

9. FINANCIAL INFORMATION (Cont'd)**9.5.6 Treasury Policies and Objectives**

We have been financing our operations through cash generated from our operations and external source of funds. Our external source of funds comprises of credit terms granted by suppliers as well as bank borrowings. The normal credit terms granted to us by our trade suppliers range from 30 to 90 days.

We have short-term and long-term bank borrowings facilities available to our Group. Our short-term bank borrowings are mainly revolving credits and bankers' acceptances, which are used for raw material purchases. The interest rates for revolving credits and bankers' acceptances are based on the market rates prevailing at the dates of the respective transactions.

Our long-term bank borrowings are mainly term loans obtained to finance purchases of vessels. The interest rates for our term loans are based on the prevailing Base Lending Rate or Cost Of Fund plus a margin agreed upon by our bankers when the respective term loans were granted.

We trade in RM, as well as other foreign currencies, which mainly include USD. Therefore, we maintain cash accounts in RM and multi currencies.

Our imports are mainly denominated in USD, JPY, Euro and SGD. For sales, domestic sales are mainly in RM, whilst export sales are mainly in USD and RM. Where purchases are in USD, we would pay our suppliers by natural hedging using export proceeds in USD to pay suppliers. By natural hedging, we minimise our foreign exchange exposure risk.

9.5.7 Key Financial Ratios

Other than those disclosed in Section 9.1, the key financial ratios of our Group are as follows: -

FYE 31 December	2005 RM'000	2006 RM'000	2007 RM'000
Trade receivables turnover period (months)	3.5	2.5	1.8
Trade payables turnover period (months)	10.2	10.5	5.0
Inventories turnover period (months)	20.5	18.0	21.1

Our Group's normal credit period given to our trade debtors ranges from 30 to 60 days. As at LPD, 100% of trade receivables exceeding 60 days as at 31 December 2007 have been collected.

The normal credit terms granted to us by our trade suppliers range from 30 to 90 days. In view of the good relationship with the major suppliers (with whom we had substantial prior dealings), our payment periods were normally extended to a period longer than 90 days.

Our inventories consist of vessels parts and materials, machinery & equipment, consumables and work-in-progress. The high inventories turnover period was mainly due to the increase in the number of vessels under construction and the high stock level for marine engines and equipment (in order to cope with the planned increased shipbuilding activities in the coming years).

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9. FINANCIAL INFORMATION (Cont'd)**9.6 MATERIAL LITIGATIONS/ARBITRATION, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS****(i) Material Litigations/Arbitration**

Save as disclosed in Section 14.5, our Group is not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of our Group and our Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect financial position or business of our Group.

(ii) Contingent Liabilities

As at LPD, our Directors are not aware of any material contingent liabilities incurred by us or our subsidiaries, which upon becoming enforceable, may have a material effect on our financial position or those of our subsidiaries.

(iii) Material Commitments

As at 31 March 2008, save as disclosed below, our Directors are not aware of any material commitments for capital expenditure, which upon becoming enforceable may have a material effect on the financial position of our Group: -

Material Commitments	Amount (RM'000)
Approved and contracted for: - - Construction of vessels and acquisition of chemical/oil carriers	182,050
Approved and not contracted for: - - Purchase of land	8,128
Total	190,178

The above capital expenditure will be financed via the gross proceeds from the Public Issue as detailed in Section 2.6 of this Prospectus and our internally generated funds.

9.7 TREND INFORMATION

As at LPD, to the best of our Directors' knowledge and belief, our conditions and operations have not been and are not expected to be affected by any of the following: -

- (i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations other than those discussed in this section and in Section 3 and Section 4 of this Prospectus;
- (ii) material commitment for capital expenditure as disclosed in Section 9.6(iii) of this Prospectus;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group save as disclosed in this section and in Section 3 of this Prospectus;
- (iv) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our Group revenue and/or profits save for those that have been disclosed in this section, industry overview as set out in Section 4.8 of this Prospectus and future plans and strategies as set out in Section 4.11 of this Prospectus;

9. FINANCIAL INFORMATION (Cont'd)

- (v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position other than those disclosed in this section and in Section 3 of this Prospectus; and
- (vi) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's liquidity and capital resources, other than those discussed in this section and in Section 3 of this Prospectus.

The increasing demand for OSVs has pushed up prices of steel plates and equipment, the key components of the production cost. As such, the selling price of the OSVs has also increased in line with the production cost. Similarly, the shortage of the OSVs has also resulted in overall surge in daily charter rate of the vessels. As at LPD, Our Board is of the opinion that our Group's significant recent trends in production, sales and stocks, the state of the order book and costs and selling prices since the end of FYE 31 December 2007 are still the same.

Our Board of Directors is optimistic about our Group's business and financial prospects given the favourable outlook of the chartering and shipbuilding industry as set out in Section 4.8.4 and Section 11 of this Prospectus, our Group's competitive strengths and advantages as set out in Section 4.2.2 of this Prospectus, the past factors and trends affecting our future financial condition and results as set out in Section 9.4.1 and our Group's dedication to implement the future plans and strategies as set out in Section 4.11 of this Prospectus.

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9. FINANCIAL INFORMATION (Cont'd)

9.8 REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT FORECAST OF OUR GROUP FOR THE FYE 31 DECEMBER 2008
(Prepared for inclusion in the Prospectus)



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The Board of Directors
Sealink International Berhad
Lot 1035, Block 4, MCLD
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6 June 2008

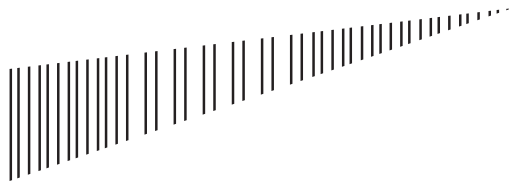
Dear Sirs

**Sealink International Berhad ("SIB" or "the Company")
Reporting Accountants' Letter on Consolidated Profit Forecast
for the year ending 31 December 2008**
(Prepared for inclusion in the Prospectus dated 30 June 2008)

We have reviewed the consolidated profit forecast of SIB and its subsidiaries ("SIB Group" or "the Group") for the year ending 31 December 2008 as set out in the accompanying statements, which we have stamped for the purpose of identification, in accordance with the Malaysian Approved Standards on Auditing AI 3400 - The Examination of Prospective Financial Information. The forecast has been prepared for inclusion in the Prospectus in connection with the listing of the entire issued and paid-up share capital of SIB on the Main Board of the Bursa Malaysia Securities Berhad and should not be relied on for any other purposes.

Our review has been undertaken to enable us to form an opinion as to whether the forecast, in all material respects, are properly prepared on the basis of the assumptions made by the Directors and are presented on a basis consistent with the accounting policies adopted and disclosed by the Group. The Directors of SIB are solely responsible for the preparation and presentation of the forecast and the assumptions on which the forecast are based.

A forecast, in this context, means prospective financial information prepared on the basis of assumptions as to future events which management expects to take place and the actions which management expects to take as of the date the information is prepared (best-forecast assumptions). While information may be available to support the assumptions on which the forecast are based, such information is generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation could be material.



Subject to the matters stated in the preceding paragraphs:-

- (i) nothing has come to our attention which causes us to believe that the assumptions made by the Directors, as set out in the accompanying statements, do not provide a reasonable basis for the preparation of the profit forecast; and
- (ii) in our opinion, the profit forecast, so far as the calculations are concerned, are properly prepared on the basis of the assumptions made by the Directors and are presented on a basis consistent with the accounting policies adopted and disclosed by the Group.

Yours faithfully

Ernst & Young
AF: 0039
Chartered Accountants

Miri, Malaysia

Yong Nyet Yun
2708/04/10 (J)
Partner

9. FINANCIAL INFORMATION (Cont'd)

Sealink International Berhad
Consolidated Profit Forecast
For the year ending 31 December 2008

The Directors of SIB forecast that, in the absence of unforeseen circumstances, the consolidated profit after taxation of SIB Group for the year ending 31 December 2008 will be as follows:

	Pre- acquisition profit forecast ⁽ⁱⁱ⁾ RM'000	Post- acquisition profit forecast ⁽ⁱⁱⁱ⁾ RM'000	<i>For illustrative purposes only</i> Full year profit forecast ⁽ⁱ⁾ RM'000
Consolidated revenue	88,859	124,403	213,262
Consolidated profit before taxation	24,352	34,094	58,446
Taxation	(3,519)	(4,927)	(8,446)
Consolidated profit after taxation	20,833	29,167	50,000
Add: Negative goodwill ^(iv)		26,934	
Consolidated profit after taxation and after negative goodwill adjustment		56,101	
Weighted average number of ordinary shares of RM0.50 each in issue ('000 units) ^(v)			433,868
Earnings Per Share (EPS)			
- Basic (sen)			11.52
- Diluted (sen)			11.52
Offer Price			1.25
PE multiple (times)			10.85
Enlarged number of ordinary shares of RM0.50 each in issue ('000 units) ^(vi)			500,000
Earnings Per Share (EPS)			
- Basic (sen)			10.00
- Diluted (sen)			10.00
Offer Price			1.25
PE multiple (times)			12.50

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Chartered Accountants Miri
For identification purposes only

9. FINANCIAL INFORMATION (Cont'd)
Sealink International Berhad
Consolidated Profit Forecast
For the year ending 31 December 2008

- (i) The consolidated full year profit forecast for the financial year ending 31 December 2008 is presented for illustrated purposes only based on the assumption that SIB Group has been in existence since 1 January 2008.
- (ii) Pre-acquisition consolidated profit forecast is in respect of operating results for the period from 1 January 2008 to the completion date of acquisitions as mentioned in Section 1.1, 28 May 2008.
- (iii) Post-acquisition consolidated profit forecast is in respect of operating results for the period from the completion date of the acquisitions as mentioned in Section 1.1 to 31 December 2008.
- (iv) Negative goodwill represents the excess of the fair values of the net identifiable assets acquired as at 28 May 2008 over the cost of Acquisitions.
- (v) This is based on the assumption that the listing will be completed at the end of July 2008 and is for illustrative purposes only.
- (vi) This is based on the enlarged issued and paid-up share capital after the Public Issue and is for illustrative purposes only.

Revenue

The table below sets forth the breakdown of the Group's forecast revenue by its subsidiaries for the financial year: -

	31 December 2008 (RM'000)
Cergas Majusama Sdn. Bhd. ("CMSB")	2,037
Euroedge Sdn. Bhd. ("ESB")	-
Era Surplus Sdn. Bhd. ("ESSB")	3,528
Era Sureway Sdn. Bhd. ("ESWSB")	1,980
Godrimaju Sdn. Bhd. ("GSB")	1,719
Midas Choice Sdn. Bhd. ("MCSB")	2,396
Navitex Shipping Sdn. Bhd. ("NSSB")	1,440
Seabright Sdn. Bhd. ("SBSB")	16,407
Sealink Engineering And Slipway Sdn. Bhd. ("SESSB")	157,385
Sea-Good Pte. Ltd. ("SGPL")	5,086
Sealink Management Sdn. Bhd. ("SMGSB")	337
Sealink Marine Sdn. Bhd. ("SMSB")	1,440
Sealink Pacific Sdn. Bhd. ("SPSB")	8,462
Sutherland Resources Sdn. Bhd. ("SRSB")	5,881
Sealink Sdn. Bhd. ("SSB")	33,845
Sealink Shipyard Sdn. Bhd. ("SSSB")	272,868
Sea Legend Shipping Sdn. Bhd. ("SLSSB")	-
Baram Moulding Industries Sdn. Bhd. ("BMISB")	-
Bristol View Sdn. Bhd. ("BVSb")	-
Aliran Saksama Sdn. Bhd. ("ASSB")	-
	514,811
Consolidation adjustments	(301,549)
Consolidated revenue	213,262

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 Chartered Accountants (Miri)
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9. FINANCIAL INFORMATION (Cont'd)

Sealink International Berhad
Consolidated Profit Forecast
For the year ending 31 December 2008

Revenue (Cont'd)

The table below sets forth the breakdown of the Group's forecast revenue by sectors for the financial year after intra-group consolidation adjustments: -

	31 December 2008 (RM'000)
Revenue	
Shipbuilding	430,253
Chartering	84,438
Rental	120
	<u>514,811</u>
Consolidation adjustments	(301,549)
Consolidated revenue	<u>213,262</u>
Shipbuilding	132,785
Chartering	80,357
Rental	120
Consolidated revenue	<u>213,262</u>

The table below sets forth the breakdown of the Group forecast revenue by geography for the financial year:-

	31 December 2008 (RM'000)
Revenue	
Local	58,523
Overseas	154,739
Consolidated revenue	<u>213,262</u>


9. FINANCIAL INFORMATION (Cont'd)

Sealink International Berhad
Consolidated Profit Forecast
For the year ending 31 December 2008

Gross Profit

The table below sets forth the breakdown of the Group's forecast gross profit by its subsidiaries for the financial year: -

	31 December 2008 (RM'000)
CMSB	809
ESB	-
ESSB	1,485
ESWSB	1,434
GSB	740
MCSB	1,528
NSSB	859
SBSB	10,307
SESSB	41,030
SGPL	4,273
SMGSB	(46)
SMSB	738
SPSB	4,027
SRSB	2,643
SSB	14,563
SSSB	45,428
SLSSB	-
BMISB	-
BVSB	-
ASSB	-
	129,818
Consolidation adjustments	(44,143)
Consolidated gross profit	85,675

 **ERNST & YOUNG AF0039**
 Chartered Accountants Miri
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9. FINANCIAL INFORMATION (Cont'd)
Sealink International Berhad
Consolidated Profit Forecast
For the year ending 31 December 2008
Gross Profit (Cont'd)

The table below sets forth the breakdown of the Group's forecast gross profit by sectors for the financial year: -

	31 December 2008 (RM'000)
Shipbuilding	86,458
Chartering	43,353
Rental	7
	<u>129,818</u>
Consolidation adjustments	(44,143)
Consolidated gross profit	<u>85,675</u>
Gross Profit	
Shipbuilding	45,122
Chartering	40,546
Rental	7
Consolidated gross profit	<u>85,675</u>
Gross profit margin	
Shipbuilding	34.0%
Chartering	50.0%
Rental	<u>5.8%</u>

The table below sets forth the breakdown of the Group's forecast gross profit by geography for the financial year: -

	31 December 2008 (RM'000)
Gross Profit	
Local	29,281
Overseas	56,394
Consolidated gross profit	<u>85,675</u>

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 Chartered Accountants (Malaysia) Limited
 For identification purposes only

9. FINANCIAL INFORMATION (Cont'd)

Sealink International Berhad
Consolidated Profit Forecast
For the year ending 31 December 2008

Profit Before Taxation

The table below sets forth the breakdown of the Group's forecast profit before taxation by the subsidiaries for the financial year: -

	31 December 2008 (RM'000)
CMSB	753
ESB	(3)
ESSB	1,037
ESWSB	981
GSB	474
MCSB	1,320
NSSB	830
SBSB	8,625
SESSB	37,175
SGPL	3,413
SMGSB	(86)
SMSB	334
SPSB	1,986
SRSB	2,368
SSB	7,197
SSSB	35,027
SLSSB	(1)
BMISB	(10)
BVSB	(1)
ASSB	(44)
	<u>101,375</u>
Consolidation adjustments	<u>(42,929)</u>
Consolidated PBT	<u>58,446</u>

The table below sets forth the breakdown of the Group's forecast profit before taxation by sectors for the financial year: -

	31 December 2008 (RM'000)
Shipbuilding	72,202
Chartering	29,166
Rental	7
	<u>101,375</u>
Consolidation adjustments	<u>(42,929)</u>
Consolidated PBT	<u>58,446</u>
Profit Before Taxation	
Shipbuilding	34,175
Chartering	24,264
Rental	7
Consolidated PBT	<u>58,446</u>

9. FINANCIAL INFORMATION (Cont'd)

Sealink International Berhad
Consolidated Profit Forecast
For the year ending 31 December 2008

1. Principal bases and assumptions upon which the consolidated profit forecast has been prepared are as follows:

1.1 **Acquisitions**

On 19 January 2008, SIB entered into Sale and Purchase Agreements for the following acquisitions ("the Acquisitions"):

- (a) Acquisition of the entire equity interests in Godrimaju Sdn. Bhd. ("GSB"), comprising 1,000,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM4,960,000 which was fully satisfied by the issuance of 9,920,000 new ordinary shares of RM0.50 each in SIB ("SIB Shares") at an issue price of RM0.50 per share credited as fully paid-up.
- (b) Acquisition of the entire equity interests in Midas Choice Sdn. Bhd. ("MCSB") and Sea Legend Shipping Sdn. Bhd. ("SLSSB") (Collectively referred to as "MCSB Group"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM4,860,000 which was fully satisfied by the issuance of 9,720,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (c) Acquisition of the entire equity interests in Sea-Good Pte. Ltd. ("SGPL"), comprising 500,000 ordinary shares of SGD1.00 each, for a total purchase consideration of RM40,740,000 which was fully satisfied by the issuance of 81,479,997 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (d) Acquisition of the entire equity interests in Sealink Shipyard Sdn. Bhd. ("SSSB") and Aliran Saksama Sdn. Bhd. ("ASSB") (Collectively referred to as "SSSB Group"), comprising 1,500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM26,807,000 which was fully satisfied by the issuance of 53,614,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (e) Acquisition of the entire equity interests in Sealink Pacific Sdn. Bhd. ("SPSB") and Bristol View Sdn. Bhd. ("BVSB") (Collectively referred to as "SPSB Group"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM15,638,000 which was fully satisfied by the issuance of 31,276,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (f) Acquisition of the entire equity interests in Sealink Engineering And Slipway Sdn. Bhd. ("SESSB") and Baram Moulding Industries Sdn. Bhd. ("BMISB") (Collectively referred to as "SESSB Group"), comprising 1,500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM10,930,000 which was satisfied by the issuance of 21,860,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.

9. FINANCIAL INFORMATION (Cont'd)

Sealink International Berhad
Consolidated Profit Forecast
For the year ending 31 December 2008

1.1 Acquisitions (Contd.)

- (g) Acquisition of the entire equity interests in Cergas Majusama Sdn. Bhd. ("CMSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM3,170,000 via cash.
- (h) Acquisition of the entire equity interests in Era Sureway Sdn. Bhd. ("ESWSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM6,217,000 via cash.
- (i) Acquisition of the entire equity interests in Euroedge Sdn. Bhd. ("ESB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM4,885,000 via the issuance of 9,770,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (j) Acquisition of the entire equity interests in Era Surplus Sdn. Bhd. ("ESSB"), comprising 1,000,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM885,000 via the issuance of 1,770,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (k) Acquisition of the entire equity interests in Navitex Shipping Sdn. Bhd. ("NSSB"), comprising 2 ordinary shares of RM1.00 each, for a total purchase consideration of RM7,250,000 via the issuance of 14,500,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (l) Acquisition of the entire equity interests in Seabright Sdn. Bhd. ("SBSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM34,600,000 via the issuance of 69,200,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (m) Acquisition of the entire equity interests in Sealink Management Sdn. Bhd. ("SMGSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM2,815,000 via the issuance of 5,630,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (n) Acquisition of the entire equity interests in Sealink Marine Sdn. Bhd. ("SMSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM10,665,000 via the issuance of 21,330,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (o) Acquisition of the entire equity interests in Sutherland Resources Sdn. Bhd. ("SRSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM8,906,000 via cash.

