

**SEALINK INTERNATIONAL BERHAD (800981-X)**

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2021

	Individual 3 months ended		Cumulative 12 months ended	
	31 Dec 2021 RM'000 (Unaudited)	31 Dec 2020 RM'000 (Unaudited)	31 Dec 2021 RM'000 (Unaudited)	31 Dec 2020 RM'000 (Audited)
Revenue	9,052	6,164	37,800	49,923
Cost of sales	<u>(14,754)</u>	<u>(13,436)</u>	<u>(58,670)</u>	<u>(70,004)</u>
Gross loss	(5,702)	(7,272)	(20,870)	(20,081)
Other operating income	748	447	6,491	9,924
Other operating expenses	(34,483)	(3,372)	(34,681)	(8,494)
Administrative expenses	<u>(5,119)</u>	<u>(5,479)</u>	<u>(16,837)</u>	<u>(20,982)</u>
Operating loss	(44,556)	(15,676)	(65,897)	(39,633)
Finance income	143	187	617	701
Finance expenses	(1,176)	(1,491)	(4,991)	(5,642)
Share of result of an associate	-	(92)	-	(775)
Share of result of jointly controlled entities	<u>106</u>	<u>(373)</u>	<u>354</u>	<u>1,105</u>
Loss before tax	(45,483)	(17,445)	(69,917)	(44,244)
Income tax expense	4,979	1,202	4,109	3,424
Loss for the period, net of tax	<u>(40,504)</u>	<u>(16,243)</u>	<u>(65,808)</u>	<u>(40,820)</u>
Loss attributable to:				
Owners of the Parent	<u>(40,504)</u>	<u>(16,243)</u>	<u>(65,808)</u>	<u>(40,820)</u>
	<u>(40,504)</u>	<u>(16,243)</u>	<u>(65,808)</u>	<u>(40,820)</u>
Earnings per share (sen)				
- Basic EPS	(8.10)	(3.25)	(13.16)	(8.16)
- Diluted EPS	(8.10)	(3.25)	(13.16)	(8.16)

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2021

(CONTINUED)

	Individual 3 months ended		Cumulative 12 months ended	
	31 Dec 2021 RM'000 (Unaudited)	31 Dec 2020 RM'000 (Unaudited)	31 Dec 2021 RM'000 (Unaudited)	31 Dec 2020 RM'000 (Audited)
Loss for the period, net of tax	(40,504)	(16,243)	(65,808)	(40,820)
Other Comprehensive Income :				
Exchange differences on translation of foreign operations	(531)	(4,165)	4,641	(1,831)
Total Comprehensive Loss for the period, net of tax	<u>(41,035)</u>	<u>(20,408)</u>	<u>(61,167)</u>	<u>(42,651)</u>
Total comprehensive loss attributable to:				
Owners of the Company	<u>(41,035)</u>	<u>(20,408)</u>	<u>(61,167)</u>	<u>(42,651)</u>
	<u>(41,035)</u>	<u>(20,408)</u>	<u>(61,167)</u>	<u>(42,651)</u>

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITIONFOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2021

	As at 31 Dec 2021 RM'000 (Unaudited)	As at 31 Dec 2020 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	330,010	374,123
Investment in a joint venture	1,874	1,521
Amount due from a joint venture	5,430	7,404
	337,314	383,048
Inventories	5,657	11,137
Asset held for sale	577	577
Trade and other receivables	11,972	36,254
Income tax refundable	625	868
Cash and cash equivalents	3,743	5,305
	22,574	54,141
Total Assets	359,888	437,189
EQUITY AND LIABILITIES		
Current Liabilities		
Loans and borrowings	56,129	69,298
Trade and other payables	33,674	38,101
Provision for taxation	435	129
	90,238	107,528
Net current liabilities	(67,664)	(53,387)
Loans and borrowings	17,699	25,963
Deferred tax liabilities	11,503	16,148
Other payable	14,065	-
	43,267	42,111
Total Liabilities	133,505	149,639
Net assets	226,383	287,550
Equity attributable to owners of the Company		
Share Capital	329,087	329,087
Retained earnings	(160,137)	(94,329)
Other components of equity	57,433	52,792
Total Equity	226,383	287,550
Total Equity and Liabilities	359,888	437,189
Net asset per share (sen)	45.28	57.51

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITYFOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2021

