



**SEALINK INTERNATIONAL BERHAD**

Registration No. 200701042948 (800981-X)

ANNUAL REPORT **2023**



# 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

### Yong Nyet Yun

Independent Non-Executive Director

### Eric Khoo Chuan Syn@Khoo Chuan Syn

Independent Non-Executive Director

### Toh Kian Sing

Non-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 Damansara

Pusat Bandar Damansara, Damansara Heights

50490 Kuala Lumpur, Wilayah Persekutuan

Tel : 03-2084 9000

Fax : 03-2094 9940

Email : info@sshsb.com.my

## 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

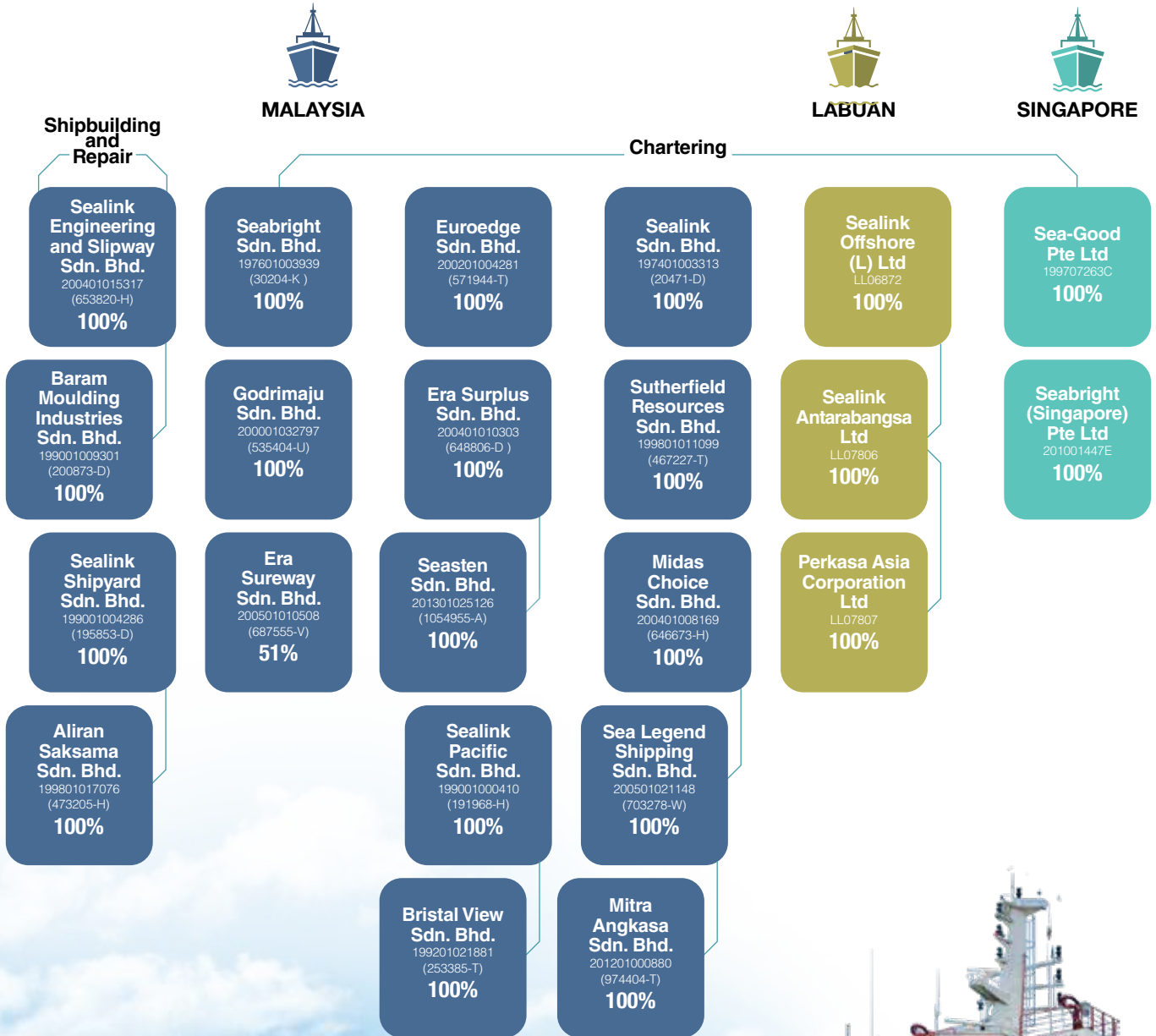
SEALINK



# Group Structure



**SEALINK INTERNATIONAL BERHAD**  
Registration No. 200701042948 (800981-X)



# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Sixteenth (“16<sup>th</sup>”) 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 Tuesday, 28 May 2024 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 2023 together with the Report of the Auditors thereon.                               | <b>Please refer to Explanatory Notes 1</b> |
| 2. | To re-elect Mr Toh Kian Sing who retires by rotation in accordance with Clause 118 of the Company’s Constitution and who being eligible, offers himself for re-election.                        | <b>(Resolution 1)</b>                      |
| 3. | To re-elect Mr Eric Khoo Chuan Syn @ Khoo Chuan Syn who retires by rotation in accordance with Clause 118 of the Company’s Constitution and who being eligible, offers himself for re-election. | <b>(Resolution 2)</b>                      |
| 4. | To approve the payment of Directors’ Fees amounting to RM325,000.00 for the financial year ending 31 December 2024.   | <b>(Resolution 3)</b>                      |
| 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.               | <b>(Resolution 4)</b>                      |

### AS SPECIAL BUSINESS

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

- |    |  |                       |
|----|--|-----------------------|
| 6. | <b>Proposed Retention of Independent Director</b>  | <b>(Resolution 5)</b> |
|    | “That Subject to the passing of Resolution 2, 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 to continue to act as an Independent Non-Executive Director of the Company through a two tier voting process.”   |                       |
| 7. | <b>Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and waiver of pre-emptive rights.</b>  | <b>(Resolution 6)</b> |
|    | “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 |                       |

## Notice of Annual General Meeting (cont'd)

provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten 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 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 : 30 April 2024

### NOTES:

1. Only Depositors whose names appear in the General Meeting Record of Depositors as at 21 May 2024 be regarded as Members and shall be entitled to attend, speak and vote at the 16<sup>th</sup> AGM.
2. A Member entitled to attend, speak and vote at the 16<sup>th</sup> 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 16<sup>th</sup> AGM or at any adjournment thereof.

## Notice of Annual General Meeting (cont'd)

### 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.
2. 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 year 2023 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 2023.

3. Pursuant to Section 230(1) of the Companies Act 2016, shareholders' approval shall be sought at the 16<sup>th</sup> AGM on the payments of Directors' fees amounting to RM325,000.00 for the financial year ending 31 December 2024.
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

Subject to the passing of Resolution 2, 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. 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 2023.

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

The previous mandate obtained from the members at the last AGM held on 31 May 2023 was not utilised and hence, 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 69 | 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 2023:** 5/5

### Board Committees Membership (s):

- Nil

### Other Directorships in Public Companies and Listed Issuer:

- 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 43 years' experience in accounting, auditing, taxation and management consultancy services

## Yong Kiam Sam

Chief Executive Officer cum Managing Director

Non-Independent Executive Director

Age 54 | Male | 

**Date of Appointment:** 28 December 2007

**Board Meeting Attendance in FY 2023:** 5/5

### Board Committees Membership (s):

Chairman of Risk Management Committee  
Chairman of Sustainability Committee

### Other Directorships in Public Companies and Listed Issuer:

- Nil

### 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 69 | Male |



**Date of Appointment:** 20 May 2008

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

**Board Meeting Attendance in FY 2023:** 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

**Other Directorships in Public Companies and Listed Issuer:**

- Nil

**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 59 | 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 2023:** 4/5

**Board Committees Membership (s):**

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

**Other Directorships in Public Companies and Listed Issuer:**

- Nil

**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** 65 | Female | 

**Date of Appointment:** 1 June 2022

**Board Meeting Attendance in FY 2023:** 5/5

#### 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

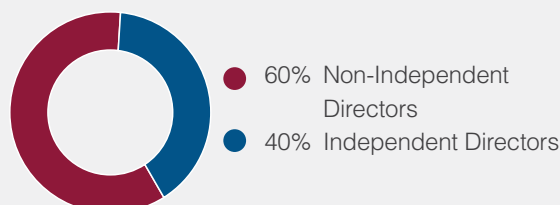
#### Academic/professional qualification/membership (s):

- 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

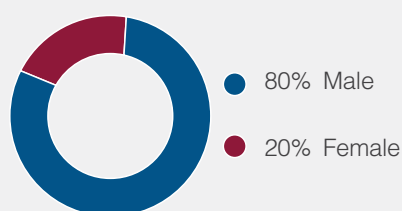
#### Experience:

- 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

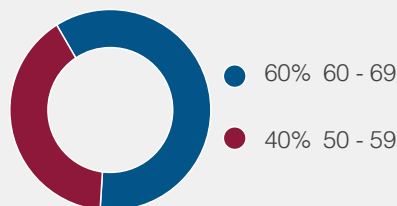
### Board Composition



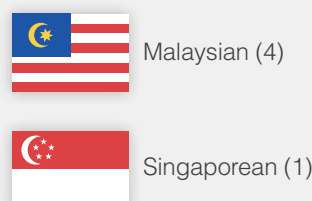
### Gender Diversity



### Age Diversity



### Nationality



## ADDITIONAL INFORMATION

Save as disclosed, the Directors have:

- no family relationship with any Director and/or major shareholder of Sealink International Berhad ("SIB"), unless otherwise stated;
- no conflict of interest with SIB;
- no directorship in other public companies and listed issuers, unless otherwise stated;
- not been convicted of any offences within the past five years other than traffic offences; and
- not been imposed any penalty or public sanction by the relevant regulatory bodies during the financial year ended 31 December 2023.

# Profile of Key Senior Management

## Yong Kiam Miaw

General Manager for Sealink Shipyard Sdn. Bhd.

Age 57 | Male | 

**Date of Appointment :** 1 September 2014

### Other Directorships in Public Companies and Listed Issuer :

- Nil

### 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 48 | Female | 

**Date of Appointment :** 1 April 2018

### Other Directorships in Public Companies and Listed Issuer :

- Nil

### 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 Key Senior Management have:

- no family relationship with any Director and/or major shareholder of Sealink International Berhad ("SIB"), unless otherwise stated;
- no conflict of interest with SIB;
- no directorship in other public companies and listed issuers, unless otherwise stated;
- not been convicted of any offences within the past five years other than traffic offences; and
- not been imposed any penalty or public sanction by the relevant regulatory bodies during the financial year ended 31 December 2023.

# 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 a year of commendable performance as the Group continues its growth momentum for the financial year ended 31 December 2023 (“FYE 2023”). The Group recovered from a gross loss of RM4.5 million in FYE 2022 to a record gross profit of RM20.9 million in FYE 2023.**

In the ship chartering business, the demand for offshore support vessels (“OSV”) has been elevated by the pickup of activity in the oil and gas (“O&G”) industry and from the rising oil prices. The Group witnessed a surge in utilisation rates and average charter rates. At the same time, the Group’s shipyard operations continued to experience stronger demand for its ship repair services due to an expansion in our customer base. This is evidenced by the significant growth in operational performance.

Our core business, which supports the O&G sector, benefited from both the surge in exploration and production capital expenditure (“capex”) in the O&G sector and the increased activity in the marine sector. 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.

## MARKET OVERVIEW

Based on the recent release of the Petronas Activity Outlook 2024-2026 (“PAO”), the activity outlook for Petronas remains positive, in line with the continued recovery that we have seen throughout 2023. 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 2024, especially for vessels supporting drilling and wells projects. It sees higher demand of OSVs in 2024-2026 compared with its previous forecast and this is an opportunity for local players like us. It is expected that capex spending will continue its upwards trend in 2024, surpassing pre-pandemic levels, on the heels of the massive under-investment throughout the past few years. This will reflect well on shipping sector.

The OSV sector has been waiting a long time for the tide to turn after a slump of many years. The time appears to be now, as oil majors globally ramp up their capital expenditure investment, especially for offshore activities, increasing the demand for OSVs. OSV is one of the most essential segments for offshore activity. Not only that, the global shortage of vessels has moved charter rates to levels that would put a smile on the faces of OSV owners. Spot charter rates have risen by 10% to 20% in 2023, a similar quantum of increase that was seen in 2022. We believe that charter rates will continue to rise this year as OSV supply remains limited. This means that the OSV sector, which saw low charter rates crimp profitability, will see brighter days ahead. Activity is picking up in other parts of the world due to many years of underinvestment. In Malaysia, the PAO has indicated a brighter outlook for the OSV segment as well. The PAO also forecasts that the number of vessels to support drilling and projects will increase 29% to 249 in 2024 from 193 in 2023 while the number of vessels supporting production operations is expected to increase to 148 from 144. The higher demand in 2024 mainly comes from anchor handling tug and supply (“AHTS”), platform supply vessels/straight supply vessels (“PSV”) and work barges. AHTS vessels are expected to drive the majority of this demand increase, followed by PSVs. This positive outlook for OSV owners is further reinforced by the expected tight supply of vessels both locally and globally due to limited investments in new vessels in recent years. We believe that this will improve our overall vessel utilisation as well.

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

### MARKET OVERVIEW (cont'd)

Underspending by OSV due to environmental, social and governance ("ESG") initiatives have constrained new builds for OSV, resulting in a significantly reduced supply of vessels in the market. This bodes well for existing OSV owners with working assets due to lack of alternatives. In addition, there have been no new-build orders for new assets since 2019 owing to uncertainties. Furthermore, no major player has announced fleet expansion plans, which further reinforces the expectation that the spot charter rates market is expected to strengthen with an increase in upstream spending.

The O&G industry is expected to have a steady start for the year 2024 based on last year's trend where the Brent crude oil price traded between US\$70 and US\$90 per barrel ("bbl"). The US Energy Information Administration (EIA) forecasts the Brent crude oil spot price will increase to an average of US\$84/bbl in first-half 2024, partly driven by recently announced OPEC+ production cuts. The EIA expects the Brent spot price will average US\$83/bbl in 2024.

Discussions are continuing on the replacement of older fleet with newbuilds. Others are taking delivery of new vessels while disposing older smaller ones in similarly heated markets like India and the Middle East. This as they prepare for Petronas upcoming production operations vessels ("POV") tender, for which awards have been delayed since end of last year. These POV awards are expected to be 3+3 years' contract awards for around 145 vessels across different sub-segments, with total contract value of more than RM2 billion per year. Beyond that, the industry is also anticipating the second phase of the Safina newbuild programme, a build-to-operate contract award first introduced by Petronas in 2021. The first phase of 2021 saw contracts with a long-term charter period of 7+3+3+2 years (a total of 15 years) awarded. However, only 11 vessels were built locally under the first phase, out of the 16 tendered (and approximately 100 projected across the entire five-year programme), suggesting that there is still a big slice of the pie to be given away. Phase two of Safina is expected to be tendered as early as the third quarter of this year. Industry estimates for the awards range from the teens to more than 20 vessels. The local industry prioritises Malaysian-flagged vessels.

### 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.

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

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

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;
- 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.

The Group is recognised as a reliable and respected player in the O&G sector, owing to our commitment to several key principles. We prioritise maintaining our core business and safeguarding our assets to ensure a steady stream of positive cash flow. Our focus on achieving robust operational benchmarks, fulfilling our promises, adhering to best practice corporate governance standards, and embodying responsible corporate citizenship further solidifies our reputation. Looking ahead, our goal is to continually bolster our business standing while remaining vigilant against potential risks. We are dedicated to prioritising health, safety, security and environmental considerations, considering they remain paramount in all our endeavours.

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.

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

### OVERVIEW OF FINANCIAL PERFORMANCE

#### Financial results

	FYE 2023 RM'000	FYE 2022 RM'000	RM'000	Change %
Revenue	106,361	65,295	41,066	63
Gross profit/(loss)	20,944	(4,495)	25,439	566
Operating profit/(loss)	2,698	(18,207)	20,905	115
Loss before tax	(899)	(21,168)	20,269	96
Loss after tax	(1,741)	(20,175)	18,434	91
Finance cost	(4,119)	(4,733)	614	13

In FYE 2023, the Group achieved an improvement in operational performance. The Group recorded a revenue of RM106 million, representing a RM41 million or 63% increase as compared FYE 2022. The significant improvement in the revenue was attributable to the higher utilisation of vessels.

Corresponding to the higher revenue, the Group recorded a gross profit of RM20.9 million in FYE 2023 as compared to a gross loss of RM4.5 million in FYE 2022.

The operating profit was in tandem with higher revenue and utilisation of vessels.

Finance cost had also reduced from RM4.7 million in 2022 to RM4.1 million in 2023 as certain loans have been paid off.

#### Liquidity and resources

The Group monitors and manages its cash flows effectively and ensures all obligations and funding needs are met as and when they fall due. 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, as cash and bank balances increased by more than doubled from RM7 million to RM23 million for the FYE 2023.** This increase was attributed to the increase in cash caused by operating activities which contributed to the overall positive cash flow. 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.

We have reduced the group's term loans significantly from RM19 million in 2022 to about RM10 million in 2023, a reduction of about 47%. 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. 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 RM29 million.** 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.



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

### OVERVIEW OF FINANCIAL PERFORMANCE (cont'd)

#### Capital Management

We are committed to pursuing excellence in deciding how capital is allocated to maximise returns and balance the risks and opportunities of investment. As we strive to provide long-term value for our stakeholders, we adopt a cautious yet strategic approach to capital management, prioritising investments that offer favourable risk-return profiles and align with our long-term growth objectives. We mitigate the economic risks through careful consideration of maintaining a balanced capital structure. Our capital allocation decisions allow us to optimise the Group's financial resources, bolster expansion strategies and generate sustainable value for our shareholders. We remain vigilant in monitoring and refining our capital management practices to accommodate evolving market dynamics and potential opportunities. We prioritise prudent capital management by making informed investment decisions. We are committed to ensuring that our capital expenditures are backed by substantial and secure contracts, avoiding speculative ventures. 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 27% in 2022 to 19% in 2023.

#### 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 2023.

#### 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. Activities undertaken of the Group's corporate social responsibilities are set out separately in the Sustainability Statement.

#### 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](http://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.

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

### OUTLOOK AND PROSPECTS

The Group holds a positive outlook about its prospects, anticipating improved results driven by increasing demand for our vessels. Our ongoing strong momentum and customer demand, as evidenced by our results, underpin this optimism. This favourable outlook bodes well for the Group's financial performance.