9. FINANCIAL INFORMATION (Cont'd)

Sealink International Berhad
Consolidated Profit Forecast
For the year ending 31 December 2008

1.1 Acquisitions (Contd.)

- (p) Acquisition of the entire equity interests in Sealink Sdn. Bhd. ("SSB"), comprising 1,500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM28,280,000 via the issuance of 56,560,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.

The total purchase consideration for the Acquisitions of RM212million was arrived at on a willing buyer-willing seller basis based on the adjusted audited Net Assets of GSB, MCSB and its subsidiary, SGPL, SSSB and its subsidiary, CMSB, ESWSB, ESB, ESSB, NSSB, SBSB, SESSB and its subsidiary, SMGSB, SMSB, SPSB and its subsidiary, SRSB and SSB as at 31 December 2007.

The Acquisitions were completed on 28 May 2008.

1.2 Public Issue

The Public Issue of 113,370,000 Public Issue Shares is at an issue price of RM1.25 per SIB Share ("Public Issue").


1.3 Offer for Sale

The Offer For Sale of 15,000,000 Offer Shares, representing 3% of SIB's enlarged issued and paid up share capital, at the offer price of RM1.25 per SIB Share are payable in full on application upon such terms and conditions as set out in this Prospectus for private placement to selected investors ("Offer for Sale").

1.4 Listing

Upon completion of the Public Issue and Offer for Sale, the entire enlarged issued and paid-up share capital of SIB comprising 500,000,000 Shares of RM0.50 each shall be listed on the Main Board of Bursa Malaysia Securities Berhad.

(Collectively referred to as the "Listing Scheme").

 **ERNST & YOUNG** AF0039
 Chartered Accountants (Miri)
 For and on behalf of the auditors only

9. FINANCIAL INFORMATION (Cont'd)**Sealink International Berhad
Consolidated Profit Forecast
For the year ending 31 December 2008****2. Basis of preparation**


The consolidated profit forecast for the year ending 31 December 2008 of SIB Group have been prepared based on the Directors' assessment of the present economic and operating conditions, and best forecast assumptions regarding future events and actions which, at the date the forecast were prepared, the Directors expect to take place. This future event may or may not take place.

The consolidated profit forecast of SIB Group have been prepared using applicable approved accounting standards in Malaysia as at 31 December 2007 and consistent with accounting policies adopted by SIB Group.

The functional currency of SIB is Ringgit Malaysia ("RM").

3. General Assumptions

- 3.1 There will be no material changes in the structure as well as the principal activities of the Group other than those planned and incorporated in the forecast;
- 3.2 There will be no significant adverse changes in the current demand and in the prevailing market conditions in Malaysia and overseas which will adversely affect SIB Group's performance;
- 3.3 There will be no major economic and political changes or any abnormal circumstances which will adversely affect SIB Group's operation;
- 3.4 There will be no changes in legislation or government regulations which will affect the Group's activities or the market in which SIB Group operates;
- 3.5 There will be no significant changes in the present legislation or government regulations, rates, levies and taxes affecting SIB Group's activities;
- 3.6 There will be no major industrial disputes or any abnormal circumstances which will adversely affect SIB Group's business or assets;
- 3.7 There will be no significant effects from fluctuations in exchange rates of foreign currencies;
- 3.8 The inflation rate will not change significantly from the present level, which will adversely affect the performance of SIB Group;
- 3.9 There will be no significant changes in the management, accounting and operating policies from those presently adopted by SIB Group;

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Chartered Accountants Miri
For identification purposes only

9. FINANCIAL INFORMATION (Cont'd)

Sealink International Berhad
Consolidated Profit Forecast
For the year ending 31 December 2008

3. General Assumptions (Cont'd)

- 3.10 The existing financing facilities will remain available to SIB Group and interest rates will not differ significantly from those prevailing. SIB Group will also be able to obtain additional financing facilities when necessary, at interest rates approximating those currently available to SIB Group;
- 3.11 Capital expenditure programme of SIB Group will be implemented as scheduled and there will be no material acquisition and disposal of property, plant and equipment other than those already included in the forecast;
- 3.12 Statutory tax rate is at 26% effective year of assessment 2008. There will be no significant changes in the rates and basis of taxation;
- 3.13 The gross proceeds arising from Public Issue of approximately RM141.7 million will be utilised as planned;
- 3.14 The Group will achieve the vessel charter days and rates as forecast;
- 3.15 The shipyards will operate at expected capacities to fulfil contracts and keep inventory as forecast;
- 3.16 Related party transactions are entered into in the normal course of business and are established at arm's length;
- 3.17 It is assumed a dividend of 4 sen per share will be declared for the year ending 2008 but payable in 2009;
- 3.18 There will not be any loss of the Group's existing customers and business alliances that will materially affect the revenue of the Group, and it is assumed that there will be no significant occurrences of bad and doubtful debts;
- 3.19 There will be no significant changes in the purchase prices of major raw materials, labour and other operating costs other than those as provided. Any significant increase in the cost of raw materials will be compensated through an equivalent increase in selling prices;
- 3.20 There will be no significant changes in key management, technology and operating structure which will adversely affect the operations of the Group; and
- 3.21 There will be no major proceedings against the Group which will adversely affect the activities or performance of the Group or give rise to any contingent liabilities which will materially affect the financial position or the business of the Group.

9. FINANCIAL INFORMATION (Cont'd)**9.9 DIRECTORS' COMMENTS ON THE PROFIT FORECAST**

Our Directors forecast that barring unforeseen circumstances, the forecast financial performance of our Group for the FYE 31 December 2008 will be as follows:

FYE 31 December	2008 (RM'000)
Revenue	213,262
PBT	58,446
Taxation	<u>(8,446)</u>
PAT	50,000
MI	<u>-</u>
PAT after MI	<u>50,000</u>
Weighted average number of Shares ('000) ⁽¹⁾	433,868
Net EPS (sen) ⁽³⁾	11.52
PE Multiple (times) ⁽⁴⁾	10.85
Enlarged number of Shares ('000) ⁽²⁾	500,000
Net EPS (sen) ⁽³⁾	10.00
PE Multiple (times) ⁽⁴⁾	12.50

Notes: -

- (1) Based on the assumptions that the Public Issue will be completed on 31 July 2008.
- (2) Based on the enlarged issued and paid-up share capital after the Public Issue.
- (3) Net EPS calculated based on profit attributable to equity holders of our Company for the financial year divided by the respective number of Shares in issue.
- (4) Based on the IPO Price.

The consolidated profit forecast of our Group for the FYE 31 December 2008 have been prepared based on our Directors' assessment of the present economic and operating conditions, and a number of best estimate assumptions regarding future events and actions which, at the date the forecast was approved, our Directors expect to take place. These future events may or may not take place. The principal bases and assumptions upon which the consolidated profit forecast have been prepared are set out in Section 9.8 of this Prospectus.

A forecast, by its very nature, is subject to uncertainties and unexpected events, many of which are outside the control of our Group and our Directors. Also, events and circumstances often do not occur as anticipated and therefore actual results are likely to differ from the forecast, and the differences may be material and may materially affect the financial information projected. Accordingly, our Directors cannot and do not guarantee the achievement of the forecast. Notwithstanding the uncertainties and hypothetical assumptions associated with our projections, the consolidated profit forecast has been prepared with due care, skill and objectivity so as to represent the stated assumptions, and not to purport unreasonable hypotheses and assumptions.

Our Group's revenue is expected to increase by 31.3% from RM162.7 million in FYE 31 December 2007 to RM213.3 million for the FYE 31 December 2008, which is mainly attributed to the increase in the demand of vessels in the oil and gas industry as a result of the increasing trend in oil prices. In anticipation of the high demand of vessels in the oil and gas industry, our Group is expecting to complete construction of fifteen (15) vessels in FYE 2008 of which nine (9) will be retained for chartering business. This will bring the total number of vessels available for charter/hire to thirty eight (38). We also expect the demand for chartering of existing barges and other vessels to increase further in FYE 2008.

Vessel chartering revenue is forecast to increase to RM80.4 million with a gross margin of 50.0% while contract revenue from shipbuilding is forecast to be at RM132.8 million with a gross margin of 34.0% arising from sales to third parties.

9. FINANCIAL INFORMATION (Cont'd)

Our Group's PBT is expected to increase from RM45.9 million in 2007 to RM58.4 million in FYE 2008 due to expected higher revenue in FYE 2008 contributed from both the vessel chartering business and shipbuilding.

Our Board confirms that the consolidated profit forecast of our Group and the underlying bases and assumptions stated herein have been reviewed by the Directors. Nevertheless, these bases and assumptions cover future periods for which there are inherent risks and therefore, should be treated with caution. These bases and assumptions are subject to significant uncertainties and contingencies, which are often, outside our control. Therefore, certain assumptions used in the preparation of the consolidated profit forecast may differ significantly from the actual situation after the date of this profit forecast.

After due and careful inquiry, and having taken into account the following factors in the light of the prospects of the vessel chartering to the oil and gas industry and the shipbuilding industry :-

- (i) revenue expected from secured shipbuilding contracts and vessel chartering contracts for the FYE 31 December 2008 (which comprises 63% of the total forecasted revenue);
- (ii) our future plans and strategies; and
- (iii) our level of gearing, liquidity and working capital position

our Directors are of the opinion that the assumptions made are reasonable and the forecast consolidated PAT is achievable under the prevailing business and economic environment.

In line with the inherent uncertainties of the forecast, our Board is of the view that the main vulnerability, in so far as the achievement of the said forecast is concerned, are: -

- (i) variation in revenue; and
- (ii) variation in construction costs and vessel operating costs.

Hence, we have set out in 9.11 the sensitivity analyses of our consolidated profit forecast for the FYE 31 December 2008 based on the assumptions set out in section 9.11 and on the assumption that all other things remain unchanged, save for the factors set out in (i) and (ii) above.

9.10 DIVIDEND FORECAST

The declaration of interim dividends and the recommendation of final dividend are subject to the discretion of our Board and any final dividend for the year is subject to our shareholders' approval. It is our intention to pay dividends to shareholders in the future. However, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial conditions and any other factors considered relevant by our Board.

Based on the consolidated profit forecast for the FYE 31 December 2008, our Directors anticipate that our Company will be in a position to propose a net dividend of 4 sen (or 8%) per Share for the FYE 31 December 2008, based on the enlarged issued and paid-up share capital of 500,000,000 Shares.

The intended appropriation of the forecast consolidated PAT for the FYE 31 December 2008 would be as follows: -

FYE 31 December	Forecast 2008
Net dividend per Share (sen) ¹¹	4.00
Net dividend yield (%) ¹²	3.20
Net dividend cover (times) ¹³	2.50

9. FINANCIAL INFORMATION (Cont'd)*Notes: -*

- (1) Based on the enlarged issued and paid-up share capital of 500,000,000 Shares.
 (2) Based on the IPO Price of RM1.25.
 (3) Based on the forecast EPS of 10 sen.

You should note that actual dividends proposed and declared, may vary depending on the financial performance and cash flows of our Group, and may be waived if the payment of the dividends would adversely affect the cash flows and operations of our Group.

9.11 SENSITIVITY ANALYSIS

The following sensitivity analysis is prepared by the management of our Group and has not been independently verified by the Reporting Accountants. It is based on the forecast assumptions set out in Section 9.8 above and assuming all factors remaining unchanged except for the 5% and 10% upward or downward variations in the revenue and the cost of materials. Notwithstanding the impacts of the variations in the revenue and cost of sales as outlined here, there may exist other factors which have not been taken into account, while variations may have a significant effect, either positively or negatively, on the financial performance of our Group. The sensitivity analysis is as follows: -

9.11.1 Variations in Revenue

	Revenue (RM'000)	Cost of Sales (RM'000)	Gross Profit (RM'000)	PBT (RM'000)	PAT after MI (RM'000)	Gross Profit Margin %
Up to 10%	234,588	127,587	107,001	79,772	67,143	45.6
Up to 5%	223,925	127,587	96,338	69,109	58,572	43.0
Base case	213,262	127,587	85,675	58,446	50,000	40.2
Down 5%	202,599	127,587	75,012	47,783	41,428	37.0
Down 10%	191,936	127,587	64,349	37,120	32,857	33.5

The sensitivity analysis on revenue is prepared based on the assumption that all other things remain unchanged except for the 5% and 10% upward and downward variation in revenue.

9.11.2 Variations in Cost of Sales

Forecast for the FYE 31 December 2008: -

	Revenue (RM'000)	Cost of Sales (RM'000)	Gross Profit (RM'000)	PBT (RM'000)	PAT after MI (RM'000)	Gross Profit Margin %
Up to 10%	213,262	140,346	72,916	45,687	39,567	34.2
Up to 5%	213,262	133,966	79,296	52,067	44,784	37.2
Base case	213,262	127,587	85,675	58,446	50,000	40.2
Down 5%	213,262	121,208	92,054	64,825	55,216	43.2
Down 10%	213,262	114,828	98,434	71,205	60,433	46.2

The sensitivity analysis on cost of sales is prepared based on the assumption that all other things remain unchanged except for the 5% and 10% upward and downward variation in cost of sales.

Based on the above assumptions, the sensitivity analysis shows that our Group will continue to remain profitable for the forecast year even if the revenue is varied downward by 10%, or if the cost of sales is varied upward by 10%.

10. ACCOUNTANTS' REPORT

(Prepared for inclusion in the Prospectus)



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The Board of Directors
Sealink International Berhad
Lot 1035, Block 4, MCLD
Piasau Industrial Area
98000 Miri

6 June 2008

Dear Sirs

Sealink International Berhad ("SIB" or "the Company")

Accountants' Report

(Prepared for inclusion in the Prospectus dated 30 June 2008)

1. This report has been prepared by Ernst & Young, an approved company auditor, for the inclusion in the Prospectus of SIB dated 30 June 2008 in connection with the listing of SIB on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") and should not be relied upon for any other purposes.

2. Introduction

2.1 Background

Sealink International Sdn. Bhd. was incorporated in Malaysia as a private limited company under the Companies Act 1965 on 28 December 2007. It was later converted to a public company on 16 January 2008 and altered its name to Sealink International Berhad.

The principal activity of the Company is that of investment holding. Further details of its subsidiaries are set out in paragraph 2.4 below.

2.2 Share capital

At the date of incorporation, SIB's authorised share capital was RM100,000 comprising 200,000 ordinary shares of RM0.50 each ("SIB Shares"). At that date, SIB's issued and paid-up share capital was RM1.50 comprising three (3) ordinary shares of RM0.50 each.

On 20 May 2008, the authorised share capital of SIB increased from RM100,000 comprising 200,000 SIB Shares to RM500,000,000 comprising 1,000,000,000 SIB Shares by the creation of additional 999,800,000 SIB Shares.

Arising from the acquisitions as mentioned in Section 2.3.1 below, the issued and paid-up share capital of SIB increased to RM193,315,000 by way of the issuance of 386,630,000 SIB Shares.

Pursuant to the public issue as mentioned in Section 2.3.2 below, the issued and fully paid-up share capital of SIB will be increased further to RM250,000,000 comprising 500,000,000 SIB Shares.



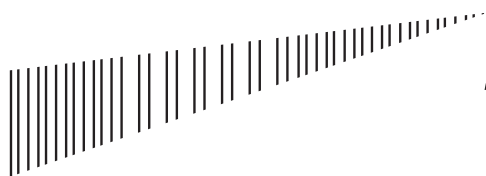
2.3 Listing Scheme

In conjunction with, and as an integral part of the listing and quotation for the entire issued and paid-up share capital of SIB on the Main Board of Bursa Securities, SIB undertakes a listing scheme, which involves the following exercises: -

2.3.1 Acquisitions

On 19 January 2008, SIB entered into Sale and Purchase Agreements for the following acquisitions ("the Acquisitions"):

- (a) Acquisition of the entire equity interests in Godrimaju Sdn. Bhd. ("GSB"), comprising 1,000,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM4,960,000 which was fully satisfied by the issuance of 9,920,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (b) Acquisition of the entire equity interests in Midas Choice Sdn. Bhd. ("MCSB") and Sea Legend Shipping Sdn. Bhd. ("SLSSB") (Collectively referred to as "MCSB Group"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM4,860,000 which was fully satisfied by the issuance of 9,720,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (c) Acquisition of the entire equity interests in Sea-Good Pte. Ltd. ("SGPL"), comprising 500,000 ordinary shares of SGD1.00 each, for a total purchase consideration of RM40,740,000 which was fully satisfied by the issuance of 81,479,997 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (d) Acquisition of the entire equity interests in Sealink Shipyard Sdn. Bhd. ("SSSB") and Aliran Saksama Sdn. Bhd. ("ASSB") (Collectively referred to as "SSSB Group"), comprising 1,500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM26,807,000 which was fully satisfied by the issuance of 53,614,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (e) Acquisition of the entire equity interests in Sealink Pacific Sdn. Bhd. ("SPSB") and Bristol View Sdn. Bhd. ("BVS") (Collectively referred to as "SPSB Group"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM15,638,000 which was fully satisfied by the issuance of 31,276,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (f) Acquisition of the entire equity interests in Sealink Engineering And Slipway Sdn. Bhd. ("SESSB") and Baram Moulding Industries Sdn. Bhd. ("BMISB") (Collectively referred to as "SESSB Group"), comprising 1,500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM10,930,000 which was satisfied by the issuance of 21,860,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.

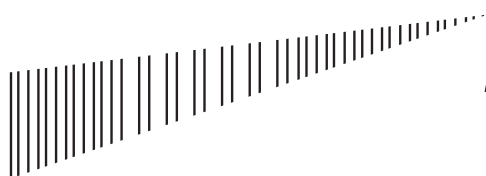


2. Introduction (Cont'd)

2.3 Listing Scheme (Cont'd)

2.3.1 Acquisitions (Cont'd)

- (g) Acquisition of the entire equity interests in Cergas Majusama Sdn. Bhd. ("CMSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM3,170,000 via cash.
- (h) Acquisition of the entire equity interests in Era Sureway Sdn. Bhd. ("ESWSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM6,217,000 via cash.
- (i) Acquisition of the entire equity interests in Euroedge Sdn. Bhd. ("ESB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM4,885,000 via the issuance of 9,770,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (j) Acquisition of the entire equity interests in Era Surplus Sdn. Bhd. ("ESSB"), comprising 1,000,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM885,000 via the issuance of 1,770,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (k) Acquisition of the entire equity interests in Navitex Shipping Sdn. Bhd. ("NSSB"), comprising 2 ordinary shares of RM1.00 each, for a total purchase consideration of RM7,250,000 via the issuance of 14,500,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (l) Acquisition of the entire equity interests in Seabright Sdn. Bhd. ("SBSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM34,600,000 via the issuance of 69,200,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (m) Acquisition of the entire equity interests in Sealink Management Sdn. Bhd. ("SMGSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM2,815,000 via the issuance of 5,630,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (n) Acquisition of the entire equity interests in Sealink Marine Sdn. Bhd. ("SMSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM10,665,000 via the issuance of 21,330,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.
- (o) Acquisition of the entire equity interests in Sutherland Resources Sdn. Bhd. ("SRSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM8,906,000 via cash.

