



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018

	Individual 3 months ended		Cumulative 6 months ended	
	30 Jun 2018 RM'000 (Unaudited)	30 Jun 2017 RM'000 (Unaudited)	30 Jun 2018 RM'000 (Unaudited)	30 Jun 2017 RM'000 (Unaudited)
Revenue	12,896	34,147	22,513	46,481
Cost of sales	<u>(17,789)</u>	<u>(37,767)</u>	<u>(34,116)</u>	<u>(54,906)</u>
Gross loss	(4,893)	(3,620)	(11,603)	(8,425)
Other operating income	2,128	1,439	3,729	1,791
Other operating expenses	-	(725)	(31)	(725)
Administrative expenses	<u>(1,467)</u>	<u>(2,620)</u>	<u>(4,749)</u>	<u>(6,613)</u>
Operating loss	(4,232)	(5,526)	(12,654)	(13,972)
Finance income	250	808	883	1,444
Finance expenses	(2,489)	(2,543)	(4,713)	(4,904)
Share of result of an associate	5,818	(237)	1,519	(437)
Share of result of jointly controlled entities	<u>(180)</u>	<u>(331)</u>	<u>(368)</u>	<u>(322)</u>
Loss before tax	(833)	(7,829)	(15,333)	(18,191)
Income tax expense	(289)	1,248	3,023	1,116
Loss for the period, net of tax	<u>(1,122)</u>	<u>(6,581)</u>	<u>(12,310)</u>	<u>(17,075)</u>
Loss attributable to:				
Owners of the Parent	<u>(1,122)</u>	<u>(6,581)</u>	<u>(12,310)</u>	<u>(17,075)</u>
	<u>(1,122)</u>	<u>(6,581)</u>	<u>(12,310)</u>	<u>(17,075)</u>
Earnings per share (sen)				
- Basic EPS	(0.22)	(1.32)	(2.46)	(3.42)
- Diluted EPS	(0.22)	(1.32)	(2.46)	(3.42)

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 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 JUNE 2018****(CONTINUED)**

	Individual 3 months ended		Cumulative 6 months ended	
	30 Jun 2018 RM'000 (Unaudited)	30 Jun 2017 RM'000 (Unaudited)	30 Jun 2018 RM'000 (Unaudited)	30 Jun 2017 RM'000 (Unaudited)
Loss for the period, net of tax	(1,122)	(6,581)	(12,310)	(17,075)
Other Comprehensive Income :				
Exchange differences on translation of foreign operations	7,113	(548)	(2,184)	(7,376)
Total Comprehensive Income for the period, net of tax	5,991	(7,129)	(14,494)	(24,451)
Total comprehensive income attributable to:				
Owners of the Company	5,991	(7,129)	(14,494)	(24,451)
	5,991	(7,129)	(14,494)	(24,451)

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 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 JUNE 2018**

	As at 30 Jun 2018	As at 31 Dec 2017
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	477,893	506,552
Land use rights	10,367	10,657
Investment in an associate	5,361	3,795
Investment in a joint venture	6,370	6,738
Other receivables	-	394
	499,991	528,136
Current Assets		
Inventories	34,699	34,151
Trade and other receivables	44,109	39,465
Investment securities	65	65
Tax recoverable	722	827
Cash and cash equivalents	22,036	30,158
	101,631	104,666
Total Assets	601,622	632,802
EQUITY AND LIABILITIES		
Current Liabilities		
Loans and borrowings	99,614	99,893
Trade and other payables	32,478	32,371
Provision for taxation	1,116	1,119
	133,208	133,383
Net current liabilities	(31,577)	(28,717)
Non-Current Liabilities		
Loans and borrowings	74,491	87,845
Deferred tax liabilities	23,282	26,439
	97,773	114,284
Total Liabilities	230,981	247,667
Net assets	370,641	385,135
Equity attributable to owners of the Company		
Share Capital	329,087	329,087
Retained earnings	(8,710)	3,600
Other components of equity	50,264	52,448
Total Equity	370,641	385,135
Total Equity and Liabilities	601,622	632,802
Net asset per share (sen)	74.13	77.03

