



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

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2011**

	3 months ended		9 months ended	
	30 Sept 2011 RM'000 (Unaudited)	30 Sept 2010 RM'000 (Unaudited)	30 Sept 2011 RM'000 (Unaudited)	30 Sept 2010 RM'000 (Unaudited)
<b>Revenue</b>	68,093	20,614	166,493	144,590
Cost of sales	<u>(60,785)</u>	<u>(13,310)</u>	<u>(124,989)</u>	<u>(106,723)</u>
Gross profit	7,308	7,304	41,504	37,867
Other operating income	3,681	1,094	5,291	4,535
Other operating expenses	(75)	(50)	(106)	(319)
Administrative expenses	(4,313)	(4,983)	(16,286)	(12,345)
Finance costs	(3,111)	(1,776)	(9,224)	(2,873)
Share of result of associate	<u>133</u>	<u>-</u>	<u>239</u>	<u>-</u>
<b>Profit before tax</b>	3,623	1,589	21,418	26,865
Income tax expense	(1,320)	(1,065)	(4,528)	(3,087)
<b>Profit for the period</b>	<u>2,303</u>	<u>524</u>	<u>16,890</u>	<u>23,778</u>
Profit attributable to:				
Owners of the Parent	<u>2,303</u>	<u>524</u>	<u>16,890</u>	<u>23,778</u>
	<u>2,303</u>	<u>524</u>	<u>16,890</u>	<u>23,778</u>
Earnings per share (sen)				
- Basic EPS	0.46	0.10	3.38	4.76
- Diluted EPS	0.46	0.10	3.38	4.76

*The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 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 2011**

(CONTINUED)

	3 months ended		9 months ended	
	30 Sept 2011 RM'000 (Unaudited)	30 Sept 2010 RM'000 (Unaudited)	30 Sept 2011 RM'000 (Unaudited)	30 Sept 2010 RM'000 (Unaudited)
<b>Profit for the period</b>	2,303	524	16,890	23,778
<b>Other Comprehensive Income :</b>				
Exchange differences on translating:				
(a) Foreign operations	27	668	1,630	(2,001)
(b) Other subsidiary with functional currency other than Ringgit Malaysia	(49)	(2,955)	75	(6,976)
<b>Total Comprehensive Income for the period</b>	<u>2,281</u>	<u>(1,763)</u>	<u>18,595</u>	<u>14,801</u>
Total comprehensive income attributable to:				
Owners of the Parent	<u>2,281</u>	<u>(1,763)</u>	<u>18,595</u>	<u>14,801</u>
	<u>2,281</u>	<u>(1,763)</u>	<u>18,595</u>	<u>14,801</u>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 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 2011

	As at 30 Sept 2011 RM'000 (Unaudited)	As at 31 Dec 2010 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	424,880	450,816
Land use rights	50,140	50,204
Investment in associate	1,285	-
Other receivables	787	4,287
	<b>477,092</b>	<b>505,307</b>
<b>Current Assets</b>		
Inventories	185,117	205,019
Trade and other receivables	132,916	87,554
Due from customer on contracts	52,048	9,918
Tax recoverable	539	675
Fixed deposits pledged to licensed banks	31,893	28,789
Cash and cash equivalents	81,321	49,361
	<b>483,834</b>	<b>381,316</b>
<b>Total Assets</b>	<b>960,926</b>	<b>886,623</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share Capital	250,000	250,000
Share Premium	79,087	79,087
Retained earnings	113,961	110,571
Other components of equity	1,748	43
<b>Total Equity</b>	<b>444,796</b>	<b>439,701</b>
<b>Non-Current Liabilities</b>		
Long-term borrowings	164,140	119,186
Deferred tax liabilities	55,662	52,613
	<b>219,802</b>	<b>171,799</b>
<b>Current Liabilities</b>		
Short-term borrowings	220,108	203,140
Trade and other payables	75,653	66,732
Due to customer on contracts	-	4,861
Derivative financial liabilities	74	-
Provision for taxation	493	390
	<b>296,328</b>	<b>275,123</b>
<b>Total Liabilities</b>	<b>516,130</b>	<b>446,922</b>
<b>Total Equity and Liabilities</b>	<b>960,926</b>	<b>886,623</b>
<b>Net asset per share (sen)</b>	<b>88.96</b>	<b>87.94</b>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

	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 2010	250,000	79,087	97,198	1,151	427,436	427,436
Dividend	-	-	(20,000)	-	(20,000)	(20,000)
Total comprehensive income for the period	-	-	23,778	(8,977)	14,801	14,801
<b>Balance as at 30 Sept 2010</b>	<b>250,000</b>	<b>79,087</b>	<b>100,976</b>	<b>(7,826)</b>	<b>422,237</b>	<b>422,237</b>

