

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

(Incorporated in Malaysia)

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

	3 months ended		6 months ended	
	30 Jun 2012	30 Jun 2011	30 Jun 2012	30 Jun 2011
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Revenue</b>	43,552	47,199	65,698	98,400
Cost of sales	<u>(37,967)</u>	<u>(32,403)</u>	<u>(49,259)</u>	<u>(64,204)</u>
Gross profit	5,585	14,796	16,439	34,196
Other operating income	6,245	657	10,261	1,610
Other operating expenses	-	(30)	-	(31)
Administrative expenses	(3,544)	(5,062)	(9,124)	(11,973)
Finance expenses	(2,997)	(3,374)	(6,483)	(6,113)
Share of result of associate	<u>316</u>	<u>106</u>	<u>655</u>	<u>106</u>
<b>Profit before tax</b>	5,605	7,093	11,748	17,795
Income tax expense	(1,962)	(1,857)	(3,321)	(3,208)
<b>Profit for the period</b>	<u>3,643</u>	<u>5,236</u>	<u>8,427</u>	<u>14,587</u>
Profit attributable to:				
Owners of the Parent	<u>3,643</u>	<u>5,236</u>	<u>8,427</u>	<u>14,587</u>
	<u>3,643</u>	<u>5,236</u>	<u>8,427</u>	<u>14,587</u>
Earnings per share (sen)				
- Basic EPS	0.73	1.05	1.69	2.92
- Diluted EPS	0.73	1.05	1.69	2.92

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

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

(CONTINUED)

	3 months ended		6 months ended	
	30 Jun 2012 RM'000 (Unaudited)	30 Jun 2011 RM'000 (Unaudited)	30 Jun 2012 RM'000 (Unaudited)	30 Jun 2011 RM'000 (Unaudited)
<b>Profit for the period</b>	3,643	5,236	8,427	14,587
<b>Other Comprehensive Income :</b>				
Exchange differences on translation of foreign operations	3,326	1,396	3,304	1,726
<b>Total Comprehensive Income for the period</b>	<u>6,969</u>	<u>6,632</u>	<u>11,731</u>	<u>16,313</u>
Total comprehensive income attributable to:				
Owners of the Parent	<u>6,969</u>	<u>6,632</u>	<u>11,731</u>	<u>16,313</u>
	<u>6,969</u>	<u>6,632</u>	<u>11,731</u>	<u>16,313</u>

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

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	As at 30 Jun 2012 RM'000 (Unaudited)	As at 31 Dec 2011 RM'000 (Unaudited) (restated)	As at 1 Jan 2011 RM'000 (Unaudited) (restated)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	471,177	452,896	488,727
Prepaid lease payments	11,498	11,763	12,293
Investment in an associate	2,384	2,184	-
Other receivables	42,587	47,506	4,287
	<b>527,646</b>	<b>514,349</b>	<b>505,307</b>
<b>Current Assets</b>			
Inventories	189,919	202,374	205,019
Trade and other receivables	81,065	89,801	97,472
Tax recoverable	1,582	1,324	675
Cash and cash equivalents	159,666	81,703	78,150
	432,232	<b>375,202</b>	<b>381,316</b>
Non-current asset classified as held for sale	-	36,913	-
	432,232	412,115	381,316
<b>Total Assets</b>	<b>959,878</b>	<b>926,464</b>	<b>886,623</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Parent</b>			
Share Capital	250,000	250,000	250,000
Share Premium	79,087	79,087	79,087
Retained earnings	123,218	114,791	110,571
Other components of equity	4,478	1,174	43
<b>Total Equity</b>	<b>456,783</b>	<b>445,052</b>	<b>439,701</b>
<b>Non-Current Liabilities</b>			
Long-term borrowings	240,280	196,929	119,186
Deferred tax liabilities	56,325	55,276	52,613
	<b>296,605</b>	<b>252,205</b>	<b>171,799</b>
<b>Current Liabilities</b>			
Provision	2,000	2,000	-
Short-term borrowings	156,621	152,872	203,140
Trade and other payables	46,085	73,796	71,593
Provision for taxation	1,784	539	390
	<b>206,490</b>	<b>229,207</b>	<b>275,123</b>
<b>Total Liabilities</b>	<b>503,095</b>	<b>481,412</b>	<b>446,922</b>
<b>Total Equity and Liabilities</b>	<b>959,878</b>	<b>926,464</b>	<b>886,623</b>
<b>Net asset per share (sen)</b>	<b>91.36</b>	<b>89.01</b>	<b>87.94</b>

