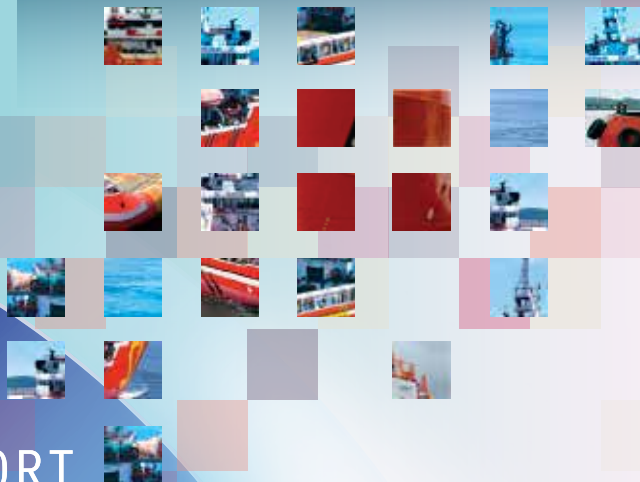




SEALINK INTERNATIONAL BERHAD

Registration No. 200701042948 (800981-X)



ANNUAL REPORT
2022

Sustainable growth...

The Sealink Group

We are a Ship Owner / Charterer, Shipbuilder and Ship Repairer.

Sealink Group builds, owns and operates a diverse fleet of marine support vessels, include serving the global exploration and marine industry.

Our products and services are geographically spread to over 20 countries across the world.

We are listed on the Main Market of Bursa Malaysia.

Our Vision

- A Leading Integrated Service Provider for the Marine Industry

Our Mission

- Constructing High Performance World Class Vessels
- Establishing, Preserving and Integrating a Network of Global Customers
- Continuously Achieving International Accreditation in Maritime Safety Standards
- Continuously Improving Management and Operational Efficiency and Optimisation of Systems
- Zero Accidents and Zero Pollution
- Continuously Improving in Health, Safety, Security, Quality Management and Corporate Social Responsibility

Our Goals

- Satisfying Our Customers
- Improving and Sustaining Our Business Growth and Market Share
- Building a Strong and Motivated Workforce

Our Values

- Quality and Excellence
- Integrity
- Customers and Employees are Our Company's Assets
- Internationally Competitive
- Environmental Friendly
- Social Consciousness
- Flexibility in Business Operations



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Corporate Information

Board Of Directors

Wong Chie Bin

Chairman

Non-Independent Non-Executive Director

Yong Kiam Sam

Chief Executive Officer cum Managing Director

Non-Independent Executive Director

Eric Khoo Chuan Syn@Khoo Chuan Syn

Independent Non-Executive Director

Toh Kian Sing

Non-Independent Non-Executive Director

Yong Nyet Yun

Independent Non-Executive Director

Audit Committee

Chairman **Yong Nyet Yun**

Members **Eric Khoo Chuan Syn @ Khoo Chuan Syn**
Toh Kian Sing

Nominating Committee

Chairman **Eric Khoo Chuan Syn @ Khoo Chuan Syn**

Members **Yong Nyet Yun**
Toh Kian Sing

Remuneration Committee

Chairman **Toh Kian Sing**

Members **Eric Khoo Chuan Syn @ Khoo Chuan Syn**
Yong Nyet Yun

Risk Management Committee

Chairman **Yong Kiam Sam**

Members **Eric Khoo Chuan Syn @ Khoo Chuan Syn**
Yong Nyet Yun

Sustainability Committee

Chairman **Yong Kiam Sam**

Members **Eric Khoo Chuan Syn @ Khoo Chuan Syn**
Yong Nyet Yun

Company Secretary

Yeo Puay Huang

[SSM PC No. 202008000727 (LS0000577)]

Tel : 082-428 626

Email : puay.huang.yeo@sshsb.com.my

Registered Office and Corporate Office

Lot 1035, Block 4, MCLD

Piasau Industrial Area, 98000 Miri, Sarawak

Tel : 085-651 778

Fax : 085-652 480

Email : DL-Secretariat@asiasealink.com

Website : www.asiasealink.com

Registrar

Securities Services (Holdings) Sdn. Bhd.

Registration No. 197701005827 (36869-T)

Level 7, Menara Milenium, Jalan Damanlela

Pusat Bandar Damansara, Damansara Heights

50490 Kuala Lumpur, Wilayah Persekutuan

Tel : 03-2084 9000

Fax : 03-2094 9940

Auditors

Grant Thornton Malaysia PLT

Registration No. 201906003682 (LLP0022494-LCA) & AF 0737

Level 11, Sheraton Imperial Court

Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia

Tel : 03-2692 4022

Fax : 03-2691 5229

Principal Bankers

Hong Leong Bank Berhad

Registration No. 193401000023 (97141-X)

AmBank (M) Berhad

Registration No. 196901000166 (8515-D)

CIMB Bank Berhad

Registration No. 197201001799 (13491-P)

Malayan Banking Berhad

Registration No. 196001000142 (3813-K)

OCBC Al-Amin Bank Berhad

Registration No. 199401009721 (295400-W)

United Overseas Bank (Malaysia) Bhd

Registration No. 199301017069 (271809-K)

DBS Bank Ltd (196800306E)

Stock Exchange Listings

Listed on Main Market of Bursa Malaysia
Securities Berhad on 29 July 2008

Stock Code

5145

Stock Name

SEALINK



Group Structure



SEALINK INTERNATIONAL BERHAD

Registration No. 200701042948 (800981-X)



MALAYSIA



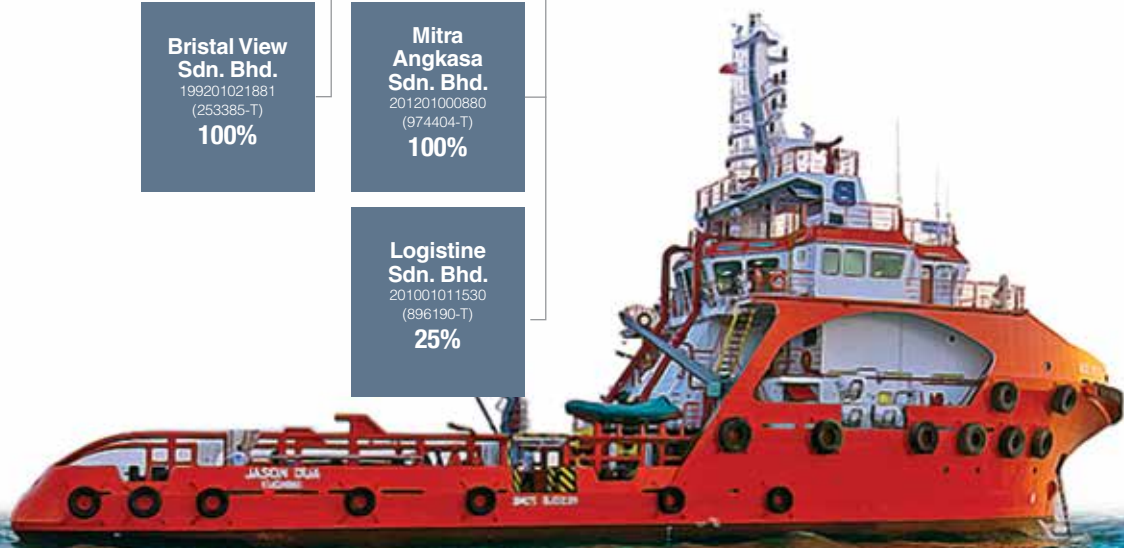
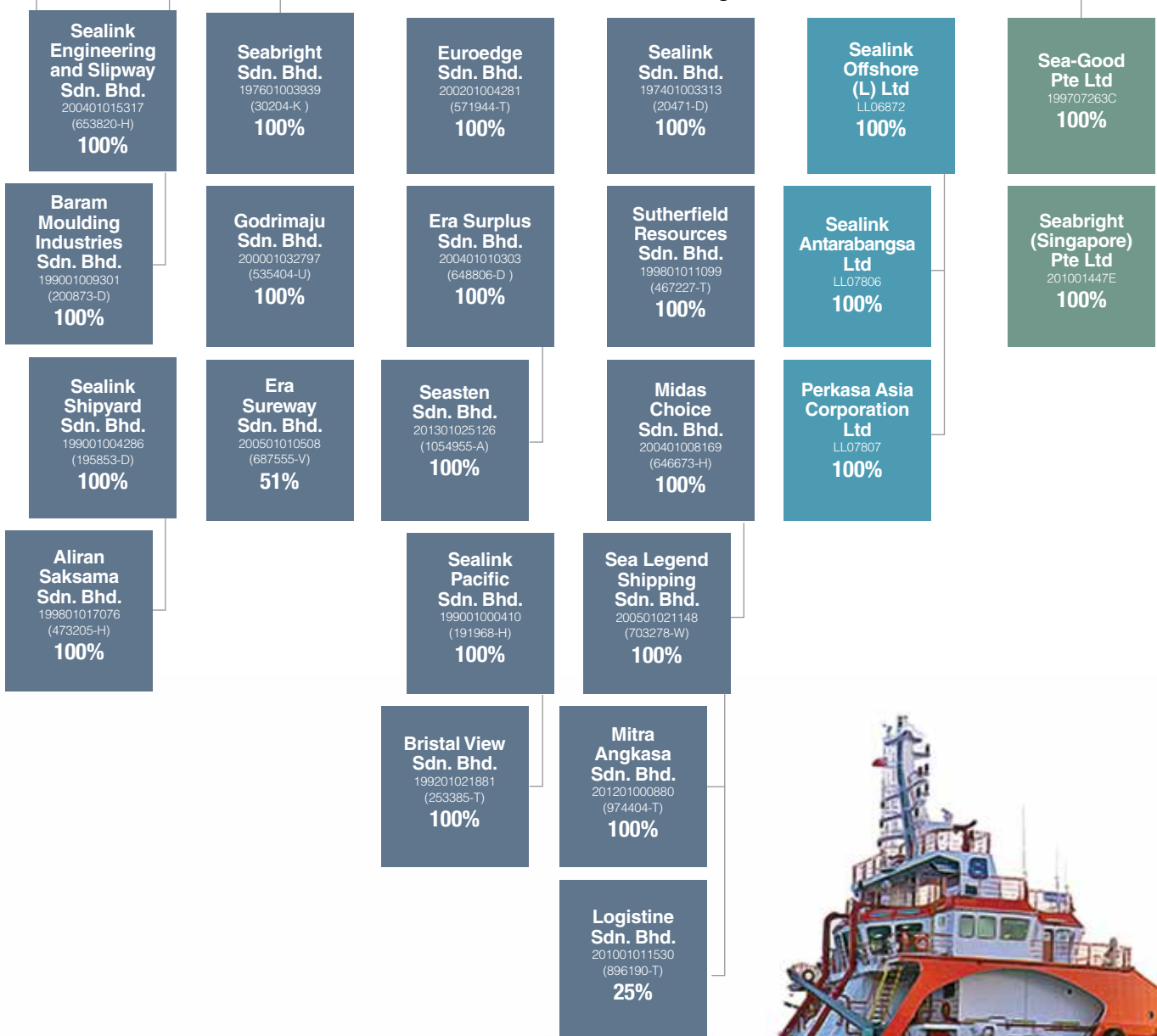
LABUAN



SINGAPORE

Shipbuilding and Repair

Chartering



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fifteenth (“15th”) Annual General Meeting (“AGM”) of Sealink International Berhad (“the Company”) will be held at the Meeting Room, 1st Floor, Admin Block, Sealink Engineering and Slipway Sdn. Bhd., Lot 816, Block 1, Kuala Baram Land District, 98100 Kuala Baram Miri, Sarawak, on Wednesday, 31 May 2023 at 11:00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|---|--|
| 1. | To receive the Directors’ Report and Audited Financial Statements for the financial year ended 31 December 2022 together with the Report of the Auditors thereon. | Please refer to Explanatory Notes 1 |
| 2. | To re-elect Madam Yong Nyet Yun who retires in accordance with Clause 117 of the Company’s Constitution and who being eligible, offers herself for re-election. | (Resolution 1) |
| 3. | To re-elect Mr Yong Kiam Sam who retires by rotation in accordance with Clause 118 of the Company’s Constitution and who being eligible offers himself for re-election. | (Resolution 2) |
| 4. | To approve the payment of Directors’ Fees up to the amount of RM350,000.00 for the financial year ending 31 December 2023. | (Resolution 3) |
| 5. | To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to determine their remuneration. | (Resolution 4) |

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without modifications, to pass the following resolutions as Ordinary Resolutions:

- | | | |
|----|--|-----------------------|
| 6. | Proposed Retention of Independent Director | (Resolution 5) |
| | “THAT approval be and is hereby given to Mr Eric Khoo Chuan Syn @ Khoo Chuan Syn who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years as at the date of the 15 th AGM to continue to act as an Independent Non-Executive Director of the Company through a two-tier voting process.” | |
| 7. | Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and waiver of pre-emptive rights. | (Resolution 6) |
| | “THAT, subject always to the Act, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to the Act, to issue and allot shares in the Company from time to time at such price and upon such terms and conditions and for such purposes and to such person or persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10 percent (10%) of the total number of issued shares of the Company for the time being, AND THAT pursuant to Section 85 of the Act to be read together with Clause 14 of the Constitution of the Company, approval be and is hereby given to waive the statutory | |

Notice of Annual General Meeting (cont'd)

pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act, AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad, AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company.”

8. **To transact any other ordinary business of which due notice shall have been given.**

By order of the Board,

Yeo Puay Huang (LS 0000577)
[SSM PC No. 202008000727]
Secretary

Dated : 28 April 2023

NOTES:

1. Only Depositors whose names appear in the General Meeting Record of Depositors as at 24 May 2023 be regarded as Members and shall be entitled to attend, speak and vote at the 15th AGM.
2. A Member entitled to attend, speak and vote at the 15th AGM may appoint a proxy to attend, speak and vote on his behalf. A proxy need not be a member of the Company.
3. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney of the corporation duly authorised.
5. The instrument appointing a proxy must be deposited at the registered office of the Company at Lot 1035, Block 4, MCLD, Piasau Industrial Area, 98000 Miri, Sarawak, not less than 48 hours before the time set for this 15th AGM or any adjournment thereof.

Explanatory Notes to Ordinary Business:

1. Agenda 1 is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda will not be put forward for voting.

Notice of Annual General Meeting (cont'd)

2. Clause 117 of the Company's Constitution provides that the Directors shall have power at any time to appoint any person to be a Director and any Director so appointed shall hold office only until the next following AGM and shall then be eligible for re-election.

Clause 118 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. All the Directors shall retire from office at least in each three (3) years, but shall be eligible for re-election.

The Board had endorsed the recommendation by the Nominating Committee for their re-election as Directors of the Company based on the results of the Directors' Evaluation Form for FYE 2022 and the completed Directors' Declaration on Fit and Proper.

The profile of the Directors who are standing for re-election are set out in the Profile of Directors of the Annual Report 2022.

3. Pursuant to Section 230(1) of the Companies Act 2016, shareholders' approval shall be sought at the 15th AGM on the payment of Directors' fees up to the amount of RM350,000.00 for the financial year ending 31 December 2023.
4. Messrs. Grant Thornton Malaysia PLT has expressed their willingness to be re-appointed as Auditors for the ensuing year. The Board had endorsed the recommendation by the Audit Committee for their re-appointment based on the assessment of their performance, capability, professionalism and independence.

Explanatory Notes to Special Business:

5. Proposed Retention of Independent Directors

The proposed Resolution 5 is to seek shareholders' approval through a two-tier voting process to retain Mr Eric Khoo Chuan Syn @ Khoo Chuan Syn as an Independent Non-Executive Director. He has served the Company as an Independent Non-Executive Director for a cumulative term of more than nine (9) years as at the date of the 15th AGM. The Nominating Committee and the Board have assessed the independence of Mr Eric Khoo Chuan Syn @ Khoo Chuan Syn and thereby recommended that the approval of the shareholders be sought to retain Mr Eric Khoo Chuan Syn @ Khoo Chuan Syn as an Independent Non-Executive Director of the Company. The full details of the justification and recommendation for the retention are set out in the Corporate Governance Overview Statement in the Annual Report 2022.

6. Authority to issue shares pursuant to Sections 75 and 76 of the Act and waiver of pre-emptive rights

This is the renewal of the mandate obtained from the members at the last AGM held on 31 May 2022 ("the Previous Mandate"). The Previous Mandate was not utilised and accordingly, no proceeds were raised.

The proposed Resolution 6, if passed, will provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the funding of the Company's future investments projects, working capital and/or acquisitions, by the issuance of shares in the Company to such persons at any time, as the Directors may deem fit, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

Pursuant to Section 85(1) of the Act be read together with Clause 14 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities. Thus, a waiver is required.

Profile of Directors

Wong Chie Bin

Chairman

Non-Independent Non-Executive Director

Age 68 | Male | 

Date of Appointment: 20 May 2008

Date of Re-designation as Non-Independent Non-Executive Chairman: 28 February 2023

Board Meeting Attendance in FY 2022: 5/5

Board Committees Membership (s):

- Nil

Academic/professional qualification/membership (s):

- Member of Chartered Accountants Australia and New Zealand
- Fellow member of Chartered Tax Institute of Malaysia
- Member of Malaysian Institute of Accountants
- Bachelor Degree in Commerce, University of Otago, New Zealand

Experience:

- Senior Partner, Crowe Malaysia PLT
- Over 40 years' experience in accounting, auditing, taxation and management consultancy services

Yong Kiam Sam

Chief Executive Officer cum Managing Director

Non-Independent Executive Director

Age 53 | Male | 

Date of Appointment: 28 December 2007

Board Meeting Attendance in FY 2022: 5/5

Board Committees Membership (s):

Chairman of Risk Management Committee
Chairman of Sustainability Committee

Academic/professional qualification/membership (s):

- Bachelor of Commerce, University of Melbourne, Australia
- Master of Business Administration, London Business School, United Kingdom

Experience:

- Director of all the subsidiaries of Sealink International Berhad
- Senior consultant with Ernst & Young Consultants, Singapore
- Accounts Executive in Lambir Myanmar Investments Ltd, Myanmar

Family Relationships:

Son of Mr Yong Foh Choi (a substantial shareholder of the Company).

Profile of Directors (cont'd)

Eric Khoo Chuan Syn @ Khoo Chuan Syn

Independent Non-Executive Director

Age 68 | Male | 

Date of Appointment: 20 May 2008

Date of Re-designation as Independent Non-Executive Director: 21 May 2014

Board Meeting Attendance in FY 2022: 5/5

Board Committees Membership (s):

Chairman of Nominating Committee
Member of Remuneration Committee
Member of Audit Committee
Member of Risk Management Committee
Member of Sustainability Committee

Academic/professional qualification/membership (s):

- Bachelor of Laws (LLB) Hons, University of Wolverhampton, England, United Kingdom
- Barrister-at-Law, Gray's Inn, London, England (1979)

Experience:

- Practising Advocate and Solicitor, Khoo & Co (1982 – present)
- Magistrate, Judicial Department (1979 – 1982)

Toh Kian Sing

Non-Independent Non-Executive Director

Age 58 | Male | 

Date of Appointment: 23 May 2008

Date of Re-designation as Non-Independent Non-Executive Director: 28 February 2023

Board Meeting Attendance in FY 2022: 5/5

Board Committees Membership (s):

Chairman of Remuneration Committee
Member of Audit Committee
Member of Nominating Committee

Academic/professional qualification/membership (s):

- Bachelor of Law, National University of Singapore
- Bachelor of Civil Law, University of Oxford

Experience:

- He has vast experience as a shipping litigation and arbitration lawyer, specialising in charterparty, bills of lading, ship sale and purchase, shipbuilding and marine insurance disputes. He also handles commodity trading (particularly oil and minerals) and letters of credit disputes.
- He is a practising advocate and solicitor of the Supreme Court of Singapore.
- He was appointed a Senior Counsel of the Supreme Court of Singapore in January 2007.
- He is an arbitrator listed in the panel of arbitrators of the Singapore International Arbitration Centre, Hong Kong International Arbitration Centre, China Maritime Arbitration Commission, Shanghai International Arbitration Centre, Kuala Lumpur Regional Centre for Arbitration, Singapore Chamber of Maritime Arbitration, London Court of International Arbitration, DIFC-LCIA Arbitration Centre, Pacific International Arbitration Center (Vietnam), Member of the South China International Economic and Trade Arbitration Commission.

Profile of Directors (cont'd)

Yong Nyet Yun

Independent Non-Executive Director

Age 64 | Female | 

Date of Appointment: 1 June 2022

Board Meeting Attendance in FY 2022: 2/2

Board Committees Membership (s):

Chairman of Audit Committee
 Member of Nominating Committee
 Member of Remuneration Committee
 Member of Risk Management Committee
 Member of Sustainability Committee

Other Directorships in Public Companies and Listed

Issuer: Shin Yang Shipping Corporation Berhad

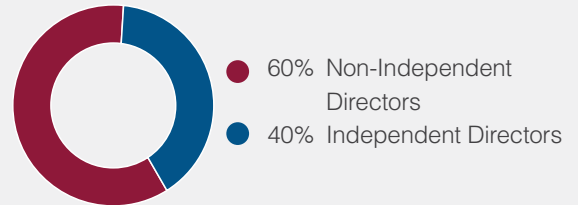
Academic/professional qualification/membership (s):

- Member of Malaysian Institute of Accountants
- Member of Chartered Tax Institute of Malaysia
- Fellow of CPA Australia
- Bachelor of Commerce, University of New South Wales, Australia

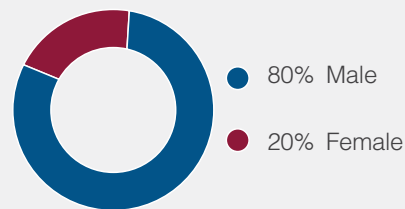
Experience:

- Ernst & Young (EY) Malaysia (1984)
- Partner, Ernst & Young (EY) Malaysia (2005-2019)
- Extensive experience in assurance, taxation and corporate finance services for listed and private companies in a wide spectrum of industries

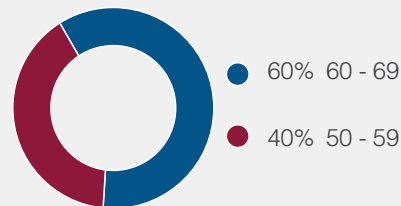
Board Composition



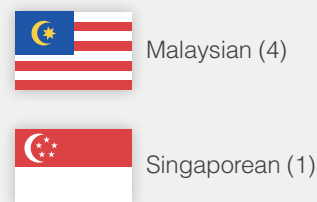
Gender Diversity



Age Diversity



Nationality



Profile of Key Senior Management

Yong Kiam Miaw

General Manager for Sealink Shipyard Sdn. Bhd.

Age 56 | Male | 

Date of Appointment : 1 September 2014

Academic/professional qualification/membership (s) :

- Licensed Secretary
- Business Administration

Experience:

- General Manager for Sealink Shipyard Sdn. Bhd.
- Manager for Lambir Timber Sdn. Bhd.
- Manager for Sekiwa Logging Sdn. Bhd.

Family Relationships :

Son of Mr Yong Foh Choi (a substantial shareholder of the Company), and brother of Mr Yong Kiam Sam.

Angelia Chong Pei Cheng

General Manager, Group Finance

Age 47 | Female | 

Date of Appointment : 1 April 2018

Academic/professional qualification/membership (s) :

- Bachelor of Commerce in Accountancy, University of Canterbury, Christchurch, New Zealand
- Chartered Accountant certified by The Association of Chartered Certified Accountants (ACCA, FCCA)
- Chartered Accountant certified by Malaysian Institute of Accountants (CA, MIA)

Experience :

- General Manager, Group Finance, Sealink International Berhad (1 April 2018 – Present)
- Head of Treasury / Corporate Compliance, Sealink International Berhad (2016 – March 2018)
- Head of Compliance, Sealink International Berhad (2015)
- Senior Finance Manager, Petra Resources Sdn. Bhd., Miri (2013 – 2015)
- Senior Finance Manager, Semua Shipping Group of Companies (2005 – 2013)
- Auditor, KPMG Sarawak (1998 – 2005)
- Assistant Business Advisor, KPMG Auckland, New Zealand (1997)

ADDITIONAL INFORMATION

Save as disclosed, the Directors/Key Senior Management have:

- (i) no family relationship with any Director and/or major shareholder of Sealink International Berhad ("SIB"), unless otherwise stated;
- (ii) no conflict of interest with SIB;
- (iii) no directorship in other public companies and listed issuers, unless otherwise stated;
- (iv) not been convicted of any offences within the past five years other than traffic offences; and
- (v) not been imposed any penalty or public sanction by the relevant regulatory bodies during the financial year ended 31 December 2022.

Chief Executive Officer's Message and Management Discussion & Analysis

Dear Valued Shareholders,

On behalf of the Board of Directors ("the Board") of Sealink International Berhad ("the Group"), I am pleased to present to you our Annual Report for the financial year ended 31 December 2022 ("FYE 2022"). It has been a year of commendable growth for the Group with our revenue surging by about 72%. Our resilience has enabled us to record improved results this year and the Group successfully secured several long-term charter contracts in FYE 2022. We have successfully navigated the challenging headwinds that dominated the industry for the past three years and are now firmly on course for better days ahead.

Over the past year, the Group has successfully grown our customer base. This is evidenced by the significant growth in operational performance despite the volatile operating climate. Our ship chartering division also benefitted from the rising oil prices and increased demand for offshore support vessels ("OSVs"). As a result, the Group witnessed a surge in utilisation rates and average charter rates, that surpassed its FYE 2021 figures.

Our core business, which supports the oil and gas ("O&G") sector, benefitted from both the surge in exploration and production capital expenditure ("capex") in the O&G sector and the increased activity in the marine sector. As businesses and countries worldwide eased lockdowns and border restrictions following the Covid-19 pandemic moving into the endemic phase, the O&G industry rallied and began to recover. With the O&G sector having strongly rebounded from its decline over the past number of years, we are poised to leverage on our industry experience and credible track record to compete for more charters.

While the oil price and external environment are factors beyond our control, the Group has been building a strong foundation for recovery following the initiatives and strategies we have undertaken which have reshaped and strengthened the Group, coupled with improving economic conditions and recovery in the marine industry.

MARKET OVERVIEW

Based on the recent release of the Petronas Activity Outlook 2023-2025, the activity outlook for Petronas remains positive, in line with the continued recovery that we have seen throughout 2022. Specifically, Petronas mentioned that this is positive for activities relating to repair and maintenance activities required to maintain the integrity of offshore facilities. With this, the demand for OSVs is expected to remain steady going into 2023, especially for vessels supporting drilling and wells projects. It sees higher demand of OSVs in 2023-2025 compared with its previous forecast and this is an opportunity for local players. It is expected that capex spending to continue its upwards trend in 2023, surpassing pre-pandemic levels, on the heels of the massive under-investment throughout the past few years. This will reflect well on shipping sector.

Service providers in the O&G sector are returning to pre-pandemic activity and profitability levels. The better overall performance was driven by pick-ups in offshore O&G activities. This is on the back of stable oil price per barrel that is spurring capex spending among all producers to enhance production levels. (*PublicInvest Research*)

Going forward, Petronas is guiding a capex spending of RM300 billion for the next five years of 2023 to 2027, representing a 43% increase from the previous five-year period of RM208.5 billion. This will continue spurring growth of O&G activity levels. With anticipated further ramp up in capex by Petronas, we are expecting the upcoming quarters to see continued recovery trajectory in activity levels. There is also room for services players to demand for higher rates amidst tight supply. (*Kenanga Research*)

Oil prices are expected to remain strong into the future mainly due to the reopening of China coupled with continuing sanctions on Russian O&G supply. As such, capital spending by oil majors is expected to remain steady in the medium to long-term. Thus, we have intensified our efforts in bidding work. We believe that a resilient domestic sector for O&G is here to stay.

Chief Executive Officer's Message and Management Discussion & Analysis (cont'd)

MARKET OVERVIEW (cont'd)

As we look forward into 2023, we are confident that not only is the recovery here, but that the demand for OSVs will continue to strengthen throughout this year. Just as encouraging as the acceleration in demand for OSVs is the continued reduction in the available supply of OSVs. The number of OSVs currently available is very limited indicating that the supply of vessels will continue to decline gradually. Accordingly, it is our view that the industry is positioned to benefit from an increase in demand over medium to long term with a slowly shrinking supply of vessels. We believe this imbalance in supply and demand will continue to provide the opportunity for day rate and utilisation to increase.

We trust that the demand for oil services will come back first for the shallow water segments when the recovery comes, as these typically have a lower breakeven cost. This will be beneficial for the Group which has many vessels for shallow water operations.

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

The Group is principally involved in the business of chartering of marine vessels, shipbuilding and ship repair. The Group builds, owns and operates a diverse fleet of marine support vessels, which serve the global exploration and marine industry.

