

Type : Announcement

Subject : **CHANGE OF GROUP STRUCTURE: RESTRUCTURING OF COMPANY**

: **INTRODUCTION**

The Board of Directors of Sealink International Berhad ("**SEALINK**" or "the Company") is pleased to announce that Sea Legend Shipping Sdn Bhd (an indirect wholly owned subsidiary of the Company) is acquiring from Malaysian Engineering and Oilfield Services Sdn Bhd ("MEOS") the remaining 499,999 Ordinary Shares and 2,500,000 Redeemable Preference Shares ("RPS") in Mitra Angkasa Sdn Bhd for a total cash consideration of RM585,604 (Referred to as "the Acquisition").

DETAILS OF THE ACQUISITION

Mitra Angkasa Sdn Bhd (Co No 974404-T) ("Mitra Angkasa") is a company incorporated in Malaysia and is currently a 50.0001% subsidiary of Sea Legend.

Sea Legend will purchase the remaining 499,999 Ordinary Shares of RM1.00 each and 2,500,000 Redeemable Preference Shares of RM1.00 each in Mitra Angkasa from Malaysian Engineering and Oilfield Services Sdn Bhd ("MEOS") for a total cash consideration of RM585,604.

After the above acquisition, Mitra Angkasa will become a wholly owned subsidiary of Sea Legend.

BASIS AT ARRIVING AT THE ACQUISITION

The price for the Acquisition is arrived at based on the revised net book value of the shares of Mitra Angkasa and on a willing buyer and willing seller basis.

DETAILS OF MITRA ANGKASA

Mitra Angkasa is a company incorporated in Malaysia on 09 January 2012. The authorized share capital of Mitra Angkasa is RM10,000,000, comprising RM3,000,000 ordinary shares of RM1.00 each and RM7,000,000 redeemable preference shares ("RPS") of RM1.00 each. The issued and paid up share capital of Mitra Angkasa is RM1,000,000 ordinary shares of RM1.00 each

and RM5,000,000 Redeemable Preference Shares of RM1.00 each.

Mitra Angkasa is involved in the business of chartering of marine vessels.

The directors of Mitra Angkasa are Dato' Nik Mohd Fuad Bin Wan Abdullah, Ir Hafidz Bin Hashim, Yong Kiam Sam and Lau Soo Moi. After the acquisition, Dato' Nik Mohd Fuad Bin Wan Abdullah, Ir Hafidz Bin Hashim will resign as director in Mitra Angkasa.

RATIONALE FOR THE ACQUISITION – MITRA ANGKASA

Sea Legend will purchase the 499,999 Ordinary Shares of RM1.00 each and 2,500,000 Redeemable Preference Shares of RM1.00 each of Mitra Angkasa to enable Mitra Angkasa to be a wholly owned subsidiary of Sea Legend.

Due to the current economic uncertainty and slowdown in the oil and gas industry, the current shareholder of Mitra Angkasa, MEOS, had the intention to exit Mitra Angkasa as the sole vessel owned by Mitra Angkasa had not secured any long term contracts. Sea Legend will purchase the Ordinary Shares and Redeemable Preference Shares from MEOS as Sea Legend still believes that the long term prospect for the marine offshore support vessels is still positive, especially for the shallow water offshore operations.

CONDITION FOR ACQUISITION

The Acquisition is not subject to any conditions other than the approval from the Board of Directors from MEOS, Sea Legend and the Company, which have been obtained.

EXPECTED TIMEFRAME FOR COMPLETION

Barring unforeseen circumstances, the Acquisition shall be completed by the end of June 2016.

SOURCES OF FUNDING FOR PROPOSED ACQUISITION

The funds for the Acquisition will be sourced internally.

APPROVALS REQUIRED

The Acquisition is not subject to the approval of the shareholders of SEALINK and other relevant authorities and/or parties.

FINANCIAL EFFECTS

The Acquisition is expected to contribute marginally to the earnings and net assets of SEALINK for the financial year ending 31 December 2016 and beyond. Notwithstanding this, the above is not expected to have any material effects on the share capital and shareholding structure of the Company.

DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors or major shareholders or persons connected to the Directors or major shareholders has any direct or indirect interest in the acquisition of shares in Mitra Angkasa.

DIRECTORS' STATEMENT

The Board of Directors of SEALINK, having considered all factors is of the opinion that the Acquisition is in the best interest of the Company.

This announcement is dated 26th May 2016.

ABOUT THE COMPANY

SEALINK is an Integrated Service Provider which builds, owns and operates a diverse fleet of offshore marine support vessels, serving mainly the global offshore oil and gas exploration and production industry. Being one of the largest tug and barge operators in Malaysia for the oil and gas industry, it is now strengthening its position to be the major provider for offshore marine support vessels for other niche areas in the industry.

It has a young fleet of offshore marine support vessels predominantly focused on and used in the offshore oil & gas industry. With its diverse fleet of 38 vessels, it can cater to a wide base of reputable clients in the various segments of the industry.