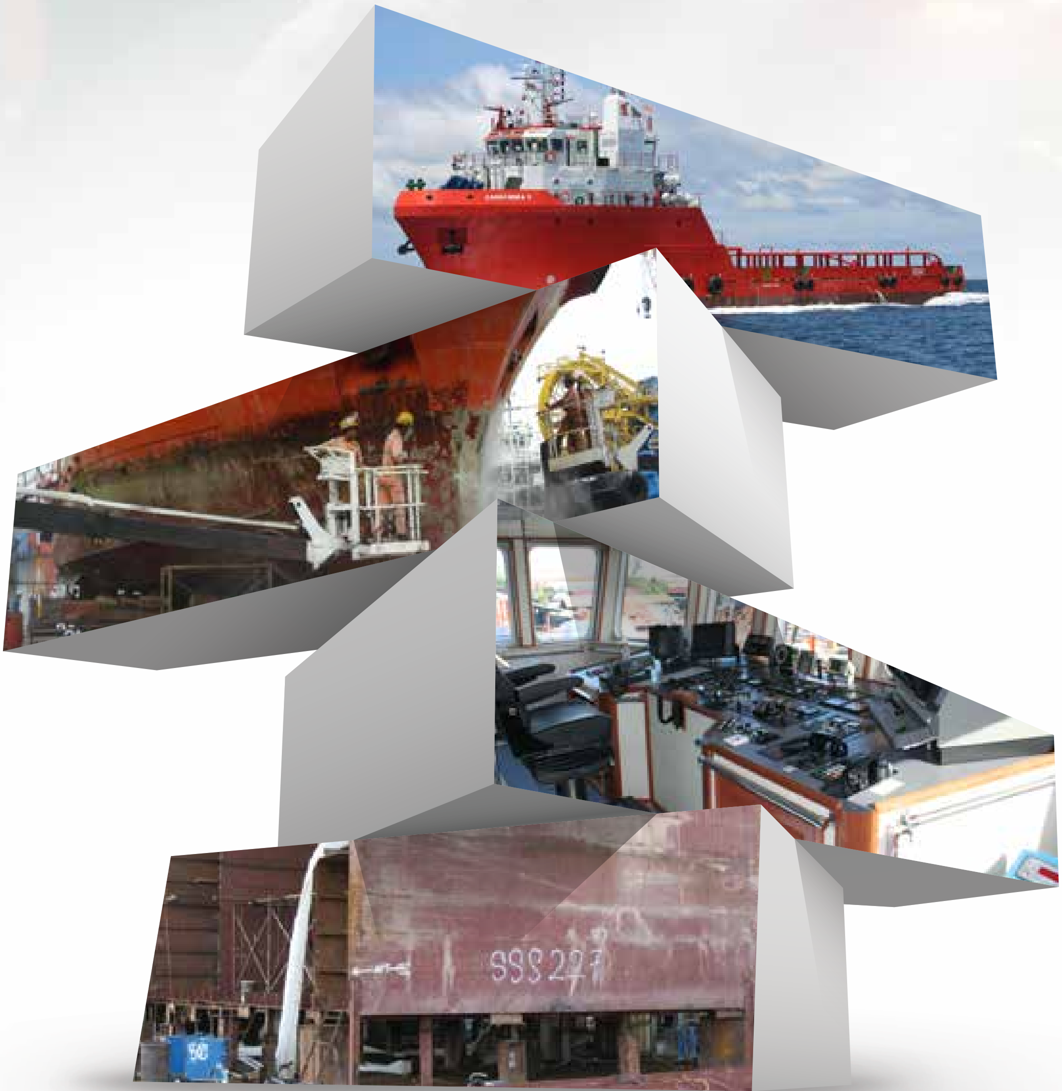
SEALINK INTERNATIONAL BERHAD
(800081-X)



ANNUAL REPORT **2015**

Contents

SEALINK INTERNATIONAL BERHAD
(800981-X)

The Sealink Group

We are a Malaysia-based Integrated Service Provider, being a Ship Owner / Charterer and Shipbuilder. Our products and services are geographically spread to over 20 countries across the world. Sealink Group builds, owns and operates a diverse fleet of offshore marine support vessels, serving mainly the global offshore oil and gas exploration and production industry.

We are listed on the Main Market of Bursa Malaysia.

Our Vision

Leading Integrated Service Provider for the Offshore Oil and Gas Industry

Our Missions

Constructing High Performance World Class Vessels
Establishing, Maintaining and Serving a Network of Global Customers
Continuously Achieving International Accreditation in Maritime Safety Standards
Continuously Improving Management and Operational Efficiency and Optimization of Systems
Zero Accidents and Zero Pollution
Continuously Improving In Health, Safety, Security and Quality Management

Our Goals

Satisfying Our Customers
Improving and Sustaining Our Growth In the Market Share
Creating an Intelligent and Vibrant Workforce
Sustaining Profitability

Our Values

Quality Excellence Without Compromising Integrity
Customers and Employees are Our Company's Assets
Competitiveness
Environmental Friendliness
Social Consciousness

Sealink International Berhad
(Company No. 800981-X)
Lot 1035, Block 4 MCLD
Piasau Industrial Area
98000 Miri, Sarawak
Tel: 085-651 778 Fax: 085-652 480
Email: sealink@asiasealink.com
Website: www.asiasealink.com

Corporate Information

Board of Directors

Name	Position
Yong Foh Choi	*Non-Independent Executive Director* *Managing Director*
Yong Kiam Sam	*Non-Independent Executive Director* *Chief Executive Officer cum Deputy Managing Director*
Eric Khoo Chuan Syn @ Khoo Chuan Syn	*Independent-Non Executive Director*
Dato' Sebastian Ting Chiew Yew	*Independent-Non Executive Director*
Toh Kian Sing	*Independent-Non Executive Director*
Wong Chie Bin	*Independent-Non Executive Director*

Audit Committee
Wong Chie Bin
Chairman of Audit Committee

Toh Kian Sing
Member of Audit Committee

Eric Khoo Chuan Syn @ Khoo Chuan Syn
Member of Audit Committee

Dato' Sebastian Ting Chiew Yew
Member of Audit Committee

Nominating Commitee
Eric Khoo Chuan Syn @ Khoo Chuan Syn
Chairman of Nominating Committee

Toh Kian Sing
Member of Nominating Committee

Wong Chie Bin
Member of Nominating Committee

Dato' Sebastian Ting Chiew Yew
Member of Nominating Committee

Remuneration Committee
Toh Kian Sing
Chairman of Remuneration Committee

Eric Khoo Chuan Syn @ Khoo Chuan Syn
Member of Remuneration Committee

Wong Chie Bin
Member of Remuneration Committee

Dato' Sebastian Ting Chiew Yew
Member of Remuneration Committee

Company Secretary
Yeo Puay Huang *(LS0000577)*

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 : sealink@asiasealink.com
Website : www.asiasealink.com

Registrar
Securities Services (Holdings)
Sdn Bhd (36869-T)
Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara,
Damansara Heights, 50490 Kuala Lumpur,
Wilayah Persekutuan
Telephone No. : 03-20849000
Facsimile No. : 03-20949940

Auditors
Ernst & Young (AF: 0039)
4th Floor, Unit 4.1, Lot 698
Wisma Yong Lung
Pelita Commercial Centre,
98000 Miri, Sarawak
Telephone No. : 085-423881
Facsimile No. : 085-413921

Stock Exchange Listings
Listed on Main Board of Bursa Malaysia
Securities Berhad on 29th July 2008
Stock Code : 5145
Stock Name : SEALINK

Principal Bankers
Malayan Banking Berhad (3813-K)
Miri Business Centre,
1st Floor, Lot 939 & 940, Jalan Asmara
MCLD, 98000 Miri, Sarawak
Telephone No. : 085-428766
Facsimile No. : 085-415766

CIMB Bank Berhad (13491-P)
2nd Floor, Lots 2691-2,
Block 10, KCLD, 3rd Mile, Rock Road
93250 Kuching, Sarawak
Telephone No. : 082-422025
Facsimile No. : 082-422057

AmBank (M) Berhad (8515-D)
Regional Business Centre- Sarawak
No.164, 166 & 168, 1st Floor
Jalan Abell, 93100 Kuching Sarawak
Telephone No. : 082-244791
Facsimile No : 082-244718

Hong Leong Bank Berhad (97141-X)
Business Centre – Miri,
1st Floor, Lot 715, Merbau Road,
98000 Miri, Sarawak
Telephone No : 085-434510
Facsimile No. : 085-420588

Standard Chartered Saadiq Berhad
(823437-K)
Level 15, Menara Standard Chartered
30 Jalan Sultan Ismail
50250 Kuala Lumpur, Wilayah Persekutuan
Telephone No. : 1 300 88 33 99
Facsimile No : 03-21428933

DBS Bank Ltd (196800306E)
12 Marina Boulevard #46-04
DBS Asia Central @ Marina Bay
Financial Centre Tower 3
Singapore 018982
Telephone No : +65 6878 8888
Facsimile No : +65 6227 9183

Details of the Group – Places of Operations/Offices

Sealink International Berhad
(800981-X)

A. Head quarter

Lot 1035, Block 4, MCLD, Piasau Industrial Area, 98000 Miri, Sarawak
Telephone No : 085-651778
Facsimile No : 085-652480

B. Other Places of Operations for SIB Group

Lot 816, Block 1, Kuala Baram Land District, 98100 Kuala Baram Miri, Sarawak
Telephone No : 085-605767
Facsimile No : 085-605428

Lot 1339, Jalan Cattleya 1, MCLD, Krokop, 98000 Miri, Sarawak
Telephone No : 085-605767
Facsimile No : 085-605428

545 Orchard Road #09-07, Far East Shopping Centre, 238882 Singapore
Telephone No : +65 67377911
Facsimile No : +65 67374889

Lot 20, Manmohan's Warehouse,
Jalan Patau Patau,
87000 Wilayah Persekutuan Labuan
Telephone No.: 087-581686
Facsimile No.: 087-582686

Lot 18234 Ground Floor & First Floor,
Jalan Air Putih, Kampung Jaya,
24000 Chukai Kemaman,
Terengganu
Telephone No.: 09-8504012
Facsimile No.: 09-8504013

Group Structure

PLACE AND DATE OF INCORPORATION:
Sealink International Berhad was incorporated in Malaysia on 28th December, 2007

Effective Equity Interest 100%

Principal Activities: Holding and Investment Company

SEALINK INTERNATIONAL BERHAD
(800981-X)

Authorised Capital: RM500, 000,000.00
Paid-up Capital: RM 250,000,000.00

SINGAPORE

Chartering

- Sea-Good Pte Ltd — 199707263C — 100%
- Seabright (Singapore) Pte Ltd — 201001447E — 100%

LABUAN

Chartering

- Sealink Offshore (L) Ltd — LL06872 — 100%
  - Sealink Resources (L) Ltd — LL06873 — 100%
  - Sealink Marine (L) Ltd — LL06874 — 100%
  - Sealink Antarabangsa Ltd — LL07806 — 100%
  - Perkasa Asia Corporation Ltd — LL07807 — 100%
  - Hanvoir (L) Ltd — LL09810 — 100%

MALAYSIA

Chartering

- Sealink Sdn. Bhd. — 20471-D — 100%
- Sutherfield Resources Sdn. Bhd. — 467227-T — 100%
- Cergas Majusama Sdn. Bhd. — 635714-U — 100%
- Midas Choice Sdn. Bhd. — 646673-H — 100%
  - Sea Legend Shipping Sdn. Bhd. — 703278-W — 100%
    - Mitra Angkasa Sdn. Bhd. — 974404-T — 50.0001%
    - Logistine Sdn. Bhd. — 896190-T — 25%
- Euroedge Sdn. Bhd. — 571944-T — 100%
- Sealink Marine Sdn. Bhd. — 226309-A — 100%
- Godrimaju Sdn. Bhd. — 535404-U — 100%
- Seabright Sdn. Bhd. — 30204-K — 100%
- Sea Alpha Sdn. Bhd. — 886816-V — 100%
- Sealink Pacific Sdn. Bhd. — 191968-H — 100%
  - Bristal View Sdn. Bhd. — 253385-T — 100%
- Era Sureway Sdn. Bhd. — 687555-V — 100%
- Navitex Shipping Sdn. Bhd. — 620404-K — 100%
- Sealink Management Sdn. Bhd. — 250551-H — 100%
- Era Surplus Sdn. Bhd. — 648806-D — 100%
  - Seasten Sdn. Bhd. — 1054955-A — 70%

Shipbuilding and Repair

- Sealink Engineering and Slipway Sdn. Bhd. — 653820-H — 100%
  - Baram Moulding Industries Sdn. Bhd. — 200873-D — 100%
- Sealink Shipyard Sdn. Bhd. — 195853-D — 100%
  - Aliran Saksama Sdn. Bhd. — 473205-H — 100%

Group Financial Highlights

A) Quarterly results

	Quarter 1 RM'000	Quarter 2 RM'000	Quarter 3 RM'000	Quarter 4 RM'000	Year Ended 31 December RM'000
Revenue	34,082	35,806	46,195	25,421	141,504
Profit/(loss) before tax	3,133	1,623	(11,186)	(10,631)	(17,061)
Profit/(loss) after tax	2,775	1,600	(5,800)	(6,104)	(7,529)
Attributable to ordinary equity holders of the Company	2,775	1,600	(5,800)	(6,104)	(7,529)

B) Segmental performance - Revenue

Revenue	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000
Chartering	86,987	98,557	115,740	121,304	119,096
Shipbuilding	114,924	22,765	92,902	6,704	22,240
Rental income	108	108	108	86	168
Total	202,019	121,430	208,750	128,094	141,504

C) Segmental performance – Net profit/(loss) before tax

Net profit/(loss) before tax	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000
Chartering	21,217	26,013	20,832	30,762	591
Shipbuilding	(4,135)	(27,454)	(4,373)	(29,873)	(16,269)
Others	4,715	(3,532)	452	2,772	(1,383)
Total	21,797	(4,973)	16,911	3,661	(17,061)

D) Financial Statistics

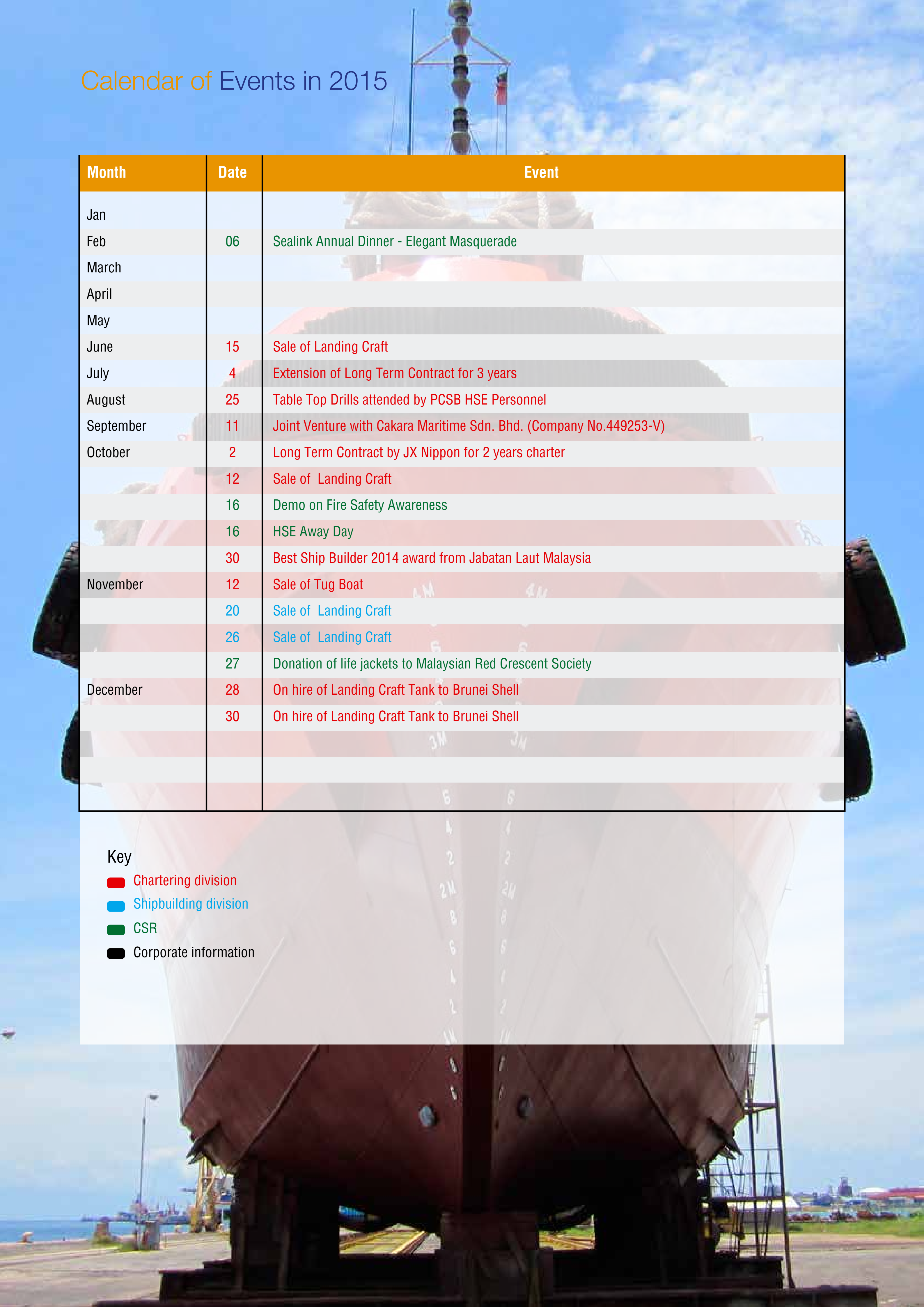
	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000
Basic earnings/(loss) per share (Sen)	3.54	(1.82)	2.71	1.65	(1.51)
Net dividend per share (Sen)	1.00	-	1.00	-	-
Operating profit margin (%)	16.85	12.58	16.94	17.28	5.64
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.89	0.87	0.90	0.92	1.00
Return on average shareholders' equity (%)	4.01	(2.07)	3.07	1.81	(1.57)

Calendar of Events in 2015

Month	Date	Event
Jan		
Feb	06	Sealink Annual Dinner - Elegant Masquerade
March		
April		
May		
June	15	Sale of Landing Craft
July	4	Extension of Long Term Contract for 3 years
August	25	Table Top Drills attended by PCSB HSE Personnel
September	11	Joint Venture with Cakara Maritime Sdn. Bhd. (Company No.449253-V)
October	2	Long Term Contract by JX Nippon for 2 years charter
	12	Sale of Landing Craft
	16	Demo on Fire Safety Awareness
	16	HSE Away Day
	30	Best Ship Builder 2014 award from Jabatan Laut Malaysia
November	12	Sale of Tug Boat
	20	Sale of Landing Craft
	26	Sale of Landing Craft
	27	Donation of life jackets to Malaysian Red Crescent Society
December	28	On hire of Landing Craft Tank to Brunei Shell
	30	On hire of Landing Craft Tank to Brunei Shell

Key

- Chartering division
- Shipbuilding division
- CSR
- Corporate information



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of Sealink International Berhad 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 Thursday, 26 May 2016 at 11:00 a.m. to transact the following businesses :-

AS ORDINARY BUSINESS

1. To lay the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon.

2. To approve Directors' Fees for the financial year ending 31 December 2016. **Resolution No. 1**

3. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:

   "THAT pursuant to Section 129(6) of the Companies Act, 1965, Mr Yong Foh Choi, who has exceeded the age of seventy (70) years, be re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting." **Resolution No. 2**

4. To re-elect Dato' Sebastian Ting Chiew Yew who shall retire in accordance with Article 89 of the Company's Articles of Association, as a Director of the Company. **Resolution No. 3**

5. To re-elect Mr Toh Kian Sing, who shall retire in accordance with Article 89 of the Company's Articles of Association, as a Director of the Company. **Resolution No. 4**

6. To re-appoint Messrs. Ernst & Young as the Auditors of the Company and to authorise the Directors to determine their remuneration. **Resolution No. 5**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolution:-

7. Authority to Allot and Issue Shares Pursuant to Section 132D of The Companies Act, 1965

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten (10) percent of the issued share capital of the Company for the time being 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 the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company, subject always to the Companies Act, 1965, the Articles of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issue." **Resolution No. 6**

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

By order of the Board,

Yeo Puay Huang (f)
Company Secretary
(LS 0000577)

Dated : 29 April 2016

Explanatory Notes to Special Business

1. **Ordinary Resolution No. 6**

   Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965.

   The Ordinary Resolution proposed under Resolution 6 of the Agenda is a renewal of the General Mandate for the Directors to issue and allot shares pursuant to Section 132D of the Companies Act, 1965.

   The Proposed Ordinary Resolution 6, if passed, will give authority to the Directors of the Company, from the date of the above Annual General Meeting, to issue and allot shares to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of share issued does not exceed 10% of the issued share capital of the Company for the time being. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next annual General Meeting of the Company.