**2. Introduction (Cont'd)****2.3 Listing Scheme (Cont'd)****2.3.1 Acquisitions (Cont'd)**

- (p) Acquisition of the entire equity interests in Sealink Sdn. Bhd. ("SSB"), comprising 1,500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM28,280,000 via the issuance of 56,560,000 SIB Shares at an issue price of RM0.50 per share credited as fully paid-up.

(Collectively referred to as "the Subsidiaries")

The total purchase consideration for the Acquisitions of RM212 million was arrived at on a willing buyer-willing seller basis based on the adjusted audited Net Assets of GSB, MCSB and its subsidiary, SGPL, SSSB and its subsidiary, CMSB, ESWSB, ESB, ESSB, NSSB, SBSB, SESSB and its subsidiary, SMGSB, SMSB, SPSB and its subsidiary, SRSB and SSB as at 30 September 2007.

The Acquisitions were completed on 28 May 2008.

2.3.2 Public Issue

The Public Issue of 113,370,000 Public Issue Shares is at an issue price of RM1.25 per SIB Share ("Public Issue").

2.3.3 Offer for Sale

The Offer For Sale of 15,000,000 Offer Shares, representing 3% of SIB's enlarged issued and paid up share capital, at the offer price of RM1.25 per SIB Share are payable in full on application upon such terms and conditions as set out in this Prospectus for private placement to selected investors ("Offer for Sale").

2.3.4 Listing

Upon completion of the Public Issue and Offer for Sale, the entire enlarged issued and paid-up share capital of SIB comprising 500,000,000 Shares of RM0.50 each shall be listed on the Main Board of Bursa Securities.

(Collectively referred to as the "Listing Scheme").

10. ACCOUNTANTS' REPORT (Cont'd)**2.4 Information on subsidiaries****2.4.1 Cergas Majusama Sdn. Bhd.**

Cergas Majusama Sdn. Bhd. ("CMSB") is a private limited company, incorporated on 2 December 2003 under the Companies Act 1965 and domiciled in Malaysia.

The Company is principally engaged in regional and coastal shipping business.

The changes in the authorised and issued and paid up share capital of CMSB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
2 December 2003	100,000	100,000
5 August 2005	400,000	500,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
2 December 2003	2	2	Subscribers' share
5 August 2005	499,998	500,000	Cash

2.4.2 Era Surplus Sdn. Bhd.

Era Surplus Sdn. Bhd. ("ESSB") is a private limited company, incorporated on 13 April 2004 under the Companies Act 1965 and domiciled in Malaysia.

The Company is principally engaged in regional and coastal shipping business.

The changes in the authorised and issued and paid up share capital of ESSB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
13 April 2004	100,000	100,000
11 January 2005	400,000	500,000
15 April 2005	500,000	1,000,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
13 April 2004	2	2	Subscribers' share
11 January 2005	499,998	500,000	Cash
15 April 2005	500,000	1,000,000	Cash

10. ACCOUNTANTS' REPORT (Cont'd)**2.4 Information on subsidiaries (Cont'd)****2.4.3 Euroedge Sdn. Bhd.**

Euroedge Sdn. Bhd. ("ESB") is a private limited company, incorporated on 21 February 2002 under the Companies Act 1965 and domiciled in Malaysia.

The Company is principally engaged in regional and coastal shipping business.

The changes in the authorised and issued and paid up share capital of ESB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
21 February 2002	100,000	100,000
27 May 2004	400,000	500,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
21 February 2002	2	2	Subscribers' share
27 May 2004	499,998	500,000	Cash

2.4.4 Navitex Shipping Sdn. Bhd.

Navitex Shipping Sdn. Bhd. ("NSSB") is a private limited company, incorporated on 2 July 2003 under the Companies Act 1965 and domiciled in Malaysia.

The Company is principally engaged in regional and coastal shipping business.

The changes in the authorised and issued and paid up share capital of NSSB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
2 July 2003	100,000	100,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
2 July 2003	2	2	Subscribers' share

10. ACCOUNTANTS' REPORT (Cont'd)**2.4 Information on subsidiaries (Cont'd)****2.4.5 Sealink Management Sdn. Bhd.**

Sealink Management Sdn. Bhd. ("SMGSB") is a private limited company, incorporated on 14 October 1992 under the Companies Act 1965 and domiciled in Malaysia.

The Company is principally engaged in regional and coastal shipping business.

The Company changed its name from Bunga Wijayamala Sdn. Bhd. to its current name, Sealink Management Sdn. Bhd. on 4 September 1997.

The changes in the authorised and issued and paid up share capital of SMGSB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
14 October 1992	25,000	25,000
11 July 2005	475,000	500,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
14 October 1992	2	2	Subscribers' share
11 July 2005	499,998	500,000	Cash

2.4.6 Sealink Marine Sdn. Bhd.

Sealink Marine Sdn. Bhd. ("SMSB") is a private limited company, incorporated on 7 October 1991 under the Companies Act 1965 and domiciled in Malaysia.

The Company is principally engaged in regional and coastal shipping business.

The Company was incorporated under the name Vigil Wise Sdn. Bhd. and assumed its current name, Sealink Marine Sdn. Bhd. on 25 July 2002.

The changes in the authorised and issued and paid up share capital of SMSB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
7 October 1991	25,000	25,000
24 June 2004	475,000	500,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
7 October 1991	2	2	Subscribers' share
30 October 2000	9,998	10,000	Cash
24 June 2004	490,000	500,000	Cash

10. ACCOUNTANTS' REPORT (Cont'd)**2.4 Information on subsidiaries (Cont'd)****2.4.7 Sealink Pacific Sdn. Bhd.**

Sealink Pacific Sdn. Bhd. ("SPSB") is a private limited company, incorporated on 9 January 1990 under the Companies Act 1965 and domiciled in Malaysia.

The Company is principally engaged in regional and coastal shipping business.

The Company changed its name from Ultramas Sdn. Bhd. to its current name, Sealink Pacific Sdn. Bhd. on 4 September 1997.

The changes in the authorised and issued and paid up share capital of SPSB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
9 January 1990	25,000	25,000
4 July 2000	475,000	500,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
9 January 1990	2	2	Subscribers' share
4 July 2000	499,998	500,000	Cash

2.4.8 Godrimaju Sdn. Bhd.

Godrimaju Sdn. Bhd. ("GSB") is a private limited company, incorporated on 21 December 2000 under the Companies Act 1965 and domiciled in Malaysia.

The Company is principally engaged in regional and coastal shipping business.

The changes in the authorised and issued and paid up share capital of GSB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
21 December 2000	100,000	100,000
21 March 2001	4,900,000	5,000,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
21 December 2000	2	2	Subscribers' share
21 March 2001	119,998	120,000	Cash
Paid up on 1 October 2007	880,000	1,000,000	Cash

10. ACCOUNTANTS' REPORT (Cont'd)**2.4 Information on subsidiaries (Cont'd)****2.4.9 Midas Choice Sdn. Bhd.**

Midas Choice Sdn. Bhd. ("MCSB") is a private limited company, incorporated on 24 March 2004 under the Companies Act 1965 and domiciled in Malaysia.

The Company is principally engaged in regional and coastal shipping business.

The changes in the authorised and issued and paid up share capital of MCSB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
24 March 2004	100,000	100,000
20 September 2004	400,000	500,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
24 March 2004	2	2	Subscribers' share
20 September 2004	499,998	500,000	Cash

2.4.10 Sea Legend Shipping Sdn. Bhd.

Sea Legend Shipping Sdn. Bhd. ("SLSSB") is a private limited company, incorporated on 18 July 2005 under the Companies Act 1965 and domiciled in Malaysia.

The Company did not commence operations during the period under review.

The Company changed its name from Vita Fleet Sdn. Bhd. to its current name, Sea Legend Shipping Sdn. Bhd. on 21 October 2005.

The changes in the authorised and issued and paid up share capital of SLSSB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
18 July 2005	100,000	100,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
18 July 2005	2	2	Subscribers' share

10. ACCOUNTANTS' REPORT (Cont'd)**2.4 Information on subsidiaries (Cont'd)****2.4.11 Era Sureway Sdn. Bhd.**

Era Sureway Sdn. Bhd. ("ESWSB") is a private limited company, incorporated on 7 April 2005 under the Companies Act 1965 and domiciled in Malaysia.

The Company is principally engaged in regional and coastal shipping business.

The changes in the authorised and issued and paid up share capital of ESWSB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
7 April 2005	100,000	100,000
5 October 2007	400,000	500,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
7 April 2005	2	2	Subscribers' share
1 March 2007	1	3	Cash
5 October 2007	499,997	500,000	Cash

2.4.12 Bristol View Sdn. Bhd.

Bristol View Sdn. Bhd. ("BVSB") is a private limited company, incorporated on 7 December 1992 under the Companies Act 1965 and domiciled in Malaysia.

The Company is inactive.

The changes in the authorised and issued and paid up share capital of BVSB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
7 December 1992	25,000	25,000
15 January 1993	275,000	300,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
7 December 1992	2	2	Subscribers' share
15 January 1993	29,998	30,000	Cash
14 July 1993	30,000	60,000	Cash

10. ACCOUNTANTS' REPORT (Cont'd)**2.4 Information on subsidiaries (Cont'd)****2.4.13 Baram Moulding Industries Sdn. Bhd.**

Baram Moulding Industries Sdn. Bhd. ("BMISB") is a private limited company, incorporated on 12 July 1990 under the Companies Act 1965 and domiciled in Malaysia.

The Company has not commenced operations during the period under review.

The changes in the authorised and issued and paid up share capital of BMISB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
12 July 1990	25,000	25,000
1 March 1997	75,000	100,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
12 July 1990	3	3	Subscribers' share
30 April 1992	2	5	Cash
1 March 1997	24,995	25,000	Cash

2.4.14 Sea-Good Pte Ltd

Sea-Good Pte. Ltd. ("SGPL") is a private limited company, incorporated on 21 October 1997 under the Companies Act, Cap 50 and domiciled in Singapore.

The Company is principally engaged in investment holding in shares, charter of vessels and rendering of services.

The changes in the issued and paid up share capital of SGPL since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of S\$1.00 each</u>	<u>Cumulative Total (S\$)</u>
21 October 1997	5,000,000	5,000,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of S\$1.00 each</u>	<u>Cumulative Total (S\$)</u>	<u>Type Consideration</u>
21 October 1997	2	2	Subscribers' share
28 October 1997	499,998	500,000	Cash

10. ACCOUNTANTS' REPORT (Cont'd)**2.4 Information on subsidiaries (Cont'd)****2.4.15 Aliran Saksama Sdn. Bhd.**

Aliran Saksama Sdn. Bhd. ("ASSB") is a private limited company, incorporated on 4 December 1998 under the Companies Act 1965 and domiciled in Malaysia.

The Company has not commenced operations during the period under review.

The changes in the authorised and issued and paid up share capital of ASSB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
4 December 1998	100,000	100,000
15 January 1999	400,000	500,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
4 December 1998	2	2	Subscribers' share
16 December 1998	7	9	Cash
15 January 1999	499,991	500,000	Cash

2.4.16 Sealink Engineering And Slipway Sdn. Bhd.

Sealink Engineering And Slipway Sdn. Bhd. ("SESSB") is a private limited company, incorporated on 25 May 2004 under the Companies Act 1965 and domiciled in Malaysia.

The Company is principally engaged in shipbuilding, repair of vessels and related works.

The Company changed its name from Maju Megajaya Sdn. Bhd. to its current name, Sealink Engineering And Slipway Sdn. Bhd. on 25 July 2005.

The changes in the authorised and issued and paid up share capital of SESSB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
25 May 2004	100,000	100,000
28 July 2005	400,000	500,000
24 April 2007	9,500,000	10,000,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
25 May 2004	2	2	Subscribers' share
28 July 2005	499,998	500,000	Cash
24 April 2007	500,000	1,000,000	Cash
4 June 2007	500,000	1,500,000	Cash

10. ACCOUNTANTS' REPORT (Cont'd)**2.4 Information on subsidiaries (Cont'd)****2.4.17 Sealink Sdn. Bhd.**

Sealink Sdn. Bhd. ("SSB") is a private limited company, incorporated on 4 September 1974 under the Companies Act 1965 and domiciled in Malaysia.

The Company is principally engaged in regional and coastal shipping business and letting of properties.

The changes in the authorised and issued and paid up share capital of SSB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
4 September 1974	2,000,000	2,000,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
4 September 1974	3	3	Subscribers' share
13 May 1976	60,000	60,003	Cash
15 November 1977	54,997	115,000	Cash
1 March 1994	1,385,000	1,500,000	Cash

2.4.18 Sealink Shipyard Sdn. Bhd.

Sealink Shipyard Sdn. Bhd. ("SSSB") is a private limited company, incorporated on 30 March 1990 under the Companies Act 1965 and domiciled in Malaysia.

The Company is principally engaged in shipbuilding and repair of vessels.

The Company changed its name from Armada Shipyard (Labuan) Sdn. Bhd. to its current name, Sealink Shipyard Sdn. Bhd. on 12 May 1997.

The changes in the authorised and issued and paid up share capital of SSSB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
30 March 1990	25,000	25,000
2 May 1997	75,000	100,000
31 October 2000	900,000	1,000,000
9 July 2004	4,000,000	5,000,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
30 March 1990	2	2	Subscribers' share
16 July 1997	99,998	100,000	Cash
31 October 2000	900,000	1,000,000	Cash
9 July 2004	500,000	1,500,000	Cash

10. ACCOUNTANTS' REPORT (Cont'd)**2.4 Information on subsidiaries (Cont'd)****2.4.19 Seabright Sdn. Bhd.**

Seabright Sdn. Bhd. ("SBSB") is a private limited company, incorporated on 13 October 1976 under the Companies Act 1965 and domiciled in Malaysia.

The Company is principally engaged in regional and coastal shipping business.

The changes in the authorised and issued and paid up share capital of SBSB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
13 October 1976	500,000	500,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
13 October 1976	2	2	Subscribers' share
29 November 1977	199,998	200,000	Cash
6 June 2003	300,000	500,000	Cash

2.4.20 Sutherland Resources Sdn. Bhd.

Sutherland Resources Sdn. Bhd. ("SRSB") is a private limited company, incorporated on 11 August 1998 under the Companies Act 1965 and domiciled in Malaysia.

The Company is principally engaged in regional and coastal shipping business.

The changes in the authorised and issued and paid up share capital of SRSB since its incorporation up to 31 December 2007 are as follows:-

Authorised Share Capital

<u>Date of creation</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>
11 August 1998	100,000	100,000
30 July 1999	400,000	500,000

Issued and Paid-Up Share Capital

<u>Date of allotment</u>	<u>Number of ordinary shares of RM1.00 each</u>	<u>Cumulative Total (RM)</u>	<u>Type Consideration</u>
11 August 1998	2	2	Subscribers' share
20 October 1998	19,998	20,000	Cash
30 July 1999	230,000	250,000	Cash
26 April 2004	250,000	500,000	Cash

10. ACCOUNTANTS' REPORT (Cont'd)**3. Financial statements and auditors**

The auditors who audited/reviewed the financial statements of SIB Group for the financial years under review are as follows:

Companies	Financial year ended	Auditors
Cergas Majusama Sdn. Bhd.	1 January 2005 to 31 December 2005	Ernst & Young ("EY")
	1 January 2006 to 31 December 2006	EY
	1 January 2007 to 31 December 2007	EY
Era Surplus Sdn. Bhd.	1 January 2005 to 31 December 2005	EY
	1 January 2006 to 31 December 2006	EY
	1 January 2007 to 31 December 2007	EY
Euroedge Sdn. Bhd.	1 January 2005 to 31 December 2005	EY
	1 January 2006 to 31 December 2006	EY
	1 January 2007 to 31 December 2007	EY
Navitex Shipping Sdn. Bhd.	1 January 2005 to 31 December 2005	EY
	1 January 2006 to 31 December 2006	EY
	1 January 2007 to 31 December 2007	EY
Sealink Management Sdn. Bhd.	1 January 2005 to 31 December 2005	EY
	1 January 2006 to 31 December 2006	EY
	1 January 2007 to 31 December 2007	EY
Sealink Marine Sdn. Bhd.	1 January 2005 to 31 December 2005	EY
	1 January 2006 to 31 December 2006	EY
	1 January 2007 to 31 December 2007	EY
Sealink Pacific Sdn. Bhd.	1 January 2005 to 31 December 2005	EY
	1 January 2006 to 31 December 2006	EY
	1 January 2007 to 31 December 2007	EY
Godrimaju Sdn. Bhd.	1 January 2005 to 31 December 2005	EY
	1 January 2006 to 31 December 2006	EY
	1 January 2007 to 31 December 2007	EY
Midas Choice Sdn. Bhd.	1 June 2005 to 31 May 2006	EY
	1 June 2006 to 31 December 2006	EY
	1 January 2007 to 31 December 2007	EY
Sea Legend Shipping Sdn. Bhd.	18 July 2005 to 31 December 2006	Liew & Company
	1 January 2007 to 31 December 2007	Liew & Company
Era Sureway Sdn. Bhd.	7 April 2005 to 30 June 2006	EY
	1 July 2006 to 31 December 2006	EY
	1 January 2007 to 31 December 2007	EY
Bristol View Sdn. Bhd.	1 January 2005 to 31 December 2005	EY
	1 January 2006 to 31 December 2006	EY
	1 January 2007 to 31 December 2007	EY

10. ACCOUNTANTS' REPORT (Cont'd)**3. Financial statements and auditors (Cont'd)**

Companies	Financial year ended	Auditors
Baram Moulding Industries Sdn. Bhd.	1 January 2005 to 31 December 2005	Sidney Lau & Co.
	1 January 2006 to 31 December 2006	Sidney Lau & Co.
	1 January 2007 to 31 December 2007	EY
Sea-Good Pte. Ltd.	1 January 2005 to 31 December 2005	Chua Swee Ming & Co.
	1 January 2006 to 31 December 2006	Chua Swee Ming & Co.
	1 January 2007 to 31 December 2007	Chua Swee Ming & Co.
Aliran Saksama Sdn. Bhd.	1 January 2005 to 31 December 2005	Andy Chia & Co.
	1 January 2006 to 31 December 2006	Andy Chia & Co.
	1 January 2007 to 31 December 2007	EY
Sealink Engineering And Slipway Sdn. Bhd.	1 January 2005 to 31 December 2005	EY
	1 January 2006 to 31 December 2006	EY
	1 January 2007 to 31 December 2007	EY
Sealink Sdn. Bhd.	1 January 2005 to 31 December 2005	EY
	1 January 2006 to 31 December 2006	EY
	1 January 2007 to 31 December 2007	EY
Sealink Shipyard Sdn. Bhd.	1 January 2005 to 31 December 2005	EY
	1 January 2006 to 31 December 2006	EY
	1 January 2007 to 31 December 2007	EY
Seabright Sdn. Bhd.	1 January 2005 to 31 December 2005	Liew & Company
	1 January 2006 to 31 December 2006	Liew & Company
	1 January 2007 to 31 December 2007	Liew & Company
Sutherland Resources Sdn. Bhd.	1 January 2005 to 31 December 2005	Liew & Company
	1 January 2006 to 31 December 2006	Liew & Company
	1 January 2007 to 31 December 2007	Liew & Company

The financial statements were reported on without any qualification except for SGPL which contained the following:

SGPL (financial years ended 31 December 2005 to 31 December 2007)

SGPL's Report of the Auditors contained an exception note which highlighted the Company measured its results and financial position in Singapore Dollars instead of its functional currency of United States (US) Dollars. This is not in accordance with Singapore Financial Reporting Standard No. 21.

