



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

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2012

	3 months ended		9 months ended	
	30 Sept 2012 RM'000 (Unaudited)	30 Sept 2011 RM'000 (Unaudited)	30 Sept 2012 RM'000 (Unaudited)	30 Sept 2011 RM'000 (Unaudited)
Revenue	28,731	68,093	94,429	166,493
Cost of sales	<u>(16,633)</u>	<u>(60,785)</u>	<u>(65,892)</u>	<u>(124,989)</u>
Gross profit	12,098	7,308	28,537	41,504
Other operating income	2,205	3,681	12,466	5,291
Other operating expenses	-	(75)	-	(106)
Administrative expenses	(5,919)	(4,313)	(15,043)	(16,286)
Finance expenses	(3,071)	(3,111)	(9,554)	(9,224)
Share of result of associate	<u>350</u>	<u>133</u>	<u>1,005</u>	<u>239</u>
Profit before tax	5,663	3,623	17,411	21,418
Income tax expense	(1,915)	(1,320)	(5,236)	(4,528)
Profit for the period	<u>3,748</u>	<u>2,303</u>	<u>12,175</u>	<u>16,890</u>
Profit attributable to:				
Owners of the Parent	<u>3,748</u>	<u>2,303</u>	<u>12,175</u>	<u>16,890</u>
	<u>3,748</u>	<u>2,303</u>	<u>12,175</u>	<u>16,890</u>
Earnings per share (sen)				
- Basic EPS	0.75	0.46	2.44	3.38
- Diluted EPS	0.75	0.46	2.44	3.38

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2012

(CONTINUED)

	3 months ended		9 months ended	
	30 Sept 2012 RM'000 (Unaudited)	30 Sept 2011 RM'000 (Unaudited)	30 Sept 2012 RM'000 (Unaudited)	30 Sept 2011 RM'000 (Unaudited)
Profit for the period	3,748	2,303	12,175	16,890
Other Comprehensive Income :				
Exchange differences on translation of foreign operations	(3,027)	(22)	277	1,705
Total Comprehensive Income for the period	<u>721</u>	<u>2,281</u>	<u>12,452</u>	<u>18,595</u>
Total comprehensive income attributable to:				
Owners of the Parent	<u>721</u>	<u>2,281</u>	<u>12,452</u>	<u>18,595</u>
	<u>721</u>	<u>2,281</u>	<u>12,452</u>	<u>18,595</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2012

	As at 30 Sept 2012 RM'000 (Unaudited)	As at 31 Dec 2011 RM'000 (Unaudited) (restated)	As at 1 Jan 2011 RM'000 (Unaudited) (restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment	465,644	452,896	488,727
Land use rights	10,931	11,763	12,293
Investment in an associate	2,707	2,184	-
Other receivables	40,087	47,506	4,287
	519,369	514,349	505,307
Current Assets			
Inventories	248,402	202,374	205,019
Trade and other receivables	68,172	89,801	97,472
Tax recoverable	1,996	1,324	675
Cash and cash equivalents	116,728	81,703	78,150
	435,298	375,202	381,316
Non-current asset classified as held for sale	-	36,913	-
	435,298	412,115	381,316
Total Assets	954,667	926,464	886,623
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent			
Share Capital	250,000	250,000	250,000
Share Premium	79,087	79,087	79,087
Retained earnings	121,966	114,791	110,571
Other components of equity	1,451	1,174	43
Total Equity	452,504	445,052	439,701
Non-Current Liabilities			
Long-term borrowings	245,597	196,929	119,186
Deferred tax liabilities	57,312	55,276	52,613
	302,909	252,205	171,799
Current Liabilities			
Provision	2,000	2,000	-
Short-term borrowings	154,974	152,872	203,140
Trade and other payables	41,000	73,796	71,593
Provision for taxation	1,280	539	390
	199,254	229,207	275,123
Total Liabilities	502,163	481,412	446,922
Total Equity and Liabilities	954,667	926,464	886,623
Net asset per share (sen)	90.50	89.01	87.94