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018**

	<----- Attributable to Owners of the Parent ----->				
	Share Capital RM'000	Non- distributable Share Premium RM'000	Distributable Retained Earnings RM'000	Non-distributable Foreign currency translation reserve RM'000	Total Equity (Unaudited) RM'000
Opening balance at 1 January 2018	250,000	79,087	3,600	52,448	385,135
Adjustments for effect of Companies Act 2016 (Note A)	79,087	(79,087)	-	-	-
Total comprehensive income for the period	-	-	(12,310)	(2,184)	(14,494)
Closing balance at 31 Mar 2018	329,087	-	(8,710)	50,264	370,641
Opening balance at 1 January 2017	250,000	79,087	53,330	72,036	454,453
Total comprehensive income for the period	-	-	(49,730)	(19,588)	(69,318)
Closing balance at 31 Dec 2017	250,000	79,087	3,600	52,448	385,135

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018**

	Year-to-date Ended	
	30 Jun 2018	30 Jun 2017
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows From Operating Activities		
Loss before tax	(15,333)	(18,191)
Adjustments for:		
Interest income	(883)	(1,444)
Interest expenses	4,713	4,904
Amortisation of land use rights	289	289
Depreciation of property, plant and equipment	19,276	22,636
Loss / (Gain) on disposal of property, plant and equipment	(1,339)	-
Impairment loss on trade receivables	-	724
Property, plant and equipment written off	2	(8)
Reversal of inventories written off	-	(18)
Reversal of impairment loss on trade and other receivables	(119)	-
Share of result of an associate	(1,519)	437
Share of result of joint controlled entities	368	322
Unrealised loss/(gain) on foreign exchange	1,215	1,673
Total adjustments	<u>22,003</u>	<u>29,515</u>
Operating profit before working capital changes	6,670	11,324
Changes in working capital		
(Increase)/Decrease in inventories	(552)	15,993
(Increase)/Decrease in trade and other receivables	(4,249)	(1,877)
Increase/(Decrease) in trade and other payables	(3,943)	10,227
Total changes in working capital	<u>(8,744)</u>	<u>24,343</u>
Cash flows from operations	(2,074)	35,667
Interest paid	(4,713)	(5,921)
Interest received	883	1,444
Income tax refund	109	402
Income tax paid	(150)	(173)
Net Cash Flows From Operating Activities	<u>(5,945)</u>	<u>31,419</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2018

	Year-to-date Ended	
	30 Jun 2018	30 Jun 2017
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(160)	(1,293)
Proceeds from disposal of property, plant and equipment	9,482	-
Net Cash Flows (Used in)/From Investing Activities	9,322	(1,293)
Cash Flows From Financing Activities		
Net movement in fixed deposits pledged	(170)	1,733
Net movement in revolving credit	(200)	-
Net movements in trade financing	-	(4,100)
Net movement in investment securities	-	(1)
Proceeds from term loans	11,325	27,812
Repayments of obligations under finance leases	(29)	(27)
Repayment of term loans	(22,285)	(56,361)
Net Cash Flows Used In Financing Activities	(11,359)	(30,944)
Net (Decrease)/Increase in Cash and Cash Equivalents	(7,982)	(818)
Effect of changes in foreign exchange rates	(125)	141
Cash and Cash Equivalents at the beginning of financial year	(11,268)	(3,898)
Cash and Cash Equivalents at the end of financial period	(19,375)	(4,575)
	19,375	
<u>Cash and cash equivalents at the end of the period comprised the following:</u>		
Cash and bank balances	22,037	42,840
Bank overdraft	(28,598)	(29,244)
	(6,561)	13,596
Less: Fixed deposits pledged and cash at bank restricted in use	(12,814)	(18,171)
	(19,375)	(4,575)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

**(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 2017. 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 2017

The accounting policies adopted in the preparation of the unaudited interim financial statements are consistent with those used in the preparation of the Group's audited financial statements for the financial year ended 31 December 2017 except for the following:

MFRS effective for annual period beginning on or after 1 January 2019

- Amendments to MFRS 9 Financial Instruments - *Prepayment Features with Negative Compensation*
- Amendments to MFRS 119 Employee Benefits - *Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 128 Investments in Associates and Joint Ventures - *Long-term Interests in Associates and Joint Ventures*
- Amendments to MFRS 3 Business Combinations (*Annual Improvements to MFRS Standards 2015 - 2017 Cycle*)
- Amendments to MFRS 11 Joint Arrangements (*Annual Improvements to MFRS Standards 2015 - 2017 Cycle*)
- Amendments to MFRS 112 Income Taxes (*Annual Improvements to MFRS Standards 2015 - 2017 Cycle*)
- Amendments to MFRS 123 Borrowing Costs (*Annual Improvements to MFRS Standards 2015 - 2017 Cycle*)
- IC Interpretation 23 Uncertainty over Income Tax Treatments

The adoption of above standards and amendments are either not relevant or do not have any impact on the financial statements of the Group.

