



SEALINK INTERNATIONAL BERHAD (800981-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2010

	3 months ended		12 months ended	
	31 Dec 2010 RM'000 (Unaudited)	31 Dec 2009 RM'000 (Unaudited) Restated	31 Dec 2010 RM'000 (Unaudited)	31 Dec 2009 RM'000 (Audited) Restated
Revenue	79,031	26,088	223,621	193,226
Cost of sales	<u>(58,546)</u>	<u>(13,465)</u>	<u>(165,269)</u>	<u>(124,939)</u>
Gross profit	20,485	12,623	58,352	68,286
Other operating income	2,352	5,045	6,887	27,725
Other operating expenses	(757)	(846)	(1,076)	(4,225)
Administrative expenses	(7,197)	(6,322)	(19,542)	(22,278)
Finance costs	<u>(2,833)</u>	<u>(2,013)</u>	<u>(5,706)</u>	<u>(11,275)</u>
Profit before tax	12,050	8,487	38,915	58,233
Income tax expense	(2,275)	(229)	(5,362)	(6,005)
Profit for the period	<u>9,775</u>	<u>8,258</u>	<u>33,553</u>	<u>52,228</u>
Profit attributable to:				
Owners of the Parent	<u>9,775</u>	<u>8,258</u>	<u>33,553</u>	<u>52,228</u>
	<u>9,775</u>	<u>8,258</u>	<u>33,553</u>	<u>52,228</u>
Earnings per share (sen)				
- Basic EPS	1.96	1.65	6.71	10.45
- Diluted EPS	1.96	1.65	6.71	10.45

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2010

(CONTINUED)

	3 months ended		12 months ended	
	31 Dec 2010 RM'000 (Unaudited)	31 Dec 2009 RM'000 (Unaudited) Restated	31 Dec 2010 RM'000 (Unaudited)	31 Dec 2009 RM'000 (Audited) Restated
Profit for the period	9,775	8,258	33,553	52,228
Other Comprehensive Income :				
Exchange differences on translating:				
(a) Foreign operations	907	508	(1,094)	520
(b) Other subsidiary with functional currency other than Ringgit Malaysia	6,966	-	(10)	7
Total Comprehensive Income for the period	<u>17,648</u>	<u>8,766</u>	<u>32,449</u>	<u>52,755</u>
Total comprehensive income attributable to:				
Owners of the Parent	<u>17,648</u>	<u>8,766</u>	<u>32,449</u>	<u>52,755</u>
	<u>17,648</u>	<u>8,766</u>	<u>32,449</u>	<u>52,755</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

	As at 31 Dec 2010 RM'000 (Unaudited)	As at 31 Dec 2009 RM'000 (Audited) Restated
ASSETS		
Non-Current Assets		
Property, plant and equipment	486,977	398,125
Prepaid land lease payments	47,821	48,594
Investment in associate	3,500	-
Other receivables	787	509
	<u>539,085</u>	<u>447,228</u>
Current Assets		
Inventories	159,526	290,323
Trade receivables	53,238	23,100
Due from customer on contracts	8,945	-
Other receivables	34,885	36,582
Tax recoverable	179	1,763
Fixed deposits pledged to licensed banks	30,105	5,647
Cash and cash equivalents	48,056	43,989
	<u>334,934</u>	<u>401,404</u>
Total Assets	<u>874,019</u>	<u>848,632</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share Capital	250,000	250,000
Share Premium	79,087	79,087
Retained earnings	110,751	97,198
Other components of equity	47	1,151
Total Equity	<u>439,885</u>	<u>427,436</u>
Non-Current Liabilities		
Long-term borrowings	119,991	69,354
Other payables	-	415
Deferred tax liabilities	53,715	49,717
	<u>173,706</u>	<u>119,486</u>
Current Liabilities		
Short-term borrowings	202,338	210,422
Trade payables	24,446	34,847
Provision for maintenance warranties	-	5,711
Due to customer on contracts	4,861	9,767
Other payables	27,926	40,291
Provision for taxation	857	672
	<u>260,428</u>	<u>301,710</u>
Total Liabilities	<u>434,134</u>	<u>421,196</u>
Total Equity and Liabilities	<u>874,019</u>	<u>848,632</u>
Net asset per share (sen)	<u>87.98</u>	<u>85.49</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2010