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2012

	Attributable to Owners of the Parent					Total Equity (Unaudited) RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Foreign currency translation reserve RM'000	Total RM'000	
Balance as at 1 January 2011	250,000	79,087	110,571	43	439,701	439,701
Dividend	-	-	(13,500)	-	(13,500)	(13,500)
Total comprehensive income for the period	-	-	16,890	1,705	18,595	18,595
Balance as at 30 September 2011	250,000	79,087	113,961	1,748	444,796	444,796

	Attributable to Owners of the Parent					Total Equity (Unaudited) RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Foreign currency translation reserve RM'000	Total RM'000	
Balance as at 1 January 2012	250,000	79,087	114,791	1,174	445,052	445,052
Dividend	-	-	(5,000)	-	(5,000)	(5,000)
Total comprehensive income for the period	-	-	12,175	277	12,452	12,452
Balance as at 30 September 2012	250,000	79,087	121,966	1,451	452,504	452,504

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2012

	Year-to-date Ended	
	30 Sept 2012 RM'000 (Unaudited)	30 Sept 2011 RM'000 (Unaudited)
Cash Flows From Operating Activities		
Profit before tax	17,411	21,418
Adjustments for:		
Interest income	(2,921)	(243)
Interest expenses	9,554	9,224
Amortisation of land use rights	953	962
Depreciation of property, plant and equipment	23,672	22,350
Gain on disposal of property, plant and equipment	-	(421)
Gain on disposal of non-current asset held for sale	(4,570)	-
Property, plant and equipment written off	-	20
Reversal of impairment loss on trade receivables	(4,281)	-
Share of profit of associate	(1,005)	(239)
Unrealised gain on foreign exchange	1,391	2,218
Total adjustment	<u>22,793</u>	<u>33,871</u>
Operating profit before working capital changes	40,204	55,289
Changes in working capital		
(Increase)/decrease in inventories	(40,065)	58,964
Decrease/(increase) in trade and other receivables	32,231	(83,993)
(Decrease)/increase in trade and other payables	(34,520)	9,062
Increase in amount due to ultimate holding company	8	-
Total changes in working capital	<u>(42,346)</u>	<u>(15,967)</u>
Cash Flows from operations	(2,142)	39,322
Interest paid	(14,542)	(12,916)
Income tax refund	335	93
Income tax paid	(3,774)	(1,731)
Net Cash (Used In)/From Operating Activities	<u>(20,123)</u>	<u>24,768</u>
Cash Flows From Investing Activities		
Investment in associate	-	(3,500)
Increase in non-current asset held for sale	(13,545)	-
Purchase of property, plant and equipment	(37,485)	(36,862)
(Increase)/Decrease in land use rights	434	(898)
Proceeds from disposal of property, plant and equipment	-	2,718
Proceeds from disposal of non-current asset held for sale	54,631	-
Interest received	3,701	743
Net Cash From/(Used In) Investing Activities	<u>7,736</u>	<u>(37,799)</u>

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2012

	Year-to-date Ended	
	30 Sept 2012 RM'000	30 Sept 2011 RM'000
Cash Flows From Financing Activities		
Net movement in fixed deposits pledged	22,815	(1,709)
Net movements in trade financing	(13,714)	(12,481)
Proceeds from term loans	100,026	78,840
Repayments of term loans	(40,534)	(25,701)
Repayments of hire purchase payables	(41)	(441)
Dividends paid to shareholders	(5,000)	(13,500)
Net Cash From Financing Activities	63,552	25,008
Effect of changes in foreign exchange rates	(623)	1,931
Net Increase in Cash and Cash Equivalents	50,542	13,908
Cash and Cash Equivalents at the beginning of financial year	38,419	45,881
Cash and Cash Equivalents at the end of financial period	88,961	59,789

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

Cash and bank balances	116,728	113,214
Bank overdraft	(13,923)	(21,532)
	102,805	91,682
Less: Fixed deposits pledged	(13,844)	(31,893)
	88,961	59,789

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

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

A1. First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

These condensed consolidated interim financial statements, for the period ended 30 September 2012, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 134 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied.

