



SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 30 JUNE 2008

	INDIVIDUAL		CUMULATIVE	
	CURRENT YEAR QUARTER 30 JUNE 2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 JUNE 2007 RM'000	CURRENT YEAR TO DATE 30 JUNE 2008 RM'000	PRECEDING YEAR TO DATE 30 JUNE 2007 RM'000
Revenue	57,924	N/A	114,253	N/A
Cost of sales	(35,187)	N/A	(70,837)	N/A
Gross profit	22,737	N/A	43,416	N/A
Other operating income	-	N/A	494	N/A
Administrative expenses	(3,726)	N/A	(5,729)	N/A
Finance costs	(2,632)	N/A	(6,320)	N/A
Profit before tax	16,379	N/A	31,861	N/A
Excess of fair value of assets & liabilities over their purchase consideration	8,718	N/A	8,718	N/A
Profit before tax	25,097	N/A	40,579	N/A
Income tax expense	(2,444)	N/A	(4,631)	N/A
Profit for the period	22,653	N/A	35,948	N/A
Attributable to:				
Equity holders of the Company	21,579	N/A	30,159	N/A
Minority interest	1,074	N/A	5,789	N/A
	22,653	N/A	35,948	N/A
Weighted average number of shares in issue ('000)	144,455	N/A	70,674	N/A
Earnings per share (sen)				
- Basic	14.94	N/A	42.67	N/A
- Diluted	14.94	N/A	42.67	N/A

(i) This is the first interim financial report on the consolidated results for the 6 months ended 30 June 2008 announced by the company in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and in conjunction with the admission of the Company to the Main Board of Bursa Securities. As this is the first interim financial report being drawn up, there are no comparative figures for the preceding year's corresponding period.

(ii) In conjunction with the Initial Public Offering ("IPO") exercise, the acquisitions of its wholly-owned subsidiary companies namely CMSB, ESWSB, SRSB, ESB, ESSB, GSB, MCSB, NSSB, SBSB, SESSB, SGPL, SMGSB, SMSB, SPSB, SSB and SSSB were completed on 28 May 2008.

(iii) The Condensed Consolidated Income Statements should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the year ended 31 December 2007 as disclosed in the Prospectus dated 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.



SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2008

	AS AT END OF CURRENT QUARTER 30 JUNE 2008 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31 DEC 2007 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	300,300	N/A
Prepaid land lease payments	32,875	N/A
	<u>333,175</u>	<u>N/A</u>
CURRENT ASSETS		
Inventories	240,654	N/A
Trade receivables	19,922	N/A
Other receivables	76,875	N/A
Tax recoverable	495	N/A
Cash and cash equivalents	16,994	N/A
TOTAL CURRENT ASSETS	<u>354,940</u>	<u>N/A</u>
TOTAL ASSETS	<u>688,115</u>	<u>N/A</u>
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	193,315	N/A
Retained earnings	36,691	N/A
Other reserves	320	N/A
	<u>230,326</u>	<u>N/A</u>
Minority interest	-	N/A
TOTAL EQUITY	<u>230,326</u>	<u>N/A</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	58,011	N/A
Deferred tax liabilities	41,298	N/A
TOTAL NON-CURRENT LIABILITIES	<u>99,309</u>	<u>N/A</u>
CURRENT LIABILITIES		
Short term borrowings	204,699	N/A
Trade payables	108,002	N/A
Other payables	42,469	N/A
Provision for taxation	3,310	N/A
TOTAL CURRENT LIABILITIES	<u>358,480</u>	<u>N/A</u>
TOTAL LIABILITIES	<u>457,789</u>	<u>N/A</u>
TOTAL EQUITY AND LIABILITIES	<u>688,115</u>	<u>N/A</u>
Net asset per share (sen)	59.57	N/A per share

The Condensed Consolidated Balance Sheet should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the year ended 31 December 2007 as disclosed in the Prospectus dated 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.



SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2008

	Attributable to equity holders of the parent			Minority Interest	Total Equity	
	Share Capital	Other Reserves	Accummulated Profits			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 28 Dec 2007	***			***	***	
Effects arising from merger # and acquisition of subsidiary companies	193,315		6,532	199,847	(5,789)	194,058
Profit for the period			30,159	30,159	5,789	35,948
Foreign exchange differences recognised directly in equity		320		320		320
Balance as at 30 June 2008	193,315	320	36,691	230,326	-	230,326

*** denotes RM1.50

The Group has adopted the merger method of accounting in respect of acquisition of subsidiaries under common control. The Group's consolidated results for the current financial period ended 30 June 2008 comprise the consolidated results of SIB and its subsidiaries as if the merger had been effected throughout the entire financial year-to-date.

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the year ended 31 December 2007 as disclosed in the Prospectus dated 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.



SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 JUNE 2008

	CURRENT YEAR TO DATE 30 JUNE 2008 RM'000	PRECEDING YEAR TO DATE 30 JUNE 2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	40,579	N/A
Adjustments:-		
Non-cash items	(1,784)	N/A
Non-operating items (net of income)	6,287	N/A
Operating profit before changes in working capital	45,082	N/A
<u>Changes in working capital</u>		
Net change in current assets	(56,034)	N/A
Net change in current liabilities	41,272	N/A
Payment for non-operating expenses (net of income)	(6,899)	N/A
Net cash from / (used in) operating activities	23,421	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries	(16,585)	N/A
Purchase of property, plant and equipment	(48,734)	N/A
Proceeds from disposal of property, plant and equipment	978	N/A
Interest received	33	N/A
Net cash from / (used in) investing activities	(64,308)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movements in trade financing	19,022	N/A
Proceeds from hire purchase	341	N/A
Proceeds from term loans	22,442	N/A
Repayments of term loans	(4,898)	N/A
Repayments of hire purchase payables	(2,077)	N/A
Net cash from / (used in) financing activities	34,830	N/A
Net increase/(decrease) in cash and cash equivalents	(6,057)	N/A
Cash and cash equivalents at beginning of financial year	(9,858)	N/A
Cash and cash equivalents at the end of financial period	(15,915)	N/A
<u>Cash and cash equivalents at the end of the period comprised the following:</u>		
Cash and bank balances	16,994	N/A
Bank overdraft	(32,909)	N/A
	(15,915)	N/A

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited Proforma Consolidated Financial Information and the accountants' report for the year ended 31 December 2007 as disclosed in the Prospectus dated 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.



SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2008

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

A1. Basis of reporting preparation

The unaudited interim financial statements have been prepared in accordance with Financial Reporting Standards 134 (FRS134) : "Interim Financial Reporting" and Appendix 9B part A of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). This is the first interim financial report on the consolidated results for the second quarter ended 30 June 2008 announced by the Company in compliance with the Listing Requirements and in conjunction with the admission of the Company to the Main Board of Bursa Securities and as such, there are no comparative figures for the preceding year's corresponding periods.

The accounting policies and methods of computation adopted by Sealink International Berhad ("SIB") and its subsidiaries (collectively referred to as "the Group") in this interim financial report are in compliance with Financial Reporting Standards issued by the MASB.

The interim financial report should be read in conjunction with the pro-forma consolidated financial information and the accountants' report for the financial year ended 31 December 2007 as disclosed in the Prospectus dated 30 June 2008 and the accompanying explanatory notes attached to the interim financial report.

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

A2. Summary of significant accounting policies

The significant accounting policies adopted are consistent with the pro-forma consolidated financial information and the accountants' report for the financial year ended 31 December 2007 as disclosed in the Prospectus dated 30 June 2008 except for the adoption of new/ revised FRSs effective for the financial period beginning 1 July 2007 and the adoption of the merger method of accounting for subsidiaries acquired under common control transfers.

