



**SEALINK INTERNATIONAL BERHAD**  
(Company No: 800981-X)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2008**

	INDIVIDUAL		CUMULATIVE	
	CURRENT YEAR QUARTER 31 DEC 2008 <b>RM'000</b>	PRECEDING YEAR CORRESPONDING QUARTER 31 DEC 2007 <b>RM'000</b>	CURRENT YEAR TO DATE 31 DEC 2008 <b>RM'000</b>	PRECEDING YEAR TO DATE 31 DEC 2007 <b>RM'000</b>
Revenue	42,272	N/A	239,836	N/A
Cost of sales	(23,530)	N/A	(143,924)	N/A
Gross profit	<u>18,742</u>	<u>N/A</u>	<u>95,912</u>	<u>N/A</u>
Other operating income	1,302	N/A	2,641	N/A
Other operating expenses	(481)	N/A	(612)	N/A
Administrative expenses	(5,505)	N/A	(19,411)	N/A
Finance costs	(3,684)	N/A	(13,481)	N/A
Profit before tax	<u>10,374</u>	<u>N/A</u>	<u>65,049</u>	<u>N/A</u>
Excess of fair value of assets & liabilities over their purchase consideration	-	N/A	8,718	N/A
Profit before tax	<u>10,374</u>	<u>N/A</u>	<u>73,767</u>	<u>N/A</u>
Income tax expense	(2,400)	N/A	(9,820)	N/A
Profit for the period	<u><u>7,974</u></u>	<u><u>N/A</u></u>	<u><u>63,947</u></u>	<u><u>N/A</u></u>
Attributable to:				
Equity holders of the Company	7,974	N/A	58,158	N/A
Minority interest	-	N/A	5,789	N/A
	<u><u>7,974</u></u>	<u><u>N/A</u></u>	<u><u>63,947</u></u>	<u><u>N/A</u></u>
Weighted average number of shares in issue ('000)	500,000	N/A	278,609	N/A
Earnings per share (sen)				
- Basic	1.59	N/A	20.87	N/A
- Diluted	1.59	N/A	20.87	N/A

(i) 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.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

	AS AT END OF CURRENT QUARTER 31 DEC 2008 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31 DEC 2007 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	304,113	N/A
Prepaid land lease payments	53,281	N/A
	<u>357,394</u>	<u>N/A</u>
<b>CURRENT ASSETS</b>		
Inventories	338,479	N/A
Trade receivables	74,907	N/A
Other receivables	71,737	N/A
Tax recoverable	101	N/A
Cash and bank balances	39,662	N/A
<b>TOTAL CURRENT ASSETS</b>	<u>524,886</u>	<u>N/A</u>
<b>TOTAL ASSETS</b>	<u>882,280</u>	<u>N/A</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share Capital	250,000	N/A
Share Premium	79,087	N/A
Retained earnings	65,691	N/A
Other reserves	545	N/A
	<u>395,323</u>	<u>N/A</u>
Minority interest	-	N/A
<b>TOTAL EQUITY</b>	<u>395,323</u>	<u>N/A</u>
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	64,742	N/A
Deferred tax liabilities	44,275	N/A
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>109,017</u>	<u>N/A</u>
<b>CURRENT LIABILITIES</b>		
Short term borrowings	205,126	N/A
Trade payables	71,185	N/A
Other payables	96,007	N/A
Provision for taxation	5,622	N/A
<b>TOTAL CURRENT LIABILITIES</b>	<u>377,940</u>	<u>N/A</u>
<b>TOTAL LIABILITIES</b>	<u>486,957</u>	<u>N/A</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>882,280</u>	<u>N/A</u>
Net asset per share (sen)	<b>79.06</b>	<b>N/A per share</b>

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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 DECEMBER 2008

	Attributable to equity holders of the parent				Minority Interest	Total Equity
	Share Capital	Share Premium	Other Reserves	Accumulated Profits		
	RM'000	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			7,533	200,848	(5,789)
Public Issue	56,685	85,028			141,713	5,789
Expenses related to flotation exercise		(5,941)			(5,941)	(5,941)
Profit for the period				58,158	58,158	
Foreign exchange differences recognised directly in equity		-	545		545	
<b>Balance as at 31 Dec 2008</b>	<b>250,000</b>	<b>79,087</b>	<b>545</b>	<b>65,691</b>	<b>395,323</b>	<b>-</b>