As at the date of authorisation of this unaudited interim financial statements, 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 2021

- MFRS 17 Insurance Contracts

MFRS effective date of these Standards have been deferred, and yet to be announced

- Amendments to MFRS 10 Consolidated Financial Statements
- MFRS 128 Investments in Associates and Joint Ventures - *Sale or Contribution of Assets between and Investor and its Associates or Joint Venture*

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 2017 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.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2018

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

A5. Material changes in estimates

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

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 June 2018 are as follows:

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External sales	755	21,758	-	-	22,513
Inter-segment sales	2,050	8,160	-	(10,210)	-
Total revenue	<u>2,805</u>	<u>29,918</u>	<u>-</u>	<u>(10,210)</u>	<u>22,513</u>
Segment loss (Note A)	<u>(1,694)</u>	<u>(15,452)</u>	<u>(297)</u>	<u>2,110</u>	<u>(15,333)</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	(17,443)
Loss from inter-segment sales	959
Share of result of an associate	1,519
Share of results of jointly controlled entities	(368)
Finance costs	5,058
Unallocated corporate expenses	(5,058)
Loss before tax	<u>(15,333)</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	173,068	701,877	232,680	(506,003)	601,622
Segment liabilities	110,364	388,527	200,450	(468,360)	230,981
Net assets	<u>62,704</u>	<u>313,350</u>	<u>32,230</u>	<u>(37,643)</u>	<u>370,641</u>
Other segmental information					
Depreciation	1,719	12,960	6,314	(1,717)	19,276
Amortisation of land use	53	211	25	-	289

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	<u>-</u>	<u>126,969</u>

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.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2018

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

A11. Changes in composition of the Group

There were no changes in composition of the Group for the current quarter ended 30 June 2018

A12. Contingent liabilities

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

	As at 30 Jun 2018 RM'000	As at 30 Jun 2017 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to a jointly controlled entity	-	-

A13. Related party transactions

Transactions between the Group and related parties are as follows:

	Transaction value for 3 months ended 30 Jun 2018 RM	Current Year-to-date 30 Jun 2018 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	7,449	26,981
Manmohan's (Labuan) Sdn Bhd - Rental of office at Lot 20, Labuan	3,000	6,000
Syarikat Guan Teck Enterprise (Sarawak) Sdn Bhd - Lease of office at Lot 1035, Piasau	30,000	60,000
Syarikat Lambir Timber Sdn Bhd - Chartering of vessels	52,500	105,000
Khoo & Co, Advocates and Solicitors - Provision of legal services	-	12,000
Rajah & Tann Singapore LLP - Provision of legal services	6,706	6,706
(ii) Transactions with Director :		
Yong Foh Choi - Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	1,200	2,400
	<u>100,854</u>	<u>219,087</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.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2018

(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 (%)
	30/06/2018 RM'000	30/06/2017 RM'000		30/06/2018 RM'000	30/06/2017 RM'000	
Revenue	12,896	34,147	-62%	22,513	46,481	-52%
Operating loss	(4,232)	(5,526)	-23%	(12,654)	(13,972)	-9%
Loss before tax	(833)	(7,829)	-89%	(15,333)	(18,191)	-16%
Loss after tax	(1,122)	(6,581)	-83%	(12,310)	(17,075)	-28%
Revenue						
- Shipbuilding Division	525	20,335	-97%	755	20,581	-96%
- Ship Charter Division	12,371	13,812	-10%	21,758	25,900	-16%
	<u>12,896</u>	<u>34,147</u>	-62%	<u>22,513</u>	<u>46,481</u>	-52%

OPERATING SEGMENTS REVIEW**2Q 2018 vs 2Q 2017****(I) Operating Revenue****Chartering Division**

- Revenue generated from chartering division has declined by 10% in 2Q 2018 as compared to 2Q 2017 mainly due lower utilization of vessels.