	Attributable to Owners of the Parent					Total Equity (Audited) RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Foreign currency translation reserve RM'000	Total RM'000	
Balance as at 1 January 2009	250,000	79,087	65,377	624	395,088	395,088
Dividend	-	-	(20,000)	-	(20,000)	(20,000)
Total comprehensive income for the period	-	-	52,228	527	52,755	52,755
Write back of impairment loss	-	-	-	(407)	(407)	(407)
Balance as at 31 December 2009	250,000	79,087	97,605	744	427,436	427,436

	Attributable to Owners of the Parent					Total Equity (Unaudited) RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Foreign currency translation reserve RM'000	Total RM'000	
Balance as at 1 January 2010	250,000	79,087	97,198	1,151	427,436	427,436
Dividend	-	-	(20,000)	-	(20,000)	(20,000)
Total comprehensive income for the period	-	-	33,553	(1,104)	32,449	32,449
Balance as at 31 December 2010	250,000	79,087	110,751	47	439,885	439,885

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2010

	Year-to-date Ended	
	31 Dec 2010 RM'000 (Unaudited)	31 Dec 2009 RM'000 (Audited)
Cash Flows From Operating Activities		
Profit before tax	38,915	58,233
Adjustments for:		
Non-cash items	18,038	14,588
Non-operating items	7,065	11,402
Operating profit before working capital changes	64,018	84,223
Net change in current assets	98,513	99,136
Net change in current liabilities	(27,672)	(49,843)
Cash Flows From / (Used in) operations	134,859	133,516
Interest paid	(9,667)	(11,636)
Income tax paid	(2,636)	(4,355)
Income tax refund	1,208	9
Net Cash From Operating Activities	123,764	117,534
Cash Flows From Investing Activities		
Increase in prepaid land lease payments	(435)	(4)
Investment in associate	(3,500)	-
Purchase of property, plant and equipment	(122,637)	(135,127)
Proceeds from disposal of property, plant and equipment	10,151	41,328
Interest paid	(870)	-
Interest received	360	233
Net Cash (Used in) / From Investing Activities	(116,931)	(93,570)
Cash Flows From Financing Activities		
Net movement in fixed deposits pledged	(24,479)	(1,209)
Net movements in trade financing	(1,064)	16,732
Proceeds from term loans	91,820	33,410
Repayments of term loans	(30,968)	(23,452)
Repayments of hire purchase payables	(2,390)	(9,296)
Dividends paid to shareholders	(20,000)	(20,000)
Net Cash From / (Used in) Financing Activities	12,919	(3,815)
<i>Effect of changes in foreign exchange rates</i>	(2,393)	(1,851)
Net Increase in Cash and Cash Equivalents	17,359	18,298
Cash and Cash Equivalents at the beginning of financial year	27,206	8,908
Cash and Cash Equivalents at the end of financial period	44,565	27,206

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

Cash and bank balances	48,056	43,989
Bank overdraft	(3,491)	(16,783)
	44,565	27,206

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

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

A1. Accounting policies and methods of computation

The interim financial report has been prepared in accordance with FRS 134, Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. The figures for the cumulative period in the current quarter have not been audited.

The interim financial statements should be read in conjunction with the audited financial statements of the Group ("SIB and its subsidiaries") for the year ended 31 December 2009. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2009 except for the following.

