

SEALINK INTERNATIONAL BERHAD (“SEALINK”)

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS AWARD OF CONTRACTS AND SALE OF VESSELS

We refer to the announcement made by the Company dated 26th October 2022 pertaining to the above and hereby furnish the following information:

1. DETAILS OF THE LONG TERM CHARTERS

The contract values of the award of contracts are determined based on the applicable daily charter rates as agreed by the parties calculated against the primary contract duration with the extension option.

The vessels are chartered to oil majors in Malaysia of which the entities’ information and contract values are unable to be disclosed due to confidentiality. The charters are expected to contribute positively to the earnings and cash flow of SEALINK Group for the financial year ending 31 December 2022.

2. DETAILS OF THE THREE VESSELS SOLD AND THE SALIENT TERMS OF EACH MEMORANDUM OF AGREEMENT

<u>Particulars</u>	<u>Vessel 1</u>	<u>Vessel 2</u>	<u>Vessel 3</u>
Name of vessel	Unable to disclose as there was Non-Disclosure Agreement (NDA) signed between both parties due to confidentiality.		
Type	Multi Purpose Vessel		
Flag	Malaysia		
Place of registry	Kuching, Malaysia		
Year of Built	2006	2002	2007
Age	16	20	15
Builders’ name	Sealink Shipyard Sdn Bhd [Registration No. 199001004286 (195853-D)]		
Registered owner	Seasten Sdn. Bhd. [Registration No. 201301025126 (1054955-A)]	Midas Choice Sdn. Bhd. [Registration No. 200401008169 (646673-H)]	Seabright Sdn. Bhd. [Registration No. 197601003939 (30204-K)]
Current use	For chartering business		
Expected lifespan	Petronas currently does not allow vessels more than 15 years old to be used for their charters.		
Net book value as at 30 September 2022	RM3.7m	RM1	RM4.6m
Profit/(loss) on disposal	(RM1.9m)	RM3.6m	(RM3.0m)
Purchaser	Individual purchaser from India (unable to disclose the name of the individual purchaser due to NDA signed by both parties).		
Purchase Price	RM1.8m	RM3.6m	RM1.6m

<u>Particulars</u>	<u>Vessel 1</u>	<u>Vessel 2</u>	<u>Vessel 3</u>
Payment	On delivery of the Vessel, but not later than Three (3) Banking days after the date that Notice of Readiness has been given in accordance with Time and Delivery and Notice Clause.		
Inspections	The Buyers have inspected and accepted the Vessel's classification record. The Buyers have also inspected the Vessel at/in Miri, Sarawak on 04.08.2022 and have accepted the Vessel following this inspection and the sale is outright and definite.		
Time and Place of Delivery & Notices	The Vessel shall be delivered and taken over safely afloat at/in Owner's wharf, Miri, Sarawak, Malaysia.		
Drydocking	The Vessel is to be delivered without dry docking.		
Encumbrances	The Sellers warrant that the Vessel, at the time of delivery, is free from all charters, encumbrances, mortgage and maritime liens or any other debts whatsoever, and is not subject to Port State or other administrative detentions. The Sellers hereby undertake to indemnify the Buyers against all consequences of claims made against the Vessel which have been incurred prior to the time of delivery.		
Law And Arbitration	This Agreement shall be governed by and construed in accordance with the laws of Malaysia and any dispute arising out of or in connection with this Agreement shall be referred to arbitration in Malaysia, subject to the procedures applicable there.		

3. BASIS AND JUSTIFICATION OF ARRIVING AT THE SALE CONSIDERATIONS

The sale consideration of the three (3) vessels of approximately RM7 million was derived on a "willing buyer willing seller" and "as is where is basis", after taking into consideration, the age of the vessels (average age of 17 years), dry docking, berthing, reactivation and maintenance costs for all the three (3) vessels. The docking and reactivation cost per vessel is approximately RM1.2 million. In addition, the buyer had also approached our shipyard for repair services of these vessels to reactivate the vessels at buyer's own cost.

The justification for the sale considerations was based on the best available market rate, net book value of the vessels and furthermore, the sale considerations were satisfied in cash.

4. TIMEFRAME AND PROPOSED UTILISATION OF PROCEEDS

The timeframe for full utilisation of the sale proceeds is approximately six (6) months and SEALINK will use the proceeds to pay for its existing loans, borrowings and operating expenses.

This announcement is dated 31st October 2022