Shipbuilding Division

- Revenue generated from shipbuilding division has declined from RM20m to RM525k mainly due to the sale of one vessel in 2Q 2017 and the revenue generated in 2Q 2018 is mainly from the ship repair division.

(II) Operating loss

- The operating loss for 2Q 2018 had reduced but not in tandem with the decline in revenue mainly due to increase in the other operating income. The increase in other operating income is mainly due to the sale of three (3) vessels in 2Q 2018 and resulted a gain on disposal of about RM1.1m.
- The reduction in operating expenses in 2Q 2018 as compared to 2Q 2017 is due to higher docking expenses incurred in 2Q 2017 which is about 19% higher than 2Q 2018.

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

	2Q 2018 RM'000	1Q 2018 RM'000	Variance RM'000	%
Revenue	12,896	9,617	3,279	34%
Loss before tax	<u>(833)</u>	<u>(14,469)</u>	13,636	-94%

Group consolidated revenue has increased by 34% to RM12.9 million compared to the preceding quarter of RM 9.6 million due to higher utilization of vessels.

Loss before tax for the current quarter reduced by 94% compared to preceding quarter mainly attributed to the higher utilization of vessels and also gain on disposal of the three (3) vessels.

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

B3. Commentary on prospects

Although market sentiments are still cautious, there is more optimism over prospects for the oil and gas industry in light of moderate oil price recovery trend. The Group will continue to manage costs and increase efficiency in this turbulent economic climate to improve our competitiveness and resilience. Riding on our strong foundation, we are confident that the Group will achieve good results going forward.

Based on industry analyst reports, oil prices will hover around USD50 to USD70 per barrel in 2018 as crude prices have rallied on the extension of OPEC and non-OPEC members' production cuts, and the market could refocus on the revival of US shale gas production. Improved oil prices have led to a steady rise in activities as evident in the number of active drilling rigs and this should trigger more business opportunities in the industry. The Group believes that the steady oil price recovery in recent months have led to the increase of activities in the offshore segment. Such optimism is expected to boost the number of projects approved which will also represent opportunities for the Group. The oil and gas sector is expected to continue on a recovery path with upstream companies gradually stepping up production and boosting other firms involved in the industry. Earnings upgrades over the past few months have come on the announcements of drilling contracts won as they have reaffirmed the analysts' view that rig utilisations are improving.

One of the key drivers for the improved earnings outlook is the resilience of oil prices, which have climbed far above USD70 per barrel since April this year. Prices have managed to sustain above the level despite recent volatility arising from concerns of an oversupply as Saudi Arabia and other large producer ramp up production.

According to Kenanga Research, tendering activities have been on the rise and oil majors are reviewing projects suggesting that they are relatively more upbeat on the upstream sector following the stabilisation of oil prices.

Petronas' Activity Outlook for 2018-2020 also indicates most upstream sub-segments' activities in 2018 were revised higher compared to the previous report. Research indicates that the upward revision could be due to the delayed work orders last year being pushed to 2018 which may potentially lead to better contract flows and further provide order-book replenishment opportunities for the supporting sectors.

The world's largest international shipping association, BIMCO, has released its macroeconomics assessment for 2018 based on current trends and events. BIMCO referred to the International Monetary Fund's (IMF) World Economic Outlook which showed it has revised its forecast for global growth in 2018 and 2019 – up by 0.2% to 3.9% for both years. BIMCO stated it has been quite some time since macroeconomics development has looked this positive and as supportive of shipping. Improving the economic growth potential through structural reforms supports productivity, and thereby improves the medium and long term derived demand for the shipping industry.

The Group will continue its emphasis on its core activities of ship building, ship charter and ship repair. The Group's shipbuilding division will be looking towards building vessels which have a niche market as well as enhancing its docking (ship repair) facilities, whilst continuous efforts will be taken towards optimising capacity utilisation of the Group's vessels. The Group is also looking at building new vessels that are more energy efficient and environment friendly, in line with tighter environmental regulations in the maritime industry. With the ongoing initiatives in sustainable cost rationalisation and exposures, we believe the Group is well positioned to tide over the current business challenges, of which the worst seem to be over.