We believe that 2024 holds promise for the O&G industry, aligning with the positive outlook expressed by Petronas regarding the sector's prospects. We are confident that the demand for OSVs will persist and strengthen throughout the year.

The Group remains focused on its core operations of ship chartering, ship repair and shipbuilding. The shipbuilding division will prioritise constructing vessels catering to niche markets and upgrading its docking facilities for ship repair. Concurrently, efforts will be directed towards maximising the utilisation of the Group's vessels. Additionally, the Group aims to develop new vessels with enhanced energy efficiency and environmental friendliness, aligning with the increasingly stringent environmental standards in the maritime sector.

With a solid history in marine transportation, offshore support services, shipbuilding and ship repair, we are committed to actively seeking out new opportunities. Moving ahead, we will capitalise on our resources and assets, emphasising capacity building, enhancing operational efficiencies and deploying cost-cutting measures to foster sustainable, long-term growth.

### NOTE OF APPRECIATION

On behalf of the Board, I wish to express our sincere thanks and appreciation to our management and staff for their dedication and hard work in helping the Group overcome challenges during the past year and emerge even stronger. I would also like to extend our heartfelt thanks to our esteemed customers, business partners, bankers and suppliers for their unrelenting support and confidence in us. I am extremely grateful to you, our shareholders, for standing steadfast with us amidst uncertain times, and seek your continuous support, as we look forward to achieving even greater milestones in the year ahead. Let us maintain our commitment to steer towards greater heights in the future together. It is our sincere hope that Sealink will continue to grow from strength to strength in the coming years and beyond.

Last but not least, my special thanks to my fellow Directors on the Board for their invaluable support and guidance throughout the financial year. Thank you.

### YONG KIAM SAM

Chief Executive Officer cum Managing Director

# Audit Committee Report

The objectives of the Audit Committee (“AC” or “Committee”) of the Board of Directors (the “Board”) of Sealink International Berhad (the “Company”) are to assist the Board in discharging its statutory duties and responsibilities for corporate governance, financial reporting and internal control system of the Company and its subsidiaries (the “Group”). The primary functions of the AC are to oversee the financial reporting, audit process and review related party transaction and conflicts of interest.

## 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](http://www.asiasealink.com).

## COMPOSITION, MEETINGS AND ATTENDANCE

As at the date of this Report, the AC comprised solely of Non-Executive Directors with a majority of them being independent, in compliance with para 15.09 of the Main Market Listing Requirement (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). The members of the AC and their attendance of the five (5) meetings held during financial year ended 31 December 2023 (“FYE 2023”) are as follows:

Name of Members	Position on Committee	Attendance
Yong Nyet Yun	Chairman	5/5
Eric Khoo Chuan Syn @ Khoo Chuan Syn	Member	5/5
Toh Kian Sing	Member	4/5

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

The Company Secretary is the Secretary of the AC and attended all the AC meetings held during the FYE 2023.

All members of the AC are financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the AC. The AC Chairman fulfills such other requirements as prescribed by Bursa Malaysia as she is Member of the Malaysian Institute of Accountants.

The members of the AC were served with adequate notice of meeting by the Secretary of the AC, 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 members of 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 were invited to attend all 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 representative from External Auditors, Grant Thornton Malaysia PLT [Registration No. 201906003682 (LLP002494-LCA)] (“GT Malaysia”) and outsourced Internal Auditors, KPMG Management & Risk Consulting Sdn. Bhd. [Registration No. 198601000916 (150059-H)] (“KPMG MRC”) were also invited to attend the AC meetings to present their audit plan and reports, audit findings and any matters relating to the Group at the respective AC meetings.

## Audit Committee Report (cont'd)

### SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year under review and up to the date of this Report, the AC in discharging its duties and functions carried out activities which are summarized broadly as follows:

#### 1. Financial Performance and Reporting

In overseeing and discharging its responsibilities in respect of financial reporting, the AC:

- a) Reviewed the unaudited quarterly financial results of the Group and made recommendations to the Board for approval of the same as follows:

Month	Review of Quarterly
28 February 2023	Unaudited quarterly financial results for Fourth Quarter ended 31 December 2022
31 May 2023	Unaudited quarterly financial results for First Quarter ended 31 December 2023
24 August 2023	Unaudited quarterly financial results for Second Quarter ended 31 December 2023
22 November 2023	Unaudited quarterly financial results for Third Quarter ended 31 December 2023
28 February 2024	Unaudited quarterly financial results for Fourth Quarter ended 31 December 2023

The review was to ensure that the unaudited quarterly financial results were prepared in accordance with the Requirement of the following:

- (i) Malaysian Financial Reporting Standards;
- (ii) International Accounting Standard 34: Interim Financial Reporting;
- (iii) Disclosure provision of the MMLR of Bursa Malaysia; and
- (iv) Companies Act 2016.

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 and recommended to the Board for approval of the audited financial statements of the Company and the Group for the FYE 2023 to ensure that it is presented in a true and fair view of the Company and the Group's financial position and performance for the year and complied with all the regulatory requirement in all material respects.
- c) received the relevant business, financial and tax-related updates from management, including enquiring on management's plan and strategies.

#### 2. External Auditors

- a) reviewed and discussed with GT Malaysia 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 GT Malaysia, 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 GT Malaysia in the absence of Management to seek feedbacks from GT Malaysia on any difficulties encountered during the audit; and

## Audit Committee Report (cont'd)

### 2. External Auditors (cont'd)

- d) evaluated and reviewed the performance and independence of GT Malaysia based on the criteria for the re-appointment of External Auditors as prescribed under the MMLR of Bursa Malaysia. The AC has been generally satisfied with the independence, performance and suitability of the GT Malaysia based on the assessment, GT Malaysia were able to meet the audit requirements and statutory obligations of the Company. Following the evaluation, the AC recommended to the Board and shareholders for approval for the re-appointment of GT Malaysia as the External Auditors of the Company.

### 3. Internal Audit

- a) 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;
- b) reviewed the adequacy of the scope, functions, competency and resources of the internal audit function; and
- c) briefed the Board on reviewed of the Internal Audit Reports on an annual basis.

### 4. Risk Management

The AC reviewed the report on risk assessment for the year 2023 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 to ensure adherence to legal and regulatory reporting requirements and appropriate resolution of all accounting matters requiring significant judgement and recommended the same to the Board for approval.

### 6. 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.

### 7. 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 FYE 2023, the Board is satisfied that the AC has discharged its function, duties and responsibilities in accordance with the Terms of Reference of the AC.

### 8. 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 AC is aware of the fact that an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal control effectiveness of the risk management and governance processes in the Group. The Company had engaged KPMG in 2022 for three (3) years provision of internal audit service covering the transactions and activities for the financial year ending 31 December 2022, 31 December 2023 and 31 December 2024.

The internal audit activities were carried out based on the approved Internal Audit Plan ("IAP"). 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 Auditor reports directly to the AC during the AC Meeting on a yearly basis by presenting its Internal Audit Report which included 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.

During the FYE 2023, the Internal Auditor has conducted 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 Inventory Management (Chartering and Shipyard) and Human Resources Management and the scope of internal audit covered key operating companies in the Group, encompassing the chartering and shipbuilding divisions as set out in the IAP. They also carried out follow-up/audit closure reviews for current and prior years. The total costs incurred for the internal audit function in respect of the FYE 2023 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 assess 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 Officer Executive 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 Audit Committee dated 16 April 2024.

# 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 2023 (“FYE 2023”) 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 Malaysia”) and as guided by the Statement on Risk Management and Internal Control: Guidelines for Director of Listed Issuers.

## BOARD’S RESPONSIBILITY

The Board acknowledges and affirms its ultimate responsibility for the adequacy, effectiveness, integrity and efficiency of the risk management and internal control systems to safeguard shareholders’ investments and assets of the Group and to ensure that the Group’s objectives and strategies are met. As there are inherent limitations in any system of risk management and internal control, these systems are designed to manage the Group’s risks within acceptable levels, rather than eliminate them. The internal controls implemented can only provide reasonable and not absolute assurance against the occurrence of any material misstatement, loss or fraud.

The Board has delegated the implementation of the risk management and internal control systems to the Management whilst the Risk Management Committee of the Board (“RMC”) was tasked by the Board with oversight responsibility to review the adequacy and effectiveness of the systems. The Group has in place an ongoing process for identifying, evaluating, monitoring and managing significant risks that may affect the achievement of business objectives throughout the year under review up to the date of this Annual Report. This process includes enhancing risk management and internal controls in response to changes in the business environment and regulatory requirements. The process is reviewed annually by the Board and the Audit Committee (“AC”).

The AC reviewed the effectiveness of internal controls in relation to the audits conducted by internal auditors during the financial year. Audit issues and the actions taken by Management to address the issues raised by the internal auditor were discussed during the AC meetings. Minutes of the AC meetings, which recorded these deliberations, were presented to the Board.

Internal control and risk related matters that required the attention of the Board were recommended by the AC for Board’s consideration and approval. Additionally, any matters or decisions falling within the AC’s jurisdiction were referred to the Board for acknowledgement.

## RISK MANAGEMENT

The Board regards the management of core risks as an integral and critical part of the day-to-day operations of the Group. Day-to-day operations in respect of the financial, commercial, legal compliance and operational aspects of the Group are closely monitored by the respective head of department and they have delegated the responsibilities to identify and manage these risks within defined parameters and standards.

The management of risk is an on-going process to identify, evaluate and manage the significant risks faced by the Group. As part of our Risk Management process, a Risk Management Policy and Risk Register were adopted. The Risk Register is maintained to identify principal business risks and key risks areas, their impact, the likelihood of occurrence, risk owner and risk control actions. The Risk Management Policy summarises risk management methodology, approach, processes, roles and responsibilities. The level of risk tolerance is established and monitored through the use of a risk impact and likelihood matrix where the ratings are assessed in response to changes in the business environment.

The respective risk owners are assigned and responsible for identifying risks as well as ensuring that adequate control systems are implemented to mitigate risks faced by the Group.

## 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**

The organisational structure sets out clear segregation of roles and responsibilities, lines of accountability and levels of authority to ensure effective and independent stewardship and check and balances. The Board of Directors ("Board"), which is responsible for the overall direction, strategy, performance and management of the Group, is governed by its Board Charter. The Board Charter sets out, amongst others, the roles and responsibilities of the Board as well as matters on which the Board reserves full decision-making powers. In providing direction and oversight, the Board is supported by the Board Committees, namely the AC, Nominating Committee, Remuneration Committee, RMC and Sustainability Committee. Each committee has clearly defined terms of reference and responsibilities. The Senior Management team, led by the Chief Executive Officer cum Managing Director ("CEO"), is delegated with the necessary authority to manage the day-to-day businesses of 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 the Board and respective Board Committees are carried out on scheduled basis to review the performance of the Group, from financial and operational perspectives, and to carry out its fiduciary duties and responsibilities.

- **Group Limits of Authority**

The Group Limits of Authority ("GLOA") describe the system of delegation of authority. The GLOA outlines matters reserved for the Board's approvals, delegation and authority limits to the CEO and Executive Director. It also provides guidance on the segregation of responsibilities between the Board and Management. The objective of the GLOA is to ensure effective authorisation limits and their delegations within the Group for consistent good business practices and governance and to safeguard the Group's assets. The GLOA 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 the 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 on internal policies, procedures, manual, memorandum, circulars and letters, which are continuously being reviewed and updated to meet the operational needs, business environment or regulatory requirements. Approval for these updates is sought from 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.

The CEO plays an active role in the Group's business operations, including participation in operational and management-level meetings to ensure ongoing monitoring and adherence to the Group's policies and procedures.

- **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 Group and its stakeholders.



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

- **Code of Conduct/Ethics**

The Group is committed to conduct its business fairly, impartially and ethically and to comply with all laws and regulations. The Code of Conduct/Ethics serves as a guiding document to employees in carrying out their duties and responsibilities to the highest standard of integrity when dealing within the Group and with external parties. The Group's Code of Conduct/Ethics covers areas such as compliance with respect to local laws and regulations, integrity, conduct in the workplace, business conduct, protection of the Group's assets, confidentiality, and conflict of interest.

- **Whistleblower Policy**

The Group is committed to transparency, integrity and accountability in the conducts of its business and affairs. To reinforce this commitment, the Group has established a Whistleblower Policy. This policy encourages employees or a person or entity making a protected disclosure ("Whistleblower") to raise concerns, be they internally and/or at a high-level, and to disclose information where such Whistleblower believes a form of malpractice or misconduct is being committed. This also covers concerns which are in the public interest and may be investigated at least initially, so that appropriate remedial action can be taken.

The Whistleblower Policy also includes provision which protect the confidentiality of the Whistleblower and ensures no retaliation of any kind against the Whistleblower for complaints submitted hereunder that are made in good faith.

- **Anti-Bribery and Corruption Policy**

The Board has taken steps to direct the establishment of adequate procedures to prevent the commission of corrupts acts by persons associated to the Group through the institution of the Anti-Bribery and Corruption Policy ("ABC Policy"). ABC Policy, amongst others, covers areas pertaining to donations and sponsorships; political contributions; gifts, hospitality and entertainment; facilitation payments; dealing with business associates/joint venture partner; and dealing with government and public officials. ABC Policy is premised on a supply-chain wide perspective covering dealings with third parties such as clients, contractors, sub-contractors, suppliers, vendors, agents, consultants, advisers, representatives and service providers of any kind performing work or services and joint ventures. All employees are required to declare that they have read, understand and will abide by ABC Policy via the Anti Corruption Acknowledge Form.

- **Health, Safety and Environment**

Documented Health, Safety and Environment related matters into a formal manual to outline employees' roles and responsibilities towards the prevention of accidents, the elimination of hazards and in ensuring a safe working environment. The Group adopts strict standard and controls to continuously improve the application and performance of the safety management systems as a safe working environment is fundamental to the Group's success in business operations.

### INTERNAL AUDIT FUNCTION

The Board is fully aware of the importance of the internal audit function and has continued the engagement of an independent professional firm, KPMG Management & Risk Consulting Sdn. Bhd. [Registration no. 198601000916 (150059-H)] ("KPMG MRC" or "Internal Auditor") to provide independent assurance to the Board and AC by providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control and risk management systems.

During 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 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.

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

### INTERNAL AUDIT FUNCTION (cont'd)

The execution of internal audit activities was based on the approved IAP of which is designed to cover entities across selected key processes and activity within the Group before commencement of work. In carrying out its activities, the internal audit function has unrestricted access to the relevant records, personnel and physical properties of the Group. The internal audit work is carried out based on risk-based internal audit methodology, which is aligned with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors, of which final communication of IAP, processes and results of the internal audit assessment are supported by sufficient, reliable and relevant information which signifies a satisfactory conclusion of the internal audit works.

For the FYE 2023, the internal audit function assessed the adequacy and operating effectiveness of internal controls deployed by Management covering Inventory management (Chartering and Shipyard) and Human Resource management.

The internal audit engagement by KPMG MRC is headed by an Executive Director, namely, Encik Mohd Khaidzir Shahari. He is a member of Malaysian Institute of Accountants; Association of Chartered Management Accountant; and Chartered Global Management Accountant. He is also Certified Internal Auditor and Accredited assessor for the Quality Assurance Review Program (The Institute of Internal Auditors) and Board of Governor and Chartered Member (The institute of Internal Auditors Malaysia). Encik Mohd Khaidzir has significant experience in a wide range of governance advisory, risk and compliance services, internal audit and compliance, and Enterprise Risk Management. The internal audit work was carried out with two (2) personnel being deployed. All the personnel deployed by KPMG MRC are free from any relationships or conflict of interest, which could impair their objectivity and independence during the course of the work. Following the completion of its work, the internal audit function reported directly to the AC on improvement measures pertaining the internal controls, including a follow-up on the status of Management's implementation of recommendations to address the outstanding internal audit observations raised in the previous cycles' reports. Internal audit reports were submitted to the AC, which reviewed the observations with Management, including Management's action plans to address the concerns raised.

### 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.

Based on the above, the Board confirms that there is an ongoing risk management process established, the system of internal control is satisfactory and appropriate to identify, evaluate, and manage significant risks to effectively mitigate the risks that may impede the achievement of the Group's business and corporate objectives.

The Board is cognisant of the importance of maintaining appropriate controls and will continue to review the adequacy, integrity and implementation of appropriate internal controls system.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

In compliance with the paragraph 15.23 of the MMLR of Bursa Malaysia, the external auditors have reviewed this Statement for inclusion in the Annual Report for the FYE 2023. 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 16 April 2024.

# Corporate Governance Overview Statement

The Board of Directors (the “**Board**”) of Sealink International Berhad (“**Sealink**” or the “**Company**”) recognises the importance of adopting and continuously maintaining high standards corporate governance throughout Sealink and its subsidiaries (the “**Group**”) so that the affairs of the Group are conducted with integrity, transparency and professionalism with the objective of enhancing business success, safeguarding shareholders’ investment, enhancing shareholders’ value as well as the interests of other stakeholders.

This Corporate Governance (“**CG**”) Overview Statement (the “**Statement**”) provides the summary of the corporate governance practices adopted by the Company during the financial year ended 31 December 2023 (“**FYE 2023**”) with reference to the following three (3) principles as set out in the Malaysian Code on Corporate Governance 2021 (“**MCCG**”).

- (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 Malaysia”) 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](http://www.asiasealink.com).

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### PART 1 – BOARD RESPONSIBILITIES

#### 1.1 Board roles and responsibilities

##### *Board Charter*

The Board assumes responsibility for effective stewardship and control of the Company and has established terms of reference, in the form of Board Charter, to assist in the discharge of the Board’s fiduciary and leadership responsibilities in the pursuit of the best interest of the Group. In the Board Charter, the Board has established a formal schedule of matters reserved to the Board for its deliberation and decision in order to enhance the delineation of roles between the Board and Management, as well as to ensure the direction and control of the Group’s operation are in the Board’s hands.

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 needs of the Company to ensure its effectiveness and consistency with the Board’s objectives 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](http://www.asiasealink.com).

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;

## Corporate Governance Overview Statement (cont'd)

### 1.1 Board roles and responsibilities (cont'd)

- 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;
- 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;
- approve the appointment of External Auditors and their related audit fees.; and
- overseeing the Group's adherence to high standards of conduct / ethics and corporate behaviour, including the Code of Ethics for Directors set out in the Board Charter.

### 1.2 Chairman of the Board

During the financial year under review, the Board is headed by the Non Independent Non-Executive Chairman who is not related with Executive Director ("ED").