No audited consolidated financial statements for SIB Group have been prepared since its incorporation.



4. Accounting policies and standards

The accounting policies adopted in the preparation of this report are set out in Section 27 of this report and are consistent with the accounting policies adopted by SIB and its subsidiaries ("SIB Group").

The financial information presented in Sections 5 to 26 in this report for the three (3) financial years/periods ended 31 December 2007 are prepared based on the audited financial statements of the Subsidiaries.

The financial statements of CMSB, ESSB, ESB, NSSB, SMGSB, SMSB, SPSB, GSB, MCSB, SLSSB, ESWSB, BVSB, BMISB, ASSB, SESSB, SSB, SSSB, SBSB and SRSB were prepared in accordance with applicable approved accounting standards in Malaysia.

The financial statements of SGPL were prepared in accordance with applicable Singapore Financial Reporting Standards.

5. Financial information of the Subsidiaries

The financial information of the Subsidiaries have been restated:

- (i) as a result of the adoption of Financial Reporting Standards ("FRS") issued by the Malaysian Accounting Standards Board ("MASB"), over the periods under review. The financial information as presented below is in compliance with the FRS which are effective and applicable to the financial period commencing 1 October 2006; and
- (ii) to ensure the consistency of presentation between each of the financial period under review for comparability purposes.

The new standards which have become effective over the periods under review and have resulted in the restatement of the financial information of the Subsidiaries are as follows:

FRS 117: Leases

Leasehold land held for own use

Prior to 1 January 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease and where necessary, the minimum lease payments or the up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

The change in accounting policy in respect of leasehold land has been applied in accordance with the transition provision of FRS 117. At 1 January 2006, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively by restating the balance sheets presentation as at 1 January 2005.

10. ACCOUNTANTS' REPORT (Cont'd)**6. Cergas Majusama Sdn. Bhd.****6.1 Balance Sheets**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
NON-CURRENT ASSETS			
Property, plant and equipment	5,130,064	4,933,203	4,677,289
CURRENT ASSETS			
Inventories	127,803	17,675	17,675
Trade receivables	280,177	757,022	520,588
Other receivables	28,067	21,435	21,403
Cash and bank balances	82,978	23,419	173,935
Amount due from holding company	-	-	-
	<u>519,025</u>	<u>819,551</u>	<u>733,601</u>
CURRENT LIABILITIES			
Trade payables	118,536	35,570	64,579
Other payables	128,656	3,887	38,705
Term loans	1,231,808	1,297,803	1,249,126
Amount due to a director	3,386	-	-
Amount due to related company	1,138,951	2,020,450	2,109,093
	<u>2,621,337</u>	<u>3,357,710</u>	<u>3,461,503</u>
NET CURRENT LIABILITIES	<u>(2,102,312)</u>	<u>(2,538,159)</u>	<u>(2,727,902)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>3,027,752</u>	<u>2,395,044</u>	<u>1,949,387</u>
NON-CURRENT LIABILITIES			
Term loans	2,549,067	1,250,163	-
Deferred taxation	-	180,157	383,090
	<u>2,549,067</u>	<u>1,430,320</u>	<u>383,090</u>
	<u>478,685</u>	<u>964,724</u>	<u>1,566,297</u>
FINANCED BY:			
Share capital	500,000	500,000	500,000
(Accumulated losses)/Reserves	(21,315)	464,724	1,066,297
Shareholders' funds	<u>478,685</u>	<u>964,724</u>	<u>1,566,297</u>
Ratios			
NTA	478,685	964,724	1,566,297
NTA per share	0.96	1.93	3.13
Current ratio (times)	0.2	0.2	0.2
After tax return on Shareholders' funds ⁽ⁱ⁾ (%)	(4.2)	50.4	38.4

Notes:

(i) $\frac{\text{Profit after tax for the year}}{\text{Shareholders' funds}}$

10. ACCOUNTANTS' REPORT (Cont'd)**6. Cergas Majusama Sdn. Bhd. (Cont'd)****6.2 Income Statements**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
Revenue	437,354	2,125,314	2,065,170
Cost of services	(466,249)	(1,221,831)	(1,089,368)
Gross (loss)/profit	(28,895)	903,483	975,802
Other operating income	33,477	100	639
Administrative expenses	(7,250)	(70,088)	(70,567)
(Loss)/Profit before interest and tax	(2,668)	833,495	905,874
Interest expenses	(17,559)	(167,299)	(101,368)
(Loss)/Profit before tax	(20,227)	666,196	804,506
Taxation	-	(180,157)	(202,933)
(Loss)/Profit after taxation	(20,227)	486,039	601,573
Number of shares in issue	500,000	500,000	500,000
Earnings per share:			
Gross ⁽ⁱ⁾	(0.04)	1.33	1.61
Net ⁽ⁱⁱ⁾	(0.04)	0.97	1.20
Gross (loss)/profit margin (%)	(7)	43	47
Net (loss)/profit margin (%)	(4.62)	22.87	29.13
EBIDTA	115,375	1,108,044	1,183,834
Effective tax rate (%)	-	27.0	25.2
Trade receivables turnover period (months)	7.69	4.27	3.02
Trade payables turnover period (months)	3.05	0.35	0.71
Inventories turnover period (months)	3.29	0.17	0.19

Notes:

(i) Profit before tax divided by the number of shares in issue during the year

(ii) Profit after tax divided by the number of shares in issue during the year

10. ACCOUNTANTS' REPORT (Cont'd)**6. Cergas Majusama Sdn. Bhd. (Cont'd)****6.3 Statements of Changes in Equity**

	Share Capital RM	Retained Earnings RM	Total Equity RM
At 1 January 2005	2	(1,088)	(1,086)
Issue of share capital	499,998	-	499,998
Loss for the year	-	(20,227)	(20,227)
At 31 December 2005	500,000	(21,315)	478,685
Profit for the year	-	486,039	486,039
At 31 December 2006	500,000	464,724	964,724
Profit for the year	-	601,573	601,573
At 31 December 2007	500,000	1,066,297	1,566,297

6.4 Cash Flow Statements

	<----- Financial years ended ----->		
	31.12.2005 RM	31.12.2006 RM	31.12.2007 RM
Net cash (used in)/from operating activities	(981,371)	1,251,038	1,471,402
Net cash used in investing activities	(3,323,781)	(77,688)	(22,046)
Net cash from/(used in) financing activities	4,280,873	(1,232,909)	(1,298,840)
Net (decrease)/increase in cash and cash equivalents	(24,279)	(59,559)	150,516
Cash and cash equivalents at beginning of year	107,257	82,978	23,419
Cash and cash equivalents at end of year	82,978	23,419	173,935

10. ACCOUNTANTS' REPORT (Cont'd)**7. Era Surplus Sdn. Bhd.****7.1 Balance Sheets**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
NON-CURRENT ASSETS			
Property, plant and equipment	1,152,977	9,362,349	10,661,014
CURRENT ASSETS			
Other receivables	-	69,553	25,743
Cash and bank balances	4,589	1,973	99,886
	<u>4,589</u>	<u>71,526</u>	<u>125,629</u>
CURRENT LIABILITIES			
Trade payables	-	-	280,523
Other payables	500	20,608	3,018,700
Amount due to a related company	168,658	8,531,178	8,792,930
	<u>169,158</u>	<u>8,551,786</u>	<u>12,092,153</u>
NET CURRENT LIABILITIES	<u>(164,569)</u>	<u>(8,480,260)</u>	<u>(11,966,524)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>988,408</u>	<u>882,089</u>	<u>(1,305,510)</u>
FINANCED BY:			
Share capital	1,000,000	1,000,000	1,000,000
Accumulated losses	(11,592)	(117,911)	(2,305,510)
Shareholders' funds	<u>988,408</u>	<u>882,089</u>	<u>(1,305,510)</u>
Ratios			
NTA	988,408	882,089	(1,305,510)
NTA per share	0.99	0.88	(1.31)
Current ratio (times)	0.03	0.01	0.01
After tax return on Shareholders' funds ⁽¹⁾ (%)	(0.8)	(12.1)	167.6

Notes:

⁽¹⁾ Profit after tax for the year
Shareholders' funds

10. ACCOUNTANTS' REPORT (Cont'd)**7. Era Surplus Sdn. Bhd. (Cont'd)****7.2 Income Statements**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
Administrative expenses	(7,921)	(106,319)	(2,187,599)
Loss before interest & tax	(7,921)	(106,319)	(2,187,599)
Interest expenses	-	-	-
Loss before tax	(7,921)	(106,319)	(2,187,599)
Taxation	-	-	-
Loss after taxation	(7,921)	(106,319)	(2,187,599)
Number of shares in issue	1,000,000	1,000,000	1,000,000
Earnings per share:			
Gross ⁽ⁱ⁾	(0.01)	(0.11)	(2.19)
Net ⁽ⁱⁱ⁾	(0.01)	(0.11)	(2.19)
Gross profit margin (%)	-	-	-
Net profit margin (%)	-	-	-
EBIDTA	(7,921)	(106,319)	(2,187,599)
Effective tax rate (%)	-	-	-
Trade receivables turnover period (months)	-	-	-
Trade payables turnover period (months)	-	-	-
Inventories turnover period (months)	-	-	-

Notes:

⁽ⁱ⁾ Profit before tax divided by the number of shares in issue during the year

⁽ⁱⁱ⁾ Profit after tax divided by the number of shares in issue during the year

10. ACCOUNTANTS' REPORT (Cont'd)
7. Era Surplus Sdn. Bhd. (Cont'd)**7.3 Statements of Changes in Equity**

	Share Capital RM	Accumulated Losses RM	Total Equity RM
At 1 January 2005	2	(3,671)	(3,669)
Issue of share capital	999,998	-	999,998
Loss for the year	-	(7,921)	(7,921)
At 31 December 2005	1,000,000	(11,592)	988,408
Loss for the year	-	(106,319)	(106,319)
At 31 December 2006	1,000,000	(117,911)	882,089
Loss for the year	-	(2,187,599)	(2,187,599)
At 31 December 2007	1,000,000	(2,305,510)	(1,305,510)

7.4 Cash Flow Statements

	<----- Financial years ended ----->		
	31.12.2005 RM	31.12.2006 RM	31.12.2007 RM
Net cash (used in)/from operating activities	(790,430)	8,206,756	1,396,578
Net cash used in investing activities	(204,979)	(8,209,372)	(1,298,665)
Net cash from financing activities	999,998	-	-
Net increase/(decrease) in cash and cash equivalents	4,589	(2,616)	97,913
Cash and cash equivalents at beginning of year	-	4,589	1,973
Cash and cash equivalents at end of year	4,589	1,973	99,886

10. ACCOUNTANTS' REPORT (Cont'd)**8. Euroedge Sdn. Bhd.****8.1 Balance Sheets**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
NON-CURRENT ASSETS			
Property, plant and equipment	-	-	-
CURRENT ASSETS			
Inventories	-	-	-
Trade receivables	7,008	5,589	-
Other receivables	1,294	-	-
Amount due from a related company	6,541,115	6,331,686	6,326,686
Cash and bank balances	298,087	4,658	5,641
	<u>6,847,504</u>	<u>6,341,933</u>	<u>6,332,327</u>
CURRENT LIABILITIES			
Trade payables	598	1,530	-
Other payables	1,780,548	1,452,050	1,446,461
Taxation	16,156	-	-
Amount due to a related company	128,349	500	-
	<u>1,925,651</u>	<u>1,454,080</u>	<u>1,446,461</u>
NET CURRENT ASSETS	<u>4,921,853</u>	<u>4,887,853</u>	<u>4,885,866</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>4,921,853</u>	<u>4,887,853</u>	<u>4,885,866</u>
FINANCED BY:			
Share capital	500,000	500,000	500,000
Reserves	4,421,853	4,387,853	4,385,866
Shareholders' funds	<u>4,921,853</u>	<u>4,887,853</u>	<u>4,885,866</u>
Ratios			
NTA	4,921,853	4,887,853	4,885,866
NTA per share	9.84	9.78	9.77
Current ratio (times)	3.6	4.4	4.4
After tax return on Shareholders' funds ⁽¹⁾ (%)	58.2	(0.7)	-

Notes:

⁽¹⁾ Profit after tax for the year
Shareholders' funds

10. ACCOUNTANTS' REPORT (Cont'd)**8. Euroedge Sdn. Bhd. (Cont'd)****8.2 Income Statements**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
Revenue	607,897	-	-
Cost of sales	(949,083)	(1,530)	-
Gross loss	(341,186)	(1,530)	-
Other operating income	3,272,060	96	-
Administrative expenses	(51,099)	(14,533)	(1,987)
Profit/(Loss) before interest & tax	2,879,775	(15,967)	(1,987)
Interest expenses	-	-	-
Profit/(Loss) before tax	2,879,775	(15,967)	(1,987)
Taxation	(16,156)	(18,033)	-
Profit/(Loss) after taxation	2,863,619	(34,000)	(1,987)
Number of shares in issue	500,000	500,000	500,000
Earnings per share:			
Gross ⁽ⁱ⁾	5.76	(0.03)	-
Net ⁽ⁱⁱ⁾	5.73	(0.07)	-
Gross loss margin (%)	(56)	-	-
Net profit margin (%)	471.07	-	-
EBIDTA	2,900,628	(16,063)	(1,987)
Effective tax rate (%)	0.6	(112.9)	-
Trade receivables turnover period (months)	0.14	-	-
Trade payables turnover period (months)	0.01	12.00	-
Inventories turnover period (months)	-	-	-

Notes:

⁽ⁱ⁾ Profit before tax divided by the number of shares in issue during the year

⁽ⁱⁱ⁾ Profit after tax divided by the number of shares in issue during the year

10. ACCOUNTANTS' REPORT (Cont'd)**8. Euroedge Sdn. Bhd. (Cont'd)****8.3 Statements of Changes in Equity**

	Share Capital RM	Retained Earnings RM	Total Equity RM
At 1 January 2005	500,000	1,558,234	2,058,234
Profit for the year	-	2,863,619	2,863,619
At 31 December 2005	500,000	4,421,853	4,921,853
Loss for the year	-	(34,000)	(34,000)
At 31 December 2006	500,000	4,387,853	4,887,853
Loss for the year	-	(1,987)	(1,987)
At 31 December 2007	500,000	4,385,866	4,885,866

8.4 Cash Flow Statements

	<----- Financial years ended ----->		
	31.12.2005 RM	31.12.2006 RM	31.12.2007 RM
Net cash (used in)/from operating activities	(4,437,625)	(293,429)	983
Net cash from investing activities	4,606,835	-	-
Net cash from financing activities	-	-	-
Net increase/(decrease) in cash and cash equivalents	169,210	(293,429)	983
Cash and cash equivalents at beginning of year	128,877	298,087	4,658
Cash and cash equivalents at end of year	298,087	4,658	5,641

10. ACCOUNTANTS' REPORT (Cont'd)**9. Navitex Shipping Sdn. Bhd.****9.1 Balance Sheets**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
NON-CURRENT ASSETS			
Property, plant and equipment	4,434,485	4,300,982	4,024,924
CURRENT ASSETS			
Trade receivables	1,443,732	426,230	496,326
Other receivables	15,901	31,324	49,100
Amount due from related companies	5,361,473	499,333	962,211
Cash and bank balances	31,840	70,864	315,221
	<u>6,852,946</u>	<u>1,027,751</u>	<u>1,822,858</u>
CURRENT LIABILITIES			
Trade payables	9,711	13,075	27,213
Other payables	5,599,628	5,089	4,000
Taxation	92,003	-	-
Amount due to a related company	16,336	250	-
Amount due to a director	9,000	-	-
	<u>5,726,678</u>	<u>18,414</u>	<u>31,213</u>
NET CURRENT ASSETS	<u>1,126,268</u>	<u>1,009,337</u>	<u>1,791,645</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>5,560,753</u>	<u>5,310,319</u>	<u>5,816,569</u>
NON-CURRENT LIABILITY			
Deferred taxation	692,466	604,701	812,150
	<u>4,868,287</u>	<u>4,705,618</u>	<u>5,004,419</u>
FINANCED BY:			
Share capital	2	2	2
Reserves	4,868,285	4,705,616	5,004,417
Shareholders' funds	<u>4,868,287</u>	<u>4,705,618</u>	<u>5,004,419</u>
Ratios			
NTA	4,868,287	4,705,618	5,004,419
NTA per share	2,434,144	2,352,809	2,502,210
Current ratio (times)	1.2	55.8	58.4
After tax return on Shareholders' funds ⁽¹⁾ (%)	98.1	(3.5)	6.0

Notes:

⁽¹⁾ Profit after tax for the year
Shareholders' funds

10. ACCOUNTANTS' REPORT (Cont'd)**9. Navitex Shipping Sdn. Bhd. (Cont'd)****9.2 Income Statements**

	Note	<----- Financial years ended ----->		
		31.12.2005 RM	31.12.2006 RM	31.12.2007 RM
Revenue	9.2.1.1	3,130,556	683,714	1,104,784
Cost of sales		(586,087)	(482,088)	(525,364)
Gross profit		2,544,469	201,626	579,420
Other operating income	9.2.1.2	3,018,404	2,849	404
Administrative expenses		(51,816)	(455,629)	(73,574)
Profit/(Loss) before interest & tax		5,511,057	(251,154)	506,250
Interest expenses		-	-	-
Profit/(Loss) before tax		5,511,057	(251,154)	506,250
Taxation		(734,627)	88,485	(207,449)
Profit/(Loss) after taxation		4,776,430	(162,669)	298,801
Number of shares in issue		2	2	2
Earnings per share:				
Gross ⁽ⁱ⁾		2,755,529	(125,577)	253,125
Net ⁽ⁱⁱ⁾		2,388,215	(81,335)	149,401
Gross profit margin (%)		81	29	52
Net profit/(loss) margin (%)		152.57	(23.79)	27.05
EBIDTA		5,891,933	12,249	795,835
Effective tax rate (%)		13.3	35.2	41.0
Trade receivables turnover period (months)		5.53	7.48	5.39
Trade payables turnover period (months)		0.20	0.33	0.62
Inventories turnover period (months)		-	-	-

Notes:

(i) Profit before tax divided by the number of shares in issue during the year

(ii) Profit after tax divided by the number of shares in issue during the year

10. ACCOUNTANTS' REPORT (Cont'd)**9. Navitex Shipping Sdn. Bhd. (Cont'd)****9.2 Income Statements (Cont'd)****9.2.1 Reclassification of Income Statements**