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

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

	Attributable to Owners of the Parent					Total Equity (Unaudited) RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Foreign currency translation reserve RM'000	Total RM'000	
Balance as at 1 January 2011	250,000	79,087	110,572	43	439,702	439,702
Dividend	-	-	(13,500)	-	(13,500)	(13,500)
Total comprehensive income for the period	-	-	14,586	1,726	16,312	16,312
<b>Balance as at 30 June 2011</b>	<b>250,000</b>	<b>79,087</b>	<b>111,658</b>	<b>1,769</b>	<b>442,514</b>	<b>442,514</b>

	Attributable to Owners of the Parent					Total Equity (Unaudited) RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Foreign currency translation reserve RM'000	Total RM'000	
Balance as at 1 January 2012	250,000	79,087	114,791	1,174	445,052	445,052
Total comprehensive income for the period	-	-	8,427	3,304	11,731	11,731
<b>Balance as at 30 June 2012</b>	<b>250,000</b>	<b>79,087</b>	<b>123,218</b>	<b>4,478</b>	<b>456,783</b>	<b>456,783</b>

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

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

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

	<b>Year-to-date Ended</b>	
	<b>30 Jun 2012</b>	<b>30 Jun 2011</b>
	<b>RM'000</b>	<b>RM'000</b>
	(Unaudited)	(Unaudited)
<b>Cash Flows From Operating Activities</b>		
<b>Profit before tax</b>	11,748	17,795
Adjustments for:		
Interest income	(1,975)	(134)
Interest expenses	6,483	6,112
Amortisation of land use rights	635	640
Depreciation of property, plant and equipment	15,269	14,743
Gain on disposal of property, plant and equipment	-	(4)
Gain on disposal of non-current asset held for sale	(2,852)	-
Property, plant and equipment written off	-	18
Reversal of impairment loss on trade receivables	(4,281)	-
Share of profit of associate	(655)	(106)
Unrealised gain on foreign exchange	(552)	(1,136)
Total adjustment	<u>12,072</u>	<u>20,133</u>
Operating profit before working capital changes	23,820	37,928
Changes in working capital		
Decrease in inventories	18,471	36,921
Decrease/(increase) in trade and other receivables	10,116	(38,822)
Decrease in trade and other payables	(20,743)	(6,364)
Increase in amount due to ultimate holding company	9	-
Total changes in working capital	<u>7,853</u>	<u>(8,265)</u>
Cash Flows from operations	31,673	29,663
Interest paid	(9,680)	(8,454)
Income tax refund	-	64
Income tax paid	(2,160)	(1,048)
<b>Net Cash From Operating Activities</b>	<b><u>19,833</u></b>	<b><u>20,225</u></b>
<b>Cash Flows From Investing Activities</b>		
Investment in associate	-	(3,500)
Increase in non-current asset held for sale	(13,338)	-
Purchase of property, plant and equipment	(32,433)	(33,732)
Proceeds from disposal of property, plant and equipment	-	20
Proceeds from disposal of non-current asset held for sale	53,118	-
Interest received	2,516	457
<b>Net Cash Used In Investing Activities</b>	<b><u>9,863</u></b>	<b><u>(36,755)</u></b>