The key duties and responsibilities of the Chairman are to provide leadership to the Board, instill good corporate governance practices, chairing and leading the meetings of the Board and shareholders, ensuring the Board fully discharges its responsibilities and managing the interface between the Board and Management. He ensures that Board members receive complete and accurate information and appropriate issues are discussed by the Board in a timely manner. As part of that role, Chairman ensures that no member dominates any discussion and appropriate discussions are taken place with relevant participation among the Board members allowing dissenting views to be freely expressed. Other roles of the Chairman include ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

The Chairman of the Board is not a member of any Board Committees so as to ensure that the objectivity of the Chairman and the Board is not impaired when deliberating on observations and recommendation put forth by the Board Committees.

## Corporate Governance Overview Statement (cont'd)

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

The roles of the Chairman and the CEO are held by different individuals. There is a clear division of responsibilities between the Chairman and the CEO to ensure a balance of power and authority in the Board. The Chairman is responsible for Board effectiveness and for ensuring that the conduct and working of the Board are in an orderly and effective manner, while the ED takes on the primary responsibility of managing the Group's businesses and resources, as well as overseeing and managing the day-to-day operations of the Group.

### 1.4 Qualified and competent Company Secretary

The Company Secretary of Sealink, Madam Yeo Puay Huang has the requisite credentials and is competent and suitably qualified to act as 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.

The Company Secretary plays an advisory role for the Board in relation to the Company's constitution, the Board's policies and procedures, and compliance with relevant regulatory requirements, codes or guidance and legislation. The Board is regularly updated and kept informed of the latest developments in the legislation and regulatory framework affecting the Group and are advised on the proposed contents and timing of material announcements to be made to regulatory authorities. Additionally, 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 at the registered office of the Company.

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

### 1.5 Access to information and advice

All the Directors have access to all information within the Group and may seek the advice of management on matters under discussion or request further information on the Group's business activities, including access to the Company's 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.

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.

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.

## Corporate Governance Overview Statement (cont'd)

### 1.6 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. Although specific power are delegated to the Board Committees, the Board continues to keep itself abreast of the actions and decisions taken by each Board Committee, including key issues via reports by the Chairman of each Board Committee, as well as tabling the minutes of all Board Committees’ meetings, to the Board at all Board’s meetings.

Each Board Committee 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 Committee are contained in the Board Charter which is available for reference on the Company’s website at [www.asiasealink.com](http://www.asiasealink.com).

### 1.7 Code of Conduct / Ethics Policy

The Board is committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Code of Conduct/Ethics Policy 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](http://www.asiasealink.com).

### 1.8 Directors’ Fit and Proper Policy

The Directors’ Fit and Proper Policy was first formulated and adopted by the Board on 31 May 2022 and then was last reviewed, revised and adopted by the Board on 28 February 2024. This Directors’ Fit and Proper Policy 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](http://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.

All disclosures shall be made to the Chairman of AC and the disclosures can be made in writing, orally, via electronic mail (“email”) or short messaging system. Upon making a disclosure in good faith, based on reasonable ground and in accordance with the procedures set out therein the Whistleblower Policy, the whistleblower shall be protected from reprisal within the Group as a direct consequence 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](http://www.asiasealink.com).

## Corporate Governance Overview Statement (cont'd)

### 1.10 Anti-Bribery & Corruption Policy

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”) as in compliance with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“MACC Act”) . This ABC Policy sets out the Group’s stand on bribery in all its forms and matters of corruption that might confront the Group in its day-to-day operations. The adoption of this ABC Policy signaled commitment by the Board and the Group to conduct all business in an honest and ethical manner requiring all the Directors and employees to act professionally, fairly and with integrity in all business dealings and relationships. This ABC Policy 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.

The Company had also conducted briefings and training for all employees of the Group to create awareness of the ABC Policy to foster the commitment of the employees to instil the spirit of integrity and avoid all forms of corruption practices within the organisation.

The ABC Policy sets out adequate procedures designed to prevent situations in which bribery and corrupt practices may take root and is available for reference on the Company’s website at [www.asiasealink.com](http://www.asiasealink.com).

### 1.11 Promote Sustainability

The Group is committed to promoting 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 a sustainable long-term balance between meeting its business goals and compliance to with relevant environmental and related legislation, improving the welfare of its employees as well as ensuring a safe and healthy working environment.

The Board has established a Sustainability Policy to demonstrate its commitment to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Sustainability Policy is available for reference on the Company’s website at [www.asiasealink.com](http://www.asiasealink.com).

## 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 Malaysia which requires at least two (2) directors or one-third (1/3) of the Board, whichever is higher, to be independent.

No.	Names of Directors	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

## Corporate Governance Overview Statement (cont'd)

### 2.1 Composition of the Board (cont'd)

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. The Board and NC will continue to assess and address the matter of increasing the number on Independent Directors.

Based on an assessment of its skills matrix, the Board is of the view that the Directors, with their different backgrounds 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.

### 2.2 Tenure of Independence Director

The INED plays a pivotal role in incorporating accountability as they provide unbiased and independent views, advice and judgement, ensuring a balanced and impartial Board decision making process as well as safeguarding the interests of other parties, such as minority shareholders. In view of this recommendation, NC has developed criteria to assess the independence of these directors on an annual basis.

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.

In early 2023, two (2) Independent Non-Executive Directors, namely Mr Wong Chie Bin and Mr Toh Kian Sing have served the Company for more than twelve (12) years, the Board approved the recommendation of NC to re-designate their position from Independent Non-Executive Directors to Non-Independent Non-Executive Chairman and Non-Independent Non-Executive Director, respectively. Both of them posed the relevant skill, experience and knowledge and have effectively discharged their stewardship responsibilities to meet the Group's needs. They have exercised their professional duties in the best interest of the Group.



## Corporate Governance Overview Statement (cont'd)

### 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 Gender Diversity Policy was first formulated and adopted by the Board on 22 February 2022 and then was last reviewed, revised and adopted by the Board on 28 February 2024. This Gender Diversity Policy sets out the focus on supporting the representation of women in the composition of Board of the Company. The Gender Diversity Policy is available for reference at the Company's website at [www.asiasealink.com](http://www.asiasealink.com).

The Board had one (1) female Director since 2022 and her presence complies with the MMLR of Bursa Malaysia 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, which is equivalent to 20% women representation on the Board. The Board will evaluate and match the criteria of the potential candidate as well as consider the appointment of more female directors onto the Board in the future to bring more diverse perspective.

### 2.4 Board Commitment

#### (i) Board and Board Committees Meeting

The Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company. Board meetings are scheduled ahead to enable the Directors to plan and adjust their schedule to ensure good attendance and expected degree of attention to the meeting agenda.

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 Committee briefs the Directors at each Board meeting on the salient matters deliberated by each Board Committee 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.

The details of attendance by each of the Directors of the following meetings held during the financial year are:

Names of Directors	Attendance of Meetings					
	Board	NC	RC	AC	RMC	SC
Wong Chie Bin	5/5	-	-	-	-	-
Yong Kiam Sam	5/5	-	-	-	1/1	1/1
Toh Kian Sing	4/5	2/2	1/1	4/5	-	-
Yong Nyet Yun	5/5	2/2	1/1	5/5	1/1	1/1
Eric Khoo Chuan Syn @ Khoo Chuan Syn	5/5	2/2	1/1	5/5	1/1	1/1

## Corporate Governance Overview Statement (cont'd)

### 2.4 Board Commitment (cont'd)

#### (ii) Directors' Training and Education Programmes

The Directors are mindful that they should continue to attend training programs to enhance their skills and knowledge where relevant, as well as to keep abreast with the changing regulatory and corporate governance developments.

All Directors appointed to the Board had undergone the Mandatory Accreditation Programme prescribed by Bursa Malaysia. Although the Board does not have a policy requiring each Directors to attend a specific number and types of training sessions each year, the Directors are encouraged to attend continuous education programmes/seminars/conferences and shall as such receive further training from time to time to keep themselves abreast of the latest developments in statutory laws, regulations and best practices, where appropriate, in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group. The Directors have also been constantly updated with 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.

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 are as follows:

Names of Directors	Training topics
Wong Chie Bin	<ul style="list-style-type: none"> <li>• Crowe Malaysia PLT: Preference Shares &amp; Biological Assets Training (Internal Training, Kuching)</li> <li>• LHDN: Seminar Percukaian Kebangsaan 2022 (Bajet 2023)</li> <li>• MIA: MFRS 16 Case Studies</li> <li>• CTIM: National Tax Conference 2023</li> <li>• MIA: Financial Instruments Reporting Essentials-With case study illustrations</li> <li>• MIA: ISA 570 (Revised) On Going Concern-Assessment &amp; Evaluation</li> <li>• LHDN: Seminar Percukaian Kebangsaan 2023 (Bajet 2024)</li> <li>• Suruhanjaya Koperasi Malaysia</li> <li>• Persidangan Juruaudit Koperasi 2023</li> </ul>
Yong Kiam Sam	<ul style="list-style-type: none"> <li>• Indonesia Marine &amp; Offshore Expo</li> <li>• Asia OSJ Conference 2023</li> <li>• World Offshore Week</li> <li>• Oil &amp; Gas Thailand 2023</li> </ul>
Toh Kian Sing	<ul style="list-style-type: none"> <li>• Refund Guarantee Webinar with Jin Saibo</li> <li>• 2022 Annual Survey and Letter of Credit Law Summit in Singapore organised by Institute of International Banking Law &amp; Practice, Inc.</li> <li>• Course: Mandatory Takeovers in Asia: A Comparative Analysis ADM YIR Webinar Lecture organised by Supreme Court</li> <li>• Course: Insolvency &amp; Cryptocurrencies</li> </ul>

## Corporate Governance Overview Statement (cont'd)

### 2.4 Board Commitment (cont'd)

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

Name of Director	Training topics
Yong Nyet Yun	<ul style="list-style-type: none"> <li>• Seminar Percukaian Kebangsaan 2022 (Bajet 2023)</li> <li>• National Tax Conference 2023 (Virtual)</li> <li>• SSM Webinar: Resolving Boardroom and Shareholders Disputes (Virtual Platform)</li> <li>• Bursa Malaysia: Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers</li> <li>• Bursa Malaysia: Management of Cyber Risk</li> <li>• LHDN: National Tax Seminar 2023 (Budget 2024)</li> <li>• MIA: Directors' Interest in Contracts and Conflict of interests</li> </ul>
Eric Khoo Chuan Syn @ Khoo Chuan Syn	<ul style="list-style-type: none"> <li>• LHDN: Seminar Percukaian Kebangsaan 2023</li> </ul>

### 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

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 competence, experience, character, integrity and time commitment of the Directors.

The NC is primarily responsible for identifying and recommending suitable appointments to the Board. The NC also assesses the effectiveness of the Board as a whole, the Board Committees and the contribution of each Director.

The NC has 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 existing Board Diversity Policy;
- reviewed and discussed the revised Gender Diversity Policy;
- reviewed and discussed the revised Directors' Fit and Proper Policy;
- 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;

## Corporate Governance Overview Statement (cont'd)

### 2.5 Nominating Committee (cont'd)

- 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;
- 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 recommended the re-designation of Mr Wong Chie Bin as Non-Independent Non-Executive Chairman; and
- reviewed and recommended 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. The final decision on the appointment of a candidate recommended by the NC rests with the whole Board.

The Company's Constitution provides that an election of Directors shall take place each year and, at the AGM, one-third (1/3) of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election. All the Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. The Directors to retire in each year shall be those who have been longest in office since their last election. A retiring Director shall be eligible for re-election.

The Director who is subject to re-election and/or re-appointment at the next AGM is assessed by the NC before a recommendation is made to the Board and shareholders for re-election and/or reappointment. Appropriate assessments and recommendations by the NC are based on the annual assessment conducted.

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. Mr Eric Khoo Chuan Syn @ Khoo Chuan Syn in accordance with Clause 118; and
2. Mr Toh Kian Sing 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 2023 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 contributions to the leadership of the Group. Based on the satisfactory evaluation of the respective director's performance and contributions to the Board, the NC then recommended to the Board the re-election of directors at the forthcoming AGM. Upon the recommendation of the NC and the Board, the Directors who are standing for re-election and reappointment at the forthcoming AGM of the Company are as stated in the Notice of AGM.

## Corporate Governance Overview Statement (cont'd)

### 2.7 Annual Evaluation

For the FYE 2023, an annual assessment of the Board, Board Committees and contributions 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.

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 relationship with Management and also Environmental, Social and Governance (ESG) issues.

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 Malaysia which includes Committees' composition, contribution to the Board's decision making, and expertise in fulfilling their roles.

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 had discharged their responsibilities in a commendable manner, acted competently, contributed effectively to the Board and demonstrated full commitment to their duties as Directors of the Company. The Board Committees were functioning effectively as a whole with a high level of compliance and integrity. All the Directors of the Company have complied with Paragraph 15.06 of the MMLR of Bursa Malaysia on the number of directorships held in public listed companies.

The results of the above assessment and comment by Directors are summarised before being tabled for review and discussion at the NC Meeting. Thereafter, the Chairman of NC would report on the results and deliberations to the Board. All assessments carried out by the NC in the discharge of all its functions were properly documented.

### 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 based on the evaluation performed, the NC was satisfied with the level of independence as well as performance and contribution of each of the INEDs. 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. Therefore, NC recommended that approval of the shareholders be sought to retain Mr Eric Khoo Chuan Syn @ Khoo Chuan Syn as an INED 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.

## Corporate Governance Overview Statement (cont'd)

### 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 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](http://www.asiasealink.com).

#### 3.3 Remuneration of Directors

Details of Directors' remuneration (including benefits-in-kind) for each Director during the FYE 2023 are as follows:

	Directors' Fee		Group Basic Salary (RM)	Group Other Emoluments (RM)	Total (RM)
	Company (RM)	Subsidiaries (RM)			
<b>Executive Director</b>					
Yong Kiam Sam	22,000	-	657,467	234,685	914,152
<b>Non-Executive Director</b>					
Wong Chie Bin	88,000	-	-	-	88,000
Toh Kian Sing	70,000	-	-	-	70,000
Yong Nyet Yun	75,000	-	-	-	75,000
Eric Khoo Chuan Syn @ Khoo Chuan Syn	70,000	-	-	-	70,000

## Corporate Governance Overview Statement (cont'd)

### 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 payouts 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 an aggregate basis in the employee benefits expense note to the accounts and is available on page 102 of the Annual Report 2023.

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

### PART 1 – AUDIT COMMITTEE

The AC plays an important role in assisting the Board in discharging its governance responsibilities which includes financial reporting and maintaining a sound risk management, internal control and governance system. 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 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 Malaysia.

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 AC comprises a majority of Independent Directors who are financially literate. The Chairman of the AC is an Independent Non-Executive Director and is not Chairman of the Board. 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.

Currently, none of the members of AC were former key audit partner. The AC has in place a policy that requires a former key partner to observe a cooling-off period of at least three (3) years before being appointed as a member of AC. The Policy had been codified in the Terms of Reference of AC of the Company.

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 2024. 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.

## Corporate Governance Overview Statement (cont'd)

### PART 1 – AUDIT COMMITTEE (cont'd)

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 2023. In view thereof, the Board has recommended the re-appointment of the External Auditors for the approval of shareholders at the forthcoming AGM.

### PART II – RISK MANAGEMENT COMMITTEE

As at the date of this Statement, the RMC members are 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 Directors and chaired by ED.

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. The risk owner presents the updated risk register to the Group Risk Coordinator, and thereafter to the RMC for review on annual basis. The risk owner, which consists of the head of departments, are responsible for identifying, assessing, monitoring, and mitigating risks that can impact management's processes and functions. 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 for further deliberation.

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 2023.



## Corporate Governance Overview Statement (cont'd)

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

#### **PART 1 – COMMUNICATION WITH STAKEHOLDERS**

The Group is committed under its corporate governance obligation to have various channels of communication with shareholders and the investing public in order to maintain regular, transparent, coherent, timely and equitable dissemination of relevant and material information on the development of the Group to shareholders and stakeholders.

The various channels are through the Company's annual reports, quarterly financial reports, annual general meetings and extraordinary general meetings that may be convened, as well as by way of disclosure made to Bursa Malaysia and other corporate publications on the Company's website at [www.asiasealink.com](http://www.asiasealink.com) where shareholders can access pertinent information concerning the Group.

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. The Company will continuously enhance the disclosures on its website for broader and more effective dissemination of information to its stakeholders from time to time.

The Board is aware of the need to establish comprehensive, accurate and timely disclosures relating to the Group to be made to the regulators, shareholders and stakeholders. As such the Board has adopted a Shareholders Communication Policy and Corporates Disclosure Policies and Procedures Document which may be reviewed on the Company's website.

#### **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 15<sup>th</sup> 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 gave 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 15<sup>th</sup> 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 15<sup>th</sup> AGM were announced to Bursa Malaysia on 31 May 2023 being the date of 15<sup>th</sup> AGM.

The Notice of forthcoming 16<sup>th</sup> AGM of the Company which is scheduled to be held on 28 May 2024 will be sent to shareholders at least twenty-eight (28) days before the date of 16<sup>th</sup> 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 16<sup>th</sup> AGM.

This Statement is issued in accordance with a resolution of the Board dated 16 April 2024.

## 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 2023 are as follows:

#### Details of Fee

	Group (RM)	Company (RM)
Audit Fee	195,000	45,000
Non-Audit Fee	67,400	9,800

#### Variation in Results

There is no material variance between the financial results and the unaudited results previously made for the FYE 2023.

#### 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 2023.

#### Recurrent related Party Transactions

The related party transactions are disclosed in pages 101 to 102 of this Annual Report.

# Sustainability Statement

Sealink International Berhad (“Sealink” or the “Company”) recognises the importance of sustainability as a critical driver for the long-term business sustainable growth of Sealink and its subsidiaries (“the Group”). As such, the Board of Directors (“Board”) of Sealink 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 delighted to have this opportunity to share our commitments and progress in creating significant value for our stakeholders while operating in an environmentally and socially responsible manner. When read in conjunction with our financial statements and other sections in this Annual Report, this Sustainability Statement provides our stakeholders with a comprehensive picture of how the Group balances financial objectives with Environmental, Social and Governance (“ESG”) initiatives.

This Sustainability Statement is made pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) [“MMLR”] with guidance drawn from Practice Note 9 of MMLR and the Sustainability Reporting Guide (3rd edition) (“SR Guide”) issued by Bursa Malaysia.