The reclassifications of income statements of Navitex Shipping Sdn. Bhd. were made to reflect more appropriately the nature of the items and to ensure consistency of presentation throughout the financial years under review. The reconciliations of the audited financial statements to that presented in this report are set out below:

9.2.1.1 Revenue

Year ended	31.12.2005
	RM
Per audited financial statements	2,880,742
Reclassified from:	
- Other operating income	249,814
As restated	<u>3,130,556</u>

9.2.1.2 Other Operating Income

Year ended	31.12.2005
	RM
Per audited financial statements	3,268,218
Reclassified to:	
- Revenue	(249,814)
As restated	<u>3,018,404</u>

10. ACCOUNTANTS' REPORT (Cont'd)**9. Navitex Shipping Sdn. Bhd. (Cont'd)****9.3 Statements of Changes in Equity**

	Share Capital RM	Retained Earnings RM	Total Equity RM
At 1 January 2005	2	91,855	91,857
Profit for the year	-	4,776,430	4,776,430
At 31 December 2005	2	4,868,285	4,868,287
Loss for the year	-	(162,669)	(162,669)
At 31 December 2006	2	4,705,616	4,705,618
Profit for the year	-	298,801	298,801
At 31 December 2007	2	5,004,417	5,004,419

9.4 Cash Flow Statements

	<----- Financial years ended ----->		
	31.12.2005 RM	31.12.2006 RM	31.12.2007 RM
Net cash (used in)/from operating activities	(7,622,794)	168,924	257,884
Net cash from/(used in) investing activities	7,651,333	(129,900)	(13,527)
Net cash used in financing activities	-	-	-
Net increase in cash and cash equivalents	28,539	39,024	244,357
Cash and cash equivalents at beginning of year	3,301	31,840	70,864
Cash and cash equivalents at end of year	31,840	70,864	315,221

10. ACCOUNTANTS' REPORT (Cont'd)**10. Sealink Management Sdn. Bhd.****10.1 Balance Sheets**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
NON-CURRENT ASSETS			
Property, plant and equipment	3,932,395	920,234	867,880
CURRENT ASSETS			
Inventories	-	1,296	1,296
Trade receivables	474,301	5,500	4,900
Other receivables	70,431	88,637	54,184
Amount due from related companies	45,197	1,888,812	1,976,727
Cash and bank balances	238,597	90,302	97,519
	<u>828,526</u>	<u>2,074,547</u>	<u>2,134,626</u>
CURRENT LIABILITIES			
Term loans	434,622	-	-
Trade payables	19,948	18,820	28,426
Other payables	16,010	52,839	57,359
Taxation	-	-	-
Amount due to a director	190,798	-	-
Amount due to a related company	942,012	-	-
	<u>1,603,390</u>	<u>71,659</u>	<u>85,785</u>
NET CURRENT (LIABILITIES) /ASSETS	<u>(774,864)</u>	<u>2,002,888</u>	<u>2,048,841</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>3,157,531</u>	<u>2,923,122</u>	<u>2,916,721</u>
NON-CURRENT LIABILITIES			
Term loan	1,940,184	-	-
Deferred taxation	221,481	218,718	208,727
	<u>2,161,665</u>	<u>218,718</u>	<u>208,727</u>
	<u>995,866</u>	<u>2,704,404</u>	<u>2,707,994</u>
FINANCED BY:			
Share capital	500,000	500,000	500,000
Reserves	495,866	2,204,404	2,207,994
Shareholders' funds	<u>995,866</u>	<u>2,704,404</u>	<u>2,707,994</u>
Ratios			
NTA	995,866	2,704,404	2,707,994
NTA per share	1.99	5.41	5.42
Current ratio (times)	0.5	29.0	24.9
After tax return on Shareholders' funds ⁽ⁱ⁾ (%)	19.8	63.2	0.1

Notes:

⁽ⁱ⁾ Profit after tax for the year
Shareholders' funds

10. ACCOUNTANTS' REPORT (Cont'd)**10. Sealink Management Sdn. Bhd. (Cont'd)****10.2 Income Statements**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
Revenue	955,047	1,008,914	363,488
Cost of sales	(592,475)	(874,889)	(297,359)
Gross profit	362,572	134,025	66,129
Other operating income	3,299	1,786,362	-
Administrative expenses	(60,075)	(126,897)	(73,548)
Profit/(Loss) before interest & tax	305,796	1,793,490	(7,419)
Interest expenses	(27,001)	(65,833)	-
Profit/(Loss) before tax	278,795	1,727,657	(7,419)
Taxation	(81,583)	(19,119)	11,009
Profit after taxation	197,212	1,708,538	3,590
Number of shares in issue	500,000	500,000	500,000
Earnings per share:			
Gross ⁽ⁱ⁾	0.56	3.46	(0.01)
Net ⁽ⁱⁱ⁾	0.39	3.42	.
Gross profit margin (%)	38	13	18
Net profit margin (%)	20.65	169.34	0.99
EBIDTA	463,634	1,935,740	45,813
Effective tax rate (%)	29.3	1.1	148.4
Trade receivables turnover period (months)	5.96	0.07	0.16
Trade payables turnover period (months)	0.40	0.26	1.15
Inventories turnover period (months)	-	(0.02)	0.05

Notes:

- (i) Profit before tax divided by the number of shares in issue during the year
(ii) Profit after tax divided by the number of shares in issue during the year

10. ACCOUNTANTS' REPORT (Cont'd)**10. Sealink Management Sdn. Bhd. (Cont'd)****10.3 Statements of Changes in Equity**

	Share Capital RM	Retained Earnings RM	Total Equity RM
At 1 January 2005	2	298,654	298,656
Issue of share capital	499,998	-	499,998
Profit for the year	-	197,212	197,212
At 31 December 2005	500,000	495,866	995,866
Profit for the year	-	1,708,538	1,708,538
At 31 December 2006	500,000	2,204,404	2,704,404
Profit for the year	-	3,590	3,590
At 31 December 2007	500,000	2,207,994	2,707,994

10.4 Cash Flow Statements

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
Net cash (used in)/from operating activities	(911,018)	(2,423,962)	8,095
Net cash (used in)/from investing activities	(2,289,388)	4,650,473	(878)
Net cash from/(used in) financing activities	2,874,804	(2,374,806)	-
Net (decrease)/increase in cash and cash equivalents	(325,602)	(148,295)	7,217
Cash and cash equivalents at beginning of year	564,199	238,597	90,302
Cash and cash equivalents at end of year	238,597	90,302	97,519

10. ACCOUNTANTS' REPORT (Cont'd)**11. Sealink Marine Sdn. Bhd.****11.1 Balance Sheets**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
NON-CURRENT ASSETS			
Property, plant and equipment	10,098,120	9,997,004	9,375,000
CURRENT ASSETS			
Inventories	-	480	14,187
Trade receivables	1,121,517	-	-
Other receivables	28,080	-	4,530
Amount due from related companies	-	2,908,920	9,229,998
Cash and bank balances	140,301	7,104	108,170
	<u>1,289,898</u>	<u>2,916,504</u>	<u>9,356,885</u>
CURRENT LIABILITIES			
Term loan	814,207	-	858,318
Trade payables	31,947	-	-
Other payables	4,952	4,235	8,200
Taxation	-	528,888	-
Amount due to a director	919,332	-	-
Amount due to related companies	15,625	-	-
	<u>1,786,063</u>	<u>533,123</u>	<u>866,518</u>
NET CURRENT (LIABILITIES)/ASSETS	<u>(496,165)</u>	<u>2,383,381</u>	<u>8,490,367</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
	<u>9,601,955</u>	<u>12,380,385</u>	<u>17,865,367</u>
NON-CURRENT LIABILITIES			
Term loan	5,728,859	-	6,662,853
Deferred taxation	957,916	1,076,295	749,419
	<u>6,686,775</u>	<u>1,076,295</u>	<u>7,412,272</u>
	<u>2,915,180</u>	<u>11,304,090</u>	<u>10,453,095</u>
FINANCED BY:			
Share capital	500,000	500,000	500,000
Reserves	2,415,180	10,804,090	9,953,095
Shareholders' funds	<u>2,915,180</u>	<u>11,304,090</u>	<u>10,453,095</u>
Ratios			
NTA	2,915,180	11,304,090	10,453,095
NTA per share	5.83	22.61	20.91
Current ratio (times)	0.7	5.5	10.8
After tax return on Shareholders' funds ⁽¹⁾ (%)	57.2	74.2	8.14

Notes:

⁽¹⁾ Profit after tax for the year
Shareholders' funds

10. ACCOUNTANTS' REPORT (Cont'd)**11. Sealink Marine Sdn. Bhd. (Cont'd)****11.2 Income Statements**

	Note	<----- Financial years ended ----->		
		31.12.2005 RM	31.12.2006 RM	31.12.2007 RM
Revenue	11.2.1.1	4,455,418	2,515,607	17,500
Cost of sales		(1,663,299)	(1,127,938)	(681,216)
Gross profit/(loss)		2,792,119	1,387,669	(663,716)
Other operating income	11.2.1.2	-	8,131,311	-
Other expenses		-	-	(121,334)
Administrative expenses		(63,350)	(258,622)	(117,030)
Profit/(Loss) before interest & tax		2,728,769	9,260,358	(902,080)
Interest expenses		(410,827)	(224,181)	(275,627)
Profit/(Loss) before tax		2,317,942	9,036,177	(1,177,707)
Taxation		(650,696)	(647,267)	326,712
Profit/(Loss) after taxation		1,667,246	8,388,910	(850,995)
Number of shares in issue		500,000	500,000	500,000
Earnings per share:				
Gross ⁽ⁱ⁾		4.64	18.07	(2.36)
Net ⁽ⁱⁱ⁾		3.33	16.78	(1.70)
Gross profit/(loss) margin (%)		63	55	(3,793)
Net profit/(loss) margin (%)		37.42	333.47	(4,862.83)
EBIDTA		3,482,088	9,577,530	(401,410)
Effective tax rate (%)		28.1	7.2	27.7
Trade receivables turnover period (months)		3.02	-	-
Trade payables turnover period (months)		0.23	-	-
Inventories turnover period (months)		-	(0.01)	0.25

Notes:

⁽ⁱ⁾ Profit before tax divided by the number of shares in issue during the year

⁽ⁱⁱ⁾ Profit after tax divided by the number of shares in issue during the year

10. ACCOUNTANTS' REPORT (Cont'd)**11. Sealink Marine Sdn. Bhd. (Cont'd)****11.2 Income Statements (Cont'd)****11.2.1 Reclassification of Income Statements**

The reclassifications of income statements of Sealink Marine Sdn. Bhd. were made to reflect more appropriately the nature of the items and to ensure consistency of presentation throughout the financial years under review. The reconciliations of the audited financial statements to that presented in this report are set out below:

11.2.1.1 Revenue

Year ended	31.12.2005
	RM
Per audited financial statements	4,449,496
Reclassified from:	
- Other operating income	5,922
As restated	<u><u>4,455,418</u></u>

11.2.1.2 Other Operating Income

Year ended	31.12.2005
	RM
Per audited financial statements	5,922
Reclassified to:	
- Revenue	(5,922)
As restated	<u><u>-</u></u>

10. ACCOUNTANTS' REPORT (Cont'd)**11. Sealink Marine Sdn. Bhd. (Cont'd)****11.3 Statements of Changes in Equity**

	Share Capital RM	Retained Earnings RM	Total Equity RM
At 1 January 2005	500,000	747,934	1,247,934
Profit for the year	-	1,667,246	1,667,246
At 31 December 2005	500,000	2,415,180	2,915,180
Profit for the year	-	8,388,910	8,388,910
At 31 December 2006	500,000	10,804,090	11,304,090
Loss for the year	-	(850,995)	(850,995)
At 31 December 2007	500,000	9,953,095	10,453,095

11.4 Cash Flow Statements

	<----- Financial years ended ----->		
	31.12.2005 RM	31.12.2006 RM	31.12.2007 RM
Net cash from/(used in) operating activities	222,588	(1,505,386)	(7,420,105)
Net cash (used in)/from investing activities	(2,420)	7,915,255	-
Net cash (used in)/from financing activities	(767,801)	(6,543,066)	7,521,171
Net (decrease)/increase in cash and cash equivalents	(547,633)	(133,197)	101,066
Cash and cash equivalents at beginning of year	687,934	140,301	7,104
Cash and cash equivalents at end of year	140,301	7,104	108,170

10. ACCOUNTANTS' REPORT (Cont'd)**12. Sealink Pacific Sdn. Bhd.****12.1 Balance Sheets**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
NON-CURRENT ASSETS			
Property, plant and equipment	11,096,680	9,608,684	8,989,079
Investment in a subsidiary	-	-	2,020,661
	<u>11,096,680</u>	<u>9,608,684</u>	<u>11,009,740</u>
CURRENT ASSETS			
Inventories	-	187,370	157,215
Trade receivables	2,499,882	2,846,031	1,810,376
Other receivables	72,312	88,102	51,743
Amount due from related companies	1,915,548	521,359	386,984
Amount due from a subsidiary	-	-	1,479,339
Cash and bank balances	38,110	1,115,698	3,634,507
	<u>4,525,852</u>	<u>4,758,560</u>	<u>7,520,164</u>
CURRENT LIABILITIES			
Borrowings	923,755	686,467	3,262,527
Trade payables	170,900	647,009	433,785
Other payables	613,940	395,617	891,123
Taxation	-	-	102,093
Amount due to a director	1,184,549	-	-
Amount due to related companies	4,293,364	2,000	111,393
	<u>7,186,508</u>	<u>1,731,093</u>	<u>4,800,921</u>
NET CURRENT (LIABILITIES)/ASSETS	(2,660,656)	3,027,467	2,719,243
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>8,436,024</u>	<u>12,636,151</u>	<u>13,728,983</u>
NON-CURRENT LIABILITIES			
Borrowings	420,594	2,698,565	2,000,098
Deferred taxation	1,474,031	1,909,334	2,030,810
	<u>1,894,625</u>	<u>4,607,899</u>	<u>4,030,908</u>
	<u>6,541,399</u>	<u>8,028,252</u>	<u>9,698,075</u>
FINANCED BY:			
Share capital	500,000	500,000	500,000
Reserves	6,041,399	7,528,252	9,198,075
	<u>6,541,399</u>	<u>8,028,252</u>	<u>9,698,075</u>
Ratios			
NTA	6,541,399	8,028,252	9,698,075
NTA per share	13.08	16.06	19.40
Current ratio (times)	0.6	2.7	1.6
After tax return on Shareholders' funds ⁽ⁱ⁾ (%)	20.0	18.5	17.2
Notes:			
⁽ⁱ⁾	Profit after tax for the year Shareholders' funds		

10. ACCOUNTANTS' REPORT (Cont'd)**12. Sealink Pacific Sdn. Bhd. (Cont'd)****12.2 Income Statements**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
Revenue	4,992,924	6,578,687	7,214,578
Cost of sales	(3,517,599)	(3,965,278)	(4,104,572)
Gross profit	<u>1,475,325</u>	<u>2,613,409</u>	<u>3,110,006</u>
Other operating income	1,417,812	1,184,411	1,219,317
Administrative expenses	(1,117,918)	(1,731,992)	(1,983,102)
Profit before interest & tax	<u>1,775,219</u>	<u>2,065,828</u>	<u>2,346,221</u>
Interest expenses	(152,699)	(136,097)	(176,789)
Profit before tax	<u>1,622,520</u>	<u>1,929,731</u>	<u>2,169,432</u>
Taxation	(315,703)	(442,878)	(499,609)
Profit after taxation	<u><u>1,306,817</u></u>	<u><u>1,486,853</u></u>	<u><u>1,669,823</u></u>
Number of shares in issue	500,000	500,000	500,000
Earnings per share:			
Gross ⁽ⁱ⁾	3.25	3.86	4.34
Net ⁽ⁱⁱ⁾	2.61	2.97	3.34
Gross profit margin (%)	30	40	43
Net profit margin (%)	26.17	22.60	23.15
EBIDTA	2,998,305	2,762,791	3,091,794
Effective tax rate (%)	19.5	23.0	23.0
Trade receivables turnover period (months)	6.01	5.19	3.01
Trade payables turnover period (months)	0.58	1.96	1.27
Inventories turnover period (months)	-	0.57	0.46

Notes:

(i) Profit before tax divided by the number of shares in issue during the year

(ii) Profit after tax divided by the number of shares in issue during the year

10. ACCOUNTANTS' REPORT (Cont'd)**12. Sealink Pacific Sdn. Bhd. (Cont'd)****12.3 Statements of Changes in Equity**

	Share Capital RM	Retained Earnings RM	Total Equity RM
At 1 January 2005	500,000	4,734,582	5,234,582
Profit for the year	-	1,306,817	1,306,817
At 31 December 2005	500,000	6,041,399	6,541,399
Profit for the year	-	1,486,853	1,486,853
At 31 December 2006	500,000	7,528,252	8,028,252
Profit for the year	-	1,669,823	1,669,823
At 31 December 2007	500,000	9,198,075	9,698,075

12.4 Cash Flow Statements

	<----- Financial years ended ----->		
	31.12.2005 RM	31.12.2006 RM	31.12.2007 RM
Net cash from/(used in) operating activities	892,127	(2,009,297)	2,789,627
Net cash from/(used in) investing activities	604,571	1,046,202	(2,068,411)
Net cash (used in)/from financing activities	(1,491,059)	2,040,683	1,797,593
Net increase in cash and cash equivalents	5,639	1,077,588	2,518,809
Cash and cash equivalents at beginning of year	32,471	38,110	1,115,698
Cash and cash equivalents at end of year	38,110	1,115,698	3,634,507

10. ACCOUNTANTS' REPORT (Cont'd)**13. Godrimaju Sdn. Bhd.****13.1 Balance Sheets**

	Note	<----- Financial years ended ----->		
		31.12.2005 RM	31.12.2006 RM	31.12.2007 RM
NON-CURRENT ASSETS				
Property, plant and equipment		1,749,250	1,659,898	1,580,296
CURRENT ASSETS				
Inventories		2,260	20,816	4,934
Trade receivables	13.1.1.1	1,210,679	714,568	1,445,345
Other receivables	13.1.1.2	224,423	223,434	10,331
Amount due from directors		47,228	41,228	-
Amount due from a shareholder		19,476	19,476	-
Amount due from related companies	13.1.1.3	-	672,094	2,060,223
Cash and bank balances		29,395	249,708	70,155
		<u>1,533,461</u>	<u>1,941,324</u>	<u>3,590,988</u>
CURRENT LIABILITIES				
Trade payables		42,688	128,031	113,849
Other payables		2,494,041	1,784,586	1,746,826
Taxation		-	25,337	88,322
Amount due to directors		-	-	-
Amount due to a related company		-	-	-
		<u>2,536,729</u>	<u>1,937,954</u>	<u>1,948,997</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(1,003,268)</u>	<u>3,370</u>	<u>1,641,991</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>745,982</u>	<u>1,663,268</u>	<u>3,222,287</u>
NON-CURRENT LIABILITY				
Deferred taxation		183,314	397,848	408,797
		<u>562,668</u>	<u>1,265,420</u>	<u>2,813,490</u>
FINANCED BY:				
Share capital		120,000	120,000	1,000,000
Reserves		442,668	1,145,420	1,813,490
Shareholders' funds		<u>562,668</u>	<u>1,265,420</u>	<u>2,813,490</u>
Ratios				
NTA		562,668	1,265,420	2,813,490
NTA per share		4.69	10.55	2.81
Current ratio (times)		0.6	1.0	1.8
After tax return on Shareholders' funds ⁽ⁱ⁾ (%)		181.1	55.5	23.7