   As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Seventh Annual General Meeting held on 10 June 2015 and which will lapse at the conclusion of the Eighth Annual General Meeting to be held on 26 May 2016.

   The General Mandate sought will enable the Directors of the Company to issue and allot shares, including but not limited to further placing of shares, for purposes of funding investment(s), working capital and/or acquisition(s).

NOTES:

Only Depositors whose names appear in the General Meeting Record of Depositors as at 20 May 2016 be regarded as Members and shall be entitled to attend, speak and vote at the Eighth Annual General Meeting.

A proxy may but need not be a member of the Company and the provisions of Section 149(1) (b) of the Companies Act, 1965 (“Act”) shall not apply to the Company.

To be valid, this form, duly completed must be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting.

A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1) (c) of the Act are complied with.

Where a member of the Company is an exempt authorized 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 authorized nominee may appoint in respect of each omnibus account it holds.

Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

If the appointor is a corporation this form must be executed under its common seal or under the hand of an officer or attorney duly authorized.

Statement Accompanying Notice of Eighth Annual General Meeting
(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad)

Details of Individuals who are standing for election as Directors

There are no individuals who are standing for election as directors (excluding directors standing for a re-election) at the Eighth Annual General Meeting of the Company.

Profiles of Director

Yong Foh Choi

Managing Director
Non-Independent Executive Director
Malaysian

Yong Foh Choi, aged 77, was appointed to the Board of Sealink International Berhad on 28 December 2007.

A self-made businessman, he first gained working experience working in several companies from the logging and timber industries. Later, he incorporated Yong Foh Choi & Sons Enterprise Sdn Bhd (Company No. 20716-P) to spearhead his own business interests in timber extraction, imports and exports in the early 1960s. By the mid 1970s, the company diversified and branched out into property development, shipping and offshore logistics support services.

He was a shareholder and founding member of Bumi Armada Navigation [BANSB] (a major offshore oil and gas service provider), where he held the position of Managing Director from 1974 till 1993. In 1993, he sold his shares in BANSB, and began developing Sealink Sdn Bhd (Company No. 20471-D) ("SSB"). Initially, SBB provided chartering services of marine vessels to non-oil and gas industries. However, in 1997, he changed SSB's business direction by venturing back into chartering OSVs to the offshore oil and gas industry.

As the founder of our Group, he brings with him over 34 years of hands-on operational experience, especially in maritime regulations, procedures and requirements. His technical and management experience has been instrumental in developing and expanding our Group to our current position today, as a leading shipbuilder and shipowner in the country.

He is the father of Yong Kiam Sam, who is a Director and also the CEO of Sealink International Berhad. He has not been convicted for any offences within the past ten (10) years other than traffic offences.

Yong Kiam Sam

Chief Executive Officer cum Deputy Managing Director
Non-Independent Executive Director
Malaysian

Yong Kiam Sam aged 45, was appointed to the Board of Sealink International Berhad on 28 December 2007.

He graduated from the University of Melbourne, Australia with a Bachelor of Commerce in 1992. Later, he obtained a Master in Business Administration from the London Business School, United Kingdom.

He began his career as an accounts executive in Lambir Myanmar Investments Ltd, Myanmar, and later worked as a senior consultant with Ernst & Young Consultants, Singapore.

He has been with our Group since 1996 and sits on the boards of all our subsidiary companies. He has played a crucial role in changing the mind-set of our Group to become more customer-focused, while remaining business-centric. He has also played an important role in expanding our Group's overseas activities.

He is the son of Yong Foh Choi, who is a Director of Sealink International Berhad. He has not been convicted for any offences within the past ten (10) years other than traffic offences.

Wong Chie Bin

Independent Non-Executive Director
Chairman of Audit Committee
Member of Nominating Committee
Member of Remuneration Committee
Malaysian

Wong Chie Bin, aged 60, was appointed to the Board of Sealink International Berhad on 20 May 2008. He is currently a Senior Partner of one of the leading accounting firm in Malaysia.

He graduated from the University of Otago, New Zealand with a Bachelor Degree in Commerce. He is member of the Malaysian Institute of Accountants, a Fellow member of the Chartered Tax Institute of Malaysia and a Member of Chartered Accountants Australia and New Zealand.

He has over thirty years of working experience in accounting, auditing, taxation and management consultancy services.

He has no family relationship with any other Director and/ or major shareholder and has not been convicted for any offences within the past ten (10) years other than traffic offences.

Profiles of Director

Toh Kian Sing

Independent Non-Executive Director
Chairman of Remuneration Committee
Member of Nominating Committee
Member of Audit Committee
Singaporean

Toh Kian Sing, aged 50, was appointed to the Board of Sealink International Berhad on 23 May 2008. He is currently a Senior Partner of Rajah & Tann Singapore LLP, one of the largest law firms in Singapore, where he is the Head of the Shipping and International Trade Practice Group.

He graduated at the top of his class in the Faculty of Law of the National University of Singapore, and holds a first class honors degree in civil law from the University of Oxford.

He has vast experience as a shipping litigation and arbitration lawyer, specialising in charterparty, bills of lading, ship sale and purchase, ship building 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, an arbitrator listed in the panel of arbitrators of the Singapore International Arbitration Centre as well as the China Maritime Arbitration Commission and was appointed a Senior Counsel of the Supreme Court of Singapore in January 2007. With his strong credentials, we are confident that he will play a significant role in the continued growth and development of our group.

He has no family relationship with any other Director and/ or major shareholder and has not been convicted for any offences within the past ten (10) years.

Eric Khoo Chuan Syn @ Khoo Chuan Syn

Independent Non-Executive Director
Chairman of Nominating Committee
Member of Remuneration Committee
Member of Audit Committee
Malaysian

Eric Khoo Chuan Syn @ Khoo Chuan Syn, aged 60, was appointed to the Board of Sealink International Berhad on 20 May 2008.

He is a practicing Advocate and Solicitor, having graduated with a Bachelor of Laws (LLB) Hons, from the University of Wolverhampton, England, United Kingdom in 1978 and as a Barrister-at-Law from Gray's Inn, London, England, UK in 1979. He worked as a Magistrate with the Judicial Department, from 1979 till 1982, after which he joined the private sector.

With over 30 years of experience as an advocate and solicitor, Mr Khoo has been our Group's main solicitor and legal advisor. As such, we believe that he will be a valuable asset to our Group.

He has no family relationship with any other Director and/ or major shareholder and has not been convicted for any offences within the past ten (10) years other than traffic offences.

Dato' Sebastian Ting Chiew Yew

Independent Non-Executive Director
Member of Audit Committee
Member of Nominating Committee
Member of Remuneration Committee
Malaysian

Dato' Sebastian Ting Chiew Yew, aged 60, was appointed to the Board of Sealink International Berhad on 20 August 2013.

He is a practising Advocate and Solicitor. He graduated with a Bachelor of Law (LLB) Hons (Second Class Upper) from the University of North London, England United Kingdom in 1982 and as a Barrister-at-law from Council of Legal Education Lincoln's Inn London England in 1983. In 1984 he graduated with a Master of Law (LLM) from the University of Cambridge (Darwin College) England.

In 1989, he was appointed as a Councillor in Miri Municipal Council Miri Sarawak and served till 1999.

In May 2004 he was appointed as the Political Secretary to the Minister of Plantation Industries and Commodities (May 2004 to April 2009) and in April 2009 he was appointed as Political Secretary to Minister of Energy Green Technology and Water Malaysia (April 2009 to April 2013).

With 20 years of experience as an advocate and solicitor and his working experiences at the Federal Ministries and Departments we are confident that he will play a significant role in the continued growth and development of our group.

On the 26 February 2014 he was appointed by Minister of Energy, Green Technology and Water Malaysia as a member of the Board of Trustee of Green Foundation Malaysia.

On 17 February 2015 he was appointed by the Government of Sarawak as a member of Piasau Nature Reserve Implementation and Endowment Committee.

He has no family relationship with any other Director and or major shareholder and has not been convicted for any offence within the past ten (10) years other than traffic offences.

Dear Valued Shareholders,

The freefall in crude oil prices continued seemingly unabated for the past two (2) years, falling to sub-USD40 per barrel towards the end of 2015. Against the backdrop of this slump in the Oil and Gas Industry, the operations of the SIB Group were invariably affected.

Review of Operations and Financial Performance

Despite the difficult business environment and operating conditions, the SIB Group was still able to chalk up a respectable revenue of RM142 million for the financial year 2015 as compared to RM128 million for the preceding year.

The overall increase of RM14 million (11%) stemmed largely from the sale of an offshore support vessel to an external party by the shipbuilding division, which was offset by a slight decline in the Ship Charter division's revenue. The prevailing soft demand for marine services throughout 2015, exacerbated by a market overhang in the supply of offshore supply vessels, culminated in a marginal drop in divisional revenue of RM2.2 million (2%) from that of the preceding year. In particular, the last quarter of 2015 saw short-term contracts for vessels off-hired by customers.

The slowdown in shipbuilding and related activities affected most shipbuilders in Malaysia, what with the threat of competition posed by rival shipbuilders and ship repairers located in China and Singapore. Apart from the sale of an offshore supply vessel, the revenue of the shipbuilding division for financial year 2015 comes from proceeds from ship repair and related activities.

The Group's investment in an associate and joint ventures was also not spared. The Group's share of pre-tax losses in an associate and joint-ventures amounted to RM1.6 million for the year as compared to a pre-tax profit of RM2.7 million in 2014, mainly due to margin squeeze and softening of demand that led to off-hiring of vessels.

In light of the difficult business environment as outlined above, the SIB Group recorded a pre-tax loss of RM17.1 million for the financial year 2015 as compared to a pre-tax profit of RM3.7 million in the preceding year. Factors that contributed to a sub-par performance for the financial year 2015 include the pressure on margins for ship charter arising mainly from competition, lower utilization of vessels for charter, knock-on effects of the Goods and Services Tax Act 2015 which took effect on 1 April 2015, a net impairment and write-off/down of receivables, property, plant and equipment and inventory amounting to RM9.9 million and lower foreign exchange gain.

On a positive note, the Group recorded net cash inflows of RM31.5 million from operating activities, despite suffering a pre-tax loss for financial year 2015. This speaks well on the viability of the Group's business despite the tough conditions in which it operates.

Notwithstanding the challenges faced in the industry, the Group is always on the look-out for strategic alliances with business partners, especially those with niche expertise for better market reach, all with the view of enhancing shareholder value. On this premise, the Group entered into a joint-venture agreement ("JV") in September 2015 via a wholly-owned subsidiary, namely Era Surplus Sdn Bhd, with Cakara Maritime Sdn Bhd ("Cakara"), a local company with track record in the shipping business.

The joint-venture company which hitherto was a subsidiary in the Group, namely Seasten Sdn Bhd, is 70% owned by the Group with the remaining 30% held by Cakara. The key rationale for this JV is for the Group to forge a long term alliance with Cakara, which is a well-established ship agent for the oil and gas market in Malaysia, to increase the likelihood of MV Vanessa 6, a Group's vessel, of securing long term contracts. This would in turn maintain and increase the Group's share in the marine offshore supply vessel segment. This joint-venture is expected to contribute to the Group in financial year 2016.

The Group also inked memoranda of agreement in November 2015 to sell two (2) units of landing crafts to an external party for a total consideration of approximately USD8.6 million (RM34 million), the delivery of which, including the recognition of revenue, was completed in January 2016.

Message to Shareholders

Dividend

Due to the aforesaid losses incurred, the Board does not recommend any dividend for the financial year 2015.

The Oil and Gas Industry

The downtrend in the oil and gas ("O&G") industry has resulted in oil majors either shelving or postponing their capital expenditure.

Crude oil prices ended 2015 below USD40 per barrel, the lowest level since early 2009. Spot prices for the international crude oil benchmark Brent averaged USD52 per barrel in 2015, 53% below the level in 2014 and 49% below the average price over 2010-2014. The prolonged lower crude oil prices in 2015 reflected the sustained excess of crude oil supply over global demand *(Source: US Energy Information Administration).*

2015 has been a year of consolidation for the O&G and related businesses. With Petronas reporting its loss of RM2.96 billion for Quarter 4 of fiscal year 2015 and having revised downwards its expenditure budgets, Malaysia's marine services sector, especially the offshore supply vessel business, needs to carefully monitor the national oil company's upstream intent.

Nearly all of Malaysia's oil and gas production comes from offshore fields in the South China Sea. Continued investment in hydrocarbons production, both in shallow waters and at deep-water plays, may prop up the domestic maritime market, from drilling to offshore support vessel provision.

Outlook for 2016

2016 is not expected to bode well for the industry as recovery in oil prices is not anticipated in the short term. Cost control measures remain the top imperatives for oil majors as well as the supporting sectors. The top three (3) measures prioritized to impose stricter cost control are tougher decisions on CAPEX, headcount reductions and increasing pressure on the supply chain.

The Group's shipbuilding division will be looking towards building vessels which have a niche market like landing crafts, as well as enhancing its docking (ship repair) facilities, whilst continuous efforts will be taken towards optimising capacity utilization of the Group's vessels, which currently number 38 units of various make and tonnage. Charter rates are expected to stagnate or even weaken in the midst of oversupply of vessels.

Although the market demand for fossil fuels is currently soft, we believe such demand will eventually pick up.

As a key measure to manage the Group's exposure to the vagaries of business, the Group has embarked on the following initiatives which will be reinforced and carried forward to the next fiscal year:

- sustainable cost rationalization and optimization of human resources where only critical positions are filled when the 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/ or services vis-à-vis existing inventory levels to conserve cash flows and minimize the risk of inventory obsolescence which requires impairment provision; and
- maintaining foreign currency accounts with banks to meet payments denominated in foreign currencies, for example to retire borrowings which are denominated in US Dollars, as an auto- hedge against adverse movements in foreign currency exchange rates.

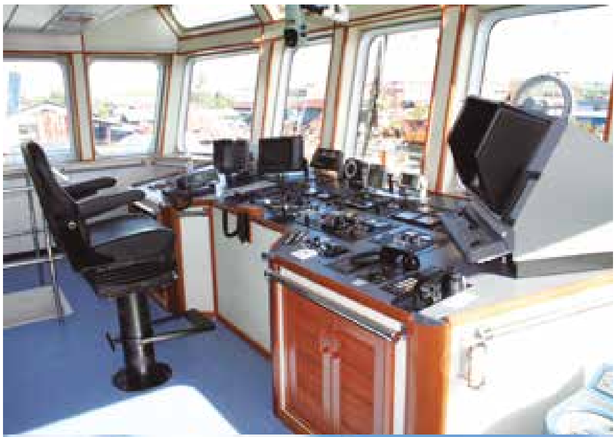
With the ongoing initiatives in rationalizing and optimizing costs and exposures, we believe the Group will be poised and well positioned to tide over the prevailing business challenges.

Barring any unforeseen circumstances or events, we anticipate that 2016 will continue to be a challenging year where charter rates will likely be flat or weaken, with shipbuilding activities curtailed since crude oil prices are not expected to be northbound from the current levels in the short term.

Message to Shareholders

Corporate Development

There was no other corporate development during the financial year 2015 except for the above-mentioned joint-venture arrangement with Cakara.



Corporate Social Responsibility

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

Activities undertaken in the discharge of the Group's corporate social responsibilities are set out separately in the Statement on Corporate Social Responsibility included in this Annual Report.

Corporate Governance and Investors' Relations

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 2012 ("MCCG 2012") and not merely the form.

For a full write-up on how the 8 Principles and 26 Recommendations of the MCCG 2012 have been applied and observed respectively by the Company, refer to the Corporate Governance Statement which has been included separately in this Annual Report.

Apart from disclosures in the Annual Report, the Company has also established a corporate website at www.asiasealink.com that houses, inter-alia, documentation on the Group's corporate governance practices like the Board Charter, Whistle-Blowing Policy, Code of Conduct for Directors and employees of the Group, Corporate Disclosure Policies and Procedures and Sustainability 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 analysis, financial calendar, shareholding spread, historical chart of the Company's share prices.

Note of Appreciation

On behalf of the Board, I wish to express our sincere appreciation to our committed management and staff for their hard work and tireless efforts in maintaining our position as one of the leading oil and gas offshore support vessel providers in Malaysia. Their dedication and professionalism has definitely helped the Group to thrive in a challenging and difficult business environment.

I would also like to take this opportunity to thank our valued institutional and individual shareholders for their confidence and belief in the prospects of the SIB Group, the oil majors who have been supporting us in their upstream and downstream operations over the years, our business associates and principals for their successful collaboration with us in various business operations, our bankers and the authorities for their vital role in our strategic planning and execution. Lastly, my special thanks also to my colleagues on the Board of SIB Group for their invaluable support and guidance throughout the financial year.

YONG KIAM SAM
Chief Executive Officer cum Deputy Managing Director

Audit Committee Report

1. COMPOSITION

The Audit Committee (the "Committee"), which was established by the Board, comprises the following Directors as its members:

Chairman	:	Wong Chie Bin (Independent Non-Executive Director and member of the Malaysian Institute of Accountants)
Members	:	Toh Kian Sing (Independent Non-Executive Director)
	:	Eric Khoo Chuan Syn @ Khoo Chuan Syn (Independent Non-Executive Director)
	:	Dato' Sebastian Ting Chiew Yew (Independent Non-Executive Director)

2. ROLE OF THE AUDIT COMMITTEE

The Audit Committee has been entrusted by the Board, by way of definitive terms of reference, with the following responsibilities that encompass overseeing the financial reporting, audit processes and the systems of risk management and internal control:

- review the quarterly financial statements;
- assess the Group's risk management and internal control systems;
- review the independence of the Group's internal and external auditors and the processes adopted by the auditors; and
- review Recurrent Related Party Transactions to ensure they are not detrimental to the minority shareholders as well as any conflict of interest situations.

3. KEY FUNCTIONS AND RESPONSIBILITIES

The key functions and responsibilities of the Audit Committee, based on its terms of reference, are to specifically review the following, and report the outcome, to the Board for approval, if needed:

- the audit plan, evaluation of the internal control system and the audit report with external auditors, including the assistance given to them by employees of the Group;
- any management letter sent by the external auditors to the Company and its subsidiaries and Management's response to such letter;
- adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work. This includes determining whether the internal audit function deploys internal auditing standards promulgated by the Institute of Internal Auditors, Inc., a global professional body advocating standards for the internal auditing profession;
- the internal audit programmes, processes, the results of internal audit or investigations undertaken and whether or not appropriate action is taken on the recommendation of the internal audit function;
- the quarterly results and year-end financial statements, prior to approval by the Board of Directors, focusing on:
  - changes in or implementation of major accounting policy changes;
  - significant and unusual events; and
  - compliance with accounting standards and other legal requirements;
- any related party transactions and 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;
- any letter of resignation from external auditors;
- whether there is any reason (supported by grounds) to believe that external auditors are not suitable for re-appointment, including the assessment of their professional independence and performance;
- recommend the nomination of person or persons as external auditors;
- establish a policy on the provision of non-audit services by the external auditors and/or their network member firms/companies to minimize the risk of external auditors' independence and objectivity from being impaired;
- approve any appointment or termination of senior staff members of the internal audit function and review any appraisal or assessment of the performance of its members; and
- any other function as may be required by the Board from time to time.

4. INTERNAL AUDIT FUNCTION

The Company outsourced its internal audit function to an independent professional firm, which reported directly to the Audit Committee. Upon expiry and pending renewal of contract at the end of the financial year, the Committee evaluated the performance of the outsourced internal audit service provider and, following the appraisal, a new independent service provider was appointed. For the financial year under review, the internal audit function assisted the Audit Committee in assessing the adequacy and operating effectiveness of the Group's risk management and internal control systems, based on an internal audit plan approved by the Audit Committee before internal audit work commenced. The scope of internal audit covered key operating companies in the Group, encompassing the shipbuilding and chartering operations as set out in the internal audit plan. Further details of the internal audit function and its activities are provided in the Statement on Risk Management and Internal Control included in this Annual Report.

5. SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

The Audit Committee met five (5) times during the financial year ended 31 December 2015, attended by all the members.

The Audit Committee members were served with adequate notice of meeting by the Committee Secretary, setting out the meeting agenda and relevant papers, which were distributed well before the meeting to enable them to go through the matters to be deliberated at the meeting. The Company Secretary is the Committee Secretary. At the meetings, Management personnel of the Group, for example the Executive Directors, General Manager Group Finance, General Manager Corporate Communications & Affairs and Corporate Finance, including representatives of the external auditors and internal audit function, were invited to brief the Audit Committee on matters on the agenda that required their input.

