

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPT 2017

	Individual 3 months ended		Cumulative 9 months ended	
	30 Sep 2017 RM'000 (Unaudited)	30 Sep 2016 RM'000 (Unaudited)	30 Sep 2017 RM'000 (Unaudited)	30 Sep 2016 RM'000 (Unaudited)
Revenue	15,816	13,857	62,297	109,740
Cost of sales	<u>(19,239)</u>	<u>(17,146)</u>	<u>(74,145)</u>	<u>(116,907)</u>
Gross loss	(3,423)	(3,289)	(11,848)	(7,167)
Other operating income	1,904	2,432	3,695	3,643
Other operating expenses	(14,143)	(11)	(14,868)	(137)
Administrative expenses	<u>(3,804)</u>	<u>(4,120)</u>	<u>(10,417)</u>	<u>(12,966)</u>
Operating loss	(19,466)	(4,988)	(33,438)	(16,627)
Finance income	775	199	2,219	1,926
Finance expenses	(2,925)	(2,888)	(7,829)	(9,641)
Share of result of an associate	(428)	(16)	(865)	(1,171)
Share of result of jointly controlled entities	<u>(468)</u>	<u>(137)</u>	<u>(790)</u>	<u>-</u>
Loss before tax	(22,512)	(7,830)	(40,703)	(25,513)
Income tax expense	(539)	527	577	3,131
Loss for the period, net of tax	<u>(23,051)</u>	<u>(7,303)</u>	<u>(40,126)</u>	<u>(22,382)</u>
Loss attributable to:				
Owners of the Parent	<u>(23,051)</u>	<u>(7,303)</u>	<u>(40,126)</u>	<u>(22,382)</u>
	<u>(23,051)</u>	<u>(7,303)</u>	<u>(40,126)</u>	<u>(22,382)</u>
		0		0
Earnings per share (sen)				
- Basic EPS	(4.61)	(1.46)	(8.03)	(4.48)
- Diluted EPS	(4.61)	(1.46)	(8.03)	(4.48)

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPT 2017**

(CONTINUED)

	Individual 3 months ended		Cumulative 9 months ended	
	30 Sep 2017 RM'000 (Unaudited)	30 Sep 2016 RM'000 (Unaudited)	30 Sep 2017 RM'000 (Unaudited)	30 Sep 2016 RM'000 (Unaudited)
Loss for the period, net of tax	(23,051)	(7,303)	(40,126)	(22,382)
Other Comprehensive Income :				
Exchange differences on translation of foreign operations	(3,099)	6,444	(10,475)	(8,811)
Total Comprehensive Income for the period, net of tax	<u>(26,150)</u>	<u>(859)</u>	<u>(50,601)</u>	<u>(31,193)</u>
Total comprehensive income attributable to:				
Owners of the Company	<u>(26,150)</u>	<u>(859)</u>	<u>(50,601)</u>	<u>(31,193)</u>
	<u>(26,150)</u>	<u>(859)</u>	<u>(50,601)</u>	<u>(31,193)</u>

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPT 2017**

	As at 30 Sep 2017 RM'000 (Unaudited)	As at 31 Dec 2016 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	527,024	609,228
Land use rights	10,801	11,235
Investment in a subsidiary	-	-
Investment in an associate	3,929	4,725
Investment in a joint venture	6,749	7,540
Other receivables	1,574	4,992
	550,077	637,720
Current Assets		
Inventories	35,347	49,865
Trade and other receivables	39,966	32,939
Investment securities	64	63
Tax recoverable	928	1,310
Cash and cash equivalents	39,953	42,336
	116,258	126,513
Total Assets	666,335	764,233
EQUITY AND LIABILITIES		
Current Liabilities		
Loans and borrowings	105,028	131,317
Trade and other payables	33,225	29,739
Provision for taxation	194	81
	138,447	161,137
Net current liabilities	(22,189)	(34,624)
Non-Current Liabilities		
Loans and borrowings	96,557	120,269
Deferred tax liabilities	27,479	28,374
	124,036	148,643
Total Liabilities	262,483	309,780
Net assets	403,852	454,453
Equity attributable to owners of the Company		
Share Capital	329,087	250,000
Share Premium	-	79,087
Retained earnings	13,204	53,330
Other components of equity	61,561	72,036
Total Equity	403,852	454,453
Total Equity and Liabilities	666,335	764,233
Net asset per share (sen)	80.77	90.89