(a) Adoption of New/Revised FRS

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 126	Accounting and reporting by Retirement Benefit Plans
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
IC interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC interpretation 5	Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC interpretation 6	Liabilities arising from Participation in a Specific market - Waste Electrical and Electronic Equipment
IC interpretation 7	Applying the Restatement Approach under FRS 129 - Financial Reporting in Hyperinflationary Economies
IC interpretation 8	Scope of FRS 2



SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2008

A3. Auditors' report

The Company was incorporated on 28 December 2007. There have been no audited financial statements prepared for the financial year ended 31 December 2007.

A4. Seasonal or cyclical factors

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

A5. Items of unusual nature and amount

There were no items affecting the assets, liabilities, equity, net income or cash flow of the Group that are unusual in their nature size or incidence for the financial period under review save for an excess of fair value over the considerations of RM8.72 million on the acquisition of SGPL and the minority interests in SSSB, GSB and MCSB.

A6. Material changes in estimates

There were no changes in the estimates of amounts relating to the prior financial years that have a material effect in the current financial period under review.

A7. Segmental information

The breakdown of the Group's revenue and results by business segments:

	Current Quarter 30 June 2008 RM'000	Cumulative Year to Date 30 June 2008 RM'000
Revenue		
Shipbuilding	42,511	84,170
Chartering	15,413	30,083
	<u>57,924</u>	<u>114,253</u>
Profit from operations		
Shipbuilding	13,569	24,670
Chartering	9,168	18,746
	<u>22,737</u>	<u>43,416</u>
Other operating income	-	494
Administration costs	(3,726)	(5,729)
Finance costs	(2,632)	(6,320)
Excess of fair value of assets & liabilities over their purchase consideration	8,718	8,718
	<u>25,097</u>	<u>40,579</u>



SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2008

A8. Capital commitments

Capital commitments as at end of the current quarter and financial year-to-date are as follows:

	30 June 2008 RM'000
Approved and contracted for:	
- Construction of vessels and acquisition of chemical/oil carriers	192,836
Approved and not contracted for:	
- Purchase of lands	<u>20,654</u>
	<u>213,490</u>

A9. Material events subsequent to the end of period reported

On 30 June 2008, SIB's prospectus was launched.

On 3 July 2008, SSSB acquired a piece of land containing an area of approximately 12.378 hectares described as Lot 372, Block 1, Kuala Baram Land District for a purchase consideration of RM11.6 million.

On 9 July 2008, Bursa Malaysia approved SIB's application for listing on the Main Board of Bursa Securities.

On 15 July 2008, SSB acquired a piece of land containing an area of approximately 1.9441 hectares described as Lot 482, Block 4, MCLD, Miri for a purchase consideration of RM9 million.

On 29 July 2008, SIB was listed on the Main Board of Bursa Securities.



SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2008

A10. Changes in composition of the group

There were no changes in the composition of the Group in the interim financial period save for the acquisitions CMSB, ESWSB, ESB, ESSB, GSB, MCSB, NSSB, SBSB, SESSB, SGPL, SMGSB, SMSB, SPSB, SRSB, SSB and SSSB including 4 sub-subsidiaries namely ASSB, BMISB, BVSB and SLSSB pursuant to the listing exercise.