The explanatory notes attached to these condensed consolidated 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 year ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation on how the transition from FRS to MFRS has affected the Group's financial position, financial performance and cash flows is set out in Note A2 below. The transition from FRS to MFRS has not had a material impact on the statement of comprehensive income and statement of cash flows.

A2. Significant accounting policies and application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except the following:-

(a) Business combination

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

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

A2. Significant accounting policies and application of MFRS 1 (continued)

(a) Business combination (continued)

Acquisition before date of transition

The Group elect to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- (i) The classification of former business combination under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition)

(b) Property, plant and equipment

Upon the transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, plant and equipment. At the date of transition to MFRS, the Group elected to regard the revalued amounts of vessels and lands as at 6 June 2008 as deemed cost at the date of the revaluation as these amounts broadly comparable to fair value at that date.

(c) Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations in a separate component of equity. Cumulative foreign currency translation differences for all foreign operations maintain in equity as at the date of transition to MFRS.

(d) MFRS 117 Leases

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

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

**(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING****A2. Significant accounting policies and application of MFRS 1 (continued)****(d) MFRS 117 Leases (continued)**

The MFRS 117 Leases clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the MFRS 117 has resulted in certain unexpired land leases to be reclassified as finance leases. At 1 January 2012, the Group reassessed the lease classification on the basis of the facts and circumstances existing on that date and recognised certain leasehold land held for own use as property, plant and equipment. The Group has applied this change in accounting policy retrospectively and certain comparatives have been restated.

The following comparatives have been restated:

	As previously stated RM	Adjustment RM	As restated RM
Consolidated statements of financial position			
1/01/2011			
Property, plant and equipment	450,816	37,911	488,727
Land use rights	50,204	(37,911)	12,293
31/12/2011			
Property, plant and equipment	414,834	38,062	452,896
Land use rights	49,825	(38,062)	11,763

A3. 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 2011 were not qualified.

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.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

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

A6. Material changes in estimates

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

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

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

A8. Dividends Paid**RM'000**

Final single tier dividend of 1 sen per share as at 31 December 2011 was paid to shareholders on 18 September 2012.

5,000**A9. Segmental information**

The results and other information of the Group as at 30 September 2012 are as follows:

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External sales	23,108	71,321	-	-	94,429
Inter-segment sales	31,613	9,876	-	(41,489)	-
Total revenue	<u>54,721</u>	<u>81,197</u>	<u>-</u>	<u>(41,489)</u>	<u>94,429</u>
Segment profit/(loss) (Note A)	<u>(15,329)</u>	<u>22,734</u>	<u>4,593</u>	<u>5,413</u>	<u>17,411</u>

Note A

Segment profit is reconciled to profit before tax presented in the condensed consolidated statement of comprehensive income as follows:

Segment profit	11,998
Share of profit of an associate	1,005
Loss from inter-segment sales	5,079
Finance costs	856
Unallocated corporate expenses	<u>(1,527)</u>
Profit before tax	<u>17,411</u>

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

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

A9. Segmental information (continued)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Assets and liabilities					
Segment assets	312,422	629,410	397,222	(384,387)	954,667
Segment liabilities	227,698	346,579	282,366	(354,480)	502,163
Net assets	<u>84,724</u>	<u>282,831</u>	<u>114,856</u>	<u>(29,907)</u>	<u>452,504</u>
Other segmental information					
Depreciation	5,227	19,489	2	(1,046)	23,672
Amortisation of land use rights	530	345	78	-	953

A10. Capital commitments

Capital commitments are as follows:

RM'000	Approved and contracted for	Approved but not contracted for
Property, plant and equipment	<u>5,954</u>	<u>48,766</u>

A11. Material events subsequent to the end of period reported

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

A12. Changes in composition of the Group

There were no changes in composition of the Group for the current quarter ended 30 September 2012.