<----- Attributable to Owners of the Parent ----->

	Share Capital RM'000	Distributable (Accumulated losses)/Retained earnings RM'000	Non-distributable Foreign currency translation reserve RM'000	Total Equity (Unaudited) RM'000
Opening balance at 1 January 2021	329,087	(94,329)	52,792	287,550
Loss for the year	-	(65,808)	-	(65,808)
Other comprehensive income	-	-	4,641	4,641
Total comprehensive loss for the period	-	(65,808)	4,641	(61,167)
Closing balance at 31 December 2021	329,087	(160,137)	57,433	226,383
Opening balance at 1 January 2020	329,087	(53,509)	54,622	330,200
Loss for the year	-	(40,820)	-	(40,820)
Other comprehensive income	-	-	(1,831)	(1,831)
Total comprehensive loss for the period	-	(40,820)	(1,831)	(42,650)
Closing balance at 31 December 2020	329,087	(94,329)	52,792	287,550

Note A

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2021**

	Year-to-date Ended	
	31 Dec 2021 RM'000 (Unaudited)	31 Dec 2020 RM'000 (Audited)
Cash Flows From Operating Activities		
Loss before tax	(69,917)	(44,244)
Adjustments for:		
Interest income	(617)	(701)
Interest expenses	4,991	5,642
Deposit written off	-	13
Depreciation of property, plant and equipment	39,628	37,874
Gain on disposal of property, plant and equipment	(3,480)	(1,677)
Gain on bargain purchase	-	(2,730)
Gain on termination of lease contract	-	(3)
Impairment loss on trade receivables	7,507	2,163
Impairment loss on other receivables	-	1,167
Impairment loss on property, plant and equipment	21,351	475
Inventories written off	-	43
Inventories written down	5,504	-
Property, plant and equipment written off	65	5
Reversal of impairment loss on trade receivables	(957)	(1,056)
Reversal of inventory written down	(337)	-
Share of result of an associate	-	775
Share of result of joint controlled entities	(353)	(1,105)
Unrealised loss/(gain) on foreign exchange	(213)	2,939
Loss on derecognised of a subsidiary	-	3,371
Loss on remeasurement of a joint venture	-	2,129
Total adjustments	<u>73,089</u>	<u>49,324</u>
Operating profit before working capital changes	3,172	5,080
Changes in working capital		
(Increase)/Decrease in inventories	558	2,129
(Increase)/Decrease in trade and other receivables	18,580	13,857
Increase/(Decrease) in trade and other payables	7,051	(8,272)
Total changes in working capital	<u>26,189</u>	<u>7,714</u>
Cash flows from operations	29,361	12,794
Interest paid	(4,991)	(5,642)
Interest received	617	701
Income tax refunded	(633)	-
Income tax paid	307	(1,142)
Net Cash Flows From Operating Activities	<u>24,661</u>	<u>6,711</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2021**

	Year-to-date Ended	
	31 Dec 2021	31 Dec 2020
	RM'000	RM'000
	(Unaudited)	(Audited)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(11,976)	(220)
Proceeds from disposal of property, plant and equipment	6,550	4,929
Acquisition of a subsidiary, net of acquired	-	44
Net cash outflows from derecognition of a subsidiary	-	(3,034)
Repayment from joint venture	-	1,125
Net Cash Flows Used in Investing Activities	(5,426)	2,844
Cash Flows From Financing Activities		
Net movement in short term deposits pledged	161	(139)
(Increase) / decrease in amount due from joint venture companies	1,974	-
Advances from a shareholder	-	4,000
Repayments of principal portion of lease liabilities	(280)	(182)
Repayment of loans and borrowings	(23,005)	(15,063)
Net Cash Flows Used In Financing Activities	(21,150)	(11,384)
Net (Decrease)/Increase in Cash and Cash Equivalents	(1,915)	(1,829)
Effect of changes in foreign exchange rates	5	(3)
Cash and Cash Equivalents at the beginning of financial year	(13,594)	(11,762)
Cash and Cash Equivalents at the end of financial period	(15,504)	(13,594)

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

Cash and bank balances	3,743	5,305
Bank overdraft	(17,988)	(17,471)
	(14,245)	(12,166)
Less: Fixed deposits pledged and cash at bank restricted in use	(1,259)	(1,428)
	(15,504)	(13,594)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021
TO-DATE ENDED 31 DECEMBER 2021

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

A1. Basis of Preparation

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

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by Malaysian Accounting Standards Boards ("MFRS"), the requirements of the Companies Act 2016 in Malaysia and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

A1.1 Changes in Accounting Policies

The accounting policies adopted in the preparation of the unaudited interim financial statements are consistent with those used in the preparation of the Group's audited financial statements for the financial year ended 31 December 2020, except for the following MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but not yet effective for the Group and for the Company:-