Notes:

⁽ⁱ⁾ Profit after tax for the year
Shareholders' funds

10. ACCOUNTANTS' REPORT (Cont'd)**13. Godrimaju Sdn. Bhd. (Cont'd)****13.1 Balance Sheets (Cont'd)****13.1.1 Restatement of Balance Sheets**

The reclassifications of balance sheets were made to ensure consistency of presentation throughout the financial years under review. The reconciliations of the audited financial statements to that presented in this report are set out below:

13.1.1.1 Trade Receivables

As at	31.12.2006 RM
Per audited financial statements	715,568
Reclassified to:	
- Amount due from related companies	(1,000)
As restated	<u>714,568</u>

13.1.1.2 Other Receivables

As at	31.12.2006 RM
Per audited financial statements	894,528
Reclassified to:	
- Amount due from related companies	(671,094)
As restated	<u>223,434</u>

13.1.1.3 Amount Due From Related Companies

As at	31.12.2006 RM
Per audited financial statements	-
Reclassified from:	
- Trade receivables	1,000
- Other receivables	671,094
As restated	<u>672,094</u>

10. ACCOUNTANTS' REPORT (Cont'd)**13. Godrimaju Sdn. Bhd. (Cont'd)****13.2 Income Statements**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
Revenue	3,485,751	2,221,454	2,021,314
Cost of sales	(2,227,204)	(1,086,682)	(757,682)
Gross profit	<u>1,258,547</u>	<u>1,134,772</u>	<u>1,263,632</u>
Other operating income	3,188	-	1,175
Other expenses	-	-	(36,985)
Administrative expenses	(59,491)	(185,399)	(347,059)
Profit before interest & tax	<u>1,202,244</u>	<u>949,373</u>	<u>880,763</u>
Interest expenses	-	-	-
Profit before tax	<u>1,202,244</u>	<u>949,373</u>	<u>880,763</u>
Taxation	(183,314)	(246,621)	(212,693)
Profit after taxation	<u>1,018,930</u>	<u>702,752</u>	<u>668,070</u>
Number of shares in issue	120,000	120,000	1,000,000
Earnings per share:			
Gross ⁽ⁱ⁾	10.02	7.91	0.88
Net ⁽ⁱⁱ⁾	8.49	5.86	0.67
Gross profit margin (%)	36	51	63
Net profit margin (%)	29.23	31.63	33.05
EBIDTA	1,336,344	1,046,975	980,482
Effective tax rate (%)	15.2	26.0	24.1
Trade receivables turnover period (months)	4.17	3.86	8.58
Trade payables turnover period (months)	0.23	1.41	1.80
Inventories turnover period (months)	0.01	0.23	0.08

Notes:

⁽ⁱ⁾ Profit before tax divided by the number of shares in issue during the year

⁽ⁱⁱ⁾ Profit after tax divided by the number of shares in issue during the year

10. ACCOUNTANTS' REPORT (Cont'd)**13. Godrimaju Sdn. Bhd. (Cont'd)****13.3 Statements of Changes in Equity**

	Share Capital RM	Retained Earnings RM	Total Equity RM
At 1 January 2005	120,000	(576,262)	(456,262)
Profit for the year	-	1,018,930	1,018,930
At 31 December 2005	120,000	442,668	562,668
Profit for the year	-	702,752	702,752
At 31 December 2006	120,000	1,145,420	1,265,420
Call paid up	880,000	-	880,000
Profit for the year	-	668,070	668,070
At 31 December 2007	1,000,000	1,813,490	2,813,490

13.4 Cash Flow Statements

	<----- Financial years ended ----->		
	31.12.2005 RM	31.12.2006 RM	31.12.2007 RM
Net cash from/(used in) operating activities	8,877	228,563	(1,039,436)
Net cash used in investing activities	-	(8,250)	(20,117)
Net cash from financing activities	-	-	880,000
Net increase/(decrease) in cash and cash equivalents	8,877	220,313	(179,553)
Cash and cash equivalents at beginning of year	20,518	29,395	249,708
Cash and cash equivalents at end of year	29,395	249,708	70,155

10. ACCOUNTANTS' REPORT (Cont'd)**14. Midas Choice Sdn. Bhd.****14.1 Balance Sheets**

	<----- Financial years/period ended ----->		
	31.5.2006	31.12.2006	31.12.2007
	RM	RM	RM
NON-CURRENT ASSETS			
Property, plant and equipment	2,459,518	2,377,313	2,253,474
Investment in a subsidiary	2	2	2
	<u>2,459,520</u>	<u>2,377,315</u>	<u>2,253,476</u>
CURRENT ASSETS			
Inventories	131,207	27,122	38,583
Trade receivables	826,114	236,708	940,849
Other receivables	401,409	929,409	1,912,114
Cash and bank balances	67,720	716,786	133,576
	<u>1,426,450</u>	<u>1,910,025</u>	<u>3,025,122</u>
CURRENT LIABILITIES			
Trade payables	37,192	67,394	214,120
Other payables	67,048	20,778	153,702
Amount due to a director	-	6,720	-
Provision for taxation	-	67,416	109,455
Borrowings	418,888	413,010	421,054
	<u>523,128</u>	<u>575,318</u>	<u>898,331</u>
NET CURRENT ASSETS	<u>903,322</u>	<u>1,334,707</u>	<u>2,126,791</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>3,362,842</u>	<u>3,712,022</u>	<u>4,380,267</u>
NON-CURRENT LIABILITIES			
Borrowings	1,102,267	862,122	439,729
Deferred taxation	499,534	547,191	576,618
	<u>1,601,801</u>	<u>1,409,313</u>	<u>1,016,347</u>
	<u>1,761,041</u>	<u>2,302,709</u>	<u>3,363,920</u>
FINANCED BY:			
Share capital	500,000	500,000	500,000
Reserves	1,261,041	1,802,709	2,863,920
Shareholders' funds	<u>1,761,041</u>	<u>2,302,709</u>	<u>3,363,920</u>
Ratios			
NTA	1,761,041	2,302,709	3,363,920
NTA per share	3.52	4.61	6.73
Current ratio (times)	2.7	3.3	3.4
After tax return on Shareholders' funds ⁽ⁱ⁾ (%)	41.0	23.5	31.5

Notes:

⁽ⁱ⁾ Profit after tax for the year
Shareholders' funds

10. ACCOUNTANTS' REPORT (Cont'd)**14. Midas Choice Sdn. Bhd. (Cont'd)****14.2 Income Statements**

	Note	<----- Financial years/period ended ----->		
		31.5.2006 RM	31.12.2006 RM	31.12.2007 RM
Revenue	14.2.1.1	2,218,471	1,713,637	2,834,971
Cost of services		(1,051,001)	(914,752)	(1,228,023)
Gross profit		<u>1,167,470</u>	<u>798,885</u>	<u>1,606,948</u>
Other operating income	14.2.1.2	855	2,072	1,402
Administrative expenses		(75,490)	(102,479)	(165,482)
Profit before interest & tax		<u>1,092,835</u>	<u>698,478</u>	<u>1,442,868</u>
Interest expenses		(87,714)	(41,631)	(54,192)
Profit before tax		<u>1,005,121</u>	<u>656,847</u>	<u>1,388,676</u>
Taxation		(282,322)	(115,179)	(327,465)
Profit after taxation		<u><u>722,799</u></u>	<u><u>541,668</u></u>	<u><u>1,061,211</u></u>
Number of shares in issue		500,000	500,000	500,000
Earnings per share:				
Gross ⁽ⁱ⁾		2.01	1.31	2.78
Net ⁽ⁱⁱ⁾		1.45	1.08	2.12
Gross profit margin (%)		53	47	57
Net profit margin (%)		32.58	31.61	37.43
EBIDTA		1,290,579	782,778	1,592,855
Effective tax rate (%)		28.1	17.5	23.6
Trade receivables turnover period (months)		4.47	0.97	3.98
Trade payables turnover period (months)		0.42	0.52	2.09
Inventories turnover period (months)		1.50	0.21	0.38

Notes:

- (i) Profit before tax divided by the number of shares in issue during the year/period
(ii) Profit after tax divided by the number of shares in issue during the year/period

10. ACCOUNTANTS' REPORT (Cont'd)**14. Midas Choice Sdn. Bhd. (Cont'd)****14.2 Income Statements (Cont'd)****14.2.1 Reclassification of Income Statements**

The reclassifications of income statements were made to reflect more appropriately the nature of the items and to ensure consistency of presentation throughout the financial years/period under review. The reconciliations of the audited financial statements to that presented in this report are set out below:

14.2.1.1 Revenue

Year ended	31.5.2006
	RM
Per audited financial statements	2,183,632
Reclassified from:	
- Other operating income	34,839
As restated	<u>2,218,471</u>

14.2.1.2 Other Operating Income

Year ended	31.5.2006
	RM
Per audited financial statements	35,694
Reclassified to:	
- Revenue	(34,839)
As restated	<u>855</u>

10. ACCOUNTANTS' REPORT (Cont'd)
ERNST & YOUNG
14. Midas Choice Sdn. Bhd. (Cont'd)**14.3 Statements of Changes in Equity**

	Share Capital RM	Retained Earnings RM	Total Equity RM
At 1 June 2005	500,000	538,242	1,038,242
Profit for the year	-	722,799	722,799
At 31 May 2006	500,000	1,261,041	1,761,041
Profit for the period	-	541,668	541,668
At 31 December 2006	500,000	1,802,709	2,302,709
Profit for the year	-	1,061,211	1,061,211
At 31 December 2007	500,000	2,863,920	3,363,920

14.4 Cash Flow Statements

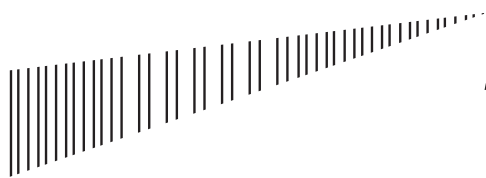
	<----- Financial years/period ended ----->		
	31.5.2006	31.12.2006	31.12.2007
	RM	RM	RM
Net cash generated from/ (used in) operating activities	428,516	899,256	(141,311)
Net cash used in investing activities	(12,802)	(4,167)	(27,550)
Net cash used in financing activities	(405,381)	(246,023)	(414,349)
Net increase/ (decrease) in cash and cash equivalents	10,333	649,066	(583,210)
Cash and cash equivalents at beginning of year/period	57,387	67,720	716,786
Cash and cash equivalents at end of year/period	67,720	716,786	133,576

10. ACCOUNTANTS' REPORT (Cont'd)**15. Sea Legend Shipping Sdn. Bhd.****15.1 Balance Sheets**

	Financial period/year ended	
	31.12.2006	31.12.2007
	RM	RM
CURRENT ASSET		
Cash and bank balances	2	2
CURRENT LIABILITIES		
Other payables	3,254	500
Amount due to a holding company	769	5,621
	4,023	6,121
NET CURRENT LIABILITIES	(4,021)	(6,119)
FINANCED BY:		
Share capital	2	2
Accumulated losses	(4,023)	(6,121)
Shareholders' funds	(4,021)	(6,119)
Ratios		
NTA	(4,021)	(6,119)
NTA per share	(2,011)	(3,060)
Current ratio (times)	-	-
After tax return on Shareholders' funds ⁽ⁱ⁾ (%)	100.0	34.3

Notes:

⁽ⁱ⁾ Profit after tax for the year/period
Shareholders' funds

10. ACCOUNTANTS' REPORT (Cont'd)**15. Sea Legend Shipping Sdn. Bhd. (Cont'd)****15.2 Income Statements**

	Financial period/year ended	
	31.12.2006	31.12.2007
	RM	RM
Administrative expenses	(4,023)	(2,098)
Loss before interest & tax	(4,023)	(2,098)
Interest expenses	-	-
Loss before tax	(4,023)	(2,098)
Taxation	-	-
Loss after taxation	(4,023)	(2,098)
Number of shares in issue	2	2
Earnings per share:		
Gross ⁽ⁱ⁾	(2,012)	(1,049)
Net ⁽ⁱⁱ⁾	(2,012)	(1,049)
Gross profit margin (%)	-	-
Net profit margin (%)	-	-
EBIDTA	(4,023)	(2,098)
Effective tax rate (%)	-	-
Trade receivables turnover period (months)	-	-
Trade payables turnover period (months)	-	-
Inventories turnover period (months)	-	-

Notes:

⁽ⁱ⁾ Profit before tax divided by the number of shares in issue during the period.

⁽ⁱⁱ⁾ Profit after tax divided by the number of shares in issue during the period.

10. ACCOUNTANTS' REPORT (Cont'd)**15. Sea Legend Shipping Sdn. Bhd. (Cont'd)****15.3 Statements of Changes in Equity**

	Share Capital RM	Accumulated Losses RM	Total Equity RM
At 18 July 2005 (date of incorporation)	2	-	2
Loss for the period	-	(4,023)	(4,023)
At 31 December 2006	2	(4,023)	(4,021)
Loss for the period	-	(2,098)	(2,098)
At 31 December 2007	2	(6,121)	(6,119)

15.4 Cash Flow Statements

	Financial period/year ended	
	31.12.2006 RM	31.12.2007 RM
Net cash generated from operating activities	-	-
Net cash used in investing activities	-	-
Net cash from financing activities	2	-
Net increase in cash and cash equivalents	2	-
Cash and cash equivalents at beginning of period	-	2
Cash and cash equivalents at end of period	2	2

10. ACCOUNTANTS' REPORT (Cont'd)**16. Era Sureway Sdn. Bhd.****16.1 Balance Sheets**

	Note	<----- Financial periods/year ended ----->		
		30.6.2006 RM	31.12.2006 RM	31.12.2007 RM
NON-CURRENT ASSETS				
Property, plant and equipment		-	9,554,240	10,491,415
CURRENT ASSETS				
Amount due from holding company		-	-	-
Amount due from a related company		-	-	-
Cash and bank balances		2	2	10,272
		<u>2</u>	<u>2</u>	<u>10,272</u>
CURRENT LIABILITIES				
Other payables	16.1.1.1	500	-	6,079
Amount due to related companies	16.1.1.2	2,620	9,558,161	9,009,385
		<u>3,120</u>	<u>9,558,161</u>	<u>9,015,464</u>
NET CURRENT LIABILITIES		<u>(3,118)</u>	<u>(9,558,159)</u>	<u>(9,005,192)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(3,118)</u>	<u>(3,919)</u>	<u>1,486,223</u>
NON-CURRENT LIABILITY				
Deferred taxation		-	-	257,592
		<u>(3,118)</u>	<u>(3,919)</u>	<u>1,228,631</u>
FINANCED BY:				
Share capital		2	2	500,000
(Accumulated losses)/Reserves		(3,120)	(3,921)	728,631
Shareholders' funds		<u>(3,118)</u>	<u>(3,919)</u>	<u>1,228,631</u>
Ratios				
NTA		(3,118)	(3,919)	1,228,631
NTA per share		(1,559.00)	(1,959.50)	2.46
Current ratio (times)		-	-	-
After tax return on Shareholders' funds ⁽ⁱ⁾ (%)		100.1	20.4	59.6

Notes:

⁽ⁱ⁾ Profit after tax for the year/period
Shareholders' funds

10. ACCOUNTANTS' REPORT (Cont'd)**16. Era Sureway Sdn. Bhd.****16.1 Balance Sheets (Cont'd)****16.1.1 Restatement of Balance Sheets**

The reclassifications of balance sheets were made to ensure consistency of presentation throughout the financial years under review. The reconciliations of the audited financial statements to that presented in this report are set out below:

16.1.1.1 Other Payables

As at	30.6.2006 RM
Per audited financial statements	3,120
Reclassified to:	
- Amount due to related companies	(2,620)
As restated	<u>500</u>

16.1.1.2 Amount Due To Related Companies

As at	30.6.2006 RM
Per audited financial statements	-
Reclassified from:	
- Other payables	2,620
As restated	<u>2,620</u>

10. ACCOUNTANTS' REPORT (Cont'd)**16. Era Sureway Sdn. Bhd. (Cont'd)****16.2 Income Statements**

	<----- Financial periods/year ended ----->		
	30.6.2006	31.12.2006	31.12.2007
	RM	RM	RM
Revenue	-	-	1,455,438
Cost of services	-	-	(416,803)
Gross profit	-	-	1,038,635
Other operating income	-	-	85
Administrative expenses	(3,120)	(801)	(23,507)
(Loss)/Profit before interest & tax	(3,120)	(801)	1,015,213
Interest expenses	-	-	(25,069)
(Loss)/Profit before tax	(3,120)	(801)	990,144
Taxation	-	-	(257,592)
(Loss)/Profit after taxation	(3,120)	(801)	732,552
Number of shares in issue	2	2	500,000
Earnings per share:			
Gross ⁽ⁱ⁾	(1,560.00)	(400.50)	1.98
Net ⁽ⁱⁱ⁾	(1,560)	(400.50)	1.47
Gross profit margin (%)	-	-	71
Net profit margin (%)	-	-	50.33
EBIDTA	(3,120)	(801)	1,424,266
Effective tax rate (%)	-	-	26.0
Trade receivables turnover period (months)	-	-	-
Trade payables turnover period (months)	-	-	-
Inventories turnover period (months)	-	-	-

Notes:

⁽ⁱ⁾ Profit before tax divided by the number of shares in issue during the year/period.

⁽ⁱⁱ⁾ Profit after tax divided by the number of shares in issue during the year/period.