In the current quarter ended 31 December 2010, the Group adopted the following new and revised FRSs and Interpretations:

Effective for financial periods beginning on or after 1 July 2009

FRS 8 : Operating Segments

Effective for financial periods beginning on or after 1 January 2010

FRS 4 : Insurance Contracts

FRS 7 : Financial Instruments: Disclosures

FRS 101 : Presentation of Financial Statements (revised)

FRS 123 : Borrowing Costs

FRS 139 : Financial Instruments: Recognition and Measurement

Amendments for FRS 1 : First-time Adoption of Financial Reporting Standards

and FRS 127 : Consolidated and Separate Financial Statements: Cost of an Investment in a
Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2 : Share-based Payment - Vesting Conditions and Cancellations

Amendments to FRS 117 : Leases

Amendments to FRS 132 : Financial Instruments: Presentation

Amendments to FRS 139 : Financial Instruments: Recognition and Measurement, FRS 7 : Financial Instruments:
Disclosures and IC Interpretation 9 : Reassessment of Embedded Derivatives

Amendments to FRSs 'Improvements to FRSs (2009)'

IC Interpretation 9 : Reassessment of Embedded Derivatives

IC Interpretation 10 : Interim Financial Reporting and Impairment

IC Interpretation 11 : FRS 2 - Group and Treasury Share Transactions

IC Interpretation 13 : Customer Loyalty Programmes

IC Interpretation 14 : FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements
and their Interaction

TR i - 3 : Presentation of Financial Statements of Islamic Financial Institutions

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

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

The principal effects of the changes in presentation, changes in methods of computation and in accounting policies resulting from the adoption of the new and revised FRSs, IC Interpretations and Amendments are set out below:

FRS 101 (revised), Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

The effects of the change in presentation are as follows:

The gains and losses that were recognised directly in equity in the preceding year corresponding period are presented as components in other comprehensive income in the statement of comprehensive income. The total comprehensive income for preceding year corresponding period is presented separately and allocation is made to show the amount attributable to owners of the parent and to non-controlling interests. The effects on the comparatives to the Group on adoption of FRS 101 are as follows:

For the period ended 31 December 2009	Income Statement as previously reported RM'000	Effects of adopting FRS 101 RM'000	Statement of comprehensive income As restated RM'000
Profit for the period	52,228	-	52,228
Other comprehensive income	-	527	527
Total comprehensive income			<u>52,755</u>
Total comprehensive income attributable to:			
Owners of the Parent			<u>52,755</u>
			<u>52,755</u>

The total comprehensive income for the period is presented as a one-line item in the statement of changes in equity.

Amendment to FRS 117: Leases

Prior to 1 January 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group as operating lease and where necessary, the minimum lease payments or the up-front payments made were allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and building element of the lease at the inception of the lease. The up-front payment represented prepaid lease payments and were amortised on a straight-line basis over the lease term.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

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

AMENDMENT TO FRS 117: LEASES (CONTINUED)

The amendments to FRS 117 Leases clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in certain unexpired land leases to be reclassified as finance leases. The Group has applied this change (lease with unexpired period more than 50 years) in accounting policy retrospectively and certain comparatives have been restated.

	As previously stated	Effect on adoption of FRS 117	As restated
	RM'000	RM'000	RM'000
Balance Sheet As at 31 December 2009			
Property, plant and equipment	395,691	2,434	398,125
Prepaid land lease payments	51,028	(2,434)	48,594

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. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments.

Financial assets

Financial assets are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets have expired or have been transferred. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the statement of profit and loss.

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

FRS 139, FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT (CONTINUED)

The Group classifies its investments in financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date, with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

As at the balance sheet date, the Group did not have any financial assets in the category financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets. The details of the changes in accounting policies and the effect arising from the adoption of FRS 139 are discussed below:

Impairment of trade receivable

Prior to 1 January 2010, provision for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate.

FRS 8, Operating Segments

Prior to the adoption of FRS 8, the Group's segment reporting was based on a primary reporting format of business segments. Segmental reporting by geographical segments has not been prepared as the Group's operations are carried out predominantly in Malaysia. With the adoption of FRS 8, the Group's segment reporting has been changed to operating segments based on the segment information provided to the Chief Executive Officer and Board of Directors. Other segment as disclosed under Note A7 consist of investment holding and letting of properties, neither has ever met any of the quantitative thresholds for determining reportable segments.

FRS 123 (revised), Borrowing Cost

Prior to the adoption of the revised FRS 123, the Group expensed all borrowing costs as and when they were incurred. With the adoption of the revised FRS 123, this policy has been changed to capitalising borrowing costs that are directly attributable to the acquisition or construction of qualifying assets that take a substantial period of time to get them ready for their intended sale or use.