Amendment to MFRS effective 1 June 2020:-

- Amendments to MFRS 16 Covid-19-Related Rent Concessions

Amendment to MFRS effective 1 January 2021:-

- Amendments to MFRS 9, Financial Instruments
- MFRS 139 Financial Instruments: Recognition and Measurement
- MFRS 7 Financial Instruments: Disclosures
- MFRS 4, Insurance Contracts
- MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2

Amendment to MFRS effective 1 January 2022:-

- Amendments to MFRS 3, Reference to the Conceptual Framework
- Amendments to MFRS 116, Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137, Onerous Contracts - Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018-2020

MFRS and amendment to MFRS effective 1 January 2023:-

- Amendments to MFRS 4, Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9
- MFRS 17 and Amendments to MFRS 17, Insurance Contracts and Amendments to MFRS 17 Insurance Contract
- Amendments to MFRS 101, Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101, Presentation of Financial Statements: Disclosure of Accounting Policies
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

Amendments to MFRS (effective date deferred indefinitely):-

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

The Group and the Company intend to adopt the above standards and amended standards, if applicable, when they become effective. However, the initial application of the above standards and amendments are not expected to have any financial impact to the financial statements of the Group and of the Company.

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 2020 were not qualified.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021
TO-DATE ENDED 31 DECEMBER 2021

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

A3. Seasonal or cyclical factors

The Group's performance is affected by the marine industry. The demand for our vessels are closely associated with the cyclical fluctuations of the marine industry.

A4. Items of unusual nature and amount

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

A5. Material changes in estimates

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

A6. Issuances, cancellations, repurchase, resale and repayments of debt and equity securities

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter.

A7. Dividends Paid

No dividend was paid in the current quarter under review.

A8. Segmental information

The results and other information of the Group as at 31 December 2021 are as follows:

	Shipbuilding	Chartering	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External sales	727	37,073	-	-	37,800
Inter-segment sales	4,402	9,342	-	(13,745)	-
Total revenue	<u>5,129</u>	<u>46,415</u>	<u>-</u>	<u>(13,745)</u>	<u>37,800</u>
Segment loss (Note A)	<u>(9,342)</u>	<u>(64,356)</u>	<u>(16)</u>	<u>3,796</u>	<u>(69,917)</u>

Note A

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

Segment Loss	(73,714)
Loss from inter-segment sales	3,443
Share of result of an associate	-
Share of results of jointly controlled entities	354
Finance costs	5,037
Unallocated corporate expenses	<u>(5,037)</u>
Loss before tax	<u>(69,917)</u>

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021
TO-DATE ENDED 31 DECEMBER 2021

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

A8. Segmental information (continued)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total
Assets and liabilities					
Segment assets	87,357	411,486	186,588	(325,544)	359,888
Segment liabilities	63,459	267,419	110,022	(307,394)	133,505
Net assets	<u>23,899</u>	<u>144,067</u>	<u>76,566</u>	<u>(18,149)</u>	<u>226,383</u>
Other segmental information					
Depreciation	2,395	24,056	13,177	-	39,628

A9. Capital commitments

Capital commitments are as follows:

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

A10. Material events subsequent to the end of period reported

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

A11. Changes in composition of the Group

There were no changes in composition of the Group for the current quarter ended 31 December 2021.

A12. Contingent liabilities

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

	As at 31 Dec 2021 RM'000	As at 31 Dec 2020 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to a jointly controlled entity	<u>-</u>	<u>-</u>

A13. Related party transactions

Transactions between the Group and related parties are as follows:

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021
TO-DATE ENDED 31 DECEMBER 2021

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

	Transaction value for 3 months ended 31 Dec 2021 RM	Current Year-to-date 31 Dec 2021 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	28,194	112,773
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	36,000	144,000

A13. Related party transactions (Continued)

Transactions between the Group and related parties are as follows:

	Transaction value for 3 months ended 31 Dec 2021 RM	Current Year-to-date 31 Dec 2021 RM
(i) Transactions with companies in which certain Directors of the Company have substantial interest :		
Syarikat Lambir Timber Sdn Bhd - Chartering of vessels	52,500	246,000
Khoo & Co, Advocates and Solicitors - Provision of legal services	3,292	3,292
Rajah & Tann Singapore LLP - Provision of legal services	7,705	7,705
(ii) Transactions with Director :		
Yong Foh Choi - Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	1,200	4,800
	<u>131,891</u>	<u>530,570</u>

In the opinion of the directors, the above transactions have been entered into in the ordinary course of business and have been established under terms no less favorable than those transacted with unrelated parties.