A13. Contingent liabilities

There are no additional contingent liabilities since the last annual balance sheet date.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

**(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING****A14. Related party transactions**

Transactions between the Group and related parties are as follows:

	Transaction value for 3 months ended 30 Sept 2012 RM	Current Year-to-date 30 Sept 2012 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	35,009	101,124
Manmohan's (Labuan) Sdn Bhd		
- Rental of office at Lot 20, Labuan	3,000	9,000
Syarikat Guan Teck Enterprise (Sarawak) Sdn Bhd		
- Lease of office at Lot 1035, Piasau	26,400	79,200
Syarikat Lambir Timber Sdn Bhd		
- Chartering of vessels	52,500	157,500
Rajah & Tann		
- Provision of legal services	22,472	106,944
Khoo & Co, Advocates and Solicitors		
- Provision of legal services	1,850	176,656
(ii) Transactions with Director :		
Yong Foh Choi		
- Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	1,500	4,500
	142,731	634,924

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.

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

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

Current financial period compared with immediate preceding quarter (Q3 2012 vs. Q2 2012)

The Group's revenue for the current quarter achieved at RM28.7 million decreased by RM14.9 million or 34% compared to the preceding quarter's RM43.6 million. The unfavourable result was attributed to decrease revenue from shipbuilding while revenue from ship repair was eliminated.

The Group achieved profit before taxation of RM5.7 million for the quarter, increased marginally by RM58,000 compared to immediate preceding quarter.

The performance of respective operating business segments :

Shipbuilding Division

Shipbuilding division revenue decreased by RM19.2 million with a gross loss of RM1.2 million. During the quarter, shipbuilding division completed and delivered one vessel to the external party whilst revenue has been recognised based on stages of completion in preceding quarter. Shipbuilding division has recently commenced construction of the new batch of vessels and are expected to be completed in 2013.

Chartering Division

Revenue increased by RM4.39 million attributed to higher utilisation rate of vessels on spot charter. Group's charter division has been awarded with a few long term contracts. This will further strengthen the result of the chartering arm.

Current quarter compared with previous corresponding quarter (Q3 2012 vs. Q3 2011)

Group revenue for current quarter was lower than previous corresponding quarter by RM39.4 million or 58% also due to decrease in shipbuilding revenue.

The group recorded profit before tax of RM5.6 million for the current quarter increased by RM2.0million or 56% against profit before tax of RM3.6 million reported in previous corresponding quarter.

The performance of respective operating business segments:

Shipbuilding Division

Substantial drop in shipbuilding revenue was partly attributed to vessels keel laid prior to 2011 was completed and sold and also the yard was operating on a slower pace due to new rules and regulations being imposed by the International Maritime Organisation in line with the World environmental protection of air and water/sea. Change in rules has delayed commencement of new projects. New batch of vessels will only be completed in 2013.

Chartering Division

Revenue increased by RM2.7 million or 11% compared to corresponding quarter. The favourable results was due to some of the contracts were extended and higher utilisation of vessels on spot charter.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

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

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

	Current Quarter ended 30 Sept 2012 RM'000	Preceding Quarter ended 30 June 2012 RM'000	Variance RM'000	%
Revenue	28,731	43,552	(14,821)	-34%
Profit before tax	<u>5,663</u>	<u>5,605</u>	58	1%

The Group recorded lower revenue of RM28.7 million, drop by RM14.8 million or 34% compared to preceding quarter mainly due to drop in vessel sales. Charter revenue on the contrary improved by 19% compared to preceding quarter attributed to utilisation rate increased and also long term contracts awarded.

Profit before taxation ("PBT") of the Group for current quarter of RM5.7 million was marginally higher than the preceding quarter.