The information and data disclosed in this Statement were sourced from our reporting processes, systems, and records of progress, achievements, and challenges encountered on our sustainability journey throughout the financial year ended 31 December 2023 (FYE 2023). Presently, we do not obtain external assurance for this Statement. This will be reviewed as we continuously enhance our reporting processes.

We are also committed to accountability and transparency in our sustainability performance to continually improve 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 legislation, regulations and guidelines;
- 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 environmental, social and governance factors; and
- to annually report, review and continuously strive to improve our sustainability performance.

The Board had established a Sustainability Committee (“the SC”), which comprises a majority of independent directors, to oversee, consider, deliberate and resolve matters relating to Sustainability Practices. The SC is established to assist the Board in fulfilling its oversight responsibilities in relation to the Sealink’s sustainability strategy and initiatives covering environmental, social and economical aspect as well as embedding sustainability practices into the business. The SC is also responsible for overseeing and monitoring the strategic management of material sustainability matters, risks as well as opportunities driven by Senior Management. It also monitors progress against the achievement of the Groups’ sustainability targets (sustainability key performance indicators). In performing its duties and discharging its responsibilities, the SC is guided by the Terms of Reference. The Terms of Reference of the SC are accessible via the Company’s website at [www.asiasealink.com](http://www.asiasealink.com).

As at the date of this Statement, the Sustainability Committee comprises the following:

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

During the FYE 2023, the SC met four times and attended by all the members to discuss on the update on the prescribed common sustainability matters record and data update.

## Sustainability Statement (cont'd)

In line with sustainability, the Company ensures that the sustainability efforts are embedded in the strategic direction of the Group by involving all the pertinent working members comprising Senior Management Team, Heads of Department of Sealink and all departments responsible for implementing the initiatives within the Group. The implementation of initiatives and the advancement of sustainability practices are supervised and managed by the Sustainability Sub-Committee, led by Mr. Andes Hii as the Designated Personnel. This Sustainability Sub-Committee meets annually with the Chief Executive Officer to discuss the measurable objectives and its progress towards achieving business sustainability for subsequent endorsement by the Board of Sealink.

### MATERIALITY MATTER

We perform materiality assessments at least once a year to verify that we are focused on sustainability issues that reflect on our business and stakeholders best interest. We have included economic, environmental and social factors where these matters are important to our operations.

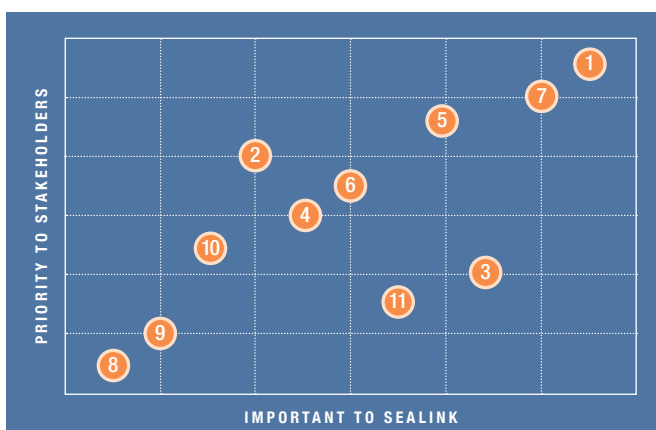
#### Materiality Assessment and Review

Our Management Team will review our sustainability factors through the following process:



This report focuses on the issues considered most important by both the Group and our stakeholders. The materiality assessment will be reviewed annually so that any changes in our business and the external environment can be addressed.

To proceed with the assessment, our stakeholder and their most crucial sustainability issues were identified. Then, the stakeholders were requested to score them based on their perceived importance. The results were then plotted on a matrix to display a more easily understandable graphical representation. The result was relayed to the SC for their feedback, confirmation and validation.



#### Sustainability Factors

1	Business Profitability
2	Effectiveness of Supply Chain
3	Digitization Process and Functions
4	Talent Retention and Human Capital Development
5	Occupational Health and Safety
6	Employee Welfare
7	Customer Satisfaction
8	Community Engagement
9	Human Right
10	Good Governance, Compliance and Ethics
11	Environmental Protection

The diagram above are the results of our materiality assessment. The factors ranked in the upper right-hand column are those that considered most significant by both the Group and the stakeholders. Our materiality identified eleven (11) Economic, Environment and Social issues.

The top 3 priority aspects are Business Profitability, Customer Satisfaction, and Occupational Health and Safety, which are very closely linked to the core nature of our business.

## Sustainability Statement (cont'd)

### STAKEHOLDERS' ENGAGEMENT

The group identified key stakeholders as our clients, employees, shareholders, partners and investors, the Government and regulatory bodies, as well as the community and suppliers. The group has 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"> <li>• Annual reports</li> <li>• Annual general meeting</li> <li>• Quarterly reports</li> <li>• Company website</li> </ul>	Annual Annual Quarterly Ongoing	<ul style="list-style-type: none"> <li>• Timely financial reporting and updates</li> <li>• Business management and governance</li> </ul>
Government and Regulators	<ul style="list-style-type: none"> <li>• Participate in training programmes organised by Government bodies and Regulators</li> <li>• Inspection / Inquiries by authorities</li> </ul>	As and when required/ invited As and when required	Compliance with regulations, laws and by-laws
Clients (Customers)	<ul style="list-style-type: none"> <li>• Company website</li> <li>• Meetings and discussions</li> <li>• System Audit - HSSE</li> </ul>	Ongoing Ongoing As and when required	<ul style="list-style-type: none"> <li>• Safety and health</li> <li>• Sustaining long-term relationship</li> </ul>
Financiers	<ul style="list-style-type: none"> <li>• Institutional briefings, presentations or conference calls</li> <li>• Annual Report</li> <li>• Bursa announcements</li> <li>• Quarterly financial announcement</li> </ul>	As and when required Annual As and when required Quarterly	<ul style="list-style-type: none"> <li>• Business performance and updates</li> <li>• Financial position</li> <li>• Long-term relationship development</li> <li>• Procurement of banking facilities at competitive rates</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Education and training programmes</li> <li>• Employee handbook</li> <li>• Whistleblowing policy</li> <li>• Health and safety notices and updates</li> <li>• Meetings</li> <li>• Annual performance appraisal</li> </ul>	Ongoing Ongoing Ongoing Ongoing Ongoing Annual	<ul style="list-style-type: none"> <li>• Workplace safety and health</li> <li>• Career development and training opportunities</li> <li>• Remuneration and benefits</li> <li>• Work-life balance</li> <li>• Staff recreation</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Annual Report</li> <li>• Company website</li> <li>• Company advertisements</li> </ul>	Annual Ongoing As and when required	<ul style="list-style-type: none"> <li>• Promoting social and environmental well-being</li> <li>• Job opportunities</li> <li>• Industrial trainee engagement</li> </ul>

## Sustainability Statement (cont'd)

### COMMON SUSTAINABILITY MATTERS

We integrate environmental and society considerations along with good governance in 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. As a way forward on our disclosure we do our reporting according to the ("SR Guide").

We are using Sustainability matters recorded in 2023 as our base record and shall do the comparison in subsequent years in our reporting. The following are the common sustainability matters as per ("SR Guide") guidelines on disclosure.

1	Anti-Corruption	Overall 59% of supervisory and above level staff have attended Anti-Bribery and Corruption training. No finding to date from operations corruption related risks. To date, there is no official report recorded on confirmed incidents of corruption.
2	Community/Society	We had organised beach cleaning activity during our Safety Day on 27th October 2023
3	Diversity	Female staff consist of 35% from total staff and male staff at 65% in the group. Whereas, female director placed at 20% in our Board of Director set up and the remaining 80% are male directors.
4	Energy Management	The company consumes about 884,850 Kwh of energy in year 2023 for our operations and activities.
5	Health and Safety	The company has no work - related fatalities in 2023. There were also no lost time injury recorded in 2023 hence, lost time incident rate is zero. Overall, we had a total of 17 staff who attended health and safety training in 2023.
6	Labour practices and standard	The company has also arranged training for staff in the company according to category. The non-executive staff recorded 233.75 hours of training in 2023 and executive staff at 188.25 hours. Managerial staff attended 195 hours of training in 2023 and our directors at 38 hours.  Staff turnover rate for chartering was 15% in 2023 and 18% for our shipbuilding division. There was no human right violations or reported concerning Sealink recorded in 2023.
7	Supply chain management	The company spent about 90.82% on local supplies for our chartering division and 96.99% on local supplies for shipbuilding division.
8	Data privacy and security	There were no substantiated complaints concerning breaches of customer privacy and losses of customer data recorded in 2023.

## Sustainability Statement (cont'd)

### COMMON SUSTAINABILITY MATTERS (cont'd)

9	Water Usage	The company used up about 3,589,512 liters of water for our operations and activities in 2023.
10	Waste management	Sealink has recorded about 16.65 metric tonne of waste and arranged for proper disposal according to government's guideline.
11	Emissions management	<p>The company has invested in vessel fuel monitoring systems which will ensure more efficient fuel consumption among vessels. Less fuel used will reduce carbon (CO<sub>2</sub>) emission.</p> <p>Sealink has also planted 1000 bamboo trees at our premises in Kuala Baram shipyard as a carbon sequestration effort where this carbon (CO<sub>2</sub>) footprint offset will go a long way.</p>

As of April 2024, this common sustainability matters has yet to be audited by our appointed Internal Auditor and shall be audited as per internal audit planning schedule accordingly.

This statement is issued in accordance with a resolution of the Board date 16 April 2024.

## Sustainability Statement (cont'd)

### PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM

Indicator	Measurement Unit	2023
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Supervisor	Percentage	45.83
Executive	Percentage	57.14
Managerial	Percentage	77.27
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Non-Executive 30 and below	Percentage	36.50
Non-Executive 31- 40	Percentage	29.93
Non-Executive 41 - 50	Percentage	14.96
Non-Executive 51 and above	Percentage	18.61
Executive 30 and below	Percentage	7.43
Executive 31- 40	Percentage	38.51
Executive 41 - 50	Percentage	32.43
Executive 51 and above	Percentage	21.62
Managerial 30 and below	Percentage	0.00
Managerial 31- 40	Percentage	13.33
Managerial 41 - 50	Percentage	53.33
Managerial 51 and above	Percentage	33.33
Gender Group by Employee Category		
Non-Executive Male	Percentage	86.86
Non-Executive Female	Percentage	13.14
Executive Male	Percentage	83.78
Executive Female	Percentage	16.22
Managerial Male	Percentage	73.33
Managerial Female	Percentage	26.67
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
30 and below	Percentage	0.00
31 - 40	Percentage	0.00
41 - 50	Percentage	0.00
51 and above	Percentage	100.00
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	884.85



## Sustainability Statement (cont'd)

## PERFORMANCE DATA TABLE FROM ESG REPORTING PLATFORM (cont'd)

Indicator	Measurement Unit	2023
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	17
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Non-Executive	Hours	234
Executive	Hours	188
Managerial	Hours	195
Director	Hours	38
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	3.50
Bursa C6(c) Total number of employee turnover by employee category		
Non Executive	Number	40
Executive	Number	24
Managerial	Number	6
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	91.77
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	3.589512
<b>Bursa (Waste management)</b>		
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	16.65
<b>Bursa (Emissions management)</b>		
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	0.00
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	0.00
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00

(\*) Restated

# Directors' Responsibility Statement

The Directors are responsible for ensuring that the annual audited financial statements ("financial statements") of the Company and its subsidiaries ("the Group") are drawn up in accordance with the applicable approved accounting standards in Malaysia, the provisions of the Companies Act, 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that financial statements give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year, and of the results and cash flow of the of the Company and of the Group for the financial period.

In the preparation the financial statements, the Directors have ensured that:

- appropriate and relevant accounting policies and practices have been adopted and applied consistently;
- the statements are supported by reasonable and prudent judgements and estimates;
- all applicable accounting standards have been followed, subject to any material departure and explained in the financial statements; and
- a going-concern basis has been adopted unless it is inappropriate to presume that the Company and the Group will continue its business.

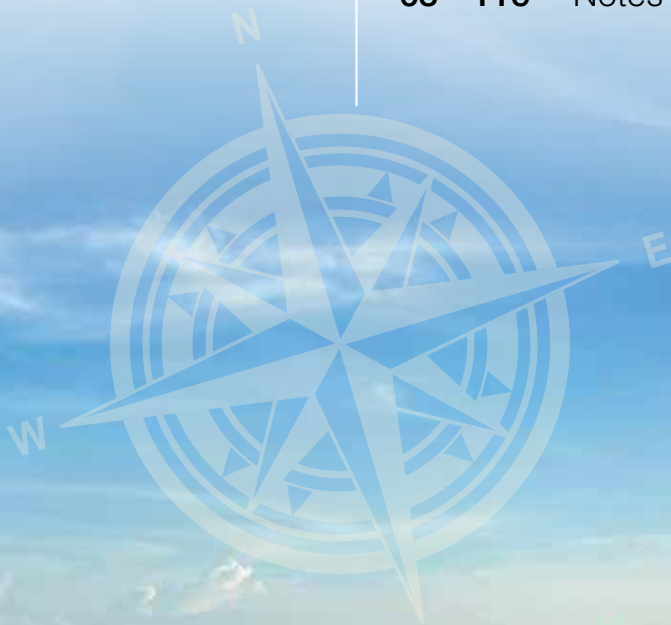
The Directors are responsible for ensuring that the Company and the Group keep proper accounting records which disclose the financial position of the Company and the Group with reasonable accuracy at any time, thus enabling the financial statements to be complied with the requirements of the Companies Act 2016 and have been made out in accordance with applicable Malaysia Financial Reporting Standards, International Financial Reporting Standards and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for taking the necessary steps as are reasonably available to them to ensure appropriate systems are in place to safeguard the assets of the Company and of the Group, and to detect and prevent fraud and other irregularities. The systems, by their nature, can only provide reasonable and not absolute assurance against material misstatements, whether due to fraud or error.

This Statement is issued in accordance with a resolution of the Board dated 16 April 2024.

# Financial Statements and Reports

<b>50–53</b>	Directors' Report
<b>54</b>	Statement by Directors
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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 2023.

## 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	(1,740,810)	2,157,823
Net (loss)/profit attributable to:		
- Owners of the Company	(3,818,951)	
- Non-controlling interest	2,078,141	
	<u>(1,740,810)</u>	

## 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

\* also Director of the subsidiaries

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

Yong Foh Choi  
 Andrew Victor Nub Anak William Tanyuh  
 Stefanie Bungan Lalo

## 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:

The Company:	At 1.1.2023	Number of Ordinary Shares		At 31.12.2023
		Bought	Sold	
<b>Direct interest</b>				
Yong Kiam Sam	68,382,399	356,300	-	68,738,699
Wong Chie Bin	190,000	110,000	-	300,000
Eric Khoo Chuan Syn @ Khoo Chuan Syn	30,000	-	-	30,000
Yong Nyet Yun	150,000	-	-	150,000
<b>Deemed interest</b>				
Yong Kiam Sam #	109,080,800	-	-	109,080,800
	At 1.1.2023	Number of Ordinary Shares		At 31.12.2023
		Bought	Sold	
<b>Direct interest in the shares of Sealink Holdings Sdn. Bhd.</b>				
Yong Kiam Sam	500,000	-	-	500,000

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

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
<b>Executive</b>		
Salaries and other emoluments	821,789	6,716
Fees	22,000	22,000
Defined contribution plan	66,863	792
	910,652	29,508
<b>Non-executive</b>		
Fees	303,000	303,000
	1,213,652	332,508

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.

## Directors' Report (cont'd)

### Directors' remuneration and other benefits (cont'd)

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 during the financial year and after the reporting date

Significant event during the financial year and after the reporting date is disclosed in Note 34 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 2023 amounted to RM262,400 and RM54,800 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 indemnity for the financial year.

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

..... )  
**YONG KIAM SAM** )

..... )  
**YONG NYET YUN** )

16 April 2024

**DIRECTORS**

## Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 60 to 115 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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 2023 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**

16 April 2024

## 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 60 to 115 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 )  
16 April 2024 )

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

Before me:

Commissioner for Oaths  
**Jackson Lim Eng Lai (Q192)**



# 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 2023, 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 material accounting policies and other explanatory notes as set out on pages 60 to 115.

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 2023, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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.

### 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. 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.

## Independent Auditors' Report (cont'd)

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

#### Key audit matters (cont'd)

##### 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 the external valuer on his competence, capabilities and objectivity and obtained an understanding of the valuation model used.
- evaluated adequacy of the Group's disclosures regarding the impairment of vessels as disclosed in Notes 3.6.1 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.

###### *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.

## Independent Auditors' Report (cont'd)

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

#### *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, IFRS Accounting 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.

#### *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.

## 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)*

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.

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.