With the Government lending stronger support to the maritime industry with the recent launch of the Malaysia Shipping Master plan, the country is set to become a self-sufficient and internationally competitive nation, that can benefit us along the maritime industry supply chain.

Barring any unforeseen circumstances or events, The Board is optimistic that demand for offshore marine support vessels will improve with further increased expenditure in offshore oil field development and maintenance work by the oil majors. The outlook is improving in anticipation of a shipping recovery.

B4. Variance between actual profit from forecast profit

Not applicable as no profit forecast was published.

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2018**(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS****B5. Loss before tax**

Included in the loss before tax are the following items:

	6 months ended	
	30 Jun 2018	30 Jun 2017
	RM'000	RM'000
Interest income	(1,150)	(1,444)
Interest expenses	5,006	4,904
Amortisation of land use rights	289	289
Depreciation of property, plant and equipment	19,276	22,636
Loss / (Gain) on disposal of property, plant and equipment	(1,339)	-
Impairment loss on trade receivables	-	724
Property, plant and equipment written off	2	(8)
Reversal of inventories written off	-	(18)
Reversal of impairment loss on trade and other receivables	(16)	-
Share of result of an associate	(1,519)	437
Share of result of joint controlled entities	368	322
Unrealised loss/(gain) on foreign exchange	1,215	1,673

B6. Taxation

	Current	Year-to-date
	Quarter	Year-to-date
	30 Jun 2018	30 Jun 2018
	RM'000	RM'000
Malaysian income tax	71	135
Deferred tax reversal	218	(3,158)
Total tax	289	(3,023)

The effective tax rate for the Group for the financial period was lower than statutory tax rate due to reversal of deferred tax relating to temporary differences as well as the different tax rate applicable to subsidiaries of the Group in other jurisdictions.

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.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2018

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

B9. Status of corporate proposal

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

B10. Group borrowings and debt securities

Total Group's borrowings as at 30 June 2018 were as follows:

As at 30 Jun 2018						
	Short term		Long term		Total borrowings	
	Foreign currency	RM'000	Foreign currency	RM'000	Foreign currency	RM'000
Secured						
- Bank overdraft	-	28,598	-	-	-	28,598
- Revolving credits	-	45,800	-	-	-	45,800
- Loans (USD)	2,203	8,903	11,180	45,161	13,383	54,064
- Loans (SGD)	500	11,925	4,025	11,925	4,525	23,850
- Loans (RM)	-	4,359	-	17,377	-	21,736
- Obligations under finance leases	-	29	-	28	-	57
		99,614		74,491		174,105

As at 30 Jun 2017						
	Short term		Long term		Total borrowings	
	Foreign	RM'000	Foreign	RM'000	Foreign currency	RM'000
Secured						
- Bank overdraft	-	29,244	-	-	-	29,244
- Revolving credits	-	50,100	-	-	-	50,100
- Loans (USD)	1,720	7,387	15,243	65,464	16,963	72,851
- Loans (SGD)	539	1,683	4,461	13,911	5,000	15,594
- Loans (RM)	-	21,037	-	32,407	-	53,444
- Obligations under finance leases	-	56	-	46	-	102
		109,507		111,828		221,335

* 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 June 2018.

B14. Earnings per Share

	3 months ended		6 months ended	
	30 Jun 2018 RM'000	30 Jun 2017 RM'000	30 Jun 2018 RM'000	30 Jun 2017 RM'000
(Loss)/Profit attributable to Owners of the Parent (RM'000)	<u>(1,122)</u>	<u>(6,581)</u>	<u>(12,310)</u>	<u>(17,075)</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>(0.22)</u>	<u>(1.32)</u>	<u>(2.46)</u>	<u>(3.42)</u>
Diluted earnings per share (sen)	<u>(0.22)</u>	<u>(1.32)</u>	<u>(2.46)</u>	<u>(3.42)</u>

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2018

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

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. Authorisation For Issue

The quarterly report for the second quarter ended 30 June 2018 was authorised for issue by the Board resolution of the directors dated 21st August 2018.

By Order Of The Board

Yeo Puay Huang (f)
Company Secretary
21-August-2018