\*\*\* denotes RM1.50

# The Group 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 31 December 2008 comprised 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.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2008

	CURRENT YEAR TO DATE 31 DEC 2008 RM'000	PRECEDING YEAR TO DATE 31 DEC 2007 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	73,767	N/A
Adjustments:-		
Non-cash items	10,968	N/A
Non-operating items (net of income)	12,965	N/A
Operating profit before changes in working capital	97,700	N/A
<u>Changes in working capital</u>		
Net change in current assets	(235,301)	N/A
Net change in current liabilities	97,743	N/A
Total changes in working capital	(137,558)	-
<b>Net cash used in operations</b>	<b>(39,858)</b>	N/A
Interest paid	(13,481)	N/A
Income tax paid	(2,435)	N/A
Income tax refund	20	N/A
Net cash from / (used in) operating activities	(55,754)	N/A
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of subsidiaries	(15,607)	N/A
Purchase of property, plant and equipment	(92,464)	N/A
Proceeds from disposal of investment in subsidiary	713	N/A
Proceeds from disposal of property, plant and equipment	1,043	N/A
Interest received	516	N/A
Net cash from / (used in) investing activities	(105,799)	N/A
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net movements in trade financing	19,406	N/A
Proceeds from hire purchase	2,575	N/A
Proceeds from term loans	42,654	N/A
Net proceeds from issuance of shares	135,771	N/A
Repayments of term loans	(15,457)	N/A
Net cash from / (used in) financing activities	184,949	N/A
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>23,396</b>	N/A
<b>Cash and cash equivalents at beginning of financial year</b>	<b>(9,858)</b>	N/A
<b>Cash and cash equivalents at the end of financial period</b>	<b>13,538</b>	N/A
<u>Cash and cash equivalents at the end of the period comprised the following:</u>		
Cash and bank balances	39,662	N/A
Bank overdraft	(26,124)	N/A
	13,538	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.

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

**A1. Basis of reporting preparation**

The unaudited interim financial statements have been prepared in accordance with the Financial Reporting Standards 134 (FRS134) : "Interim Financial Reporting" and Appendix 9B part A of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). This is the third interim financial report on the consolidated results for the fourth quarter ended 31 December 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 Malaysian Accounting Standards Board ("MASB").

The interim financial report should be read in conjunction with the proforma 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 financial report and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with Financial Reporting Standards ("FRS").

**A2. Summary of significant accounting policies**

Significant accounting policies adopted are consistent with 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 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

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

**A3. Auditors' report**

The Company was incorporated on 28 December 2007. There was 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 vessels are closely associated with the cyclical fluctuations of the oil and gas industry.

**A5. Items of unusual nature and amount**

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

**A6. Material changes in estimates**

There were no changes in the estimates of amounts reported in the prior interim period of the current financial year that have a material effect in the current quarter and financial period to date.

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

The Public Issue of 113,370,000 new ordinary share of RM0.50 each in SIB at an issue/offer price of RM1.25 per ordinary share was completed on 29 July 2008.

Save for the above, 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 and financial period to date.

INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER ENDED 31 DECEMBER 2008

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

A8. Segmental information

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

	Current Quarter 31 December 2008 <b>RM'000</b>	Current period to date 31 December 2008 <b>RM'000</b>
<b>Revenue</b>		
Shipbuilding	20,759	167,414
Chartering	21,513	72,422
	<u>42,272</u>	<u>239,836</u>
<b>Profit from operations</b>		
Shipbuilding	5,994	53,097
Chartering	12,748	42,815
	<u>18,742</u>	<u>95,912</u>
Other operating income	1,302	2,641
Other operating expense	(481)	(612)
Administration costs	(5,505)	(19,411)
Finance costs	(3,684)	(13,481)
<b>Profit before tax and (**)</b>	<u>10,374</u>	<u>65,049</u>
** Excess of fair value of assets & liabilities over their purchase consideration	-	8,718
<b>Profit before tax</b>	<u>10,374</u>	<u>73,767</u>

A9. Valuation of property, plant and equipment

The property, plant and equipment of the subsidiaries have been brought forward without any amendments from the previous annual financial statement save for the vessels and buildings which have been revalued in order to reflect the fair value of these properties in the consolidated financial statements at the time of acquisition of subsidiaries.