Our shipyard is located in Kuala Baram, Miri, Sarawak and the workshop in Krokop Miri, Sarawak. Our shipyard delivered its first new build in 1999, a landing craft known as "Sealink Victoria". To-date, our shipyard has constructed in total sixty-eight (68) vessels (including fabrication of two work barges). The Group's shipbuilding division will also continue its emphasis on ship repair. Apart from construction of OSVs, the Group has diversified into the construction of harbour tugs and other non-oil and gas vessels. Armed with technical knowhow and management capabilities, our Group is able to offer a sophisticated array of vessels designed to meet our customers' needs.

Our ship operations are based in Miri, Sarawak with branch offices located in Labuan, Kemaman and Singapore. The shipping division has a fleet of twenty-two (22) vessels providing a broad range of services to the marine sector with the highest standards of safety and technology available in the industry.

Over the years, the Group has established a reputation with a proven track record in both of our core businesses. As a testimony to this, our clientele includes both local and international companies from the United States of America, Australia, China, Latin America, Europe, East Africa, Southeast Asia and the Middle East.

As an integrated service provider, we have full discretion and control over the design specification, quality, cost and timely delivery of our vessels. It also provides us with the flexibility to either "build and sell" or "build and charter" our vessels. Our experienced maintenance team can respond promptly and attend to emergency repairs and where necessary, vessel(s) can be arranged to be up slipped internally at our slipway in Kuala Baram for vessels within the vicinity. This reduces our dependence on other yards and provides our Group with a distinct competitive advantage over the other players in the market.

The Group strives to intensify its efforts and commitment to deliver high value products and services with emphasis on safe operations and to maintain the group's position as one of the leading integrated service providers in the offshore marine services segment.

As a key measure to manage the Group's exposure to the business risks, the Group has continued on the following initiatives which have been reinforced and carried forward to the next financial year:

- Sustainable cost rationalisation and optimisation of human resources where only critical positions are filled when incumbents leave the Group. Existing personnel are re-deployed within the Group to take on additional responsibilities for better efficiencies without impairing the adequacy of existing internal control system;

Chief Executive Officer's Message and Management Discussion & Analysis (cont'd)

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (cont'd)

- Closer monitoring of inventory management, where stringent controls have been deployed to account for procurement of goods and of services vis-à-vis existing inventory levels to conserve cash flows and minimise the risk of inventory obsolescence; and
- Effective cash flow management.

Notwithstanding the challenges faced, the Group has won various contracts from national and international oil majors in Malaysia and abroad. We are still striving for better market reach and branding, with the view of enhancing shareholder value. The ability to win contracts reaffirmed the trust, confidence and support of our esteemed clients. We are now ready to embark on long-term growth plans to further maximise shareholder value given our more efficient capital structure. We remain confident that we should be able to reward our faithful shareholders who have remained steadfast with us throughout this journey.

The Group has been gradually developing a reputation as a responsible and respected operator of O&G assets. This is being achieved by

- Remaining focused on core business whilst protecting our base assets as a source of positive cashflow;
- Delivering strong operational metrics;
- Delivering on our commitments;
- Utilising "best practice" corporate governance principles; and
- Being a responsible corporate citizen.

The objective going forward will be to continue to positively build our business profile, always cognisant of the associated risks and Health, Safety, Security and Environment considerations in all that we do.

OVERVIEW OF FINANCIAL PERFORMANCE

Financial results

	FYE 2022	FYE 2021	Change	
	RM'000	RM'000	RM'000	%
Revenue	65,295	37,955	27,340	72
Gross loss	(4,495)	(19,816)	15,321	77
Operating loss	(18,207)	(65,549)	47,342	72
Loss before tax	(21,168)	(69,632)	48,464	70
Loss after tax	(20,175)	(65,369)	45,194	69
Finance cost	(4,733)	(4,926)	193	4
Administrative expenses	(16,487)	(19,427)	2,940	15

In FYE 2022, the Group achieved an improvement in operational performance. The Group recorded a revenue of RM65 million, representing a RM27 million or 72% increase as compared FYE 2021. The significant improvement in the revenue was attributable to the higher utilisation of vessels.

Corresponding to the higher revenue, the Group recorded a lower gross loss of RM4 million in FYE 2022 as compared to a gross loss of RM19.8 million in FYE 2021.

Operating loss for FYE 2022 of RM18 million had reduced by RM47 million from the loss of RM65 million recorded in FYE 2021. The lower operating loss was in tandem with higher revenue and utilisation of vessels.

Finance cost had also reduced from RM4.9 million in 2021 to RM4.7 million in 2022 as some loans have been cleared.

Administrative expenses had also reduced from RM19.4 million in 2021 to RM16.5 million in 2022 in line with our cost saving initiatives.

Chief Executive Officer's Message and Management Discussion & Analysis (cont'd)

OVERVIEW OF FINANCIAL PERFORMANCE (cont'd)

Liquidity and resources

A critical component of the Group's ability to persevere through the global economic, pandemic and industry challenges of the past few years has been our prudent and disciplined financial management. We have further strengthened our liquidity position in 2022, as cash and bank balances increased by more than doubled, based on our cash management strategy. Our optimised cash management strategy also resulted in positive net cash flow from operations. We have significantly improved cash collection from customers through our diligent follow-up. Our positive liquidity position reflects our ability to meet our financial obligations including capex, working capital and debt repayments.

The Group monitors and manages its cash flows effectively and ensures all obligations and funding needs are met as and when they fall due.

We have reduced the Group's term loans significantly from RM28 million in 2021 to about RM19 million (approximately USD 4.3 million) in 2022, a reduction of about 33%. Presently, only one (1) vessel out of our charter fleet of twenty-two (22) 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 opportunities arise. Despite the loss for the year, there is a surplus in the cash flows generated from operations amounting to about RM3.6 million. Our ability to generate sufficient cash flow from operations to fund debt repayments demonstrates our ability to manage our cash efficiently despite the industry downturn and prolonged pandemic in prior years. This is the cornerstone of our fiscal discipline, where we take an uncompromising view of not taking any unnecessary risks and maintaining positive cash balance. Our conservative management of debt is reflected in our low gearing and effective risk management strategies put us in a positive financial position to compete for jobs and execute them effectively.

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders value. In order to maintain or achieve an optimal capital structure, the Group may adjust the return capital to shareholders, obtain new financing facilities or dispose of assets to reduce borrowings. Management monitors capital based on the Group's gearing ratio. The Group's strategy is to maintain a gearing ratio not exceeding 100%. The gearing ratio is calculated as total loans and borrowings divided by equity capital. The ratio for the Group has improved from 32% in 2021 to 27% in 2022.

Dividend

The declaration and payment of dividend will depend upon the Company's financial performance, cash requirements and is subject to certain limitations imposed under the Companies Act 2016. Due to the aforesaid losses incurred, the Board does not recommend any dividend for the FYE 2022.

Corporate Social Responsibility

The Group is continuously committed to fulfilling our role as a responsible corporate social citizen. The main focus of our Group on corporate social initiatives are the Workplace, the Environment and the Community, with the view of maintaining a sustainable value for the Group and its shareholders.

Chief Executive Officer's Message and Management Discussion & Analysis (cont'd)

OVERVIEW OF FINANCIAL PERFORMANCE (cont'd)

Corporate Governance

The Board believes in embedding a culture in the Group that seeks to balance compliance requirements with the need to deliver long-term strategic value to shareholders and stakeholders through performance, predicated on entrepreneurship, control and ownership, and with due consideration towards ethics and integrity. As such, the Board strives to embrace the substance behind the Principles and Recommendations as promulgated by the Malaysian Code on Corporate Governance 2021 and not merely the form.

Apart from the disclosures in the Annual Report, the Group has also established a corporate website at www.asiasealink.com that houses, inter-alia, documentation on the Group's corporate governance practices like the Board Charter, Whistleblower Policy, Code of Conduct/Ethics for Directors and employees of the Group, Corporate Disclosure Policies and Procedures Documents, Sustainability Policy, Gender Diversity Policy, Fit and Proper Policy and Anti-Bribery & Corruption Policy that are useful for investors as well as potential investors to be apprised on how the Board views corporate governance and engagement with investors. The website also provides, amongst others, information deemed pertinent for investors and the public, for example the Company's corporate announcements, financial results and historical chart of the Company's share prices.

OUTLOOK AND PROSPECTS

The Group expects 2023 to be promising and is positive about its long-term growth. With our history of having successfully navigated through many challenges and economic crisis in the past decades, we continue to believe that there will be sufficient opportunities for us to operate our vessels in this sector for many years to come. Riding on our strong foundation, we are confident that the Group will achieve good results going forward.

The Group is optimistic about its prospects going forward as we expect to achieve better results on the back of rising demand for our vessels as we continue to see strong momentum and demand from customers as reflected in our results for the current year.

We are of the opinion that 2023 could be a bright year for the O&G industry, by and large, mirroring the outlook that Petronas has cast on the prospects of the sector. Aside from the optimism by Petronas, the hopeful outlook on the sector is also underpinned by factors including oil prices remaining elevated at current levels, the expected recovery in investment spending and improved activity levels from oil majors for this year.

Our strategic priorities for 2023 will see us further building our organisational resilience and delivery capability. Our focused efforts over the past few years to build business resilience as we navigated pandemic-related challenges have borne fruit.

The Group will continue leveraging its business model of synergistic solutions to better optimise and bolster the strengths and capabilities of its various business segments. This would be done in tandem with the pursuit of an asset-light strategy, as the Group will also continue transforming its business by disposing of ageing and surplus vessels that have little prospect in securing or servicing contracts. The disposal of vessels plays into a larger goal of optimising vessel fleet utilisation.

We have a proven track record in marine transportation, offshore support services, shipbuilding and ship repair and will proactively focus our efforts on pursuing new opportunities. As we move forward, we will continue to leverage our resources and assets including capacity building, strengthen our operational efficiencies, and implement cost-cutting strategies to ensure long-term sustainable growth.

Chief Executive Officer's Message and Management Discussion & Analysis (cont'd)

OUTLOOK AND PROSPECTS (cont'd)

Vessels not on long-term charter are marketed and secured work primarily from the spot market at better charter rates than the previous 3 to 5 years.

Stepping into 2023, we are aware of the key strengths we can rely on as our growth drivers. Our strong balance sheet and liquidity position, coupled with our long-standing track record and expertise puts us in a better position to capture growth opportunities.

Our financial strategy for the year ahead remains the same – to maintain fiscal discipline, financial prudence and sound financial management. We will continue to focus on maintaining our strong financial position through prudent financial risk management in our project execution as well as on the bidding front. Cost optimisation through cautious spending and resource optimisation also remains our top priority in our financial management strategy.

As we gear up towards achieving further financial success, we will strive to improve profitability, market capitalisation and shareholder returns.

With the pandemic now a thing of the past, we are looking forward to secure more new charters. We have already embarked on initiatives to enhance our bidding competitiveness. These will augment our business and operational resilience and help us deliver projects in line with our customers' needs and expectations. We believe that our focused efforts will drive better results for the Group moving forward.

NOTE OF APPRECIATION

On behalf of the Board, I wish to express our sincere thanks and appreciation to all our stakeholders, beginning with our shareholders for their steadfast support and belief in the prospects of our Group. To our clients, business partners, associates and principals; for their continuous support, cooperation and faith in our ability to deliver. To our Bankers and the authorities; for their vital role in our strategic planning and execution. To our committed and dedicated Management team; for their hard work, perseverance and tireless efforts in maintaining our position as one of the leading marine OSV providers and shipbuilders in Malaysia.

To our dedicated and loyal employees, thank you for your dedication, relentless efforts and commitment, as one team with our values upheld, and come out of this with more resilience and focus despite the various challenges. We must continuously work hard and stay the course to achieve our goals. Let us maintain our commitment to steer towards greater heights in the future together. It is my sincere hope that Sealink will continue to grow from strength to strength in the coming years and beyond.

Last but not least, special thanks to my fellow Board members for their unwavering support and guidance throughout the financial year. On behalf of the Board, I would like to extend our sincere appreciation to Datuk Sebastian Ting Chiew Yew who retired from the Board at our 14th AGM in May 2022 after serving the Group as an Independent Non-Executive Director for nine (9) years, for his contribution to the Group. I hereby wish to welcome Madam Yong Nyet Yun as the new Chairman of the Audit Committee, following the re-designation of Mr Wong Chie Bin as our Non-Independent Non-Executive Chairman. Thank you.

YONG KIAM SAM

Chief Executive Officer cum Managing Director

Audit Committee Report

The objectives of the Audit Committee (the “AC”) are to assist the Board of Directors (the “Board”) of Sealink International Berhad (the “Company”) in discharging its statutory duties and responsibilities in relation to overseeing the financial reporting process of the Company and its subsidiaries (the “Group”), the audit process and review related party transactions and conflict of interest situations.

COMPOSITION

As the date of this Report, the composition of the AC of the Company is as follows:

Members	Designation
Yong Nyet Yun* (Chairman)	Independent Non-Executive Director and Member of the Malaysian Institute of Accountants
Eric Khoo Chuan Syn @ Khoo Chuan Syn	Independent Non-Executive Director
Toh Kian Sing**	Non-Independent Non-Executive Director

* Appointed as an Independent Non-Executive Director of the Company with effect from 1 June 2022

**Re-designated as Non-Independent Non-Executive Director of the Company on 28 February 2023

The detailed profile of all the members of the AC are shown in the Profile of Directors of this Annual Report.

TERMS OF REFERENCE

In performing its duties and discharging its responsibilities, the AC is guided by the Terms of Reference. The Terms of Reference of the AC are accessible via the Company’s website at www.asiasealink.com.

MEETINGS AND ATTENDANCE

The AC held five (5) meetings during the financial year ended 31 December 2022 (“FYE 2022”). The details of attendance of the AC members are as follows:

Members	Attendance
Yong Nyet Yun (Chairman)	2/2
Eric Khoo Chuan Syn @ Khoo Chuan Syn	5/5
Toh Kian Sing	5/5
Wong Chie Bin	5/5

The AC members were served with adequate notice of meeting by the AC Secretary, setting out the meeting agenda, relevant papers and reports, which were distributed well before the meeting to enable them to go through the matters to be deliberated at the meeting. The AC Chairman reported to Board on the proceedings of each AC meeting. Minutes of each AC meeting were recorded and tabled for confirmation at the following AC meeting and subsequently presented to the Board for notation. The AC may inspect the minutes of the AC at the registered office.

The Chief Executive Officer cum Managing Director and General Manager, Group Finance attended to the AC meetings, to provide inputs and updates on the Group’s operation, present reports or appropriate relevant information during the deliberation of matters pertaining to their respective areas, in the meetings. The External Auditors and outsourced Internal Auditors were also invited to attend the AC meetings to present their audit plan and reports, any matters relating to the Group and audit findings at the respective AC meetings.

The Company Secretary is the Secretary of the AC and attended all the AC meetings held during the FYE 2022.

Audit Committee Report (cont'd)

SUMMARY OF WORK UNDERTAKEN BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

During the financial year under review and up to the date of this Report, the AC carried out the following work which has met its responsibilities, based on its terms of reference:

1. Financial Performance and Reporting

- a) reviewed the unaudited quarterly financial results of the Group before recommending them for approval by the Board for announcement to Bursa Malaysia Securities Berhad ("Bursa Securities").

The review was to ensure that the unaudited quarterly financial results were prepared in accordance with the requirement of Malaysian Financial Reporting Standards 134, International Accounting Standard 34: Interim Financial Reporting, and paragraph 9.22 and Part A of Appendix 9B of the Main Market Listing Requirement ("MMLR") of Bursa Securities. The review also covered, among others, the accuracy and adequacy of disclosure of information, the Group's performance and financial position for the respective quarters, segmental performance, seasonality of operations, prospect, etc.

- b) reviewed the audited financial statements for the FYE 2022 before recommending for the Board's approval. The review was to ensure that the financial statements were prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirement of the Companies Act 2016.

2. External Auditors

- a) reviewed and discussed with the External Auditors their audit plan, audit approach, key audit areas, significant audit matters, new accounting standards/interpretation/amendments that were applicable to the Group, proposed audit fee, the audit engagement team and the External Auditor's independency, the results of their annual audit, the Auditors' Report and Management Letters together with the Management's response to the findings by the External Auditors, as well as new developments on accounting standards and regulatory requirements;
- b) reviewed the draft Representation Letter to External Auditors and recommend them to the Board for approval;
- c) conducted private meeting with a representative of the External Auditors in the absence of Management to seek feedbacks from the External Auditors on any difficulties encountered during the audit; and
- d) evaluated and reviewed the performance and independence of the External Auditors based on the criteria in relation to the re-appointment of External Auditors as prescribed under the MMLR of Bursa Securities before recommending them to the Board to be considered for re-appointment at the Annual General Meeting.

3. Internal Audit

- a) reviewed and approved the Engagement Letter on the Provision of Internal Audit Services for the financial year ending 31 December 2022 to 31 December 2024 together with the Internal Audit Plan ("IAP") respectively from Internal Auditors, KPMG Management & Risk Consulting Sdn. Bhd. [Registration No. 198601000916 (150059-H)] ("KPMG MRC"). KPMG MRC in its Engagement Letter also presented to the AC the engagement objectives, scope of work, engagement approach, the names of its engagement teams and engagement fees;

Audit Committee Report (cont'd)

3. Internal Audit (cont'd)

- b) reviewed the internal audit reports on their internal audit findings, recommendations for improvements and Management's responses on the corrective actions to be taken, including follow-up audits on all major areas of concern and recurring issues and risk areas to assess the extent to which the Management has made progress in implementing the agreed action plans arising from the prior internal audit reviews; and
- c) reviewed the adequacy of the scope, functions, competency and resources of the internal audit function. The AC was satisfied with the competency and independence of outsourced Internal Auditors in carrying out its scope of work.

4. Risk Management

The AC reviewed the report on risk assessment for the year 2022 tabled by Risk Management Committee, which provided the top five (5) significant risks, control issues and summary of risk assessment.

5. Annual Reporting

The AC reviewed the Company's Corporate Governance Overview Statement, Audit Committee Report, Statement on Risk Management and Internal Control, Sustainability Statement, and Directors' Responsibility Statement for the Audited Financial Statement before recommending them for approval by the Board for inclusion in the Annual Report.

6. Others

- a) reviewed the finance and accounting policies and procedures manual, to recommend to the Board for approval;
- b) received the relevant business, financial and tax-related updates from management, including enquiring on management's plan and strategies; and
- c) reported to the Board on its activities and significant findings and results.

7. Related party transactions

The AC reviewed related party transactions of the Group and any conflict of interest situation that may arise within the Company and Group, including any transaction, procedure or course of conduct that raises questions of management integrity.

8. Evaluation and Assessment of the Audit Committee

Annually, the term of office and performance of the AC and each of its members are being assessed by the Nominating Committee prior to recommending to the Board for notation. During the financial year 2022, the Board is satisfied that the AC has discharged its function, duties and responsibilities in accordance with the Terms of Reference of the AC.

9. Training

The AC is aware of the importance for its members to undergo continuous professional education to stay abreast of regulatory developments that affect the AC in the discharge of its responsibilities. Details of training courses and seminars attended by the AC members during the financial year under review and up to the date of this Report are disclosed in the Corporate Governance Overview Statement included in this Annual Report.

Audit Committee Report (cont'd)

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The purpose of the internal audit function is to provide the Board, through the AC, with reasonable assurance of the effectiveness of the risk management, internal control system, and governance processes in the Group. To provide an independent appraisal over the system of internal control of the Group to the AC, the Company outsources the internal audit function to an independent professional firm, namely KPMG Management & Risk Consulting Sdn. Bhd. [Registration No. 198601000916 (150059-H)] (“Internal Auditors”).

The internal audit activities were carried out based on IAP presented by the Internal Auditors to the AC for approval. The establishment of the audit plan took into consideration the corporate risk profile and input from Senior Management and the AC. The internal audit was conducted using a risk-based internal audit methodology approach, which aligned with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors.

The Internal Auditors highlighted to the AC the audit findings which required follow-up actions by Management as well as outstanding audit issues which required corrective actions to ensure an adequate and effective internal control system within the Group. The AC reviewed and deliberated on all audit reports, and the AC Chairman briefed the Board on audit matters on an annual basis.

During the FYE 2022, the Internal Auditors has assigned three (3) personnels to conduct audit reviews in accordance with the approved risk-based IAP. They have carried out reviews on the key operational areas of the Group, mainly focus on operations management and procurement management. They also carried out follow-up/audit closure reviews for current and prior years. The scope of internal audit covered key operating companies in the Group, encompassing the shipbuilding and chartering divisions as set out in the IAP. The total costs incurred for the internal audit function in respect of the financial year 2022 amounted to RM60,000 (exclusive of SST), excluding incidental costs such as travelling and out-of-pocket expenses.

The following internal audit activities were carried out by the Internal Auditors during financial year under review:

- a) conducted internal audit engagements in accordance with the IAP;
- b) discussed with process owners and Management on the results of the audit for each activity or process. Root cause analysis were assessed prior to the internal audit team recommending mitigations for the identified risks or control workflow improvements during the exit meetings;
- c) followed up on all the action plan agreed from the previous internal audit reports to ensure that all matters arising were adequate addressed by the Management;
- d) the draft internal audit reports which consist of internal audit findings, effect or potential risk, recommendations as well as follow up report were submitted to the Management to obtain their comments on the recommendation and the agreed corrective action plan; and
- e) the final internal audit report was presented to the Chief Executive Officer cum Managing Director for review before being presented and deliberated at the AC meetings.

Apart from the above, on an annual basis, Internal Auditors also provide advice to Management on control, risk and governance matters whenever consulted. Nevertheless, the Internal Auditors ensure its independence is maintained during the consulting activities.

This Audit Committee Report is made in accordance with the resolution of the Board dated 12 April 2023.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors (“the Board”) of Sealink International Berhad (“Sealink” or “the Company”) is pleased to present this statement outlining the nature and scope of the risk management and internal control system of the Company and its subsidiaries (“Group”) for the financial year ended 31 December 2022 (“FYE 2022”) and up to the date of approval of this statement pursuant to paragraph 15.26 (b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and as guided by the Statement on Risk Management and Internal Control: Guidelines for Director of Listed Issuers.

BOARD’S RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound risk management practices and internal control system, as well as reviewing its adequacy and operating effectiveness and integrity and so as to safeguard shareholders’ investment and Group’s assets. In view of the limitations that are inherent in any system of risk management and internal control, the system is designed to manage, rather than eliminate the risk of failure to achieve business objectives. Therefore, the system can only provide reasonable, but not absolute, assurance against any material misstatements, financial losses or fraud. The Group’s risk management process and internal control system consists of financial controls, operational and compliance controls.

The Board, through its Audit Committee (“AC”) and Risk Management Committee (“RMC”), ensures that the Group implements adequate risk management and internal control practices. The Board has continued to improve and embed controls throughout the Group and maintain the systems under review to ensure they remain fit for purpose.

RISK MANAGEMENT

The Board has established and put in place an enterprise risk management framework to identify the key risks faced by the Group, the potential impact and likelihood of those risks occurring, the control effectiveness, and the action plans being taken to manage those risks to the desired level. Such a system is designed to identify, evaluate, and manage the significant risks faced by the Group to achieve its objectives and strategies.

The Board is of the view that there is an ongoing process for identifying, evaluating, and managing the significant risks affecting the achievement of its business objectives in their daily activities throughout the financial year and up until the date of approval of this Annual Report.

The ongoing reviews are carried out by the RMC. The RMC, chaired by the Chief Executive Officer cum Managing Director (“CEO”), is to assist the facilitation of the continuous monitoring and evaluating of the Group’s risk management system and reports to the AC and the Board. The AC is entrusted by the Board to oversee the overall management of all identified risks of the Group and overall compliance with applicable laws and regulations, internal policies and approved limits.

The Management, which consist of head of departments are responsible for identifying business risks relevant to the business growth and strategy of the Group, maintaining, monitoring and evaluating the effectiveness of the risk management system. The Management presents the updated risk register to the Group Risk Coordinator, and thereafter to the RMC for review on an annual basis. The risk registers are used as one of the business tools to highlight the risk exposures and their risk mitigation. RMC will table the report on risk assessment which includes the top five significant risks, control issues and summary of risk assessment to the AC. Policies, procedures, guidelines, memorandum and the like are being developed to assist in ensuring an awareness of what is an acceptable level of risk and that risks and opportunities are managed consistently and effectively across the Group.

The Management also assists the Board in the implementation of the Board’s policies and procedures on risk and controls by identifying, assessing, monitoring and reporting risk and internal controls, as well as taking proper actions to address the risks. The effectiveness of internal controls is reviewed by the AC in relation to the audits conducted by Internal Auditors during the financial year. Audit findings and actions taken by Management to address the issues tabled by Internal Auditors are deliberated during the AC meetings.

Statement on Risk Management and Internal Control (cont'd)

INTERNAL CONTROL SYSTEM

The key elements of the Group's internal control systems are described below:

- **Organisational Structure**

A clearly defined operating and organisation structure, lines of responsibilities and delegation of authority to ensure proper identification of accountabilities and segregation of duties have been established.

Divisional heads of chartering and shipbuilding are responsible to assist the CEO in day-to-day operation of the Group and addresses significant matters through management, operations, and site meeting held on a regular basis.

- **Board and Board Committees**

The Board delegates their duties and responsibilities to the Board Committees (i.e., AC, Nominating Committee, Remuneration Committee, RMC and Sustainability Committee), to examine specific issues within their respective terms of reference as approved by the Board, and for them to report to the Board their recommendations. Board and Board Committees provide oversight function and ascertain the adequacy of the internal control framework in the Group. Further details on the activities of the Board and Board Committees are provided under Corporate Governance Overview Statement and Audit Committee Report in this Annual Report.

- **Reporting and review**

Meetings of Board and respective Board Committees are carried out on quarterly basis to review the performance of the Group, from financial and operational perspectives, with all members of the Board accorded full and unrestricted access to information.

- **Group Limits of Authority**

The Group Limits of Authority is an instrument of delegation of the Board's power which defines the decision-making limits within the Group, providing a balance between effective and quality decision-making and appropriate management control. The Group Limits of Authority is updated as and when there are changes in the operational needs, business environment or regulatory requirements.

- **Human Resource**

Comprehensive guidelines on the human resources management in the Employee Handbook are in place to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing necessary knowledge, skill and experience (which are enhanced by continuous training thereafter) in order to carry out their duties and responsibilities assigned effectively and efficiently.

- **Policies and Procedures**

The documented policies and procedures form an integral control system to safeguard the Group's assets against material losses and ensure completeness and accuracy of financial information. The documents consist of internal policies, procedures, manual, memorandum, circulars and letters, which are continuously being revised and updated to meet the operational needs, business environment or regulatory requirement.

Our policies and standard operating procedures are reviewed by the respective Board Committees and approved by the Board. In case of non-compliance, recommendations for corrective actions are highlighted to the Management, the AC and also to the Board through the Internal Audit reports.

- **Fit and Proper Policy**

The Board had adopted a Fit and Proper Policy which sets out the fit and proper criteria for the selection of new candidates that are proposed for new appointment and/or re-election of Directors. This serves to ensure that any person to be appointed or re-elected as a Director within the Group possesses the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders.

The Fit and Proper Policy is available for reference on the Company's website at www.asiasealink.com.

Statement on Risk Management and Internal Control (cont'd)

- **Code of Conduct / Ethics**

The Board has established and adopted a formal Code of Conduct / Ethics, which sets out the principles and standard of behaviour that are expected of employees.

The Code of Conduct / Ethics Policy is available for reference on the Company's website at www.asiasealink.com.

- **Whistleblower Policy**

The Group is committed to transparency, integrity and accountability in the conducts of its business and affairs. The Whistleblower Policy has been put in place and to provide clarity of oversight of the whistleblowing process, protection and the confidentiality provided to whistleblowers. The policy sets out a structured channel for employees in the Group, stakeholders and general public to raise genuine concerns on malpractices and misconduct within the Group at the earliest opportunity without fear of reprisal or detrimental action, for remedial actions.

The Whistleblower Policy is available for reference on the Company's website at www.asiasealink.com.

- **Anti-Bribery and Corruption Policy**

In line with the amendments to the Malaysian Anti-Corruption Commission Act 2009 to incorporate a new Section 17A on corporate liability for corruption which took effect on 1 June 2020, the Group had adopted an Anti-Bribery and Corruption Policy to encourage a culture of integrity and transparency across the Group's activities. The Anti-Bribery and Corruption Policy demonstrates the Group's zero-tolerance against any form of bribery and corruption while providing principles, guidelines and recommendation to all Directors, employees, and business associates of the Group, on the procedures to deal with solicitation, bribery and corruption that could arise on the business dealing and operation activities.

The Anti-Bribery and Corruption Policy is available for reference on the Company's website at www.asiasealink.com.