10. ACCOUNTANTS' REPORT (Cont'd)**16. Era Sureway Sdn. Bhd. (Cont'd)****16.3 Statements of Changes in Equity**

	Share Capital RM	Retained Earnings RM	Total Equity RM
At 7 April 2005 (date of incorporation)	2	-	2
Loss for the period	-	(3,120)	(3,120)
At 30 June 2006	2	(3,120)	(3,118)
Loss for the period	-	(801)	(801)
At 31 December 2006	2	(3,921)	(3,919)
Issue of share capital	499,998	-	499,998
Profit for the year	-	732,552	732,552
At 31 December 2007	500,000	728,631	1,228,631

16.4 Cash Flow Statements

	<----- Financial periods/year ended ----->		
	30.6.2006	31.12.2006	31.12.2007
	RM	RM	RM
Net cash generated from operating activities	-	9,554,240	856,500
Net cash used in investing activities	-	(9,554,240)	(1,346,228)
Net cash from financing activities	2	-	499,998
Net increase in cash and cash equivalents	2	-	10,270
Cash and cash equivalents at beginning of period/year	-	2	2
Cash and cash equivalents at end of period/year	2	2	10,272

10. ACCOUNTANTS' REPORT (Cont'd)**17. Bristol View Sdn. Bhd.****17.1 Balance Sheets**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
NON-CURRENT ASSETS			
Land & development expenditure	1,496,379	1,496,379	1,496,379
CURRENT ASSETS			
Other receivables	13,901	13,901	-
Cash and bank balances	2,703	3,403	3,020
	<u>16,604</u>	<u>17,304</u>	<u>3,020</u>
CURRENT LIABILITIES			
Other payables	794,741	794,741	1,000
Amount due to a director	693,193	699,193	-
Amount due to holding company	-	-	1,479,339
	<u>1,487,934</u>	<u>1,493,934</u>	<u>1,480,339</u>
NET CURRENT LIABILITIES	<u>(1,471,330)</u>	<u>(1,476,630)</u>	<u>(1,477,319)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>25,049</u>	<u>19,749</u>	<u>19,060</u>
FINANCED BY:			
Share capital	60,000	60,000	60,000
Accumulated losses	(34,951)	(40,251)	(40,940)
Shareholders' funds	<u>25,049</u>	<u>19,749</u>	<u>19,060</u>
Ratios			
NTA	25,049	19,749	19,060
NTA per share	0.42	0.33	0.32
Current ratio (times)	0.01	0.01	-
After tax return on Shareholders' funds ⁽ⁱ⁾ (%)	(4.9)	(26.8)	(3.61)

Notes:

⁽ⁱ⁾ Profit after tax for the year
Shareholders' funds

10. ACCOUNTANTS' REPORT (Cont'd)**17. Bristol View Sdn. Bhd. (Cont'd)****17.2 Income Statements**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
Administrative expenses	(1,231)	(5,300)	(689)
Loss before interest & tax	(1,231)	(5,300)	(689)
Interest expenses	-	-	-
Loss before tax	(1,231)	(5,300)	(689)
Taxation	-	-	-
Loss after taxation	(1,231)	(5,300)	(689)
Number of shares in issue	60,000	60,000	60,000
Earnings per share:			
Gross ⁽ⁱ⁾	(0.02)	(0.09)	(0.01)
Net ⁽ⁱⁱ⁾	(0.02)	(0.09)	(0.01)
Gross profit margin (%)	-	-	-
Net profit margin (%)	-	-	-
EBIDTA	(1,231)	(5,300)	(689)
Effective tax rate (%)	-	-	-
Trade receivables turnover period (months)	-	-	-
Trade payables turnover period (months)	-	-	-
Inventories turnover period (months)	-	-	-

Notes:

- (i) Profit before tax divided by the number of shares in issue during the year
(ii) Profit after tax divided by the number of shares in issue during the year

10. ACCOUNTANTS' REPORT (Cont'd)**17. Bristol View Sdn. Bhd. (Cont'd)****17.3 Statements of Changes in Equity**

	Share Capital RM	Accumulated Losses RM	Total Equity RM
At 1 January 2005	60,000	(33,720)	26,280
Loss for the year	-	(1,231)	(1,231)
At 31 December 2005	60,000	(34,951)	25,049
Loss for the year	-	(5,300)	(5,300)
At 31 December 2006	60,000	(40,251)	19,749
Loss for the year	-	(689)	(689)
At 31 December 2007	60,000	(40,940)	19,060

17.4 Cash Flow Statements

	<----- Financial years ended ----->		
	31.12.2005 RM	31.12.2006 RM	31.12.2007 RM
Net cash from/ (used in) operating activities	389	700	(383)
Net cash used in investing activities	-	-	-
Net cash used in financing activities	-	-	-
Net increase/ (decrease) in cash and cash equivalents	389	700	(383)
Cash and cash equivalents at beginning of year	2,314	2,703	3,403
Cash and cash equivalents at end of year	2,703	3,403	3,020

10. ACCOUNTANTS' REPORT (Cont'd)**18. Baram Moulding Industries Sdn. Bhd.****18.1 Balance Sheets**

	Note	<----- Financial years ended ----->		
		31.12.2005	31.12.2006	31.12.2007
		RM	RM	RM
NON-CURRENT ASSETS				
Prepaid land lease payment	18.1.1.1	278,654	278,654	273,295
Property, plant and equipment	18.1.1.2	-	-	1,260,094
		<u>278,654</u>	<u>278,654</u>	<u>1,533,389</u>
CURRENT ASSETS				
Other receivables		-	-	4,200
Cash and bank balances		449	-	-
		<u>449</u>	<u>-</u>	<u>4,200</u>
CURRENT LIABILITIES				
Other payables		1,810	509	21,973
Amount due to directors		295,221	297,031	-
Amount due to holding company		-	-	392,528
Amount due to related companies		-	-	1,157,864
		<u>297,031</u>	<u>297,540</u>	<u>1,572,365</u>
NET CURRENT LIABILITIES		<u>(296,582)</u>	<u>(297,540)</u>	<u>(1,568,165)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(17,928)</u>	<u>(18,886)</u>	<u>(34,776)</u>
FINANCED BY:				
Share capital		25,000	25,000	25,000
Accumulated losses		(42,928)	(43,886)	(59,776)
Shareholders' funds		<u>(17,928)</u>	<u>(18,886)</u>	<u>(34,776)</u>
Ratios				
NTA		(17,928)	(18,886)	(34,776)
NTA per share		(0.72)	(0.76)	(1.39)
Current ratio (times)		-	-	-
After tax return on Shareholders' funds ⁽¹⁾ (%)				
		24.1	5.1	45.7

Notes:

⁽¹⁾ Profit after tax for the year
Shareholders' funds

10. ACCOUNTANTS' REPORT (Cont'd)**18. Baram Moulding Industries Sdn. Bhd. (Cont'd)****18.1 Balance Sheets (Cont'd)****18.1.1 Restatement of Balance Sheets**

The restatement of balance sheets of Baram Moulding Industries Sdn. Bhd. arose from the adoption of new accounting standards by the MASB for entities other than private entities as mentioned in Section 5 above. The reconciliations of the audited financial statements to that presented in this report are set out below:

18.1.1.1 Prepaid Land Lease Payment

As at	31.12.2005 RM	31.12.2006 RM
Per audited financial statements	-	-
Reclassified from:		
- Property, plant and equipment	278,654	278,654
As restated	<u>278,654</u>	<u>278,654</u>

18.1.1.2 Property, Plant and Equipment

As at	31.12.2005 RM	31.12.2006 RM
Per audited financial statements	278,654	278,654
Reclassified to:		
- Prepaid Land Lease Payment	(278,654)	(278,654)
As restated	<u>-</u>	<u>-</u>

10. ACCOUNTANTS' REPORT (Cont'd)**18. Baram Moulding Industries Sdn. Bhd. (Cont'd)****18.2 Income Statements**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
Administrative expenses	(4,316)	(958)	(15,890)
Loss before interest & tax	(4,316)	(958)	(15,890)
Interest expenses	-	-	-
Loss before tax	(4,316)	(958)	(15,890)
Taxation	-	-	-
Loss after taxation	(4,316)	(958)	(15,890)
Number of shares in issue	25,000	25,000	25,000
Earnings per share:			
Gross ⁽ⁱ⁾	(0.17)	(0.04)	(0.64)
Net ⁽ⁱⁱ⁾	(0.17)	(0.04)	(0.64)
Gross profit margin (%)	-	-	-
Net profit margin (%)	-	-	-
EBIDTA	(4,316)	(958)	(10,531)
Effective tax rate (%)	-	-	-
Trade receivables turnover period (months)	-	-	-
Trade payables turnover period (months)	-	-	-
Inventories turnover period (months)	-	-	-

Notes:

⁽ⁱ⁾ Profit before tax divided by the number of shares in issue during the year

⁽ⁱⁱ⁾ Profit after tax divided by the number of shares in issue during the year

10. ACCOUNTANTS' REPORT (Cont'd)**18. Baram Moulding Industries Sdn. Bhd. (Cont'd)****18.3 Statements of Changes in Equity**

	Share Capital RM	Accumulated Losses RM	Total Equity RM
At 1 January 2005	25,000	(38,612)	(13,612)
Loss for the year	-	(4,316)	(4,316)
At 31 December 2005	25,000	(42,928)	(17,928)
Loss for the year	-	(958)	(958)
At 31 December 2006	25,000	(43,886)	(18,886)
Loss for the year	-	(15,890)	(15,890)
At 31 December 2007	25,000	(59,776)	(34,776)

18.4 Cash Flow Statements

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
Net cash (used in)/from operating activities	(4,316)	(449)	1,260,094
Net cash used in investing activities	-	-	(1,260,094)
Net cash used in financing activities	-	-	-
Net decrease in cash and cash equivalents	(4,316)	(449)	-
Cash and cash equivalents at beginning of year	4,765	449	-
Cash and cash equivalents at end of year	449	-	-

10. ACCOUNTANTS' REPORT (Cont'd)**19. Sea-Good Pte. Ltd.****19.1 Balance Sheets**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	S\$	S\$	S\$
NON-CURRENT ASSETS			
Property, plant and equipment	3,211,460	2,983,800	2,754,962
Investment in associate	3,430,000	-	-
	<u>6,641,460</u>	<u>2,983,800</u>	<u>2,754,962</u>
CURRENT ASSETS			
Trade receivables	122,762	120,096	87,800
Other receivables	10,369,656	16,175,183	15,833,247
Assets classified as held for sale	-	3,430,000	-
Cash and bank balances	3,373,975	558,650	1,380,542
	<u>13,866,393</u>	<u>20,283,929</u>	<u>17,301,589</u>
CURRENT LIABILITIES			
Borrowings	498,222	456,037	427,266
Other payables	12,016,583	14,848,652	3,156,935
Taxation	3,028	11,469	898
	<u>12,517,833</u>	<u>15,316,158</u>	<u>3,585,099</u>
NET CURRENT ASSETS	<u>1,348,560</u>	<u>4,967,771</u>	<u>13,716,490</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>7,990,020</u>	<u>7,951,571</u>	<u>16,471,452</u>
NON-CURRENT LIABILITIES			
Borrowings	1,888,852	1,279,071	774,921
Deferred taxation	-	-	-
	<u>1,888,852</u>	<u>1,279,071</u>	<u>774,921</u>
	<u>6,101,168</u>	<u>6,672,500</u>	<u>15,696,531</u>
FINANCED BY:			
Share capital	500,000	500,000	500,000
Reserves	5,601,168	6,172,500	15,196,531
Shareholders' funds	<u>6,101,168</u>	<u>6,672,500</u>	<u>15,696,531</u>
Ratios			
NTA	6,101,168	6,672,500	15,696,531
NTA per share	12.20	13.35	31.39
Current ratio (times)	1.1	1.3	4.8
After tax return on Shareholders' funds ⁽¹⁾ (%)	16.6	8.6	57.5

Notes:

⁽¹⁾ $\frac{\text{Profit after tax for the year}}{\text{Shareholders' funds}}$

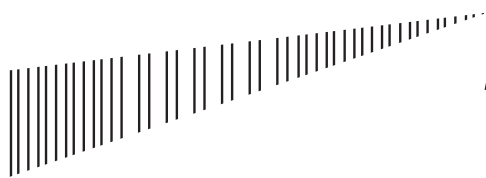
10. ACCOUNTANTS' REPORT (Cont'd)**19. Sea-Good Pte. Ltd. (Cont'd)****19.2 Income Statements**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	S\$	S\$	S\$
Revenue	1,397,124	966,504	1,069,334
Cost of sales	(259,306)	(384,181)	(448,551)
Gross profit	<u>1,137,818</u>	<u>582,323</u>	<u>620,783</u>
Other operating income	35,407	245,216	8,629,383
Other operating expenses	(126,290)	(104,224)	(114,926)
Profit before interest & tax	<u>1,046,935</u>	<u>723,315</u>	<u>9,135,240</u>
Interest expenses	(31,024)	(143,542)	(110,086)
Profit before taxation	<u>1,015,911</u>	<u>579,773</u>	<u>9,025,154</u>
Taxation	(3,028)	(8,441)	(1,123)
Profit after taxation	<u><u>1,012,883</u></u>	<u><u>571,332</u></u>	<u><u>9,024,031</u></u>
Number of shares in issue	500,000	500,000	500,000
Earnings per share:			
Gross ⁽ⁱ⁾	2.03	1.16	18.05
Net ⁽ⁱⁱ⁾	2.03	1.14	18.05
Gross profit margin (%)	81	60	58
Net profit margin (%)	72.50	59.11	843.89
EBIDTA	1,241,725	934,052	9,355,355
Effective tax rate (%)	0.3	1.5	-
Trade receivables turnover period (months)	1.05	1.49	0.99
Trade payables turnover period (months)	-	-	-
Inventories turnover period (months)	-	-	-

Notes:

⁽ⁱ⁾ Profit before tax divided by the number of shares in issue during the year

⁽ⁱⁱ⁾ Profit after tax divided by the number of shares in issue during the year

10. ACCOUNTANTS' REPORT (Cont'd)
19. Sea-Good Pte. Ltd. (Cont'd)**19.3 Statements of Changes in Equity**

	Share Capital S\$	Retained Earnings S\$	Total Equity S\$
At 1 January 2005	500,000	4,588,285	5,088,285
Profit for the year	-	1,012,883	1,012,883
At 31 December 2005	500,000	5,601,168	6,101,168
Profit for the year	-	571,332	571,332
At 31 December 2006	500,000	6,172,500	6,672,500
Profit for the year	-	9,024,031	9,024,031
At 31 December 2007	500,000	15,196,531	15,696,531

19.4 Cash Flow Statements

	<----- Financial years ended ----->		
	31.12.2005 S\$	31.12.2006 S\$	31.12.2007 S\$
Net cash from/(used in) operating activities	3,653,928	(2,180,282)	(10,643,556)
Net cash (used in)/from investing activities	(2,915,162)	16,923	11,998,369
Net cash from/(used in) financing activities	2,387,074	(651,966)	(532,921)
Net increase/(decrease) in cash and cash equivalents	3,125,840	(2,815,325)	821,892
Cash and cash equivalents at beginning of year	248,135	3,373,975	558,650
Cash and cash equivalents at end of year	3,373,975	558,650	1,380,542

10. ACCOUNTANTS' REPORT (Cont'd)**20. Aliran Saksama Sdn. Bhd.****20.1 Balance Sheets**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
NON-CURRENT ASSET			
Prepaid land lease payment	-	-	2,403,154
CURRENT ASSET			
Amount due from directors	495,281	495,281	-
CURRENT LIABILITIES			
Other payables	12,918	14,690	490,080
Amount due to holding company	-	-	142,168
	12,918	14,690	632,248
NET CURRENT ASSET/(LIABILITIES)	482,363	480,591	(632,248)
TOTAL ASSETS LESS CURRENT LIABILITIES	482,363	480,591	1,770,906
NON-CURRENT LIABILITY			
Borrowings	-	-	1,304,382
	482,363	480,591	466,524
FINANCED BY:			
Share capital	500,000	500,000	500,000
Accumulated losses	(17,637)	(19,409)	(33,476)
Shareholders' funds	482,363	480,591	466,524
Ratios			
NTA	482,363	480,591	466,524
NTA per share	0.96	0.96	0.93
Current ratio (times)	38.3	33.7	-
After tax return on Shareholders' funds ⁽¹⁾ (%)	(0.4)	(0.4)	(3.0)

Notes:

⁽¹⁾ Profit after tax for the year
Shareholders' funds

10. ACCOUNTANTS' REPORT (Cont'd)**20. Airan Saksama Sdn. Bhd. (Cont'd)****20.2 Income Statements**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
Administrative expenses	(1,773)	(1,772)	(14,067)
Loss before interest & tax	(1,773)	(1,772)	(14,067)
Interest expenses	-	-	-
Loss before tax	(1,773)	(1,772)	(14,067)
Taxation	-	-	-
Loss after taxation	(1,773)	(1,772)	(14,067)
Number of shares in issue	500,000	500,000	500,000
Earnings per share:			
Gross ⁽ⁱ⁾	-	-	(0.03)
Net ⁽ⁱⁱ⁾	-	-	(0.03)
Gross profit margin (%)	-	-	-
Net profit margin (%)	-	-	-
EBIDTA	(1,773)	(1,772)	(4,012)
Effective tax rate (%)	-	-	-
Trade receivables turnover period (months)	-	-	-
Trade payables turnover period (months)	-	-	-
Inventories turnover period (months)	-	-	-

Notes:

- ⁽ⁱ⁾ Profit before tax divided by the number of shares in issue during the year
⁽ⁱⁱ⁾ Profit after tax divided by the number of shares in issue during the year

10. ACCOUNTANTS' REPORT (Cont'd)**20. Aliran Saksama Sdn. Bhd. (Cont'd)****20.3 Statements of Changes in Equity**

	Share Capital RM	Accumulated Losses RM	Total Equity RM
At 1 January 2005	500,000	(15,864)	484,136
Loss for the year	-	(1,773)	(1,773)
At 31 December 2005	500,000	(17,637)	482,363
Loss for the year	-	(1,772)	(1,772)
At 31 December 2006	500,000	(19,409)	480,591
Loss for the year	-	(14,067)	(14,067)
At 31 December 2007	500,000	(33,476)	466,524

20.4 Cash Flow Statements

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
Net cash from operating activities	-	-	634,437
Net cash used in investing activities	-	-	(634,437)
Net cash used in financing activities	-	-	-
Net increase/(decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents at beginning of year	-	-	-
Cash and cash equivalents at end of year	-	-	-

10. ACCOUNTANTS' REPORT (Cont'd)**21. Sealink Engineering And Slipway Sdn. Bhd.****21.1 Balance Sheets**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
NON-CURRENT ASSETS			
Property, plant and equipment	282,283	830,331	694,572
Investment in a subsidiary	-	-	1,402,969
	282,283	830,331	2,097,541
CURRENT ASSETS			
Inventories	-	1,160,716	25,197,222
Trade receivables	-	5,001,808	4,503,583
Other receivables	31,266	2,905,588	598,327
Amount due from a related company	346,717	12,943,382	37,656,894
Amount due from subsidiary	-	-	392,528
Cash and bank balances	62,869	641,980	1,758,216
	440,852	22,653,474	70,106,770
CURRENT LIABILITIES			
Borrowings	82,343	213,140	48,716,254
Trade payables	-	4,997,943	8,731,307
Other payables	7,898	174,215	416,953
Amount due to related companies	30,000	17,717,473	77,716
Provision for taxation	-	-	7,766
	120,241	23,102,771	57,949,996
NET CURRENT ASSETS/(LIABILITIES)	320,611	(449,297)	12,156,774
TOTAL ASSETS LESS CURRENT LIABILITIES	602,894	381,034	14,254,315
NON-CURRENT LIABILITIES			
Borrowings	165,477	319,604	107,315
Deferred taxation	-	-	15,556
	165,477	319,604	122,871
	437,417	61,430	14,131,444
FINANCED BY:			
Share capital	500,000	500,000	1,500,000
(Accumulated losses)/Reserves	(62,583)	(438,570)	12,631,444
Shareholders' funds	437,417	61,430	14,131,444
Ratios			
NTA	437,417	61,430	14,131,444
NTA per share	0.87	0.12	9.42
Current ratio (times)	3.7	1.0	1.2
After tax return on Shareholders' funds ⁽¹⁾ (%)	(13.6)	(612.1)	92.5