## Independent Auditors' Report (cont'd)

### 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  
16 April 2024

**LIM SOO SIM**  
(NO: 03335/11/2025 J)  
CHARTERED ACCOUNTANT

# Statements of Financial Position

As at 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	5	<b>277,136,021</b>	289,508,576	<b>547</b>	1,481
Investment in subsidiaries	6	-	-	<b>259,554,287</b>	258,467,917
Investment in an associate	7	-	-	-	-
Investment in a joint venture	8	-	3,333,563	-	634,359
Amount due from subsidiaries	6	-	-	<b>115,262,119</b>	66,354,923
Amount due from an associate	7	-	-	-	-
Amount due from a joint venture	8	-	3,454,988	-	-
Fixed deposits with licensed banks	9	-	1,007,029	-	-
<b>Total non-current assets</b>		<b>277,136,021</b>	297,304,156	<b>374,816,953</b>	325,458,680
<b>Current assets</b>					
Inventories	10	<b>5,228,170</b>	5,648,541	-	-
Contract assets	21	<b>1,381,254</b>	355,588	-	-
Contract costs	11	<b>523,046</b>	169,146	-	-
Trade receivables	12	<b>15,237,226</b>	2,512,561	-	-
Other receivables	13	<b>4,931,529</b>	4,132,333	<b>718,581</b>	702,527
Amount due from subsidiaries	6	-	-	<b>3,052,469</b>	58,100,735
Amount due from a joint venture	8	-	12,139,672	-	-
Tax recoverable		<b>80,421</b>	536,921	-	38,915
Fixed deposits with licensed banks	9	<b>4,249,543</b>	276,816	-	-
Cash and bank balances		<b>18,926,300</b>	6,829,537	<b>690,761</b>	523,932
<b>Total current assets</b>		<b>50,557,489</b>	32,601,115	<b>4,461,811</b>	59,366,109
Asset held for sale	14	-	577,113	-	-
<b>Total assets</b>		<b>327,693,510</b>	330,482,384	<b>379,278,764</b>	384,824,789
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
<b>Equity attributable to the owners of the Company</b>					
Share capital	15	<b>329,086,883</b>	329,086,883	<b>329,086,883</b>	329,086,883
(Accumulated losses)/ retained earnings		<b>(183,691,933)</b>	(179,872,982)	<b>14,853,796</b>	12,695,973
Foreign currency translation reserve		<b>71,147,646</b>	65,122,613	-	-
		<b>216,542,596</b>	214,336,514	<b>343,940,679</b>	341,782,856
Non-controlling interests	6	<b>6,077,864</b>	-	-	-
<b>Total equity</b>		<b>222,620,460</b>	214,336,514	<b>343,940,679</b>	341,782,856

## Statements of Financial Position As at 31 December 2023 (cont'd)

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Amount due to subsidiaries	6	-	-	<b>3,086,267</b>	8,746,561
Borrowings	16	<b>2,024,782</b>	9,799,683	-	-
Deferred tax liabilities	17	<b>8,255,561</b>	9,971,669	-	-
Other payables	18	<b>12,700,000</b>	13,870,000	<b>12,700,000</b>	13,870,000
<b>Total non-current liabilities</b>		<b>22,980,343</b>	33,641,352	<b>15,786,267</b>	22,616,561
<b>Current liabilities</b>					
Trade payables	19	<b>6,460,797</b>	8,761,727	-	-
Other payables	18	<b>33,878,762</b>	25,167,951	<b>7,599,660</b>	7,287,918
Contract liabilities	21	<b>590,228</b>	19,855	-	-
Amount due to subsidiaries	6	-	-	<b>11,951,584</b>	13,137,454
Borrowings	16	<b>40,028,737</b>	48,500,018	-	-
Lease liabilities	20	<b>51,602</b>	9,611	-	-
Tax payable		<b>1,082,581</b>	45,356	<b>574</b>	-
<b>Total current liabilities</b>		<b>82,092,707</b>	82,504,518	<b>19,551,818</b>	20,425,372
<b>Total liabilities</b>		<b>105,073,050</b>	116,145,870	<b>35,338,085</b>	43,041,933
<b>Total equity and liabilities</b>		<b>327,693,510</b>	330,482,384	<b>379,278,764</b>	384,824,789

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 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	21	<b>106,360,696</b>	65,295,332	<b>1,679,141</b>	34,257,373
Cost of sales		<b>(85,416,380)</b>	(69,789,960)	-	-
<b>Gross profit/(loss)</b>		<b>20,944,316</b>	(4,494,628)	<b>1,679,141</b>	34,257,373
Other income	22	<b>2,056,115</b>	2,408,359	<b>4,519,046</b>	2,558,862
Financial assets:					
- Impairment loss	23	-	(369,197)	<b>(30,798)</b>	(6,947,140)
- Reversal of previously recognised impairment loss	23	<b>248,755</b>	532,037	<b>3,807,575</b>	856,964
Non-financial assets:					
- Impairment loss	23	-	(3,117,963)	<b>(2,228,630)</b>	-
- Reversal of previously recognised impairment loss	23	<b>3,500,000</b>	3,359,720	-	-
Administrative expenses		<b>(19,488,117)</b>	(16,487,241)	<b>(2,834,437)</b>	(2,939,433)
Other operating expenses	22	<b>(4,562,665)</b>	(37,595)	-	(1,416)
<b>Operating profit/(loss)</b>		<b>2,698,404</b>	(18,206,508)	<b>4,911,897</b>	27,785,210
Finance income	24	<b>181,001</b>	499,772	<b>3,274,059</b>	2,838,546
Finance costs	25	<b>(4,118,537)</b>	(4,733,134)	<b>(5,686,978)</b>	(2,219,174)
Share of gain of a joint venture		<b>339,648</b>	1,271,651	-	-
<b>(Loss)/profit before tax</b>	26	<b>(899,484)</b>	(21,168,219)	<b>2,498,978</b>	28,404,582
Tax (expense)/income	27	<b>(841,326)</b>	993,318	<b>(341,155)</b>	(151,535)
<b>(Loss)/profit for the financial year</b>		<b>(1,740,810)</b>	(20,174,901)	<b>2,157,823</b>	28,253,047
<b>Other comprehensive income:</b>					
Item that will be reclassified subsequently to profit or loss					
- Exchange translation differences		<b>6,025,033</b>	7,213,915	-	-
Total comprehensive income/(loss) for the financial year		<b>4,284,223</b>	(12,960,986)	<b>2,157,823</b>	28,253,047



## Statements of Profit or Loss and Other Comprehensive Income For the financial year ended 31 December 2023 (cont'd)

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>(Loss)/profit for financial year attributable to:</b>					
Owners of the Company		<b>(3,818,951)</b>	(20,174,901)	<b>2,157,823</b>	28,253,047
Non-controlling interests		<b>2,078,141</b>	-	-	-
		<b>(1,740,810)</b>	(20,174,901)	<b>2,157,823</b>	28,253,047
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		<b>2,206,082</b>	(12,960,986)	<b>2,157,823</b>	28,253,047
Non-controlling interests		<b>2,078,141</b>	-	-	-
		<b>4,284,223</b>	(12,960,986)	<b>2,157,823</b>	28,253,047
<b>Loss per share</b>					
Basic and diluted loss per share attributable to owners of the Company (sen)	28	<b>(0.76)</b>	(4.03)	-	-

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

# Statements of Changes in Equity

## For the financial year ended 31 December 2023

Group	Share capital RM	(Accumulated losses)/ retained earnings RM	Foreign currency translation reserve RM	Total equity RM	Non-controlling interest RM	Total equity RM
Balance at 1 January 2022	329,086,883	(159,698,081)	57,908,698	227,297,500	-	227,297,500
Loss for the financial year	-	(20,174,901)	-	(20,174,901)	-	(20,174,901)
Other comprehensive income for the financial year	-	-	7,213,915	7,213,915	-	7,213,915
Total comprehensive (loss)/income for the financial year	-	(20,174,901)	7,213,915	(12,960,986)	-	(12,960,986)
Balance at 31 December 2022	329,086,883	(179,872,982)	65,122,613	214,336,514	-	214,336,514
(Loss)/profit for the financial year	-	(3,818,951)	-	(3,818,951)	2,078,141	(1,740,810)
Other comprehensive income for the financial year	-	-	6,025,033	6,025,033	-	6,025,033
Total comprehensive (loss)/income for the financial year	-	(3,818,951)	6,025,033	2,206,082	2,078,141	4,284,223
<b>Transaction with the owners:</b>						
Acquisition of a subsidiary	-	-	-	-	3,999,723	3,999,723
Balance at 31 December 2023	<b>329,086,883</b>	<b>(183,691,933)</b>	<b>71,147,646</b>	<b>216,542,596</b>	<b>6,077,864</b>	<b>222,620,460</b>
<b>Company</b>						
Balance at 1 January 2022	329,086,883	(15,557,074)	-	313,529,809	-	313,529,809
Total comprehensive income for the financial year	-	28,253,047	-	28,253,047	-	28,253,047
Balance at 31 December 2022	329,086,883	12,695,973	-	341,782,856	-	341,782,856
Total comprehensive income for the financial year	-	2,157,823	-	2,157,823	-	2,157,823
Balance at 31 December 2023	<b>329,086,883</b>	<b>14,853,796</b>	<b>-</b>	<b>343,940,679</b>	<b>-</b>	<b>343,940,679</b>

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

# Statements of Cash Flows

For the financial year ended 31 December 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>OPERATING ACTIVITIES</b>					
(Loss)/profit before tax		<b>(899,484)</b>	(21,168,219)	<b>2,498,978</b>	28,404,582
<b>Adjustments for:</b>					
Depreciation of property, plant and equipment		<b>30,990,234</b>	31,300,736	<b>934</b>	934
Dividend income from subsidiaries		-	-	-	(32,756,000)
Gain on disposal of property, plant and equipment		<b>(298)</b>	(1,260,467)	-	-
Loss on disposal of assets held for sale		<b>142,113</b>	-	-	-
Bargain purchase arising from acquisition of a subsidiary		<b>(847,978)</b>	-	-	-
Loss/(gain) on remeasurement of acquisition of a subsidiary		<b>748,215</b>	-	<b>(2,290,641)</b>	-
Loss on disposal of investment in an associate		<b>3,499,980</b>	-	-	-
Interest expenses		<b>4,118,537</b>	4,733,134	<b>5,686,978</b>	2,219,174
Interest income		<b>(181,001)</b>	(499,772)	<b>(3,274,059)</b>	(2,838,546)
Inventories written down		<b>172,357</b>	-	-	-
Impairment loss on financial assets:-					
- Trade receivables		-	369,197	-	-
- Amount due from subsidiaries		-	-	<b>30,798</b>	6,947,140
Impairment loss on non-financial assets:-					
- Investment in subsidiaries		-	-	<b>2,228,630</b>	-
- Property, plant and equipment		-	3,117,963	-	-
Loss on subsidiaries struck off		-	-	-	1,416
Property, plant and equipments written off		<b>24</b>	-	-	-
Reversal of impairment loss on financial assets:-					
- Trade receivables		<b>(236,808)</b>	(532,037)	-	-
- Other receivables		<b>(11,947)</b>	-	-	-
- Amount due from subsidiaries		-	-	<b>(3,807,575)</b>	(856,964)
Reversal of impairment loss on non-financial assets:-					
- Property, plant and equipment		-	(3,359,720)	-	-
- Investment in an associate		<b>(3,500,000)</b>	-	-	-
Share of gain of a joint venture		<b>(339,648)</b>	(1,271,651)	-	-
Unrealised (gain)/loss on foreign exchange		<b>(681,548)</b>	775,726	<b>(2,180,405)</b>	(2,510,862)
Operating cash flows before working capital changes		<b>32,972,748</b>	12,204,890	<b>(1,106,362)</b>	(1,389,126)
<b>Changes in working capital:</b>					
Inventories		<b>755,346</b>	(233,854)	-	-
Contract assets		<b>(448,785)</b>	328,010	-	-
Contract costs		<b>(353,900)</b>	(44,094)	-	-
Receivables		<b>8,389,300</b>	2,645,170	<b>(16,054)</b>	(1,544)
Payables		<b>(22,714,282)</b>	(4,680,794)	<b>(1,398,915)</b>	(2,207,190)
Joint venture		<b>10,153,527</b>	(6,646,002)	-	-
Cash flows generated from/ (used in) operations		<b>28,753,954</b>	3,573,326	<b>(2,521,331)</b>	(3,597,860)

## Statements of Cash Flows

### For the financial year ended 31 December 2023 (cont'd)

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>OPERATING ACTIVITIES (CONT'D)</b>					
Cash flows generated from/ (used in) operations (cont'd)		<b>28,753,954</b>	3,573,326	<b>(2,521,331)</b>	(3,597,860)
Interest received		<b>181,001</b>	499,772	<b>3,274,059</b>	2,838,546
Interest paid		<b>(4,118,537)</b>	(4,733,134)	<b>(500,701)</b>	(1,500,367)
Tax refund		<b>542,072</b>	223,008	<b>61,430</b>	-
Tax paid		<b>(2,925,430)</b>	(569,626)	<b>(363,096)</b>	(114,020)
Net cash from/(used in) operations		<b>22,433,060</b>	(1,006,654)	<b>(49,639)</b>	(2,373,701)
<b>INVESTING ACTIVITIES</b>					
Proceed from disposal of property, plant and equipment		<b>300</b>	20,969,648	-	-
Proceed from disposal of investment in an associate		<b>20</b>	-	-	-
Proceed from disposal of assets held for sale		<b>435,000</b>	-	-	-
Net cash received from subsidiaries struck off		-	-	-	1,474,035
Purchase of property, plant and equipment		<b>(1,047,707)</b>	(325,386)	-	-
Additional subscription of shares in joint venture		-	(166,500)	-	-
Repayment from subsidiaries		-	-	<b>8,382,117</b>	37,026,853
Repayment from joint venture		<b>5,441,133</b>	1,970,733	-	-
Net cash inflow/(outflow) from acquisition of a subsidiary		<b>5,465,515</b>	-	<b>(390,000)</b>	-
Net cash from investing activities		<b>10,294,261</b>	22,448,495	<b>7,992,117</b>	38,500,888
<b>FINANCING ACTIVITIES</b>					
Placement of fixed deposits		<b>(1,405,227)</b>	(23,588)	-	-
Payment of lease liabilities	<b>B</b>	<b>(148,965)</b>	(20,236)	-	-
Payment of borrowings	<b>B</b>	<b>(13,832,615)</b>	(17,142,468)	-	-
Advances to subsidiaries		-	-	<b>(7,296,071)</b>	(36,175,010)
Advances from a corporate shareholder		<b>(479,672)</b>	500,315	<b>(479,672)</b>	500,315
Net cash flows used in financing activities		<b>(15,866,479)</b>	(16,685,977)	<b>(7,775,743)</b>	(35,674,695)
<b>CASH AND CASH EQUIVALENTS</b>					
Net changes		<b>16,860,842</b>	4,755,864	<b>166,735</b>	452,492
Effect of exchange rate changes on cash and cash equivalents		<b>(12,591)</b>	25,216	<b>94</b>	110
At beginning of the financial year		<b>(10,724,342)</b>	(15,505,422)	<b>523,932</b>	71,330
At end of the financial year	<b>A</b>	<b>6,123,909</b>	(10,724,342)	<b>690,761</b>	523,932

## Statements of Cash Flows

### For the financial year ended 31 December 2023 (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	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	18,926,300	6,829,537	690,761	523,932
Fixed deposits with licensed banks	4,249,543	1,283,845	-	-
Bank overdraft	(14,362,862)	(17,553,879)	-	-
	<b>8,812,981</b>	<b>(9,440,497)</b>	<b>690,761</b>	<b>523,932</b>
Less: Fixed deposits pledged with licensed banks	(2,689,072)	(1,283,845)	-	-
	<b>6,123,909</b>	<b>(10,724,342)</b>	<b>690,761</b>	<b>523,932</b>

##### B. 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
<b>Group</b>					
Lease liabilities					
- 2023	9,611	920	190,036 *	(148,965)	51,602
- 2022	28,969	878	-	(20,236)	9,611
Borrowings (excluded bank overdraft)					
- 2023	40,745,822	777,450 ^	-	(13,832,615)	27,690,657
- 2022	55,855,820	2,032,470 ^	-	(17,142,468)	40,745,822

^ Arising from effects of translation differences

\* Arising from acquisition of a subsidiary

##### C. TOTAL CASH OUTFLOWS FOR LEASES AS A LESSEE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Included in net cash flows from operating activities:</u>				
Expenses relating to short-term leases	638,659	598,043	20,040	18,000
Expenses relating to leases of low-value assets	3,056	3,238	-	-
<u>Included in net cash flows from financing activities:</u>				
Payment of lease liabilities	148,965	20,236	-	-
Payment of interest of lease liabilities	4,966	800	-	-
	<b>795,646</b>	<b>622,317</b>	<b>20,040</b>	<b>18,000</b>

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

# Notes to the Financial Statements

## For the financial year ended 31 December 2023

### 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 16 April 2024.

### 2. Fundamental accounting concept

As at 31 December 2023, the Group incurred a net loss of RM1,740,810 during the financial year and as of that date, the total current liabilities of the Group and the Company exceeded its total current assets by RM31,535,218 and RM15,090,007 respectively. These events or conditions indicate material uncertainty exists that may cast doubt on the Group's and the Company's ability to continue as a going concern.

The financial statements of the Group and the Company 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 and the Company 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 and the Company 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"), IFRS Accounting Standards 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 material 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

At the beginning of the current financial year, the Group and Company adopted new standards/amendments/improvements to MFRS 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. The details of the amendments are disclosed below:

##### Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies

The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

##### Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

The amendments to MFRS 108 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

This distinction between these two types of changes is important as changes in accounting policies are normally applied retrospectively to past transactions and events, whereas changes in accounting estimates are applied prospectively to future transactions and events. The amendments had no impact on the Group's consolidated financial statements.

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

#### 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:

##### 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

## Notes to the Financial Statements (cont'd)

### 3. Basis of preparation (cont'd)

#### 3.5 Standards issued but not yet effective (cont'd)

##### Amendments to MFRSs effective 1 January 2024:- (cont'd)

Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
Amendments to MFRS 107* and 7*	Statements of Cash Flows and Financial Instruments: Disclosure - Supplier Finance Arrangements

##### Amendments to MFRSs effective 1 January 2025:-

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability
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##### 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.

#### 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 2023, 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.



## 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)

###### 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.

###### 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.

## 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)

###### Income taxes and deferred tax liabilities

Significant judgement is involved in determining the Group'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 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 material accounting policies

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

#### 4.1 Consolidation

##### 4.1.1 Subsidiaries

Investment in subsidiaries are measured in the Company's financial position at cost less any impairment losses.

##### 4.1.2 Business combinations

###### Acquisition of subsidiary with non-controlling interests

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. The Group elects to measure the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

##### 4.1.3 Investment in an associate

The Group's investment in an associate is accounted for using equity method. In the Company's statement of financial position, investment in an associate is measured at cost less any impairment.

##### 4.1.4 Investment in a joint venture

The Group's investment in a joint venture is accounted for using equity method. In the Company's statement of financial position investment in a joint venture is measured at cost less any impairment losses.

## Notes to the Financial Statements (cont'd)

### 4. Summary of material accounting policies (cont'd)

#### 4.2 Property, plant and equipment

All property, plant and equipment, are measured at cost less accumulated depreciation and less any impairment losses.

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

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

#### 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.

##### Financial assets at amortised cost

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.

##### Financial liabilities at amortised cost

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

#### 4.4 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.

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.

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

## Notes to the Financial Statements (cont'd)

### 4. Summary of material accounting policies (cont'd)

#### 4.5 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.

##### 4.5.1 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.

##### Right-of-use assets

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 lands	6 – 60 years
Buildings	3 – 4.5 years
Office equipment	10 years
Motor vehicles	5 years

##### 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. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### 4.5.2 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. Contingent rents are recognised as revenue in the period in which they are earned.

#### 4.6 Inventories

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

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

## Notes to the Financial Statements (cont'd)

### 4. Summary of material accounting policies (cont'd)

#### 4.7 Revenue

##### 4.7.1 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**

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) Vessels sundry income and sales of services**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

Revenue from vessels sundry income and sales of services are recognised at a point in time when the control of the assets is transferred to the customers, generally on delivery of the goods and services.