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITYFOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPT 2017

	<----- Attributable to Owners of the Parent ----->				Total Equity (Unaudited) RM'000
	Share Capital RM'000	Non- distributable Share Premium RM'000	Distributable Retained Earnings RM'000	Non-distributable Foreign currency translation reserve RM'000	
Opening balance at 1 January 2017	250,000	79,087	53,330	72,036	454,453
Adjustments for effect of Companies Act 2016 (Note A)	79,087	(79,087)			-
Total comprehensive income for the period	-	-	(40,126)	(10,475)	(50,601)
Closing balance at 30 Sept 2017	329,087	-	13,204	61,561	403,852
Opening balance at 1 January 2016	250,000	79,087	109,986	60,549	499,622
Total comprehensive income for the period	-	-	(22,382)	(8,811)	(31,193)
Closing balance at 30 Sept 2016	250,000	79,087	87,604	51,738	468,429

Note A

With the Companies Act 2016 ("New Act") came into effect on 31 January 2017, the credit amount of RM79,087,000 standing in the share premium account has been transferred to the share capital account. The Group may exercise its right to use the credit amount being transferred from share premium account within 24 months after the commencement of the New Act pursuant to subsection 618(3) and 618(4) of the New Act. The Board of Directors will make a decision thereon before 31 January 2019.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWSFOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPT 2017

	Year-to-date Ended	
	30 Sep 2017	30 Sep 2016
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows From Operating Activities		
Loss before tax	(40,703)	(25,513)
Adjustments for:		
Interest income	(2,219)	(1,926)
Interest expenses	7,829	9,641
Dividend income	-	-
Dividend income from investment securities	-	-
Amortisation of land use rights	434	434
Bad debts written off	2	-
Deposit written off	-	-
Depreciation of property, plant and equipment	33,816	34,234
Fair value gain on investment securities	-	-
Loss / (Gain) on disposal of property, plant and equipment	14,139	(16)
Impairment loss on trade receivables	724	-
Impairment loss on capital work-in-progress	-	-
Impairment loss on property, plant and equipment	-	-
Inventories written off	-	-
Inventories written down	-	1
Property, plant and equipment written off	-	136
Reversal of inventories written down in previous year	-	(3,794)
Reversal of inventories written off	-	-
Reversal of impairment loss on trade and other receivables	(30)	(242)
Share of result of an associate	865	1,171
Share of result of joint controlled entities	790	-
Reversal of unrealised foreign exchange gain	-	-
Unrealised loss/(gain) on foreign exchange	1,298	(1,469)
Loss on disposal of investment	-	-
Reversal of impairment on other current asset	-	-
Reserve on consolidation	-	(1,012)
Total adjustments	<u>57,648</u>	<u>37,158</u>
Operating profit before working capital changes	16,945	11,645
Changes in working capital		
(Increase)/Decrease in inventories	14,517	40,350
(Increase)/Decrease in trade and other receivables	(3,609)	14,558
Increase/(Decrease) in trade and other payables	5,860	(15,139)
Total changes in working capital	<u>16,768</u>	<u>39,769</u>
Cash flows from operations	33,713	51,414
Interest paid	(8,953)	(10,900)
Interest received	2,219	383
Income tax refund	404	438
Income tax paid	(284)	(931)
Net Cash Flows From Operating Activities	<u>27,099</u>	<u>40,404</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPT 2017