All other borrowing costs are recognised as an expense as and when they are incurred. The new policy is applied prospectively to borrowing costs for which the commencement date of capitalisation is on or after 1 January 2010.

The amount of borrowing cost capitalised on that asset is the actual borrowing costs incurred during the period less any investment income on the temporary investment of those borrowings.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

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

The following new FRSs and Interpretations were issued but not yet effective on 31 December 2010 and have not been applied by the Group:

Effective for financial periods beginning on or after 1 March 2010

Amendments to FRS 132 : Classification of Rights Issues

Effective for financial periods beginning on or after 1 July 2010

FRS 1 : First-time Adoption of Financial Reporting Standards

FRS 3 : Business Combinations (revised)

Amendments FRS 2 : Share-based Payment

Amendments to FRS 5 : Non-current Assets Held For Sale and Discontinued Operations

Amendments to FRS 127 : Consolidated and Separate Financial Statements

Amendments to FRS 138 : Intangible Assets

Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

Amendments to IC Interpretation 15 : Agreements for the Construction of Real Estate

IC Interpretation 12 : Service Concession Arrangements

IC Interpretation 16 : Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17 : Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011

Amendments to FRS 1 : Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 1 : Additional Exemptions for First-time Adopters

Amendments to FRS 2 : Group Cash-settled Share-based Payment Transactions

Amendments to FRS 7 : Improving Disclosures about Financial Instruments

IC Interpretation 4 : Determining Whether An Arrangement Contains a Lease

IC Interpretation 15 : Agreements for the Construction of Real Estate

IC Interpretation 18 : Transfers of Assets from Customers

IC Interpretation 19 : Extinguishing Financial Liabilities with Equity Instruments

FRS 124 : Related Party Disclosures

TR i-4 : Shariah Compliant Sale Contracts

Amendments to FRSs 'Improvements to FRSs (2010)'

Amendments to IC Interpretation 14 : Prepayments of a Minimum Funding Requirement

The new FRSs and Interpretations, and amendments to certain Standards and Interpretations above are expected to have no significant impact on the financial statements of the Group upon their initial application.

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

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 2009 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 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 year under review.

A5. Material changes in estimates

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

A7. Dividends Paid

No dividend was paid in the current financial quarter under review.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

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

A8. Segmental information

The results and other information of the Group as at 31 December 2010 are as follows:

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External sales	154,199	69,422	-	-	223,621
Inter-segment sales	114,800	417	128	(115,345)	-
Total revenue	268,999	69,839	128	(115,345)	223,621
Segment results					
Profit/(Loss) from operations	24,421	24,369	(1,783)	(2,386)	44,621
Finance costs					(5,706)
Profit before income tax					38,915
Income tax					(5,362)
Profit after tax					33,553
Assets and liabilities					
Segment assets	407,650	550,652	214,514	(298,797)	874,019
Segment liabilities	297,867	319,497	94,195	(277,425)	434,134
Net assets	109,783	231,155	120,319	(21,372)	439,885
Other segmental information					
Depreciation	6,613	18,427	39	-	25,079
Amortisation of prepaid land lease payments	684	472	53	-	1,209

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

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

A9. Capital commitments

Capital commitments are as follows:

RM'000	Approved and contracted for	Approved but not contracted for
Property, plant and equipment	<u>33,569</u>	<u>114,461</u>

A10. Material events subsequent to the end of period reported

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the current quarter and financial year to date.