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

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

	Year-to-date Ended	
	30 Jun 2012 RM'000	30 Jun 2011 RM'000
<b>Cash Flows From Financing Activities</b>		
Net movement in fixed deposits pledged	24,781	(1,049)
Net movements in trade financing	(14,153)	(1,131)
Net movements in revolving credits	-	(823)
Proceeds from term loans	78,230	67,462
Repayments of term loans	(26,254)	(16,665)
Repayments of hire purchase payables	(31)	(413)
<b>Net Cash From Financing Activities</b>	<b>62,573</b>	<b>47,381</b>
Effect of changes in foreign exchange rates	1,921	62
<b>Net Increase in Cash and Cash Equivalents</b>	<b>94,190</b>	<b>30,913</b>
<b>Cash and Cash Equivalents at the beginning of financial year</b>	<b>38,419</b>	<b>45,881</b>
<b>Cash and Cash Equivalents at the end of financial period</b>	<b>132,609</b>	<b>76,794</b>

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

Cash and bank balances	159,666	116,986
Bank overdraft	(15,178)	(8,960)
	144,488	108,026
Less: Fixed deposits pledged	(11,879)	(31,232)
	<b>132,609</b>	<b>76,794</b>

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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012**

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

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

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

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

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

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

**A2. Significant accounting policies and application of MFRS 1**

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

(a) Business combination

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

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

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

(a) Business combination (continued)

*Acquisition before date of transition*

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

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

(b) Property, plant and equipment

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

(c) Foreign currency translation reserve

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

(d) MFRS 117 Leases

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



## INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012

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

## (d) MFRS 117 Leases (continued)

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

The following comparatives have been restated:

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

**A3. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements of the Company ("Sealink International Berhad") and its subsidiaries for the year ended 31 December 2011 were not qualified.

**A4. Seasonal or cyclical factors**

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

## INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012

**(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :  
INTERIM FINANCIAL REPORTING****A5. Items of unusual nature and amount**

There were no items affecting the assets, liabilities, equity, net income or cash flow of the Group that are unusual in their nature, size or incidence for the current quarter under review.

**A6. Material changes in estimates**

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

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

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

**A8. Dividends Paid**

No dividend was paid in the current financial quarter under review.

**A9. Segmental information**

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

	Shipbuilding	Chartering	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
External sales	21,422	44,276	-	-	65,698
Inter-segment sales	40,119	1,770	-	(41,889)	-
Total revenue	<u>61,541</u>	<u>46,046</u>	<u>-</u>	<u>(41,889)</u>	<u>65,698</u>
Segment profit (Note A)	<u>(8,544)</u>	<u>13,127</u>	<u>4,984</u>	<u>2,181</u>	<u>11,748</u>

## Note A

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

Segment profit	9,567
Share of profit of an associate	655
Loss from inter-segment sales	2,301
Finance costs	521
Unallocated corporate expenses	<u>(1,296)</u>
Profit before tax	<u><u>11,748</u></u>

## INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012

**(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :  
INTERIM FINANCIAL REPORTING****A9. Segmental information (continued)**

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<b>Assets and liabilities</b>					
Segment assets	311,637	631,439	370,444	(353,642)	959,878
Segment liabilities	217,716	355,262	253,364	(323,247)	503,095
Net assets	<u>93,921</u>	<u>276,177</u>	<u>117,080</u>	<u>(30,395)</u>	<u>456,783</u>
<b>Other segmental information</b>					
Depreciation	3,514	12,478	1	(724)	15,269
Amortisation of land use rights	354	229	52	-	635

**A9. Capital commitments**

Capital commitments are as follows:

RM'000	Approved and contracted for	Approved but not contracted for
Property, plant and equipment	<u>5,827</u>	<u>48,766</u>

**A10. Material events subsequent to the end of period reported**

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

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

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

**A12. Contingent liabilities**

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

## INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012

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

Transactions between the Group and related parties are as follows:

	Transaction value for 3 months ended 30 Jun 2012 RM	Current Year-to-date 30 Jun 2012 RM
<b>(i) Transactions with companies in which certain Directors of the Company have substantial interest :</b>		
Ming Kiong Agencies (Singapore) Pte Ltd		
- Rental of office at Far East shopping centre, Singapore	33,414	66,115
Manmohan's (Labuan) Sdn Bhd		
- Rental of office at Lot 20, Labuan	3,000	9,000
Syarikat Guan Teck Enterprise (Sarawak) Sdn Bhd		
- Lease of office at Lot 1035, Piasau	26,400	52,800
Syarikat Lambir Timber Sdn Bhd		
- Chartering of vessels	52,500	105,000
Rajah & Tann		
- Provision of legal services	81,669	84,472
Khoo & Co, Advocates and Solicitors		
- Provision of legal services	111,281	174,806
<b>(ii) Transactions with Director :</b>		
Yong Foh Choi		
- Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	1,500	3,000
	309,764	495,193

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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012

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

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

**Current financial period compared with immediate preceding quarter (Q2 2012 vs. Q1 2012)**

The Group's revenue for the current quarter achieved at RM43.6 million increased by RM21.4 million or 97% compared to the preceding quarter's RM22.1 million. The favourable result was attributed to increased revenue from shipbuilding.

The Group achieved profit before taxation of RM5.6 million for the quarter, decreased by RM538,000 compared to previous corresponding quarter.

The performance of respective operating business segments :

**Shipbuilding Division**

Shipbuilding division delivered one vessel to the chartering division and secured a sales contract during the quarter under review. However, revenue only increase by RM 20.4 million due to intra group sales eliminated.

Despite increased revenue achieved in the current quarter, shipbuilding division recorded a gross loss of RM3.8 million while in Quarter 1 the gross profit was RM2.3million. Quarter 1 gross profit included RM5.7 million expenses reversed on settlement of the dispute and reversal of provision of doubtful debts.

**Chartering Division**

Revenue increased by RM1.02 million attributed to higher utilisation rate of vessels on spot charter.

**Current quarter compared with previous corresponding quarter (Q2 2012 vs. Q2 2011)**

Group revenue for current quarter was lower than previous corresponding quarter by RM3.6 million or 8% due to decrease in shipbuilding revenue.

The group recorded profit before tax of RM5.6 million for the current quarter against profit before tax of RM7.1 million reported in previous corresponding quarter, drop by RM1.5 million or 21% due to lower profit margin from shipbuilding whereas profit margin on ship charter was a slight drop of 2.5% only.

The performance of respective operating business segments:

**Shipbuilding Division**

Decreased revenue achieved in the current quarter by 15% compared to corresponding quarter was mainly due to intragroup sales was eliminated.

**Chartering Division**

Revenue was fairly consistent compared to previous corresponding quarter. However , gross profit drop by 2.5% due to increase in docking cost and maintenance of some of the vessels.

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012**

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

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

	<b>Current Quarter ended 30 Jun 2012 RM'000</b>	<b>Preceding Quarter ended 30 Jun 2011 RM'000</b>	<b>Variance RM'000</b>	<b>%</b>
Revenue	43,552	47,199	(3,647)	-8%
Profit before tax	<u>5,605</u>	<u>7,093</u>	(1,488)	-21%

The Group recorded lower revenue of RM43.6 million, drop by RM3.6 million or 8% compared to preceding quarter mainly due decrease in shipbuilding revenue as intragroup sales was eliminated. Whilst revenue from ship charter was consistent with slightly increase of RM178,000.

Profit before taxation ("PBT") of the Group for current quarter of RM5.6 million was lower than the preceding quarter by RM1.5 million was mainly due to loss suffered by shipbuilding division.

**B3. Commentary on prospects**

The debts crisis in the Euro Zone and slowdown in some of the major economies like Japan, India and the United States are hindering the global recovery. Nevertheless, the oil and gas industry has improved from the lows experienced in the last 2 years and we maintain our expectation for more awards by PETRONAS and other regional oil majors. We believe that this would boost the sale and charter of our offshore marine support vessels ("OSV"). With the increased oil and gas activities in Malaysia, Sealink is optimistic that the ship charter and repair division would perform reasonably well in the next 12 months. The results of the ship building division would be lower in 2012 due to the timing of recognition of the sale of vessels but is expected to improve in 2013.