During the financial year under review and up to the date of this Report, the Audit Committee carried out the following activities:

- reviewed the quarterly financial announcements of the Group before recommending the same for the Board of Directors' approval;
- reviewed the audit plan of the external auditors, including the areas of audit emphasis and summary of planned audit procedures;
- reviewed the external auditors' reports arising from the audit and any updates on new financial reporting standards issued by the Malaysian Accounting Standards Board;
- reviewed the performance of the external auditors in terms of their capability, professionalism and independence before recommending them to the Board to be considered for re-appointment at the Annual General Meeting;
- reviewed and adopted the policy on non-audit services provided by the external auditors and their network members firms and companies;
- met with a representative of the external auditors in the absence of Management to assess if there were issues of concerns that the external auditors faced in carrying out their work
- reviewed the audited annual financial statements of the Group and the Company before recommending the same to the Board for approval;
- reviewed an assessment report tabled by an independent firm of consultants on the Group's Enterprise Risk Management activities and processes, highlighting the areas for improvement and the recommended action plans to enhance risk management initiatives across the Group;
- reviewed the internal audit reports and recommendations on internal audit findings, including follow-up by the internal audit function on the status of Management's implementation of action plans to address issues highlighted in previous internal audit reports;
- reviewed the performance of the incumbent outsourced internal audit service provider and, based on outcome of the assessment, considered the appointment of another independent outsourced service provider to helm the Group's internal audit function for the forthcoming financial year;
- reviewed related party transactions of the Group;
- reviewed the Group's trade receivables and trade payables and sought relevant explanations from Management to better understand how receivables and payables were managed;
- reviewed the Company's Corporate Governance Statement, Audit Committee Report and the Statement on Risk Management and Internal Control Statement, before recommending them for approval by the Board for inclusion in this Annual Report; and
- reported to the Board on its activities and significant findings and results.

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

This Audit Committee Report is made in accordance with the resolution of the Audit Committee dated 12 April 2016.

Statement on Risk Management and Internal Control

Introduction

Paragraph 15.26 (b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") stipulates that a listed issuer must ensure that its Board of Directors issues a statement about the state of internal control of the listed issuer as a group. Accordingly, the Board of Directors (the "Board") is pleased to furnish the Statement on Risk Management and Internal Control (the "Statement"), which outlines the nature and scope of the risk management and internal control systems in the Group (comprising the Company and its subsidiaries) for the financial year ended 31 December 2015 and up to the date of approval of this Statement for inclusion in the Annual Report of the Company. For the purpose of disclosure, this Statement has considered the "Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers" (the "Guidelines"), a publication of Bursa Securities, in particular the requirements under paragraphs 41 and 42 of the said Guidelines.

The Board acknowledges and assumes its overall responsibility for the Group's risk management and internal control systems to safeguard shareholders' investment and the Group's assets, including the need to review the adequacy and operating effectiveness of these systems in meeting the Group's objectives. The Board is cognizant of the need to establish clear roles and responsibilities in discharging its fiduciary and leadership functions in line with Recommendation 1.2 of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012"), in particular, its principal responsibilities as outlined in the Commentaries of the same Recommendation with respect to the following:

- to identify principal business risks faced by the Group and ensure the implementation of appropriate controls and mitigation measures to address the risks; and
- to review the adequacy and integrity of the management information and internal control system of the Group.

The Board is also mindful of its role in establishing a sound framework to manage risk as stipulated in Recommendation 6.1 of the MCCG 2012. The Group has formalized in writing an Enterprise Risk Management framework, which incorporates, inter-alia, a structured risk management process to identify and evaluate business risks, comprising strategic, financial and operational risks as well as a system of internal control to mitigate such risks. In view of the limitations inherent in any system of risk management and internal control, the system is designed to manage, rather than to eliminate, the risk of failure to achieve the Group's objectives. The system can, therefore, only provide reasonable, but not absolute assurance, against any material misstatement, financial loss or fraudulent practices.

Risk Management Framework and Process

The Board recognizes the importance of risk management to safeguard shareholders' investment and the Group's assets. Accordingly, it has implemented a process where departments and divisions in the Group were required to identify and evaluate business risks faced in their respective areas during the financial year with a view to manage such risks. An independent professional firm was engaged by the Company to assist the Board in assessing the Group's prevailing risk management activities with a view of highlighting pertinent areas for improvements. In conjunction with the assessment, business risks which were identified and evaluated by process owners were aggregated for reporting following the completion of questionnaire by operating units on controls and regulations used in the risk review and assessment. These risks were documented, led by the Group's Compliance Officer, and deliberated at the Risk Management Committee meeting for onward reporting to the Audit Committee and Board for notation, including any concerns that were raised for follow-up.

For each risk identified, it was scored in relation to its likelihood of occurrence and the impact thereof should it occur. The metrics used in quantifying the risks were based on risk parameters considered appropriate to reflect the risk appetite of the Group.

Internal Control System

The Group has an established organizational structure with clearly defined lines of responsibilities and appropriate levels of delegation and authority, including limits of authority. Key duties are segregated amongst different personnel of major business divisions and key processes, such as shipbuilding and chartering operations, financial management and reporting, capital expenditure management, human resource management, information management and investments.

A process of hierarchical reporting is established via a structured organization chart, which provides for a documented and auditable trail of accountability in respect of decisions made and executed. During the financial year under review, management and operations meetings conducted by Senior Management which comprises the Chief Executive Officer and divisional heads, were held to oversee the financial and operational performance of the Group, including the discussion of challenges faced in operations and action plans to address the concerns. The proceedings of such meetings were recorded by way of minutes which were tracked for follow-up action plans.

Other relevant key features of the Group's internal control system include the following:

- pertinent delegation of duties and responsibilities from the Board to the Managing Director, Chief Executive Officer and Senior Management (collectively, the "Management"), who comprises personnel with significant years of experience to identify and manage relevant business risks faced by the Group;
- segregation of duties amongst different personnel is in place such that no one personnel is involved in the entire business of the Group from requisition for goods or services, ordering from vendors, receiving or having custody of the goods or services, approving payment and recording of transactions;
- job descriptions in writing are accorded to personnel for better understanding of their roles and responsibilities;
- specific financial limits of authority approved by the Board, including clear mandates to execute transactions;
- Group's policies and procedures are formalized in writing on key processes progressively and are reviewed and revised periodically to meet the changes in the business and operational needs as well as regulatory requirements; and
- ISO certification for the Group's shipbuilding division that provides for an orderly documentation system on its activities.

Internal Audit Function

The Group's Internal Audit Function is outsourced to an independent professional firm, which reports directly to the Audit Committee. The Internal Audit Function assists the Board, via its reporting to the Audit Committee, in assessing the adequacy and operating effectiveness of the Group's risk management and internal control systems established by Management, based on an agreed scope of work as outlined in an Annual Internal Audit Plan tabled to, and approved by, the Audit Committee during the financial year.

The areas covered by the Internal Audit Function for the financial year under review encompassed key processes such as financial and treasury management, operations (covering purchasing, logistics, information management, inventory management, human resource management, safety and security, administration, chartering, docking and operations management), compliance, risk management, and strategic management undertaken by significant companies in the Group involved primarily in the shipbuilding and chartering operations.

Reports on internal audit findings highlighting the areas of weaknesses or gaps, together with recommendations for improvements and Management's response thereto, were issued directly to the Audit Committee. The Internal Audit Function also followed up and reported to the Audit Committee the status of implementation by Management on the recommendations highlighted in its previous. At the Audit Committee meetings where the reports of the Internal Audit function were tabled, pertinent clarification were sought from Management and representatives of the Internal Audit Function, as the case may be, following a presentation by the Internal Audit Function on the issues reported. This enabled the Audit Committee to be apprised on the adequacy and operating effectiveness of the Group's risk management and internal control systems in meeting the corporate objectives. The Audit Committee in turn briefed the Board on any critical issues highlighted by the Internal Audit Function, including remedial measures to be implemented by Management.

There was no restriction placed upon the scope of the Internal Audit function's work and representatives of the Internal Audit Function were allowed unrestricted access to the records and relevant personnel of the Group.

During the financial year under review, the Audit Committee reviewed the work of the Internal Audit Function, its observations and recommendations as a means to gauge the competency of the Internal Audit Function as well as to obtain the necessary level of assurance with respect to the adequacy and operating effectiveness of internal controls.

The costs incurred on the Internal Audit Function for the financial year under review amounted to approximately RM81,000.

Assurance by the Chief Executive Officer and General Manager of Group Finance on the adequacy and effectiveness of the risk management and internal control system

The Board has received assurance from the Chief Executive Officer and the General Manager, Group Finance that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, for the financial year under review and up to the date of approval of this Statement for inclusion in this Annual Report.

Board's comments on the adequacy and effectiveness of the Group's risk management and internal control system

The Board, through its Audit Committee, has reviewed the adequacy and operating effectiveness of the Group's risk management and internal control systems and that relevant actions have been or are being taken, as the case may be, to remedy internal control weaknesses identified from the review, which was largely based on observations raised by the Internal Audit Function and External Auditors directly to the Audit Committee.

The Board is of the view that there have been no significant weaknesses in the risk management and internal control systems that resulted in material losses, contingencies or uncertainties that would require mention in the Company's Annual Report. Notwithstanding this, the Board, through Management, continues to take measures to strengthen the Group's risk management and internal control systems from time to time based on recommendations of the Internal Audit Function as well as the External Auditors.

Review of Statement by the External Auditors

The External Auditors have reviewed this Statement according to Paragraph 15.23 of the MMLR of Bursa Securities and reported that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Annual Report of the Company was not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines to be set out, nor was it factually inaccurate.

This Statement is issued in accordance with a resolution of the Board dated 12 April 2016.

Statement on Corporate Governance

The Board of Directors ("Board") of Sealink International Berhad ("Company") is cognisant of the importance of adopting high standards of corporate governance, not only to safeguard stakeholders' interests but also to enhance shareholder value in the long run.

The Board believes in embedding a culture in the Company and its subsidiaries ("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 consideration towards ethics and integrity. As such, the Board strives to embrace the substance behind corporate governance recommendations and not merely the form.

Paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") requires the Board to provide a narrative statement ("Statement") on how the Company has applied the 8 Principles and observed the 26 Recommendations of the Malaysian Code on Corporate Governance ("MCCG 2012") for the financial year ended 31 December 2015. Where a specific Recommendation of the MCCG 2012 has not been observed, the non-observation, including reasons thereof, and the alternative practice adopted, if any, is mentioned in this Statement.

Principle 1 - Establish clear roles and responsibilities of the Board and Management

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

- review and adopt a strategic or business plan, as developed by Management, incorporating the development of risk policy, annual budgets and long-term business plans, taking into account the sustainability of the Company's business, with consideration given to the environmental, social and governance elements of the business;
- oversee the conduct and governance of the Group's businesses and evaluate whether or not they are being properly managed to achieve corporate objectives – this process is normally carried out at scheduled Board meetings with the proceedings and outcome thereof recorded;
- identify principal business risks faced by the Group, and ensure the implementation of appropriate internal controls and mitigating measures to manage such risks;
- succession planning - ensure that all candidates appointed to Senior Management and Board positions are of sufficient calibre and that there are processes to provide for the orderly succession of Senior Management and members of the Board. Positions of key personnel are normally discussed by Directors, via the Nominating Committee, whenever vacancies arise, in particular the positions of Board Chairman and female Director;
- oversee the development and implementation of a shareholder communication policy – apart from the usual engagement and communication with shareholders via the General Meetings and announcements uploaded in the Company's website, this process is augmented by a General Manager who oversees investor relations;
- review the adequacy and integrity of Group's management information and internal control systems, ensuring there is a sound framework of reporting internal control and regulatory compliance issues; and
- oversee the Group's adherence to high standards of conduct and corporate behavior, including the Code of Ethics for Directors of the Company and Employee Handbook for employees of the Group.

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit Committee, Nominating Committee and Remuneration Committee, to examine specific issues within their respective terms of reference as approved by the Board, and for them to report to the Board their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

Board Charter

The Board is aware of the need to clearly demarcate the duties and responsibilities of the Board, Board Committees and Management, including the limits of authority accorded to designated personnel, in order to provide clarity and guidance to Directors and Management. To achieve this, the Board has adopted a Board Charter in financial year 2011 and which was revised in financial year 2014, setting out, inter-alia, the roles of the Board, Board Committees, Executive and Non-Executive Directors and Management, taking into consideration the principal responsibilities as mentioned under Principle 1 above. During the financial year, the Board Charter was updated following approval of the terms of reference for the Risk Management Committee.

The Charter, which serves as a reference point for Board's activities to enable Directors to carry out their stewardship role and discharge their fiduciary duties towards the Company, also contains a formal schedule of matters reserved to the Board for deliberation and decision, for example discussion on strategic matters, so that the control and direction of the Company's businesses are in its hands. Based on the Charter, the Managing Director and the Chief Executive Officer oversee the day-to-day operations of the Group's business. The Non-Executive Directors, which comprise exclusively Independent Directors, provide the relevant checks and balance by reviewing the Group's performance against budget and inquiring from the Executive Directors as well as Senior Management personnel explanations, as needed, at scheduled Board and Audit Committee meetings. All the four (4) Independent Directors sit on the three (3) Board Committees, namely the Audit Committee, Nominating Committee and Remuneration Committee – the Executive Directors are invited to attend Board Committee meetings to provide the relevant input and insights to the agenda items. To augment the Charter, the Board has also formalised in writing financial limits of authority to streamline the approval process for commitments as well as transactions.

The Board Charter is subject to periodic review to ensure it continues to be relevant, especially when there is a need to revise the clauses in tandem with changes in regulatory requirements which affect the Board's role. Briefings by the Company Secretary to the Board on regulatory changes is one of the sources to determine if the Charter needs to be revised. In line with Recommendation of 1.7 of the MCCG 2012 to make public the Board Charter, the Company has uploaded the Board Charter on its website at www.asiasealink.com

Code of Conduct and Whistle-Blower Policy

The Board recognises the importance of having in place a Code of Conduct, setting out the standards of conduct expected from Directors and employees, to engender good corporate behavior. 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 during the year under review to be observed by employees across the Group. The Board has also adopted Whistle-Blowing Policies and Procedures, which outline when, how and to whom a concern may be properly raised about the actual or potential corporate fraud or breach of regulatory requirements involving employee, Management or Director in the Group. To assess adherence to the Code of Conduct and Employee Handbook by Directors of the Company and employees in the Group respectively, the Company appointed a Compliance Officer who also doubles up as a Risk Coordinator for the Group's risk management initiatives. The Code of Conduct has been uploaded on the Company's website.

Sustainability of business

The Board is mindful of the importance of business sustainability and, in conducting the Group's business, the impact on the environmental, social and governance aspects is considered. Accordingly, the Board has formalised the Company's sustainability policy during the financial year under review that addresses environment, social and governance elements in its strategic initiatives.

Supply of, and access to, information

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

In addition, Board members are updated on the Company's activities and its operations on a regular basis, largely through scheduled Board and Board Committee meetings. All Directors have access to Company information on a timely basis in an appropriate manner and quality necessary to enable them to discharge their duties and responsibilities.

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.

Directors have unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretary, who is qualified, experienced and competent on statutory and regulatory requirements, on the resultant implications of any changes in regulatory requirements to the Company and Directors in relation to their duties and responsibilities. The Company Secretary, who oversees adherence to Board policies and procedures, briefs the Board on the proposed contents and timing of material announcements to be made to regulators, as well as any changes to regulatory requirements that may affect the Company and the Board. The Company Secretary attends all Board and Board Committee 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. The removal of the Company Secretary, if any, is a matter for the Board, as a whole, to decide.

Principle 2 - Strengthen composition of the Board

At the date of this Statement, the Board consists of six (6) members, comprising two (2) Executive Directors and four (4) Independent Directors. This composition fulfills the requirements as set out under MMLR of Bursa Securities, which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent. The profile of each Director is set out in this Annual Report. Based on an assessment of its skills matrix, the Board is of the view that the Directors, with their different background and specializations, 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.

Nominating Committee – selection and assessment of Directors

The Nominating Committee, established by the Board with specific terms of reference, comprises the following Independent Non-Executive Directors as its members:

- Eric Khoo Chuan Syn @ Khoo Chuan Syn (Chairman);
- Toh Kian Sing;
- Wong Chie Bin; and
- Dato' Sebastian Ting Chiew Yew.

The Nominating Committee is primarily responsible for recommending suitable appointments to the Board, taking into consideration the Board structure, size, composition and the required mix of expertise and experience which the Director should bring to the Board. It assesses the effectiveness of the Board as a whole, the Board Committees and the contribution of each Director. Where considered appropriate, the Nominating Committee considers recommendation of candidate for directorship by shareholders or existing Directors. Based on its terms of reference, the Nominating Committee carries out the assessment process regardless of whether the candidate is for new appointment or re-appointment.

The final decision on the appointment of a candidate recommended by the Nominating Committee rests with the Board. The Company Secretary ensures that all appointments are properly made upon obtaining all necessary information from the Director. During the financial year under review and as at the date of this Statement, the Nominating Committee met twice (2 times), attended by all members. During the meetings, the Nominating Committee carried out the following activities within its terms of reference and reported the outcome to the Board:

- considered the Board Diversity policy for adoption by the Board;
- reviewed training undertaken by Directors as well as those training that are available for Directors for the ensuing year;
- discussed the search for a Board Chairman and female Director;
- reviewed and approved the Directors'/Key Officers' Evaluation Form, Board Skills Matrix Form and Board & Board Committee Evaluation Form used in the annual assessment and evaluation of the Board, Board Committees and individual Directors. These evaluation forms took into consideration the competency, experience, character, integrity and time availability of the officers concerned as well as the evaluation criteria set out in the relevant exhibits of the Corporate Governance Guide – Towards Boardroom Excellence 2nd Edition on assessment of the Board, Board Committees and individual Directors. For the purpose of assessing the independence of Independent Directors, the criteria set out in Paragraph 1.01 of the MMLR of Bursa were used; and
- following the assessment of the Board, Board Committees and individual Directors, recommended for the Board's consideration to move for shareholders' approval the re-appointment and/or re-election of those Directors retiring at the forthcoming Annual General Meeting. In assessing whether or not to recommend retiring Directors for re-appointment or re-election by shareholders, the Nominating took into consideration pertinent evaluation criteria provided in the relevant exhibits of Corporate Governance Guide – Towards Boardroom Excellence 2nd Edition.

Whilst there is a Board Diversity Policy, there is no specific policy therein on the diversity of its members in terms of gender, age or ethnicity or set a target to achieve a blend of these attributes. The Board believes that the Company should be appointing Directors who have the relevant skills, experience and time to contribute towards realising the Company's objectives. As such, in filling casual vacancies or appointing additional or re-appointing Directors, the Board, via the Nominating Committee, assesses the competency, experience, character, integrity and time availability of the candidates in relation to the needs of the Group.

Directors' remuneration

The Remuneration Committee, established by the Board with specific terms of reference, comprises the following members as at the date of this Statement, who are exclusively Independent Directors:

- Toh Kian Sing (Chairman);
- Wong Chie Bin;
- Eric Khoo Chuan Syn @ Khoo Chuan Syn; and
- Dato' Sebastian Ting Chiew Yew.

The Remuneration Committee is entrusted by the Board to:

- establish a formal and transparent procedure for setting a policy on remuneration of Executive Directors and Senior Management and for fixing the remuneration packages of all Directors and Senior Management of the Group; and
- ensure that the levels of remuneration are commensurate with the qualifications of Executive Directors and Senior Management and are sufficient to attract and retain the personnel required to manage the Company's business.

During the financial year under review, the Board approved a Remuneration Policy, subject to annual review, to reward members of the Board and Senior Management. The Remuneration Committee recommends to the Board the remuneration of Executive Directors and Senior Management, largely based on their 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. During the financial year, the Committee met once attended by all members to deliberate and recommend for the Board's consideration employees' basic remuneration (including bonuses), the remuneration and bonuses of Executive Directors and Directors' fees.

Details of Directors' remuneration for the financial year ended 31 December 2015 are as follows:

Types of remuneration	**Executive Directors (RM)**	**Non-Executive Directors (RM)**	**Total (RM)**
Directors' fees	44,100	277,830	321,930
Salaries and bonus	1,193,260	-	1,193,260
Benefits-in-kind	26,892	-	26,892
Total	**1,264,252**	**277,830**	**1,542,082**

The number of Directors whose remuneration falls into the following bands is as follows:

Range of remuneration (RM)	**Executive Directors**	**Non-Executive Directors**
50,001 – 100,000		4
500,001 – 550,000	1	
700,001 – 750,000	1	

Principle 3 – Reinforce Independence of the Board

The Board is in the midst of identifying a Director to helm the Board Chairman position since the demise of its former Chairman. At each meeting of the Board, the Directors appoint from amongst them a Director to chair the meeting. For the six (6) meetings convened during the financial year under review, the Director who chaired the meetings was an Independent Director. The current composition of Independent Non-Executive Directors in the Board, which comprises a majority of Board members, provides for pertinent checks and balance in the Board such that no one Director has unfettered powers in decision making.

The Chairman of the meeting is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. Whilst the Chief Executive Officer implements the Group's strategic initiatives, policies and decision adopted by the Board and oversees the operations and business development of the Group, the Independent Directors bring to bear objective and independent views, advice and judgment on interests, not only of the Company, but also of shareholders and stakeholders.