A11. Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year to date save for the acquisition of 25% shares in Logistine Sdn Bhd ("LSB") as follows:

Logistine Sdn Bhd ("LSB")

LSB was incorporated in Malaysia on 30 March 2010 under the Companies Act, 1965. Its principal activity is engaged in the business of inter alia, owning and chartering marine offshore support vessels to the oil and gas industry. Its present authorised share capital is RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each, of which 1,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

A12. Contingent liabilities

The following is the additional contingent liabilities since the last annual report:

	Year-to-date 31 Dec 2010 RM'000
Bank guarantees for contracts entered with customer and supplier	<u>52,954</u>

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

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

A13. Related party transactions

Transactions between the Group and related parties are as follows:

	Transaction value for 3 months ended 31 Dec 2010 RM	Current Year-to-date 31 Dec 2010 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	32,001	127,451
Manmohan's (Labuan) Sdn Bhd - Rental of office at Lot 20, Labuan	3,000	12,000
Syarikat Guan Teck Enterprise (Sarawak) Sdn Bhd - Lease of office at Lot 1035, Piasau	26,400	105,600
Syarikat Lambir Timber Sdn Bhd - Chartering of vessels	52,500	210,000
Khoo & Co., Advocates and Solicitors - Provision of legal services	(17,614)	181,796
Rajah & Tann - Provision of legal services	116,487	316,706
(ii) Transactions with Director :		
Yong Foh Choi - Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	1,500	6,000
	<u>214,274</u>	<u>959,553</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 FOURTH QUARTER ENDED 31 DECEMBER 2010

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS**B1. Review of performance of the Company and its principal subsidiaries****Current quarter compared with previous corresponding quarter**

The Group's revenue for the current quarter achieved at RM79 million increased by RM52.9 million or 203% compared to the corresponding quarter last year. The favourable result was attributed to an increase in the external sales derived from shipbuilding. Demand for charter has increased compared to previous year. This has resulted in an increased revenue from ship chartering by RM4.3 million or 27% .

Profit before taxation increase from RM8.5 million in previous corresponding quarter to RM12.1 million in the current quarter due to improvement in the ship building division.

Current financial period compared with previous corresponding financial period

The consolidated revenue of the Group for the year under review was higher than the corresponding period last year by about RM30.4 million or 16%. The improved revenue was due to increased in vessels sale and charter income. However, gross profit for the current year has drop compared to previous year partly due to interest capitalised to work in progress as required by FRS 123 Borrowing cost which increased the cost of sales.

The Group recorded profit before taxation of RM38.9 million for the financial period ended 31 December 2010, 33% lower compared to the profit before taxation of RM58.2 million for the financial period ended 31 December 2009. The favourable result in previous year was attributed to gain on sale of two used vessels to external buyer.

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

	Current Quarter ended 31 Dec 2010 RM'000	Preceding Quarter ended 30 Sept 2010 RM'000	Variance RM'000	%
Revenue	79,031	20,614	58,417	283%
Profit before tax	<u>12,050</u>	<u>1,589</u>	10,461	658%

The Group recorded higher revenue of RM79 million representing an increase of RM58.4 million or 283% over the preceding quarter mainly due to sale of two offshore support vessels.

The profit before taxation ("PBT") of the Group for the current quarter of RM12.1 million was higher than the preceding quarter by RM10.5 million or 658% due to higher revenue from ship building.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS**B3. Commentary on prospects**

The global uncertainty seems to have stabilised but there are continual fresh concerns on the path of recovery for several major economies. Nevertheless, the oil and gas industry has improved from the lows experienced last year. We maintain our expectation for more awards by PETRONAS and other regional oil majors for the supply of marine offshore support vessels ("OSV") in view of the improvements in the oil and gas industry in the near future.

SIB is still cautiously optimistic on the global economy's path to full recovery despite the improvement of the Crude Oil Price to the present level of above USD80 per barrel. The Group will continuously improve its core competencies in ship building and ship chartering activities in Malaysia and abroad in preparation for the economic turnaround.

B4. Variance between actual profit from forecast profit

Not applicable as no profit forecast was published.

B5. Taxation

	Current Quarter 31 Dec 2010 RM'000	Current Year-to-date 31 Dec 2010 RM'000
Malaysian income tax	507	1,364
Deferred income tax	1,768	3,998
Total tax expenses	<u>2,275</u>	<u>5,362</u>

The effective tax rate for the current financial period ended 31 December 2010 is 14%, lower than the statutory tax rate of 25% mainly due to Pioneer Status and Reinvestment Allowance claimed by the shipyards.