	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
<b>Balance as at 30 Sept 2011</b>	<b>250,000</b>	<b>79,087</b>	<b>113,961</b>	<b>1,748</b>	<b>444,796</b>	<b>444,796</b>

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 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 ENDED 30 SEPTEMBER 2011**

	<b>Year-to-date Ended</b>	
	<b>30 Sept 2011</b>	<b>30 Sept 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
	(Unaudited)	(Unaudited)
<b>Cash Flows From Operating Activities</b>		
<b>Profit before tax</b>	21,418	26,865
Adjustments for:		
Non-cash items	24,891	15,714
Non-operating items	8,980	4,758
Operating profit before working capital changes	55,289	47,337
Net change in current assets	(25,028)	82,352
Net change in current liabilities	9,061	(13,549)
Cash Flows (used in) / from operations	39,322	116,140
Interest paid	(12,916)	(6,616)
Income tax refund	93	1,208
Income tax paid	(1,731)	(2,337)
<b>Net Cash From Operating Activities</b>	<b>24,768</b>	<b>108,395</b>
<b>Cash Flows From Investing Activities</b>		
Investment in associate	(3,500)	-
Purchase of property, plant and equipment	(37,760)	(115,441)
Proceeds from disposal of property, plant and equipment	2,718	8,485
Interest paid	-	(705)
Interest received	743	220
<b>Net Cash Used In Investing Activities</b>	<b>(37,799)</b>	<b>(107,441)</b>
<b>Cash Flows From Financing Activities</b>		
Net movement in fixed deposits pledged	(1,709)	(22,777)
Net movements in trade financing	(12,481)	(6,363)
Net movements in revolving credits	-	(2,500)
Proceeds from term loans	78,840	76,620
Repayments of term loans	(25,701)	(23,551)
Repayments of hire purchase payables	(441)	(2,028)
Dividends paid to shareholders	(13,500)	(20,000)
<b>Net Cash From / (Used In) Financing Activities</b>	<b>25,008</b>	<b>(599)</b>
Effect of changes in foreign exchange rates	1,931	(831)
<b>Net Increase in Cash and Cash Equivalents</b>	<b>13,908</b>	<b>(476)</b>
<b>Cash and Cash Equivalents at the beginning of financial year</b>	<b>45,881</b>	<b>27,206</b>
<b>Cash and Cash Equivalents at the end of financial period</b>	<b>59,789</b>	<b>26,730</b>

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

Cash and bank balances	81,321	38,834
Bank overdraft	(21,532)	(12,104)
	<b>59,789</b>	<b>26,730</b>

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.*

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

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

**A1. Accounting policies and methods of computation**

The interim financial report has been prepared in accordance with FRS 134, Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. The figures for the cumulative period in the current quarter have not been audited.

The interim financial statements should be read in conjunction with the audited financial statements of the Group ("SIB and its subsidiaries") for the year ended 31 December 2010. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2010 except for the following:-

**Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements**

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 *Statement of cash Flows*, FRS 112 *Income Taxes*, FRS 121 *The effects of Changes in Foreign Exchange Rates*, FRS 128 *Investments in Associates* and FRS 131 *Interests in Joint Ventures*. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests.

The following new FRSs and Interpretations were issued but not yet effective on 30 September 2011 and have not been applied by the Group:

**Effective for financial periods beginning on or after 1 July 2011**

Amendments to IC Interpretation 14 : Prepayments of a Minimum Funding Requirement  
IC Interpretation 19 : Extinguishing Financial Liabilities with Equity Instruments

**Effective for financial periods beginning on or after 1 January 2012**

FRS 124 : Related Parties Disclosures (Revised)  
IC Interpretation 15: : Arrangements for the Construction of Real Estate

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

**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 2010 were not qualified.

**A3. 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.

**A4. 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.

**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 financial quarter period.

**A7. Dividends Paid**

**RM'000**

First and final single tier dividend of 2.7 sen per share as at 31 December 2010 was paid to shareholders on 28 September 2011.

13,500

## INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

**(A) NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134) :  
INTERIM FINANCIAL REPORTING****A8. Segmental information**

The results and other information of the Group as at 30 September 2011 are as follows:

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<b>Revenue</b>					
External sales	100,455	66,038	-	-	166,493
Inter-segment sales	28,500	218	59	(28,777)	-
Total revenue	<u>128,955</u>	<u>66,256</u>	<u>59</u>	<u>(28,777)</u>	<u>166,493</u>
<b>Segment results</b>					
Profit/(Loss) from operations	6,703	22,861	3,210	(2,371)	30,403
Finance costs					(9,224)
Share of result of associate					239
Profit before income tax					<u>21,418</u>
Income tax					(4,528)
Profit after tax					<u><u>16,890</u></u>
<b>Assets and liabilities</b>					
Segment assets	390,847	613,454	316,778	(360,153)	960,926
Segment liabilities	279,915	355,208	207,461	(326,454)	516,130
Net assets	<u>110,932</u>	<u>258,246</u>	<u>109,317</u>	<u>(33,699)</u>	<u>444,796</u>
<b>Other segmental information</b>					
Depreciation	5,123	17,190	39	-	22,352
Amortisation of prepaid land lease payments	530	354	77	-	961



## INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

**(A) NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134) :  
INTERIM FINANCIAL REPORTING****A9. Capital commitments**

Capital commitments are as follows:

<b>RM'000</b>	<b>Approved and contracted for</b>	<b>Approved but not contracted for</b>
Property, plant and equipment	<u>14,671</u>	<u>85,961</u>

**A10. 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.

**A11. Changes in composition of the Group**

There were no changes in composition of the Group for the current quarter ended 30 September 2011.

**A12. Contingent liabilities**

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

	<b>Year-to-date 30 Sept 2011 RM'000</b>
Bank guarantees for contracts entered with customer	<u>64,181</u>

## INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

**(A) NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134) :  
INTERIM FINANCIAL REPORTING**
**A13. Related party transactions**

Transactions between the Group and related parties are as follows:

	Transaction value for 3 months ended 30 Sept 2011 RM	Current Year-to-date 30 Sept 2011 RM
<b>(i) Transactions with companies in which certain Directors of the Company have substantial interest :</b>		
Ming Kiong Agencies (Singapore) Pte Ltd - Rental of office at Far East shopping centre, Singapore	33,280	98,549
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	12,297	39,081
Khoo & Co, Advocates and Solicitors - Provision of legal services	-	80
<b>(ii) Transactions with Director :</b>		
Yong Foh Choi - Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	1,500	4,500
	128,977	387,910

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.

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011**

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

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

**Current quarter compared with previous corresponding quarter**

The group recorded revenue of RM68.1 million for the current quarter, increased by RM47.5 million or 230% due to increase in revenue from both shipbuilding and shipchartering division. However, despite increased revenue, gross profit remained the same at RM7.3 million due to expenses written off by the shipbuilding division.

Finance cost increased by RM 1.3 million partly due to loan taken to finance new vessels for chartering division and also previous year finance cost was lower due to forex gain on the US\$ loan.

SIB group achieved profit before taxation of RM 3.6 million increased by RM 2 million compared to previous corresponding quarter.

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

	<b>Current Quarter ended 30 Sept 2011 RM'000</b>	<b>Preceding Quarter ended 30 Jun 2011 RM'000</b>	<b>Variance RM'000</b>	<b>%</b>
Revenue	68,093	47,199	20,894	44%
Profit before tax	<u>3,623</u>	<u>7,093</u>	(3,470)	-49%

The Group recorded higher revenue of RM68.1 million representing an increase of RM20.9 million or 44% over the preceding quarter mainly due to sale of one offshore support vessel.

Although revenue increased by 44%, profit before taxation ("PBT") of the Group for current quarter declined by RM3.5 million compared to preceding quarter due to expenses written off by the shipbuilding division.

**B3. Commentary on prospects**

The global uncertainty seems to be on the road to recovery but there are constant surprises and uncertainties from the economies in Europe. Nevertheless, the oil and gas industry has improved from the lows experienced in the last 2 years. We maintain our expectation for more awards by PETRONAS and other regional oil majors for the supply of offshore marine support vessels ("OSV") in view of the improvements in the oil and gas industry in the near future.

SIB is still cautiously optimistic on the global economy's path to full recovery despite the improvement of the Crude Oil Price to the present level of above USD80 per barrel. 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.

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011****(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. Taxation**

	<b>Current Quarter 30 Sept 2011 RM'000</b>	<b>Current Year-to-date 30 Sept 2011 RM'000</b>
Malaysian income tax	74	1,605
Deferred income tax	<u>1,246</u>	<u>2,923</u>
<b>Total tax expenses</b>	<u><u>1,320</u></u>	<u><u>4,528</u></u>

The effective tax rate for the current quarter is higher compared to previous quarter due to higher provision of deferred tax on the ship chartering division whilst drop in profit in shipbuilding division has resulted in drop in overall effective tax rate of the group.