Independent Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality. The Board recognises the importance of establishing criteria on independence to be used in the annual assessment of its Independent Directors. The definition on independence accords with the MMLR of Bursa Securities. At end of the financial year under review, none of the Independent Directors has served for a cumulative period exceeding nine (9) years.

Principle 4 – Foster commitment of Directors

The Board ordinarily meets at least four (4) times a year, scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. Board and Board Committee papers, which are prepared by Management, provide the relevant facts and analysis for the reference of Directors to assist them in making informed decisions. The meeting agenda, relevant reports and Board papers are furnished to Directors and Board Committee members well before the meeting to allow the Directors sufficient time to study for effective discussion and decision making during meetings. At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major strategic, operational, compliance and financial issues. The Chairman of the Audit Committee briefs the Directors at each Board meeting the salient matters deliberated by the Audit 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.

Board Meetings

There were six (6) Board meetings held during the financial year ended 31 December 2015, with details of Directors' attendance set out below:

	Name of Director	Attendance
(a)	Yong Foh Choi	5/6
(b)	Yong Kiam Sam	6/6
(c)	Wong Chie Bin	6/6
(d)	Toh Kian Sing	6/6
(e)	Eric Khoo Chuan Syn @ Khoo Chuan Syn	6/6
(f)	Dato' Sebastian Ting Chiew Yew	6/6

It is the practice of the Company for Directors to devote sufficient time and efforts to carry out their responsibilities. In addition, the Board Charter requires Directors to notify the Chairman before accepting any new directorship, notwithstanding that the MMLR of Bursa Securities allows a Director to sit on the boards of five (5) listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment.

Directors' Training – Continuing Education Programmes

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

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

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

Name of Director and designation	Training topics and duration
Yong Foh Choi – *Managing Director, Non-Independent Executive Director*	• The Corporate Governance Breakfast Series: Improving Board Risk Oversight Effectiveness (organised by Bursa Malaysia Securities Berhad)
Yong Kiam Sam – *Chief Executive Officer cum Deputy Managing Director, Non-Independent Executive Director*	• Enterprise Risk Management and how Management is involved (conducted by KPMG Management & Risk Consulting Sdn Bhd) • Asian Offshore Support Journal Subsea Conference, Singapore • Eagles Leadership Conference 2015, Singapore • Advocacy Sessions on Management Discussion & Analysis for Chief Executive Officers and Chief Financial Officers of listed issuers (organised by Bursa Malaysia Securities Berhad) • Asian Offshore Support Journal Conference, Singapore
Wong Chie Bin – *Audit Committee Chairman, Independent Non-Executive Director*	• The Malaysian Current Law Journal - “The Companies Bill 2013: Key Changes to the Corporate Landscape in Malaysia” • New Public Rulings for 2014 and 2015 • GST Accounting Treatment and GST- 03 in Simple Application • Risk Management and Internal Control: Workshop for Audit Committee Members (organised by Bursa Malaysia Securities Berhad) • National Tax Conference 2015 • Malaysian Private Entities Reporting Standards (MPERS)- An Overview and Practical Approach • National Tax Seminar 2015
Toh Kian Sing – *Remuneration Committee Chairman, Independent Non-Executive Director*	• Panel Member of ICC Banking Commission on the topic of “Fraud Tough Realities and Effective Mitigation in Trade Finance” • Participated in Uncitral-Singapore Seminar on “35 years of the CISG: Achievements and Perspectives” • Talk on “Letters of Indemnity Encountered in Commodity Finance” in the HSBC Asia Pacific GTRF Legal Conference • Participated in ICMA in Hong Kong • Participated in the Singapore Annual Survey • Talk on B/L and LOIs for a trading company • Participated in CIArb Singapore Centenary Conference • Talk on “ Law and Practice with Particular Emphasis on the Role of Bills of Lading in Letters of Credit” for Anshan Iron and Steel Group Corporation, China • Lecture in Dalian Maritime University • Talk on “Joint Venture Disputes - Avoiding and Managing Them” in the 8th International Conference on Maritime Law at Dalian • Talk on “Singapore’s Growing Thought leadership in Maritime Jurisprudence” at SCMA Annual Conference • Talk on Letters of Credit at the R&T’s in-house Japanese Desk Seminar
Eric Khoo Chuan Syn @ Khoo Chuan Syn - *Nominating Committee Chairman, Independent Non-Executive Director*	• Audit Committee Conference 2015 (organised by the Malaysian Institute of Accountants and the Institute of Internal Auditors Malaysia) • Risk Management and Internal Control: Workshop for Audit Committee Members (organised by Bursa Malaysia Securities Berhad) • Nominating Committee Programme 2: Effective Board Evaluations (organised by Iclif Leadership and Bursa Malaysia Securities Berhad)
Dato’ Sebastian Ting Chiew Yew - *Independent Non-Executive Director*	• Audit Committee Conference 2015 (organised by the Malaysian Institute of Accountants and the Institute of Internal Auditors Malaysia) • Risk Management and Internal Control: Workshop for Audit Committee Members (organised by Bursa Malaysia Securities Berhad)

The Directors are notified periodically by the Company Secretary on the types of training courses available in the market that the Directors may consider attending in order to enhance their skills and knowledge in the discharge of their stewardship role.

Principle 5 – Uphold integrity in financial reporting by the Company

It is the Board's commitment to present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of each reporting period and financial year, primarily through the quarterly announcement of Group's results to Bursa Securities, the annual financial statements of the Group and Company as well as the message to shareholders in the Annual Report.

Audit Committee

In assisting the Board to discharge its duties on financial reporting, the Board has established an Audit Committee, comprising exclusively Independent Directors, chaired by Mr. Wong Chie Bin, who is a member of the Malaysian Institute of Accountants. The composition of the Audit Committee, including its roles and responsibilities enshrined in its terms of reference approved by the Board, are set out in the Audit Committee Report included in this Annual Report. One of the key responsibilities of the Audit Committee in its terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements. In discharging this role, meetings are scheduled with formal items on the agenda focusing on interim and year-end financial reporting, the auditing process and related party transactions. The relevant papers for the agenda are furnished to Committee members well before the meetings. At such meetings, questions raised by members of the Committee to better understand the Group's financial performance and situation are responded by the Head of Group Finance before the Committee recommended the financial performance and reporting to the Board for approval to issue to regulators and/or shareholders.

The terms of reference of the Audit Committee include a policy on the types and nature of non-audit services permitted to be provided by the external auditors of the Company so as not to compromise their independence and objectivity. This policy was reviewed and adopted by the Audit Committee in February 2016.

In assessing the independence of external auditors, the Audit Committee obtains assurance from the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out in the By-Laws of the Malaysian Institute of Accountants ("MIA"). For the financial year under review, this assurance was provided by the external auditors when they presented their audit plan to the Audit Committee, confirming that they complied with the By-Laws of MIA on professional ethics, conduct and practice which addressed, amongst others, the criteria on, and threats against, professional independence.

During the financial year under review, the Audit Committee assessed the performance of the external auditors and the internal audit function largely in terms of their quality and timeliness of services to the Group before recommending to Board for renewal or termination of their services, as the case may be.

Principle 6 – Recognise and manage risks of the Group

The Board has established a Risk Management Committee 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 Audit Committee as part of a holistic approach on risk management following the appointment of an independent professional firm, namely KPMG Management & Risk Consulting Sdn Bhd to develop a comprehensive Enterprise Risk Framework to enhance the Group's existing risk management activities and initiatives. Personnel of the Group have been trained to periodically identify and evaluate risks, supported by pertinent evidence corroborating the risk profiles of various business units, and ultimately the Group risk profile, for upward reporting to the Risk Management Committee, which is chaired by the Chief Executive Officer helmed by the Head of Marine Division, Head of Shipbuilding Division, Head of Group Finance and the Head of Compliance. The risk profile of the Group, following a review by the Risk Management Committee is tabled to the Audit Committee and questions, if any, are fielded by the Head of Compliance, who also acts as the Group's Risk Coordinator.

The internal audit function of the Group is outsourced to an independent professional firm, namely Smart Focus, 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 Audit Committee.

Further details on the Enterprise Risk Management Framework and activities of the internal audit function can be seen in the Statement on Risk Management and Internal Control included in this Annual Report.

Principle 7 – Ensure timely and high quality disclosure

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and stakeholders. Accordingly, the Board has, during the financial year under review, formalised pertinent policies and procedures on corporate disclosure not only to comply with the disclosure requirements as stipulated in the MMLR of Bursa Securities, but also identify the persons responsible to approve and disclose material information to the regulators, shareholders and stakeholders. The Corporate Disclosure Policies and Procedures, which are subject to annual review, set out, amongst others, the types of activities/transactions that require immediate announcement to the regulators, protocol on disclosure of information, spokesperson for the Group and procedures to be followed if issued by regulators with a notice on unusual market activities.

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

Principle 8 – Strengthen relationship between the Company and its shareholders

Shareholder participation at general meeting

The Annual General Meeting **("AGM")**, which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. At the AGM, shareholders participate in deliberating resolutions being proposed or on the Group's operations in general. At the last AGM, a question and answer session was held where the Chairman invited shareholders to raise questions with responses from the Board.

The Notice of AGM is circulated at least twenty-one (21) days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. Shareholders are invited to ask questions both about the resolutions being proposed before putting a resolution to vote as well as matters relating to the Group's operations in general. All the resolutions set out in the Notice of the last AGM were put to vote by show of hands and duly passed. The outcome of the AGM was announced to Bursa on the same meeting day. Going forward, the Board will consider adopting poll voting for related party transactions, if any, which require specific approvals, including the announcement of the detailed results showing the number of votes cast for and against each resolution.

Communication and engagement with shareholders

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

This Statement is issued in accordance with a resolution of the Board dated 12 April 2016.

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 Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

Non-Audit Fees
The amount of non-audit fees paid and payable to external auditors by the Group for the financial year ended 31 December 2015 amounted to RM73,096.

Variation in Results
There is no material variance between the financial results and the unaudited results previously made for the financial year ended 31 December 2015.

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 Company and its subsidiaries 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 Company and its subsidiaries 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 2015.

Recurrent related Party Transactions
The related party transactions are disclosed in page 86 of this annual report.

Statement On Corporate Social Responsibility

The Board of Directors ("Board") recognizes the need for the Group to adopt and adhere to business sustainability practices in its quest to achieve its strategic objectives and enhance shareholder value. As part of its corporate governance initiatives, the Board has adopted a sustainability policy which is considered in developing the Group's business strategy – a copy of this policy is uploaded on the Company's website at www.asiasealink.com

In fulfilling its corporate social responsibilities, the Board takes into consideration how the Group's business operations impact the four (4) core sustainability elements, i.e. the Marketplace, the Workplace, the Environment and the Community in which the Group operates. The following activities were carried in conjunction with the Group's operations for the financial year under review:

A. The Marketplace

The Board has formalized in writing a Code of Conduct and an Employee Handbook that set out, amongst others, zero tolerance on unethical practices, for example bribery and facilitation payments. The Code of Conduct, which applies also to Directors, and the Group's whistle-blowing policies and procedures have been uploaded in the Company's website.

The Group has also been progressively developing pertinent policies and procedures addressing its key operations covering, inter-alia, client relationship management, procurement, payment and contract negotiation to ensure transactions are concluded above board.

B. The Workplace

One of the critical success factors for the Group's operations is having a stable and experienced workforce to meet the myriad needs in operations. Accordingly, the following imperatives have been put in place by the Group:

- *Safety and Health*

  The Board is cognizant of the need to ensure a safe working environment for employees. Pertinent policies on health and safety have been formalised in writing and disseminated to the workforce for compliance. The Group's operations personnel as well as contract workers are provided with, and are required to wear, personal protective equipment when carrying out their chores at the shipyard, on vessels or at the warehouse in order to minimise injury or fatality arising from workplace accidents. Apart from the need to be briefed on safety issues upon arrival, visitors to the Group's shipyard and vessels are also required to put on safety helmets and boots before venturing to the sites. In addition, standard procedures are observed by personnel, including those of contractors, who handle flammable items, especially at the shipyard and on board vessels.

  To reinforce employees' understanding on safety at the workplace, table top drills were conducted during financial year 2015 in collaboration with oil majors whilst training was carried out for employees on basic knowledge concerning fire prevention and fire-fighting, led by personnel from the Fire and Rescue Department. Certain employees of the Group were also trained on how to use fire-fighting equipment and administer first-aid.

  The Group has appointed a Safety Officer, who is responsible for overseeing matters concerning safety and health of employees. A Safety and Health Committee has also been established to deliberate on issues relating to hazards at the workplace so that appropriate remedial measures may be taken to address any gaps noted, all with a view of sustaining a safe working environment in the Group; and

- *Recruitment and Retention of Talents*

  Having an adequate pool of experienced and dedicate talents is crucial to the Group in meeting business challenges. One of the key measures deployed to address the dearth of talents is a formal appraisal system where the performance of employees is assessed based on pre-set criteria to recognise merits, where their compensation and benefits package as well as career advancement in the Group are determined.

C. The Environment

We are accredited and maintain Safety Management System (SMS) for running of Marine Operations and we strictly comply to The International Convention for the Prevention of Pollution from Ships (MARPOL). Recognising the need to reduce energy consumption and CO_2 emission, Management has switched most of the Group's lighting systems to light-emitting diode (LED) lamps where possible and has minimised the use of paper in print. This "go-green" initiative is carried out on an ongoing basis to reduce the extent of carbon footprint in the environment where the Group operates.

D. The Community

Recognising the importance the Community has on its operations, the Group, during the financial year under review, donated funds to those in need, those who fell victims to calamities like flood, the Malaysian Red Crescent Society ("MRCS") dialysis centre and other deserving organizations. Donations were also made in kind, for example contribution of lifejackets to the MRCS and provide Industrial Training for local University and College Students and Cadet Program for Seaman as part of our initiative of giving back to the local Community.

Financial Statements

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are disclosed in Note 15 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM	Company RM
(Loss)/Profit net of tax	(7,528,648)	15,665,637
(Loss)/Profit attributable to:		
Owners of the Company	(7,528,648)	15,665,637

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the 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.

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Yong Foh Choi
Yong Kiam Sam
Wong Chie Bin
Eric Khoo Chuan Syn @ Khoo Chuan Syn
Toh Kian Sing
Dato' Sebastian Ting Chiew Yew

In accordance with the Company's Articles of Association, Toh Kian Sing and Dato' Sebastian Ting Chiew Yew retire at the forthcoming Annual General Meeting and being eligible, offers themselves for re-election.

Yong Foh Choi, having attained the age of seventy, retires pursuant to Section 129(2) of the Companies Act, 1965 and a resolution is being proposed for his re-appointment as Director under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which a Director is a member, or with a company in which a Director has a substantial financial interest, except as disclosed in Note 30 to the financial statements.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM0.50 Each			
	At 1 January 2015	Acquired	Sold	At 31 December 2015
The Company:				
Direct interest				
Yong Foh Choi	45,716,800	-	-	45,716,800
Yong Kiam Sam	67,382,399	-	-	67,382,399
Eric Khoo Chuan Syn @ Khoo Chuan Syn	30,000	-	-	30,000
Wong Chie Bin	90,000	-	-	90,000
Dato' Sebastian Ting Chiew Yew	137,500	-	-	137,500
Deemed interest through holding company				
Yong Foh Choi	259,080,800	-	-	259,080,800
Yong Kiam Sam	259,080,800	-	-	259,080,800
Holding company:				
Direct interest				
Yong Foh Choi	1,237,500	-	-	1,237,500
Yong Kiam Sam	262,500	-	-	262,500

Yong Foh Choi and Yong Kiam Sam by virtue of their interest in shares in the Company are also deemed interested in shares of 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.

OTHER STATUTORY INFORMATION

a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

   i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

   ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

b) At the date of this report, the Directors are not aware of any circumstances which would render:

   i) the amount written off for 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; and

   ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (Continued)

c) At the date of this report, the Directors are not aware of any circumstances 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.

d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

   i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

f) In the opinion of the Directors:

   i) no contingent 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 or of the Company to meet their obligations when they fall due; and

   ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Note 39 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 12 April 2016.

Yong Kiam Sam **Yong Foh Choi**

STATEMENT BY DIRECTORS / STATUTORY DECLARATION

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, **Yong Kiam Sam** and **Yong Foh Choi**, being two of the Directors of **Sealink International Berhad**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 38 to 98 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 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 2015 and of their financial performance and cash flows for the year then ended.

The information set out in Note 41 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 12 April 2016.

Yong Kiam Sam **Yong Foh Choi**

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **Low Wai Har**, being the Officer primarily responsible for the financial management of **Sealink International Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 38 to 99 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Low Wai Har at Miri in the State of Sarawak on 12 April 2016.

Low Wai Har

Before me,

Wong Chung Heng
Commissioner For Oaths (No. Q090)
No.100, 1st Floor,
Jalan Bendahara,98000 Miri, Sarawak.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Sealink International Berhad, which comprise statements of financial position as at 31 December 2015 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 38 to 98.

Directors' responsibility for the financial statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 15 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

The supplementary information set out in Note 41 on page 99 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Yong Nyet Yun
2708/04/16 (J)
Chartered Accountant

Miri, Malaysia
12 April 2016

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Revenue	4	141,503,932	128,094,386	44,140,803	18,836,687
Cost of sales		(111,175,727)	(107,065,284)	-	-
Gross profit		30,328,205	21,029,102	44,140,803	18,836,687
Other income	5	8,629,678	21,587,416	623,887	23,069
Administrative expenses		(27,594,447)	(26,235,312)	(5,392,437)	(4,656,039)
Other expenses		(13,774,307)	(3,014,082)	(24,306,285)	-
Operating (loss)/profit		(2,410,871)	13,367,124	15,065,968	14,203,717
Finance income	6	2,592,392	2,641,693	2,409,703	3,302,621
Finance costs	7	(15,643,277)	(15,010,976)	(1,678,901)	(411,212)
Share of results of joint ventures		(1,255,857)	287,336	-	-
Share of results of an associate		(343,420)	2,374,976	-	-
(Loss)/Profit before tax	8	(17,061,033)	3,660,153	15,796,770	17,095,126
Income tax expense	11	9,532,385	4,597,630	(131,133)	(820,736)
(Loss)/Profit net of tax		(7,528,648)	8,257,783	15,665,637	16,274,390
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Foreign currency translation		47,073,575	6,176,680	-	-
Other comprehensive income for the year, net of tax		47,073,575	6,176,680	-	-
Total comprehensive income for the year, net of tax		39,544,927	14,434,463	15,665,637	16,274,390
(Loss)/Profit attributable to:					
Owners of the Company		(7,528,648)	8,257,783	15,665,637	16,274,390
Total comprehensive income attributable to:					
Owners of the Company		39,544,927	14,434,463	15,665,637	16,274,390
(Loss)/Earnings per share attributable to owners of the Company (sen per share):					
Basic	12	(1.51)	1.65		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Assets					
Non-current assets					
Property, plant and equipment	13	658,191,777	654,817,833	2,939	5,074
Land use rights	14	11,814,212	12,392,965	-	-
Investment in subsidiaries	15	-	-	353,969,639	265,930,177
Investment in an associate	16	6,002,896	6,236,651	-	-
Investment in joint ventures	17	9,153,116	1,177,925	-	-
Other receivables	19	3,916,271	16,068,411	-	-
		689,078,272	690,693,785	353,972,578	265,935,251
Current assets					
Inventories	18	84,289,286	80,030,384	-	-
Trade and other receivables	19	49,595,272	45,706,226	60,546,356	130,447,098
Other current assets	20	756,495	980,373	-	-
Investment securities	21	329,008	258,052	-	-
Tax recoverable		1,418,664	1,885,697	-	-
Cash and bank balances	22	78,659,210	83,694,862	1,120,819	3,944,418
		215,047,935	212,555,594	61,667,175	134,391,516
Total assets		904,126,207	903,249,379	415,639,753	400,326,767
Equity and liabilities					
Current liabilities					
Loans and borrowings	24	169,028,512	158,564,262	6,140,000	6,140,000
Trade and other payables	25	44,592,501	46,616,377	31,614,268	25,388,960
Income tax payable		1,020,987	1,532,191	55,301	493,260
		214,642,000	206,712,830	37,809,569	32,022,220
Net current assets		405,935	5,842,764	23,857,606	102,369,296
Non-current liabilities					
Loans and borrowings	24	155,038,772	190,861,597	8,085,000	14,225,000
Deferred tax liabilities	26	34,823,751	45,598,195	-	-
		189,862,523	236,459,792	8,085,000	14,225,000
Total liabilities		404,504,523	443,172,622	45,894,569	46,247,220
Net assets		499,621,684	460,076,757	369,745,184	354,079,547

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

		Group		Company	
	Note	**2015**	**2014**	**2015**	**2014**
		RM	**RM**	**RM**	**RM**
Equity attributable to owners of the Company					
Share capital	27	250,000,000	250,000,000	250,000,000	250,000,000
Share premium	27	79,086,883	79,086,883	79,086,883	79,086,883
Retained earnings	28	109,985,757	117,514,405	40,658,301	24,992,664
Other reserves	29	60,549,044	13,475,469	-	-
Total equity		499,621,684	460,076,757	369,745,184	354,079,547
Total equity and liabilities		904,126,207	903,249,379	415,639,753	400,326,767