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2021**

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

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

(a) Financial review for current quarter and financial year to date

	Individual Period		Cumulative Period	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
Revenue	9,052	6,164	37,800	49,923
Operating (loss)	(44,556)	(15,676)	(65,897)	(39,633)
(Loss) before tax	(45,483)	(17,445)	(69,917)	(44,244)
(Loss) after tax	(40,504)	(16,243)	(65,808)	(40,820)
Revenue				
- Shipbuilding Division	107	923	727	1,399
- Ship Charter Division	8,945	5,241	37,073	48,524
	9,052	6,164	37,800	49,923

OPERATING SEGMENTS REVIEW

4Q 2021 vs 4Q 2020

(i) Operating Revenue

- The Group recorded revenue of RM9 million during the current period-to-date, which was 46% higher than the revenue of RM6.2 million in the previous corresponding period-to-date.
- The higher operating loss before tax in the current period compared to the corresponding period ended 31 December 2020 was mainly due to the impairment of RM21 million on aged vessels, RM7.5 million on trade receivable and RM5 million on aged inventories in the current quarter.
- The group achieved lower loss before tax of RM36 million in the current financial year excluding the above mentioned impairments as compared to the corresponding financial year.

Chartering Division

- The higher revenue for Chartering division in the current period compared to the corresponding period ended 31 December 2020 is mainly due to higher vessel utilisation at 41%.

Shipbuilding Division

- In the current period, Shipbuilding division recorded revenue of RM107k compared to the revenue recorded in the corresponding period ended 31 December 2020 of RM923k as the ship repair activities were mainly servicing own vessels.

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

	3Q 2021	2Q 2021	Variance	%
	RM'000	RM'000	RM'000	
Revenue	9,052	11,511	(2,459)	-21%
Loss before tax	<u>(45,483)</u>	<u>(8,015)</u>	(37,468)	-467%

Current Quarter vs preceding quarter

- The decrease in revenue in the current quarter as compared to the immediate preceding quarter is mainly attributable to lower vessel utilisation as compared to third quarter of 2021. The loss before tax increase mainly due to impairment on aged vessels, aged inventories and trade receivable amounting to RM33.5 million in the current quarter.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2021

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

B3. Commentary on prospects

The Group will continue to manage costs and increase efficiency in this recovery economic climate to improve our competitiveness and resilience. Riding on our strong foundation, we are confident that the Group will achieve good results going forward.

Rising global oil prices amidst increasing Covid-19 vaccination rates and anticipated higher world economic growth rates in 2022 are brightening the outlook for Malaysia's oil and gas sector, say research analysts. As vaccination rates rise, the Covid-19 pandemic is expected to be better managed and economic activities and mobility will firmly return to pre-Covid-19 levels. Steady economic developments are expected to support the partially delayed recovery in oil demand in various sectors.

The U.S. Energy Information Administration's (EIA) projected crude oil price is expected to average US\$90 per barrel (pb) in February 2022 and nearly US\$88 pb for first half of this year.

Based on Petronas Activity Outlook 2022-2024, as we enter the year 2022, the global economy is staging with multispeed recovery across countries and sectors. In 2021, lower actual number of vessels as activities were slowly recovering from the pandemic during the first half of the year. Majority of the drilling campaigns/projects were deferred to the following year. The outlook depicts consistent demand for vessels supporting production operation from year-to-year and this is an opportunity for local players and financiers to re-evaluate its position for investment as there is consistent demand for vessels supporting production operation.

The group's total term loans were reduced significantly from RM44million in December 2020 to RM 28million in December 2021, a drop of about 57%. Presently, only one vessel is encumbered. This speaks well of the viability of the Group's business despite the challenging conditions in which it operates. At the same time, with reduced gearing, the Group will have a stronger balance sheet to take on additional financing to fund expansion when the industry turns around.

Despite the loss for the period, there is a surplus in the cashflow generated from operations amounting to RM 29million. The Group will continue its emphasis on its core activities of ship building, ship charter and ship repair. The Group's shipbuilding division will be looking towards building vessels which have a niche market as well as enhancing its docking (ship repair) facilities, whilst continuous efforts will be taken towards optimising capacity utilisation of the Group's vessels. The Group is also looking at building new vessels that are more energy efficient and environmental friendly, in line with tighter environmental regulations in the maritime industry. With the ongoing initiatives in sustainable cost rationalisation and exposures, we believe the Group is well positioned to tide over the current business challenges.