- **Health, Safety and Environment**

Health and safety policies and procedures are in place to assist on maintaining a safe working environment for all employees.

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function and outsourced to a professional entity, KPMG Management & Risk Consulting Sdn. Bhd. [Registration No. 198601000916 (150059-H)] ("KPMG MRC") to assist the Board and the AC in providing an independent assessment of adequacy, efficiency and effectiveness of the Group's internal control system.

During the FYE 2022, AC has reviewed and approved the Engagement Letter on the Provision of Internal Audit Services for the financial year ending 31 December 2022 to 31 December 2024 (3 years) together with the Internal Audit Plan ("IAP") which the total audit fee is amounted to RM60,000 per year (exclusive of SST), excluding incidental costs such as travelling and out-of-pocket expenses. The internal audit activities were based on the approved IAP of which is designed to cover entities across selected key processes and activities within the Group.

The Engagement Executive Director, Encik Mohd Khaidzir Shahari with the Internal Audit, Risk and Compliance Services ("IARCS") practices of KPMG MRC, has provided overall direction for the Engagement and responsible for all stages of the work therein. Encik Mohd Khaidzir is a Professional Member and Certified Internal Auditor (The Institute of Internal Auditors Incorporated), a Chartered Accountant (Malaysia Institute of Accountants), a Certified Global Management Accountant, and has a qualification from the Chartered Institute of Management Accountants. He is also currently a Board of Governors for the Institute of Internal Auditors Malaysia ("IIAM") and is the Chairman of IIAM's Research and Technical Advisory Committee.

Statement on Risk Management and Internal Control (cont'd)

INTERNAL AUDIT FUNCTION (cont'd)

The KPMG MRC has assigned three (3) personnels (“the Internal Audit Team”) to carry out the internal audit activities according to risk-based internal audit methodology approach, which aligned with the International Standard for the Professional Practice of Internal Auditing of the Institute of Internal Auditor. The Internal Audit prepares its audit strategy and plans based on the risk profile of individual business unit of the Group and input from the Senior Management and the AC. The Internal Audit Team had carried out reviews on the key operational areas of the Group, mainly focus on operations management and procurement management review for both chartering and shipbuilding division. The scope of audit conducted was based upon the examination of policies, manuals and standards that govern the activities, processes, systems and on analysis of the data contained in the accounting and management information systems, where applicable. The Internal Audit Team has also performed a follow-up status of Management action plans to address the outstanding internal audit observations raised in the previous cycles of the internal audit carried out by KPMG MRC.

The Internal Audit Report, including follow-up reviews and the recommended corrective action plans were circulated to the Management and the same be tabled to the AC for their attention.

The objectives of the audit are to ensure that the operations management and procurement management processes are consistent with the authorised and documented policies and procedures governing the activities, and there are controls in place to maintain the integrity of the operation and procurement management system. The Internal Audit review is also conducted to ensure that the processes and controls comply with the Groups’ policies and procedures.

ASSURANCE FROM THE MANAGEMENT

The Board has received assurance from the Chief Executive Officer cum Managing Director and General Manager, Group Finance that the Group’s risk management and internal control system were operating adequately and effectively, in all material aspects, during the financial year under review and up to date of this Statement.

REVIEW BY THE BOARD

The Board is committed towards operating and maintaining a sound system of internal control and recognises that the system must continuously evolve to support the type of business and size of operations of the Group. As such, the Board will, when necessary, put in place an appropriate action plans to rectify any potential weaknesses or further enhances the system of internal control as well as continue to review and update the controls in line with the changes in environments in which the Group operates in. Therefore, the Group’s internal control systems can only provide reasonable, but not absolute, assurance against material misstatement or financial loss or fraud.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

In compliance with the paragraph 15.23 of the MMLR of Bursa Securities, the external auditors have reviewed this Statement for inclusion in the Annual Report for the FYE2022. Their review was carried out in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), *Assurance Engagement Other than Audits or Reviews of Historical Financial Information, and Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report*, issued by the Malaysian Institute of Accountants. Based on their procedures performed, nothing has come to their attention that causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

This Statement is issued in accordance with a resolution of the Board dated 12 April 2023.

Corporate Governance Overview Statement

The Board of Directors (“the Board”) of Sealink International Berhad (“Sealink” or “the Company”) recognises the importance of adopting high standards of corporate governance in the best interest of the Company and its stakeholders, and to protect and enhance shareholders’ value and the performance of the Company and its subsidiaries (the “Group”). The Board is pleased to present this Corporate Governance (“CG”) Overview Statement (the “Statement”) to provide shareholders and investors with an overview of the CG practices adopted by the Company during the financial year ended 31 December 2022 (“FYE 2022”) as set out in the Malaysian Code on Corporate Governance (“MCCG”) with reference to the following three (3) key principles, under the stewardship of the Board.

- (a) Principle A: Board Leadership and Effectiveness;
- (b) Principle B: Effective Audit and Risk Management; and
- (c) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Statement also serves as in compliance with Paragraph 15.25 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and it is to be read together with the Corporate Governance Report (“CG Report”) which is available on the Company’s website. The CG Report provides details explanations of how the Company has applied each Practice under the MCCG during the financial year taking into consideration the specific circumstances affecting the Company, including any alternatives measures to achieve the intended outcomes.

A copy of the CG Report is available for reference on the Company’s website at www.asiasealink.com.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

PART 1 – BOARD RESPONSIBILITIES

1.1 Board roles and responsibilities

In the discharge of its fiduciary and stewardship role, the Board has assumed the following principal responsibilities in relation to the Company:

- together with Senior Management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- review, challenge and decide on Management’s proposals for the Company, and monitor its implementation by Management;
- ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- oversee the conduct of the Group’s businesses to evaluate and assess Management performance whether the businesses are being properly managed;
- ensure there is a sound framework for internal controls and risk management;
- understand the principal risks of the Group’s businesses in recognition that business decisions involve the taking of appropriate risks;
- set the risk appetite within which the Board expects Management to operate, and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- ensure that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management;
- ensure that the Company has in place procedures to enable effective communication with stakeholders;
- ensure that all its Directors are able to understand the financial statements and form a view on the information presented;

Corporate Governance Overview Statement (cont'd)

1.1 Board roles and responsibilities (cont'd)

- ensure the integrity of the Group's financial and non-financial reporting;
- ensure highest standard of ethical conduct, integrity and accountability in all business activities and operations and this including adopting a zero tolerance policy towards any form of bribery and corruption;
- ensure the governance of sustainability in the Group which includes setting the Group's sustainability strategies, business plan, priorities and targets;
- approve the nomination, selection, succession policies, and remuneration packages for the Board members, Board Committee members, Nominee Directors on the functional Boards of the subsidiaries and Chief Executive Officer cum Managing Director and the annual manpower budget for the Group, including managing succession planning, appointing, training, fixing the compensation of, and where appropriate replacing Senior Management or key management personnel;
- review the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
- approve the appointment of External Auditors and their related audit fees.

1.2 Board Committees

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely Audit Committee ("AC"), Nominating Committee ("NC"), Remuneration Committee ("RC"), Risk Management Committee ("RMC") and Sustainability Committee ("SC"), to examine specific issues within their respective Terms of Reference, and for them to report to the Board their recommendations. The ultimate responsibility for decision making, however lies with the Board. Each Board Committees operates its functions within the Terms of References approved by the Board which are reviewed by the Board annually to ensure that they are relevant and updated with other related policies of regulatory requirements. The Terms of Reference of each Board Committees are contained in the Board Charter which is available for reference on the Company's website at www.asiasealink.com.

1.3 Chairman of the Board

Mr Wong Chie Bin, the long serving Independent Directors has been re-designated as Non-Independent Non-Executive Chairman on 28 February 2023.

The Chairman leads the Board with a keen focus on governance and compliance. His roles/responsibilities include, inter alia:

- (a) providing leadership for the Board so that the Board can perform its responsibilities effectively;
- (b) leading the Board in the adoption and implementation of good corporate governance practice in the Company;
- (c) setting the Board's agenda and ensuring that Board members receive complete and accurate information in a timely manner;
- (d) leading Board meetings and discussions;
- (e) encouraging active participation and allowing dissenting views to be freely expressed;
- (f) managing the interface between Board and Management; and
- (g) ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

Corporate Governance Overview Statement (cont'd)

1.4 Separation of Functions between the Chairman and Chief Executive Officer (“CEO”)/Executive Director (“ED”)

The roles of the Chairman and CEO/ED of the Company are distinct. The distinct and separate roles of the Chairman and CEO/ED, with a clear division of responsibilities, ensures a balance of power and authority, such that no one individual has unfettered powers of decision-making.

The CEO/ED is the highest ranking officer across the Group. He is responsible for the day-to-day business of the Group, within the authorities as delegated by the Board. The primary tasks for the CEO/ED are as follows:

- (a) Strategy development, monitoring and tracking;
- (b) Business development;
- (c) Regulation;
- (d) Performance management;
- (e) Human resources management;
- (f) Risk management; and
- (g) Stakeholder management.

1.5 Qualified and competent Company Secretary

The Board is supported by a qualified and competent Company Secretary. The Company Secretary, Madam Yeo Puay Huang is qualified to act as a Company Secretary under Section 235(2) (b) of the Companies Act 2016 (“the Act”) and holds the practicing license issued by Companies Commission of Malaysia. She has over forty (40) years of experience in corporate secretarial practices. She is also the Secretary for all the Board Committees.

The Company Secretary plays an advisory role in supporting the Board and Board Committees in advising on its roles and responsibilities, governance matters and ensuring the Company complies with its own Constitution and all the law and regulations prescribed by the Act and MMLR of Bursa Securities.

The Company Secretary constantly keeps abreast of the evolving regulatory changes and development in Corporate Governance through attendance at relevant conferences and training programmes.

Directors have unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretary on statutory and regulatory requirements, and any implications of any changes in regulatory requirements to the Company and Directors in relation to their duties and responsibilities. The Company Secretary, who oversees adherence to Board’s policies and procedures, briefs the Board on the proposed contents and timing of material announcements to be made to regulators, as well as any changes to regulatory requirements that may affect the Company and the Board. The Company Secretary attends all Board and Board Committees meetings and ensures that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly.

1.6 Access to information and advice

All Directors have unrestricted access to Management and to information pertaining to the Company, including access to the Company auditors and consultants, relevant to furtherance of their duties and responsibilities as Directors of the Company.

The Board is supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests, for decisions to be made on an informed basis and for an effective discharge of the Board’s responsibilities.

Corporate Governance Overview Statement (cont'd)

1.6 Access to information and advice (cont'd)

Timely dissemination of meeting agenda, including the relevant Board and Board Committees papers to all Directors prior to the Board and Board Committees meetings respectively to give effect to Board and Board Committees members to make decisions and to deal with matters arising from such meetings, is observed. Board and Board Committees members are furnished on a timely basis with pertinent explanations and information on relevant issues and recommendations by Management. The issues are then deliberated and discussed thoroughly by the Board prior to decision making, including decisions to defer certain resolutions when the information needed to make informed decision is inadequate.

Senior Management of the Group and external advisers are invited to attend Board and/or Board Committee meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. Besides direct access to Management, Directors may obtain independent professional advice at the Company's expense, if considered necessary, in furtherance of their duties. This procedure is formalised in the Company's Board Charter.

1.7 Board Charter

The Board has adopted a Board Charter which serves as a reference point for the Board's activities to enable Directors to carry out their stewardship role and discharge their fiduciary duties towards the Company. It also contains a formal schedule of matters reserved to the Board for deliberation and decision, for example discussion on strategic matters, so that the control and direction of the Company's businesses are in its hands.

This Board Charter is subject to the relevant provisions of the Act, the Company's Constitution, the MMLR of Bursa Securities, the recommended principles and practices of the MCCG, as considered appropriate, and any other applicable laws or regulatory requirements.

The Board Charter together with the Terms of Reference of the Board Committees was last reviewed, revised and adopted by the Board on 12 April 2023 to align with the relevant best practices recommended under the MCCG. Amendments and updates are made from time to time in accordance with the need of the Company to ensure its effectiveness and consistency with the Board's objective and corporate vision as well as to be in line with changes to statutory and regulatory requirement.

The Board Charter is available for reference on the Company's website at www.asiasealink.com.

1.8 Code of Conduct / Ethics

The Board recognises the importance of having in place a Code of Conduct / Ethics, setting out the standards of conduct expected from Directors and employees, to engender good corporate behaviour. The Board Charter sets out a Code of Ethics to be observed by Directors. As for the conduct of employees, the Board has formalised an Employee Handbook to be observed by all employees across the Group.

The Code of Conduct is available for reference on the Company's website at www.asiasealink.com.

1.9 Whistleblower Policy

The Board has also adopted the Whistleblower Policy which outlines when, how and to whom a concern may be properly raised about the actual or potential corporate fraud or breach of regulatory requirements involving employees, Management or Directors in the Group and to enable prompt corrective actions and measures to resolve them effectively.

Corporate Governance Overview Statement (cont'd)

1.9 Whistleblower Policy (cont'd)

All disclosure shall be made to the Chairman of AC and the disclosure can be made in writing, orally, via electronic mail ("email") or short messaging system. Upon making a disclosure in good faith, based on the reasonable ground and in accordance with procedures set out therein the Whistleblower Policy, the whistleblower shall be protected from reprisal within the Group as a direct consequences of his/her disclosure and the identity will be protected.

The Whistleblower Policy was last reviewed, revised and adopted by the Board on 12 April 2023. The Whistleblower Policy shall be reviewed, as needed and maybe amended from time to time, as deemed necessary by the Board, to ensure its relevance and effectiveness in keeping with the Group's business environment, administrative or operational needs and/or comply with the applicable laws and regulations.

The Whistleblower Policy is available for reference on the Company's website at www.asiasealink.com.

1.10 Anti-Bribery & Corruption Policy

The Group is committed to conduct businesses professionally, fairly and with integrity and transparency.

The Group has adopted a zero tolerance approach against all forms of bribery and corruption and takes strong stance against such act by implementing the Anti-Bribery and Corruption Policy ("ABC Policy"), which was first formulated and adopted by the Board on 30 June 2020 and then was last reviewed, revised and adopted by the Board on 28 February 2023. This is in line with the amendment to Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009") to incorporate a new Section 17A on corporate liability for corruption which took effect on 1 June 2020.

The ABC Policy is available for reference on the Company's website at www.asiasealink.com.

1.11 Sustainability

The Group is committed to promote sustainability in its business operations and continually improving the integration of sustainability into the working environment and business processes by considering the impact on the environment, social and governance. The Company strives to achieve sustainable long-term balance between meeting its business goals and compliance to relevant environmental and related legislation, improving the welfare of its employees as well as ensuring a safe and healthy working environment.

The CEO leads the Group's sustainability practices across management and operational fronts with the assistance of the Senior Management to drive sustainability best practices in the Group. A Sub-Committee at the Company level was set up to assist the Board on the Sustainability matters and Human Resource Manager, Mr Andes Hii Toh Heng was appointed as the designated personnel at the Company level to provide a dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Group.

The sustainability practices of the Group are disclosed in the Sustainability Statement of this Annual Report.

Aside from the Sustainability Practices, the Group has formalised the Sustainability Policy and the Sustainability Policy is available for reference on the Company's website at www.asiasealink.com.

Corporate Governance Overview Statement (cont'd)

PART 2 - BOARD COMPOSITION

2.1 Composition of the Board

As at the date of this Statement, the Board consists of five (5) members, comprising of one (1) Executive Director, two (2) Independent Directors and two (2) Non-Independent Directors, as follows, which complies with Paragraph 15.02 of the MMLR of Bursa Securities which requires at least two (2) directors or one-third (1/3) of the Board, whichever is higher, to be independent.

No.	Name of Director	Designation
1.	Wong Chie Bin*	Non-Independent Non-Executive Chairman
2.	Yong Kiam Sam	Chief Executive Officer cum Managing Director
3.	Toh Kian Sing**	Non-Independent Executive Director
4.	Yong Nyet Yun***	Non-Independent Non-Executive Director
5.	Eric Khoo Chuan Syn @ Khoo Chuan Syn	Independent Non-Executive Director

* Re-designated as Non-Independent Non-Executive Chairman of the Company on 28 February 2023

** Re-designated as Non-Independent Non-Executive Director of the Company on 28 February 2023

*** Appointed as an Independent Non-Executive Director of the Company with effect from 1 June 2022

The detailed profile of each Director is disclosed in the Profile of Directors of this Annual Report.

The Board acknowledges that the current composition of the Board does not meet the recommendation of Practice 5.2 of the MCCG, which requires at least half of the Board comprises Independent Directors. Nonetheless, the Board recognises the importance of independence and objectivity of Independent Director as they bring in objective and independent views, advice, judgment on interest not only of the Group but also of shareholders, employees, customers, suppliers, and other communities in which the Group conducts its business.

Based on an assessment of its skills matrix, the Board is of the view that the Directors, with their different background and specialisations, collectively bring with them a wide range of experience and expertise in areas such as finance; accounting and audit; corporate affairs; legal; and marketing and operations, which are considered adequate for the Group's needs.

The Non-Independent Non-Executive Chairman is primarily responsible for the leadership and management of the Board, ensuring the Board and Board Committees execute their responsibilities in the best interest of the Company.

The CEO/ED is responsible for the effective implementation of the Company's strategic plan and policies established by the Board besides managing the daily operations of the Company.

The Independent Non-Executive Directors ("INED") provide the relevant checks and balance by reviewing the Group's performance against budget and inquiring from the CEO/ED as well as Senior Management personnel explanations, as needed, at scheduled Board and Board Committees meetings.

Corporate Governance Overview Statement (cont'd)

2.2 Tenure of Independence Director

Independent Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality. The Board recognises the importance of establishing criteria on independence to be used in the annual assessment of its Independent Directors.

The Company's Board Charter provides a limit of cumulative term of nine (9) years on the tenure of an INED. Upon completion of nine (9) years, an INED may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. In the event, the Board intends to retain the INED who has served the Company exceeding a cumulative term of nine (9) years, the Board will need to justify and seek shareholders' approval at the Annual General Meeting ("AGM") through a two-tier voting process in accordance to MCCG.

2.3 Diversity

The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company.

The Board had established the Board Diversity Policy where the Board affirms its commitment to Board diversity. The Board believes that a truly diversified Board can enhance its effectiveness, creativity and capacity to thrive in good times and weather tough times. The Board works to ensure that there is no discrimination on the basis of, but not limited to, ethnicity, race, age, gender, nationality, political affiliation, religious affiliation, marital status and educational background.

The Board had on 22 February 2022 established a Gender Diversity Policy with a focus on supporting the representation of women in the composition of Board of the Company. The Board appointed Madam Yong Nyet Yun as Independent Non-Executive Director with effect from 1 June 2022. Her presence complies with the MMLR of Bursa Securities which in line with Paragraph 15.02(1)(b), one (1) director of a listed issuer is a woman. Currently, the Board comprises one (1) female Director out of five (5) Directors, equivalent to 20% women representation on the Board.

The Gender Diversity Policy is available for reference on the Company's website at www.asiasealink.com.

2.4 Board Commitment

(i) Board meetings

The Board ordinarily meets at least five (5) times a year, scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened when urgent and important decisions need to be made in between scheduled meetings. At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major strategic, operational, compliance and financial issues. The Chairman of each Board Committees briefs the Directors at each Board meeting the salient matters deliberated by each Board Committees and which require the Board's attention or direction, including approval, as the case may be. All pertinent issues discussed at Board meetings in arriving at decisions and conclusions are properly recorded by the Company Secretary by way of minutes of meetings, which are confirmed by the Chairman at the next meeting.

Corporate Governance Overview Statement (cont'd)

2.4 Board Commitment (cont'd)

(i) Board meetings (cont'd)

There were five (5) Board meetings held during the FYE 2022, with details of Directors' attendance set out below:

Name of Director	Meeting Attendance
Yong Kiam Sam	5/5
Wong Chie Bin	5/5
Toh Kian Sing	5/5
Eric Khoo Chuan Syn @ Khoo Chuan Syn	5/5
Yong Nyet Yun	2/2

It is the practice of the Company for Directors to devote sufficient time and efforts to carry out their responsibilities.

(ii) Directors' Training and Education

The Board is mindful of the importance for its members to undergo continuous training to be abreast of changes to regulatory requirements and the impact such regulatory requirements have on the Group and Directors.

All the Directors of the Company have attended the Mandatory Accreditation Programme conducted by Bursa Malaysia Training Sdn. Bhd. within the stipulated timeframe required by the MMLR of Bursa Securities.

Details of the training programmes/forum/seminars/conferences attended/participated by Directors of the Company for the financial year under review and up to the date of this Statement as set out below:

Name of Director	Training topics
Yong Kiam Sam	<ul style="list-style-type: none"> Ernst & Young Parthenon Singapore Maritime Week 2022 Clarkson APAC Offshore Wind Offshore Support Journal Conference, Asia OSEA Asia In-House Training-Sustainability Governance, Management and Reporting-Implications to the Board of Directors and Management in overseeing the Economic, Environmental, Social & Governance ("EESG") perspectives of the Group's business
Wong Chie Bin	<ul style="list-style-type: none"> CTIM-National Tax Conference 2022 MIA-MPERS Case Studies in Key Areas of Financial Reporting including COVID-19 Impact MIA-The Auditor's Response to Assessed Risks MIA Case Study-Based MFRS Webinar: Case Studies in Fraudulent Financial Reporting Crowe Malaysia PLT (Internal Training)-ISQM 1 Crowe Malaysia PLT (Internal Training)-ISQM 2 Crowe Malaysia PLT (Internal Training)-Malaysia Tax Budget Conference 2023-Riding The Post-Pandemic Tide

Corporate Governance Overview Statement (cont'd)

2.4 Board Commitment (cont'd)

(ii) Directors' Training and Education (cont'd)

Wong Chie Bin (cont'd)	<ul style="list-style-type: none"> • Crowe Malaysia PLT (Internal Training)-Audit Methodology ISA 315 (Revised) • Crowe Malaysia PLT (Internal Training) Ethical Requirements for Providing Tax & Advisory Services to Audit Clients • In-House Training-Sustainability Governance, Management and Reporting-Implications to the Board of Directors and Management in overseeing the Economic, Environmental, Social & Governance ("EESG") perspectives of the Group's business
Toh Kian Sing	<ul style="list-style-type: none"> • Refund Guarantee Webinar with Jin Saibo • 2022 Annual Survey and Letter of Credit Law Summit in Singapore organised by Institute of International Banking Law & Practice, Inc. • Course: Mandatory Takeovers in Asia: A Comparative Analysis ADM YIR Webinar Lecture organised by Supreme Court • Course: Insolvency & Cryptocurrencies
Eric Khoo Chuan Syn @ Khoo Chuan Syn	<ul style="list-style-type: none"> • In-House Training-Sustainability Governance, Management and Reporting-Implications to the Board of Directors and Management in overseeing the Economic, Environmental, Social & Governance ("EESG") perspectives of the Group's business
Yong Nyet Yun	<ul style="list-style-type: none"> • National Tax Conference 2022 • Mandatory Accreditation Programme • MIA-Effective Secretarial Practice for Accountants Series (Module 1) • MIA-Effective Secretarial Practice for Accountants Series (Module 2) • MIA-Effective Secretarial Practice for Accountants Series (Module 3) • In-House Training-Sustainability Governance, Management and Reporting-Implications to the Board of Directors and Management in overseeing the Economic, Environmental, Social & Governance ("EESG") perspectives of the Group's business

The Directors are notified periodically by the Company Secretary on the relevant training courses available that the Directors may consider attending. The Directors have also been constantly updated with the relevant reading materials and technical updates, which enhance their knowledge and equip them with the necessary skills to effectively discharge their duties as Directors of the Company.

2.5 Nominating Committee

As at the date of this Statement, the NC comprised exclusively of Non-Executive Directors, the majority of whom are Independent, as follows:

Chairman	:	Eric Khoo Chuan Syn @ Khoo Chuan Syn	- Independent Non-Executive Director
Members	:	Yong Nyet Yun	- Independent Non-Executive Director
		Toh Kian Sing	- Non-Independent Non-Executive Director

Corporate Governance Overview Statement (cont'd)

2.5 Nominating Committee (cont'd)

The key objective of the NC is to oversee the selection and assessment process of Directors of the Board, ensuring that nominations to Board and Board Committees are fair and transparent having regards to the competency, experience, character, integrity and time commitment of the nominees.

The NC meets at least once a year with additional meeting convened as and when necessary. During the FYE 2022, three (3) NC meetings were held and the attendance of the members for the meetings held were as detailed below:

Name	Designation	Attendance
Eric Khoo Chuan Syn @ Khoo Chuan Syn	Chairman	3/3
Yong Nyet Yun	Member	1/1
Toh Kian Sing	Member	3/3
Wong Chie Bin	Member	3/3

The NC is primarily responsible for recommending suitable appointments to the Board, taking into consideration the Board structure, size, composition and the required mix of expertise and experience which the Director should bring to the Board. It assesses the effectiveness of the Board as a whole, the Board Committees and the contribution of each Director. Where considered appropriate, the NC considers recommendation of candidate for directorship by shareholders or existing Directors. Based on its Terms of Reference, the NC carries out the assessment process regardless of whether the candidate is for new appointment or re-appointment. The final decision on the appointment of a candidate recommended by the NC rests with the Board. The Company Secretary ensures that all appointments are properly made upon obtaining all the necessary information from the Director.

The NC carried out the following activities within its Terms of Reference and reported the outcome to the Board:

- discussed the search for a Board Chairman and female Director;
- reviewed training undertaken by Directors as well as those training that are available for Directors for the ensuing year;
- reviewed the Board's succession plans in order to ensure that there are appropriate plan in place to fill vacancies and to meet the Group's future needs;
- reviewed and discussed the revised Board Diversity Policy;
- reviewed and discussed the Gender Diversity Policy;
- reviewed and discussed the Directors' Fit and Proper Policy;
- reviewed and assessed the suitability of Madam Yong Nyet Yun for appointment as an Independent Non-Executive Director, taking into consideration her skills, knowledge, expertise, and personal attributes;
- reviewed and assessed the change of composition of the Board Committees, namely AC, NC, RC, RMC and SC;
- reviewed and assessed the independence of Independent Directors and tenure of service;
- reviewed and recommended to the Board to put forth the proposal for the re-election of directors at the forthcoming AGM;
- reviewed and recommended to the Board to put forth the proposal for the retention of Mr Eric Khoo Chuan Syn @ Khoo Chuan Syn as INED at the forthcoming AGM;
- reviewed the terms of office and performance of the AC and each member of the AC to determine whether AC and its members have carried out their duties in accordance with the Terms of Reference of AC;
- reviewed and assessed the individual Director, overall Board and its Board Committees performance and effectiveness as a whole;
- reviewed the composition of the Board based on its required mix of skills, experience and other qualities which are considered important by the Board;

Corporate Governance Overview Statement (cont'd)

2.5 Nominating Committee (cont'd)

- reviewed and assessed the Board Committees in terms of size, structure and composition for compliance with the provisions of the relevant guidelines and regulations;
- reviewed and assessed the Key Senior Managements;
- reviewed and considered the re-designation of Mr Wong Chie Bin as Non-Independent Non-Executive Chairman; and
- reviewed and considered the re-designation of Mr Toh Kian Sing as Non-Independent Non-Executive Director.

2.6 Appointment to the Board and Re-election of Directors

The NC practices a clear and transparent nomination process which includes the identification of candidates, evaluation of suitability of candidates, deliberation by NC and recommendation to the Board.

After assessing and reviewing the Board's candidates' skills, knowledge and experience, the NC has nominated Madam Yong Nyet Yun as Independent Non-Executive Director of the Company and as part of the succession planning for the Board, the NC also nominated Madam Yong Nyet Yun as the Chairman of AC in place of Mr Wong Chie Bin, the long serving Independent Director. Upon recommendation of the NC, the Board approved the appointment of Madam Yong Nyet Yun with effect from 1 June 2022.

Following the amendments made to MMLR of Bursa Securities, the Board had on 31 May 2022 adopted a Directors' Fit and Proper Policy which sets out the approach, guidelines and procedures to ensure a formal and transparent process is being adhered to the new appointment, re-appointment and/or re-election of the Directors of the Company. The Directors' Fit and Proper Policy is available for reference at the Company's website at www.asiasealink.com.

In accordance to the Constitution of the Company, at least one-third (1/3) of the Board is required to retire at every AGM and be subject to re-election by the shareholders. All of the Directors are required to offer themselves for re-election, at least once in every three (3) years. Newly appointed Directors shall hold office until the next AGM and shall then be eligible for re-election by the shareholders.

During the year under review, the Board with the recommendation of NC, endorsed the following re-election of directors in accordance with the provisions of the Company's Constitution.

