet to be fixed by the court.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2009

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B12. Dividend payable

The Board of Directors had proposed for a first and final single tier dividend of 8% or 4 sen per share for the financial period ended 31 December 2008, which was approved by the shareholders at the Annual General Meeting held on 25 June 2009. The aforesaid final dividend was paid on 31 July 2009.

B13. Earnings per Share

	Current Quarter ended 30 June 2009 RM'000	Preceding Year Corresponding Quarter ended 30 June 2008 RM'000
Net profit attributable to ordinary equity holders of the Company (RM'000)	10,193	21,579
Weighted average number of shares in issue ('000)	500,000	144,455
Basic earnings per share (sen)	2.04	14.94
Diluted earnings per share (sen)	2.04	14.94

Basic earnings per share of the Company is calculated by dividing net profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

The computation of diluted earnings per share is the same as basic earnings per share as there were no potential shares to be issued as at the end of the reporting period.