**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 year to date.

**B7. Quoted securities**

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

**B8. 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.

## INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

**(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS****B9. Group borrowings and debt securities**

Total Group's borrowings as at 30 September 2011 were as follows:

<b>1. Total Borrowings</b>	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
Short-term borrowings	150,656	69,452	220,108
Long-term borrowings	164,140	-	164,140
	<u>314,796</u>	<u>69,452</u>	<u>384,248</u>

  

<b>2. Borrowings denominated in US Dollars</b>	<b>Secured USD'000</b>	<b>Unsecured USD'000</b>	<b>Total USD'000</b>
Short-term borrowings	4,162	-	4,162
Long-term borrowings	14,793	-	14,793
	<u>18,955</u>	<u>-</u>	<u>18,955</u>

**B10. Derivative Financial Instruments****Derivatives**

a) The Group's derivatives as at 30 September 2011 are as follows:

<b>Type of Derivatives</b>	<b>Contract Value RM'000</b>	<b>Fair Value</b>	
		<b>Assets RM'000</b>	<b>Liabilities RM'000</b>
Forward Exchange Contract			
Sale Contract (US Dollar)			
- Less than one year	<u>2,158</u>	<u>-</u>	<u>74</u>

b) These contracts are short term in nature and due to mature within the next five months.

c) The Group does not anticipate any market or credit risks arising from these derivatives.

d) There have been no changes since the end of the previous financial year in respect of the following:

- (1) the types of derivative contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- (2) the risk management policies in place for mitigating and controlling the risks associated with these derivatives contracts; and
- (3) the related accounting policies.

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

**B11. Material litigation**

1. On 1 May 2007, pursuant to the terms of the shipbuilding contract, Sealink Engineering & Slipway Sdn Bhd ("SESSB") had arranged for a bankers' guarantee in the sum of US\$2 million to be issued to Petroleum Marine Services SAE ("PMS"). The bankers' guarantee was issued to PMS by the Bank of Nova Scotia (Egypt), against a counter-guarantee by Malayan Banking Berhad ("Maybank").

The vessel was completed and delivered to PMS on 14 February 2009. PMS have alleged that they should be reimbursed for certain repairs to the vessel under the warranty provision in the ship building contract. PMS have, however, been unable to substantiate their allegation by failing to provide full documentation of their alleged repair costs. SESSB has offered to reimburse PMS up to US\$450,000 under the warranty. PMS have made purported demands on the bankers' guarantee, pursuant to which the Bank of Nova Scotia made purported demands on the counter-guarantee against Maybank.

On 12 June 2010, SESSB commenced arbitration proceedings against PMS in respect of the alleged disputes under the warranty. The arbitration is still ongoing. On 16 June 2010, SESSB obtained an interim injunction order from the Miri High Court against Maybank from making payment under the counter-guarantee. The injunction was lifted on 13 October 2010, pursuant to which Maybank made payment to the Bank of Nova Scotia under the counter-guarantee. On 21 July 2011, Miri High Court has dismissed the action and an appeal has been lodged against that decision by SESSB. SESSB will pursue their claim against PMS for wrongly called on the entire amount of the bankers' guarantee.

On 9 May 2011, PMS proposed to refund US\$1 million to SESSB. The balance US\$1 million shall be withheld to cover the repair cost of the vessel. On 28 September 2011, PMS again proposed a global settlement sum of US\$1.5 million to resolve both actions against them. This proposal is still being discussed by both parties.

2. Sealink Sdn Bhd ("SSB") had on 2 July 2010 served a Notice of Arbitration on Petroleum Marine Services ("PMS"), in respect of SSB's claim against PMS for unpaid charter hire in the sum of US\$803,597.50 and overdue interest amounting to US\$107,345.37 (as at 31 May 2010).

SSB officially commenced arbitration proceedings against PMS on 26 August 2010, under the Rules of the Singapore International Arbitration Centre ("SIAC"). The arbitration is ongoing.

The Directors are of the opinion that the above two proceedings will not materially and/or adversely affect the financial position of the Group because the relevant costs has been taken up in the account of respective subsidiary.

**B12. Dividend payable**

No interim dividend has been declared for the current quarter ended 30 September 2011.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

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

**B13. Earnings per Share**

	3 months ended		9 months ended	
	30 Sept 2011 RM'000	30 Sept 2010 RM'000	30 Sept 2011 RM'000	30 Sept 2010 RM'000
Profit attributable to Owners of the Parent (RM'000)	2,303	524	16,890	23,778
Weighted average number of shares in issue ('000)	500,000	500,000	500,000	500,000
Basic earnings per share (sen)	0.46	0.10	3.38	4.76
Diluted earnings per share (sen)	0.46	0.10	3.38	4.76

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.

**B14. Disclosure of Realised and Unrealised Profits**

The retained profits as at 30 September 2011 and 30 December 2010 are analysed as follows:

	As at 30 Sept 2011 RM'000	As at 31 Dec 2010 RM'000
Total retained profits of the Group		
- Realised	171,352	162,709
- Unrealised	(56,115)	(50,710)
	<u>115,237</u>	<u>111,999</u>
Consolidation adjustments	(1,276)	(1,428)
Total Group retained profits as per consolidated accounts	<u>113,961</u>	<u>110,571</u>