	Year-to-date Ended	
	30 Sep 2017	30 Sep 2016
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows From Investing Activities		
Acquisition of investment in a joint venture	-	-
Acquisition of investment in an associate	-	-
Net cash inflow on acquisition of a subsidiary	-	712
Purchase of property, plant and equipment	(470)	(728)
Decrease/(increase) in land use rights	-	-
Dividend received	-	-
Proceeds from disposal of property, plant and equipment	18,812	41
Proceeds from disposal of investment	-	1,200
Interest paid	-	-
Interest received	-	1,543
Net Cash Flows (Used in)/From Investing Activities	18,342	2,768
Cash Flows From Financing Activities		
Net movement in fixed deposits pledged	2,687	(2,230)
Net movement in cash at bank restricted in use	916	-
Net movements in trade financing	(6,700)	(200)
Net movement in investment securities	-	268
Proceeds from term loans	27,475	-
Repayments of obligations under finance leases	(43)	(39)
Repayment of term loans	(70,681)	(62,482)
Dividends paid to shareholders	-	-
Net Cash Flows Used In Financing Activities	(46,346)	(64,683)
Net (Decrease)/Increase in Cash and Cash Equivalents	(905)	(21,511)
Effect of changes in foreign exchange rates	(399)	(1,445)
Cash and Cash Equivalents at the beginning of financial year	(3,898)	30,607
Cash and Cash Equivalents at the end of financial period	(5,202)	7,651

Cash and cash equivalents at the end of the period comprised the following:

Cash and bank balances	39,953	50,036
Bank overdraft	(28,769)	(22,013)
	11,184	28,023
Less: Fixed deposits pledged and cash at bank restricted in use	(16,386)	(20,372)
	(5,202)	7,651

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPT 2017

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

A1. Basis of Preparation

The interim financial statements have been prepared on the historical cost basis, unless otherwise stated.

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by Malaysian Accounting Standards Boards ("MFRS") and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016. The 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 31 December 2016.

On 1 January 2017, the Group adopted the following new and amended MFRS and IC interpretations mandatory for annual financial period beginning on or after 1 January 2017.

- Amendments to MFRS 12: Disclosure of Interests in Other Entities
- Amendments to MFRS 107: Disclosures Initiatives
- Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

MFRS effective for annual period beginning on or after 1 January 2018

- Amendments to MFRS 1: First-time Adoption of Financial Reporting Standards
- Amendments to MFRS 128: Investments in Associates and Joint Ventures
- Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 140: Transfers of Investment Property
- MFRS 9: Financial Instruments
- MFRS 15: Revenue from Contract with Customers
- IC Interpretation 22: Foreign Currency Transactions and Advance Consideration
- Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
- MFRS 16: Leases

The adoption of above standards and amendments are expected to have no significant impact on the financial statements of the Group upon their initial application.

A2. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Company ("Sealink International Berhad") and its subsidiaries for the year ended 31 December 2016 were not qualified.

A3. 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.

A4. Items of unusual nature and amount

There was no item that affect assets, liabilities, equity, net income, or cash flows that are unusual in nature, size, or incidence during the current financial quarter under review.

A5. Material changes in estimates

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

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPT 2017**(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING****A6. 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 quarter.

A7. Dividends Paid

No dividend was paid in the current quarter under review.

A8. Segmental information

The results and other information of the Group as at 30 September 2017 are as follows:

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External sales	21,337	40,960	-	-	62,297
Inter-segment sales	2,544	10,173	-	(12,717)	-
Total revenue	<u>23,881</u>	<u>51,133</u>	<u>-</u>	<u>(12,717)</u>	<u>62,297</u>
Segment loss (Note A)	<u>543</u>	<u>(41,162)</u>	<u>(1,550)</u>	<u>1,466</u>	<u>(40,703)</u>

Note A

The following items are added to/(deducted from) segment loss to arrive at "Loss before tax from continuing operations" presented in the condensed consolidated income statements:

Segment Loss	(42,169)
Loss from inter-segment sales	3,121
Share of result of an associate	(865)
Share of results of jointly controlled entities	(790)
Finance costs	8,235
Unallocated corporate expenses	<u>(8,235)</u>
Loss before tax	<u>(40,703)</u>

A8. Segmental information (continued)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Assets and liabilities					
Segment assets	186,003	751,847	185,373	(456,889)	666,334
Segment liabilities	119,344	406,980	152,949	(416,789)	262,484
Net assets	<u>66,659</u>	<u>344,867</u>	<u>32,424</u>	<u>(40,100)</u>	<u>403,850</u>
Other segmental information					
Depreciation	3,229	21,582	10,723	(1,718)	33,816
Amortisation of land use	78	318	38	-	434

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPT 2017**(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING****A9. Capital commitments**

Capital commitments are as follows:

	Approved and contracted for RM'000	Approved but not contracted for RM'000
Property, plant and equipment	-	126,969

A10. Material events subsequent to the end of period reported

There were no material events subsequent to the end of the interim period reported which have not been reflected under the current quarter.