**(iii) Management services**

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

##### 4.7.1.1 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.

## Notes to the Financial Statements (cont'd)

### 4. Summary of material accounting policies (cont'd)

#### 4.7 Revenue (cont'd)

##### 4.7.2 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.

#### 4.8 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.

## Notes to the Financial Statements (cont'd)

## 5. Property, plant and equipment

Group	Vessels RM	Vessel equipment and docking expenses RM	Land, Buildings, and what* RM	Equipment, furniture and fittings RM	Plant and machinery RM	Motor vehicles RM	Capital work-in- progress RM	Total RM
<b>Cost</b>								
At 1 January 2022	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
Acquisition of a subsidiary	13,870,000	23,874	-	44,360	-	490,000	-	14,428,234
Additions	-	100,803	807,574	63,151	-	76,179	-	1,047,707
Disposals	-	-	-	(23,176)	-	-	-	(23,176)
Written off	-	-	-	(40,498)	-	-	-	(40,498)
Exchange rate difference	15,708,960	127,084	1,438	41,220	-	1,163	-	15,879,865
At 31 December 2023	<b>671,410,927</b>	<b>8,164,456</b>	<b>82,604,468</b>	<b>7,571,612</b>	<b>38,659,404</b>	<b>2,863,580</b>	<b>-</b>	<b>811,274,447</b>

## 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
<b>Accumulated depreciation</b>								
At 1 January 2022	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
Acquisition of subsidiary	4,320,076	6,018	-	15,011	-	178,350	-	4,519,455
Charge for the financial year	28,259,153	197,720	1,997,316	67,673	370,543	97,829	-	30,990,234
Disposals	-	-	-	(23,174)	-	-	-	(23,174)
Written off	-	-	-	(40,474)	-	-	-	(40,474)
Exchange rate difference	6,737,976	108,518	1,071	40,458	-	341	-	6,888,364
At 31 December 2023	<b>390,206,821</b>	<b>4,184,360</b>	<b>38,994,071</b>	<b>7,393,576</b>	<b>38,278,638</b>	<b>2,556,131</b>	<b>-</b>	<b>481,613,597</b>



## 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
<b>Accumulated impairment</b>								
At 1 January 2022	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	(3,359,720)	-	-	-	-	-	-	(3,359,720)
Disposal	(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
Exchange rate difference	1,330,282	-	-	-	-	-	-	1,330,282
At 31 December 2023	<b>50,119,569</b>	<b>39,319</b>	<b>2,356,429</b>	<b>-</b>	<b>9,512</b>	<b>-</b>	<b>-</b>	<b>52,524,829</b>
<b>Net carrying amount</b>								
At 31 December 2023	<b>231,084,537</b>	<b>3,940,777</b>	<b>41,253,968</b>	<b>178,036</b>	<b>371,254</b>	<b>307,449</b>	<b>-</b>	<b>277,136,021</b>
At 31 December 2022	242,153,064	4,001,272	42,443,343	152,473	741,797	16,627	-	289,508,576

## 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
<b>Cost</b>				
At 1 January 2022	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
Addition	807,574	-	-	807,574
Exchange rate difference	-	-	1,438	1,438
At 31 December 2023	<b>46,029,142</b>	<b>5,006,303</b>	<b>31,569,023</b>	<b>82,604,468</b>
<b>Accumulated depreciation</b>				
At 1 January 2022	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
Charge for the financial year	896,181	170,059	931,076	1,997,316
Exchange rate difference	-	-	1,071	1,071
At 31 December 2023	<b>15,563,777</b>	<b>3,809,831</b>	<b>19,620,463</b>	<b>38,994,071</b>
<b>Accumulated impairment</b>				
At 1 January 2022/ 31 December 2022/ 31 December 2023	-	-	2,356,429	2,356,429
<b>Net carrying amount</b>				
At 31 December 2023	<b>30,465,365</b>	<b>1,196,472</b>	<b>9,592,131</b>	<b>41,253,968</b>
At 31 December 2022	30,553,972	1,366,531	10,522,840	42,443,343

## Notes to the Financial Statements (cont'd)

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

Company	Signboard RM	Office equipment RM	Total RM
<b>Cost</b>			
At 1 January 2022/ 31 December 2022/ 31 December 2023	7,390	13,720	21,110
<b>Accumulated depreciation</b>			
At 1 January 2022	7,389	11,306	18,695
Charge for the financial year	-	934	934
At 31 December 2022	7,389	12,240	19,629
Charge for the financial year	-	934	934
At 31 December 2023	<b>7,389</b>	<b>13,174</b>	<b>20,563</b>
<b>Net carrying amount</b>			
At 31 December 2023	<b>1</b>	<b>546</b>	<b>547</b>
At 31 December 2022	1	1,480	1,481

Details of lands are analysed as follows:

	2023 RM	Group 2022 RM
Freehold land	5,360,549	5,360,549
Long term leasehold land	24,171,390	24,467,296
Short term leasehold land	933,426	726,127
	<b>30,465,365</b>	<b>30,553,972</b>

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 20 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, there is no further impairment required. In prior year, an impairment loss of RM3,117,963 was recognised, which determined using fair value, based on the net selling price expected to be received for similar assets.

The reversal of RM3,359,720 for impairment of a vessel was recognised in prior year as a result of the recoverable amounts determined using fair value was 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 banking facilities granted to the Group as disclosed in Note 16 to the Financial Statements are as follows:

	Group	
	2023 RM	2022 RM
Vessels	76,862,538	71,612,191
Freehold land	4,356,559	2,596,928
Leasehold land	21,251,768	22,986,955
	<b>102,470,865</b>	<b>97,196,074</b>

### 6. Subsidiaries

#### 6.1 Investment in subsidiaries

	Company	
	2023 RM	2022 RM
Unquoted shares, at cost:		
- Ordinary shares	215,128,172	211,813,172
- Redeemable convertible preference shares	167,845,750	167,845,750
	<b>382,973,922</b>	379,658,922
Less: Accumulated impairment losses		
At beginning of financial year	<b>(121,191,005)</b>	(136,365,554)
Recognised	<b>(2,228,630)</b>	-
Written off due to subsidiaries struck off	-	15,174,549
At end of financial year	<b>(123,419,635)</b>	(121,191,005)
	<b>259,554,287</b>	258,467,917

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.

The Company conducted an impairment review of its investment in subsidiaries at the reporting date, which had impairment indicators. The current year's impairment amounting to RM2,228,630 is recognised as a result of the review which involved comparison of its recoverable amount which was determined based on fair value.

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

## 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:

Name of subsidiaries	Principal place of business	Principal activities	Effective equity interest	
			2023 %	2022 %
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
Era Sureway Sdn. Bhd.	Malaysia	Chartering of marine vessels	51	-
<b>Subsidiary of Era Surplus Sdn. Bhd.</b>				
Seasten Sdn. Bhd.	Malaysia	Vessel owner and operator	100	100
<b>Subsidiary of Midas Choice Sdn. Bhd.</b>				
Sea Legend Shipping Sdn. Bhd.	Malaysia	Investment holding	100	100
<b>Subsidiary of Sea Legend Shipping Sdn. Bhd.</b>				
Mitra Angkasa Sdn. Bhd.	Malaysia	Chartering of marine vessels	100	100
<b>Subsidiary of Sealink Engineering and Slipway Sdn. Bhd.</b>				
Baram Moulding Industries Sdn. Bhd.	Malaysia	Letting of properties	100	100
<b>Subsidiary of Sealink Pacific Sdn. Bhd.</b>				
Bristol View Sdn. Bhd.	Malaysia	Property holding	100	100
<b>Subsidiary of Sealink Shipyard Sdn. Bhd.</b>				
Aliran Saksama Sdn. Bhd.	Malaysia	Letting of properties	100	100
<b>Subsidiaries of Sealink Offshore (L) Ltd.</b>				
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

## Notes to the Financial Statements (cont'd)

### 6. Subsidiaries (cont'd)

#### 6.1 Investment in subsidiaries (cont'd)

##### Acquisition of a subsidiary

On 27 January 2023, the Company has acquired additional 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.

The fair value of the net assets acquired resulted in gain on bargain purchase which has been recognised in the profit or loss and the effect of the acquisition on the financial position of the Group as at the date of acquisition is as follows:

	2023 RM
Property, plant and equipment	9,908,779
Inventories	507,332
Trade receivables	11,482,275
Other receivables	7,112,256
Cash and bank balances	5,855,515
Lease liabilities	(190,036)
Term loan	(5,264,752)
Deferred tax liabilities	(625,406)
Trade payables	(5,337,253)
Other payables	(14,591,770)
Current tax payable	(694,243)
	<hr/>
Net assets acquired	8,162,697
Non-controlling interests	(3,999,723)
Bargain purchase	(847,978)
Loss on measurement	748,215
Fair value of investment in a joint venture	(3,333,563)
Share of gain of a joint venture	(339,648)
	<hr/>
Total Purchase consideration	390,000
Less: Cash and cash equivalents acquired	(5,855,515)
	<hr/>
Net cash inflow from acquisition	<u>(5,465,515)</u>

##### Impact of acquisition on the Statements of Profit or Loss and Other Comprehensive Income

From the date of acquisition, acquired subsidiary has contributed RM76,313,106 and RM4,241,104 to the Group's revenue and profit for the financial year respectively. If the combination had taken place at the beginning of the financial year, the Group's revenue and loss for the financial year from its continuing operations would have been RM111,844,874 and RM1,064,300 respectively.

There was no acquisition in the prior year.

## Notes to the Financial Statements (cont'd)

## 6. Subsidiaries (cont'd)

## 6.1 Investment in subsidiaries (cont'd)

## Non-controlling interests

Details of the Company's subsidiary that have material non-controlling interests at the reporting date are as follows:-

Name of subsidiary	Proportion of ownership interest held by non-controlling interests		Profit allocated to non-controlling interests		Carrying amount of non-controlling interests	
	2023	2022	2023	2022	2023	2022
	%	%	RM	RM	RM	RM
Era Sureway Sdn. Bhd.	49	-	2,078,141	-	6,077,864	-

The summary of financial information before intra-group elimination for the Company's subsidiary that has material non-controlling interests is as below:-

	Era Sureway Sdn. Bhd. RM
<b>2023</b>	
<b>Financial position as at reporting date</b>	
Non-current assets	9,053,126
Current assets	21,274,588
Non-current liabilities	(2,106,106)
Current liabilities	(15,817,802)
Net assets	<u>12,403,806</u>
<b>Summary of financial performance for the financial year</b>	
Net profit/total comprehensive income for the financial year	<u>4,241,104</u>
Included in the net profit/total comprehensive income is:	
Revenue	76,313,106
Depreciation	(757,525)
Interest income	34,330
Interest expense	(286,687)
Tax expense	<u>(1,676,311)</u>
<b>Summary of cash flows for the financial year</b>	
Net cash inflows from operating activities	8,518,701
Net cash outflows from financing activities	<u>(4,098,395)</u>
Net cash inflows	<u>4,420,306</u>

## Notes to the Financial Statements (cont'd)

### 6. Subsidiaries (cont'd)

#### 6.2 Amount due from/to subsidiaries

	Company	
	2023 RM	2022 RM
<u>Non-current</u>		
Amount due from subsidiaries	137,080,800	91,981,179
Less: Allowance for expected credit losses		
At beginning of financial year	(25,626,256)	(18,679,116)
Recognised	-	(6,947,140)
Recovered	3,807,575	-
At end of financial year	(21,818,681)	(25,626,256)
	<b>115,262,119</b>	66,354,923
<u>Current</u>		
Amount due from subsidiaries	7,974,748	62,992,216
Less: Allowance for expected credit losses		
At beginning of financial year	(4,891,481)	(5,748,445)
Recognised	(30,798)	-
Recovered	-	856,964
At end of financial year	(4,922,279)	(4,891,481)
	<b>3,052,469</b>	58,100,735
Total amount due from subsidiaries	<b>118,314,588</b>	124,455,658
<u>Non-current</u>		
Amount due to subsidiaries	3,086,267	8,746,561
<u>Current</u>		
Amount due to subsidiaries	11,951,584	13,137,454
Total amount due to subsidiaries	<b>15,037,851</b>	21,884,015

Amount due from subsidiaries is unsecured, non-interest bearing and receivable on demand except for an amount of RM56,714,298 (2022: RM62,141,799) which bears interest rate at 3.37% (2022: 2.98%) per annum.

Amount due to subsidiaries is unsecured, non-interest bearing and payable on demand except for an amount of RM5,604,737 (2022: RM12,800,762) which bears interest rate at 3.37% (2022: 2.98%) per annum.



## Notes to the Financial Statements (cont'd)

**7. Associate****7.1 Investment in an associate**

	2023 RM	Group 2022 RM
Unquoted shares, at cost	-	3,500,000
Less: Accumulated impairment loss		
At beginning of financial year	<b>(3,500,000)</b>	(3,500,000)
Reversal upon disposal	<b>3,500,000</b>	-
	-	(3,500,000)
At end of financial year	-	-

Details of the associate is as follows:

Name of associate	Principal place of business	Principal activities	Effective equity interest	
			2023 %	2022 %
<b>Sea Legend Shipping Sdn. Bhd.</b>				
Logistine Sdn. Bhd. *^	Malaysia	Providing offshore support vessels, equipment and engineering consultation for oil and gas activities.	-	25

\* Audited by a firm other than Grant Thornton Malaysia PLT

^ Disposed for a cash consideration of RM20 during the financial year.

**7.2 Amount due from an associate**

	2023 RM	Group 2022 RM
Non-trade	-	11,065,437
Less: Allowance for expected credit losses		
At beginning of financial year	<b>(11,065,437)</b>	(11,065,437)
Written off	<b>11,065,437</b>	-
At end of financial year	-	(11,065,437)
Amount due from an associate, net	-	-

In prior year, amount due from an associate was 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Unquoted shares, at cost:				
- Ordinary shares	-	634,359	-	634,359
Share of post-acquisition reserves	-	2,699,204	-	-
	-	3,333,563	-	634,359

Details of the joint venture are as follows:

Name of joint venture	Principal place of business	Principal activity	Effective equity interest	
			2023 %	2022 %
Era Sureway Sdn. Bhd.	Malaysia	Chartering of marine vessels	-	45

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

	2023 RM	2022 RM
<b>Financial position as at 31 December</b>		
Non-current assets	-	9,973,076
Current assets	-	22,411,960
Non-current liabilities	-	(4,131,996)
Current liabilities	-	(20,866,606)
<b>Summary of financial performance for the financial year ended 31 December</b>		
Net profit/total comprehensive income for the financial year	-	2,825,891
Included in net profit/total comprehensive income:		
Revenue	-	55,637,798
Depreciation and amortisation	-	(917,274)
Interest income	-	35,141
Interest expense	-	(463,161)
Tax expense	-	(1,400,858)

## Notes to the Financial Statements (cont'd)

**8. Joint venture (cont'd)****8.2 Amount due from a joint venture**

	2023 RM	Group 2022 RM
<u>Non-current</u>		
- Non-trade	-	3,454,988
<u>Current</u>		
- Trade	-	10,153,527
- Non-trade	-	1,986,145
	-	12,139,672
	-	15,594,660

In prior year, amount due from a joint venture was unsecured, non-interest bearing and receivable on demand except for non-trade amount of RM5,429,276 which of fixed term of repayment with effective interest rate charged at 6.95% per annum.

**9. Fixed deposits with licensed banks**

The fixed deposits with licensed banks of the Group amounting to RM2,689,072 (2022: RM1,283,845) are pledged to the licensed banks for term loan and bank guarantee issued on behalf of the Group to third party for business purposes.

The Group effective interest rates of fixed deposits range from 1.85% to 2.75% (2022: 1.50% to 2.85%) with maturity period range from 30 to 360 days (2022: 30 to 365 days) respectively.

**10. Inventories**

	2023 RM	Group 2022 RM
At costs:		
Parts, materials and consumables	5,207,846	5,303,351
Machinery and equipment	20,324	345,190
	5,228,170	5,648,541
Recognised in profit or loss:		
Inventories recognised as cost of sales	6,349,930	8,519,061
Inventories written down	172,357	-

## Notes to the Financial Statements (cont'd)

### 11. Contract costs

	Group	
	2023 RM	2022 RM
Repair and maintenance works	<b>523,046</b>	169,146

### 12. Trade receivables

	Group	
	2023 RM	2022 RM
Trade receivables	<b>18,708,312</b>	5,974,680
Less: Allowance for expected credit losses		
At beginning of financial year	<b>(3,462,119)</b>	(3,624,959)
Recognised	-	(369,197)
Acquisition of a subsidiary	<b>(239,640)</b>	-
Reversal	<b>236,808</b>	532,037
Foreign currency translation differences	<b>(6,135)</b>	-
At end of financial year	<b>(3,471,086)</b>	(3,462,119)
	<b>15,237,226</b>	2,512,561

Trade receivables are non-interest bearing and generally on 30 days (2022: 30 days) terms.

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

### 13. Other receivables

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-trade receivables	<b>3,357,665</b>	3,209,730	<b>715,241</b>	699,527
Less: Allowance for expected credit losses				
At beginning of financial year	<b>(181,205)</b>	(181,205)	-	-
Recovered	<b>11,947</b>	-	-	-
At end of financial year	<b>(169,258)</b>	(181,205)	-	-
	<b>3,188,407</b>	3,028,525	<b>715,241</b>	699,527
Refundable deposits	<b>440,885</b>	372,904	<b>3,340</b>	3,000
Prepayments	<b>1,302,237</b>	730,904	-	-
	<b>4,931,529</b>	4,132,333	<b>718,581</b>	702,527

## Notes to the Financial Statements (cont'd)

## 14. Asset held for sale

	2023 RM	Group	2022 RM
Condominium	-		577,113

During the financial year, the Group had entered into a Sales and Purchase Agreement with a third party to dispose a condominium for a total cash consideration of RM435,000. The transaction was completed in the current financial year.