SIB is still cautiously optimistic on the global economy's sustainability despite the improvement of the Crude Oil Price to the present level of above USD90 per barrel. The Group will continuously improve its core competencies in ship building, ship chartering and ship repair activities in Malaysia and abroad in preparation for the economic turnaround.

**B4. Variance between actual profit from forecast profit**

Not applicable as no profit forecast was published.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012

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

**B5. Profit before tax**

Included in the profit before tax are the following item:

	Quarter and Year-to-date Ended	
	30 Jun 2012	30 Jun 2011
	RM'000	RM'000
Interest income	(1,975)	(134)
Other income	(1,153)	(1,476)
Interest expense	6,483	6,112
Depreciation of property, plant and equipment	15,269	14,743
Amortisation of land use rights	635	640
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Property, plant and equipment written off	-	18
Gain or loss on disposal of quoted or unquoted investments	-	-
Gain or loss on disposal of property, plant and equipment	-	(4)
Gain or loss on disposal of non-current asset held for sale	(2,852)	-
Reversal of impairment loss on trade receivables	(4,281)	-
Impairment loss on trade receivables	-	-
(Gain)/loss on foreign exchange		
- Realised	(573)	893
- Unrealised	(552)	(1,136)

**B6. Taxation**

	Current Quarter 30 Jun 2012 RM'000	Current Year-to-date 30 Jun 2012 RM'000
Malaysian income tax	1,514	2,272
Deferred income tax	448	1,049
<b>Total tax expenses</b>	<b>1,962</b>	<b>3,321</b>

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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012

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

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

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

**B8. Quoted securities**

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

**B9. Status of corporate proposal**

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

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

**B10. Group borrowings and debt securities**

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

<b>1. <u>Total Borrowings</u></b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Short-term borrowings	109,579	47,042	156,621
Long-term borrowings	240,280	-	240,280
	<u>349,859</u>	<u>47,042</u>	<u>396,901</u>
<b>2. <u>Borrowings denominated in US Dollars</u></b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
Short-term borrowings	4,275	-	4,275
Long-term borrowings	18,480	-	18,480
	<u>22,755</u>	<u>-</u>	<u>22,755</u>

**B11. Derivative Financial Instruments**

There are no outstanding derivatives as at the reporting period.



**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012**

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

**B12. Material litigation**

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

**B13. Dividend payable**

The Board of Directors had proposed for a final single tier dividend of 1 sen per share for the financial period ended 31 December 2011, which was approved by the shareholders at the Annual General Meeting held on 20 June 2012. The aforesaid final dividend will be paid on 18 September 2012.

**B14. Earnings per Share**

	3 months ended		6 months ended	
	30 Jun 2012 RM'000	30 Jun 2011 RM'000	30 Jun 2012 RM'000	30 Jun 2011 RM'000
Profit attributable to Owners of the Parent (RM'000)	3,643	5,236	8,427	14,587
Weighted average number of shares in issue ('000)	500,000	500,000	500,000	500,000
Basic earnings per share (sen)	0.73	1.05	1.69	2.92
Diluted earnings per share (sen)	0.73	1.05	1.69	2.92

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

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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2012

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

**B15. Disclosure of Realised and Unrealised Profits**

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

	<b>As at 30 Jun 2012 RM'000</b>	<b>As at 31 Dec 2011 RM'000</b>
Total retained profits of the Company and its subsidiaries:		
- Realised	347,985	325,160
- Unrealised	<u>(54,507)</u>	<u>(44,286)</u>
	293,478	280,874
Consolidation adjustments	<u>(170,260)</u>	<u>(166,083)</u>
Total Group retained profits as per consolidated accounts	<u><u>123,218</u></u>	<u><u>114,791</u></u>