1. Madam Yong Nyet Yun in accordance with Clause 117; and
2. Mr Yong Kiam Sam in accordance with Clause 118.

Prior to recommending the re-election of the Directors, the NC reviewed the individual directors' performance based on the results of the Directors' Evaluation Form for FYE 2022 and the completed Directors' Declaration on Fit and Proper.

The NC is of the opinion that the Directors have discharged their duties effectively and have provided valuable contribution to the leadership of the Group.

2.7 Annual Evaluation

For the FYE 2022, an annual assessment of the Board, Board Committees and contribution of each individual director is carried out by the NC, with the assistance of the Company Secretary, taking the forms of comprehensive evaluation questionnaires which provide the NC with an opportunity to score their opinion on a series of questions in relation to inter alia the execution and performance of the Board as a whole and the Board Committees, and to comment on procedures or any relevant matters.

Corporate Governance Overview Statement (cont'd)

2.7 Annual Evaluation (cont'd)

The NC carries out evaluation of Board effectiveness in the areas of Board mix and composition, quality of information and decision making, boardroom activities, Board's relationship with the Management, Board's roles and responsibilities and Environmental, Social and Governance (ESG) Issue.

As for the performance evaluation of Board Committees, the NC assessed the performance of the AC, NC, RC, RMC and SC based on the recommended evaluation criteria adopted from Corporate Governance Guide issued by Bursa Securities which includes Committees' composition, contribution to the Board's decision making, expertise, appointment as well as timeliness and quality of communication and minutes.

Based on the above assessments, the NC was satisfied with the existing Board composition as well as the mix of qualifications, skills and experience among the Board and Board Committees members and was of the view that all Directors and Board Committees of the Company had discharged their responsibilities in a commendable manner and have performed competently and effectively. All assessments and evaluations carried out by the NC in the discharge of all its functions were properly documented.

The Board is satisfied with the level of time committed by the Directors in discharging their respective duties and roles as Directors of the Company. All the Directors of the Company have complied with Paragraph 15.06 of the MMLR of Bursa Securities on the number of directorships held in public listed companies.

2.8 Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in its decision making process. The presence of the INED is essential in providing unbiased and impartial opinions, advice and judgment to ensure the interests of the Group, shareholders, employees, customers and other communities where the Group conducts its businesses are well represented and taken into account.

NC has undertaken a review and assessment of the level of independence of the INED and is satisfied that they are able to discharge their responsibilities in an independent manner. The INEDs have also declared their independence under the annual Board evaluation process.

During the financial year under review, the NC had reviewed the tenure of each Director and the level of Independence of the INED. NC noted that one (1) Independent Director, namely Mr Eric Khoo Chuan Syn @ Khoo Chuan Syn has served the Company exceeding a cumulative term of nine (9) years at this forthcoming AGM and the other two (2) Independent Directors namely, Mr Wong Chie Bin and Mr Toh Kian Sing have served the Company exceeding a cumulative term of twelve (12) years.

Based on the evaluation performed, the NC was satisfied with the level of independence as well as performance and contribution of each of the Independent Directors.

NC recommended that approval of the shareholders be sought to retain Mr Eric Khoo Chuan Syn @ Khoo Chuan Syn as an Independent Non-Executive Director through a two-tier voting process, as he has possessed the attributes necessary in discharging his role and function of Independent Director. He has exercised his professional duties in the best interest of the Group.

As Mr Wong Chie Bin has served the Company as Independent Non-Executive Director for more than twelve (12) years, the NC recommended for the Board's approval to re-designate Mr Wong Chie Bin's position from Independent Non-Executive Director to Non-Independent Non-Executive Chairman. Mr Wong Chie Bin possesses the relevant skill, experience and knowledge and has effectively discharged his stewardship responsibilities to meet the Group's needs. He has exercised his professional duties in the best interest of the Group.

Corporate Governance Overview Statement (cont'd)

2.8 Annual Assessment of Independence (cont'd)

As Mr Toh Kian Sing has served the Company as Independent Non-Executive Director for more than twelve (12) years, the NC recommended for the Board's approval to re-designate Mr Toh Kian Sing's position from Independent Non-Executive Director to Non-Independent Non-Executive Director. Mr Toh Kian Sing possesses the relevant skill, experience and knowledge and has discharged his professional duties in the best interest of Sealink Group.

PART 3 – REMUNERATION

3.1 Remuneration Committee

As at the date of this Statement, the RC comprised exclusively of Non-Executive Directors, the majority of whom are Independent, as follows:

Chairman	: Toh Kian Sing	- Non-Independent Non-Executive Director
Members	: Yong Nyet Yun	- Independent Non-Executive Director
	Eric Khoo Chuan Syn @ Khoo Chuan Syn	- Independent Non-Executive Director

The RC meets at least once a year with additional meeting convened as and when necessary. During the FYE 2022, three (3) RC meetings were held and the attendance of the members for the meetings held were as detailed below:

Name	Designation	Attendance
Toh Kian Sing	Chairman	3/3
Yong Nyet Yun	Member	1/1
Eric Khoo Chuan Syn @ Khoo Chuan Syn	Member	3/3
Wong Chie Bin	Member	3/3

The RC is entrusted by the Board to:

- establish a formal and transparent procedure for setting a policy on remuneration of ED and Senior Management and for fixing the remuneration packages of all Directors and Senior Management of the Group which takes into account the demands, complexities and performance of the Company as well as skills and experience required; and
- ensure that the levels of remuneration of Directors and Senior Management are commensurate with the qualifications, roles, responsibilities and that such levels of remuneration are sufficient to attract and retain the Directors and Senior Management but not excessive.

3.2 Remuneration Policy and Procedures

The Remuneration Policy and Procedures was last reviewed, revised and adopted on 22 February 2022, to facilitate the RC to review, consider and recommend to the Board for decision on the Directors' remuneration. The RC recommends to the Board the remuneration of ED, largely based on his performance and also the Group's performance. In the case of Independent Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the Independent Directors concerned. In all instances, the deliberations are conducted with the Directors concerned abstaining from discussions on their individual remuneration.

The Remuneration Policy and Procedures is available for reference on the Company's website at www.asiasealink.com.

Corporate Governance Overview Statement (cont'd)

3.3 Remuneration of Directors

Details of Directors' remuneration (including benefits-in-kind) for each Director during the FYE 2022 are as follows:

	Directors' Fee		Group Basic Salary (RM)	Group Other Emoluments (RM)	Total (RM)
	Company (RM)	Subsidiaries (RM)			
Executive Director					
Yong Kiam Sam	22,000	-	583,750	217,723	823,473
Non-Executive Director					
Wong Chie Bin	83,000	-	-	-	83,000
Eric Khoo Chuan Syn @ Khoo Chuan Syn	70,000	-	-	-	70,000
Toh Kian Sing	70,000	-	-	-	70,000
Datuk Sebastian Ting Chiew Yew (Retired with effect from 31 May 2022)	29,167	-	-	-	29,167
Yong Nyet Yun (Appointed with effect from 1 June 2022)	40,833	-	-	-	40,833

3.4 Remuneration Senior Management

The Company notes the need for transparency in the disclosure of its key Senior Management remuneration, the Company is of the opinion that the disclosure of remuneration details may not be in the best interest of the Company, given the competitive landscape for key personnel with requisite knowledge, technical expertise and working experience in the Company's business activities, where intense headhunting is a common industry challenge. Accordingly, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues.

The Board ensures that the remuneration of Senior Management is commensurate with the performance of the Company. Excessive remuneration payout are not made to Senior Management personnels in any instance.

The disclosure of the remuneration of the top Senior Management of the Company is currently made on aggregate basis in the compensation of key management personnel note to the accounts and is available on page 115 of the Annual Report 2022.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

PART 1 – AUDIT COMMITTEE

The Board through the AC endeavors to provide a clear, balanced and meaningful assessment of the Group's financial performance and prospects, through the audited financial statements and quarterly financial reports, and corporate announcements on significant developments affecting the Group in accordance with the MMLR of Bursa Securities.

The Board through the AC is also responsible to ensure that audited financial statements are prepared in accordance with the provisions of the Act and the applicable financial reporting standards in Malaysia. The statements of Directors' responsibility in respect of the audited financial statements is presented in the Section of Directors' Responsibility Statement for the Audited Financial Statements in this Annual Report.

The Board is assisted by the AC in overseeing the Group's financial reporting process and the accuracy, consistency and appropriateness of the use and application of accounting policies and standards, as well as the reasonableness and prudence in making estimates, statements and explanations.

The AC is relied upon by the Board to, amongst others, provide advice in the area of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situation.

The AC is chaired by an Independent Non-Executive Director and majority of the members of the AC are financially literate. A full AC Report detailing its composition, and a summary of activities and work during the financial year are set out in Audit Committee Report in this Annual Report.

The Board maintains a transparent and professional relationship with the External Auditors through AC. The AC invites External Auditors to attend its meeting at least twice a year to discuss their audit plan and audit progress update on the Group's financial statements. The External Auditors would share with the AC on any significant issues on the audited financial statements and regulatory updates. In addition, the AC will also have a private meeting with the External Auditors without the presence of the executive management team to enable exchange of view on any issues requiring attention. The AC is empowered by the Board to review any matters concerning the appointment, re-appointment, resignations and dismissal of the External Auditors and review and evaluate factors relating to the independence of the External Auditors. The Policies and Procedures to assess the Suitability, Objectivity and Independence of External Auditors was last reviewed, revised and adopted by the Board on 28 February 2023. The said Policy aims to outline the guidelines and procedures for AC to review, assess and monitor the performance, suitability and independence of the External Auditors.

As part of the AC's review processes, the AC has obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Based on the AC's assessment of Messrs. Grant Thornton Malaysia PLT, the External Auditors, the Board is satisfied with the independence, quality of service and adequacy of resources provided by the External Auditors in carrying out the annual audit for the FYE 2022. In view thereof, the Board has recommended the re-appointment of the External Auditors for the approval of shareholders at the forthcoming AGM.

Corporate Governance Overview Statement (cont'd)

PART II – RISK MANAGEMENT COMMITTEE

As at the date of this Statement, the RMC comprised exclusively of Non-Executive Directors, the majority of whom are Independent, as follows:

Chairman	: Yong Kiam Sam	- Non-Independent Executive Director
Members	: Yong Nyet Yun	- Independent Non-Executive Director
	Eric Khoo Chuan Syn @ Khoo Chuan Syn	- Independent Non-Executive Director

The RMC established by the Board with specific Terms of Reference, comprises the majority of Independent Director and chaired by ED.

The RMC meets at least once a year with additional meeting convened as and when necessary. During the FYE 2022 one (1) RMC meeting was held and the attendance of the members for the meetings held was as detailed below:

Name	Designation	Attendance
Yong Kiam Sam	Chairman	1/1
Yong Nyet Yun	Member	1/1
Eric Khoo Chuan Syn @ Khoo Chuan Syn	Member	1/1
Wong Chie Bin	Member	1/1
Toh Kian Sing	Member	1/1

RMC which is entrusted to formalise a risk management process to identify, evaluate, control, report and monitor significant risks faced by the Group. Periodic reporting of risks identified and evaluated, which are scored for their likelihood of occurrence and the impact thereof based on pre-set risk measuring metrics, including mitigating measures, is made to the AC as part of a holistic approach on risk management, to develop a comprehensive Enterprise Risk Framework to enhance the Group's existing risk management activities and initiatives. Personnel of the Group have been trained to periodically identify and evaluate risks, supported by pertinent evidence corroborating the risk profiles of various business units, and ultimately the Group risk profile, for upward reporting to the RMC. The risk profile of the Group, following a review by the RMC is tabled to the AC and questions, if any, are fielded by the General Manager, Group Finance, who also acts as the Group's Risk Coordinator.

The internal audit function of the Group is outsourced to an independent professional firm, namely KPMG Management & Risk Consulting Sdn. Bhd. [Registration No. 198601000916 (150059-H)], who undertakes regular reviews of the adequacy and operating effectiveness of the Group's system of internal controls. The internal audit function reports directly to the AC.

Further details of the internal audit function are provided in the Statement on Risk Management and Internal Control and is available on pages 21 to 24 of the Annual Report 2022.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART 1 – COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of being transparent and accountable to the Company's investors and, as such, has various channels to maintain communication with them. The various channels are through the quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, when necessary, the Annual and Extraordinary General Meetings and through the Company's website, www.asiasealink.com where shareholders can access pertinent information concerning the Group.

The Board is aware of the need to establish Corporate Disclosure Policies and Procedures Document to enable comprehensive, accurate and timely disclosures relating to the Group to be made to the regulators, shareholders and stakeholders. Accordingly, the Corporate Disclosure Policies and Procedures Document was last reviewed, revised, adopted on 22 February 2022 to comply with the disclosure requirement as stipulated in the MMLR of Bursa Securities. The Corporate Disclosure Policies and Procedures Document is subject to periodically review, set out, amongst others, the types of activities/transactions that require immediate announcement to the regulators, protocol on disclosure of information, spokesperson for the Group and procedures to be followed if issued by regulators with a notice on unusual market activities.

To augment the process of disclosure, the Board has earmarked a dedicated section for corporate governance on the Company's website where information on the Company's announcements to the regulators, rights of shareholders, the Company's Annual Report and etc., can be accessed.

PART II – CONDUCT OF GENERAL MEETINGS

The Board always encourage the shareholders to attend the Company's General Meetings, particularly the AGM which is the principal forum for direct interaction and dialogue between the shareholders, the Board and the Management. The AGM provides an opportunity for the shareholders to seek and clarify any issues and to have a better understanding of the Group's performance and other matters of concern. At the AGM, shareholders participate in deliberating resolutions being proposed or on the Group's operations in general. The Board will ensure that all the Board Members, Management Team, External Auditors and Company Secretary are present to respond to any shareholders queries during the AGM and any other general meetings. At the last AGM, all the Directors, Company Secretary and External Auditors have attended.

In line with the Practice 13.1 of the MCCG, the Notice of 14th AGM was circulated at least twenty-eight (28) days before the date of meeting to shareholders and was published in a national daily newspaper which had given shareholders sufficient time to prepare themselves to attend the AGM or to appoint a proxy to attend and vote on their behalf. Items of special business included in the Notice of AGM was accompanied by an explanation of the proposed resolution.

All the resolutions set out in the Notice of 14th AGM were put to vote by way of a poll and the votes casted were validated by Messrs. Commercial Quest Sdn. Bhd. [Registration No. 199401025328 (311007-M)], an independent scrutineer appointed by the Company. The outcome of all resolutions tabled at the 14th AGM were announced to Bursa Securities on 31 May 2022 being the date of 14th AGM.

The Notice of forthcoming 15th AGM of the Company which is scheduled to be held on 31 May 2023 will be sent to shareholders at least twenty-eight (28) days before the date of 15th AGM as well. Shareholders who are unable to attend personally are allowed to appoint proxy/proxies to attend, participate, speak and vote on their behalf at the 15th AGM.

This Statement is issued in accordance with a resolution of the Board dated 12 April 2023.

Corporate Governance Overview Statement (cont'd)

ADDITIONAL COMPLIANCE INFORMATION

Utilisation of Proceeds

During the financial year, there were no proceeds raised from any corporate proposal.

Share Buybacks

The Company did not carry out any share buy-backs during the financial year.

Options, Warrants or Convertible Securities

There was no exercise of Options or Convertible Securities or Conversion of Warrants during the financial year.

American Depository Receipt (“ADR”) or Global Depository Receipt (“GDR”) Programme

The Company did not sponsor any ADR or GDR programme during the financial year.

Imposition of Sanctions/Penalties

There were no material sanction or penalties imposed on the Group, Directors or Management by the relevant regulatory bodies during the financial year.

Audit Fees and Non-Audit Fees

The amount of audit and non-audit fees paid and payable to External Auditors by the Company and the Group for the FYE 2022 are as follows:

Details of Fee

	Group (RM)	Company (RM)
Audit Fee	218,468	41,000
Non-Audit Fee	8,500	8,500

Variation in Results

There is no material variance between the financial results and the unaudited results previously made for the FYE 2022.

Profit Guarantee

There was no profit guarantee given by the Company during the financial year.

Material Contracts

There were no material contracts outside the ordinary course of business entered into by the Group involving Director's and major shareholder's interest which were still subsisting at the end of the financial year or entered into since the end of the previous financial year.

Revaluation of Landed Properties

The Group did not adopt any revaluation policy on landed properties during the financial year.

Profit Forecast Variance

There was no profit forecast issued in respect of the financial result ended 31 December 2022.

Recurrent related Party Transactions

The related party transactions are disclosed in pages 114 to 115 of this Annual Report.

Sustainability Statement

Sealink International Berhad (“Sealink” or the “Company”) presents its Sustainability Statement published in line with Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) in Company’s Annual Report for the financial year ended 31 December 2022 (“FYE 2022”). The Sustainability Reporting Guide 3rd Edition was used as a reference in the preparation of this Statement.

The Board of Directors (“Board”) of Sealink and all its subsidiary companies (collectively known as the “Group”) is pleased to present our commitment to create long-term sustainable value and business growth to achieve our strategic objectives and enhance shareholders value in the long term. The Group undertake developments that are economically, environmentally and socially conducive for a sustainable long-term future and that are substantial to our business operations.

We are committed to continually improving the integration of sustainability into our working environment and business processes. Our Sustainability Policy is based upon the following principles:

- to observe and comply with all relevant legislations, regulations and guidelines issued by regulators;
- to consider sustainability issues and integrate these considerations into our business decisions;
- to promote and enable all employees to be aware of, and committed to, implementing sustainability activities taking into consideration the environment, social and governance factors; and
- to annually report review and continuously strive to improve our sustainability performance.

The Board establishes a Sustainability Committee (“the Committee”), which comprises a majority of independent directors, to oversee, consider, deliberate and resolve matters relating to Sustainability Practices.

The Sustainability Committee comprises of the following:

- Chief Executive Officer Cum Managing Director (Chairman); and
- 2 Independent Non-Executive Directors.

The Committee is established to assist the Board in fulfilling its oversight responsibilities in relation to the Sealink Group of Companies sustainability strategy and initiatives covering environmental, social and economical aspect as well as embedding sustainability practices into the business. The Committee is also responsible to oversee and monitor the strategic management of material sustainability matters, risks as well as opportunities driven by Senior Management and monitor progress against the achievement of the Groups’ sustainability targets (sustainability key performance indicators).

The Board also has appointed a Designated Personnel at the Company level to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Groups. Sub-Committee was also involved to support Company level sustainability strategy is being formulated and implemented.

STAKEHOLDERS’ ENGAGEMENT

The Group identified key stakeholders include clients, employees, shareholders, partners and investors, the Government and regulatory bodies, as well as the community and suppliers. The group have continued to adhere to the established list of identified principal stakeholders of the Group and engagement strategy to ensure consistency and streamlining of Group’s stakeholder engagement efforts.

Stakeholders	Engagement Methods	Frequency	Initiatives
Shareholders	<ul style="list-style-type: none"> • Annual reports • Annual general meeting • Quarterly reports • Company website 	Annual Annual Quarterly Ongoing	<ul style="list-style-type: none"> • Timely financial reporting and updates • Business management and governance

Sustainability Statement (cont'd)

STAKEHOLDERS' ENGAGEMENT (cont'd)

Stakeholders	Engagement Methods	Frequency	Initiatives
Government and Regulators	<ul style="list-style-type: none"> Participate in training programmes organised by Government bodies and Regulators Inspection / Inquiries by authorities 	<p>As and when required / invited</p> <p>As and when required</p>	Compliance with regulations, laws and by-laws
Clients (Customers)	<ul style="list-style-type: none"> Company website Meetings and discussions System Audit - HSSE 	<p>Ongoing</p> <p>Ongoing</p> <p>As and when required</p>	<ul style="list-style-type: none"> Safety and health Sustaining long-term relationship
Financiers	<ul style="list-style-type: none"> Institutional briefings, presentations or conference calls Annual Report Bursa announcements Quarterly financial announcement 	<p>As and when required</p> <p>Annual</p> <p>As and when required</p> <p>Quarterly</p>	<ul style="list-style-type: none"> Business performance and updates Financial position Long-term relationship development Procurement of banking facilities at competitive rates
Employees	<ul style="list-style-type: none"> Education and training programmes Employee handbook Whistleblowing policy Health and safety notices and updates Meetings Annual performance appraisal 	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Annual</p>	<ul style="list-style-type: none"> Workplace safety and health Career development and training opportunities Remuneration and benefits Work-life balance Staff recreation
Community	<ul style="list-style-type: none"> Annual Report Company website Company advertisements 	<p>Annual</p> <p>Ongoing</p> <p>As and when required</p>	<ul style="list-style-type: none"> Promoting social and environmental well-being Job opportunities Industrial trainee engagement

SUSTAINABILITY MATTERS

We integrate environmental and social considerations along with good governance in all that we do. We are committed to identifying, managing and minimising adverse environmental impact of our business operations through our sustainability initiatives that contribute towards a better future for all. Based on the Sustainability Reporting Guide 3rd Edition, we have used the prescribe sustainability matters as a basis of our information disclosure.

1. Economic and Governance

1.1 Supply Chain Engagement

- Responsible and sustainable procurement of goods and services is important to us. In order to contribute to the local economy, we always strive to source for materials and services from local suppliers, contractors and sub-contractors, where possible. Procuring from suppliers local to the operations are advantageous as they are able to deliver within a shorter lead time and at a lower cost. We believe that collaboration with sustainable and responsible suppliers, contractors and sub-contractors is the best way forward.

Sustainability Statement (cont'd)

1. Economic and Governance (cont'd)

1.1 Supply Chain Engagement (cont'd)

- We maintain a healthy and long-term relationship with our suppliers, contractors and sub-contractors. The unprecedented COVID-19 pandemic has resulted in various challenges to the business environment globally. We took several precautions to minimise business disruption and supply chain challenges such as having better engagement with our supply chain to always maintain good services in providing critical spares and equipment.

1.2 Corporate Governance and Regulatory Compliance

- The Group have established policies, procedures and guidelines in order to comply with the best practices of good governance guided by the latest Malaysian Code on Corporate Governance (“MCCG”) and MMLR of Bursa Securities and The Companies Act 2016 throughout our operations.
- We focus on building sustainable relationship with stakeholders and utilise our resources to economic growth and bring value to our stakeholders. The Board places great importance on corporate governance and believes in the correlation between good governance and performance.
- The Board has formalised in writing a Code of Conduct/Ethics and an Employee Handbook that emphasises, amongst others, zero tolerance for unethical practices. The Anti-Bribery and Corruption Policy was also added to the Group undertaking in addressing our commitment in doing our operations and business.
- The Group conducts business in an honest and ethical way to protect all our stakeholders. There are policies that can be found on the Company’s website such as the Whistleblower Policy, the Anti-Bribery Policy and the Code of Conduct/Ethics, which applies also to Directors.
- The Group has also been progressively developing pertinent policies and procedures addressing its key business operations to ensure the adequacy and integrity of the Group’s internal control system and management systems. They guide and align with corporate initiatives the Group has implemented to address industry challenges and help us achieve operational excellence.
- Our policies, procedures and guidelines are subjected to regular review and have been communicated to all employees via various communication channels amongst others, Company’s website and intranet, Employee Handbook, internal memo and internal trainings. We endeavour to observe high standards of transparency, accountability and integrity. We believe that good corporate governance will help achieve long-term success and sustainable growth as well as to ensure trust amongst shareholders and stakeholders.
- Details of the Group’s corporate governance practices are elaborated in the Corporate Governance Overview Statement in this Annual Report and which is also available on the Company’s website at www.asiasealink.com.

2. Environmental

We are committed to identifying, managing and minimising adverse environmental impact of our business operations by ensuring our operations and services are safe for our stakeholders whilst contributing towards reducing the intensity of greenhouse gas emissions and minimising pollution to the environment.

Our Health, Safety and Environment (“HSE”) Department is responsible for creating awareness and promoting good working practices amongst employees to ensure we comply with environmental legislation regarding safety in the workplace.

Sustainability Statement (cont'd)

2. Environmental (cont'd)

Health and safety have become our priorities, particularly since the pandemic outbreak and the ensuing endemic process. The Group's COVID-19 Standard Operating Procedures ("SOPs") has been shared with all employees for strict adherence and compliance.

2.1 Energy Management

- The Group's energy consumption comprises a mix of direct and indirect sources of energy. Our direct sources of energy consumption comprises of gases and diesel, while the indirect source of energy consumption is electricity.
- Using shore electricity supply to vessel at our designated wharf to prevent usage of diesel fuel to the ships equipment's and activity. This has reduce vessel carbon emission while berthing at wharf.
- We are committed to reducing our energy consumption with the objectives of resource conservation, climate protection and cost savings. We constantly ensure that our buildings and equipment are energy-efficient to reduce our environmental footprint.
- We switched from using conventional fluorescent light to light-emitting diodes ("LED") lamps, where possible, in the office almost all of more than 200 lamps/lighting.
- It is Company in-house practice to switch off all office lights and air conditioning during lunch break and non-office hours, and other electrical appliances in the office and pantry whenever they are not required.
- We have purchased energy saver electrical products such as inverter air conditioner and refrigerator for all new purchases in office and onboard vessels.
- We have optimised centralised printing to cut down on energy use.
- We only buy asbestos free products and where possible, we purchase biodegradable and oxone protection products for all office and onboard vessels purchases.

2.2 Air Quality

According to World Health Organization ("WHO"), air pollution is one of the biggest environmental threats to human health, contributing to a million of premature deaths each year globally. Improving air quality can enhance climate change mitigation efforts, while reducing emissions will in turn improve air quality.

The Group is conscious of reducing the emission of sulphur dioxide into the atmosphere by its vessels. Our chartering division provides time charters and bareboat charters and the Group does not track the sulphur dioxide emitted from our vessels as the charterers are responsible for supplying the vessels with bunkers.

Nonetheless, the Group has taken additional measures:-

- to ensure that our vessels use MGO, which has a lower amount of sulphur content. Our Charter Party Agreement ("CPA") only allows the charterer to use fuel oil with sulphur content not exceeding the maximum limit as stipulated by ISO 8217 1996 – Fuel Standard for marine distillate fuels and to comply with the relevant provisions of the International Convention for the Prevention of Pollution from Ship ("MARPOL").

Sustainability Statement (cont'd)

2. Environmental (cont'd)

2.2 Air Quality (cont'd)

- A certification of quality of the MGO must be provided to the Chief Engineer during bunkering for verification and recording purposes. Additionally, samples of the MGO used are retained. Should any claim arise in respect of the quality of the fuel supplied, the samples shall then be analysed by a qualified and independent laboratory.
- Our shipbuilding division is providing free bicycles for operational in-house usage from our yard office building to worksite. This is to reduce vehicle usage within the Company's premises and this contribute to lower down the carbon emission.

2.3 Waste Management

Our approach to "go-green" is carried out on an ongoing basis to avoid and reduce waste and using recycling and environmentally-friendly disposal methods instead. Biodegradable materials are being utilised throughout the Group's operations. As part of the Group's commitment to uphold and safeguard the environment lens, the Group continues to ensure strict management of hazardous waste.

Some of the approaches taken by the Group on waste management:-

- In-house practice that minimising the usage of paper by encouraging reduced printing and photocopying and emphasising on paperless digital mode. In addition to this, the practise of double-sided printing or usage of recycling papers are encouraged. As a result, we saved up of more than 500 reams of papers.
- Used vessels batteries are properly disposed of through authorised agent at agreed interval of collection.
- Reduced plastic waste. The Company has given out free water containers to crew onboard vessel for storage of drinking waters. Company discourage the purchase and use of plastic mineral water bottle of single use. The Company has given out more than 200 containers to our crew to date.

Marine pollution is contributed by a combination of chemicals and trash being discharged, washed or blown into the ocean. This pollution results in damage to the environment, to the health of all organisms, and to economic structures worldwide. Ocean destruction is evident and it has caused irreversible damage to the marine ecosystem. In our effort to preserve the marine ecosystem, our shipbuilding's port of discharge is situated in an area that is far away from marine life. Further, the Group continue to strengthen its water conservation efforts by adopting a strict policy on the planned discharge of oily water from our vessels.

As required by MARPOL, any oil or oily mixture discharge into the sea must be processed through an oil filtering equipment and the oil content must not exceed 15 parts per million ("ppm"). These oily waters must not be discharged in special areas due to oceanographical and ecological reasons. An Oily Water Separator ("OWS") is used to discharge water collected in the Engine Room bilges from water leakages. Before water is being discharged, the OWS ensures that the oil content of the effluent without dilution does not exceed 15 ppm.

We also have a procedure in place to ensure proper handling and disposal of waste generated from vessels and in accordance with MARPOL Annex I & V and Environmental Quality Act (EQA) 1974.