A11. Changes in composition of the Group

There were no changes in composition of the Group for the current quarter ended 30 Sept 2017 save for the two dormant wholly-owned subsidiaries, namely Sealink Resources (L) Ltd (LL06873) and Sealink Marine (L) Ltd (LL06874), had on 13th September 2017 received notices from Labuan Financial Services Authority that the two Companies' names have been struck-off from the register with effect from 6th September 2017 pursuant to Section 151 (4) of the Labuan Companies Act.

A12. Contingent liabilities

The following is the contingent liability since the last annual balance sheet date:

	As at 30 Sep 2017 RM'000	As at 30 Sep 2016 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to a jointly controlled entity	-	7,153

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPT 2017**(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING****A13. Related party transactions**

Transactions between the Group and related parties are as follows:

	Transaction value for 3 months ended 30 Sep 2017 RM	Current Year-to-date 30 Sep 2017 RM
(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	20,666	62,103
Manmohan's (Labuan) Sdn Bhd - Rental of office at Lot 20, Labuan	3,000	9,000
Syarikat Guan Teck Enterprise (Sarawak) Sdn Bhd - Lease of office at Lot 1035, Piasau	30,000	90,000
Syarikat Lambir Timber Sdn Bhd - Chartering of vessels	52,500	157,500
Khoo & Co, Advocates and Solicitors - Provision of legal services	60,000	63,122
(ii) Transactions with Director :		
Yong Foh Choi - Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	1,200	3,600
	<u>167,366</u>	<u>385,325</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 favorable than those transacted with unrelated parties.

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPT 2017**(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS****B1. Review of performance of the Company and its principal subsidiaries****(a) Financial review for current quarter and financial year to date**

	Individual Period		Changes (%)	Cumulative Period		Changes (%)
	30/09/2017 RM'000	30/09/2016 RM'000		30/09/2017 RM'000	30/09/2016 RM'000	
Revenue	15,816	13,857	14%	62,297	109,740	-43%
Operating loss	(19,466)	(4,988)	290%	(33,438)	(16,627)	101%
Loss before tax	(22,512)	(7,830)	188%	(40,703)	(25,513)	60%
Loss after tax	(23,051)	(7,303)	216%	(40,126)	(22,382)	79%
Revenue						
- Shipbuilding Division	756	337	124%	21,337	60,118	-65%
- Ship Charter Division	15,060	13,520	11%	40,960	49,622	-17%
	<u>15,816</u>	<u>13,857</u>	14%	<u>62,297</u>	<u>109,740</u>	-43%

3Q 2017 vs 3Q 2016

Revenue achieved for 3Q2017 was RM15.8 million, increased 14% compared to same period last year. Revenue of both period derived mainly from ship charter.

Cost of sales increased by about RM2 million or 12%, primarily due to increased spending on vessels maintenance and docking in the current quarter to ensure the vessels readiness for charter and also higher crew wages paid to senior ranking crews on Dynamic Position vessel (DP).

Although administration costs for the quarter included forex loss of RM566,000, administration expenses decreased 8% compared to same period last year due to savings derived from costs rationalisation and streamlining of some functions.

Operating loss for the quarter increased RM14.5 million compared to RM5 million reported in the same period last year mainly attributed to the loss on sale of a used offshore support vessel. The vessel was chartered on bareboat contract prior to the sale. Proceeds from the sale was used to pare down part of the Group's borrowing and for working capital. The group suffered a higher loss on disposal attributed to higher valuation on weaker Ringgit Malaysia recognised as per MFRS 121 (the effects of changes on Foreign Exchange Rate). The foreign exchange gain was taken up through Other Comprehensive Income (OCI) in previous financial period as per the Accounting Standards (MFRS).