## 15. Share capital

	Group and Company			
	Number of shares		Amount	
	2023 units	2022 units	2023 RM	2022 RM
<b>Issued and fully paid with no par value</b>				
At 1 January/31 December	<b>500,000,000</b>	500,000,000	<b>329,086,883</b>	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

	2023 RM	Group	2022 RM
<b>Secured:</b>			
<u>Non-current</u>			
Term loans	<b>2,024,782</b>		9,799,683
<u>Current</u>			
Bank overdraft	<b>14,362,862</b>		17,553,879
Revolving credits	<b>17,500,000</b>		22,014,580
Term loans	<b>8,165,875</b>		8,931,559
	<b>40,028,737</b>		48,500,018
	<b>42,053,519</b>		58,299,701

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

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

## Notes to the Financial Statements (cont'd)

### 16. Borrowings (cont'd)

The effective interest rates of borrowings are as follows:

	Group	
	2023 %	2022 %
Bank overdraft	5.35 – 8.39	5.10 – 8.14
Revolving credits	5.06 – 5.67	3.81 – 5.29
Term loans	5.99 – 8.70	5.99 – 7.33

### 17. Deferred tax liabilities

	Group	
	2023 RM	2022 RM
At beginning of financial year	9,971,669	11,494,930
Acquisition of a subsidiary	625,406	-
Recognised in profit or loss	(2,341,514)	(1,523,261)
At end of financial year	8,255,561	9,971,669

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 2022	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
Acquisition of a subsidiary	625,406	-	-	-	625,406
Recognised in profit or loss	(6,492,808)	(333,450)	4,484,744	-	(2,341,514)
At 31 December 2023	24,579,970	(8,497,163)	(7,141,778)	(685,468)	8,255,561

### 18. Other payables

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Non-current</u>				
Non-trade payables	12,700,000	13,870,000	12,700,000	13,870,000
<u>Current</u>				
Non-trade payables	22,459,842	17,535,298	6,803,110	6,125,952
Accruals	10,892,928	7,613,619	796,550	1,161,966
Deposits received	523,262	13,000	-	-
Service tax payable	2,730	6,034	-	-
	33,878,762	25,167,951	7,599,660	7,287,918
	46,578,762	39,037,951	20,299,660	21,157,918

## Notes to the Financial Statements (cont'd)

### 18. Other payables (cont'd)

Included in non-trade payables of the Group is an amount of RM10,040,786 (2022: RM9,784,325) 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 RM19,448,910 (2022: RM19,446,956) due to a corporate shareholder with interest bearing at 4.50% (2022: 4.50%) per annum and payable within the tenor of 63 months (2022: 36 months).

### 19. Trade payables

#### Group

Trade payables are non-interest bearing with normal credit term granted range from 30 to 90 days (2022: 30 to 90 days) term.

### 20. Right-of-use assets and lease liabilities

#### As a lessee

The Group has lease contracts for land, buildings, motor vehicles and office equipment. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The leases are generally having lease terms of 3 to 60 years (2022: 3 to 60 years).

#### 20.1 Right-of-use assets

Group Cost	Leasehold lands RM	Buildings RM	Motor vehicle RM	Office equipment RM	Total RM
At 1 January 2022	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
Additions	807,574	-	-	-	807,574
Acquisition of a subsidiary	-	-	490,000	-	490,000
Exchange rate difference	-	1,438	-	-	1,438
At 31 December 2023	<b>40,668,593</b>	<b>243,278</b>	<b>490,000</b>	<b>14,400</b>	<b>41,416,271</b>
<b>Accumulated depreciation</b>					
At 1 January 2022	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
Charge for the year	896,181	9,102	91,151	1,440	997,874
Acquisition of a subsidiary	-	-	178,350	-	178,350
Exchange rate difference	-	1,071	-	-	1,071
At 31 December 2023	<b>15,563,777</b>	<b>243,278</b>	<b>269,501</b>	<b>9,720</b>	<b>16,086,276</b>

## Notes to the Financial Statements (cont'd)

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

## 20.1 Right-of-use assets (cont'd)

Group	Leasehold lands RM	Buildings RM	Motor vehicle RM	Office equipment RM	Total RM
<b>Net carrying amount</b>					
At 31 December 2023	<b>25,104,816</b>	-	<b>220,499</b>	<b>4,680</b>	<b>25,329,995</b>
At 31 December 2022	25,193,423	8,735	-	6,120	25,208,278

## 20.2 Lease liabilities

	Group	
	2023 RM	2022 RM
<u>Current</u>		
Less than 1 year	<b>51,602</b>	9,611

The lease liabilities bear interest at rates ranging from 2.15% to 5% (2022: 5%) per annum.

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

	Group	
	2023 RM	2022 RM
At beginning of financial year	<b>9,611</b>	28,969
Acquisition of a subsidiary	<b>190,036</b>	-
Accretion of interest	<b>4,966</b>	800
Payments	<b>(153,931)</b>	(21,036)
Exchange rate difference	<b>920</b>	878
At end of financial year	<b>51,602</b>	9,611

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Depreciation of right-of-use assets	<b>997,874</b>	861,278	-	-
Interest expense on lease liabilities	<b>4,966</b>	800	-	-
Expense relating to short-term leases	<b>638,659</b>	598,043	<b>20,040</b>	18,000
Expense relating to leases of low-value assets	<b>3,056</b>	3,238	-	-



## Notes to the Financial Statements (cont'd)

## 21. Revenue

## 21.1 Type of revenue

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Revenue from other sources</b>				
Charter hire fees	88,993,971	55,580,167	-	-
Berthing fees	695,641	-	-	-
Dividend income	-	-	-	32,756,000
	<b>89,689,612</b>	55,580,167	-	32,756,000
<b>Revenue from contract with customers</b>				
Ship repair income	1,395,644	1,259,467	-	-
Vessels sundry income	9,214,242	7,863,856	-	-
Sale of services	6,061,198	591,842	-	-
Management fees	-	-	1,679,141	1,501,373
	<b>16,671,084</b>	9,715,165	<b>1,679,141</b>	1,501,373
	<b>106,360,696</b>	65,295,332	<b>1,679,141</b>	34,257,373
<b>Timing of recognition</b>				
Satisfied at a point in time	15,300,663	8,693,965	-	-
Satisfied over time	1,370,421	1,021,200	1,679,141	1,501,373
	<b>16,671,084</b>	9,715,165	<b>1,679,141</b>	1,501,373

## 21.2 Contract balances

	Group	
	2023 RM	2022 RM
At beginning of the year	335,733	651,281
Revenue recognised during the year	3,115,042	3,997,336
Progress billing issued during the year	(2,659,749)	(4,312,884)
At end of the year	<b>791,026</b>	335,733
Analysed as follows:		
- Contract assets	1,381,254	355,588
- Contract liabilities	(590,228)	(19,855)
	<b>791,026</b>	335,733

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 (2022: 30) days and payment is expected within 90 (2022: 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 (2022: 90) days.

## Notes to the Financial Statements (cont'd)

## 22. Other income and other operating expenses

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Other income</u>				
Gain on disposal of property, plant and equipment	298	1,260,467	-	-
Gain on foreign exchanges				
- Realised	48,891	565,328	-	-
- Unrealised	681,548	-	2,180,405	2,510,862
Rental income	160,320	162,000	-	-
Accounting fee	-	-	48,000	48,000
Sundry income	316,979	420,564	-	-
Discount received	101	-	-	-
Bargain purchase arising from acquisition of a subsidiary	847,978	-	-	-
Gain on remeasurement of acquisition of a subsidiary	-	-	2,290,641	-
	<b>2,056,115</b>	2,408,359	<b>4,519,046</b>	2,558,862
<u>Other operating expenses</u>				
Loss on disposal of investment in an associate	3,499,980	-	-	-
Loss on disposal of assets held for sale	142,113	-	-	-
Inventories written down	172,357	-	-	-
Loss on subsidiaries struck off	-	-	-	1,416
Loss on remeasurement of acquisition of a subsidiary	748,215	-	-	-
Others	-	37,595	-	-
	<b>4,562,665</b>	37,595	-	1,416

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Financial assets</u>				
<b>Impairment loss on:-</b>				
- Trade receivables	-	(369,197)	-	-
- Amount due from subsidiaries	-	-	(30,798)	(6,947,140)
	-	(369,197)	(30,798)	(6,947,140)
<b>Reversal of impairment loss on:-</b>				
- Trade receivables	236,808	532,037	-	-
- Other receivables	11,947	-	-	-
- Amount due from subsidiaries	-	-	3,807,575	856,964
	<b>248,755</b>	532,037	<b>3,807,575</b>	856,964

## Notes to the Financial Statements (cont'd)

**23. Net impairment loss on financial assets and non-financial assets (cont'd)**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Non-financial assets</u>				
<b>Impairment loss on:-</b>				
- Property, plant and equipment	-	(3,117,963)	-	-
- Investment in subsidiaries	-	-	<b>(2,228,630)</b>	-
	-	(3,117,963)	<b>(2,228,630)</b>	-
<b>Reversal of impairment loss on:-</b>				
- Property, plant and equipment	-	3,359,720	-	-
- Investment in an associate	<b>3,500,000</b>	-	-	-
	<b>3,500,000</b>	3,359,720	-	-

**24. Finance income**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest income from:				
- Current account	<b>52,143</b>	5,095	<b>727</b>	228
- Short term deposits	<b>51,738</b>	25,611	-	-
- Joint venture	<b>31,440</b>	451,656	-	-
- Subsidiaries	-	-	<b>3,273,332</b>	2,838,318
- Financial institution	<b>22,674</b>	-	-	-
- Others	<b>23,006</b>	17,410	-	-
	<b>181,001</b>	499,772	<b>3,274,059</b>	2,838,546

**25. Finance costs**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expenses on:				
- Term loans	<b>858,818</b>	1,769,484	-	-
- Bank overdraft	<b>1,309,191</b>	1,246,439	-	-
- Revolving credits	<b>925,233</b>	997,604	-	-
- Lease liabilities	<b>4,966</b>	800	-	-
- Subsidiaries	-	-	<b>500,701</b>	1,500,367
- Corporate shareholder	<b>1,020,329</b>	718,807	<b>1,020,329</b>	718,807
- Unwinding discounts	-	-	<b>4,165,948</b>	-
	<b>4,118,537</b>	4,733,134	<b>5,686,978</b>	2,219,174

## Notes to the Financial Statements (cont'd)

### 26. (Loss)/profit before tax

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration related to:				
Statutory audits				
- Grant Thornton Malaysia PLT	195,000	180,000	45,000	41,000
- Other auditors	12,019	38,468	-	-
Assurance-related services:				
- Grant Thornton Malaysia PLT	5,000	5,000	5,000	5,000
Other services:				
- Grant Thornton Malaysia PLT and its member firms	62,400	3,500	4,800	3,500

### 27. Tax expense/(income)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax:				
- Current year	3,158,506	580,110	340,832	151,535
- Under/(over) provision in prior year	24,334	(50,167)	323	-
	<b>3,182,840</b>	529,943	<b>341,155</b>	151,535
Deferred tax:				
- Current year	(1,082,702)	(1,515,400)	-	-
- Over provision in prior year	(1,258,812)	(7,861)	-	-
	<b>(2,341,514)</b>	(1,523,261)	-	-
Total tax expenses/(income)	<b>841,326</b>	(993,318)	<b>341,155</b>	151,535

Malaysian income tax is calculated at the statutory rate of 24% (2022: 24%) of the estimated taxable profits for the financial year.

## Notes to the Financial Statements (cont'd)

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

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	
	2023 RM	2022 RM	2023 RM	2022 RM
(Loss)/profit before tax	<b>(899,484)</b>	(21,168,219)	<b>2,498,978</b>	28,404,582
Tax at statutory tax rate of 24%	<b>(215,876)</b>	(5,080,373)	<b>599,755</b>	6,817,100
Tax effect in respect of:				
Expenses not deductible for tax purposes	<b>4,320,329</b>	7,473,469	<b>264,374</b>	1,664,976
Income not subject to tax	<b>(548,141)</b>	(1,546,614)	<b>(523,297)</b>	(8,245,272)
Tax saving and exemption under foreign subsidiaries	<b>(25,152)</b>	-	-	-
Movement of deferred tax assets not recognised	<b>(1,373,840)</b>	(1,476,576)	-	(85,269)
Under/(over) provision in prior year				
- current tax	<b>24,334</b>	(50,167)	<b>323</b>	-
- deferred tax	<b>(1,258,812)</b>	(7,861)	-	-
Share of results of a joint venture	<b>(81,516)</b>	(305,196)	-	-
Total tax expenses/(income)	<b>841,326</b>	(993,318)	<b>341,155</b>	151,535

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unabsorbed tax losses	<b>69,951,010</b>	76,378,258	-	-
Unabsorbed capital allowances	<b>15,776,101</b>	15,073,185	-	-
	<b>85,727,111</b>	91,451,443	-	-

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 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 (2022: 10) consecutive years. Upon expiry of the 10 (2022: 10) years, the unabsorbed tax losses will be disregarded.

## Notes to the Financial Statements (cont'd)

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

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
- Year of assessment 2028	<b>52,488,186</b>	58,100,144	-	-
- Year of assessment 2029	<b>3,978,261</b>	4,795,616	-	-
- Year of assessment 2030	<b>4,125,824</b>	5,232,204	-	-
- Year of assessment 2031	<b>3,491,638</b>	4,337,832	-	-
- Year of assessment 2032	<b>3,073,839</b>	3,912,462	-	-
- Year of assessment 2033	<b>2,793,262</b>	-	-	-
	<b>69,951,010</b>	76,378,258	-	-

### 28. Loss per share

Basic 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	
	2023	2022
Net loss for the financial year attributable to ordinary equity holders of the Company (RM)	<b>(3,818,951)</b>	(20,174,901)
Weighted average number of ordinary shares in issue (unit)	<b>500,000,000</b>	500,000,000
Basic loss per share (sen)	<b>(0.76)</b>	(4.03)

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

### 29. Employee benefits expense

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, wages and other emoluments	<b>19,357,472</b>	14,892,687	<b>1,875,017</b>	1,719,768
Social security contributions	<b>233,118</b>	193,381	<b>15,717</b>	12,621
Defined contribution plan	<b>1,764,402</b>	1,462,491	<b>210,259</b>	198,664
Other benefits	<b>54,876</b>	14,335	-	-
	<b>21,409,868</b>	16,562,894	<b>2,100,993</b>	1,931,053

## Notes to the Financial Statements (cont'd)

**29. Employee benefits expense (cont'd)**

Included in abovementioned is the Directors' remuneration as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Directors of the Company</b>				
<u>Executive</u>				
Salaries, wages and other emoluments	<b>821,789</b>	738,141	<b>6,716</b>	6,091
Fees	<b>22,000</b>	22,000	<b>22,000</b>	22,000
Defined contribution plan	<b>66,863</b>	63,332	<b>792</b>	720
	<b>910,652</b>	823,473	<b>29,508</b>	28,811
<u>Non-executive</u>				
Fees	<b>303,000</b>	293,000	<b>303,000</b>	293,000
	<b>1,213,652</b>	1,116,473	<b>332,508</b>	321,811
<b>Directors of subsidiaries</b>				
Salaries and other emoluments	<b>716,734</b>	296,976	-	-
Defined contribution plan	<b>2,943</b>	2,260	-	-
Fees	<b>6,697</b>	-	-	-
Commission	<b>1,203,050</b>	-	-	-
	<b>1,929,424</b>	299,236	-	-
Total Directors' remuneration	<b>3,143,076</b>	1,415,709	<b>332,508</b>	321,811

**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	
	2023 RM	2022 RM	2023 RM	2022 RM
Transactions with subsidiaries				
- Dividend income	-	-	-	(32,756,000)
- Management fee	-	-	<b>(1,679,141)</b>	(1,501,373)
- Interest income	-	-	<b>(3,273,332)</b>	(2,838,318)
- Interest expenses	-	-	<b>500,701</b>	1,500,367
Transaction with a related company				
- Rental expenses	-	-	<b>20,040</b>	18,000

## Notes to the Financial Statements (cont'd)

### 30. Related party disclosures (cont'd)

#### 30.1 Related party transactions (cont'd)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Transactions with companies in which certain Directors have interest				
- Charter hire fee	-	210,000	-	-
- Rental expenses	-	187,800	-	-
- Legal and professional fees	<b>3,320</b>	13,365	-	-
Transactions with a joint venture				
- Accounting fee	-	-	<b>(3,355)</b>	(48,000)
- Administrative income	<b>(7,018)</b>	(65,847)	-	-
- Charter hire fees	<b>1,438,826</b>	37,974,843	-	-
- Ship management income	<b>(24,893)</b>	(318,000)	-	-
- Repair and maintenance	-	17,456	-	-
- Rental income	<b>(1,401)</b>	(18,000)	-	-
- Demobilisation fees	-	1,352,700	-	-
- Interest income	<b>(31,440)</b>	(451,656)	-	-
Transactions with corporate shareholder				
- Interest expense	<b>1,020,329</b>	718,807	<b>1,020,329</b>	718,807

#### 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 18 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.

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, wages and other emoluments	<b>2,435,377</b>	1,915,274	<b>590,073</b>	571,248
Social security contributions	<b>832</b>	720	-	-
Defined contribution plan	<b>133,980</b>	127,764	<b>64,966</b>	62,892
Commission	<b>1,203,050</b>	-	-	-
	<b>3,773,239</b>	2,043,758	<b>655,039</b>	634,140



## Notes to the Financial Statements (cont'd)

### 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 were 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
<b>2023</b>						
External revenue		99,713,283	6,647,413	-	-	106,360,696
Inter segment revenue	(i)	73,282,898	4,291,708	1,757,141	(79,331,747)	-
Total revenue		<b>172,996,181</b>	<b>10,939,121</b>	<b>1,757,141</b>	<b>(79,331,747)</b>	<b>106,360,696</b>
Depreciation of property, plant and equipment		(30,932,100)	(1,886,567)	(327,116)	2,155,549	(30,990,234)
Interest expense		(120,466)	(2,338,178)	(6,172,432)	4,512,539	(4,118,537)
Interest income		758,832	526,799	3,406,153	(4,510,783)	181,001
Share of gain of a joint venture		(339,648)	-	-	-	(339,648)
Tax income/(expenses)		(417,810)	(67,397)	(356,119)	-	(841,326)
Other non-cash (expenses)/ income	(ii)	(975,445)	(447,049)	5,680,416	(99,763)	4,158,159
Net profit/(loss) for the financial year	(iii)	<b>2,411,029</b>	<b>(4,174,364)</b>	<b>1,640,982</b>	<b>(1,618,457)</b>	<b>(1,740,810)</b>
Additions to non-current assets: - Property, plant and equipment		516,495	531,212	-	-	1,047,707
Segment assets	(iv)	<b>364,315,405</b>	<b>50,101,258</b>	<b>394,427,745</b>	<b>(481,150,898)</b>	<b>327,693,510</b>
Segment liabilities	(v)	<b>256,259,719</b>	<b>53,007,986</b>	<b>48,147,914</b>	<b>(252,342,569)</b>	<b>105,073,050</b>

## Notes to the Financial Statements (cont'd)

## 31. Operating segment (cont'd)

## Business segment (cont'd)

Group (cont'd) 2022	Note	Chartering RM	Shipbuilding RM	Others RM	Elimination RM	Consolidated RM
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
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 (loss)/profit 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

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:

	2023 RM	2022 RM
Impairment loss on:		
- trade receivables	-	(369,197)
- property, plant and equipment	-	(3,117,963)
Inventories written down	(172,357)	-
Reversal of impairment loss on:		
- trade receivables	236,808	532,037
- other receivables	11,947	-
- property, plant and equipment	-	3,359,720
- investment in an associate	3,500,000	-
Property, plant and equipment written off	(24)	-
Unrealised gain/(loss) on foreign exchange	681,548	(775,726)
Bargain purchase arising from acquisition of a subsidiary	(847,978)	-
Loss on remeasurement of acquisition of a subsidiary	748,215	-
	4,158,159	(371,129)

## 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):

- (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.