Sustainability Statement (cont'd)

3. Social

3.1 COVID-19 Health and Safety Measures

For COVID-19 preventive and safety, although the Malaysian Government has announced the transition from pandemic to endemic effective from 1st April 2022, we continue to remain vigilant. Some measures have been maintained and continued to be put in place such as:

- Daily cleaning and regular disinfection of defined areas in the office
- Supply of face masks to employees
- Providing self-test kits to employees as and when necessary
- Self-isolation
- Placing of hand sanitizers at strategic locations
- Conducting regular sanitization
- Enabling remote work

The Group is promoting full vaccination of our staff (except those with valid reasons) with at least one booster dose.

The Group's adherence to SOPs has enabled our operations to achieve progressive levels of productivity. With this and the resumption of business activities in FYE 2022, the Group is able to maintain progress on its onshore and offshore operations and activities.

3.2 Labour Practices & Standards

3.2.1 Maritime Labour Convention, 2006

- Company comply with all necessary provision of Maritime Labour Convention (MLC), 2006 accordingly as regulated by Marine Department Malaysia in terms of crew welfare, provision and management undertaking. All our vessels are certified to be MLC, 2006 compliance.

3.2.2 Employee Training and Development

- We believe in nurturing our employees to raise our employees' learning and development capacity, yielding a capable and more agile workforce. To support this belief, we provide on-the-job trainings whenever possible and also source for external training courses. The training programmes enable our employees to stay relevant and adapt to various changes in the professional requirements in relation to their roles and responsibilities. We trust that the personal growth of the employees would lead to improved organisational performance and help in achieving long-term business growth and sustainability. During the financial year, the following training courses were attended by our employees:-

Training Record by Employee Category

No	Training/Course Attended	Date	Training Hours per pax	Non Executive	Executive	Managerial, Professional
1	ISO 9001:2015 QMS Awareness & ISO 9001:2015 QMS Internal Auditor	Jan-22	8 hrs	1	5	3
2	Employment Act 1955 latest amendment 2022	Feb-22	8 hrs	1		1
3	Pengawal Keselamatan yang Efektif dan Profesional	Apr-22	8 hrs		1	
4	KWPSM Workshop (2 days)	Jul-22	14 hrs		1	
5	Company Secretaries Training Programme Essential 1.0 (3 days)	Aug-22	24 hrs	1	1	

Sustainability Statement (cont'd)

3. Social (cont'd)

3.2 Labour Practices & Standards (cont'd)

3.2.2 Employee Training and Development (cont'd)

Training Record by Employee Category

No	Training/Course Attended	Date	Training Hours per pax	Non Executive	Executive	Managerial, Professional
6	Labour Ordinance of Sarawak (With the latest amended act)	Sep-22	8 hrs	1		1
7	Compliance with Guidelines For The Reporting Framework for Beneficial Ownership of Legal Persons	Sep-22	7 hrs		1	
8	Effective Secretarial Practice for Accountants Series (Module 1) - Meetings & Written Resolutions: Managing the Process & Procedures	Sep-22	7 hrs			1
9	Effective Secretarial Practice for Accountants Series (Module 2) - Auditor's Appointment, Resignation & Removal and Financial Statements	Sep-22	7 hrs			1
10	Effective Secretarial Practice for Accountants Series (Module 3) - Beneficial Ownership Reporting of Legal Persons: The Technicalities and Practicalities	Oct-22	7 hrs			1
11	Effective Secretarial Practice for Accountants Series (Module 4) - Issue & Allotment of Shares: Navigating the Processes & Procedures & Best Practices	Oct-22	7 hrs			1
12	Company Secretaries Training Programme Significant 2.0 (3 days)	Nov-22	24 hrs	1	1	
13	TBOSIET (OPITO Approved) with CAEBS (3 days)	Jan-Dec	24 hrs	7		1
14	TFOET (OPITO Approved)	Jan-Dec	8 hrs	4		1
15	CAEBS	Jan-Dec	3 hrs	14		7
16	Safe Food Handling	Jan-Dec	8 hrs	11		
17	Rigging & Slings (2 days)	Jan-Dec	16 hrs	5		1
18	Rigger (API-U Approved) (2 days)	Jan-Dec	16 hrs	2		
19	Banksman (API-U Approved) (3 days)	Jan-Dec	24 hrs	2		
20	HACCP - Hazard Analysis Critical Control Point (SSB Approved)	Jan-Dec	8 hrs	2		
21	Designated First Aider (5 days)	Jan-Dec	40 hrs			1
22	Loss Prevention System with SSHE Induction	Jan-Dec	8 hrs	11		9

Sustainability Statement (cont'd)

3. Social (cont'd)

3.2 Labour Practices & Standards (cont'd)

3.2.3 Diversity and Equality

Employee diversity is of significant importance to the Group, as we believe a diverse workforce fosters mutual respect among employees, creates an open-minded culture, boosts creativity and innovative, all these are important qualities for a global minded corporation.

Below is the Group's workforce distribution for the financial year:-

Workforce by Employment Level, Age and Gender:

Age Group	GW, Elementary Labourers		Non Executive		Executive		Managerial, Professional		Director		Total
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
Age 30 and under	-	-	7	89	4	2	-	5	-	-	107
Age 31-40	-	9	11	78	9	9	2	42	-	-	160
Age 41-50	-	5	4	31	8	6	6	31	-	-	91
Age 51 and above	1	16	3	25	1	2	-	32	-	2	82
Total	1	30	25	223	22	19	8	110	-	2	440

Note(s): Including offshore crew

Workforce by Employment Term:

Employment Term	No of Staff	Percentage (%)
Normal Terms Employees	75	17.05 %
Fix Term Contract Employees	365	82.95 %
Total	440	100.00 %

Note(s): Including offshore crew

Employee Turnover:

Overall Turn Over Rate FYE 2022
10.14%

Note(s): Including offshore crew

Sustainability Statement (cont'd)

3. Social (cont'd)

3.3 Health, Safety and Environment

In FYE 2022, we continue to be committed to provide a safer and healthier environment for employees (ship crews and shore staff) and minimise any preventable accidents and health hazards that may occur at business premises or during on board ships. Our vision is 'Goal Zero Incident' work environment and our aspiration is to be a 'value creating partner' to our clients (customers), shareholder and communities where we work and live. To achieve our vision, we have put in place our Health, Safety, Security and Environment ("HSSE") Policy which has been endorsed by top management and communicated to all staff through various platforms, such as the Company's intranet and newsletters, to instil the importance of safety and to promote safety awareness at the workplace. We are committed to a HSSE policy whereby we manage HSSE matters as a critical business activity, pursue the goal of 'no harm to people, to our assets and protect the environment'. With reference with our HSSE management practices, we continuously comply with our Safety Management System (SMS) as well as to close any gaps in the work or safety procedures in line with the Class requirements and other safety best practices to ensure that we comply with the standard of Offshore Vessel Management and Self-Assessment (OVMSA) Level 1 which was audited by MISC Maritime Service Sdn. Bhd. (MMS) which was appointed by Petronas.

The Group is accredited by the Marine Department of Malaysia and maintain a Safety SMS for running our Marine Operations. We strictly comply with International Safety Management (ISM) Code and also other International Maritime Organization (IMO) regulations and related conventions such as MARPOL, International Convention for the Safety of Life at Sea (SOLAS), Standards of Training Certification and Watchkeeping for Seafarers (STCW) and etc.

The SMS system ensures that:

- all activities are compliant with the law;
- HSSE matters are managed as a critical business activity;
- HSSE is the responsibility of all employees (managers and individuals); and
- anyone can apply 'Stop Work' or intervene, where unsafe conditions are present or unsafe activities are observed.

It is the obligation of everyone to act immediately to correct any situation that deviates from our policy or SMS systems. We must ensure that these standards are never compromised.

In addition to the above, we provide and ensure safety working environment on board ship by establishing and safeguarding all identified risks and promote the safety conscious attitude among all employees and also continuously improving their safety management skills through trainings, meetings, forum, discussion and talks.

Our operations personnel as well as contract workers are provided with, and are required to wear personal protective equipment when carrying out their work at the shipyard, on vessels or at the warehouse in order to achieve zero loss time injury or fatality arising from workplace accidents. Apart from the need to be briefed on safety issues upon arrival, visitors to the Group's shipyard and vessels are also required to put on safety helmets and boots before venturing to the sites. In addition, standard procedures are observed by personnel, including those of contractors, who handle flammable items, especially at the shipyard and on board vessels.

Sustainability Statement (cont'd)

3. Social (cont'd)

3.3 Health, Safety and Environment (cont'd)

Each employee is responsible for adhering to the prescribed safety rules and acts and raising any concerns that may represent a potential threat to health and safety. The Group's operations personnel as well as contract workers in the vicinity must be aware of the health and safety risks while carrying out their work. All employees are responsible for reporting incidents, near misses, safety breaches and threats. The Group has formalised the You See You Act (UCUX) programme, which allow employees to lodge reports through UCUX eForm. As part of our commitment to continuous improvement, the Group ensures that employees are given training on the health and safety standards.

We have a HSE department and HSE Personnel, who is responsible for overseeing matters concerning safety and health of employees and a HSE Committee has been established. The HSE Committee is responsible for improving the HSSE condition and help employees and management to solve any HSSE issues. The HSE Committee is led by Chief Executive Officer cum Managing Director as a Chairman together with management and employee representatives meeting quarterly to review results, assess goals and performance, and resolve its related issues.

In addition, there are proactive engagement with clients in developing and implementing safety initiatives at worksites as well as providing stewardship and support to meet regulatory safety standard. HSE Department is also taking joint effort with Operations Department to minimise any findings for Petronas Pre-hire Inspection (PHI), Shell Pre-mob Inspection (PMI), any other Pre-hire Inspection/suitability inspection required by Charterer, Offshore Vessel Inspection Database (OVID) inspection and ensure on time close out of all observations or findings to obtain the green status.

HSE Performance for FYE 2022:

Category	Total Reported/Cases
Injurious Accident:	
- Fatality	0
- Lost Time Injury (LTI)	2
- Restricted Work Case (RWC)	0
- Medical Treatment Case (MTC)	1
Non-Injurious Accident:	
- Property Damage/Loss	4
- Fire/Explosion	0
- Propeller Entanglement	0
- Oil Spill	0
Near Miss	
UCUX Reporting	3751
Occupational Illness	0
Act of Violence	0
Non-Recordable Case:	
- First Aid Case (FAC)	0

Sustainability Statement (cont'd)

3. Social (cont'd)

3.3 Health, Safety and Environment (cont'd)

We had an industrial accident related to Lost Time Injury (LTI) in October 2022. This LTI accident has affected our Man hours (MH) and LTI/Goal Zero Day was reset back to Zero again. The Company utmost priority is the lives and wellbeing of the employee. The Company has sought the best possible care in relation to the injured crew and in good will, had spent more than RM42,000.00 to date on medical treatment and care. As of February 2023, our Total Exposed Man-hours since last LTI is 737,957 MH and LTI Free Day/Goal Zero Day is 123 days.

Recognising the importance of HSE as one of the Group's business strategy, a copy of HSSE policy can be downloaded from the Company's website at www.asiasealink.com. Through these policies and guidelines, the Group aims to further improve safety awareness among all employees.

3.3.1 Emergencies and Accidents Management

The Group is continuously seeking and implementing more effective measures to promote a safe workplace in both onshore operation and offshore vessel crew. This is being supervised by the HSE Department and that complies to ISM Code and SMS and the Designated Person Ashore (DPA) is supervising in all aspect of vessel's and the safety, health and environment related matter.

The DPA plays a crucial role in the successful implementation of a SMS and is accountable for the verification and monitoring of all Safety and Pollution control measures.

3.3.2 Vessel Visitation and Crew Engagement

The Group is committed to fostering trust and open communication with its fleet crew through a variety of employee engagement sessions and programmes involving both onshore and offshore staff, including periodic vessel inspections and staff engagement sessions on board vessels/at sites.

Every year we conducted engagement sessions with our staff. These engagements are summarised below:

- HSE Week on November 2022 – Programmes held includes: Be Safe Photography Competition, Creative Safety Poster Competition, First Aid Talk & Demonstration by Miri Red Crescent & Fire Safety & Prevention Talk by Miri Bomba.

This Statement is issued in accordance with a resolution of the Board dated 12 April 2023.

Directors' Responsibility Statement for the Audited Financial Statement

The Directors are responsible to ensure that the audited financial statements of the Group and of the Company are drawn up in accordance with the requirements of the applicable approved Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provisions of the Companies Act 2016, and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible to ensure that the audited financial statements of the Group and of the Company are prepared with reasonable accuracy from the financial records of the Group and of the Company so as to give a true and fair view of the state of affairs of the Group and of the Company as at the financial year end and of their financial performance and cash flows for the financial year then ended.

In preparing the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022, the Directors have ensured that, the appropriate and relevant accounting policies were adopted and consistently applied, reasonable and prudent estimates were exercised and a going concern basis was adopted.

The Directors are also responsible for taking such steps as are reasonably available to them to safeguard the assets of the Group and of the Company to prevent and detect fraud and other irregularities.

This Statement is issued in accordance with a resolution of the Board dated 12 April 2023.



Financial Statements and Reports

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Directors' Report

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

Principal activities

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the Financial Statements.

There have been no significant changes in the nature of these activities of the Company and of its subsidiaries during the financial year.

Financial results

	Group RM	Company RM
Net (loss)/profit for the financial year	(20,174,901)	28,253,047
Net loss attributable to: Owners of the Company	(20,174,901)	

Dividends

There were no dividends proposed, declared or paid by the Company since the end of previous financial year.

Reserves and provisions

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

Directors

The Directors who held office during the financial year and up to the date of this report are:

Yong Kiam Sam*
Wong Chie Bin
Eric Khoo Chuan Syn @ Khoo Chuan Syn
Toh Kian Sing
Yong Nyet Yun (Appointed on 1.6.2022)
Datuk Sebastian Ting Chiew Yew (Retired on 31.5.2022)

* also Director of the subsidiaries

The name of the Director of the Company's subsidiaries in office during the financial year and up to the date of this report other than those named above is as follows:

Yong Foh Choi

Directors' Report (cont'd)

Directors' interests

According to the register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors at the end of the financial year are as follows:

	Number of Ordinary Shares			At 31.12.2022
	At 1.1.2022	Bought	Sold	
The Company:				
Direct interest				
Yong Kiam Sam	67,382,399	1,000,000	-	68,382,399
Wong Chie Bin	90,000	100,000	-	190,000
Eric Khoo Chuan Syn @ Khoo Chuan Syn	30,000	-	-	30,000
Yong Nyet Yun	150,000*	-	-	150,000
Deemed interest				
Yong Kiam Sam #	109,080,800	-	-	109,080,800
Number of ordinary shares				
Direct interest in the shares of Sealink Holdings Sdn. Bhd.				
Yong Kiam Sam	500,000	-	-	500,000

Deemed interest by virtue of his shareholdings in Sealink Holdings Sdn. Bhd..

* At date of appointment

By virtue of his interest in shares in the Company, Yong Kiam Sam is also deemed interested in shares in all the Company's subsidiaries to the extent the Company has an interest.

Toh Kian Sing does not have any interest in shares in the Company or its related corporations during the financial year.

Directors' remuneration and other benefits

During the financial year, the fees and other benefits received and receivable by the Directors of the Company are as follows:

	Group RM	Company RM
Executive		
Salaries and other emoluments	738,141	6,091
Fees	22,000	22,000
Defined contribution plan	63,332	720
	823,473	28,811
Non-executive		
Fees	293,000	293,000
	1,116,473	321,811

Directors' Report (cont'd)

Directors' remuneration and other benefits (cont'd)

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than Directors' remuneration as disclosed in above and Note 30 to the Financial Statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Issue of shares and debentures

There were no issuance of shares and debentures during the financial year.

Indemnity and insurance for Directors and Officers

The Group maintained a Directors and Officers liability insurance for purpose of Section 289 of the Companies Act 2016, throughout the year, which provides appropriate insurance cover for the Directors and Officers of the Group. The total amount of insurance premium effected for any Directors and Officers of the Group during the financial year was RM68,000. The Directors and Officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the provision for doubtful debts, and satisfied themselves that adequate provision had been made for doubtful debts and there were no bad debts to be written off; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or



Directors' Report (cont'd)

Other statutory information (cont'd)

At the date of this report, there does not exist: (cont'd)

- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the current financial year in which this report is made.

Significant event after the reporting date

Significant event after the reporting date is disclosed in Note 35 to the Financial Statements.

Auditors

The Auditors, Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

The amount of audit and other fees paid to or payable to the Auditors and its member firms by the Group and the Company for the financial year ended 31 December 2022 amounted to RM188,500 and RM49,500 respectively. Further details are disclosed in Note 26 to the Financial Statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provision of the Companies Act 2016 in Malaysia. However, no payment has been arising from this indemnify for the financial year.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

.....)	
YONG KIAM SAM)	
)	
)	
)	
)	DIRECTORS
)	
)	
.....)	
YONG NYET YUN)	

12 April 2023

Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 66 to 127 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

.....
YONG KIAM SAM

.....
YONG NYET YUN

12 April 2023

Statutory Declaration

I, **Angelia Chong Pei Cheng**, being the Officer primarily responsible for the financial management of **Sealink International Berhad**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 66 to 127 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
 the abovenamed at Miri in the State of)
 Sarawak this day of)
 12 April 2023)

.....
ANGELIA CHONG PEI CHENG
 (MIA No: 19359)
 CHARTERED ACCOUNTANT

Before me:

Commissioner for Oaths
Zaidah Binti Yak (Q129)

Independent Auditors' Report

to the Members of Sealink International Berhad – 200701042948 (800981-X) (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sealink International Berhad, which comprise the statements of financial position as at 31 December 2022, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 66 to 127.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2022, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Material uncertainty related to going concern

We draw attention to Note 2 to the Financial Statements which indicates that the Group incurred a net loss of RM20,174,901 during the financial year and as of that date, the total current liabilities of the Group exceeded its total current assets by RM49,903,403. These events or conditions indicate the existence of a material uncertainty which may cast doubt about the Group's ability to continue as going concern. The ability of the Group to continue as a going concern is dependent on the attaining future profitable operations of the Group and the continue financial support from a major corporate shareholder of the Company. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Independent Auditors' Report (cont'd)

Report on the Audit of the Financial Statements (cont'd)

Key audit matters (cont'd)

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Group

Impairment of vessels

The risk –

The carrying amount of the Group's vessels might exceed their recoverable amounts and therefore the carrying amount had to be impaired. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

We have identified the carrying value of the Group's vessels as a key audit matter because of its significance to total assets in the consolidated financial statements and the estimation of recoverable amount involved a significant degree of judgement and assumptions made by the Group such as estimated fair value of the vessels as provided by an external valuer and estimated future cash flows for value-in-use which includes the assumptions on utilisation rates, disposal values, charter hire rates and discount rates applied.

Our response –

In addressing this area of audit focus, we performed, amongst others, the following procedures:

- obtained an understanding on the management's assessment on the recoverability of the vessels and evaluated the appropriateness of the methodology and approach applied.
- evaluated and interviewed the external valuer on his competence, capabilities and objectivity and obtained an understanding of the valuation model used.
- compared the valuation with recent transactions of the Group involving other similar vessels.
- evaluated adequacy of the Group's disclosures regarding the impairment of vessels as disclosed in Notes 3.6.1, 4.2, 4.4 and 5 to the Financial Statements.

Company

Impairment of investment in subsidiaries and amount due from subsidiaries

The risk –

We identified the carrying amount of the Company's investment in subsidiaries and amount due from subsidiaries as a key audit matter as it is significant to the total assets of the financial statements of the Company and it required significant judgements in evaluating the appropriateness of the assumptions used in deriving the recoverable amount to assess the impairment and recoverability on the investment in subsidiaries and amount due from subsidiaries.

Independent Auditors' Report (cont'd)

Report on the Audit of the Financial Statements (cont'd)

Key audit matters (cont'd)

Company (cont'd)

Impairment of investment in subsidiaries and amount due from subsidiaries (cont'd)

Our response –

In addressing this area of audit focus, we performed, amongst others, the following procedures:

- assessed the management's assessment on indicators of impairment of investment in subsidiaries and amount due from subsidiaries.
- assessed the fair value of net tangible assets of the subsidiaries by taking into consideration of the valuation of their assets in subsidiaries.
- assessed the key assumptions used, focusing on projected revenue and related expenses, charter rates, revenue growth rates and residual value of vessels, taking into consideration the current and expected future economic conditions.
- assessed the discount rate used by benchmarking to industry and market data.

Information other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report (cont'd)

Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditors' Report (cont'd)

Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the Financial Statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

Kuala Lumpur
12 April 2023

LIM SOO SIM
(NO: 03335/11/2023 J)
CHARTERED ACCOUNTANT

Statements of Financial Position

As at 31 December 2022

	Note	2022 RM	Group 2021 RM	2022 RM	Company 2021 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	289,508,576	330,246,906	1,481	2,415
Investment in subsidiaries	6	-	-	258,467,917	259,943,368
Investment in an associate	7	-	-	-	-
Investment in a joint venture	8	3,333,563	1,895,412	634,359	467,859
Amount due from subsidiaries	6	-	-	66,354,923	76,055,111
Amount due from a joint venture	8	3,454,988	5,429,276	-	-
Fixed deposits with licensed banks	9	1,007,029	988,761	-	-
Total non-current assets		297,304,156	338,560,355	325,458,680	336,468,753
Current assets					
Inventories	10	5,648,541	5,413,508	-	-
Contract assets	21	355,588	702,163	-	-
Contract costs	11	169,146	125,052	-	-
Trade receivables	12	2,512,561	3,293,406	-	-
Other receivables	13	4,132,333	1,776,776	702,527	700,983
Amount due from subsidiaries	6	-	-	58,100,735	55,921,224
Amount due from a joint venture	8	12,139,672	5,490,115	-	-
Tax recoverable		536,921	770,278	38,915	76,430
Fixed deposits with licensed banks	9	276,816	271,496	-	-
Cash and bank balances		6,829,537	2,482,362	523,932	71,330
Total current assets		32,601,115	20,325,156	59,366,109	56,769,967
Asset held for sale	14	577,113	577,113	-	-
Total assets		330,482,384	359,462,624	384,824,789	393,238,720
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to the owners of the Company					
Share capital	15	329,086,883	329,086,883	329,086,883	329,086,883
(Accumulated losses)/ retained earnings		(179,872,982)	(159,698,081)	12,695,973	(15,557,074)
Foreign currency translation reserve		65,122,613	57,908,698	-	-
Total equity		214,336,514	227,297,500	341,782,856	313,529,809

Statements of Financial Position As at 31 December 2022 (cont'd)

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
LIABILITIES					
Non-current liabilities					
Amount due to subsidiaries	6	-	-	8,746,561	-
Borrowings	16	9,799,683	17,692,112	-	-
Lease liabilities	17	-	8,936	-	-
Deferred tax liabilities	18	9,971,669	11,494,930	-	-
Other payables	19	13,870,000	14,065,000	13,870,000	14,065,000
Total non-current liabilities		33,641,352	43,260,978	22,616,561	14,065,000
Current liabilities					
Trade payables	20	8,761,727	7,881,174	-	-
Other payables	19	25,167,951	24,705,177	7,287,918	7,914,486
Contract liabilities	21	19,855	50,882	-	-
Amount due to subsidiaries	6	-	-	13,137,454	57,729,425
Borrowings	16	48,500,018	56,151,492	-	-
Lease liabilities	17	9,611	20,033	-	-
Tax payable		45,356	95,388	-	-
Total current liabilities		82,504,518	88,904,146	20,425,372	65,643,911
Total liabilities		116,145,870	132,165,124	43,041,933	79,708,911
Total equity and liabilities		330,482,384	359,462,624	384,824,789	393,238,720

The accompanying notes form an integral part of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Revenue	21	65,295,332	37,955,057	34,257,373	1,275,500
Cost of sales		(69,789,960)	(57,771,204)	-	-
Gross (loss)/profit		(4,494,628)	(19,816,147)	34,257,373	1,275,500
Other income	22	2,408,359	7,187,815	2,558,862	1,472,820
Financial assets:					
- Impairment loss	23	(369,197)	(7,507,254)	(6,947,140)	(24,427,561)
- Reversal of previously recognised impairment loss	23	532,037	957,310	856,964	-
Non-financial assets:					
- Impairment loss	23	(3,117,963)	(21,351,312)	-	(82,518,247)
- Reversal of previously recognised impairment loss	23	3,359,720	-	-	-
Administrative expenses		(16,487,241)	(19,426,621)	(2,939,433)	(2,410,877)
Other operating expenses		(37,595)	(5,592,546)	(1,416)	-
Operating (loss)/profit		(18,206,508)	(65,548,755)	27,785,210	(106,608,365)
Finance income	24	499,772	467,727	2,838,546	2,501,943
Finance costs	25	(4,733,134)	(4,925,610)	(2,219,174)	(3,936,254)
Share of gain of a joint venture		1,271,651	374,716	-	-
(Loss)/Profit before tax	26	(21,168,219)	(69,631,922)	28,404,582	(108,042,676)
Tax income/(expense)	27	993,318	4,262,610	(151,535)	44,694
(Loss)/Profit for the financial year		(20,174,901)	(65,369,312)	28,253,047	(107,997,982)
Other comprehensive income:					
Item that will be reclassified subsequently to profit or loss					
- Exchange translation differences		7,213,915	5,116,450	-	-
Total comprehensive (loss)/income for the financial year		(12,960,986)	(60,252,862)	28,253,047	(107,997,982)
(Loss)/Profit for financial year attributable to:					
Owners of the Company		(20,174,901)	(65,369,312)	28,253,047	(107,997,982)
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(12,960,986)	(60,252,862)	28,253,047	(107,997,982)
Earnings per share					
Basic/diluted loss per share attributable to owners of the Company (sen)	28	(4.03)	(13.07)	-	-

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2022

	Share capital RM	(Accumulated losses)/ retained earnings RM	Foreign currency translation reserve RM	Total equity RM
Group				
Balance at 1 January 2021	329,086,883	(94,328,769)	52,792,248	287,550,362
Loss for the financial year	-	(65,369,312)	-	(65,369,312)
Other comprehensive income for the financial year	-	-	5,116,450	5,116,450
Total comprehensive (loss)/income for the financial year	-	(65,369,312)	5,116,450	(60,252,862)
Balance at 31 December 2021	329,086,883	(159,698,081)	57,908,698	227,297,500
Loss for the financial year	-	(20,174,901)	-	(20,174,901)
Other comprehensive income for the financial year	-	-	7,213,915	7,213,915
Total comprehensive (loss)/income for the financial year	-	(20,174,901)	7,213,915	(12,960,986)
Balance at 31 December 2022	329,086,883	(179,872,982)	65,122,613	214,336,514
Company				
Balance at 1 January 2021	329,086,883	92,440,908	-	421,527,791
Total comprehensive loss for the financial year	-	(107,997,982)	-	(107,997,982)
Balance at 31 December 2021	329,086,883	(15,557,074)	-	313,529,809
Total comprehensive income for the financial year	-	28,253,047	-	28,253,047
Balance at 31 December 2022	329,086,883	12,695,973	-	341,782,856

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

For the financial year ended 31 December 2022

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
OPERATING ACTIVITIES				
(Loss)/profit before tax	(21,168,219)	(69,631,922)	28,404,582	(108,042,676)
Adjustments for:				
Depreciation of property, plant and equipment	31,300,736	37,401,913	934	1,037
Dividend income from subsidiaries	-	-	(32,756,000)	-
Gain on disposal of property, plant and equipment	(1,260,467)	(2,870,050)	-	-
Gain on termination of lease contract	-	(46,850)	-	-
Interest expenses	4,733,134	4,925,610	2,219,174	2,446,507
Interest income	(499,772)	(467,727)	(2,838,546)	(2,501,943)
Impairment loss on financial assets:-				
- Trade receivables	369,197	-	-	-
- Amount due from subsidiaries	-	-	6,947,140	24,427,561
- Amount due from an associate	-	7,507,254	-	-
Impairment loss on non-financial assets:-				
- Investment in subsidiaries	-	-	-	82,518,247
- Property, plant and equipment	3,117,963	21,351,312	-	-
Inventories written down	-	5,504,257	-	-
Loss on subsidiaries struck off	-	-	1,416	-
Property, plant and equipments written off	-	64,685	-	-
Reversal of inventories written down	-	(337,033)	-	-
Reversal of impairment loss on financial assets:-				
- Trade receivables	(532,037)	(597,228)	-	-
- Amount due from an associate	-	(360,082)	-	-
- Amount due from subsidiaries	-	-	(856,964)	-
Reversal of impairment loss on non-financial assets:-				
- Property, plant and equipment	(3,359,720)	-	-	-
Share of gain of a joint venture	(1,271,651)	(374,716)	-	-
Unrealised loss/(gain) on foreign exchange	775,726	(1,600,348)	(2,510,862)	(1,201,093)
Unwinding discount on amount due from subsidiaries	-	-	-	1,489,747
Operating cash flows before working capital changes	12,204,890	469,075	(1,389,126)	(862,613)
Changes in working capital:				
Inventories	(233,854)	557,540	-	-
Contract assets	328,010	(715,721)	-	-
Contract costs	(44,094)	70,229	-	-
Receivables	2,645,170	9,143,767	(1,544)	(20,494)
Payables	(4,680,794)	39,271	(2,207,190)	468,826
Joint venture	(6,646,002)	1,089,782	-	-
Cash flows generated from/ (used in) operations	3,573,326	10,653,943	(3,597,860)	(414,281)