Shipbuilding Division

Revenue for the quarter derived mostly from ship repair. Revenue from ship repair increased by 24% compared to same period last year due to more repair work carried out.

Ship Charter Division

Although utilisation rate for the current quarter was similar to same period last year, income from ship charter increased by 11% due to higher daily charter rates generated by bigger vessels and additional revenue earned from a long term contract secured in the previous quarter for one of the vessel.

Jan - Sep 2017 vs Jan - Sep 2016

The group achieved total consolidated revenue of RM62.3 million for the current financial period, decreased RM47.4 million compared to RM109.7 million reported for the same period last year due to only 1 vessel was sold in the current financial period whereas revenue of last year included the sale of 3 offshore support vessels.

Administration cost for the year to date reduced by about 20% attributed to the costs rationalisation carried out since last year.

Loss before tax for the period under review was RM40.7 million included loss on disposal of one of the used offshore marine support vessel amounted to about RM14 million. The results of the Group was also negatively impacted by the share of results of the jointly controlled entity.

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPT 2017**(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS**Shipbuilding Division

Shipbuilding division recorded revenue of RM21.3 million for the year to date, lower than preceding year by 65% or RM38.8 million due to only 1 vessel sold in the current financial period compared to 3 vessels sold last year.

Ship Charter Division

Revenue from ship charter was lower by RM8.7 million or 17% mainly attributed to reduced billing on long term contracts upon expiry of the original contract term while new charters secured were mostly short terms and some pending outcome of new awards.

B2. Material changes in the quarterly results compared to the results of the preceding quarter

	3Q 2017	2Q 2017	Variance	%
	RM'000	RM'000	RM'000	
Revenue	15,816	34,147	(18,331)	-54%
Loss before tax	<u>(22,512)</u>	<u>(7,829)</u>	(14,683)	188%

Group consolidated revenue for the current quarter reduced by RM18.3 million or 54% compared to preceding quarter due to revenue of the current quarter comprised mostly of charter hire and ship repair income while revenue of the preceding quarter included sale of a vessel to external buyer.

Loss before tax for the current quarter increased by RM14.7 million primarily due to loss on sale of one of the used vessel to the charterer upon completion of the charter. In addition to that the results of the group was impacted by unfavourable foreign exchange in the current quarter while the preceding quarter was gain on foreign exchange.

B3. Commentary on prospects

Oil price has stabilized around +/- USD50 per barrel in recent months and based on industry analyst reports, oil prices are expected to average around US\$50 to 60/barrel if OPEC and non-OPEC jointly commit to the production cut and the oil demand from major economies such as China and India are sustained.

Current outlook seems to have improved slightly with increased activities for offshore projects. Contract tenures are still mostly short term as oil companies have yet to increase the offshore exploration, seismic, drilling and production activities significantly. Although the Group's fleet utilisation rate for 3Q2017 is similar to 2Q2017, revenue from charter fee is higher than the preceding quarter due to 1 of the multi purpose hybrid vessel which command higher daily charter rate per day was chartered for a short term during the quarter.

The Group will continue its emphasis on its core activities of ship building, ship charter and ship repair in a less crowded market space. The Board is cautiously optimistic that demand for offshore marine support vessels will improve with further increase expenditure in offshore oil field development and maintenance work by the oil majors. To prepare for the eventual upturn in the market, the group will also be forming strategic alliances and partnership to capture the market share. The Board cautioned that notwithstanding that, any significant uptick is still some time away. Internally, with the ongoing initiatives in costs rationalization we believe the Group is well positioned to tide over the current business challenges.

B4. Variance between actual profit from forecast profit

Not applicable as no profit forecast was published.