- 1 The acquisition of the entire issued and paid-up share capital of CMSB comprising 500,000 ordinary shares of RM1.00 each in CMSB for a purchase consideration of RM3,170,000, which was wholly satisfied by cash. The acquisition of CMSB was completed on 22 May 2008.
- 2 The acquisition of the entire issued and paid-up share capital of ESB comprising 500,000 ordinary shares of RM1.00 each in ESB for a purchase consideration of RM4,885,000, which was wholly satisfied by the issuance of 9,770,000 new SIB Shares, credited as fully paid-up at an issue price of RM0.50 per Share. The acquisition of ESB was completed on 28 May 2008.
- 3 The acquisition of the entire issued and paid-up share capital of ESSB comprising 1,000,000 ordinary shares of RM1.00 each in ESSB for a purchase consideration of RM885,000, which was wholly satisfied by the issuance of 1,770,000 new SIB Shares, credited as fully paid-up at an issue price of RM0.50 per Share. The acquisition of ESSB was completed on 28 May 2008.
- 4 The acquisition of the entire issued and paid-up share capital of ESWSB comprising 500,000 ordinary shares of RM1.00 each in ESWSB for a purchase consideration of RM6,217,000, which was wholly satisfied by cash. The acquisition of ESWSB was completed on 22 May 2008.
- 5 The acquisition of the entire issued and paid-up share capital of GSB comprising 1,000,000 ordinary shares of RM1.00 each in GSB for a purchase consideration of RM4,960,000, which was wholly satisfied by the issuance of 9,920,000 new SIB Shares, credited as fully paid-up at an issue price of RM0.50 per Share. The acquisition of GSB was completed on 28 May 2008.
- 6 The acquisition of the entire issued and paid-up share capital of MCSB comprising 500,000 ordinary shares of RM1.00 each in MCSB for a purchase consideration of RM4,860,000, which was wholly satisfied by the issuance of 9,720,000 new SIB Shares, credited as fully paid-up at an issue price of RM0.50 per Share. The acquisition of MCSB was completed on 28 May 2008.
- 7 The acquisition of the entire issued and paid-up share capital of NSSB comprising 2 ordinary shares of RM1.00 each in NSSB for a purchase consideration of RM7,250,000, which was wholly satisfied by the issuance of 14,500,000 new SIB Shares, credited as fully paid-up at an issue price of RM0.50 per Share. The acquisition of NSSB was completed on 28 May 2008.
- 8 The acquisition of the entire issued and paid-up share capital of SBSB comprising 500,000 ordinary shares of RM1.00 each in SBSB for a purchase consideration of RM34,600,000, which was wholly satisfied by the issuance of 69,200,000 new SIB Shares, credited as fully paid-up at an issue price of RM0.50 per Share. The acquisition of SBSB was completed on 28 May 2008.
- 9 The acquisition of the entire issued and paid-up share capital of SESSB comprising 1,500,000 ordinary shares of RM1.00 each in SESSB for a purchase consideration of RM10,930,000 which was wholly satisfied by the issuance of 21,860,000 new SIB Shares, credited as fully paid-up at an issue price of RM0.50 per Share. The acquisition of SESSB was completed on 28 May 2008.



SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2008

- 10 The acquisition of the entire issued and paid-up share capital of SGPL comprising 500,000 ordinary shares of SGD1.00 each in SGPL for a purchase consideration of RM40,740,000, which was wholly satisfied by the issuance of 81,479,997 new SIB Shares, credited as fully paid-up at an issue price of approximately RM0.50 per Share. The acquisition of SGPL was completed on 28 May 2008.
- 11 The acquisition of the entire issued and paid-up share capital of SMGSB comprising 500,000 ordinary shares of RM1.00 each in SMGSB for a purchase consideration of RM2,815,000, which was wholly satisfied by the issuance of 5,630,000 new SIB Shares, credited as fully paid-up at an issue price of RM0.50 per Share. The acquisition of SMGSB was completed on 28 May 2008.
- 12 The acquisition of the entire issued and paid-up share capital of SMSB comprising 500,000 ordinary shares of RM1.00 each in SMSB for a purchase consideration of RM10,665,000, which was wholly satisfied by the issuance of 21,330,000 new SIB Shares, credited as fully paid-up at an issue price of RM0.50 per Share. The acquisition of SMSB was completed on 28 May 2008.
- 13 The acquisition of the entire issued and paid-up share capital of SPSB comprising 500,000 ordinary shares of RM1.00 each in SPSB for a purchase consideration of RM15,638,000, which was wholly satisfied by the issuance of 31,276,000 new SIB Shares, credited as fully paid-up at an issue price of RM0.50 per Share. The acquisition of SPSB was completed on 28 May 2008.
- 14 The acquisition of the entire issued and paid-up share capital of SRSB comprising 500,000 ordinary shares of RM1.00 each in SRSB for a purchase consideration of RM8,906,000, which was wholly satisfied by cash. The acquisition of SRSB was completed on 22 May 2008.
- 15 The acquisition of the entire issued and paid-up share capital of SSB comprising 1,500,000 ordinary shares of RM1.00 each in SSB for a purchase consideration of RM28,280,000, which was wholly satisfied by the issuance of 56,560,000 new SIB Shares, credited as fully paid-up at an issue price of RM0.50 per Share. The acquisition of SSB was completed on 28 May 2008.
- 16 The acquisition of the entire issued and paid-up share capital of SSSB comprising 1,500,000 ordinary shares of RM1.00 each in SSSB for a purchase consideration of RM26,807,000, which was wholly satisfied by the issuance of 53,614,000 new SIB Shares, credited as fully paid-up at an issue price of RM0.50 per Share. The acquisition of SSSB was completed on 28 May 2008.



SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2008

A11. Contingent Liabilities and Contingent Assets

Save as disclosed in Note B11 , there were no contingent liabilities or contingent assets that has arisen since the last annual balance sheet date.

A12. Significant related party transactions

The company had the following transactions with related parties during the interim:

	Transaction value for 6 months ended 30 June 2008 RM'000	Balance outstanding as at 30 June 2008 RM'000
Purchases of raw materials from a company in which a director of the Company has substantial interests	9,219	25,364
Professional fees paid to a firm in which a director of the Company has substantial interests	55	8
	<u>9,274</u>	<u>25,372</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.

Purchases of raw materials from the company in which a director of the Company has substantial interests ceased from 25 February 2008.



SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2008

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

B1. Review of performance of the Company and its principal subsidiaries

For the financial year-to-date, the Group recorded a pre-tax profit of RM40.58 million. The pre-tax profit included an excess of fair value over the considerations of RM8.72 million on the acquisition of SGPL and the minority interests in SSSB, GSB and MCSB.

In the opinion of the directors, the result for the current quarter and financial year-to-date have not been affected by any transactions or events of a material nature which has arisen between 30 June 2008 and the date of this report.

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

Not applicable as this is the first quarter in which the consolidated results of the Group is prepared.

B3. Prospects for the current financial year

Barring any unforeseen circumstances, the Board remains positive with the Group's prospects and, in the opinion of the Board, the Group is likely to achieve its profit forecast as disclosed in the Prospectus dated 30 June 2008.

B4. Variance between actual profit from forecast profit

Save for profit forecast of RM50 million included in the Company's Prospectus dated 30 June 2008, the Group did not issue any profit forecast or profit guarantee in any public document for the current financial quarter. Disclosure on explanatory notes for the variance between actual and forecast results would be provided in the final quarter announcement for the current financial year ending 31 December 2008.

B5. Taxation

Current tax:

	Current year quarter RM'000	Current year to date RM'000
Malaysian income tax	1,654	3,134
Deferred income tax	790	1,497
Total	<u>2,444</u>	<u>4,631</u>

The effective tax rate of the Group for the current financial period is lower than the statutory tax rate of 26% mainly due to Pioneer Status and Reinvestment Allowance claimed by the shipyards.

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

The was no sale of unquoted investments or properties for the period under review.

B7. Quoted securities

There was no purchase or disposal of quoted securities for the current period under review.



SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2008

B8. Status of corporate proposal

In conjunction with the floatation exercise undertaken by the Company, the Company has, on 30 June 2008, issued a Prospectus in relation to the following :-

Public Issue of 113,370,000 new ordinary shares of RM0.50 each comprising:

1. 28,370,000 new ordinary shares of RM0.50 each available for application by the Malaysian public;
2. 44,500,000 new ordinary shares of RM0.50 each available for private placement to selected investors;
3. 20,500,000 new ordinary shares of RM0.50 each available for placement to Bumiputera investors approved by the Ministry of International Trade and Industry; and
4. 20,000,000 new ordinary shares of RM0.50 each available for application by our eligible directors, employees and business

The Company was listed on the Main Board of Bursa Securities on 29 July 2008.