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 year to date.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2010

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

B7. Quoted securities

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

B8. Status of corporate proposal

The company announced on 31 May 2010 on the proposed feasibility study on the shipbuilding division.

The Board are still considering several locations for the listing and further details on the findings of the feasibility study will be announced in due course.

B9. Group borrowings and debt securities

Total Group's borrowings as at 31 December 2010 were as follows:

1. <u>Total Borrowings</u>	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings	142,338	60,000	202,338
Long-term borrowings	119,991	-	119,991
	<u>262,329</u>	<u>60,000</u>	<u>322,329</u>
2. <u>Borrowings denominated in US Dollars</u>	Secured USD'000	Unsecured USD'000	Total USD'000
Short-term borrowings	1,820	-	1,820
Long-term borrowings	3,313	-	3,313
	<u>5,133</u>	<u>-</u>	<u>5,133</u>

B10. Off balance sheet financial instruments

There were no off balance sheet financial instruments entered into by the Group as at the date of this report.

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

B11. Material litigation

1. On 1 May 2007, pursuant to the terms of the shipbuilding contract, Sealink Engineering & Slipway Sdn Bhd ("SESSB") had arranged for a bankers' guarantee in the sum of US\$2 million to be issued to Petroleum Marine Services SAE ("PMS"). The bankers' guarantee was issued to PMS by the Bank of Nova Scotia (Egypt), against a counter-guarantee by Malayan Banking Berhad ("Maybank").

The vessel was completed and delivered to PMS on 14 February 2009. PMS have alleged that they should be reimbursed for certain repairs to the vessel under the warranty provision in the ship building contract. PMS have, however, been unable to substantiate their allegation by failing to provide full documentation of their alleged repair costs. SESSB has offered to reimburse PMS up to US\$450,000 under the warranty. PMS have made purported demands on the bankers' guarantee, pursuant to which the Bank of Nova Scotia made purported demands on the counter-guarantee against Maybank.

On 12 June 2010, SESSB commenced arbitration proceedings against PMS in respect of the alleged disputes under the warranty. On 16 June 2010, SESSB obtained an interim injunction order from the Miri High Court against Maybank from making payment under the counter-guarantee. The injunction was lifted on 13 October 2010, pursuant to which Maybank made payment to the Bank of Nova Scotia under the counter-guarantee. SESSB will pursue their claim against PMS for wrongly called on the entire amount of the bankers' guarantee.

2. Sealink Sdn Bhd ("SSB") had on 2 July 2010 served a Notice of Arbitration on Petroleum Marine Services ("PMS"), in respect of SSB's claim against PMS for unpaid charter hire in the sum of US\$803,597.50 and overdue interest amounting to US\$107,345.37 (as at 31 May 2010).

SSB officially commenced arbitration proceedings against PMS on 26 August 2010, under the Rules of the Singapore International Arbitration Centre ("SIAC").

The Group intends to pursue all legal avenues to resolve both cases concurrently. The Directors are of the opinion that the proceedings will not materially and/or adversely affect the financial position of the Group.

B12. Dividend payable

No interim dividend has been declared for the current quarter ended 31 December 2010.

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(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS**B13. Earnings per Share**

	3 months ended		9 months ended	
	31 Dec 2010 RM'000	31 Dec 2009 RM'000	31 Dec 2010 RM'000	31 Dec 2009 RM'000
Profit attributable to Owners of the Parent (RM'000)	9,775	8,258	33,553	52,228
Weighted average number of shares in issue ('000)	500,000	500,000	500,000	500,000
Basic earnings per share (sen)	1.96	1.65	6.71	10.45
Diluted earnings per share (sen)	1.96	1.65	6.71	10.45

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 new shares issued during the reporting period.

B14. Disclosure of Realised and Unrealised Profits

The retained profits as at 31 December 2010 and 30 September 2010 are analysed as follows:

	As at 31 Dec 2010 RM'000	As at 30 Sept 2010 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	162,176	149,694
- Unrealised	(50,139)	(47,429)
	112,037	102,265
Consolidation adjustments	(1,286)	(1,289)
Total Group retained profits as per consolidated accounts	110,751	100,976