B3. Commentary on prospects

The financial crisis in the Euro Zone and the continual slowdown in some of the major economies like Japan, India and the United States are hindering the global recovery. The recent hurricane in the Western United States would also have a negative effect on the recovery of the United States. Nevertheless, the global oil and gas industry has improved from the lows experienced in the last 2 years and the price of Crude Oil Price is currently trading between USD80-USD90 per barrel. We continue to maintain our expectation for more awards from PETRONAS and other regional oil majors. We believe that this would boost the sale and charter of our offshore marine support vessels ("OSV"). With the increased oil and gas activities in Malaysia, SIB is optimistic that the ship charter and repair division would perform reasonably well in the next 12 months. The results of the ship building division would be lower in 2012 due to the timing of recognition of the sale of vessels but is expected to improve in 2013 and beyond.

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

B4. Variance between actual profit from forecast profit

Not applicable as no profit forecast was published.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

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

B5. Profit before tax

Included in the profit before tax are the following item:

	Quarter and Year-to-date Ended	
	30 Sept 2012	30 Sept 2011
	RM'000	RM'000
Interest income	(2,921)	(243)
Other income	(694)	(5,048)
Interest expense	9,554	9,224
Depreciation of property, plant and equipment	23,672	22,350
Amortisation of land use rights	953	962
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Property, plant and equipment written off	-	20
Gain or loss on disposal of quoted or unquoted investments	-	-
Gain or loss on disposal of property, plant and equipment	-	(421)
Gain or loss on disposal of non-current asset held for sale	(4,570)	-
Reversal of impairment loss on trade receivables	(4,281)	-
Impairment loss on trade receivables	-	-
(Gain)/loss on foreign exchange		
- Realised	(1,144)	(430)
- Unrealised	1,697	2,218

B6. Taxation

	Current Quarter 30 Sept 2012 RM'000	Current Year-to-date 30 Sept 2012 RM'000
Malaysian income tax	928	3,200
Deferred income tax	987	2,036
Total tax expenses	1,915	5,236

The effective tax rate for the current quarter is higher than statutory tax rate of 25% due to loss suffered by one of the shipyard.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

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

B7. Profit from sale of unquoted investments and/or properties

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

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

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

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

B10. Group borrowings and debt securities

Total Group's borrowings as at 30 September 2012 were as follows:

1. <u>Total Borrowings</u>	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short-term borrowings	107,932	47,042	154,974
Long-term borrowings	245,597	-	245,597
	<u>353,529</u>	<u>47,042</u>	<u>400,571</u>
2. <u>Borrowings denominated in US Dollars</u>	Secured	Unsecured	Total
	USD'000	USD'000	USD'000
Short-term borrowings	4,170	-	4,170
Long-term borrowings	24,521	-	24,521
	<u>28,691</u>	<u>-</u>	<u>28,691</u>

B11. Derivative Financial Instruments

There are no outstanding derivatives as at the reporting period.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

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

B12. Material litigation

The Group is not engaged in any material litigation, whether as plaintiff or defendant, which may have a material impact on the financial position or performance of the Group.

B13. Dividend payable

No interim dividend has been declared for the current quarter ended 30 September 2012.

B14. Earnings per Share

	3 months ended		9 months ended	
	30 Sept 2012 RM'000	30 Sept 2011 RM'000	30 Sept 2012 RM'000	30 Sept 2011 RM'000
Profit attributable to Owners of the Parent (RM'000)	3,748	2,303	12,175	16,890
Weighted average number of shares in issue ('000)	500,000	500,000	500,000	500,000
Basic earnings per share (sen)	0.75	0.46	2.44	3.38
Diluted earnings per share (sen)	0.75	0.46	2.44	3.38

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

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

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

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

B15. Disclosure of Realised and Unrealised Profits

The retained profits as at 30 September 2012 and 31 December 2011 are analysed as follows:

	As at 30 Sept 2012 RM'000	As at 31 Dec 2011 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	348,796	325,160
- Unrealised	<u>(57,440)</u>	<u>(44,286)</u>
	291,356	280,874
Consolidation adjustments	<u>(169,390)</u>	<u>(166,083)</u>
Total Group retained profits as per consolidated accounts	<u><u>121,966</u></u>	<u><u>114,791</u></u>