B9. Group borrowings and debt securities

Total Group's borrowings as at 30 June 2008 were as follows:

1. Total Borrowings	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term borrowings	125,251	79,448	204,699
Long term borrowings	58,011		58,011
	<u>183,262</u>	<u>79,448</u>	<u>262,710</u>
2. Borrowings denominated in US Dollars	Secured	Unsecured	Total
	USD'000	USD'000	UD'000
Short term borrowings	1,170	-	1,170
Long term borrowings	2,300	-	2,300
	<u>3,470</u>	<u>-</u>	<u>3,470</u>

B10. Off balance sheet financial instruments

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



SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2008

B11. Material litigation

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

- (a) SSB purchased two tugs (which was named Sealink Maju 4 and Sealink Maju 5) (the "Vessels") from Zhejiang Tianlong Import & Export Co Ltd ("ZTIECL"). The Vessels were provisionally registered in the name of ESSB. The Vessels were wrongly attached by an Order of Court issued by Shaoxing Intermediate Court on the application of a Shaoxing Tianlong Import & Export Co Ltd ("STIECL") on 25 Jan 2006 who alleged, inter alia, the Vessels belonged to ZTIECL. The case has moved to Ningbo Maritime Court. SSB also filed a claim against STIECL for loss of use of the Vessels due to the latter's wrongful attachment of the Vessels. The Ningbo Maritime Court held on 25 July 2006 that the Vessels were in fact owned by SSB by virtue of the sale of the Vessels by ZTIECL and that STIECL shall release the Vessels. Ningbo Maritime Court further awarded USD1,000 per day damage in favour of SSB for the period that the Vessels were wrongly attached. STIECL appealed to the Zhejiang Provincial High Court. The Zhejiang Provincial High Court held on 25 April 2007 that SSB is the owner of the Vessel and the Vessels shall be released to SSB. However, Zhejiang Provincial High Court did not award any damage to SSB for wrongful detention. Being unsatisfied with the decision of the Zhejiang Provincial High Court, SSB applied to the Supreme Court of the People's Republic of China for a review of the former's decision. There has been no application for review on the part of the STIECL on the decision that the Vessels are owned by SSB;

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

- (b) Godrimaju Sdn Bhd (GSB) vs Consolidated Pipe Carriers Pte Ltd (CPC)

GSB as the owners of "Sealink Pacific 101" ("the Vessel") entered into a Bareboat Charterparty dated 14 March 2005 with Consolidated Pipe Carriers Pte. Ltd of Singapore ("CPC") as charterers in respect of the Vessel.

CPC has provided GSB with a Bank Guarantee for the sum of USD150,000 and paid the outstanding chartering fee due under the Bareboat Charterparty as the expiry of the Bareboat charterparty on 27 March 2008. CPC has not paid chartering fee for CPC's extended use of the Vessel after 27 March 2008, which GSB asserts has been agreed between parties at the rate of SGD2,400 per day or part thereof up to 11 May 2008. CPC has alleged that CPC is entitled to set off the chartering fee as CPC carried out various repairs to the Vessel which amount to USD355,151. GSB has been advised that such a set off is without legal basis, for reason given below: -

Under Clause 13 of the Bareboat Charterparty, CPC is obliged to, subject to the approval of the Owners or Owners underwriters, effect all insured repairs, undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances taken out by GSB. Clause 13 further provides that CPC is to be secured reimbursement through the underwriters of the Vessel for such expenditures upon presentation of accounts. Accordingly, CPC claims that it will only pay the outstanding chartering fee once CPC has been reimbursed for the costs of the repairs by the underwriters of the Vessel.

However, that there is no provision in the Bareboat Charterparty which entitles CPC to deduct or set off from chartering the amount that it has incurred for repairs carried out to the Vessel.

The action in the High Court of Singapore was earlier stayed in favour of arbitration and has now been discontinued. Both GSB and CPC are still in discussions as to how best to resolve this claim.



SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2008

B12. Dividends

No interim dividend is proposed or declared for the current quarter and financial period to-date.