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

2015 Group	Note	Equity, total RM	Share capital RM	Non-distributable Share premium RM	Distributable Retained earnings RM	Non-distributable Foreign currency translation reserve RM
		Attributable to Equity Holders of the Company				
Opening balance at 1 January 2015		460,076,757	250,000,000	79,086,883	117,514,405	13,475,469
Loss for the year		(7,528,648)	-	-	(7,528,648)	-
Other comprehensive income	29	47,073,575	-	-	-	47,073,575
Total comprehensive income		39,544,927	-	-	(7,528,648)	47,073,575
Closing balance at 31 December 2015		499,621,684	250,000,000	79,086,883	109,985,757	60,549,044

2014 Group	Note	Equity, total RM	Share capital RM	Share premium RM	Retained earnings RM	Foreign currency translation reserve RM
Opening balance at 1 January 2014		450,642,294	250,000,000	79,086,883	114,256,622	7,298,789
Profit for the year		8,257,783	-	-	8,257,783	-
Other comprehensive income	29	6,176,680	-	-	-	6,176,680
Total comprehensive income		14,434,463	-	-	8,257,783	6,176,680
Transactions with owners						
Dividend on ordinary shares	38	(5,000,000)	-	-	(5,000,000)	-
Closing balance at 31 December 2014		460,076,757	250,000,000	79,086,883	117,514,405	13,475,469

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

			Non-distributable	Non-distributable	Distributable
2015 Company	**Note**	**Equity, total RM**	**Share capital RM**	**Share premium RM**	**Retained earnings RM**
Opening balance at 1 January 2015		354,079,547	250,000,000	79,086,883	24,992,664
Total comprehensive income		15,665,637	-	-	15,665,637
Closing balance at 31 December 2015		369,745,184	250,000,000	79,086,883	40,658,301
2014 Company					
Opening balance at 1 January 2014		342,805,157	250,000,000	79,086,883	13,718,274
Total comprehensive income		16,274,390	-	-	16,274,390
Transactions with owners					
Dividend on ordinary shares	38	(5,000,000)	-	-	(5,000,000)
Closing balance at 31 December 2014		354,079,547	250,000,000	79,086,883	24,992,664

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Operating activities					
(Loss)/Profit before tax		(17,061,033)	3,660,153	15,796,770	17,095,126
Adjustments for:					
Finance income	6	(2,592,392)	(2,641,693)	(2,409,703)	(3,302,621)
Dividend income	4	-	-	(40,000,000)	(15,101,000)
Dividend income from investment securities	5	(7,162)	(5,914)	-	-
Amortisation of land use rights	14	578,753	578,753	-	-
Deposits written off	8	157,360	42,000	-	-
Depreciation of property, plant and equipment	13	45,059,278	40,748,882	2,135	2,135
Fair value gain on investment securities	5	(2,441)	(2,138)	-	-
Impairment loss on trade and other receivables	8	741,519	1,234,958	-	-
Impairment loss on other current assets	8	-	57,802	-	-
Impairment loss on property, plant and equipment	8	6,974,532	-	-	-
Impairment loss on investment in subsidiaries	8	-	-	24,306,285	-
Finance costs	7	14,133,871	14,585,856	1,678,901	411,212
Inventories written down	8	2,595,858	12,634,776	-	-
Inventories written off	8	878,949	7,985	-	-
Net gain on disposal of property, plant and equipment	5,8	(270,682)	(4,665,670)	-	-
Property, plant and equipment written off	8	134,115	1,203,916	-	-
Reversal of inventory written down in previous year	5	(1,569,915)	-	-	-
Reversal of impairment loss on trade receivables	5	-	(679,127)	-	-
Reversal of provision for maintenance warranties	8	-	(1,500,000)	-	-
Share of results of joint ventures		1,255,857	(287,336)	-	-
Share of results of an associate		343,420	(2,374,976)	-	-
Unrealised loss/(gain) on foreign exchange		14,383,590	(8,962,736)	17,582	(14,441)
Total adjustments		82,794,510	49,975,338	(16,404,800)	(18,004,715)
Operating cash flows before changes in working capital		65,733,477	53,635,491	(608,030)	(909,589)
Changes in working capital					
Increase in inventories		(1,459,375)	(12,131,161)	-	-
Decrease/(Increase) in trade and other receivables		594,615	15,022,286	(92,738)	(186,138)
Decrease in other current assets		262,142	38,637,150	-	-
Increase in other current liabilities		-	140,755	-	-
(Decrease)/Increase in trade and other payables		(18,065,642)	14,128,169	(385,419)	(452,653)
Net change in subsidiaries balances		-	-	76,604,207	33,445,309
Total changes in working capital		(18,668,260)	55,797,199	76,126,050	32,806,518
Cash flows from operations		47,065,217	109,432,690	75,518,020	31,896,929
Interest received		2,592,392	2,769,908	2,409,703	3,302,621
Interest paid		(16,653,046)	(17,669,555)	(1,678,901)	(411,212)
Income tax paid		(2,468,576)	(4,715,220)	(569,092)	(373,841)
Income tax refunded		996,321	1,126,120	-	-
Net cash flows from operating activities		31,532,308	90,943,943	75,679,730	34,414,497

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
Investing activities					
Purchase of property, plant and equipment		(2,960,945)	(52,645,960)	-	-
Proceeds from disposal of property, plant and equipment		18,261,689	44,701,863	-	-
Acquisition of investment in a joint venture		(8,900,000)	(220,000)	-	-
Acquisition of additional investment in subsidiaries		-	-	(2,499,999)	(8,003,000)
Acquisition of redeemable convertible preference shares in subsidiaries		-	-	(109,845,750)	(26,500,000)
Proceeds from disposal of a subsidiary		-	-	2	-
Dividend received		-	-	40,000,000	15,101,000
Net cash flows from/(used in) investing activities		6,400,744	(8,164,097)	(72,345,747)	(19,402,000)
Financing activities					
Dividend paid on ordinary shares		-	(5,000,000)	-	(5,000,000)
Proceeds from loans and borrowings		24,969,997	11,600,000	-	-
Purchase of investment securities		(61,353)	(250,000)	-	-
Repayments of loans and borrowings		(77,829,010)	(80,451,117)	(6,140,000)	(6,550,000)
Repayment of finance leases		(40,676)	(29,669)	-	-
Net movement in trade financing		(22,300,000)	11,279,269	-	-
Net movement in fixed deposit pledged		30,744	(3,406,069)	-	-
Net movement in cash at bank restricted in use		4,744,388	701,910	-	-
Net cash flows used in financing activities		(70,485,910)	(65,555,676)	(6,140,000)	(11,550,000)
Net (decrease)/increase in cash and cash equivalents		(32,552,858)	17,224,170	(2,806,017)	3,462,497
Effect of exchange rate changes on cash and cash equivalents		10,386,607	1,890,190	(17,582)	14,441
Cash and cash equivalents at 1 January		52,774,841	33,660,481	3,944,418	467,480
Cash and cash equivalents at 31 December	22	30,608,590	52,774,841	1,120,819	3,944,418

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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 of the Company is located at Lot 1035, Block 4, MCLD, Piasau Industrial Area, 98000 Miri, Sarawak.

The immediate and ultimate holding company of the Company is Sealink Holdings Sdn. Bhd., which is incorporated in Malaysia.

The Company is principally engaged in investment holding.The principal activities of the subsidiaries are disclosed in Note 15 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have also been prepared on the historical cost basis except as disclosed in the accounting policies below and are presented in Ringgit Malaysia ("RM").

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2015, the Group and the Company adopted the following new and amended MFRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2015:

- Amendments to MFRS 119: Defined Benefit Plans - Employee Contributions
- Annual Improvements to MFRSs 2010 - 2012 Cycle
- Annual Improvements to MFRSs 2011 - 2013 Cycle

The nature and impact of the new and amended MFRSs and IC Interpretation are described below:

(a) Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions

The amendments to MFRS 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. For contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

These amendments did not have any impact on the disclosures or the amounts recognised in the Group's and the Company's financial statements.

(b) Annual Improvements to MFRSs 2010–2012 Cycle

The Annual Improvements to MFRSs 2010-2012 Cycle include a number of amendments to various MFRSs, which are summarised below. These amendments did not have any impact on the Group's and the Company's financial statements.

2. Summary of significant accounting policies (Continued)

2.2 Changes in accounting policies (Continued)

(b) Annual Improvements to MFRSs 2010–2012 Cycle (Continued)

(i) MFRS 3 Business Combinations

The amendments to MFRS 3 clarifies that contingent consideration classified as liabilities (or assets) should be measured at fair value through profit or loss at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of MFRS 9 or MFRS 139. The amendments are effective for business combinations for which the acquisition date is on or after 1 July 2014.

(ii) MFRS 8 Operating Segments

The amendments are to be applied retrospectively and clarify that:

- an entity must disclose the judgements made by management in applying the aggregation criteria in MFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar; and

- the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

(iii) MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets

The amendments remove inconsistencies in the accounting for accumulated depreciation or amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amendments clarify that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between gross and carrying amounts of the asset.

(iv) MFRS 124 Related Party Disclosures

The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. The reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services.

(c) Annual Improvements to MFRSs 2011–2013 Cycle

The Annual Improvements to MFRSs 2011-2013 Cycle include a number of amendments to various MFRSs, which are summarised below. These amendments did not have any impact on the Group's and the Company's financial statements.

(i) MFRS 3 Business Combinations

The amendments to MFRS 3 clarify that the standard does not apply to the accounting for formation of all types of joint arrangement in the financial statements of the joint arrangement itself. This amendment is to be applied prospectively.

2. Summary of significant accounting policies (Continued)

2.2 Changes in accounting policies (Continued)

(c) Annual Improvements to MFRSs 2011–2013 Cycle (Continued)

(ii) MFRS 13 Fair Value Measurement

The amendments to MFRS 13 clarify that the portfolio exception in MFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of MFRS 9 (or MFRS 139 as applicable).

(iii) MFRS 140 Investment Property

The amendments to MFRS 140 clarify that an entity acquiring investment property must determine whether:

(i) the property meets the definition of investment property in terms of MFRS 140; and

(ii) the transaction meets the definition of a business combination under MFRS 3,

to determine if the transaction is a purchase of an asset or is a business combination.

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

MFRS effective for annual periods beginning on or after 1 January 2016

- Annual Improvements to MFRSs 2012 - 2014 Cycle
- Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 116 and MFRS 141: Agriculture - Bearer Plants
- Amendments to MFRS 10, MFRS 12 and MFRS 128: Investments Entities - Applying the Consolidation Exception
- Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to MFRS 101: Disclosure Initiatives
- Amendments to MFRS 127: Equity Method in Separate Financial Statements
- MFRS 14: Regulatory Deferral Accounts

MFRS effective for annual periods beginning on or after 1 January 2018

- MFRS 15: Revenue from Contracts with Customers
- MFRS 9: Financial Instruments

MFRS effective date to be announced

- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

2. Summary of significant accounting policies (Continued)

2.3 Standards issued but not yet effective (Continued)

(a) Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group as the Group has not used a revenue-based method to depreciate its non-current assets.

(b) Amendments to MFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations

The amendments to MFRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant MFRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to MFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Directors of the Group do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

(c) Amendments to MFRS 127 Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying MFRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of MFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to MFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

(d) Amendments to MFRS 101 Disclosure Initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The Directors of the Group and of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

2. Summary of significant accounting policies (Continued)

2.3 Standards issued but not yet effective (Continued)

(e) MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Directors of the Group and of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

(f) MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

(g) Annual Improvements to MFRSs 2012–2014 Cycle

The Annual Improvements to MFRSs 2012-2014 Cycle include a number of amendments to various MFRSs, which are summarised below. The Directors of the Group and of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

(i) MFRS 5 Non-current Assets Held for Sale and Discontinued Operation

The amendment to MFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in MFRS 5.

The amendment also clarifies that changing the disposal method does not change the date of classification. This amendment is to be applied prospectively to changes in methods of disposal that occur in annual periods beginning on or after 1 January 2016, with earlier application permitted.

(ii) MFRS 7 Financial Instruments Disclosures

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in MFRS 7 in order to assess whether the disclosures are required.

In addition, the amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.

2. Summary of significant accounting policies (Continued)

2.3 Standards issued but not yet effective (Continued)

(g) Annual Improvements to MFRSs 2012–2014 Cycle (Continued)

(iii) MFRS 119 Employee Benefits

The amendment to MFRS 119 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

(iv) MFRS 134 Interim Financial Reporting

MFRS 134 requires entities to disclose information in the notes to the interim financial statements ‘if not disclosed elsewhere in the interim financial report’.

The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company’s voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Company, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

2. Summary of significant accounting policies (Continued)

2.4 Basis of consolidation (Continued)

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

Acquisitions of subsidiaries 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 on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

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

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

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

2.5 Foreign currency

a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

2. Summary of significant accounting policies (Continued)

2.5 Foreign currency (Continued)

b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

2. Summary of significant accounting policies (Continued)

2.6 Property, plant and equipment (Continued)

Leasehold land	**remaining leasehold period**
Buildings and wharf	10 - 50 years
Vessels	20 years
Vessel equipment	1.5 - 10 years
Dry docking expenses	2.5 years
Equipment, furniture and fittings	5 - 10 years
Plant and machinery	10 years
Motor vehicles	5 - 6.25 years

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.7 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2. Summary of significant accounting policies (Continued)

2.9 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.10 Investments in associates and joint ventures

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

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

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

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

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

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

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

2. Summary of significant accounting policies(Continued)

2.10 Investments in associates and joint ventures (Continued)

After application of the equity method, the Group applies MFRS 139 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

In the Company's separate financial statements, investments in associates and joint ventures are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.11 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit and loss and loans and receivables.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

2. Summary of significant accounting policies (Continued)

2.11 Financial assets (Continued)

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.12 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.14 Construction contracts

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

2. Summary of significant accounting policies (Continued)

2.14 Construction contracts (Continued)

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

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

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

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2.15 Inventories

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

Cost is determined using the weighted average and on a first-in-first-out basis. The cost of raw materials comprises costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. In arriving at the net realisable value, due allowance is made for all damaged, obsolete and slow moving items.

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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

2.17 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as other financial liabilities.

2. Summary of significant accounting policies (Continued)

2.17 Financial liabilities (Continued)

Other financial liabilities

The Group's and the Company's financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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

2.18 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.20 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2. Summary of significant accounting policies (Continued)

2.21 Leases

As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.22 Revenue

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.

a) Rendering of services

Revenue from services rendered is recognised net of discounts as and when the services are performed.

b) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

c) Construction contracts

Revenue from construction contracts is accounted for by percentage of completion method as described in Note 2.14.

d) Rental income

Rental income is recognised as the rental accrued unless collectability is in doubt.

e) Dividend income

Dividend income is recognised when the Group’s right to receive payment is established.

f) Management fees

Management fees are recognised when services are rendered.

2. Summary of significant accounting policies (Continued)

2.23 Income taxes

a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

For Labuan trading activity, its profits would be subject to tax under Labuan Business Activity Tax 1990 under two options:

i) to be taxed at rate of 3% on audited profits; or

ii) upon election, to pay a flat tax of RM20,000.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

2. Summary of significant accounting policies (Continued)

2.23 Income taxes (Continued)

b) Deferred tax (Continued)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.24 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 Share capital and share issuance expenses

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

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2. Summary of significant accounting policies (Continued)

2.27 Contingencies

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

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

2.28 Fair value measurements

The Group measures financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group and the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair values in measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1	- Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3	- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of nature, characteristics and risks of the assets or liability and the level of the fair value hierarchy as explained above.

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key sources of estimation uncertainty

a) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 1.5 to 50 years. These are common life expectancies applied in the shipbuilding and ship chartering industries. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment at the reporting date is disclosed in Note 13. A 5% difference in the expected useful lives of these assets from management's estimates would result in approximately 13.21% (2014: 55.67%) variance in the Group's profit or loss for the year.

b) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 19.

c) Impairment of vessels

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on valuation performed by independent ship valuers, available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

The Group performed a review of the recoverable amount of vessels with indication of impairment during the financial year. The review led to the recognition of impairment losses as disclosed in Note 13.

4. Revenue

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Charter hire revenue	119,095,701	121,304,198	-	-
Sale of vessels	16,804,261	-	-	-
Contract services	5,435,970	6,704,438	-	-
Dividend income from subsidiaries	-	-	40,000,000	15,101,000
Management fee	-	-	4,140,803	3,735,687
Rental income	168,000	85,750	-	-
	141,503,932	128,094,386	44,140,803	18,836,687

5. Other income

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Dividend income from investment securities	7,162	5,914	-	-
Fair value gain on investment securities	2,441	2,138	-	-
Net gain on foreign exchanges	5,088,706	12,605,944	623,887	23,069
Gain on disposal of property, plant and equipment	270,682	4,666,375	-	-
Reversal of impairment loss on trade receivables (Note 19)	-	679,127	-	-
Reversal of inventory written down in previous year	1,569,915	-	-	-
Sundry income	1,690,772	3,627,918	-	-
	8,629,678	21,587,416	623,887	23,069

6. Finance income

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Interest income from:				
- Current account	67,087	20,052	114,008	20,052
- Short term deposits	575,114	499,352	-	-
- Associate	1,899,552	2,195,691	-	-
- Subsidiaries	-	-	1,633,624	3,282,569
- Others	50,639	54,813	-	-
- Redeemable convertible preference shares interest from subsidiaries	-	-	662,071	-
	2,592,392	2,769,908	2,409,703	3,302,621
Less: Interest income capitalised in:				
- Vessels work-in-progress (Note 18)	-	(128,215)	-	-
	2,592,392	2,641,693	2,409,703	3,302,621

In 2014, interest income capitalised was from fixed deposits pledged with banks for credit facilities, and was calculated based on the related finance costs capitalised.

7. Finance costs

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Interest expenses on:				
- Bankers acceptances	5,914	52,260	-	-
- Bank loans	10,054,957	9,757,523	-	-
- Bank overdrafts	1,850,110	1,654,217	-	-
- Islamic loans	1,106,544	1,418,742	1,106,544	1,418,742
- Loan from subsidiaries	-	-	969,407	1,039,046
- Obligations under finance leases	7,133	6,091	-	-
- Revolving credits	3,627,594	4,780,453	-	-
- Loans recharged to subsidiaries	-	-	(397,050)	(2,046,576)
- Others	794	269	-	-
	16,653,046	17,669,555	1,678,901	411,212
Less: Interest expense capitalised in:				
- Vessels work-in-progress (Note 18)	(2,519,175)	(3,083,699)	-	-
	14,133,871	14,585,856	1,678,901	411,212
Net loss on foreign exchanges	1,509,406	425,120	-	-
	15,643,277	15,010,976	1,678,901	411,212

8. (Loss)/Profit before tax

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
The following items have been included in arriving at (loss)/profit before tax:				
Employee benefits expense (Note 9)	27,818,020	28,357,628	4,485,037	3,629,038
Amortisation of land use rights (Note 14)	578,753	578,753	-	-
Auditors' remuneration				
- Current year	276,263	287,278	67,000	50,000
- Overprovision in previous years	(26,000)	(748)	-	-
Depreciation of property, plant and equipment (Note 13)	45,059,278	40,748,882	2,135	2,135
Deposits written off	157,360	42,000	-	-
Impairment loss on trade and other receivables	741,519	1,234,958	-	-
Impairment loss on other current assets (Note 20)	-	57,802	-	-
Impairment loss on property, plant and equipment (Note 13)	6,974,532	-	-	-
Impairment loss on investment in subsidiaries	-	-	24,306,285	-
Inventories written off	878,949	7,985	-	-
Inventories written down	2,595,858	12,634,776	-	-
Loss on disposal of property, plant and equipment	-	705	-	-
Net loss on foreign exchanges	-	2,532,662	-	-
Loss on forward contract	27,000	-	-	-
Non-executive Directors				
- Fees	359,430	287,430	277,830	277,830
Rental of premises	1,226,381	1,361,049	7,500	7,500
Reversal of provision for maintenance warranties (Note 23)	-	(1,500,000)	-	-
Property, plant and equipment written off	134,115	1,203,916	-	-

9. Employee benefits expense

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Salaries and wages	25,053,931	25,297,979	3,990,907	3,233,889
Social security contributions	202,755	223,106	19,773	15,658
Contributions to defined contribution plan	2,485,775	2,651,853	474,357	379,491
Other benefits	75,559	184,690	-	-
	27,818,020	28,357,628	4,485,037	3,629,038

Included in employee benefits expense of the Group and of the Company are the Executive Directors' remuneration amounting to RM1,237,360 (2014: RM1,289,686) and RM92,007 (2014: RM151,828) respectively.