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPT 2017**(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS****B5. Loss before tax**

Included in the loss before tax are the following items:

	9 months ended	
	30 Sep 2017	30 Sep 2016
	RM'000	RM'000
Other income	(3,695)	(3,643)
Interest income	(2,219)	(1,926)
Interest expense	7,829	9,641
Depreciation of property, plant and equipment	33,816	34,234
Amortisation of land use rights	434	434
Impairment loss on trade and other receivables	724	-
Property, plant and equipment written off	-	137
Inventories written down	-	1
(Gain) / loss on disposal of property, plant and equipment	14,139	(16)
Reversal of inventories written off	-	-
Reversal of impairment loss on trade receivables	(30)	(242)
Reversal of inventories written down in previous year	-	(3,794)
Reserve on consolidation	-	(1,012)
Net foreign exchange (gain)/Loss	888	(148)

B6. Taxation

	Current	Year-to-date
	Quarter	30 Sep 2017
	30 Sep 2017	30 Sep 2017
	RM'000	RM'000
Malaysian income tax	78	320
Deferred tax liability / asset	461	(897)
Total tax credit	539	(577)

Deferred tax liability provided in 3Q2017 by profitable subsidiaries that has fully offset all capital allowances.

B7. Profit from sale of unquoted investments and/or properties

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

B8. Quoted securities

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

B9. Status of corporate proposal

There is no corporate proposal announced but not completed as at end of the financial period under review.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPT 2017

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

B10. Group borrowings and debt securities

Total Group's borrowings as at 30 Sept 2017 were as follows:

As at 30 Sept 2017						
	Short term		Long term		Total borrowings	
	Foreign currency	RM'000	Foreign currency	RM'000	Foreign currency	RM'000
Secured						
- Bank overdraft	-	28,769	-	-	-	28,769
- Revolving credits	-	47,500	-	-	-	47,500
- Loans (USD)	1,840	7,769	12,903	54,478	14,743	62,247
- Loans (SGD)	539	1,677	4,461	13,503	5,000	15,180
- Loans (RM)	-	19,261	-	28,528	-	47,789
- Obligations under finance leases	-	53	-	48	-	101
		105,029		96,557		201,586

As at 30 Sept 2016						
	Short term		Long term		Total borrowings	
	Foreign	RM'000	Foreign	RM'000	Foreign currency	RM'000
Secured						
- Bank overdraft	-	22,013	-	-	-	22,013
- Revolving credits	-	56,100	-	-	-	56,100
- Loans (USD)	9,500	39,287	18,268	75,547	27,768	114,834
- Loans (RM)	-	28,004	-	36,348	-	64,352
- Obligations under finance leases	-	55	-	88	-	143
		145,459		111,983		257,442

* All the borrowings interest rate are based on floating rate.

B11. Derivative Financial Instruments

There are no outstanding derivatives at the reporting period.

B12. Material litigation

There was no material litigation for the current quarter and financial year to date.

B13. Dividend payable

No interim dividend has been declared for the current quarter ended 30 September 2017.

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPT 2017**(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS****B14. Earnings per Share**

	3 months ended		9 months ended	
	30 Sep 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit attributable to Owners of the Parent (RM'000)	<u>(23,051)</u>	<u>(7,303)</u>	<u>(40,126)</u>	<u>(22,382)</u>
Weighted average number of shares in issue ('000)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Basic earnings per share (sen)	<u>(4.61)</u>	<u>(1.46)</u>	<u>(8.03)</u>	<u>(4.48)</u>
Diluted earnings per share (sen)	<u>(4.61)</u>	<u>(1.46)</u>	<u>(8.03)</u>	<u>(4.48)</u>

Basic earnings per share of the Company is calculated by dividing net (loss)/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 new shares issued during the reporting period.

B15. Disclosure of Realised and Unrealised Profits

The retained profits as at 30 Sept 2017 and 31 December 2016 are analysed as follows:

	As at 30 Sep 2017	As at 31 Dec 2016
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	253,870	295,619
- Unrealised	<u>(16,728)</u>	<u>(18,499)</u>
	237,142	277,120
Consolidation adjustments	<u>(223,938)</u>	<u>(223,790)</u>
Total Group retained profits as per consolidated accounts	<u>13,204</u>	<u>53,330</u>

B16. Authorisation For Issue

The interim report for the third quarter ended 30 September 2017 was authorised for issue by the Board resolution of the directors dated 6th November 2017.

By Order Of The Board

Yeo Puay Huang (f)
Company Secretary
06-November-2017