A10. Capital commitments

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

	31 December 2008 <b>RM'000</b>
<b><u>Approved and not contracted for:</u></b>	
- Construction and acquisition of vessels	120,000

A11. Material events subsequent to the end of period reported

Sealink Marine Sdn Bhd ("SMSB"), a wholly owned subsidiary of SIB has signed and concluded the disposal of an offshore marine support vessel to an unrelated overseas buyer on 5 January 2009 for a cash consideration of approximately RM30 million.

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

**A12. Changes in composition of the group**

There were no changes in the composition of the Group during the current quarter and financial period to date save for the acquisitions of 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.
- 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.



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

**A12. Changes in composition of the group**

- 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.

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

**A13. Contingent Liabilities and Contingent Assets**

As at 31 December 2008, our contingent liabilities, comprising bank and performance guarantees for contracts entered into with customers, stood at approximately RM38.7 million.

**A14. Significant related party transactions**

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

	Transaction value for 12 months ended 31 December 2008 <b>RM'000</b>	Balance outstanding as at 31 December 2008 <b>RM'000</b>
<b>(i) Transactions with a company in which a key management personnel of the Company has substantial interest :</b>		
Tenyo Enterprise Sdn Bhd - Purchase of materials	399	-
<b>(ii) Transactions with a person connected with certain directors of the Company :</b>		
Kejuruteraan Gemilang Jaya Sdn Bhd - Contract works for sandblasting and painting	1,389	53
<b>(iii) Transactions with companies in which certain directors of the Company have substantial interest :</b>		
Ming Kiong Agencies (Singapore) Pte Ltd - Purchase of materials	9,064	9,064
- Rental of office at Far East shopping centre, Singapore	135	135
Manmohan's (Labuan) Sdn Bhd - Rental of office at Lot 20, Labuan	12	-
Syarikat Guan Teck Enterprise (Sarawak) Sdn Bhd - Lease of office at Lot 1035, Piasau	120	-
Syarikat Lambir Timber Sdn Bhd - Chartering of vessel	61	61
Khoo & Co., Advocates and Solicitors - Provision of legal services	148	43
Rajah & Tann - Provision of legal services	196	128
	<u>11,524</u>	<u>9,484</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 certain directors of the Company has substantial interests ceased from 25 February 2008.

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

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

The Group achieved revenue of RM42.3 million and profit before tax of RM10.4 million for the current quarter. This represents a reduction of RM41 million or 49% in revenue as compared to the immediate preceding quarter. As a result of the revenue contraction, the profit before tax of RM22.8 million achieved in the previous quarter was reduced by RM12.4 million to RM10.4 million.

For the financial period to date, the Group recorded a post-acquisition pre-tax profit of RM73.8 million. The pre-tax profit included an excess of fair value over the purchase 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 period to date have not been affected by any transactions or events of a material nature which has arisen between 31 December 2008 and the date of this report.

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

	Current quarter ended 31 Dec 2008	Preceding quarter ended 30 Sep 2008	Variance	%
	RM'000	RM'000	RM'000	
Revenue	42,272	83,311	(41,039)	-49%
Profit before tax	10,374	22,814	(12,440)	-55%

The drop in revenue and profit before tax was attributed to lower income from shipbuilding. Shipbuilding income is further reduced as vessel(s) sold to companies within the Group were eliminated in the Group financial statements.

**B3. Commentary on prospects**

Despite the global downturn which takes a heavy toll on certain sectors of the shipping industry, the Board of SIB remains cautiously positive with the offshore support business.

The Board of SIB is confident that despite the challenging environment, the Group as an integrated service provider can weather the operating environment through strategies in improving efficiency in fleet utilisation and production management.

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

**B4. Variance between actual profit from forecast profit**

The Group achieved revenue and profit after tax forecast as disclosed in the Prospectus dated 30 June 2008. The variance between the actual (unaudited) and the forecast results for the current financial year ended 31 December 2008 are as follows:

	Financial year ended 2008			
	Current (Unaudited) RM'000	Forecast RM'000	Variance RM'000	%
Revenue	239,836	213,142	26,694	13%
Profit before tax	73,767	58,446	15,321	26%
Tax expense	<u>(9,820)</u>	<u>(8,446)</u>	<u>(1,374)</u>	16%
Profit after tax	63,947	50,000	13,947	28%

The favourable variance of RM13.9 million in profit after tax was mainly attributed to higher revenue from shipbuilding and recognition of an excess of fair value over the purchase considerations of RM8.72 million from the acquisition of SGPL and the minority interests in SSSB, GSB and MCSB as disclosed in Note A5.