10. Directors' remuneration

The details of remuneration receivable by Directors of the Company during the year are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Executive:				
Salaries and other emoluments	1,111,607	1,069,042	44,410	44,375
Fees	44,100	44,100	44,100	44,100
Bonus	-	89,087	-	55,469
Defined contribution plan	81,653	87,457	3,497	7,884
Total Executive Directors' remuneration (excluding benefits-in-kind)	1,237,360	1,289,686	92,007	151,828
Estimated money value of benefits-in-kind	26,892	26,503	26,892	26,503
Total Executive Directors' remuneration (including benefits-in-kind)	1,264,252	1,316,189	118,899	178,331
Non-Executive:				
Fees	277,830	277,830	277,830	277,830
Total Directors' remuneration	1,542,082	1,594,019	396,729	456,161

The number of Directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of Directors	
	2015	2014
Executive Directors:		
RM500,001 – RM550,000	1	-
RM550,001 – RM600,000	-	1
RM700,001 – RM750,000	1	1
Non-Executive Directors:		
RM50,001 – RM100,000	4	4

11. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2015 and 2014 are:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Statement of profit or loss:				
Current income tax:				
Labuan business activity tax	52,848	56,631	-	-
Malaysian income tax	1,572,044	3,084,802	144,551	720,510
(Over)/Underprovision in respect of previous years	(209,706)	2,451,707	(13,418)	100,226
	1,415,186	5,593,140	131,133	820,736
Deferred income tax (Note 26):				
Origination or reversal of temporary differences	(11,519,304)	(6,234,033)	-	-
Relating to change in tax rate	-	(1,848,478)	-	-
Under/(Over)provision in respect of previous years	744,860	(2,882,437)	-	-
	(10,774,444)	(10,964,948)	-	-
Share of tax of associate and joint ventures	(173,127)	774,178	-	-
Income tax expense recognised in profit or loss	(9,532,385)	(4,597,630)	131,133	820,736

Reconciliation between tax expense and accounting (loss)/profit

The reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 31 December 2015 and 2014 are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
(Loss)/Profit before tax	(17,061,033)	3,660,153	15,796,770	17,095,126
Tax at Malaysian statutory tax rate of 25% (2014: 25%)	(4,265,258)	915,038	3,949,193	4,273,782
Adjustments:				
Non-deductible expenses	6,570,890	3,140,200	6,363,481	226,370
Income not subject to taxation	(15,110,401)	(10,029,741)	(10,168,657)	(3,779,172)
Deferred tax assets not recognised during the years	3,387,335	2,896,350	534	(470)
Reversal of deferred tax assets not recognised in previous year	(145,068)	-	-	-
Effect of reduction in tax rates	(312,226)	(1,848,478)	-	-

11. Income tax expense (Continued)

Reconciliation between tax expense and accounting (loss)/profit (Continued)

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Under/(Over) provision of deferred tax in previous years	744,860	(2,882,437)	-	-
(Over)/Under provision of tax expense in previous years	(209,706)	2,451,707	(13,418)	100,226
Share of tax of associate and joint venture	(173,127)	774,178	-	-
Others	(19,684)	(14,447)	-	-
Income tax expense recognised in profit or loss	(9,532,385)	(4,597,630)	131,133	820,736

Current income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated assessable (loss)/profit for the year. The statutory tax rate will be reduced to 24% from the current year's tax rate of 25%, effective year of assessment 2016. The computation of deferred tax as at 31 December 2015 has reflected the change in tax rate.

For Labuan business activity, the subsidiaries elect to pay RM20,000 of income tax in accordance with Section 7(1) of the Labuan Business Activity Tax Act 1990.

The profit arising from the shipping operations of subsidiaries in Singapore is partial exempted from income tax.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

12. (Loss)/Earnings per share

Basic (loss)/earnings per share amounts are calculated by dividing (loss)/profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

The following reflect the (loss)/profit and share data used in the computation of basic (loss)/earnings per share for the years ended 31 December:

	2015 RM	2014 RM
(Loss)/Profit attributable to ordinary equity holders of the Company	(7,528,648)	8,257,783
Number of ordinary shares in issue during the year	500,000,000	500,000,000

	2015 Sen	2014 Sen
Basic (loss)/earnings per share for (loss)/profit for the year	(1.51)	1.65

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

13. Property, plant and equipment

Group	Land, buildings and wharf* RM	Vessels, vessel equipment and docking expenses RM	Equipment, furniture and fittings RM	Plant and machinery RM	Motor vehicles RM	Total RM
Cost:						
At 1.1.2014	70,526,284	686,988,961	9,325,856	42,996,699	4,584,506	814,422,306
Transfer from capital work-in-progress	90,003	-	-	-	-	90,003
Additions	289,327	50,460,100	802,588	797,384	-	52,349,399
Reclassification	1,286,698	-	(1,059,940)	(226,758)	-	-
Disposals	-	(51,779,926)	(770)	-	-	(51,780,696)
Written off	-	(3,545,811)	(872,568)	(2,247,569)	-	(6,665,948)
Exchange rate difference	-	21,923,165	2,604	-	-	21,925,769
At 31.12.2014 and 1.1.2015	72,192,312	704,046,489	8,197,770	41,319,756	4,584,506	830,340,833
Additions	124,236	1,423,796	1,207,011	163,000	116,783	3,034,826
Transfer from capital work-in-progress	-	12,557,919	-	-	-	12,557,919
Reclassification	(6,685)	-	201,795	86,104	(281,214)	-
Disposals	-	(24,999,171)	(445,514)	(247,562)	-	(25,692,247)
Written off	-	(1,238,091)	(13,220)	-	-	(1,251,311)
Exchange rate difference	-	83,774,107	25,725	-	-	83,799,832
At 31.12.2015	72,309,863	775,565,049	9,173,567	41,321,298	4,420,075	902,789,852
Accumulated depreciation and impairment loss:						
At 1.1.2014	17,511,476	111,310,665	5,896,952	26,840,924	3,872,489	165,432,506
Charge for the year	2,606,980	36,933,056	823,685	3,943,937	261,039	44,568,697
Disposals	-	(11,744,008)	(495)	-	-	(11,744,503)
Written off	-	(3,568,444)	(806,113)	(1,785,456)	-	(6,160,013)
Exchange rate difference	-	2,216,698	1,960	-	-	2,218,658
At 31.12.2014 and 1.1.2015	20,118,456	135,147,967	5,915,989	28,999,405	4,133,528	194,315,345
Charge for the year	2,161,433	39,723,454	1,251,297	3,596,729	193,734	46,926,647
Reclassification	(3,073)	-	82,701	180,683	(260,311)	-
Disposals	-	(7,254,482)	(291,199)	(155,559)	-	(7,701,240)
Written off	-	(1,106,515)	(10,681)	-	-	(1,117,196)
Impairment loss (Note 8)	-	3,153,808	-	-	-	3,153,808
Exchange rate difference	-	11,442,872	24,560	-	-	11,467,432
At 31.12.2015	22,276,816	181,107,104	6,972,667	32,621,258	4,066,951	247,044,796

13. Property, plant and equipment (Continued)

Group	Land, buildings and wharf* RM	Vessels, vessel equipment and docking expenses RM	Equipment, furniture and fittings RM	Plant and machinery RM	Motor vehicles RM	Total RM
Net carrying amount:						
At 31.12.2014	52,073,856	568,898,522	2,281,781	12,320,351	450,978	636,025,488
Capital Work-In-Progress						
At 1.1.2014						19,283,768
Additions						296,561
Transfer to property, plant and equipment						(90,003)
Written off						(697,981)
At 31.12.2014						18,792,345
						654,817,833
At 31.12.2015	50,033,047	594,457,945	2,200,900	8,700,040	353,124	655,745,056
Capital Work-In-Progress						
At 1.1.2015						18,792,345
Additions						33,019
Transfer to property, plant and equipment						(12,557,919)
Impairment loss (Note 8)						(3,820,724)
At 31.12.2015						2,446,721
						658,191,777

***Land, buildings and wharf**

Group	Leasehold land RM	Workshop and renovation RM	Wharf, yard and buildings RM	Total RM
Cost:				
At 1 January 2014	37,629,735	2,525,719	30,370,830	70,526,284
Transfer from capital work-in-progress	-	90,003	-	90,003
Additions	-	221,118	68,209	289,327
Reclassification	-	391,942	894,756	1,286,698
At 31 December 2014 and 1 January 2015	37,629,735	3,228,782	31,333,795	72,192,312
Additions	-	124,236	-	124,236
Reclassification	-	-	(6,685)	(6,685)
At 31 December 2015	37,629,735	3,353,018	31,327,110	72,309,863

13. Property, plant and equipment (Continued)

***Land, buildings and wharf (Continued)**

Group	Leasehold land RM	Workshop and renovation RM	Wharf, yard and buildings RM	Total RM
Accumulated depreciation and impairment loss:				
At 1 January 2014	4,979,711	1,696,720	10,835,045	17,511,476
Charge for the year	649,267	247,239	1,710,474	2,606,980
At 31 December 2014 and 1 January 2015	5,628,978	1,943,959	12,545,519	20,118,456
Charge for the year	649,371	224,996	1,287,066	2,161,433
Reclassification	-	-	(3,073)	(3,073)
At 31 December 2015	6,278,349	2,168,955	13,829,512	22,276,816
Net carrying amount:				
At 31 December 2014	32,000,757	1,284,823	18,788,276	52,073,856
At 31 December 2015	31,351,386	1,184,063	17,497,598	50,033,047

Company	Signboard RM	Office equipment RM	Total RM
Cost:			
At 1 January 2014 and 31 December 2015	7,390	6,981	14,371
Accumulated depreciation:			
At 1 January 2014	3,572	3,590	7,162
Charge for the year (Note 8)	739	1,396	2,135
At 31 December 2014 and 1 January 2015	4,311	4,986	9,297
Charge for the year (Note 8)	739	1,396	2,135
At 31 December 2015	5,050	6,382	11,432
Net carrying amount:			
At 31 December 2014	3,079	1,995	5,074
At 31 December 2015	2,340	599	2,939

13. Property, plant and equipment (Continued)

i) Assets held under finance leases

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM106,900 (2014: Nil) by means of finance leases. The cash outflows on acquisition of property, plant and equipment of the Group amounted to RM2,960,945 (2014: RM52,645,960).

The net carrying amount of property, plant and equipment held under finance leases are as follows:

Group	Motor vehicles RM	Total RM
Net carrying amount		
At 31 December 2014	136,325	136,325
At 31 December 2015	197,637	197,637

ii) Assets pledged as security

In addition to assets held under finance leases, the Group's vessels and plant and machinery with a carrying amount of RM528,926,868 (2014: RM479,673,225) and RM1,994,367 (2014: RM2,503,567) respectively are mortgaged to secure the Group's bank loans (Note 24).

The Group's leasehold land with carrying amount of RM28,391,086 (2014: RM29,044,815) is mortgaged to secure the Group's bank loans (Note 24).

iii) Depreciation charge for the year is allocated as follow:

	Group 2015 RM	2014 RM
Statement of profit or loss (Note 8)	45,059,278	40,748,882
Recognised in inventories (Note 18)	1,867,369	3,819,815
	46,926,647	44,568,697

14. Land use rights

	Group 2015 RM	2014 RM
Cost:		
At 1 January 2014 and 31 December 2015	16,686,200	16,686,200
Accumulated amortisation:		
At 1 January	4,293,235	3,714,482
Amortisation for the year(Note 8)	578,753	578,753
At 31 December	4,871,988	4,293,235
Net carrying amount	11,814,212	12,392,965

14. Land use rights (Continued)

	Group 2015 RM	Group 2014 RM
Amount to be amortised:		
- Not later than one year	578,753	578,753
- Later than one year but not later than five years	2,315,012	2,315,016
- Later than five years	8,920,447	9,499,196

Land use rights pledged as security

Land use rights with an aggregate carrying value of RM7,393,716 (2014: RM7,751,506) are pledged as securities for bank borrowings as referred to in Note 24.

15. Investment in subsidiaries

	Company 2015 RM	Company 2014 RM
Unquoted shares, at cost:		
- Ordinary shares	241,930,174	239,430,177
- Redeemable convertible preference shares	136,345,750	26,500,000
	378,275,924	265,930,177
Impairment losses	(24,306,285)	-
	353,969,639	265,930,177

Details of the subsidiaries are as follows:

Name of companies	Country of incorporation	Principal activities	Percentage of equity held 2015 %	Percentage of equity held 2014 %
Cergas Majusama Sdn. Bhd.	Malaysia	Chartering of marine vessels	100	100
Era Sureway Sdn. Bhd.	Malaysia	Chartering of marine vessels	100	100
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
Navitex Shipping Sdn. Bhd.	Malaysia	Chartering of marine vessels	100	100

15. Investment in subsidiaries (Continued)

Details of the subsidiaries are as follows:

Name of companies	Country of incorporation	Principal activities	Percentage of equity held 2015 %	2014 %
Seabright Sdn. Bhd.	Malaysia	Chartering of marine vessels	100	100
Sealink Engineering And Slipway Sdn. Bhd.	Malaysia	Shipbuilding	100	100
Sealink Management Sdn. Bhd.	Malaysia	Chartering of marine vessels	100	100
Sealink Marine Sdn. Bhd.	Malaysia	Chartering of marine vessels	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
Sutherfield 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
Sealink Offshore (L) Ltd.	Federal Territory of Labuan, Malaysia	Investment holding and chartering of marine vessels	100	100
Sea Alpha Sdn. Bhd.	Malaysia	Inactive	100	100
Seabright (Singapore) Private Limited*	Singapore	Ship owner	100	100
Seasten Sdn. Bhd.	Malaysia	Inactive	#	100
Subsidiary of Sealink Shipyard Sdn. Bhd.				
Aliran Saksama Sdn. Bhd.	Malaysia	Letting of property	100	100
Subsidiary of Sealink Engineering And Slipway Sdn. Bhd.				
Baram Moulding Industries Sdn. Bhd.	Malaysia	Letting of property	100	100

15. Investment in subsidiaries (Continued)

Details of the subsidiaries are as follows:

Name of companies	Country of incorporation	Principal activities	Percentage of equity held 2015 %	Percentage of equity held 2014 %
Subsidiary of Sealink Pacific Sdn. Bhd.				
Bristal View Sdn. Bhd.	Malaysia	Property holding	100	100
Subsidiary of Midas Choice Sdn. Bhd.				
Sea Legend Shipping Sdn. Bhd.	Malaysia	Investment holding	100	100
Subsidiaries of Sealink Offshore (L) Ltd.				
Sealink Resources (L) Ltd.	Federal Territory of Labuan, Malaysia	Inactive	100	100
Sealink Marine (L) Ltd.	Federal Territory of Labuan, Malaysia	Inactive	100	100
Sealink Antarabangsa Ltd.	Federal Territory of Labuan, Malaysia	Chartering of marine vessel	100	100
Perkasa Asia Corporation Ltd.	Federal Territory of Labuan, Malaysia	Chartering of marine vessel	100	100
Hanvoir (L) Ltd.	Federal Territory of Labuan, Malaysia	Inactive	100	100

* Audited by a firm other than Ernst & Young.

Refer to Note 17.

Impairment of investment in subsidiaries

During the financial year, the Directors recognised impairment losses amounting to RM24,306,285 on the Company's investment in certain subsidiaries. The impairment losses have been recognised in the "other expenses" line item in the Company's profit or loss for the year ended 31 December 2015.

16. Investment in an associate

The Group's interest in the associate is accounted for using the equity method in the consolidated financial statements. Reconciliation with the carrying amount of the investment in consolidated financial statements is set out below:

	Group 2015 RM	Group 2014 RM
Unquoted shares, at cost	3,500,000	3,500,000
Share of post acquisition reserves	2,502,896	2,736,651
	6,002,896	6,236,651

Details of the associate are as follows:

Name of associate	Country of incorporation	Principal activity	Proportion of ownership interest 2015 %	Proportion of ownership interest 2014 %
Logistine Sdn. Bhd. *	Malaysia	Providing offshore support vessels, equipment and engineering consultation for oil and gas activities	25	25

* Audited by a firm other than Ernst & Young.

The summarised financial information of the associate not adjusted for the proportion of ownership interest held by the Company is as follows:

	2015 RM	2014 RM
Assets and liabilities:		
Non-current assets	53,189,793	55,079,429
Current assets	4,223,540	7,934,434
Total assets	57,413,333	63,013,863
Non-current liabilities	(21,211,445)	(28,336,022)
Current liabilities	(9,881,574)	(7,960,311)
Total liabilities	(31,093,019)	(36,296,333)
Results:		
Revenue	9,736,410	21,493,408
(Loss)/Profit for the year	(397,217)	6,971,954

17. Investment in joint ventures

The Group's interest in the joint ventures is accounted for using the equity method in the consolidated financial statements. Reconciliation with the carrying amount of the investment in consolidated financial statements is set out below:

	Group 2015 RM	Group 2014 RM
Unquoted shares, at cost		
- Ordinary shares	5,799,999	3,000,001
- Redeemable convertible preference shares	6,100,004	-
	11,900,003	3,000,001
Share of post acquisition reserves	(2,746,887)	(1,822,076)
	9,153,116	1,177,925

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Principal activities	Proportion of ownership interest 2015 %	Proportion of ownership interest 2014 %
Joint venture of Sea Legend Shipping Sdn. Bhd.				
Mitra Angkasa Sdn. Bhd.	Malaysia	Ship owner and chartering of vessels	50.0001	50.0001
Joint venture of Era Surplus Sdn. Bhd.				
Seasten Sdn. Bhd.	Malaysia	Vessel owner and operator	70[#]	-

[#] Seasten Sdn. Bhd. was a wholly owned subsidiary of the Company in 2014. (Note 15).

The summarised financial information of the joint ventures not adjusted for the proportion of ownership interest held by the Company is as follows:

	2015 RM	2014 RM
Assets and liabilities:		
Non-current assets	25,977,355	15,943,329
Current assets	1,950,460	987,602
Total assets	27,927,815	16,930,931
Non-current liabilities	(18,403,004)	(13,171,191)
Current liabilities	(6,417,457)	(2,558,979)
Total liabilities	(24,820,461)	(15,730,170)
Results:		
Revenue	1,549,020	4,539,428
(Loss)/Profit for the year	(2,088,105)	305,073

18. Inventories

	Group	
	2015	2014
	RM	RM
Cost		
Consumables	1,013,849	1,364,611
Machinery and equipment	1,905,079	10,169,730
Raw materials	13,589,465	15,155,311
Vessel parts and materials	522,579	725,571
Vessels work-in-progress	31,385,256	52,380,114
	48,416,228	79,795,337
Net realisable value		
Raw material	-	235,047
Vessel work-in-progress	35,873,058	-
	35,873,058	235,047
	84,289,286	80,030,384

Included in vessels work-in-progress incurred during the financial year are:

Depreciation of property, plant and equipment (Note 13)	1,867,369	3,819,815
Finance income (Note 6)	-	(128,215)
Interest expense (Note 7)	2,519,175	3,083,699

19. Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Current				
Trade receivables				
Third parties	22,875,232	31,422,235	-	-
Less: Allowance for impairment third parties	(743,569)	(992,188)	-	-
Trade receivables, net	22,131,663	30,430,047	-	-
Other receivables				
Refundable deposits	3,814,572	4,123,682	1,250	1,250
Other receivables				
- Others	1,838,063	5,324,683	291,632	198,894
- Subsidiaries	-	-	662,071	-
Amount due from an associate	19,564,563	11,366,740	-	-
Amount due from subsidiaries	-	-	59,591,403	130,246,954
Amount due from a joint venture	3,171,999	-	-	-
	28,389,197	20,815,105	60,546,356	130,447,098

19. Trade and other receivables (Continued)

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Other receivables				
Less: Allowance for impairment other receivables	(925,588)	(5,538,926)	-	-
	27,463,609	15,276,179	60,546,356	130,447,098
	49,595,272	45,706,226	60,546,356	130,447,098
Non-current				
Other receivables				
Amount due from an associate	3,916,271	16,068,411	-	-
Total trade and other receivables	53,511,543	61,774,637	60,546,356	130,447,098
Add: Cash and bank balances (Note 22)	78,659,210	83,694,862	1,120,819	3,944,418
Total loans and receivables	132,170,753	145,469,499	61,667,175	134,391,516

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 60 day (2014: 30 to 60 day) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. Trade receivables are partially secured.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group 2015 RM	Group 2014 RM
Neither past due nor impaired	6,617,265	12,900,583
1 to 30 days past due not impaired	7,679,601	5,301,541
31 to 60 days past due not impaired	4,264,169	4,543,738
61 to 90 days past due not impaired	1,220,122	5,266,672
91 to 120 days past due not impaired	1,273,518	2,283,523
More than 121 days past due not impaired	1,076,988	133,990
	15,514,398	17,529,464
Impaired	743,569	992,188
	22,875,232	31,422,235

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

19. Trade and other receivables (Continued)

(a) Trade receivables (Continued)

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM15,514,398 (2014: RM17,529,464) that are past due at the reporting date but not impaired.