Statements of Cash Flows

For the financial year ended 31 December 2022 (cont'd)

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
OPERATING ACTIVITIES (CONT'D)					
Cash flows generated from/ (used in) operations (cont'd)		3,573,326	10,653,943	(3,597,860)	(414,281)
Interest received		499,772	467,727	2,838,546	2,501,943
Interest paid		(4,733,134)	(4,925,610)	(1,500,367)	(1,810,382)
Tax refund		223,008	307,287	-	-
Tax paid		(569,626)	(632,751)	(114,020)	(15,000)
Net cash (used in)/from operations		(1,006,654)	5,870,596	(2,373,701)	262,280
INVESTING ACTIVITIES					
Proceed from disposal of property, plant and equipment		20,969,648	6,552,993	-	-
Net cash received from subsidiaries struck off		-	-	1,474,035	-
Purchase of property, plant and equipment	B	(325,386)	(129,323)	-	-
Additional subscription of shares in joint venture		(166,500)	-	-	-
Repayment from subsidiaries		-	-	37,026,853	4,222,576
Repayment from:-					
- Associate		-	169,411	-	-
- Joint venture		1,970,733	1,965,986	-	-
Net cash from investing activities		22,448,495	8,559,067	38,500,888	4,222,576
FINANCING ACTIVITIES					
(Placement)/uplift of fixed deposits		(23,588)	167,464	-	-
Payment of lease liabilities	C	(20,236)	(321,778)	-	-
Payment of borrowings	C	(17,142,468)	(23,005,322)	-	-
Advances to subsidiaries		-	-	(36,175,010)	(11,396,571)
Advances from a corporate shareholder		500,315	6,805,000	500,315	6,805,000
Net cash flows used in financing activities		(16,685,977)	(16,354,636)	(35,674,695)	(4,591,571)
CASH AND CASH EQUIVALENTS					
Net changes		4,755,864	(1,924,973)	452,492	(106,715)
Effect of exchange rate changes on cash and cash equivalents		25,216	13,391	110	60
At beginning of the financial year		(15,505,422)	(13,593,840)	71,330	177,985
At end of the financial year	A	(10,724,342)	(15,505,422)	523,932	71,330

Statements of Cash Flows

For the financial year ended 31 December 2022 (cont'd)

NOTES TO THE STATEMENTS OF CASH FLOWS

A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	6,829,537	2,482,362	523,932	71,330
Fixed deposits with licensed banks	1,283,845	1,260,257	-	-
Bank overdraft	(17,553,879)	(17,987,784)	-	-
	(9,440,497)	(14,245,165)	523,932	71,330
Less: Fixed deposits pledged with licensed banks	(1,283,845)	(1,260,257)	-	-
	(10,724,342)	(15,505,422)	523,932	71,330

B. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Total acquisition cost	325,386	11,976,102	-	-
Less: Offset with amount due from an associate	-	(11,669,636)	-	-
Less: Additions of right-of-use assets with lease liabilities	-	(177,143)	-	-
Total cash acquisition	325,386	129,323	-	-

C. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	At beginning of year RM	Others RM	Additions RM	Net cash flows RM	At end of year RM
Group					
Lease liabilities					
- 2022	28,969	878	-	(20,236)	9,611
- 2021	385,515	(211,911)	177,143	(321,778)	28,969
Borrowings (excluded bank overdraft)					
- 2022	55,855,820	2,032,470 ^	-	(17,142,468)	40,745,822
- 2021	77,404,384	1,456,758 ^	-	(23,005,322)	55,855,820

^ Arising from effects of translation differences

Statements of Cash Flows

For the financial year ended 31 December 2022 (cont'd)

NOTES TO THE STATEMENTS OF CASH FLOWS (cont'd)

D. TOTAL CASH OUTFLOWS FOR LEASES AS A LESSEE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
<u>Included in net cash flows from operating activities:</u>				
Expenses relating to short-term leases	598,043	112,773	18,000	14,400
Expenses relating to leases of low-value assets	3,238	6,780	-	-
<u>Included in net cash flows from financing activities:</u>				
Payment of lease liabilities	20,236	321,778	-	-
Payment of interest of lease liabilities	800	81,712	-	-
	622,317	523,043	18,000	14,400

Notes to the Financial Statements

For the financial year ended 31 December 2022

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company is located at Lot 1035, Block 4, MCLD, Piasau Industrial Area, 98000 Miri, Sarawak.

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the Financial Statements.

There have been no significant changes in the nature of these activities of the Company and of its subsidiaries during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 12 April 2023.

2. Fundamental accounting concept

As at 31 December 2022, the Group incurred a net loss of RM20,174,901 during the financial year and as of that date, the total current liabilities of the Group exceeded its total current assets by RM49,903,403. These events or conditions indicate material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern.

The financial statements of the Group have been prepared on a going concern basis, the validity of which depends on attaining future profitable operations and the continuing financial support from a major corporate shareholder of the Company. The major corporate shareholder has agreed to provide continuing financial support for the Group to meet its liabilities as and when they fall due.

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of the Group on a going concern basis, and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts, or to amounts and classification of liabilities that may be necessary.

3. Basis of preparation

3.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

3.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Group's and the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

Notes to the Financial Statements (cont'd)

3. Basis of preparation (cont'd)

3.4 Adoption of amendments/improvements to MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 4 to the Financial Statements to all years presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted amendments/improvements to MFRSs which are mandatory for the financial year.

Initial application of the amendments/improvements to the standards did not have any material impact to the financial statements.

3.5 Standards issued but not yet effective

The Group and the Company have not applied the following MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and for the Company:

MFRS and amendments to MFRS effective 1 January 2023:

MFRS 17 and Amendments to MFRS 17*#	Insurance Contracts and Amendments to MFRS 17 Insurance Contract
Amendments to MFRS 17* Amendments to MFRS 101	Initial Application of MFRS 17 and MFRS 9 - Comparative Information Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
Amendments to MFRS 101 Amendments to MFRS 108	Presentation of Financial Statements: Disclosure of Accounting Policies Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRSs effective 1 January 2024:

Amendments to MFRS 16*#	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101*	Presentation of Financial Statements - Non-Current Liabilities with Covenants

Amendments to MFRS (effective date deferred indefinitely):

Amendments to MFRS 10 and 128*	Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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* Not applicable to the Company's operation

Not applicable to the Group's operation

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

Notes to the Financial Statements (cont'd)

3. Basis of preparation (cont'd)

3.6 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affected the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

3.6.1 Estimation uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment and right-of-use-assets to be within 5 to 60 years and reviews the useful lives of depreciable assets at each reporting date. As at 31 December 2022, management assesses that the useful lives represent the expected utility of the assets to the Group and to the Company. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting in the adjustment to the Group's and to the Company's assets.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and to the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset specific risk factors.

Provision for expected credit losses ("ECLs") of receivables and contract assets

The Group and the Company calculates ECLs for receivables and contract assets based on the Group's and of the Company's historical observed default rates, adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Notes to the Financial Statements (cont'd)

3. Basis of preparation (cont'd)

3.6 Significant accounting estimates and judgements (cont'd)

3.6.1 Estimation uncertainty (cont'd)

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. The Group's core business is subject to social preference and economical changes which may cause selling prices to change rapidly and the Group's result to change.

The management reviews inventories to identify damaged, obsolete and slow moving inventories which require judgement and changes in such estimates could result in revision to the valuation of inventories.

Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

Income taxes and deferred tax liabilities

Significant judgement is involved in determining the Group's and the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognises tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4. Summary of significant accounting policies

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all years presented in the financial statements.

Notes to the Financial Statements (cont'd)

4. Summary of significant accounting policies (cont'd)

4.1 Consolidation

4.1.1 Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is stated at cost less any impairment losses in the Company's financial position, unless the investment is held for sale or distribution.

Upon the disposal of investment in a subsidiaries, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

4.1.2 Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiary companies, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

4.1.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Notes to the Financial Statements (cont'd)

4. Summary of significant accounting policies (cont'd)

4.1 Consolidation (cont'd)

4.1.3 Business combinations and goodwill (cont'd)

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances, where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

4.1.4 Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary company. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

4.1.5 Investments in associates and joint ventures

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Notes to the Financial Statements (cont'd)

4. Summary of significant accounting policies (cont'd)

4.1 Consolidation (cont'd)

4.1.5 Investments in associates and joint ventures (cont'd)

On acquisition of an investment in associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's or joint venture's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within "Share of profit of an associate and a joint venture" in the statements of profit or loss and other comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

4.2 Property, plant and equipment

All property, plant and equipment, are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and to the Company and the cost of the item can be measured reliably.

Notes to the Financial Statements (cont'd)

4. Summary of significant accounting policies (cont'd)

4.2 Property, plant and equipment (cont'd)

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bring the asset to working condition for its intended use costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised on the straight-line method in order to write off the cost. Property, plant and equipment are depreciated based on the estimated useful lives of the assets.

The principal annual depreciation rates used are as follows:

Buildings and wharf	10 – 50 years
Vessels	8 – 20 years
Vessel equipment	1.5 – 10 years
Dry docking cost	2.5 years
Equipment, furniture and fittings	1.5 – 10 years
Plant and machinery	10 years
Motor vehicles	5 years

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicated that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

4.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.3.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income (“OCI”) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Notes to the Financial Statements (cont'd)

4. Summary of significant accounting policies (cont'd)

4.3 Financial instruments (cont'd)

4.3.1 Financial assets (cont'd)

Initial recognition and measurement (cont'd)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets are classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

At the reporting date, the Group and the Company only carry financial assets at amortised cost on its statements of financial position.

Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's financial assets at amortised cost include trade and other receivables, amounts due from subsidiaries, an associate and a joint venture, fixed deposits with licensed banks and cash and cash equivalents.

Notes to the Financial Statements (cont'd)

4. Summary of significant accounting policies (cont'd)

4.3 Financial instruments (cont'd)

4.3.1 Financial assets (cont'd)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment

The Group and the Company recognise an allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that resulted from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses are the maximum contractual period over which the Group and the Company are exposed to credit risk.

Notes to the Financial Statements (cont'd)

4. Summary of significant accounting policies (cont'd)

4.3 Financial instruments (cont'd)

4.3.1 Financial assets (cont'd)

Impairment (cont'd)

The Group and the Company estimate the expected credit losses on trade receivables and contract assets using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost is credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subjected to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

4.3.2 Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of those measured subsequently at amortised cost, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

At the reporting date, the Group and the Company carry only financial liabilities at amortised cost on its statements of financial position.

Financial liabilities at amortised cost

After initial recognition, carrying amounts are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of profit or loss.

The Group's and the Company's financial liabilities at amortised cost include trade and other payables, amounts due to subsidiaries and borrowings.

Notes to the Financial Statements (cont'd)

4. Summary of significant accounting policies (cont'd)

4.3 Financial instruments (cont'd)

4.3.2 Financial liabilities (cont'd)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

4.3.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.4 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

Notes to the Financial Statements (cont'd)

4. Summary of significant accounting policies (cont'd)

4.5 Non-current asset held for sale

Non-current asset for sale comprising asset that is expected to be recovered primarily through sale rather than through continuing use.

Classification of the asset as held for sale occurs only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary and the sale must be highly probable. Management must be committed to a plan to sell the asset which are expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

Immediately before classification as held for sale, the asset is remeasured in accordance with the Group's accounting policies. Thereafter, the asset is generally measured at the lower of their carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale are not amortised or depreciated.

4.6 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

4.6.1 As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

4.6.1.1 Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	6 – 60 years
Building	3 – 4.5 years
Office equipment	10 years
Vessels	2 years

If ownership of the lease asset transfers to the Group at the end of the lease term or cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment as detailed in Note 4.4 to the Financial Statements.

Notes to the Financial Statements (cont'd)

4. Summary of significant accounting policies (cont'd)

4.6 Leases (cont'd)

4.6.1 As a lessee (cont'd)

4.6.12 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments included fixed payments (including in-substance fixed payments) less any incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

4.6.13 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.6.2 As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases.

Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

4.7 Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined on a first-in-first-out basis.

The cost of raw materials comprises costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements (cont'd)

4. Summary of significant accounting policies (cont'd)

4.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, bank overdrafts and fixed deposits with licensed banks which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the end of the reporting year are classified as non-current assets.

4.9 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Accumulated losses include all current year's profit/loss and prior years' losses.

All transactions with owners of the Company are recorded separately within equity.

4.10 Revenue

4.10.1 Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

(i) **Construction contract and ship repair**

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

(ii) **Sales of services**

Revenue from sale of services is recognised at a point in time when control of the assets is transferred to the customers, generally on delivery of the services.

(iii) **Management services**

Revenue from management fees are recognised overtime on an accrual basis.

Notes to the Financial Statements (cont'd)

4. Summary of significant accounting policies (cont'd)

4.10 Revenue (cont'd)

4.10.1 Revenue from contract with customers (cont'd)

4.10.1.1 Contract balances

(i) **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

4.10.2 Revenue from other sources

(i) **Vessel charter and berthing fees**

Vessel charter fee and berthing fees arising from operating leases is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature.

(ii) **Interest income**

Interest income is recognised on accrual basis using the effective interest method.

(iii) **Dividend income**

Dividend income is recognised when the Group's or the Company's right to receive payment is established.

4.11 Contract costs

Contract costs comprise repair and maintenance works provided by the Group and the Company. The contract costs recognised in profit or loss when the related service is fully rendered in accordance with the contract agreement.

4.12 Employee benefits

4.12.1 Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year, in which the associated services are rendered by employees of the Group and of the Company.

Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leaves are recognised when the absences occurred.

Notes to the Financial Statements (cont'd)

4. Summary of significant accounting policies (cont'd)

4.12 Employee benefits (cont'd)

4.12.2 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pays fixed contributions into separate entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

In Singapore, the Group makes contributions to the Central Provident Fund ("CPF") scheme, a defined contribution pension scheme.

4.13 Tax expense

Tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss.

4.13.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting year, and any adjustment to tax payable in respect of previous years.

Current tax is recognised in the statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

4.13.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.14 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Notes to the Financial Statements (cont'd)

4. Summary of significant accounting policies (cont'd)

4.14 Foreign currency transactions and balances (cont'd)

All differences are taken to the profit or loss with the exception of all monetary items that forms part of a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising in translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

4.14.1 Foreign operations

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting year. The income and expenses of foreign operations are translated to RM at exchange rates at the date of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

In the statements of financial position, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in foreign currency translation reserve in equity.

4.15 Borrowing costs

Borrowing costs are expensed in the year in which they are incurred. Borrowing costs consists of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

4.16 Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Notes to the Financial Statements (cont'd)

4. Summary of significant accounting policies (cont'd)

4.16 Provisions (cont'd)

Provisions are reviewed at each end of the reporting year and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time of money is material, provision is discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

4.17 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

4.18 Earnings per ordinary share

The Group presents basic and dilute earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the periods, adjusted for own shares held.

4.19 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

Notes to the Financial Statements (cont'd)

5. Property, plant and equipment

Group	Vessels RM	Vessel equipment and docking expenses RM	Land, Buildings, and wharf* RM	Equipment, furniture and fittings RM	Plant and machinery RM	Motor vehicles RM	Capital work-in- progress RM	Total RM
Cost								
At 1 January 2021	678,047,814	7,749,322	82,080,421	7,670,428	38,942,602	2,576,465	3,820,724	820,887,776
Additions	11,669,636	48,805	177,143	55,971	-	24,547	-	11,976,102
Termination of lease assets	(400,555)	-	(464,792)	-	-	-	-	(865,347)
Disposals	(7,017,381)	-	-	(32,871)	-	(237,259)	-	(7,287,511)
Written off	-	-	-	-	(283,198)	(68,500)	-	(351,698)
Exchange rate difference	11,855,537	94,042	1,065	13,207	-	(323)	-	11,963,528
At 31 December 2021	694,155,051	7,892,169	81,793,837	7,706,735	38,659,404	2,294,930	3,820,724	836,322,850
Additions	-	285,064	-	40,322	-	-	-	325,386
Disposals	(70,552,970)	(407,508)	-	(307,686)	-	-	-	(71,268,164)
Written off	-	-	-	-	-	-	(3,820,724)	(3,820,724)
Exchange rate difference	18,229,886	142,970	1,619	47,184	-	1,308	-	18,422,967
At 31 December 2022	641,831,967	7,912,695	81,795,456	7,486,555	38,659,404	2,296,238	-	779,982,315
Accumulated depreciation								
At 1 January 2021	328,975,837	4,243,851	33,210,147	7,375,314	37,011,398	2,576,433	3,820,724	417,213,704
Termination of lease assets	(400,555)	-	(298,982)	-	-	-	-	(699,537)
Charge for the financial year	34,227,378	271,771	2,125,117	106,222	667,745	3,680	-	37,401,913
Disposals	(3,337,838)	-	-	(29,473)	-	(237,257)	-	(3,604,568)
Written off	-	-	-	-	(218,514)	(68,499)	-	(287,013)
Exchange rate difference	4,086,432	66,659	346	11,459	-	(48)	-	4,164,848
At 31 December 2021	363,551,254	4,582,281	35,036,628	7,463,522	37,460,629	2,274,309	3,820,724	454,189,347
Charge for the financial year	29,362,697	(531,820)	1,958,260	58,885	447,466	5,248	-	31,300,736
Disposals	(49,066,887)	(287,916)	-	(232,260)	-	-	-	(49,587,063)
Written off	-	-	-	-	-	-	(3,820,724)	(3,820,724)
Exchange rate difference	7,042,552	109,559	796	43,935	-	54	-	7,196,896
At 31 December 2022	350,889,616	3,872,104	36,995,684	7,334,082	37,908,095	2,279,611	-	439,279,192

Notes to the Financial Statements (cont'd)

5. Property, plant and equipment (cont'd)

Group (cont'd)	Vessels RM	Vessel equipment and docking expenses RM	Land, Buildings, and wharf* RM	Equipment, furniture and fittings RM	Plant and machinery RM	Motor vehicles RM	Capital work-in- progress RM	Total RM
Accumulated impairment								
At 1 January 2021	27,194,196	-	2,356,429	-	-	-	-	29,550,625
Impairment for the financial year	21,310,831	30,969	-	-	9,512	-	-	21,351,312
Exchange rate difference	984,660	-	-	-	-	-	-	984,660
At 31 December 2021	49,489,687	30,969	2,356,429	-	9,512	-	-	51,886,597
Impairment for the financial year	3,109,613	8,350	-	-	-	-	-	3,117,963
Reversal for the financial year	(3,359,720)	-	-	-	-	-	-	(3,359,720)
Disposals	(1,971,920)	-	-	-	-	-	-	(1,971,920)
Exchange rate difference	1,521,627	-	-	-	-	-	-	1,521,627
At 31 December 2022	48,789,287	39,319	2,356,429	-	9,512	-	-	51,194,547
Net carrying amount								
At 31 December 2022	242,153,064	4,001,272	42,443,343	152,473	741,797	16,627	-	289,508,576
At 31 December 2021	281,114,110	3,278,919	44,400,780	243,213	1,189,263	20,621	-	330,246,906

Notes to the Financial Statements (cont'd)

5. Property, plant and equipment (cont'd)

***Land, buildings and wharf**

Group	Land RM	Workshop and renovation RM	Wharf, yard and buildings RM	Total RM
Cost				
At 1 January 2021	45,232,259	5,006,303	31,841,859	82,080,421
Addition	-	-	177,143	177,143
Termination of lease assets	(10,691)	-	(454,101)	(464,792)
Exchange rate difference	-	-	1,065	1,065
At 31 December 2021	45,221,568	5,006,303	31,565,966	81,793,837
Exchange rate difference	-	-	1,619	1,619
At 31 December 2022	45,221,568	5,006,303	31,567,585	81,795,456
Accumulated depreciation				
At 1 January 2021	13,046,568	3,207,026	16,956,553	33,210,147
Termination of lease assets	(2,354)	-	(296,628)	(298,982)
Charge for the financial year	782,884	262,268	1,079,965	2,125,117
Exchange rate difference	-	-	346	346
At 31 December 2021	13,827,098	3,469,294	17,740,236	35,036,628
Charge for the financial year	840,498	170,478	947,284	1,958,260
Exchange rate difference	-	-	796	796
At 31 December 2022	14,667,596	3,639,772	18,688,316	36,995,684
Accumulated impairment				
At 1 January 2021/ 31 December 2021/ 31 December 2022	-	-	2,356,429	2,356,429
Net carrying amount				
At 31 December 2022	30,553,972	1,366,531	10,522,840	42,443,343
At 31 December 2021	31,394,470	1,537,009	11,469,301	44,400,780

Notes to the Financial Statements (cont'd)

5. Property, plant and equipment (cont'd)

Company	Signboard RM	Office equipment RM	Total RM
Cost			
At 1 January 2021/ 31 December 2021/ 31 December 2022	7,390	13,720	21,110
Accumulated depreciation			
At 1 January 2021	7,389	10,269	17,658
Charge for the financial year	-	1,037	1,037
At 31 December 2021	7,389	11,306	18,695
Charge for the financial year	-	934	934
At 31 December 2022	7,389	12,240	19,629
Net carrying amount			
At 31 December 2022	1	1,480	1,481
At 31 December 2021	1	2,414	2,415

Details of lands are analysed as follow:

	2022 RM	Group 2021 RM
Freehold land	5,360,549	5,360,549
Long term leasehold land	24,467,296	25,204,062
Short term leasehold land	726,127	829,859
	30,553,972	31,394,470

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 17 to the Financial Statements.

The Group performed an assessment during the financial year on the recoverable amount of the property, plant and equipment to determine whether the carrying value of the property, plant and equipment are recoverable. The view was carried out in accordance with MFRS 136 "Impairment of Assets". The estimated recoverable amount is determined based on the higher of an asset's value in use ("VIU") and fair value less costs to sell ("FV").

Based on the impairment test performed, the carrying amount of certain vessels, vessel equipment and docking expenses and plant and machinery were higher than their recoverable amounts, determined using FV, based on the net selling price expected to be received for similar assets. An impairment loss of RM3,117,963 (2021: RM21,351,312) was recognised and included in impairment loss on non-financial assets in profit or loss.

While reversal of RM3,359,720 (2021: Nil) for impairment of a vessel was recognised during the financial year was a result of the recoverable amounts determined using fair value is higher than the carrying amount.

Notes to the Financial Statements (cont'd)

5. Property, plant and equipment (cont'd)

The carrying amount of property, plant and equipment pledged to licensed banks as securities for bank facilities granted to the Group as disclosed in Note 16 to the Financial Statements are as follows:

	Group	
	2022 RM	2021 RM
Vessels	71,612,191	149,966,552
Freehold land	2,596,928	2,596,928
Leasehold land	22,986,955	23,776,732
	97,196,074	176,340,212

6. Subsidiaries

6.1 Investment in subsidiaries

	Company	
	2022 RM	2021 RM
Unquoted shares, at cost:		
- Ordinary shares	211,813,172	228,463,172
- Redeemable convertible preference shares	167,845,750	167,845,750
	379,658,922	396,308,922
Less: Impairment losses		
At beginning of financial year	(136,365,554)	(53,847,307)
Recognised	-	(82,518,247)
Reversal	15,174,549	-
At end of financial year	(121,191,005)	(136,365,554)
	258,467,917	259,943,368

An impairment assessment on the carrying amounts of interests in subsidiaries at the reporting date was undertaken based on higher of the fair value less costs of disposal and the value in use for those subsidiaries with indicators of impairment.

During the financial year, the reversal of impairment loss amounting to RM15,174,549 was due to the respective subsidiaries being struck off.

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business	Principal activities	Effective equity interest	
			2022 %	2021 %
Cergas Majusama Sdn. Bhd. @	Malaysia	Inactive	-	100
Sealink Management Sdn. Bhd. @	Malaysia	Inactive	-	100
Sealink Marine Sdn. Bhd. @	Malaysia	Inactive	-	100

Notes to the Financial Statements (cont'd)

6. Subsidiaries (cont'd)

6.1 Investment in subsidiaries (cont'd)

Details of the subsidiaries are as follows (cont'd):

Name of subsidiaries	Principal place of business	Principal activities	Effective equity interest	
			2022 %	2021 %
Era Surplus Sdn. Bhd.	Malaysia	Chartering of marine vessels	100	100
Midas Choice Sdn. Bhd.	Malaysia	Chartering of marine vessels	100	100
Godrimaju Sdn. Bhd.	Malaysia	Chartering of marine vessels	100	100
Euroedge Sdn. Bhd.	Malaysia	Chartering of marine vessels	100	100
Seabright Sdn. Bhd.	Malaysia	Chartering of marine vessels	100	100
Sealink Engineering and Slipway Sdn. Bhd.	Malaysia	Shipbuilding	100	100
Sealink Pacific Sdn. Bhd.	Malaysia	Chartering of marine vessels	100	100
Sealink Sdn. Bhd.	Malaysia	Chartering of marine vessels and letting of properties	100	100
Sutherland Resources Sdn. Bhd.	Malaysia	Chartering of marine vessels	100	100
Sealink Shipyard Sdn. Bhd.	Malaysia	Shipbuilding	100	100
Sea-Good Pte Ltd. *	Singapore	Chartering of marine vessels	100	100
Seabright (Singapore) Private Limited *	Singapore	Vessel owner	100	100
Sealink Offshore (L) Ltd.	Federal Territory of Labuan, Malaysia	Investment holding and chartering of marine vessels	100	100
Subsidiary of Era Surplus Sdn. Bhd.				
Seasten Sdn. Bhd.	Malaysia	Vessel owner and operator	100	100
Subsidiary of Midas Choice Sdn. Bhd.				
Sea Legend Shipping Sdn. Bhd.	Malaysia	Investment holding	100	100
Subsidiary of Sea Legend Shipping Sdn. Bhd.				
Mitra Angkasa Sdn. Bhd.	Malaysia	Chartering of marine vessels	100	100
Subsidiary of Sealink Engineering and Slipway Sdn. Bhd.				
Baram Moulding Industries Sdn. Bhd.	Malaysia	Letting of properties	100	100
Subsidiary of Sealink Pacific Sdn. Bhd.				
Bristol View Sdn. Bhd.	Malaysia	Property holding	100	100
Subsidiary of Sealink Shipyard Sdn. Bhd.				
Aliran Saksama Sdn. Bhd.	Malaysia	Letting of properties	100	100
Subsidiaries of Sealink Offshore (L) Ltd.				
Sealink Antarabangsa Ltd.	Federal Territory of Labuan, Malaysia	Chartering of marine vessels	100	100
Perkasa Asia Corporation Ltd.	Federal Territory of Labuan, Malaysia	Chartering of marine vessels	100	100

* Audited by a firm other than Grant Thornton Malaysia PLT
@ Struck off during the financial year

Notes to the Financial Statements (cont'd)

6. Subsidiaries (cont'd)

6.2 Amount due from/to subsidiaries

	Company	
	2022 RM	2021 RM
<u>Non-current</u>		
Amount due from subsidiaries	91,981,179	94,734,227
Less: Allowance for expected credit losses		
At beginning of financial year	(18,679,116)	-
Recognised	(6,947,140)	(18,679,116)
At end of financial year	(25,626,256)	(18,679,116)
	66,354,923	76,055,111
<u>Current</u>		
Amount due from subsidiaries	62,992,216	61,669,669
Less: Allowance for expected credit losses		
At beginning of financial year	(5,748,445)	-
Recognised	-	(5,748,445)
Recovered	856,964	-
At end of financial year	(4,891,481)	(5,748,445)
	58,100,735	55,921,224
Total amount due from subsidiaries	124,455,658	131,976,335
<u>Non-current</u>		
Amount due to subsidiaries	8,746,561	-
<u>Current</u>		
Amount due to subsidiaries	13,137,454	57,729,425
Total amount due to subsidiaries	21,884,015	57,729,425

Amount due from subsidiaries is non-trade in nature, unsecured, non-interest bearing and receivable on demand except for an amount of RM61,178,973 (2021: RM99,362,909) which bears interest rate at 2.98% (2021: 1.89%) per annum.

Amount due to subsidiaries is non-trade in nature, unsecured, non-interest bearing and payable on demand except for an amount of RM12,800,762 (2021: RM44,067,761) which bears interest rate at 2.98% (2021: 1.89%) per annum.