	2023 RM	2022 RM
Profit from inter-segment sales	(1,772,499)	(34,789,515)
Bargain purchase arising from acquisition of a subsidiary	847,978	-
Gain on remeasurement of acquisition of a subsidiary	(3,038,856)	-
Impairment loss in amount due from subsidiaries	30,798	6,947,140
Impairment loss in investment in subsidiary	2,228,630	-
Reversal of impairment loss on amount due from subsidiaries	(3,807,575)	(856,964)
Unallocated corporate expenses	3,891,311	3,222,721
Finance costs	1,756	5,468
	<b>(1,618,457)</b>	<b>(25,471,150)</b>

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

	2023 RM	2022 RM
Inter-segment assets	(2,492,633)	(481,381)
Investment in subsidiaries	(263,864,312)	(262,777,942)
Amount due from inter companies	(214,793,953)	(220,593,089)
	<b>(481,150,898)</b>	<b>(483,852,412)</b>

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

	2023 RM	2022 RM
Amount due to inter companies	(252,342,569)	(254,581,895)

## Notes to the Financial Statements (cont'd)

### 31. Operating segment (cont'd)

#### 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Malaysia	<b>106,258,272</b>	63,367,884	<b>277,129,244</b>	289,498,764
Singapore	-	31,045	<b>6,777</b>	9,812
Vietnam	<b>102,424</b>	1,896,403	-	-
	<b>106,360,696</b>	65,295,332	<b>277,136,021</b>	289,508,576

Non-current assets information presented above consist of the following items as presented in the Group's statement of financial position:

	2023 RM	2022 RM
Property, plant and equipment	<b>277,136,021</b>	289,508,576

#### 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:

	2023 RM	2022 RM
Customer A	-	9,376,063
Customer B	<b>29,303,395</b>	-
Customer C	<b>10,114,846</b>	-

### 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.

## 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:

##### (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 76% (2022: 82%) of net trade receivables are owing by 6 (2022: 4) 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.

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.

## 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)*

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

	Gross carrying amount RM	Expected credit loss RM	Net balances RM
<b>Group 2023</b>			
Not past due	7,885,191	-	7,885,191
Past due 1 to 30 days	5,084,497	-	5,084,497
Past due 61 to 90 days	241,566	-	241,566
Past due 91-120 days	788,501	-	788,501
Past due more than 121 days	1,237,471	-	1,237,471
Credit impaired	3,471,086	(3,471,086)	-
	<b>18,708,312</b>	<b>(3,471,086)</b>	<b>15,237,226</b>
Contract assets	<b>1,381,254</b>	-	<b>1,381,254</b>
<b>2022</b>			
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

##### *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 RM42,053,519 (2022: RM58,299,701), 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
<b>Group</b>				
<b>2023</b>				
<b>Secured:</b>				
Borrowings	42,053,519	42,587,280	40,547,819	2,039,461
<b>Unsecured:</b>				
Trade payables	6,460,797	6,460,797	6,460,797	-
Other payables	46,576,032	49,647,880	36,136,074	13,511,806
Lease liabilities	51,602	52,028	52,028	-
<b>Total</b>	<b>95,141,950</b>	<b>98,747,985</b>	<b>83,196,718</b>	<b>15,551,267</b>
<b>2022</b>				
<b>Secured:</b>				
Borrowings	58,299,701	59,760,096	49,528,624	10,231,472
<b>Unsecured:</b>				
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	-
<b>Total</b>	<b>106,102,956</b>	<b>109,276,058</b>	<b>84,543,302</b>	<b>24,732,756</b>
<b>Company</b>				
<b>2023</b>				
<b>Unsecured:</b>				
Other payables	20,299,660	20,822,765	7,310,959	13,511,806
Amount due to subsidiaries	15,037,851	15,037,851	11,951,584	3,086,267
<b>Total</b>	<b>35,337,511</b>	<b>35,860,616</b>	<b>19,262,543</b>	<b>16,598,073</b>
<b>2022</b>				
<b>Unsecured:</b>				
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
<b>Total</b>	<b>43,041,933</b>	<b>44,278,757</b>	<b>21,030,912</b>	<b>23,247,845</b>

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.



## 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)

	2023 RM	2022 RM
<b>Company</b>		
Financial guarantee*	<b>42,053,519</b>	58,299,701

\* 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:

<b>Group</b>	2023 RM	2022 RM
<b>Fixed rate instruments:</b>		
Financial assets		
- Fixed deposits with licensed banks	<b>2,689,072</b>	1,283,845
- Amount due from joint venture	-	5,429,276
Financial liabilities		
- Lease liabilities	<b>(51,602)</b>	(9,611)
- Other payables	<b>(19,448,910)</b>	(19,928,582)
	<b>(16,811,440)</b>	(13,225,072)
<b>Floating rate instrument:</b>		
Financial liability		
- Borrowings	<b>(42,053,519)</b>	(58,299,701)

## 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)

<b>Company</b>	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Floating rate instruments:</b>		
Financial asset		
- Amount due from subsidiaries	<b>56,714,298</b>	62,141,799
Financial liabilities		
- Amount due to corporate shareholder	<b>(19,448,910)</b>	(19,928,582)
- Amount due to subsidiaries	<b>(5,604,737)</b>	(12,800,762)
	<b>31,660,651</b>	29,412,455

##### *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.

	<b>Increase/(Decrease)</b>		<b>Increase/(Decrease)</b>	
	<b>Net loss for the</b>		<b>Net equity for the</b>	
	<b>financial year</b>		<b>financial year</b>	
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
	<b>+0.5%</b>	<b>-0.5%</b>	<b>+0.5%</b>	<b>-0.5%</b>
<b>Group</b>				
<b>Floating rate instruments</b>				
2023	<b>210,268</b>	<b>(210,268)</b>	<b>(210,268)</b>	<b>210,268</b>
2022	291,499	(291,499)	(291,499)	291,499
	<b>Increase/(Decrease)</b>		<b>Increase/(Decrease)</b>	
	<b>Net profit/(loss) for</b>		<b>Net equity for</b>	
	<b>the financial year</b>		<b>the financial year</b>	
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
	<b>+0.5%</b>	<b>-0.5%</b>	<b>+0.5%</b>	<b>-0.5%</b>
<b>Company</b>				
<b>Floating rate instruments</b>				
2023	<b>158,303</b>	<b>(158,303)</b>	<b>158,303</b>	<b>(158,303)</b>
2022	147,062	(147,062)	147,062	(147,062)

## 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

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 and the Company 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 and the Company's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting date are as follows:

	2023		2022	
	Denominated in USD RM	Denominated in SGD RM	Denominated in USD RM	Denominated in SGD RM
<b>Group</b>				
Cash and bank balances	253,101	119,466	813,592	84,139
Trade receivables	324,805	-	397,597	-
Trade payables	(201,105)	14,654	(277,423)	(8,924)
Other payables	-	(9,829,086)	-	(9,512,625)
	<b>376,801</b>	<b>(9,694,966)</b>	933,766	(9,437,410)
<b>Company</b>				
Cash and bank balances	1,596	522	1,527	574
Amount due to related companies	(5,809,890)	(3,623,225)	(5,292,497)	(3,759,531)
	<b>(5,808,294)</b>	<b>(3,622,703)</b>	(5,290,970)	(3,758,957)

##### Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's and the Company's loss/profit and equity for the financial year to a +/-5% (2022: +/-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	
	2023 RM +5%	2022 RM -5%	2023 RM +5%	2022 RM -5%
<b>Group</b>				
USD/RM				
- Strengthened	(18,840)	(46,688)	18,840	46,688
- Weakened	18,840	46,688	(18,840)	(46,688)
SGD/RM				
- Strengthened	484,748	471,871	(484,748)	(471,871)
- Weakened	(484,748)	(471,871)	484,748	471,871
<hr/>				
	Increase/(Decrease) Net profit for the financial year		Increase/(Decrease) Net equity for the financial year	
	2023 RM +5%	2022 RM -5%	2023 RM +5%	2022 RM -5%
<b>Company</b>				
USD/RM				
- Strengthened	(290,415)	264,549	(290,415)	264,549
- Weakened	290,415	(264,549)	290,415	(264,549)
SGD/RM				
- Strengthened	(181,135)	(187,948)	(181,135)	(187,948)
- Weakened	181,135	187,948	181,135	187,948

#### 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.

## Notes to the Financial Statements (cont'd)

### 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.

### 34. Significant event during the financial year and after the reporting date

On 11 October 2023, Era Surplus Sdn. Bhd. ("Era Surplus"), a wholly-owned subsidiary of the Company received an income tax assessment notice from the Inland Revenue Board ("IRB"), which imposed additional tax charges amounting to RM2,763,513 for year of assessment 2020 due to the utilisation of capital allowance associated with the acquisition of a vessel from another wholly-owned subsidiary of the Company, Sealink Offshore (L) Ltd. Era Surplus disagrees and has filed a tax appeal. As at to date, the tax appeal is still ongoing. However, Era Surplus has made payment amounting to RM987,454 in accordance with the instalments agreed with IRB and accounted as prepayment in Note 13 to the Financial Statements.

## 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 31.12.2023 (RM)
<b>SEALINK SHIPYARD SDN. BHD. 199001004286 (195853-D)</b>							
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	158,414
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	16	60	27.02.2056	16,903,717
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	15	60	31.12.2027	347,895
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	15	60	24.02.2052	1,281,085
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	54	60	31.12.2027	560,498
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	8,150,478
<b>SEALINK SDN. BHD. 197401003313 (20471-D)</b>							
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	44	60	31.12.2027	933,424

## 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 31.12.2023 (RM)
<b>SEALINK SDN. BHD. 197401003313 (20471-D)</b>							
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	69,361
<b>BARAM MOULDING INDUSTRIES SDN. BHD. 199001009301 (200873-D)</b>							
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	15	60	17.07.2058	3,010,036
<b>BRISTAL VIEW SDN. BHD. 199201021881 (253385-T)</b>							
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
<b>ALIRAN SAKSAMA SDN. BHD. 199801017076 (473205-H)</b>							
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	14	60	22.10.2067	1,759,631

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 01 April 2024

## 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	8	0.16	316	0.00
100 - 1,000	961	19.17	262,096	0.05
1,001 - 10,000	1,655	33.01	10,717,488	2.14
10,001 - 100,000	1,954	38.97	74,887,100	14.98
100,001 - 24,999,999 *	433	8.64	190,596,701	38.12
25,000,000 and above **	3	0.06	223,536,299	44.71
<b>Total</b>	<b>5,014</b>	<b>100.00</b>	<b>500,000,000</b>	<b>100.00</b>

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)	270,000	0.05	-	-
4.	Yong Nyet Yun	-	-	-	-
	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yong Nyet Yun	150,000	0.03	-	-
5.	Yong Kiam Sam	68,738,699	13.75	154,797,600 *	30.96
	<b>Total</b>	<b>69,218,699</b>	<b>13.85</b>	<b>154,797,600</b>	<b>30.96</b>

### 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	68,738,699	13.75	154,797,600	30.96
3.	Yong Foh Choi	45,716,800	9.14	177,819,499	35.57



## 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	68,738,699	13.75
3.	Yong Foh Choi	45,716,800	9.14
4.	Lai Chun Lian	6,500,000	1.30
5.	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Yeoh Poh Choo</i>	5,880,000	1.18
6.	Goh Kah Chong	4,936,000	0.99
7.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Lee Tian An</i>	4,585,000	0.92
8.	Yii Siew Sang	4,200,000	0.84
9.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Tan Ah Yan (B TINGGI-CL)</i>	3,500,000	0.70
10.	Ting Hua	3,500,000	0.70
11.	Citigroup Nominees (Asing) Sdn Bhd	3,038,100	0.61
12.	Kingsley Lim Fung Wang	2,750,000	0.55
13.	Phillip Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Yeoh Poh Choo</i>	2,700,000	0.54
14.	Koh Hock Lye	2,300,000	0.46
15.	Cartaban Nominees (Asing) Sdn Bhd Exempt an for Barclays Capital Securities Ltd (SBL/PB)	2,094,700	0.42
16.	Data Hasrat Sdn. Bhd.	2,000,000	0.40
17.	Lim Guan Hin	2,000,000	0.40
18.	Ting Hua Ping	1,862,200	0.37
19.	Azam Khan Bin Ayob Mohamed	1,850,000	0.37
20.	Goh Kah Chong	1,811,300	0.36
21.	Muhammad Nurudin Bin Mohd Yusof	1,800,000	0.36
22.	Andrew Leong	1,650,000	0.33
23.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Mohamad Daud Bin Mohd Yusoff</i>	1,540,000	0.31
24.	Ng Kok Weng	1,503,800	0.30
25.	CGS International Securities Malaysia Sdn Bhd IVT (CXL) Chow Kok Pin	1,500,000	0.30
26.	Lim Jit Teng @ Lim Yit Teng	1,500,000	0.30
27.	Ong Ann Gee	1,500,000	0.30
28.	Hiew Chang Chun	1,480,000	0.30
29.	Low Sheong Boon	1,300,000	0.26
30.	Geoffrey Lim Fung Keong	1,256,400	0.25
<b>Total</b>		<b>294,073,799</b>	<b>58.81</b>
Shareholdings		500,000,000	

## Online Version



The online version of the 2023 Annual Report can be viewed at <http://www.asiasealink.com/ar/2023>.

QR Code Scanning Guidelines:

1. Download any equivalent "QR Code Reader" app on your smart phone
2. Run the QR Code Reader app and scan the QR Code
3. After scanning the QR Code you will be able to access the following documents:
  - a. Annual Report 2023
  - 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 Sixteenth ("16<sup>th</sup>") 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 Tuesday, 28 May 2024 at 11:00 a.m. or at any adjournment thereof for/against \*the resolution(s) to be proposed thereat.

NO.	RESOLUTIONS	FOR	AGAINST
1.	To re-elect Mr Toh Kian Sing who retires in accordance with Clause 118 of the Company's Constitution and who being eligible, offers himself for re-election.		
2.	To re-elect Mr Eric Khoo Chuan Syn @ Khoo Chuan Syn 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 amounting to RM325,000.00 for the financial year ending 31 December 2024.		
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, 2024.

\_\_\_\_\_  
Signature of Shareholder(s)/Common Seal

## NOTES:

1. Only Depositors whose names appear in the General Meeting Record of Depositors as at 21 May 2024 be regarded as Members and shall be entitled to attend, speak and vote at the 16<sup>th</sup> AGM.
2. A Member entitled to attend, speak and vote at the 16<sup>th</sup> 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 16<sup>th</sup> AGM or at any adjournment thereof.

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**AFFIX  
STAMP**

The Company Secretary

**SEALINK INTERNATIONAL BERHAD**

Registration No. 200701042948 (800981-X)

Lot 1035, Block 4, MCLD  
Piasau Industrial Area  
98000 Miri, Sarawak

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# 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

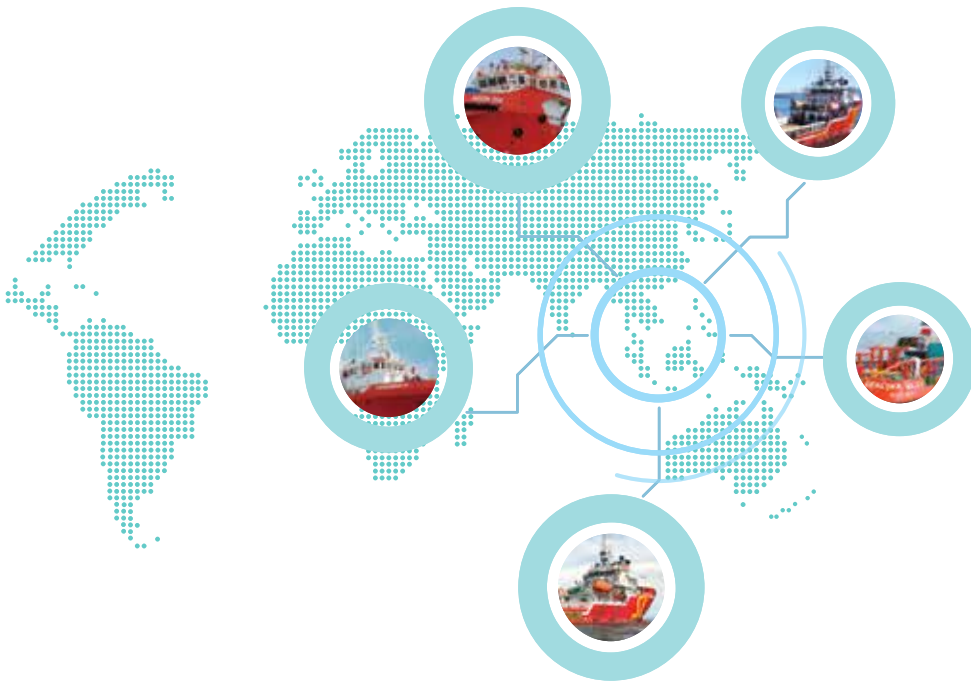
Lot 20, Manmohan's Warehouse  
Jalan Patau Patau  
87000 Wilayah Persekutuan Labuan  
Tel : 087-581 686  
Fax : 087-582 686

Lot 18234 Ground Floor & First Floor  
Jalan Air Putih, Kampung Jaya  
24000 Chukai Kemaman  
Terengganu  
Tel : 09-850 4012  
Fax : 09-850 4013





[www.asiasealink.com](http://www.asiasealink.com)



**SEALINK  
INTERNATIONAL  
BERHAD**

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Fax : 085-652 480

Email : [DL-Secretariat@asiasealink.com](mailto:DL-Secretariat@asiasealink.com)