The balances of receivables that are past due but not impaired are unsecured in nature.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2015	**2014**
	RM	**RM**
Total receivables	743,569	992,188
Less: Allowance for impairment	(743,569)	(992,188)
	-	-
Movement in allowance accounts:		
At 1 January	992,188	4,264,787
Charge for the year	741,519	-
Reversal of impairment losses (Note 5)	-	(679,127)
Written off	(990,138)	(2,593,472)
At 31 December	743,569	992,188

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments and there are doubts as to the recoverability. These receivables are not secured by any collateral or credit enhancements.

(b) Amount due from subsidiaries

Included in the amount due from subsidiaries is an amount of RM21,607,085 (2014: RM111,942,520) which bears interest at rates ranging from 3.76% - 5.65% (2014: 3.78% - 6.66%) per annum.

This amount is unsecured and is repayable on demand.

(c) Amount due from an associate

Included in the amount due from an associate is an amount of RM16,068,410 (2014: RM27,435,150) which bears interest at rate of 6.70% (2014: 6.70%) per annum.

This amount is unsecured and is fully repayable by 2017.

19. Trade and other receivables (Continued)

(d) Amount due from a joint venture

This amount is unsecured and is repayable on demand.

Included in the amount due from a joint venture is an amount of RM3,026,125 (2014: Nil) which bears interest at rates of 9.10% (2014: Nil) per annum.

(e) Other receivables

This amount is unsecured, non-interest bearing and is repayable on demand.

20. Other current assets

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Prepaid operating expenses	756,495	1,038,175	-	-
Less: Allowance for impairment (Note 8)	-	(57,802)	-	-
	756,495	980,373	-	-

21. Investment securities

	Group	
	2015 RM	2014 RM
Wholesale money market fund quoted in Malaysia, at carrying amount	329,008	258,052
Market value of quoted funds	329,008	258,052

22. Cash and bank balances

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash at banks and on hand	61,283,384	52,240,097	1,120,819	3,944,418
Short term deposits with licensed banks	17,375,826	31,454,765	-	-
Cash and bank balances	78,659,210	83,694,862	1,120,819	3,944,418

Deposits of the Group with licensed banks amounting to RM17,329,244 (2014: RM14,355,276) are pledged to banks for bank guarantees issued to third parties and for short term facilities granted by the banks to the Group.

Included in cash and bank balances is an amount of RM1,121,653 (2014: RM975,010) which is restricted in use as set by a bank in order to maintain the liquidity requirements.

22. Cash and bank balances (Continued)

The effective interest rates and the maturity of deposits of the Group as at the balance sheet date are as follows:

	Interest rate		Maturity	
	2015	2014	2015	2014
	%	%	Days	Days
Deposits with licensed banks	0.32 - 3.30	0.32 - 3.30	31 - 365	60 - 365

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the reporting date:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cash and bank balances	78,659,210	83,694,862	1,120,819	3,944,418
Bank overdrafts (Note 24)	(29,599,723)	(8,373,238)	-	-
	49,059,487	75,321,624	1,120,819	3,944,418
Cash at bank restricted in use	(1,121,653)	(5,428,451)	-	-
Fixed deposits pledged as security	(17,329,244)	(17,118,332)	-	-
Cash and cash equivalents	30,608,590	52,774,841	1,120,819	3,944,418

23. Provisions

	Group	
	2015	2014
	RM	RM
At 1 January	-	1,500,000
Unused amounts reversed (Note 8)	-	(1,500,000)
At 31 December	-	-

For certain vessels constructed, the Group gives warranties on defective workmanship and/or materials not discoverable on delivery of the vessel which become apparent during the warranty period. Specific provision is made according to the terms of each shipbuilding agreement or sale agreement.

24. Loans and borrowings

		Group		Company	
	Maturity	2015	2014	2015	2014
		RM	RM	RM	RM
Current					
Secured:					
Bank overdrafts (Note 22)	On demand	29,599,723	8,373,238	-	-
Bankers acceptances	2016	-	1,100,000	-	-
Obligations under finance leases (Note 31(b))	2016	52,478	31,176	-	-
Revolving credits	2016	56,300,000	77,500,000	-	-
Islamic loans	2016	6,140,000	6,140,000	6,140,000	6,140,000
Term loans	2016	76,936,311	65,419,848	-	-
		169,028,512	158,564,262	6,140,000	6,140,000

24. Loans and borrowings (Continued)

	Maturity	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Non-current					
Secured:					
Obligations under finance leases (Note 31(b))	2017-2020	129,408	84,486	-	-
Islamic loans	2017-2018	8,085,000	14,225,000	8,085,000	14,225,000
Term loans	2017-2021	146,824,364	176,552,111	-	-
		155,038,772	190,861,597	8,085,000	14,225,000
Total loans and borrowings		324,067,284	349,425,859	14,225,000	20,365,000

The remaining maturities of the loans and borrowings as at 31 December are as follows:

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
On demand or within one year	169,028,512	158,564,262	6,140,000	6,140,000
Later than 1 year but not later than 2 years	60,630,735	70,097,975	6,140,000	6,140,000
Later than 2 years but not later than 5 years	94,011,775	118,903,823	1,945,000	8,085,000
Later than 5 years	396,262	1,859,799	-	-
	324,067,284	349,425,859	14,225,000	20,365,000

Bankers acceptances

Bankers acceptances are secured by charges over the Group’s leasehold land and buildings.

Bank overdrafts

Bank overdrafts were secured by charges over leasehold land and buildings of the Group and fixed deposits pledged to the bank.

Obligations under finance leases

This obligation was secured by a charge over the leased assets (Note 13).

Revolving credits

Revolving credits are secured by corporate guarantee by the holding company, a charge over the Group’s leasehold land and buildings, and a freehold land owned by a subsidiary.

Islamic loans

Islamic loans are secured by corporate guarantee of three subsidiaries, fixed deposits in the name of the subsidiaries, and the subsidiaries’ vessel.

24. Loans and borrowings (Continued)

Term loans

These loans are secured by legal charges over certain vessels and leasehold land and buildings of the Group, corporate guarantee by holding company and a charge over fixed deposits of the Company.

The effective interest rates at 31 December for loans and borrowings are as follows:

	Group		Company	
	2015	2014	2015	2014
	%	%	%	%
Banker acceptances	-	4.46	-	-
Bank overdrafts	7.60 - 8.35	6.85 - 8.35	-	-
Obligations under finance leases	4.55 - 4.81	4.55	-	-
Term loans				
- Floating rates	2.32 - 6.85	2.29 - 7.60	-	-
Islamic loans	6.25 - 6.36	6.23 -6.31	6.25 - 6.36	6.23 - 6.31
Revolving credits	5.27 - 6.16	4.81 - 5.87	-	-

25. Trade and other payables

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Trade payables				
Third parties	13,505,038	17,599,968	-	-
Other payables				
Accrued operating expenses	19,188,906	14,790,592	780,245	1,102,943
Deposits received	349,928	714,583	-	-
Other payables	11,548,629	13,511,234	22,935	85,656
Amounts due to subsidiaries	-	-	30,811,088	24,200,361
	31,087,463	29,016,409	31,614,268	25,388,960
Total trade and other payables	44,592,501	46,616,377	31,614,268	25,388,960
Add: Loans and borrowings (Note 24)	324,067,284	349,425,859	14,225,000	20,365,000
Total finance liabilities carried at amortised cost	368,659,785	396,042,236	45,839,268	45,753,960

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 day (2014: 30 to 90 day) terms.

(b) Other payables

These amounts are non-interest bearing. Included in other payables of the Group is an amount of RM9,983,232 (2014: RM9,047,304) due to companies in which certain Directors of the Group have substantial financial interests.

25. Trade and other payables (Continued)

(c) Amount due to subsidiaries

This amount is unsecured and is repayable on demand.

Included in the amount due to subsidiaries is an amount of RM15,017,500 (2014: RM18,137,500) which bears interest at rates ranging from 3.76% to 5.65% (2014: 3.78% to 5.83%) per annum.

26. Deferred tax liabilities

Group	Property, plant and equipment RM	Provision for maintenance warranty RM	Unutilised tax losses RM	Unabsorbed capital allowances RM	Total RM
At 1 January 2014	67,569,037	(375,000)	(6,022,273)	(4,608,621)	56,563,143
Recognised in profit or loss (Note 11)	(9,185,900)	375,000	(2,491,249)	337,201	(10,964,948)
At 31 December 2014 and 1 January 2015	58,383,137	-	(8,513,522)	(4,271,420)	45,598,195
Recognised in profit or loss (Note 11)	(6,418,898)	-	(1,606,327)	(2,749,219)	(10,774,444)
At 31 December 2015	51,964,239	-	(10,119,849)	(7,020,639)	34,823,751

Unrecognised tax losses and capital allowances

At the reporting date, the Group has unutilised tax losses and unabsorbed capital allowances of approximately RM25,691,398 and RM20,968,123 respectively (2014: RM23,815,865 and RM27,145,379) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

Unutilised tax losses and unabsorbed capital allowances

The availability of unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority.

27. Share capital and share premium

	Number of ordinary shares of RM0.50 each share capital (Issued and fully paid)	← Amount →		
		Share capital (Issued and fully paid) RM	Share premium RM	Total Share capital and share premium RM
Group/Company				
At 1 January 2014 and 31 December 2015	500,000,000	250,000,000	79,086,883	329,086,883

27. Share capital and share premium (Continued)

	Number of ordinary shares of RM0.50 each 2015	Number of ordinary shares of RM0.50 each 2014	Amount 2015 RM	Amount 2014 RM
Group/Company				
Authorised share capital				
At 1 January and 31 December	1,000,000,000	1,000,000,000	500,000,000	500,000,000

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

28. Retained earnings

As at 31 December 2015, the Company may distribute dividends out of its entire retained earnings under the single tier system.

29. Other reserves

Group	Foreign currency translation reserve RM	Total RM
At 1 January 2014	7,298,789	7,298,789
Other comprehensive income:		
Foreign currency translation	6,176,680	6,176,680
At 31 December 2014 and 1 January 2015	13,475,469	13,475,469
Other comprehensive income:		
Foreign currency translation	47,073,575	47,073,575
At 31 December 2015	60,549,044	60,549,044

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

30. Related party transactions

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the Company and related parties took place at terms agreed between the parties during the financial year:

30. Related party transactions (Continued)

(a) Sale and purchase of goods and services (Continued)

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Transactions with holding company				
Dividend paid	-	2,590,808	-	2,590,808
Transactions with subsidiaries				
Dividend income	-	-	(40,000,000)	(15,101,000)
Management fee	-	-	(4,140,803)	(3,735,687)
Interest income	-	-	(1,633,624)	(3,218,785)
Revolving credit interest recharged	-	-	(397,050)	(2,046,576)
Interest expense	-	-	969,407	1,039,046
Redeemable convertible preference shares	-	-	(662,071)	-
Transactions with a related company				
Rental expense	105,000	105,000	7,500	7,500
Transactions with companies in which certain Directors have substantial interests				
Rental expense	160,544	117,000	-	-
Hiring charges	210,000	210,000	-	-
Legal and professional fees	210,543	1,179,417	38,600	81,000
Transaction with a Director				
Rental expense	6,000	6,000	-	-

Related companies:
Related companies are companies within Sealink Holdings Sdn. Bhd. Group.

(b) Compensation of key management personnel

The remuneration of Directors and other members of key management during the year was as follows:

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Short-term employee benefits	4,976,008	4,409,204	2,426,582	2,103,744
Defined contribution plan	414,129	392,351	250,076	287,195
	5,390,137	4,801,555	2,676,658	2,390,939

31. Commitments

(a) Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group	
	2015	2014
	RM	RM
Capital expenditure:		
Approved and contracted for:		
Property, plant and equipment	-	163,548
Approved but not contracted for:		
Property, plant and equipment	126,968,720	126,968,720
	126,968,720	127,132,268

(b) Finance lease commitments

The Group has finance leases for certain items of motor vehicles (Note 13). These leases do not have terms of renewal, but had purchase options at nominal values at the end of the lease term.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group	
	2015	2014
	RM	RM
Minimum lease payments:		
Not later than 1 year	59,856	35,760
Later than 1 year but not later than 2 years	59,856	35,760
Later than 2 years but not later than 5 years	78,015	53,592
Total minimum lease payments	197,727	125,112
Less: Amounts representing finance charges	(15,841)	(9,450)
Present value of minimum lease payments	181,886	115,662
Present value of payments:		
Not later than 1 year	52,478	31,176
Later than 1 year but not later than 2 years	55,049	32,683
Later than 2 years but not later than 5 years	74,359	51,803
Present value of minimum lease payments	181,886	115,662
Less: Amount due within 12 months (Note 24)	(52,478)	(31,176)
Amount due after 12 months (Note 24)	129,408	84,486

32. Derivatives

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts were used to hedge the Group's sales denominated in USD during the year. There were no balances outstanding at year end.

33. Fair value of financial instruments

(a) Fair values of financial instruments not carried at fair value

Set out below, is a comparison of the carrying amounts and fair values of the Group's financial instruments, by class, other than those with carrying amounts which are reasonable approximations of fair values:

	Carrying amount		Fair value	
	2015	2014	2015	2014
	RM	RM	RM	RM
Group				
Financial liabilities:				
Non-current:				
Interest-bearing loans and borrowings				
- Term loan	-	8,593,774	-	8,354,420
- Obligations under finance leases	129,408	84,486	129,146	84,292

The methods and assumptions used to estimate the fair values of the financial instruments not carried at fair value are as follows:

Loans, advances and financing

The fair values of fixed rate loans/financing with remaining maturity of less than one year and variable rate loans/financing are estimated to approximate their carrying amounts. For fixed rate loans/financing with remaining maturity of more than one year, the fair values are estimated based on discounted cash flows using prevailing market rates of loans/financing of similar credit risks and maturity. The fair values of impaired loans/financing are represented by their carrying amounts, net of any collective and individual assessment allowances, being the expected recoverable amount.

(b) Determination of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values:

	Note
Loans and borrowings	24
Trade and other receivables	19
Trade and other payables	25

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

34. Fair value measurement

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December are as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
At 31 December 2015				
Asset for which fair value is disclosed:				
Wholesale money market fund	329,008	-	-	329,008
Liabilities for which fair values are disclosed: (Note 33(a))				
Interest-bearing loans and borrowings				
- Obligations under finance leases	-	129,146	-	129,146
At 31 December 2014				
Asset for which fair value is disclosed:				
Wholesale money market fund	258,052	-	-	258,052
Liabilities for which fair values are disclosed: (Note 33(a))				
Interest-bearing loans and borrowings				
- Obligations under finance leases	-	84,292	-	84,292
- Term loans	-	8,354,420	-	8,354,420

There have been no transfers between Level 1 and Level 2 during the financial year.

35. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The Group's overall financial risk management strategy seeks to minimise potential adverse effects of financial performance of the Group. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

35. Financial risk management objectives and policies (Continued)

Financial risk management policies are periodically reviewed and approved by the Board of Directors and executed by the management. The audit committee of Sealink International Berhad provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. At the reporting date, the Group's and the Company's exposure to credit risk arises primarily from trade and other receivables.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 19. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 19.

(b) Liquidity risk

Liquidity risk is the risk that the Group or 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 adopts a prudent approach to managing its liquidity risk. The Group always maintains sufficient cash and cash equivalents, and has available funding through a diverse source of committed and uncommitted credit facilities from various banks.

Analysis of financial instruments by remaining contractual maturities

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted repayment obligations.

	On demand or within one year RM	**One to five years RM**	**Over five years RM**	**Total RM**
Group				
At 31 December 2015				
Financial liabilities:				
Trade and other payables, excluding financial guarantees*	44,592,501	-	-	44,592,501
Loans and borrowings	179,777,661	164,312,431	407,202	344,497,294
Total undiscounted financial liabilities	224,370,162	164,312,431	407,202	389,089,795

35. Financial risk management objectives and policies (Continued)

(b) Liquidity risk (Continued)

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group				
At 31 December 2014				
Financial liabilities:				
Trade and other payables, excluding financial guarantees*	46,616,377	-	-	46,616,377
Loans and borrowings	169,582,519	201,571,828	1,922,268	373,076,615
Total undiscounted financial liabilities	216,198,896	201,571,828	1,922,268	419,692,992

	On demand or within one year RM	One to five years RM	Total RM
Company			
At 31 December 2015			
Financial liabilities:			
Trade and other payables, excluding financial guarantees*	31,614,268	-	31,614,268
Loans and borrowings	6,881,773	8,488,020	15,369,793
Total undiscounted financial liabilities	38,496,041	8,488,020	46,984,061
At 31 December 2014			
Financial liabilities:			
Trade and other payables, excluding financial guarantees*	25,388,960	-	25,388,960
Loans and borrowings	7,273,870	15,372,218	22,646,088
Total undiscounted financial liabilities	32,662,830	15,372,218	48,035,048

* At the reporting date, the counterparties to the financial guarantees do not have a right to demand cash as no default has occurred. Accordingly, financial guarantees under the scope of MFRS 139 are not included in the above maturity profile analysis.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to market risk for changes in interest rates arise primarily from their loans and borrowings.

35. Financial risk management objectives and policies (Continued)

(c) Interest rate risk (Continued)

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been lower/higher by 10 basis points with all other variables held constant, the Group's (loss)/profit net of tax would have been RM242,914 (2014: RM205,204) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales and purchases that are denominated in a currency other than the respective functional currency of Group entities, primarily Ringgit Malaysia (RM), Singapore Dollar (SGD) and United States Dollars (USD). The foreign currencies in which these transactions are denominated are mainly Singapore Dollar (SGD), United States Dollars (USD) and Australian Dollars (AUD).

The Group uses forward currency contracts to minimise the exposures arising from sales after a firm commitment has been entered. It is the Group's policy not to enter into forward contracts until firm commitment is in place.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. The Group maintains a natural hedge, whenever possible, by borrowing or holding cash and cash equivalents denominated in foreign currencies.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's (loss)/profit net of tax to a reasonably possible change in the SGD and USD against RM exchange rate, RM and USD against SGD exchange rate and SGD, RM and AUD against USD exchange rate with all other variables held constant.

	Group (Loss)/Profit net of tax		Company Profit net of tax	
	2015 RM	2014 RM	2015 RM	2014 RM
SGD/RM - strengthen by 5%	(504,337)	(508,875)	1,918	17,863
SGD/RM - weaken by 5%	504,337	508,875	(1,918)	(17,863)
USD/RM - strengthen by 5%	277,143	488,374	1,985	-
USD/RM - weaken by 5%	(277,143)	(488,374)	(1,985)	-
RM/SGD - strengthen by 5%	17,337	(1,078,399)	-	-
RM/SGD - weaken by 5%	(17,337)	1,078,399	-	-
USD/SGD - strengthen by 5%	937,053	1,337,400	-	-
USD/SGD - weaken by 5%	(937,053)	(1,337,400)	-	-
SGD/USD - strengthen by 5%	(202,645)	(158,773)	-	-
SGD/USD - weaken by 5%	202,645	158,773	-	-

35. Financial risk management objectives and policies (Continued)

(d) Foreign currency risk (Continued)

	Group (Loss)/Profit net of tax		Company Profit net of tax	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
RM/USD - strengthen by 5%	(3,861)	(7,646,496)	-	-
RM/USD - weaken by 5%	3,861	7,646,496	-	-
AUD/USD - strengthen by 5%	45,205	40,161	-	-
AUD/USD - weaken by 5%	(45,205)	(40,161)	-	-

36. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders value. In order to maintain or achieve an optimal capital structure, the Group may adjust the dividend payment, return capital to shareholders, obtain new financing facilities or dispose assets to reduce borrowings.

Management monitors capital based on the Group's and the Company's gearing ratio. The Group and the Company are also required by certain banks to maintain a gearing ratio of not exceeding certain percentage varying between 100% and 200%. The Group's and the Company's strategies are to maintain gearing ratio of not exceeding 100%.

The gearing ratio is calculated as total loans and borrowings divided by equity capital.