7. Associate

7.1 Investment in an associate

	Group	
	2022 RM	2021 RM
Unquoted shares, at cost	3,500,000	3,500,000
Share of post-acquisition reserves	(3,500,000)	(3,500,000)
	-	-

Notes to the Financial Statements (cont'd)

7. Associate (cont'd)

7.1 Investment in an associate (cont'd)

Details of the associate is as follows:

Name of associate	Principal place of business	Principal activities	Effective equity interest	
			2022 %	2021 %
Sea Legend Shipping Sdn. Bhd.				
Logistine Sdn. Bhd. *^	Malaysia	Providing offshore support vessels, equipment and engineering consultation for oil and gas activities.	25	25

* Audited by a firm other than Grant Thornton Malaysia PLT

^ Management account is not available for disclosure purposes and certain subsidiaries are taking legal actions against the associate for the amount owing to the Group as detailed in Note 34 to the Financial Statements.

7.2 Amount due from an associate

	2022 RM	Group 2021 RM
Trade	-	-
Less: Allowance for expected credit losses		
At beginning of financial year	-	(155,901)
Reversal	-	155,901
At end of financial year	-	-
Non-trade	11,065,437	11,065,437
Less: Allowance for expected credit losses		
At beginning of financial year	(11,065,437)	(3,762,364)
Recognised	-	(7,507,254)
Reversal	-	204,181
At end of financial year	(11,065,437)	(11,065,437)
Amount due from an associate, net	-	-

In the previous year, the impairment loss on amount due from an associate were reversed during the financial year as a result of receipts.

Amounts due from an associate are non-interest bearing, unsecured and receivable on demand.

Notes to the Financial Statements (cont'd)

8. Joint venture**8.1 Investment in a joint venture**

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unquoted shares, at cost:				
- Ordinary shares	634,359	467,859	634,359	467,859
Share of post-acquisition reserves	2,699,204	1,427,553	-	-
	3,333,563	1,895,412	634,359	467,859

Details of the joint venture are as follows:

Name of joint ventures	Principal place of business	Principal activity	Effective equity interest	
			2022 %	2021 %
Era Sureway Sdn. Bhd.	Malaysia	Chartering of marine vessels	45	45

The following table summarises the information of the Group's joint venture as follows:

	2022 RM	2021 RM
Financial position as at 31 December		
Non-current assets	9,973,076	10,858,345
Current assets	22,411,960	11,500,747
Non-current liabilities	(4,131,996)	(6,257,047)
Current liabilities	(20,866,606)	(11,890,017)

Summary of financial performance for the financial year ended 31 December

Net profit/total comprehensive income for the financial year	2,825,891	832,703
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Included in net profit/total comprehensive income:

Revenue	55,637,798	25,248,894
Depreciation and amortisation	(917,274)	(890,284)
Interest income	35,141	29,635
Interest expense	(463,161)	(599,964)
Tax expense	(1,400,858)	(439,448)

On 27 July 2022, Era Sureway Sdn. Bhd. has issued and allotment of 370,000 units of RM1 per ordinary shares. The Group have acquired 166,500 ordinary shares representing 45% of the equity interest in Era Sureway Sdn. Bhd. for a total cash consideration of RM166,500.

Notes to the Financial Statements (cont'd)

8. Joint venture (cont'd)

8.2 Amount due from a joint venture

	2022 RM	Group 2021 RM
<u>Non-current</u>		
- Non-trade	3,454,988	5,429,276
<u>Current</u>		
- Trade	10,153,527	3,507,525
- Non-trade	1,986,145	1,982,590
	12,139,672	5,490,115
	15,594,660	10,919,391

Amount due from a joint venture is unsecured, non-interest bearing and receivable on demand except for non-trade amount of RM5,429,276 (2021: RM7,403,564) which has fixed term of repayment with effective interest rate charged at 6.95% (2021: 6.95%) per annum.

9. Fixed deposits with licensed banks

The fixed deposits with licensed banks of the Group amounting to RM1,283,845 (2021: RM1,260,257) are pledged to the licensed banks for bank guarantee issued on behalf of the Group to third party for business purposes.

The Group effective interest rates of fixed deposits range from 1.50% to 2.85% (2021: 1.50% to 1.85%) with maturity period range from 6 to 350 days (2021: 30 to 365 days) respectively.

10. Inventories

	2022 RM	Group 2021 RM
Parts, materials and consumables	5,303,351	5,071,027
Machinery and equipment	345,190	342,481
	5,648,541	5,413,508
Recognised in profit or loss:		
Inventories recognised as cost of sales	8,519,061	7,975,667
Inventories written down	-	5,504,257
Reversal of inventories written down	-	(337,033)

11. Contract costs

	2022 RM	Group 2021 RM
Repair and maintenance works	169,146	125,052

Notes to the Financial Statements (cont'd)

12. Trade receivables

	Group	
	2022 RM	2021 RM
Trade receivables	5,974,680	6,918,365
Less: Allowance for expected credit losses		
At beginning of financial year	(3,624,959)	(4,222,187)
Recognised	(369,197)	-
Reversal	532,037	597,228
	(3,462,119)	(3,624,959)
At end of financial year	2,512,561	3,293,406

Trade receivables are non-interest bearing and generally on 30 days (2021: 30 days) terms.

The impairment loss on trade receivables were reversed during the financial year as a result of receipts.

13. Other receivables

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-trade receivables	3,209,730	1,288,350	699,527	698,583
Less: Allowance for expected credit losses				
At beginning/end of financial year	(181,205)	(181,205)	-	-
	3,028,525	1,107,145	699,527	698,583
Refundable deposits	372,904	301,405	3,000	2,400
Prepayments	730,904	368,226	-	-
	4,132,333	1,776,776	702,527	700,983

14. Asset held for sale

	Group	
	2022 RM	2021 RM
Condominium	577,113	577,113

The management is still actively looking for potential buyer by engaging third party sales agent.

Notes to the Financial Statements (cont'd)

15. Share capital

	Group and Company			
	Number of shares		Amount	
	2022 units	2021 units	2022 RM	2021 RM
Issued and fully paid with no par value				
At 1 January/31 December	500,000,000	500,000,000	329,086,883	329,086,883

The holders of ordinary shares are entitled to receive dividend as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

16. Borrowings

	Group	
	2022 RM	2021 RM
Secured:		
<u>Non-current</u>		
Term loans	9,799,683	17,692,112
<u>Current</u>		
Bank overdraft	17,553,879	17,987,784
Revolving credits	22,014,580	28,014,580
Term loans	8,931,559	10,149,128
	48,500,018	56,151,492
	58,299,701	73,843,604

The bank overdraft, revolving credits and term loans are secured by way of:

- charges over leasehold land of the Group,
- charges over freehold land of the Group,
- charges over certain vessels of the Group,
- fixed deposits with licensed banks,
- short-term deposit of a Director of the subsidiary,
- assignment of time charter proceeds, and
- corporate guarantee by the Company.

The effective interest rates of borrowings are as follows:

	Group	
	2022 %	2021 %
Bank overdraft	5.10 – 8.14	4.10 – 7.14
Revolving credits	3.81 – 5.29	3.43 – 4.16
Term loans	5.99 – 7.33	5.99 – 6.17

Notes to the Financial Statements (cont'd)

17. Right-of-use assets and lease liabilities

As a lessee

The Group has lease contracts for land, buildings, vessels and office equipment. The Group's obligations under these leases are secured by the lessor's title to the leased assets.

17.1 Right-of-use assets

Group	Leasehold Land RM	Buildings RM	Vessels RM	Office equipment RM	Total RM
Cost					
At 1 January 2021	39,871,710	516,114	400,555	14,400	40,802,779
Addition	-	177,143	-	-	177,143
Termination of lease contract	(10,691)	(454,101)	(400,555)	-	(865,347)
Exchange rate difference	-	1,065	-	-	1,065
At 31 December 2021	39,861,019	240,221	-	14,400	40,115,640
Exchange rate difference	-	1,619	-	-	1,619
At 31 December 2022	39,861,019	241,840	-	14,400	40,117,259
Accumulated depreciation					
At 1 January 2021	13,046,568	326,927	400,555	5,400	13,779,450
Charge for the year	782,884	182,324	-	1,440	966,648
Termination of lease contract	(2,354)	(296,628)	(400,555)	-	(699,537)
Exchange rate difference	-	346	-	-	346
At 31 December 2021	13,827,098	212,969	-	6,840	14,046,907
Charge for the year	840,498	19,340	-	1,440	861,278
Exchange rate difference	-	796	-	-	796
At 31 December 2022	14,667,596	233,105	-	8,280	14,908,981
Net carrying amount					
At 31 December 2022	25,193,423	8,735	-	6,120	25,208,278
At 31 December 2021	26,033,921	27,252	-	7,560	26,068,733

17.2 Lease liabilities

	Group	
	2022 RM	2021 RM
<u>Current</u>		
Less than 1 year	9,611	20,033
<u>Non-current</u>		
More than 1 year but less than 5 years	-	8,936
	9,611	28,969

The lease liabilities bear interest at rate of 5% (2021: 5%) per annum.

Notes to the Financial Statements (cont'd)

17. Right-of-use assets and lease liabilities (cont'd)

17.2 Lease liabilities (cont'd)

Set out below is the movement of the lease liabilities during the financial year:

	Group	
	2022 RM	2021 RM
At beginning of financial year	28,969	385,515
Addition	-	177,143
Accretion of interest	800	81,712
Termination of lease contract	-	(212,660)
Payments	(21,036)	(403,490)
Exchange rate difference	878	749
	<hr/>	<hr/>
At end of financial year	9,611	28,969

The following are the amounts relating to right-of-use assets recognised in profit or loss:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Depreciation of right-of-use assets	861,278	966,648	-	-
Interest expense on lease liabilities	800	81,712	-	-
Gain on termination of lease contract	-	(46,850)	-	-
Expense relating to short-term leases	598,043	112,773	18,000	14,400
Expense relating to leases of low-value assets	3,238	6,780	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

18. Deferred tax liabilities

	Group	
	2022 RM	2021 RM
At beginning of financial year	11,494,930	16,147,726
Recognised in profit or loss	(1,523,261)	(4,652,796)
	<hr/>	<hr/>
At end of financial year	9,971,669	11,494,930

Notes to the Financial Statements (cont'd)

18. Deferred tax liabilities (cont'd)

The component and movement of deferred tax liabilities and assets prior to offsetting are as follows:-

	Property, plant and equipment RM	Unabsorbed tax losses RM	Unutilised capital allowances RM	Others RM	Total RM
At 1 January 2021	35,921,600	(8,373,900)	(10,714,506)	(685,468)	16,147,726
Recognised in profit or loss	(3,237,889)	(259,043)	(1,155,864)	-	(4,652,796)
At 31 December 2021	32,683,711	(8,632,943)	(11,870,370)	(685,468)	11,494,930
Recognised in profit or loss	(2,236,339)	469,230	243,848	-	(1,523,261)
At 31 December 2022	30,447,372	(8,163,713)	(11,626,522)	(685,468)	9,971,669

19. Other payables

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
<u>Non-current</u>				
Non-trade payables	13,870,000	14,065,000	13,870,000	14,065,000
<u>Current</u>				
Non-trade payables	17,535,298	18,763,997	6,125,952	6,926,230
Accruals	7,613,619	5,928,351	1,161,966	988,256
Deposits received	13,000	5,200	-	-
Service tax payable	6,034	7,629	-	-
	25,167,951	24,705,177	7,287,918	7,914,486
	39,037,951	38,770,177	21,157,918	21,979,486

Included in non-trade payables of the Group is an amount of RM9,784,325 (2021: RM9,288,910) due to companies in which certain Directors of the Company have substantial financial interests and it is unsecured, interest free and repayable on demand.

Included in non-trade payables of the Group and of the Company is an amount of RM19,446,956 (2021: RM18,818,894) due to a corporate shareholder with interest bearing at 4.50% (2021: 4.50%) per annum and payable within the tenor of 36 months (2021: 36 months).

20. Trade payables

Group

Trade payables are non-interest bearing with normal credit term granted range from 30 to 90 days (2021: 30 to 90 days) term.

Notes to the Financial Statements (cont'd)

21. Revenue

21.1 Type of revenue

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue from other sources				
Charter hire fees	55,580,167	33,961,110	-	-
Berthing fees	-	4,400	-	-
Dividend income	-	-	32,756,000	-
	55,580,167	33,965,510	32,756,000	-
Revenue from contract with customers				
Ship repair income	1,259,467	698,609	-	-
Vessels sundry income	7,863,856	2,795,928	-	-
Sale of services	591,842	495,010	-	-
Management fees	-	-	1,501,373	1,275,500
	9,715,165	3,989,547	1,501,373	1,275,500
	65,295,332	37,955,057	34,257,373	1,275,500
Timing of recognition				
Satisfied at a point in time	8,693,965	1,117,787	-	-
Satisfied over time	1,021,200	2,871,760	1,501,373	1,275,500
	9,715,165	3,989,547	1,501,373	1,275,500

21.2 Contract balances

	Group	
	2022 RM	2021 RM
At beginning of the year	651,281	(61,949)
Revenue recognised during the year	3,997,336	1,149,622
Progress billing issued during the year	(4,312,884)	(436,392)
At end of the year	335,733	651,281
Analysed as follows:		
- Contract assets	355,588	702,163
- Contract liabilities	(19,855)	(50,882)
	335,733	651,281

Contract assets primarily relate to the Group's right to consideration for work completed on ship repair contracts but not yet billed at the reporting date. Typically, the amount will be billed within 30 (2021: 30) days and payment is expected within 90 (2021: 90) days.

Contract liabilities primarily relate to advance consideration received from a customer for ship repair contracts for which revenue is recognised over time for the repair work. The contract liabilities are expected to be recognised as revenue over a period of 90 (2021: 90) days.

Notes to the Financial Statements (cont'd)

22. Other income

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Gain on disposal of property, plant and equipment	1,260,467	2,870,050	-	-
Gain on foreign exchanges:				
- Realised	565,328	928,484	-	223,727
- Unrealised	-	1,600,348	2,510,862	1,201,093
Gain on termination of lease contract	-	46,850	-	-
Maintenance income	-	54,821	-	-
Reversal of inventories written down	-	337,033	-	-
Rental income	162,000	129,600	-	-
Accounting fee	-	-	48,000	48,000
Sundry income	420,564	1,220,629	-	-
	2,408,359	7,187,815	2,558,862	1,472,820

23. Net impairment loss on financial assets and non-financial assets

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
<u>Financial assets</u>				
Impairment loss on:-				
- Trade receivables	(369,197)	-	-	-
- Amount due from an associate	-	(7,507,254)	-	-
- Amount due from subsidiaries	-	-	(6,947,140)	(24,427,561)
	(369,197)	(7,507,254)	(6,947,140)	(24,427,561)
Reversal of impairment loss on:-				
- Trade receivables	532,037	597,228	-	-
- Amount due from an associate	-	360,082	-	-
- Amount due from subsidiaries	-	-	856,964	-
	532,037	957,310	856,964	-
<u>Non-financial assets</u>				
Impairment loss on:-				
- Property, plant and equipment	(3,117,963)	(21,351,312)	-	-
- Investment in subsidiaries	-	-	-	(82,518,247)
	(3,117,963)	(21,351,312)	-	(82,518,247)
Reversal of impairment loss on:-				
- Property, plant and equipment	3,359,720	-	-	-

Notes to the Financial Statements (cont'd)

24. Finance income

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest income from:				
- Current account	5,095	3,078	228	1,843
- Short term deposits	25,611	20,684	-	-
- Joint venture	451,656	443,965	-	-
- Subsidiaries	-	-	2,838,318	2,500,100
- Others	17,410	-	-	-
	499,772	467,727	2,838,546	2,501,943

25. Finance costs

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest expenses on:				
- Term loans	1,769,484	1,968,711	-	-
- Bank overdraft	1,246,439	1,085,585	-	-
- Revolving credits	997,604	1,153,477	-	-
- Lease liabilities	800	81,712	-	-
- Subsidiaries	-	-	1,500,367	1,810,382
- Corporate shareholder	718,807	636,125	718,807	636,125
- Unwinding discounts	-	-	-	1,489,747
	4,733,134	4,925,610	2,219,174	3,936,254

26. (Loss)/profit before tax

The following items have been included in arriving at (loss)/profit before tax:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration related to:				
Statutory audits				
- Grant Thornton Malaysia PLT	180,000	170,000	41,000	39,000
- Other auditors	38,468	36,819	-	-
Assurance-related services:				
- Grant Thornton Malaysia PLT	5,000	5,000	5,000	5,000
Other services:				
- Grant Thornton Malaysia PLT	3,500	-	3,500	-

Notes to the Financial Statements (cont'd)

27. Tax (income)/expense

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax:				
- Current year	580,110	435,009	151,535	-
- Over provision in prior year	(50,167)	(44,823)	-	(44,694)
	529,943	390,186	151,535	(44,694)
Deferred tax:				
- Current year	(1,515,400)	(3,592,068)	-	-
- Over provision in prior year	(7,861)	(1,060,728)	-	-
	(1,523,261)	(4,652,796)	-	-
Total tax (income)/expense	(993,318)	(4,262,610)	151,535	(44,694)

Malaysian income tax is calculated at the statutory rate of 24% (2021: 24%) of the estimated taxable profits for the financial year.

The reconciliation of tax expense applicable to (loss)/profit before tax at the statutory tax rate to tax expense at the effective tax rate of the Group and of the Company are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
(Loss)/profit before tax	(21,168,219)	(69,631,922)	28,404,582	(108,042,676)
Tax at statutory tax rate of 24%	(5,080,373)	(16,711,661)	6,817,100	(25,930,242)
Tax effect in respect of:				
Expenses not deductible for tax purposes	15,334,909	12,372,985	1,664,976	26,218,504
Income not subject to tax	(9,408,054)	(711,370)	(8,245,272)	(288,262)
Movement of deferred tax assets not recognised	(1,476,576)	1,982,919	(85,269)	-
Over provision in prior year				
- current tax	(50,167)	(44,823)	-	(44,694)
- deferred tax	(7,861)	(1,060,728)	-	-
Share of results of a joint venture	(305,196)	(89,932)	-	-
Total tax (income)/ expenses	(993,318)	(4,262,610)	151,535	(44,694)

Deferred tax assets have not been utilised in respect of the following items:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unabsorbed tax losses	80,172,687	82,101,826	-	355,325
Unabsorbed capital allowances	10,224,789	14,448,051	388	350
	90,397,476	96,549,877	388	355,675

Notes to the Financial Statements (cont'd)

27. Tax (income)/expense (cont'd)

The potential deferred tax assets of the Group and of the Company have not been recognised in respect of the above items as it is not certain that whether sufficient future taxable profits will be available in which the Group and the Company can utilise these benefits.

The unrecognised unabsorbed tax losses and unutilised capital allowances of the Group and of the Company can be carried forward to offset against future taxable profits of the Group and the Company respectively.

The expiry terms of the unabsorbed tax losses of the Group and of the Company will be available for carry forward for a period of 10 (2021: 10) consecutive years. Upon expiry of the 10 (2021: 10) years, the unabsorbed tax losses will be disregarded.

The expiry terms of the unrecognised unabsorbed tax losses are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
- Year of assessment 2028	60,970,514	63,575,091	-	-
- Year of assessment 2029	6,298,260	5,617,693	-	-
- Year of assessment 2030	6,431,935	7,290,710	-	355,325
- Year of assessment 2031	3,491,638	5,618,332	-	-
- Year of assessment 2032	2,980,340	-	-	-
	80,172,687	82,101,826	-	355,325

28. Loss per share

Basic/diluted loss per share amounts are calculated by dividing net loss for the financial year attributable to ordinary equity holders of the Company over the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2022	2021
Net loss for the financial year attributable to ordinary equity holders of the Company (RM)	(20,174,901)	(65,369,312)
Weighted average number of ordinary shares in issue (unit)	500,000,000	500,000,000
Basic/diluted loss per share (sen)	(4.03)	(13.07)

There are no dilutive potential ordinary shares. As such, the diluted earnings per share of the Group is equivalent to basic loss per share.

Notes to the Financial Statements (cont'd)

29. Employee benefits expense

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Salaries, wages and other emoluments	14,892,687	12,873,098	1,719,768	1,518,362
Social security contributions	193,381	159,442	12,621	9,581
Defined contribution plan	1,462,491	1,345,375	198,664	181,042
Other benefits	14,335	10,942	-	-
	16,562,894	14,388,857	1,931,053	1,708,985

Included in abovementioned is the Directors' remuneration as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors of the Company				
<u>Executive</u>				
Salaries, wages and other emoluments	738,141	714,605	6,091	6,083
Fees	22,000	22,000	22,000	22,000
Defined contribution plan	63,332	61,400	720	720
	823,473	798,005	28,811	28,803
<u>Non-executive</u>				
Fees	293,000	293,000	293,000	293,000
	1,116,473	1,091,005	321,811	321,803
Director of subsidiaries				
Salaries and other emoluments	296,976	296,990	-	-
Defined contribution plan	2,260	2,260	-	-
	299,236	299,250	-	-
Total Directors' remuneration	1,415,709	1,390,255	321,811	321,803

Notes to the Financial Statements (cont'd)

30. Related party disclosures

30.1 Related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms.

The significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Transactions with subsidiaries				
- Dividend income	-	-	(32,756,000)	-
- Management fee	-	-	(1,501,373)	(1,275,500)
- Interest income	-	-	(2,838,318)	(2,500,100)
- Interest expenses	-	-	1,500,367	1,810,382
- Sundry income	-	-	-	-
Transaction with a related company				
- Rental expenses	78,000	129,600	18,000	14,400
Transactions with companies in which certain Directors have interest				
- Charter hire fee	210,000	246,000	-	-
- Rental expenses	187,800	262,173	-	-
- Legal and professional fees	13,365	10,997	-	-
Transactions with a joint venture				
- Accounting fee	-	-	(48,000)	(48,000)
- Administrative income	(66,757)	(52,907)	-	-
- Berthing fees	-	4,400	-	-
- Charter hire fees	38,057,642	10,457,524	-	-
- Ship management income	(300,000)	(262,500)	-	-
- Repair and maintenance	15,507	36,996	-	-
- Rental income	(18,000)	(14,400)	-	-
- Demobilisation fees	1,352,700	413,000	-	-
- Interest income	(451,656)	(443,965)	-	-
Transaction with corporate shareholder				
- Interest expense	718,807	636,125	718,807	636,125

30.2 Related party balances

The outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 6, 7, 8 and 19 to the Financial Statements.

30.3 Compensation of key management personnel

Key management personnels are defined as persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly.

Notes to the Financial Statements (cont'd)

30. Related party disclosures (cont'd)

30.3 Compensation of key management personnel (cont'd)

The remuneration of the Directors and other members of key management personnel during the financial year are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Salaries, wages and other emoluments	1,598,633	1,581,759	571,248	561,087
Defined contribution plan	124,844	129,398	62,892	67,104
	1,723,477	1,711,157	634,140	628,191

31. Operating segment

Business segment

For management purposes, the Group is organised into business units based on their products and services, which comprises the following:-

- (i) Chartering of vessels
- (ii) Shipbuilding
- (iii) Others consist of investment holding and letting of properties

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transactions between segments were entered into the normal course of business and were established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. Inter-segment pricing is determined on negotiated basis.

The effects of such inter-segment transactions are eliminated on consolidation.

Group	Note	Chartering RM	Shipbuilding RM	Others RM	Elimination RM	Consolidated RM
2022						
External revenue		63,756,450	1,538,882	-	-	65,295,332
Inter segment revenue	(i)	12,636,485	3,808,813	34,335,373	(50,780,671)	-
Total revenue		76,392,935	5,347,695	34,335,373	(50,780,671)	65,295,332

Notes to the Financial Statements (cont'd)

31. Operating segment (cont'd)

Business segment (cont'd)

Group (cont'd)	Note	Chartering RM	Shipbuilding RM	Others RM	Elimination RM	Consolidated RM
2022 (cont'd)						
Depreciation of property, plant and equipment		(30,774,066)	(1,971,486)	(307,116)	1,751,932	(31,300,736)
Interest expense		(4,507,866)	(2,277,848)	(2,594,582)	4,647,162	(4,733,134)
Interest income		787,521	1,388,567	2,965,378	(4,641,694)	499,772
Share of gain of a joint venture		1,271,651	-	-	-	1,271,651
Tax income/(expenses)		1,373,466	(217,731)	(162,417)	-	993,318
Other non-cash (expenses)/income	(ii)	(14,809)	(356,320)	-	-	(371,129)
Net profit/(loss) for the financial year	(iii)	(17,442,477)	(5,011,990)	27,750,716	(25,471,150)	(20,174,901)
Additions to non-current assets:						
- Property, plant and equipment		313,383	12,003	-	-	325,386
Investment in a joint venture		3,333,563	-	-	-	3,333,563
Segment assets	(iv)	355,240,225	55,972,148	403,122,423	(483,852,412)	330,482,384
Segment liabilities	(v)	260,733,928	54,628,268	55,365,569	(254,581,895)	116,145,870
2021						
External revenue		37,072,660	882,397	-	-	37,955,057
Inter segment revenue	(i)	9,342,066	4,246,449	1,353,500	(14,942,015)	-
Total revenue		46,414,726	5,128,846	1,353,500	(14,942,015)	37,955,057
Depreciation of property, plant and equipment		(36,905,246)	(2,395,127)	(327,221)	2,225,681	(37,401,913)
Interest expense		(6,070,427)	(2,330,863)	(4,363,733)	7,839,413	(4,925,610)
Interest income		949,676	1,873,867	2,681,670	(5,037,486)	467,727
Share of gain of a joint venture		374,716	-	-	-	374,716
Tax income/(expenses)		4,477,868	(239,826)	24,568	-	4,262,610
Other non-cash (expenses)/income	(ii)	(27,821,508)	(4,865,552)	1,201,093	-	(31,485,967)
Net (loss)/profit for the financial year	(iii)	(59,213,672)	(9,322,151)	(108,222,684)	111,389,195	(65,369,312)
Additions to non-current assets:						
- Property, plant and equipment		11,964,855	11,247	-	-	11,976,102
Investment in a joint venture		1,895,412	-	-	-	1,895,412
Segment assets	(iv)	348,547,633	86,953,073	392,219,129	(468,257,211)	359,462,624
Segment liabilities	(v)	211,024,303	60,796,193	76,424,195	(216,079,567)	132,165,124

Notes to the Financial Statements (cont'd)

31. Operating segment (cont'd)

Business segment (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

- (i) Inter-segment revenues are eliminated on consolidation.
- (ii) Other material non-cash (expenses)/income comprise the following items:

	2022 RM	2021 RM
Gain on termination of lease contract	-	46,850
Impairment loss on:		
- trade receivables	(369,197)	-
- amount due from an associate	-	(7,507,254)
- property, plant and equipment	(3,117,963)	(21,351,312)
Reversal of impairment loss on:		
- trade receivables	532,037	597,228
- amount due from an associate	-	360,082
- property, plant and equipment	3,359,720	-
Inventories written down	-	(5,504,257)
Reversal of inventories written down	-	337,033
Property, plant and equipment written off	-	(64,685)
Unrealised (loss)/gain on foreign exchange	(775,726)	1,600,348
	(371,129)	(31,485,967)

- (iii) The following items are added to/(deducted from) segment (loss)/profit to arrive at "Loss for the financial year" presented in the consolidated statement of profit or loss and other comprehensive income.

	2022 RM	2021 RM
Profit from inter-segment sales	(34,789,515)	(1,529,073)
Impairment loss in investment in subsidiaries	-	82,518,247
Impairment loss in amount due from subsidiaries	6,947,140	24,427,561
Reversal of impairment loss on amount due from subsidiaries	(856,964)	-
Unallocated corporate expenses	3,222,721	3,170,533
Finance costs	5,468	2,801,927
	(25,471,150)	111,389,195

- (iv) The following items are deducted from segment operating assets to arrive at total assets reported in consolidated statement of financial position:

	2022 RM	2021 RM
Inter-segment assets	(481,381)	(2,689,651)
Investment in subsidiaries	(262,777,942)	(249,499,893)
Amount due from inter companies	(220,593,089)	(216,067,667)
	(483,852,412)	(468,257,211)

Notes to the Financial Statements (cont'd)

31. Operating segment (cont'd)

Business segment (cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd):

- (v) The following items are deducted from segment operating liabilities to arrive at total liabilities reported in consolidated statement of financial position:

	2022 RM	2021 RM
Inter-segment liabilities	-	5,772
Amount due to inter companies	(254,581,895)	(216,085,339)
	(254,581,895)	(216,079,567)

Geographical information

Revenue and non-current assets information of the Group based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2022 RM	2021 RM	2022 RM	2021 RM
Malaysia	63,367,884	33,744,131	289,498,764	327,730,483
Singapore	31,045	2,047,061	9,812	2,516,423
Vietnam	1,896,403	2,163,865	-	-
	65,295,332	37,955,057	289,508,576	330,246,906

Non-current assets information presented above consist of the following items as presented in the Group's statement of financial position:

	2022 RM	2021 RM
Property, plant and equipment	289,508,576	330,246,906

Information about major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue that generated from chartering segment:

	2022 RM	2021 RM
Customer A	9,376,063	8,428,606
Customer B	-	4,428,918

Notes to the Financial Statements (cont'd)

32. Financial instruments

32.1 Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's and the Company's business whilst managing its risks. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The major areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from receivables and contract assets. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The Group and the Company do not expect to incur material credit losses of their financial assets or other financial instruments except for those impairment has been provided.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure. The Group's and the Company's transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group and the Company do not offer credit terms without the approval of the head of credit control.