B13. Earnings per Share

The calculation of Basic Earnings per Share for the current quarter and financial year-to-date are based on the Group profit attributable to the equity holders of the parent of RM21.58 million and RM30.16 million for the current quarter and the financial year-to-date divided by 144.46 million shares and 70.67 million shares respectively, being the weighted average no of ordinary shares in issue for the current quarter and financial year-to-date.

The computation of Diluted Earnings per Share is the same as Basic Earnings per Share as there were no potential shares to be issued as at the end of the reporting period, other than the 113,370,000 new ordinary shares issued as part of the listing exercise.

Weighted average no. of ordinary shares in issue for the current quarter:

	Date of Issue	Valid Starting Date	Reporting Date	No of Shares Issued	No of Valid Days	Total no of Days up to Reporting date	Weighted Average no of Ordinary Shares
No. of shares at beginning of the	28-Dec-07	1-Apr-08	30-Jun-08	3	91	91	3
Issue of shares pursuant to acquisitions of subsidiary	28-May-08	28-May-08	30-Jun-08	386,629,997	34	91	144,455,164
				<u>386,630,000</u>			<u>144,455,167</u>

Weighted average no. of ordinary shares in issue for the financial year to-date:

	Date of Issue	Valid Starting Date	Reporting Date	No of Shares Issued	No of Valid Days	Total no of Days up to Reporting date	Weighted Average no of Ordinary Shares
No. of shares at beginning of the	28-Dec-07	28-Dec-07	30-Jun-08	3	186	186	3
Issue of shares pursuant to acquisitions of subsidiary	28-May-08	28-May-08	30-Jun-08	386,629,997	34	186	70,674,301
				<u>386,630,000</u>			<u>70,674,304</u>



SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2008

B14 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 Aug 2008.



SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

DEFINITIONS

Acquisitions	: The Acquisition of CMSB, ESWSB, ESB, ESSB, GSB, MCSB, NSSB, SBSB, SESSB, SGPL, SMGSB, SMSB, SPSB, SRSB, SSB and SSSB collectively
ASSB	: Aliran Saksama Sdn Bhd (Company No. 473205-H)
BMISB	: Baram Moulding Industries Sdn Bhd (Company No. 200873-D)
BVSB	: Bristol View Sdn Bhd (Company No. 253385-T)
CMSB	: Cergas Majusama Sdn Bhd (Company No. 635714-U)
CPC	: Consolidated Pipe Carriers Pte Ltd
ESB	: Euroedge Sdn Bhd (Company No. 571944-T)
ESSB	: Era Surplus Sdn Bhd (Company No. 648806-D)
ESWSB	: Era Sureway Sdn Bhd (Company No. 687555-V)
GSB	: Godrimaju Sdn Bhd (Company No. 535404-U)
MCSB	: Midas Choice Sdn Bhd (Company No. 646673-H)
NSSB	: Navitex Shipping Sdn Bhd (Company No. 620404-K)
SBSB	: Seabright Sdn Bhd (Company No. 30204-K)
SESSB	: Sealink Engineering and Slipway Sdn Bhd (Company No. 653820-H)
SGPL	: Sea-good Pte Ltd (Company No. 199707263C)
SHSB	: Sealink Holdings Sdn Bhd (Company No. 164959-P)
SIB or Company	: Sealink International Berhad (Company No. 800981-X)
SIB Group or Group	: SIB and its subsidiaries
SLSSB	: Sea Legend Shipping Sdn Bhd (Company No. 703278-W)
SMGSB	: Sealink Management Sdn Bhd (Company No. 250551-H)
SMSB	: Sealink Marine Sdn Bhd (Company No. 226309-A)
SPSB	: Sealink Pacific Sdn Bhd (Company No. 191968-H)
SRSB	: Sutherland Resources Sdn Bhd (Company No. 467227-T)
SSB	: Sealink Sdn Bhd (Company No. 20471-D)
SSSB	: Sealink Shipyard Sdn Bhd (Company No. 195853-D)