		Group		Company	
	Note	**2015 RM**	**2014 RM**	**2015 RM**	**2014 RM**
Loans and borrowings	24	324,067,284	349,425,859	14,225,000	20,365,000
Total equity		499,621,684	460,076,757	369,745,184	354,079,547
Gearing ratio		64.86%	75.95%	3.85%	5.75%

37. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:

I. Shipbuilding

II. Chartering of vessels

III. Others consist of investment holding and letting of properties

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

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. Group financing (including finance costs recognised in profit or loss) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

37. Segment information (Continued)

	Shipbuilding		Chartering		Others		Adjustments and Eliminations			Per Consolidated Financial Statements	
	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM	Notes	2015 RM	2014 RM
Revenue:											
External customers	22,240,231	6,704,438	119,263,701	121,389,948	-	-	-	-		141,503,932	128,094,386
Inter-segment	10,721,405	89,758,485	46,758,552	40,206,172	44,218,803	19,214,687	(101,698,760)	(149,179,344)	A	-	-
Total revenue	32,961,636	96,462,923	166,022,253	161,596,120	44,218,803	19,214,687	(101,698,760)	(149,179,344)		141,503,932	128,094,386
Results:											
Interest income	4,008,770	1,229,940	2,882,502	2,829,772	2,588,804	3,306,280	(6,887,684)	(4,724,299)		2,592,392	2,641,693
Depreciation and amortisation	4,466,020	3,311,147	43,728,073	40,238,508	325,069	48,297	(2,881,131)	(2,270,317)		45,638,031	41,327,635
Other non-cash expenses	4,019,272	11,438,964	4,701,066	241,073	-	-	2,761,995	2,001,400	B	11,482,333	13,681,437
Segment (loss)/profit	(15,475,886)	(18,365,566)	(851,277)	23,848,517	41,051,722	17,750,229	(41,785,592)	(19,573,027)	C	(17,061,033)	3,660,153
Assets:											
Investment in an associate	-	-	-	-	6,002,896	6,236,651	-	-		6,002,896	6,236,651
Investment in joint ventures	-	-	-	-	9,153,116	1,177,925	-	-		9,153,116	1,177,925
Additions to non-current assets	1,074,902	1,045,913	28,058,090	98,485,874	200,000	2,600,000	(26,265,147)	(49,485,827)	D	3,067,845	52,645,960
Segment assets	223,829,144	246,993,884	804,138,029	871,761,120	588,862,226	487,636,654	(712,700,192)	(703,142,279)	E	904,126,207	903,249,379
Segment liabilities	147,115,624	159,916,015	515,300,186	563,176,893	37,657,022	122,316,441	(295,568,309)	(402,236,727)	F	404,504,523	443,172,622

SEALINK INTERNATIONAL BERHAD (800981-X)
ANNUAL REPORT 2015 95

37. Segment information (Continued)

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2015 RM	2014 RM
Deposits written off	8	157,360	42,000
Inventories written down	8	2,595,858	12,634,776
Inventories written off	8	878,949	7,985
Reversal of provision for maintenance warranties	8	-	(1,500,000)
Property, plant and equipment written off	8	134,115	1,203,916
Impairment loss on trade and other receivables	8	741,519	1,234,958
Impairment loss on other current assets	8	-	57,802
Impairment loss on property, plant and equipment	8	6,974,532	-
		11,482,333	13,681,437

C The following items are added to/(deducted from) segment (loss)/profit to arrive at "(Loss)/Profit before tax from continuing operations" presented in the consolidated statement of profit or loss:

	2015 RM	2014 RM
Dividend from an associate	-	(300,000)
Dividend from subsidiaries	(40,000,000)	(15,101,000)
Profit from inter-segment sales	1,037,701	(5,860,952)
Finance costs	7,156,401	4,852,514
Share of results of an associate	(343,420)	2,374,976
Share of results of jointly controlled entities	(1,255,857)	287,336
Unallocated corporate expenses	(8,380,417)	(5,825,901)
	(41,785,592)	(19,573,027)

D Additions to non-current assets consist of:

	2015 RM	2014 RM
Property, plant and equipment	3,067,845	52,645,960

E The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2015 RM	2014 RM
Investment in subsidiaries	(382,294,856)	(269,949,107)
Investment in an associate	2,502,896	993,662
Investment in joint ventures	(2,746,887)	(79,087)
Inter-segment assets	(330,161,345)	(434,107,747)
	(712,700,192)	(703,142,279)

37. Segment information (Continued)

F The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2015 RM	2014 RM
Deferred tax liabilities	3,497,537	1,234,718
Inter-segment liabilities	(299,065,846)	(403,471,445)
	(295,568,309)	(402,236,727)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2015 RM	2014 RM	2015 RM	2014 RM
Malaysia	108,724,942	115,826,377	609,658,613	611,646,470
Singapore	15,974,729	12,268,009	60,347,376	55,564,328
United Arab Emirates	16,804,261	-	-	-
	141,503,932	128,094,386	670,005,989	667,210,798

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

	2015 RM	2014 RM
Property, plant and equipment	658,191,777	654,817,833
Land use rights	11,814,212	12,392,965
	670,005,989	667,210,798

38. Dividend

	Dividends in respect of Year		Dividends recognised in Year	
	2015 RM	2014 RM	2015 RM	2014 RM
Recognised during the financial year:				
Dividend on 500,000,000 ordinary shares: Final single tier tax exempt dividend for 2013: 2.00% of RM0.50 each (1 sen per ordinary share)	-	-	-	5,000,000

39. Significant events

On 7 December 2012, one of the subsidiary of the Group initiated arbitration before the Kuala Lumpur Regional Centre for Arbitration (“KLRCA”) against Boustead Penang Shipyard Sdn. Bhd. (“BPS”) under a shipbuilding contract dated 3 April 2008 to build two units of 7,000 DWT oil carriers/chemical carriers.

The subsidiary of the Group filed a claim against BPS on 8 May 2013 for interest, damages and expenses incurred by the company for breaches of the contract by BPS. BPS has filed a statement of defence and counterclaim on 7 June 2013.The arbitration is ongoing as parties exchange requests for disclosure.

The Group has made adequate provisions for potential impairment pending the settlement of the disputes.

40. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Directors on 12 April 2016.

41. Supplementary information - breakdown of retained earnings into realised and unrealised

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2015 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		**Company**	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Recognised during the financial year:				
Total retained earnings of the Company and its subsidiaries:				
- Realised	395,745,376	389,084,377	40,657,594	24,978,223
- Unrealised	(45,709,804)	(35,400,741)	707	14,441
	350,035,572	353,683,636	40,658,301	24,992,664
Less: Consolidation adjustments	(240,049,815)	(236,169,231)	-	-
Total retained earnings	109,985,757	117,514,405	40,658,301	24,992,664

LANDED PROPERTIES

NO	LAND IDENTIFICATION / POSTAL ADDRESS	DESCRIPTION OF PROPERTY / USAGE	OWNER	AREA (sq m)	APPROXIMATE AGE OF THE BUILDING / TENURE/DATE OF EXPIRY OF LEASE	ADJUSTED NET CARRYING AMOUNT AS AT 31.12.2015 (RM)
1	Lot 156 Block 5, Kuala Baram Land District / [Lot 156, Kuala Baram Industrial Estate, 98100 Kuala Baram, Miri, Sarawak]	Vacant agriculture land / N/A	SEALINK SHIPYARD SDN BHD (195853-D)	8,050 square metres, more or less	[N/A] / [60 years] / Lease term expires on 2nd August, 2071	**44,172**
2	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 / Shipyard, slipway and fabrication yard	SEALINK SHIPYARD SDN BHD (195853-D)	116,170 square metres, more or less	[8 years] / [60 years] / Lease term expires on 27th February, 2056	**20,878,511**
3	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	SEALINK SHIPYARD SDN BHD (195853-D)	1,971 square metres, more or less	[7 years] / [60 years] / Lease term expires on 31st December, 2027	**447,924**
4	Lot 2142 Block 4, Miri Concession Land District / [Lot 2142, Jalan Cattleya 1, Krokop / Piasau Industrial Estate, 98000 Miri, Sarawak]	Industrial land and building / Shipyard with one (1) detached building (workers quarters and vacant workshop)	SEALINK SHIPYARD SDN BHD (195853-D)	4,700 square metres, more or less	[7 years] / [60 years] / Lease term expires on 24th February, 2052	**1,681,681**
5	Lot 1340, Miri Concession Land District / [Lot 1340, Jalan Cattleya 1, Krokop / Piasau Industrial Estate, 98000 Miri, Sarawak]	Industrial land and building / utilize as a shipyard with one (1) detached building (workshop and warehouse)	SEALINK SENDIRIAN BERHAD (20471-D)	4,039 square metres, more or less	[36 years] / [60 years] / Lease term expires on 31st December, 2027	**1,452,254**
6	Lot 482 Block 4, Miri Concession Land District / [Lot 482, Block 4, Miri Concession Land District, 98009 Miri, Sarawak]	Vacant industrial land / N/A	SEALINK SENDIRIAN BERHAD (20471-D)	19,441 square metres, more or less	[N/A] / [60 years] / Lease term expires on 11th June, 2036	**6,945,792**
7	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	SEALINK SENDIRIAN BERHAD (20471-D)	23,110 square metres, more or less	[N/A] / [60 years] / Lease term expires on 2nd October, 2071	**80,920**

LANDED PROPERTIES

NO	LAND IDENTIFICATION / POSTAL ADDRESS	DESCRIPTION OF PROPERTY / USAGE	OWNER	AREA (sq m)	APPROXIMATE AGE OF THE BUILDING / TENURE/DATE OF EXPIRY OF LEASE	ADJUSTED NET CARRYING AMOUNT AS AT 31.12.2015 (RM)
8	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]	SEALINK SHIPYARD SDN BHD (195853-D)	4,059 square metres, more or less	[46 years] /[60 years] / Lease term expires on 31st December, 2027	**1,005,063**
9	Lot 372 Block 1, Kuala Baram Land District / [Lot 372, Kuala Baram Industrial Estate, 98100 Kuala Baram, Miri, Sarawak]	Vacant industrial land / [N/A]	SEALINK SHIPYARD SDN BHD (195853-D)	123,780 square metres, more or less	[N/A] / [60 years] / Lease term expires on 7th April, 2057	**10,010,786**
10	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 utilized as office, storage yard & lathe workshop	BARAM MOULDING INDUSTRIES SDN BHD (200873-D)	19,750 square metres, more or less	[7 years] / [60 years] / Lease term expires on 17th July, 2058	**5,772,748**
11	Lot 8139, District of Labuan, Wilayah Persekutuan (Formerly known as Country Lease 205316669) [Jalan Rancha-Rancha Lama, Kampung Rancha-Rancha, 87000 Labuan, Wilayah Perkutuan, Labuan]	Vacant industrial land / N/A	BRISTAL VIEW SDN BHD (253385-T)	9,841 square metres, more or less	[N/A] / [999 years] / Lease term expires on 2nd August, 2865	**1,230,406**
12	Lot 12039, District of Labuan, Wilayah Persekutuan (Formerly known as Country Lease 205316669) [Jalan Rancha-Rancha Lama, Kampung Rancha-Rancha, 87000 Labuan, Wilayah Perkutuan, Labuan]	Vacant industrial land / N/A	BRISTAL VIEW SDN BHD (253385-T)	31,330 square metres, more or less	[N/A] / [999 years] / Lease term expires on 2nd August, 2865	**3,917,143**
13	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	ALIRAN SAKSAMA SDN BHD (473205-H)	19,647 square metres, more or less	[6 years] / [60 years] / Lease term expires on 22nd October, 2067	**2,804,025**

ANALYSIS OF SHAREHOLDINGS
(Ordinary Shares) As at 31 March 2016

ANALYSIS OF ORDINARY SHAREHOLDINGS

Class of Equity Security

Authorised share capital	:	RM1,000,000,000.00
Issued & fully paid-up capital	:	RM250,000,000.00
Class of shares	:	Ordinary shares of RM0.50 each
Voting rights	:	One vote per ordinary share

Distribution of Shareholdings

	NO. OF	NO. OF	HOLDERS %	HOLDINGS %
1 - 99	5	0.16	201	0.00
100 - 1,000	731	23.24	164,699	0.03
1,001 - 10,000	1,072	34.08	6,992,900	1.40
10,001 - 100,000	1,113	35.38	39,728,100	7.95
100,001 - 24,999,999 (*)	222	7.06	80,934,101	16.19
25,000,000 AND ABOVE (**)	3	0.10	372,179,999	74.44
TOTAL	**3,146**	**100.00**	**500,000,000**	**100.00**

REMARK: *-LESS THAN 5% OF ISSUED HOLDINGS
: **-5% AND ABOVE OF ISSUED HOLDINGS

Directors' Shareholdings

	Name Of Directors	No. of Shares Direct	%*	No. of Shares Indirect	%
1	ERIC KHOO CHUAN SYN @ KHOO CHUAN SYN	30,000	0.01	0	0.00
2	DATO SEBASTIAN TING CHIEW YEW	137,500	0.03	0	0.00
3	TOH KIAN SING	0	0.00	0	0.00
4	WONG CHIE BIN	30,000	0.01	0	0.00
	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR WONG CHIE BIN (M73031)	0	0.00	60,000	0.01
5	YONG FOH CHOI	45,716,800	9.14	326,463,199[a]	0.00
6	YONG KIAM SAM	67,382,399	13.48	304,797,600[b]	0.00
	TOTAL	**113,296,699**	**22.66**	**60,000**	**0.01**

Note:
[a] Deemed interest by virtue of his substantial shareholding in Sealink Holdings Sdn Bhd and his son, Yong Kiam Sam's shareholding in the Company
[b] 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

Name	Direct No. of Shares held	%*	Indirect No. of Shares held	%
SEALINK HOLDINGS SDN. BHD. (164959-P)	259,080,800	51.82	-	-
YONG KIAM SAM	67,382,399	13.48	304,797,600	60.96
YONG FOH CHOI	45,716,800	9.14	326,463,119	65.29

ANALYSIS OF SHAREHOLDINGS
(Ordinary Shares) As at 31 March 2016

Thirty (30) Largest Shareholders

	HOLDER NAME AND ADDRESS	Shareholdings	%
1	SEALINK HOLDINGS SDN. BHD. LOT 1035, BLOCK 4, MCLD, PIASAU INDUSTRIAL AREA, 98000 MIRI	259,080,800	51.82
2	YONG KIAM SAM LOT 1035,BLK 4,MCLD,PIASAU INDUSTRIAL AREA, CDT 139 98009 MIRI	67,382,399	13.48
3	YONG FOH CHOI LOT 1035 BLK 4 MCLD PIASAU INDUSTRIAL AREA CDT 139 98009 MIRI	45,716,800	9.14
4	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KONG SING NGUONG (M05) LEVEL 3 WISMA SRI PINANG 60 GREEN HALL 10200 GEORGETOWN	6,832,900	1.37
5	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH PIK CHAI GROUND FLOOR BANGUNAN ECM LIBRA 8 JALAN DAMANSARA ENDAH DAMANSARA HEIGHTS 50490 KUALA LUMPUR	3,789,300	0.76
6	TING HUA PING NO 15-B JLN SAWI 96000 SIBU	3,056,000	0.61
7	YII SIEW SANG LOT 732 JALAN LIMAU 4 PUJUT 5B 98000 MIRI	2,200,000	0.44
8	DATA HASRAT SDN BHD 25TH FLOOR BANGUNAN AMBANK GROUP JALAN RAJA CHULAN 50200 KUALA LUMPUR	2,000,000	0.40
9	LAI CHUN LIAN NO 77 PASAR BATU 7 JALAN PENRISSEN 93250 KUCHING	1,695,500	0.34
10	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LO GA LUNG 8TH FLOOR KENANGA INTERNATIONAL JALAN SULTAN ISMAIL 50250 KUALA LUMPUR	1,511,600	0.30

ANALYSIS OF SHAREHOLDINGS
(Ordinary Shares) As at 31 March 2016

Thirty (30) Largest Shareholders

	HOLDER NAME AND ADDRESS	Shareholdings	%
11	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEH POO SENG (M02) LEVEL 3 WISMA SRI PINANG 60 GREEN HALL 10200 GEORGETOWN	1,180,000	0.24
12	TAN CHEOW HO 12 JALAN SS1/38 47300 PETALING JAYA	1,100,000	0.22
13	TENGKU AB MALEK BIN TENGKU MOHAMED NO 46 JALAN BUNGA MELATI 2/2 40000 SHAH ALAM	1,100,000	0.22
14	LEASING CORPORATION SDN BHD NO 18 LORONG YAP KWAN SENG 50450 KUALA LUMPUR	1,009,000	0.20
15	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEW CHEONG BER (M02) LEVEL 3 WISMA SRI PINANG 60 GREEN HALL 10200 GEORGETOWN	937,000	0.19
16	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH POO SENG (CEB) 10TH FLOOR ,PLAZA OSK JALAN AMPANG 50450 WILAYAH PERSEKUTUAN	900,000	0.18
17	SP JUTAJAYA SDN BHD 10-1 1ST FLOOR KOMPLEKS UDARAMA JALAN 3/64A OFF JALAN IPOH 50350 KUALA LUMPUR	873,100	0.17
18	LAU KA TEE LOT 320 1ST FLOOR JALAN NAHKODA GAMPAR P O BOX 1665 98008 MIRI	850,000	0.17
19	BAHTERA OFFSHORE (M) SDN BHD NO 39A JALAN USJ 21/11 UEP SUBANG JAYA 47600 PETALING	800,000	0.16
20	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR AGROSEGAR SDN. BHD. (SFC) P.O BOX 10326 50710 KUALA LUMPUR	800,000	0.16
21	GAN LAY HAR NO 3 JALAN SILAT BUGIS TAMAN MAJU JAYA 83100 RENGIT	800,000	0.16

ANALYSIS OF SHAREHOLDINGS
(Ordinary Shares) As at 31 March 2016

Thirty (30) Largest Shareholders

	HOLDER NAME AND ADDRESS	Shareholdings	%
22	NG WAN WA LOT 100 JALAN JERMERLANG KUNING SIERRAMAS 47000 SUNGAI BULOH	750,000	0.15
23	LEE CHEE KOK 10 JALAN 3/2A TEMPLER HEIGHTS 48000 RAWANG	720,000	0.14
24	PUBLIC INVEST NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS) 27TH FLOOR BANGUNAN PUBLIC BANK 6 JALAN SULTAN SULAIMAN 50000 KUALA LUMPUR	705,000	0.14
25	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG SING NGUONG 15TH FLOOR BANGUNAN AMBANK GROUP 55 JALAN RAJA CHULAN 50200 KUALA LUMPUR	700,000	0.14
26	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG KAM PENG LEVEL 5, MAYBANLIFE TOWER DATARAN MAYBANK, NO 1, JALAN MAAROF 59000 KUALA LUMPUR	670,000	0.13
27	TAN ANG CHUAN NO 16 JALAN AIR PENOH AIR PANAS SETAPAK 53200 KUALA LUMPUR	670,000	0.13
28	TEH POH GUAN 39 JLN BUKIT HIJAU 26/24 SEKSYEN 26 40400 SHAH ALAM	651,700	0.13
29	WONG ANN PANG @ SEOW TUN SIN 24 PECK SEAH STREET #09-02 NEHSONS BUILDING SINGAPORE 079314	650,000	0.13
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR VOON FOOK SOON (E-PDG/JPN) 7 8 & 9 JALAN CHAN BEE KIEW OFF JALAN PADUNGAN 93100 KUCHING	640,000	0.13
	TOTAL	**409,771,099**	**81.95**
	TOTAL ISSUED HOLDINGS	500,000,000	

This page is intentionally left blank

SEALINK INTERNATIONAL BERHAD

(Company No. 800981-X)

No. of Shares Held :

FORM OF PROXY

I/We .... NRIC No./ Company No. ....

of ....

being a member/members of SEALINK INTERNATIONAL BERHAD hereby appoint ....

I/C No. .... of ....

....

or failing him/her,... I/C No. ....

of ....

or Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the Eighth Annual General Meeting of the Company to be held on Thursday, 26th May 2016 at 11:00 a.m. and at any adjournment thereof for/against *the resolution(s) to be proposed thereat.

NO.	RESOLUTIONS	FOR	AGAINST
1.	To approve Directors' Fees for the financial year ending 31st December 2016.		
2.	To re-appoint Mr Yong Foh Choi, who shall retire pursuant to Section 129(6) of the Companies Act, 1965 as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting.		
3.	To re-elect Dato' Sebastian Ting Chiew Yew, who shall retire in accordance with Article 89 of the Company's Articles of Association as a Director of the Company.		
4.	To re-elect Mr Toh Kian Sing, who shall retire in accordance with Article 89 of the Company's Articles of Association as a Director of the Company.		
5.	To re-appoint Messrs Ernst & Young as the Auditors of the Company and to authorise the Directors to determine their remuneration.		
6.	To authorise Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		

(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, 2016.

…………………………………………….

Signature of Shareholder(s)/Common Seal

NOTES:

Only Depositors whose names appear in the General Meeting Record of Depositors as at 20 May 2016 be regarded as Members and shall be entitled to attend, speak and vote at the Eighth Annual General Meeting.

A proxy may but need not be a member of the Company and the provisions of Section 149(1) (b) of the Companies Act, 1965 ("Act") shall not apply to the Company.

To be valid, this form, duly completed must be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting.

A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1) (c) of the Act are complied with.

Where a member of the Company is an exempt authorized 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 authorized nominee may appoint in respect of each omnibus account it holds.

Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

If the appointor is a corporation this form must be executed under its common seal or under the hand of an officer or attorney duly authorized.

Then fold here

AFFIX
STAMP

SEALINK INTERNATIONAL BERHAD (800981-x)

REGISTERED OFFICE/
PRINCIPAL PLACE OF BUSINESS

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

1st fold here

SEALINK INTERNATIONAL BERHAD (800981-X)
Lot 1035, Block 4 MCLD
Piasau Industrial Area
98000 Miri, Sarawak
Tel : 085-651 778
Fax: 085-652 480
Email : sealink@asiasealink.com

www.asiasealink.com