As at the reporting date, the Group and the Company have concentration of credit risk of which 82% (2021: 38%) of trade receivables are owing by 4 (2021: 1) customers.

Following are the areas where the Group and the Company are exposed to credit risk:

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

Most of the Group's customers have been transacting with the Group for long-term basis. In monitoring customer credit risk, customers are grouped according to their characteristics, including whether are an individual or a legal entity, their geographical location, industry, trading history with the Group and existence of previous financial difficulties.

Notes to the Financial Statements (cont'd)

32. Financial instruments (cont'd)

32.1 Financial risk management (cont'd)

The major areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):

(a) Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk (cont'd):

Trade receivables and contract assets (cont'd)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar pattern (i.e. by geographical region, product type, customer type and rating, and coverage by letters of credit or collateral). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about the past events, current conditions and forecasts of future economic conditions. Generally, the receivables are written-off if the Directors deemed them uncollectable. The maximum exposure to credit risk arising from trade receivables and contract assets are limited to the carrying amounts as stated in the statements of financial position. No collateral has been arranged during the financial year.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

Group	Gross carrying amount	Expected credit loss	Net balances
2022	RM	RM	RM
Not past due	832,061	-	832,061
Past due 1 to 30 days	1,278,683	-	1,278,683
Past due 31 to 60 days	165,770	-	165,770
Past due more than 121 days	236,047	-	236,047
Credit impaired	3,462,119	(3,462,119)	-
	5,974,680	(3,462,119)	2,512,561
Contract assets	355,588	-	355,588
2021			
Not past due	1,125,052	-	1,125,052
Past due 1 to 30 days	1,112,316	-	1,112,316
Past due 31 to 60 days	949,697	-	949,697
Past due 61 to 90 days	106,341	-	106,341
Credit impaired	3,624,959	(3,624,959)	-
	6,918,365	(3,624,959)	3,293,406
Contract assets	702,163	-	702,163

Other receivables

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Notes to the Financial Statements (cont'd)

32. Financial instruments (cont'd)

32.1 Financial risk management (cont'd)

The major areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):

(a) Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk (cont'd):

Intercompany balances

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The Group and the Company have trade and non-trade transactions with subsidiaries, associate and joint venture. The Group and the Company monitor their results regularly.

As at the reporting date, there were no indication that the intercompany balances are not recoverable other than those disclosed in Notes 6 and 7 to the Financial Statements.

Cash and cash equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial guarantee

The Company provides unsecured financial guarantee to financial institutions in respect of banking by certain subsidiaries. The Company monitors on an on-going basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting year, there was no indication that any subsidiaries would default on repayment on borrowings.

The maximum exposure to credit risk is RM58,299,701 (2021: RM73,843,604), represented by the outstanding borrowings of the subsidiaries as at the reporting date.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group and the Company manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall liquidity management, the Group and the Company maintain sufficient levels of cash or cash equivalent to meet their working capital requirements. In addition, the Group and the Company also strive to maintain available banking facilities at a reasonable level to meet their working capital requirements.

Notes to the Financial Statements (cont'd)

32. Financial instruments (cont'd)

32.1 Financial risk management (cont'd)

The major areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):

(b) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations:

	Carrying amount RM	Contractual cash flows RM	Current Less than 1 year RM	Non-current Between 2 to 5 years RM
Group				
2022				
Secured:				
Borrowings	58,299,701	59,760,096	49,528,624	10,231,472
Unsecured:				
Trade payables	8,761,727	8,761,727	8,761,727	-
Other payables	39,031,917	40,744,594	26,243,310	14,501,284
Lease liabilities	9,611	9,641	9,641	-
Total	106,102,956	109,276,058	84,543,302	24,732,756
2021				
Secured:				
Borrowings	73,843,604	76,252,910	57,468,202	18,784,708
Unsecured:				
Trade payables	7,881,174	7,881,174	7,881,174	-
Other payables	38,762,548	40,504,722	25,428,082	15,076,640
Lease liabilities	28,969	31,154	21,747	9,407
Total	120,516,295	124,669,960	90,799,205	33,870,755
Company				
2022				
Unsecured:				
Other payables	21,157,918	22,394,742	7,893,458	14,501,284
Amount due to subsidiaries	21,884,015	21,884,015	13,137,454	8,746,561
Total	43,041,933	44,278,757	21,030,912	23,247,845
2021				
Unsecured:				
Other payables	21,979,486	23,721,660	8,648,820	15,072,840
Amount due to subsidiaries	57,729,425	57,729,425	57,729,425	-
Total	79,708,911	81,451,085	66,378,245	15,072,840

Notes to the Financial Statements (cont'd)

32. Financial instruments (cont'd)

32.1 Financial risk management (cont'd)

The major areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):

(b) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations (cont'd):

The above amounts reflected the contractual undiscounted cash flows of the financial liabilities, which may differ from carrying value of the liabilities at the end of the financial year.

	2022 RM	2021 RM
Company		
Financial guarantee*	67,227,870	74,727,229

* This exposure is included in liquidity risk for illustration only. No financial guarantee was called upon by the holders as at the end of the reporting year.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The Group's and the Company's interest rate management objective are to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group and the Company target a mix of fixed and floating rate instruments based on assessment of their existing exposure and desired interest rate profile.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	2022 RM	2021 RM
Group		
Fixed rate instruments:		
Financial assets		
- Fixed deposits with licensed banks	1,283,845	1,260,257
- Amount due from joint venture	5,429,276	7,403,564
Financial liabilities		
- Lease liabilities	(9,611)	(28,969)
- Other payables	(19,446,956)	(18,818,894)
	(12,743,446)	(10,184,042)

Notes to the Financial Statements (cont'd)

32. Financial instruments (cont'd)

32.1 Financial risk management (cont'd)

The major areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):

(c) Interest rate risk (cont'd)

Group	2022	2021
	RM	RM
Floating rate instrument:		
Financial liability		
- Borrowings	(58,299,701)	(73,843,604)
Company		
Floating rate instruments:		
Financial asset		
- Amount due from subsidiaries	61,178,973	99,362,909
Financial liabilities		
- Amount due to corporate shareholder	(19,446,956)	(18,818,894)
- Amount due to subsidiaries	(3,920,824)	(44,067,761)
	37,811,193	36,476,254

Cash flow sensitivity analysis for fixed rate instruments:

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments:

The following table illustrates the sensitivity of loss/profit and equity to a reasonably possible change in interest rate of +/- 0.5%. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each year, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Increase/(Decrease)		Increase/(Decrease)	
	Net loss for		Net equity for	
	the financial year		the financial year	
	RM	RM	RM	RM
	+0.5%	-0.5%	+0.5%	-0.5%
Group				
Floating rate instruments				
2022	291,499	(291,499)	(291,499)	291,499
2021	369,218	(369,218)	(369,218)	369,218

Notes to the Financial Statements (cont'd)

32. Financial instruments (cont'd)

32.1 Financial risk management (cont'd)

The major areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):

(c) Interest rate risk (cont'd)

	Increase/(Decrease) Net profit/(loss) for the financial year		Increase/(Decrease) Net equity for the financial year	
	RM +0.5%	RM -0.5%	RM +0.5%	RM -0.5%
Company				
Floating rate instruments				
2022	189,056	(189,056)	189,056	(189,056)
2021	(182,381)	182,381	182,381	(182,381)

(d) Foreign currency risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on financial instruments that are denominated in a currency other than the functional currency of the Group. The currencies giving rise to this risk are United States Dollar ("USD") and Singapore Dollar ("SGD").

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period are as follows:

	2022		2021	
	Denominated in USD RM	Denominated in SGD RM	Denominated in USD RM	Denominated in SGD RM
Cash and bank balances	813,592	84,139	285,448	3,662
Trade receivables	397,597	-	1,168,079	-
Trade payables	(277,423)	(8,924)	(300,588)	(21,159)
Other payables	-	(9,512,625)	-	(9,010,636)
	933,766	(9,437,410)	1,152,939	(9,028,133)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's loss and equity for the financial year to a +/-5% (2021: +/-5%) change in the USD and SGD exchange rates at the end of reporting period against the respective functional currency of the companies within the Group, with all variables held constant.

Notes to the Financial Statements (cont'd)

32. Financial instruments (cont'd)

32.1 Financial risk management (cont'd)

The major areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):

(d) Foreign currency risk (cont'd)

	Increase/(Decrease) Net loss for the financial year		Increase/(Decrease) Net equity for the financial year	
	2022 RM 5%	2021 RM 5%	2022 RM 5%	2021 RM 5%
USD/RM				
- Strengthened	(46,688)	(57,647)	46,688	57,647
- Weakened	46,688	57,647	(46,688)	(57,647)
SGD/RM				
- Strengthened	471,871	451,407	(471,871)	(451,407)
- Weakened	(471,871)	(451,407)	471,871	451,407

32.2 Fair value of financial instruments

The carrying amounts of financial assets and financial liabilities of the Group and of the Company approximate their fair value due to the relatively short-term nature of these financial instruments and/or insignificant impact of discounting.

32.3 Fair value hierarchy

No fair value hierarchy has been disclosed as the Group and Company do not have financial instrument measured at fair value.

33. Capital management

The Group's objective when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditors and market confidence and to sustain future development of the business. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders, sell assets to reduce debts or issue new shares.

There were no changes in the Group's approach to capital management during the financial year.

Notes to the Financial Statements (cont'd)

34. Material litigation

On 31 March 2021, the wholly-owned subsidiary of the Company, Euroedge Sdn. Bhd. ("ESB") and other subsidiaries which consist of Sealink Sdn. Bhd. ("SSB") and Sea Legend Shipping Sdn. Bhd. ("Sea Legend"), filed a lawsuit in Kuala Lumpur High Court for a total claim of RM11,514,846, RM54,655 and RM18,679 respectively against Logistine Sdn. Bhd. ("Logistine") for breaching the terms of Memorandum of Agreement ("MOA"), for ship management services and other services provided to Logistine for the operation of Duyong Satu, and for accounting assistance provided to Logistine, respectively. On 21 July 2021, writ and statement of claim had been filed against Logistine.

Logistine had file a lawsuit in Kuala Lumpur High Court against ESB and Sea Legend for a total claim of RM1,000,000 against ESB and general damages to be assessed for deprivation of use of the ESB's vessel, Duyong Dua, and general damages to be assessed for breach of Shareholders Agreement, respectively.

The legal cases are now fixed for case management on 24 July 2023 whilst the trial dates have been fixed on 21 August 2023 to 24 August 2023 and 28 August 2023 to 30 August 2023.

35. Significant event after the reporting date

On 27 January 2023, the Company has acquired 6% equity interest in Era Sureway Sdn. Bhd. for total consideration of RM390,000. As a result, Era Sureway Sdn. Bhd. has changed from a joint venture to become a 51% owned subsidiary.

Landed Properties

Land Identification / Postal Address	Description of Property	Usage	Area more or less (sq m)	Approximate Age of the Building (Years)	Tenure (Years)	Date of Lease Expires	Net Book Value as at 31.12.2022 (RM)
SEALINK SHIPYARD SDN. BHD. 199001004286 (195853-D)							
Lot 156, Block 5, Kuala Baram Land District / [Lot 156, Kuala Baram Industrial Estate, 98100 Kuala Baram, Miri, Sarawak]	Vacant agriculture land	N/A	8,050	N/A	60	02.08.2071	161,787
Lot 816, Block 1, Kuala Baram Land District (formerly known as Lot 1282, Kuala Baram Land District) / [Lot 816, Kuala Baram Industrial Estate, 98100 Kuala Baram, Miri, Sarawak]	Industrial land and building	Shipyards, slipway and fabrication yard	116,170	15	60	27.02.2056	17,811,629
Lot 1341, Miri Concession Land District / [Lot 1341, Jalan Cattleya 1, Krokop / Piasau Industrial Estate, 98000 Miri, Sarawak] #	Industrial land and building	Vacant workshop and vacant workers quarters	1,971	14	60	31.12.2027	187,419
Lot 2142, Block 4, Miri Concession Land District / [Lot 2142, Jalan Cattleya 1, Krokop / Piasau Industrial Estate, 98000 Miri, Sarawak]	Industrial land and building	Shipyards with one (1) detached building (workers quarters and vacant workshop)	4,700	14	60	24.02.2052	1,323,788
Lot 1339, Miri Concession Land District / [Lot 1339, Jalan Cattleya 1, Krokop / Piasau Industrial Estate, 98000 Miri, Sarawak] #	Industrial land and building	One (1) single storey office cum workshop	4,059	53	60	31.12.2027	323,000
Lot 372, Block 1, Kuala Baram Land District / [Lot 372, Kuala Baram Industrial Estate, 98100 Kuala Baram, Miri, Sarawak]	Vacant industrial land	N/A	123,780	N/A	60	07.04.2057	8,383,016
SEALINK SDN. BHD. 197401003313 (20471-D)							
Lot 1340, Miri Concession Land District / [Lot 1340, Jalan Cattleya 1, Krokop / Piasau Industrial Estate, 98000 Miri, Sarawak] #	Industrial land and building	Utilise as a shipyard with one (1) detached building (workshop and warehouse)	4,039	43	60	31.12.2027	726,127

Landed Properties (continued)

Land Identification / Postal Address	Description of Property	Usage	Area more or less (sq m)	Approximate Age of the Building (Years)	Tenure (Years)	Date of Lease Expires	Net Book Value as at 31.12.2022 (RM)
SEALINK SDN. BHD. 197401003313 (20471-D)							
Lot 8133, Block 1, Lambir Land District (formerly known as Lot 1802, Lambir Land District) [2/10th undivided right title share & interest] / [2 ½ Mile, Kilometre 4, Riam Road, Miri, Sarawak]	Vacant agriculture land	N/A	23,110	N/A	60	02.10.2071	70,806
BARAM MOULDING INDUSTRIES SDN. BHD. 199001009301 (200873-D)							
Lot 323, Block 1, Kuala Baram Land District (formerly known as Provisional Lease Lot 2040, Kuala Baram Land District) / [Lot 323, Kuala Baram Industrial Estate, 98100 Miri, Sarawak]	Industrial land and buildings	Used for three (3) detached buildings utilised as office, storage yard & lathe workshop	19,750	14	60	17.07.2058	3,096,673
BRISTAL VIEW SDN. BHD. 199201021881 (253385-T)							
Lot 8139, District of Labuan, Wilayah Persekutuan (Formerly known as Country Lease 205316669) / [Jalan Ranca-Ranca Lama, Kampung Ranca-Ranca, 87000 Labuan, Wilayah Persekutuan, Labuan]	Vacant industrial land	N/A	9,841	N/A	999	02.08.2865	542,155
Lot 12039, District of Labuan, Wilayah Persekutuan (Formerly known as Country Lease 205316669) / [Jalan Ranca-Ranca Lama, Kampung Ranca-Ranca, 87000 Labuan, Wilayah Persekutuan, Labuan]	Vacant industrial land	N/A	31,330	N/A	999	02.08.2865	2,054,774
ALIRAN SAKSAMA SDN. BHD. 199801017076 (473205-H)							
Lot 288, Block 1, Kuala Baram Land District / [Lot 288, Kuala Baram Industrial Estate, 98100 Kuala Baram, Miri, Sarawak]	Industrial land and building	Two (2) blocks of workers quarters	19,647	13	60	22.10.2067	1,799,851

Note:- # Extension of term of the title to the said land for another 60 years from the date of issue of title.

Analysis of Shareholdings

As at 11 April 2023

Class of Equity Security

Issued and paid up capital	: RM329,086,883.00 comprising of 500,000,000 ordinary shares
Class of Shares	: Ordinary shares
Voting rights	: One vote per ordinary share (on a poll)

Distribution of Shareholdings

	No. of Holders	%	No. of Holdings	%
1 - 99	7	0.14	316	0.00
100 - 1,000	906	18.31	238,996	0.05
1,001 - 10,000	1,628	32.91	10,547,988	2.11
10,001 - 100,000	1,958	39.58	74,958,500	14.99
100,001 - 24,999,999 *	445	9.00	191,074,201	38.21
25,000,000 and above **	3	0.06	223,179,999	44.64
Total	4,947	100.00	500,000,000	100.00

Remark : * less than 5% of issued holdings
: ** 5% and above of issued holdings

Directors' Shareholdings

No	Name Of Directors	No. of Shares Direct	%	No. of Shares Indirect	%
1.	Eric Khoo Chuan Syn @ Khoo Chuan Syn	30,000	0.01	-	-
2.	Toh Kian Sing	-	-	-	-
3.	Wong Chie Bin	30,000	0.01	-	-
	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Chie Bin (7000978)	160,000	0.03	-	-
4.	Yong Nyet Yun	-	-	-	-
	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yong Nyet Yun	150,000	0.03	-	-
5.	Yong Kiam Sam	68,382,399	13.68	154,797,600 *	30.96
Total		68,752,399	13.76	154,797,600	30.96

Note :

* Deemed interest by virtue of his father, Yong Foh Choi's substantial shareholding in Sealink Holdings Sdn. Bhd. and also his father's shareholding in the Company.

Substantial Shareholders

No	Name	No. of Shares Direct	%	No. of Shares Indirect	%
1.	Sealink Holdings Sdn. Bhd.	109,080,800	21.82	-	-
2.	Yong Kiam Sam	68,382,399	13.68	154,797,600	30.96
3.	Yong Foh Choi	45,716,800	9.14	176,463,199	35.30

Analysis of Shareholdings (continued)

Thirty (30) Largest Shareholders

No.	Name	Shareholdings	%
1.	Sealink Holdings Sdn. Bhd.	109,080,800	21.82
2.	Yong Kiam Sam	68,382,399	13.68
3.	Yong Foh Choi	45,716,800	9.14
4.	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Yeoh Poh Choo</i>	5,880,000	1.18
5.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Azrui Nizam Bin Itam</i>	4,821,000	0.96
6.	Alex Chai Khin Hee	4,560,000	0.91
7.	Yii Siew Sang	4,500,000	0.90
8.	Jee Tai Chew	4,200,000	0.84
9.	Phillip Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Yeoh Poh Choo</i>	3,600,000	0.72
10.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Lee Tian An</i>	3,468,000	0.69
11.	Lai Chun Lian	3,286,600	0.66
12.	Aria Putera Bin Ismail	3,130,500	0.63
13.	Ting Hua Ping	2,842,700	0.57
14.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Mohamad Daud Bin Mohd Yusoff</i>	2,699,300	0.54
15.	Lo Ling	2,429,400	0.49
16.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Ong Teng Chai (J Bendahara-CL)</i>	2,282,200	0.46
17.	Data Hasrat Sdn. Bhd.	2,000,000	0.40
18.	Geradline A/P Albert Nicholas	1,979,400	0.40
19.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For How Bee Hua (E-SJA/BSY)</i>	1,969,800	0.39
20.	Muhammad Nurudin Bin Mohd Yusof	1,800,000	0.36
21.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Ser Toh Chon Chien (E-BPT)</i>	1,700,000	0.34
22.	HLIB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Yeoh Poh Choo</i>	1,500,000	0.30
23.	Johnny Ting Kok Ling	1,489,800	0.30
24.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Shai Pah Long (E-TSA)</i>	1,450,000	0.29
25.	Hiew Chang Chun	1,380,000	0.28
26.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Chua Swee Puan (E-KTN)</i>	1,327,000	0.27
27.	Siam Teck Sing	1,124,400	0.22
28.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Lai Boon Khee (E-PDG/JPN)</i>	1,112,600	0.22
29.	Tengku Ab Malek Bin Tengku Mohamed	1,100,000	0.22
30.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Fong Siew Ming (Kuching-CL)</i>	1,074,000	0.21
	Total	291,886,699	58.38
	Shareholdings	500,000,000	

Online Version



The online version of the 2022 Annual Report can be viewed at <http://www.asiasealink.com/ar/2022>.

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 - b. Notice of AGM
 - c. Proxy Form
 - d. Requisition Form

Proxy Form

No. of Shares Held :



I/We _____ NRIC No./Company No. _____

of _____

being a member/members of **SEALINK INTERNATIONAL BERHAD** hereby appoint _____

_____ NRIC No. _____

of _____

or failing him/her, _____ NRIC No. _____

of _____

or Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the Fifteenth ("15th") Annual General Meeting ("AGM") of Sealink International Berhad ("the Company") which will be held at the Meeting Room, 1st Floor, Admin Block, Sealink Engineering and Slipway Sdn. Bhd., Lot 816, Block 1, Kuala Baram Land District, 98100 Kuala Baram Miri, Sarawak, on Wednesday, 31 May 2023 at 11:00 a.m. and at any adjournment thereof for/against *the resolution(s) to be proposed thereat.

NO.	RESOLUTIONS	FOR	AGAINST
1.	To re-elect Madam Yong Nyet Yun who retires in accordance with Clause 117 of the Company's Constitution and who being eligible, offers herself for re-election.		
2.	To re-elect Mr Yong Kiam Sam who retires in accordance with Clause 118 of the Company's Constitution and who being eligible, offers himself for re-election.		
3.	To approve the payment of Directors' Fees up to the amount of RM350,000.00 for the financial year ending 31 December 2023.		
4.	To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to determine their remuneration.		
5.	Retention of Mr Eric Khoo Chuan Syn @ Khoo Chuan Syn as Independent Director.		
6.	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 and waiver of pre-emptive rights.		

Please indicate with (X) how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote as he thinks fit or abstain from voting at his discretion.

Dated this _____ day of May, 2023.

Signature of Shareholder(s)/Common Seal

NOTES:

1. Only Depositors whose names appear in the General Meeting Record of Depositors as at 24 May 2023 be regarded as Members and shall be entitled to attend, speak and vote at the 15th AGM.
2. A Member entitled to attend, speak and vote at the 15th AGM may appoint a proxy to attend, speak and vote on his behalf. A proxy need not be a member of the Company.
3. Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney of the corporation duly authorised.
5. The instrument appointing a proxy must be deposited at the registered office of the Company at Lot 1035, Block 4, MCLD, Piasau Industrial Area, 98000 Miri, Sarawak, not less than 48 hours before the time set for this 15th AGM or any adjournment thereof.

Fold this flap for sealing

Then fold here

**AFFIX
STAMP**

The Company Secretary

SEALINK INTERNATIONAL BERHAD

Registration No. 200701042948 (800981-X)

Lot 1035, Block 4, MCLD
Piasau Industrial Area
98000 Miri, Sarawak

1st fold here



Details of the Group

PLACES OF OPERATIONS / OFFICES

Headquarters

Lot 1035, Block 4, MCLD
Piasau Industrial Area
98000 Miri, Sarawak
Tel : 085-651 778
Fax : 085-652 480
Email: DL-Secretariat@asiasealink.com
Website: www.asiasealink.com

Other Places of Operations

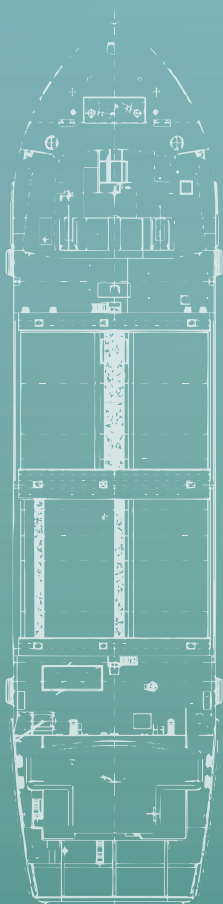
Lot 816, Block 1
Kuala Baram Land District
98100 Kuala Baram Miri, Sarawak
Tel : 085- 605 767
Fax : 085- 605 428

Lot 1339, Jalan Cattleya 1
MCLD, Krokop, 98000 Miri, Sarawak
Tel : 085-605 767
Fax : 085-605 428

545 Orchard Road #09-07
Far East Shopping Centre
238882 Singapore
Tel : +65 6737 7911
Fax : +65 6737 4889

Lot 20, Manmohan's Warehouse
Jalan Patau-Patau
87000 Wilayah Persekutuan Labuan
Tel : 087-581 686
Fax : 087-582 686

Lot 18234 Ground Floor & First Floor
Jalan Air Putih, Kampung Jaya
24000 Chukai Kemaman
Terengganu
Tel : 09-850 4012
Fax : 09-850 4013



SEALINK
INTERNATIONAL BERHAD

Registration No. 200701042948 (800981-X)



SEALINK INTERNATIONAL BERHAD

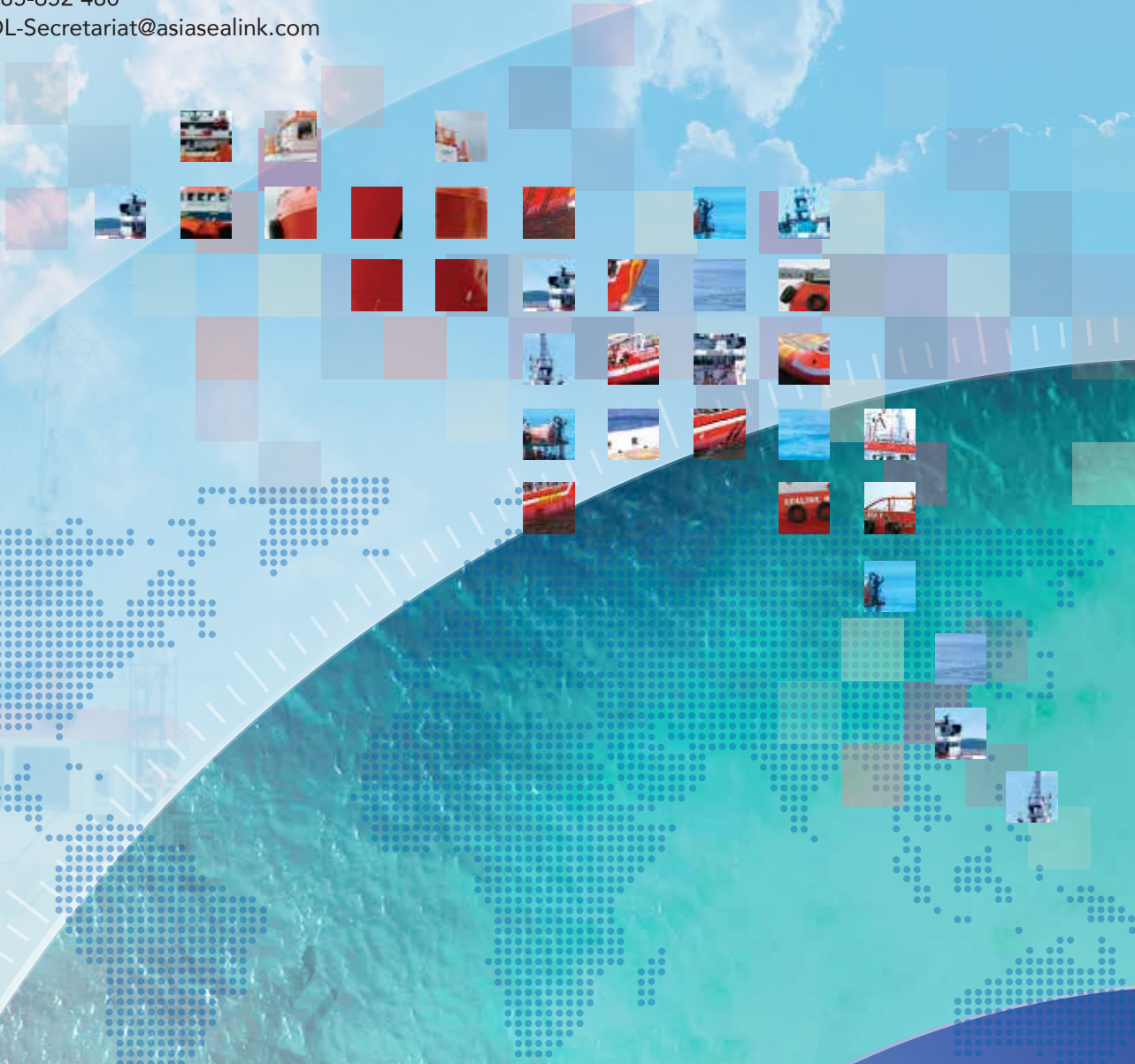
Registration No. 200701042948 (800981-X)

Lot 1035, Block 4, MCLD
Piasau Industrial Area
98000 Miri, Sarawak

Tel : 085-651 778

Fax : 085-652 480

Email : DL-Secretariat@asiasealink.com



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