**B5. Taxation**

Current tax expense:

	Current quarter RM'000	Current period to date RM'000
Malaysian income tax	664	5,345
Deferred income tax	<u>1,736</u>	<u>4,475</u>
Total tax expense	<u>2,400</u>	<u>9,820</u>

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

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

**B7. Quoted securities**

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

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

**B8. Status of corporate proposal**

In conjunction with the flotation 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 in the Company at an issue/offer price of RM1.25 per ordinary share payable in full upon application 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 associates.

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

**Status of utilisation of proceeds**

As at the end of the current quarter and financial period to date, the status of utilisation of proceeds as compared to the actual utilisation is as follows:

	<b>Time frame for utilisation upon listing</b>	<b>Proposed utilisation as per prospectus RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Surplus / (Deficit) RM'000</b>	<b>Remarks</b>
(i) Repayment of bank borrowings	within 6 months	50,000	25,513	24,487	available for use
(ii) Part finance the construction of marine vessels and upgrade of shipyards	within 24 months	60,000	48,654	11,346	available for use
(iii) Working capital	within 24 months	26,713	61,605	(34,892)	See ### below
(iv) Estimated listing expenses	Immediate	5,000	5,941	(941)	See ### below
<b>Total proceeds</b>		<b>141,713</b>	<b>141,713</b>	<b>0</b>	

### The excess of actual utilisation over proposed utilisation will be deducted from the funds available for use in (i) and (ii).

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

B9. Group borrowings and debt securities

Total Group's borrowings as at 31 December 2008 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
1. <b>Total Borrowings</b>			
Short term borrowings	130,206	74,920	205,126
Long term borrowings	64,742	-	64,742
	<u>194,948</u>	<u>74,920</u>	<u>269,868</u>
	Secured USD'000	Unsecured USD'000	Total USD'000
2. <b>Borrowings denominated in US Dollars</b>			
Short term borrowings	2,570	-	2,570
Long term borrowings	5,198	-	5,198
	<u>7,768</u>	<u>-</u>	<u>7,768</u>

B10. Off balance sheet financial instruments

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

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

**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 ZTIECL for loss of use of the Vessels due to the latter's wrongful attachment of the Vessels. The Ningbo Maritime Court held on 25 July 2006 that the Vessels were in fact owned by SSB by virtue of the sale of the Vessels by ZTIECL and that ZTIECL shall release the Vessels. Ningbo Maritime Court further awarded USD1,000 per day damage in favour of SSB for the period that the Vessels were wrongly attached. ZTIECL appealed to the Zhejiang Provincial High Court. The Zhejiang Provincial High Court held on 25 April 2007 that SSB is the owner of the Vessel and the Vessels shall be released to SSB. However, Zhejiang Provincial High Court did not award any damage to SSB for wrongful detention. Being unsatisfied with the decision of the Zhejiang Provincial High Court, SSB applied to the Supreme Court of the People's Republic of China for a review of the former's decision. Sometime in late 2008. ZTIECL also applied for review on the decision that the Vessels are owned by SSB.

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

Zhejiang Provincial High Court had a hearing on the '2nd Action' on 30 October 2008. SSB and ESSB were requested by the Court to provide further evidence. As at the date of this report, the date of the next hearing has not been fixed yet.

- (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. GSB called on the Bank Guarantee on 15 September 2008 and both parties have agreed on the final settlement sum of SGD12,900.

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

**B12. Earnings per Share**

The calculation of basic earnings per share of 1.59 sen for the current quarter and 20.87 sen for the financial period to date are based on the Group profit attributable to the equity holders of the parent of RM8 million and RM58.2 million for the current quarter and the financial period to date divided by 500 million shares and 278.6 million shares respectively, being the weighted average number of ordinary shares in issue for the current quarter and financial period 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.



**SEALINK INTERNATIONAL BERHAD**  
**(Company No: 800981-X)**

**DEFINITIONS**

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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)