Presently the Group is looking at opportunities to diversify into sustainable investments as part of our responsible investment initiative. We have to be prepared for a drop in fossil fuel demand as consumer preference changes for cleaner and renewable energy. This pivot is necessary and inevitable, and we will be giving careful and due consideration into all factors of three factors of environment, social and corporate governance before embarking on the new initiatives. While we remain vigilant on the market outlook, we will continue to capitalise on our capabilities and reputation in vessel chartering business. Long term sustainability of the business has been our key priority. We will remain resilient in strengthening our core business and shall continue expanding strategically into new opportunities.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2021

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

B4. Variance between actual profit from forecast profit

Not applicable as no profit forecast was published.

B5. Loss before tax

Included in the loss before tax are the following items:

	12 months ended	
	31 Dec 2021	31 Dec 2020
	RM'000	RM'000
Interest income	(617)	(701)
Interest expenses	4,991	5,642
Deposit written off	-	13
Depreciation of property, plant and equipment	39,628	37,874
Loss on disposal of property, plant and equipment	(3,480)	(1,677)
Gain on bargain purchase	-	(2,730)
Gain on termination of lease contract	-	(3)
Impairment loss on trade and other receivables	7,507	3,330
Impairment loss on property, plant and equipment	21,351	475
Inventories written off	-	43
Inventories written down	5,504	-
Property, plant and equipment written off	65	5
Reversal of impairment loss on trade and receivables	(957)	(1,056)
Reversal of inventory written down	(337)	-
Share of result of an associate	-	775
Share of result of joint controlled entities	(353)	(1,105)
Unrealised loss/(gain) on foreign exchange	(213)	2,939
Loss on derecognised of a subsidiary	-	3,371
Loss on remeasurement of a joint venture	-	2,129
	<u>-</u>	<u>2,129</u>

B6. Taxation

	Current	Year-to-date
	Quarter	31 Dec 2021
	31 Dec 2021	31 Dec 2021
	RM'000	RM'000
Malaysian income tax	138	390
Deferred tax reversal	(5,117)	(4,499)
Total tax	<u>(4,979)</u>	<u>(4,109)</u>

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

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2021**

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

B7. Sale of unquoted investments and/or properties

There were no sales of unquoted investments and no other sales of properties for the current quarter and financial year ended 31 December 2021

B8. Quoted securities

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

B9. Status of corporate proposal

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

B10. Group borrowings and debt securities

Total Group's borrowings as at 31 December 2021 were as follows:

As at 31 December 2021						
	Short term		Long term		Total borrowings	
	Foreign currency	RM'000	Foreign currency	RM'000	Foreign currency	RM'000
Secured						
- Bank overdraft	-	17,988	-	-	-	17,988
- Revolving credits	-	28,015	-	-	-	28,015
- Loans (USD)	1,514	6,305	3,469	14,447	4,983	20,752
- Loans (SGD)	917	2,830	-	-	917	2,830
- Loans (RM)	-	1,014	-	3,245	-	4,259
- Obligations under finance leases	-	(23)	-	7	-	(15)
		56,129		17,699		73,828

As at 31 December 2020						
	Short term		Long term		Total borrowings	
	Foreign	RM'000	Foreign	RM'000	Foreign currency	RM'000
Secured						
- Bank overdraft	-	17,471	-	-	-	17,471
- Revolving credits	-	33,515	-	-	-	33,515
- Loans (USD)	1,798	7,223	4,982	20,014	6,780	27,237
- Loans (SGD)	1,315	3,998	-	-	1,315	3,998
- Loans (RM)	-	6,893	-	5,762	-	12,655
- Obligations under finance leases	-	199	-	187	-	386
		69,299		25,963		95,261

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2021**

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

B11. Derivative Financial Instruments

There are no outstanding derivatives at the reporting period.

B12. Material litigation

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

B13. Dividend payable

No interim dividend has been declared for the current quarter ended 31 December 2021.

B14. Earnings per Share

	3 months ended		12 months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	RM'000	RM'000	RM'000	RM'000
Loss attributable to Owners of the Parent (RM'000)	<u>(40,504)</u>	<u>(16,243)</u>	<u>(65,808)</u>	<u>(40,820)</u>
Weighted average number of shares in issue ('000)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Basic earnings per share (sen)	<u>(8.10)</u>	<u>(3.25)</u>	<u>(13.16)</u>	<u>(8.16)</u>
Diluted earnings per share (sen)	<u>(8.10)</u>	<u>(3.25)</u>	<u>(13.16)</u>	<u>(8.16)</u>

Basic earnings per share of the Company is calculated by dividing net (loss)/profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

The computation of diluted earnings per share is the same as basic earnings per share as there were no new shares issued during the reporting period.

B15. Authorisation For Issue

The quarterly report for the fourth quarter ended 31 December 2021 was authorised for issue by the Board resolution of the directors dated 22 February 2022.

By Order Of The Board
22-February-2022