Notes:

⁽¹⁾ $\frac{\text{Profit after tax for the year}}{\text{Shareholders' funds}}$

10. ACCOUNTANTS' REPORT (Cont'd)**21. Sealink Engineering And Slipway Sdn. Bhd. (Cont'd)****21.2 Income Statements**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
Revenue	-	15,377,277	61,689,658
Cost of sales	-	(15,369,420)	(46,481,322)
Gross profit	-	7,857	15,208,336
Other operating income	-	1,108	61,403
Administrative expenses	(56,883)	(364,726)	(1,672,687)
(Loss)/Profit before interest & tax	(56,883)	(355,761)	13,597,052
Interest expenses	(2,756)	(20,226)	(503,716)
(Loss)/Profit before tax	(59,639)	(375,987)	13,093,336
Taxation	-	-	(23,322)
(Loss)/Profit after taxation	(59,639)	(375,987)	13,070,014
Number of shares in issue	500,000	500,000	1,500,000
Earnings per share:			
Gross ⁽ⁱ⁾	(0.12)	(0.75)	8.73
Net ⁽ⁱⁱ⁾	(0.12)	(0.75)	8.71
Gross profit margin (%)	-	0.05	24.65
Net (loss)/profit margin (%)	-	(2.45)	21.19
EBIDTA	(47,268)	(243,278)	13,755,826
Effective tax rate (%)	-	-	0.18
Trade receivables turnover period (months)	-	3.90	0.88
Trade payables turnover period (months)	-	3.90	2.25
Inventories turnover period (months)	-	0.91	6.51

Notes:

⁽ⁱ⁾ Profit before tax divided by the number of shares in issue during the year

⁽ⁱⁱ⁾ Profit after tax divided by the number of shares in issue during the year

10. ACCOUNTANTS' REPORT (Cont'd)**21. Sealink Engineering And Slipway Sdn. Bhd. (Cont'd)****21.3 Statements of Changes in Equity**

	Share Capital RM	Accumulated Losses RM	Total Equity RM
At 1 January 2005	2	(2,944)	(2,942)
Issue of share capital	499,998	-	499,998
Loss for the year	-	(59,639)	(59,639)
At 31 December 2005	500,000	(62,583)	437,417
Loss for the year	-	(375,987)	(375,987)
At 31 December 2006	500,000	(438,570)	61,430
Issue of share capital	1,000,000	-	1,000,000
Profit for the year	-	13,070,014	13,070,014
At 31 December 2007	1,500,000	12,631,444	14,131,444

21.4 Cash Flow Statements

	<----- Financial years ended ----->		
	31.12.2005 RM	31.12.2006 RM	31.12.2007 RM
Net cash (used in)/from operating activities	(393,053)	954,718	(46,748,605)
Net cash used in investing activities	(30,898)	(263,451)	(1,425,984)
Net cash from/ (used in) financing activities	486,818	(112,156)	39,987,860
Net increase/ (decrease) in cash and cash equivalents	62,867	579,111	(8,186,729)
Cash and cash equivalents at beginning of year	2	62,869	641,980
Cash and cash equivalents at end of year	62,869	641,980	(7,544,749)

10. ACCOUNTANTS' REPORT (Cont'd)**22. Sealink Sdn. Bhd.****22.1 Balance Sheets**

	Note	<----- Financial years ended ----->		
		31.12.2005	31.12.2006	31.12.2007
		RM	RM	RM
NON-CURRENT ASSETS				
Property, plant and equipment	22.1.1.1	16,597,407	24,199,292	32,188,054
Investment in subsidiaries		1,812,500	1,812,500	712,500
Prepaid land lease payment	22.1.1.2	4,940,118	4,795,536	2,737,838
		<u>23,350,025</u>	<u>30,807,328</u>	<u>35,638,392</u>
CURRENT ASSETS				
Inventories		8,451,825	7,538,022	951,704
Trade receivables		4,730,830	5,058,541	5,771,392
Other receivables		29,031,604	39,836,989	41,548,815
Cash and bank balances		3,926,141	4,271,172	412,030
		<u>46,140,400</u>	<u>56,704,724</u>	<u>48,683,941</u>
CURRENT LIABILITIES				
Borrowings		2,084,691	1,906,415	2,695,933
Trade payables		570,860	552,773	1,128,370
Other payables		40,202,947	57,946,576	45,674,712
Taxation		1,936	15,703	18,574
		<u>42,860,434</u>	<u>60,421,467</u>	<u>49,517,589</u>
NET CURRENT ASSETS/ (LIABILITIES)				
		<u>3,279,966</u>	<u>(3,716,743)</u>	<u>(833,648)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		<u>26,629,991</u>	<u>27,090,585</u>	<u>34,804,744</u>
NON-CURRENT LIABILITIES				
Borrowings		8,686,653	7,130,588	12,367,227
Amount due to directors		6,943,915	-	-
Deferred taxation		2,272,014	3,114,917	3,485,445
		<u>17,902,582</u>	<u>10,245,505</u>	<u>15,852,672</u>
		<u>8,727,409</u>	<u>16,845,080</u>	<u>18,952,072</u>
FINANCED BY:				
Share capital		1,500,000	1,500,000	1,500,000
Reserves		6,084,454	14,202,125	16,309,117
Asset revaluation reserve		1,142,955	1,142,955	1,142,955
Shareholders' funds		<u>8,727,409</u>	<u>16,845,080</u>	<u>18,952,072</u>
Ratios				
NTA		8,727,409	16,845,080	18,952,072
NTA per share		5.82	11.23	12.63
Current ratio (times)		1.1	0.9	1.0
After tax return on Shareholders' funds ⁽ⁱ⁾ (%)				
		15.5	48.2	11.1

Notes:

⁽ⁱ⁾ $\frac{\text{Profit after tax for the year}}{\text{Shareholders' funds}}$

10. ACCOUNTANTS' REPORT (Cont'd)**22. Sealink Sdn. Bhd. (Cont'd)****22.1 Balance Sheets (Cont'd)****22.1.1 Restatement of Balance Sheets**

The restatement of balance sheets of Sealink Sdn. Bhd. arose from the adoption of new accounting standards by the MASB for entities other than private entities as mentioned in Section 5 and to ensure consistency of presentation throughout the financial years under review. The reconciliations of the audited financial statements to that presented in this report are set out below:

22.1.1.1 Property, Plant and Equipment

As at	31.12.2005 RM	31.12.2006 RM
Per audited financial statements	21,537,525	28,994,828
Reclassified to:		
- Prepaid Land Lease Payment	(4,940,118)	(4,795,536)
As restated	<u>16,597,407</u>	<u>24,199,292</u>

22.1.1.2 Prepaid Land Lease Payment

As at	31.12.2005 RM	31.12.2006 RM
Per audited financial statements	-	-
Reclassified from:		
- Property, plant and equipment	4,940,118	4,795,536
As restated	<u>4,940,118</u>	<u>4,795,536</u>

10. ACCOUNTANTS' REPORT (Cont'd)**22. Sealink Sdn. Bhd. (Cont'd)****22.2 Income Statements**

	Note	<----- Financial years ended ----->		
		31.12.2005 RM	31.12.2006 RM	31.12.2007 RM
Revenue		10,599,140	10,357,989	13,278,913
Cost of sales	22.2.1.1	(6,813,099)	(6,594,455)	(8,796,771)
Gross profit		3,786,041	3,763,534	4,482,142
Other operating income		1,076,057	9,085,029	3,122,743
Other operating expenses		-	(169,395)	(1,272,953)
Administrative expenses	22.2.1.2	(2,207,996)	(2,990,122)	(2,914,737)
Profit before interest & tax		2,654,102	9,689,046	3,417,195
Interest expenses		(383,510)	(697,873)	(893,495)
Profit before tax		2,270,592	8,991,173	2,523,700
Taxation		(914,056)	(873,502)	(416,708)
Profit after taxation		1,356,536	8,117,671	2,106,992
Number of shares in issue		1,500,000	1,500,000	1,500,000
Earnings per share:				
Gross ⁽ⁱ⁾		1.51	5.99	1.68
Net ⁽ⁱⁱ⁾		0.90	5.41	1.40
Gross profit margin (%)		36	36	34
Net profit margin (%)		12.80	78.37	15.87
EBIDTA		4,014,816	11,071,485	5,155,122
Effective tax rate (%)		40.3	9.7	16.5
Trade receivables turnover period (months)		5.36	5.86	5.22
Trade payables turnover period (months)		1.01	1.01	1.54
Inventories turnover period (months)		14.89	13.72	1.30

Notes:

(i) Profit before tax divided by the number of shares in issue during the year

(ii) Profit after tax divided by the number of shares in issue during the year

10. ACCOUNTANTS' REPORT (Cont'd)**22. Sealink Sdn. Bhd. (Cont'd)****22.2 Income Statements (Cont'd)****22.2.1 Reclassification of Income Statements**

The reclassifications of income statements of Sealink Sdn. Bhd. were made to reflect more appropriately the nature of the items and to ensure consistency of presentation throughout the financial years under review. The reconciliations of the audited financial statements to that presented in this report are set out below:

22.2.1.1 Cost of Sales

Year ended	31.12.2005
	RM
Per audited financial statements	(6,779,099)
Reclassified from:	
- Administrative expenses	(34,000)
As restated	<u>(6,813,099)</u>

22.2.1.2 Administrative Expenses

Year ended	31.12.2005
	RM
Per audited financial statements	(2,241,996)
Reclassified to:	
- Cost of sales	34,000
As restated	<u>(2,207,996)</u>

10. ACCOUNTANTS' REPORT (Cont'd)**22. Sealink Sdn. Bhd. (Cont'd)****22.3 Statements of Changes in Equity**

	Share Capital RM	Revaluation Reserve RM	Retained Earnings RM	Total Equity RM
At 1 January 2005	1,500,000	1,142,955	4,727,918	7,370,873
Profit for the year	-	-	1,356,536	1,356,536
At 31 December 2005	1,500,000	1,142,955	6,084,454	8,727,409
Profit for the year	-	-	8,117,671	8,117,671
At 31 December 2006	1,500,000	1,142,955	14,202,125	16,845,080
Profit for the year	-	-	2,106,992	2,106,992
At 31 December 2007	1,500,000	1,142,955	16,309,117	18,952,072

22.4 Cash Flow Statements

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
Net cash from/(used in) operating activities	2,100,477	3,299,553	(3,493,633)
Net cash used in investing activities	(5,055,746)	(1,162,581)	(6,391,666)
Net cash from/(used in) financing activities	4,401,713	(1,791,941)	5,804,883
Net increase/(decrease) in cash and cash equivalents	1,446,444	345,031	(4,080,416)
Cash and cash equivalents at beginning of year	2,479,697	3,926,141	4,271,172
Cash and cash equivalents at end of year	3,926,141	4,271,172	190,756

10. ACCOUNTANTS' REPORT (Cont'd)**23. Sealink Shipyard Sdn. Bhd.****23.1 Balance Sheets**

	Note	<----- Financial years ended ----->		
		31.12.2005 RM	31.12.2006 RM	31.12.2007 RM
NON-CURRENT ASSETS				
Property, plant and equipment	23.1.1.1	14,885,161	28,852,754	36,311,238
Prepaid land lease payment	23.1.1.2	10,801,545	10,863,727	11,536,403
Investment in a subsidiary		-	-	595,281
		25,686,706	39,716,481	48,442,922
CURRENT ASSETS				
Inventories	23.1.1.3	40,853,256	76,484,346	155,584,892
Trade receivables	23.1.1.4	1,034,185	9,585,283	2,381,671
Other receivables		4,695,465	20,300,383	41,246,847
Amount due from related companies	23.1.1.5	10,531,192	23,229,637	22,965,754
Amount due from a subsidiary		-	-	142,168
Cash and bank balances		44,492	742,267	1,293,283
		57,158,590	130,341,916	223,614,615
CURRENT LIABILITIES				
Borrowings		4,582,266	59,294,910	107,078,318
Trade payables	23.1.1.6	24,248,548	43,245,870	35,014,058
Other payables	23.1.1.7	24,040,650	21,738,226	32,094,454
Amount due to related companies		20,939,286	22,004,829	38,359,876
Amount due to ultimate holding company		-	-	64,041
Amount due to holding company		-	-	27,381,398
		73,810,750	146,283,835	239,992,145
NET CURRENT LIABILITIES		(16,652,160)	(15,941,919)	(16,377,530)
TOTAL ASSETS LESS CURRENT LIABILITIES		9,034,546	23,774,562	32,065,392
NON-CURRENT LIABILITIES				
Borrowings		7,870,089	10,775,730	10,055,903
Deferred taxation		184,466	1,418,162	1,520,621
		8,054,555	12,193,892	11,576,524
		979,991	11,580,670	20,488,868
FINANCED BY:				
Share capital		1,500,000	1,500,000	1,500,000
(Accumulated losses)/Reserves		(520,009)	10,080,670	18,988,868
		979,991	11,580,670	20,488,868
Ratios				
NTA		979,991	11,580,670	20,488,868
NTA per share		0.65	7.72	13.66
Current ratio (times)		0.8	0.9	0.9
After tax return on Shareholders' funds ⁽ⁱ⁾ (%)		(86.1)	91.5	43.5

Notes:

⁽ⁱ⁾ Profit after tax for the year
Shareholders' funds

10. ACCOUNTANTS' REPORT (Cont'd)**23. Sealink Shipyard Sdn. Bhd. (Cont'd)****23.1 Balance Sheets (Cont'd)****23.1.1 Restatement of Balance Sheets**

The restatement of balance sheets of Sealink Shipyard Sdn. Bhd. arose from the adoption of new accounting standards by the MASB for entities other than private entities as mentioned in Section 5 above and to ensure consistency of presentation throughout the financial years under review. The reconciliations of the audited financial statements to that presented in this report are set out below:

23.1.1.1 Property, Plant and Equipment

As at	31.12.2005 RM	31.12.2006 RM
Per audited financial statements	25,686,706	39,716,481
Reclassified to:		
- Prepaid Land Lease Payment	(10,801,545)	(10,863,727)
As restated	<u>14,885,161</u>	<u>28,852,754</u>

23.1.1.2 Prepaid Land Lease Payment

As at	31.12.2005 RM	31.12.2006 RM
Per audited financial statements	-	-
Reclassified from:		
- Property, plant and equipment	10,801,545	10,863,727
As restated	<u>10,801,545</u>	<u>10,863,727</u>

23.1.1.3 Inventories

As at	31.12.2005 RM
Per audited financial statements	41,821,525
Reclassified to:	
- Trade receivables	(358,269)
- Amount due from related companies	(610,000)
As restated	<u>40,853,256</u>

10. ACCOUNTANTS' REPORT (Cont'd)

23.	Sealink Shipyard Sdn. Bhd. (Cont'd)	
23.1	Balance Sheets (Cont'd)	
23.1.1	Restatement of Balance Sheets (Cont'd)	
23.1.1.4	Trade Receivables	
	As at	31.12.2005 RM
	Per audited financial statements	675,916
	Reclassified from:	
	- Inventories	358,269
	As restated	<u>1,034,185</u>
23.1.1.5	Amount Due From Related Companies	
	As at	31.12.2005 RM
	Per audited financial statements	9,921,192
	Reclassified from:	
	- Inventories	610,000
	As restated	<u>10,531,192</u>
23.1.1.6	Trade Payables	
	As at	31.12.2005 RM
	Per audited financial statements	8,308,872
	Reclassified from:	
	- Other payables	15,939,676
	As restated	<u>24,248,548</u>
23.1.1.7	Other Payables	
	As at	31.12.2005 RM
	Per audited financial statements	39,980,326
	Reclassified from:	
	- Trade payables	(15,939,676)
	As restated	<u>24,040,650</u>

10. ACCOUNTANTS' REPORT (Cont'd)**23. Sealink Shipyard Sdn. Bhd. (Cont'd)****23.2 Income Statements**

	<----- Financial years ended ----->		
	31.12.2005	31.12.2006	31.12.2007
	RM	RM	RM
Revenue	31,074,468	95,072,701	110,384,485
Cost of sales	(30,978,606)	(77,491,626)	(89,434,280)
Gross profit	95,862	17,581,075	20,950,205
Other operating income	984,566	1,581,940	2,687,561
Other operating expense	-	-	(3,450,053)
Administrative expenses	(1,579,572)	(4,892,686)	(5,205,067)
(Loss)/Profit before interest & tax	(499,144)	14,270,329	14,982,646
Interest expenses	(451,810)	(2,435,954)	(5,516,638)
(Loss)/Profit before tax	(950,954)	11,834,375	9,466,008
Taxation	107,103	(1,233,696)	(557,810)
(Loss)/Profit after taxation	(843,851)	10,600,679	8,908,198
Number of shares in issue	1,500,000	1,500,000	1,500,000
Earnings per share:			
Gross ⁽ⁱ⁾	(0.63)	7.89	6.31
Net ⁽ⁱⁱ⁾	(0.56)	7.07	5.94
Gross profit margin (%)	-	18	19
Net (loss)/profit margin (%)	(2.72)	11.15	8.07
EBIDTA	846,413	16,612,658	18,245,107
Effective tax rate (%)	11.3	10.4	5.9
Trade receivables turnover period (months)	0.40	1.21	0.26
Trade payables turnover period (months)	9.39	6.70	4.70
Inventories turnover period (months)	15.83	11.84	20.88

Notes:

⁽ⁱ⁾ Profit before tax divided by the number of shares in issue during the year

⁽ⁱⁱ⁾ Profit after tax divided by the number of shares in issue during the year

10. ACCOUNTANTS' REPORT (Cont'd)**23. Sealink Shipyard Sdn. Bhd. (Cont'd)****23.3 Statements of Changes in Equity**

	Share Capital RM	Retained Earnings/ (Accumulated Losses) RM	Total Equity RM
At 1 January 2005	1,500,000	323,842	1,823,842
Loss for the year	-	(843,851)	(843,851)
At 31 December 2005	1,500,000	(520,009)	979,991
Profit for the year	-	10,600,679	10,600,679
At 31 December 2006	1,500,000	10,080,670	11,580,670
Profit for the year	-	8,908,198	8,908,198
At 31 December 2007	1,500,000	18,988,868	20,488,868

23.4 Cash Flow Statements

	<----- Financial years ended ----->		
	31.12.2005 RM	31.12.2006 RM	31.12.2007 RM
Net cash from/ (used in) operating activities	2,246,396	(40,548,406)	(31,076,302)
Net cash used in investing activities	(7,643,995)	(11,992,634)	(10,942,203)
Net cash from financing activities	3,285,659	47,808,421	38,444,686
Net decrease in cash and cash equivalents	(2,111,940)	(4,732,619)	(3,573,819)
Cash and cash equivalents at beginning of year	1,447,770	(664,170)	(5,396,789)
Cash and cash equivalents at end of year	(664,170)	(5,396,789)	(8,970,608)

10. ACCOUNTANTS' REPORT (Cont'd)**24. Seabright Sdn. Bhd.****24.1 Balance Sheets**

	Note	<----- Financial years ended ----->		
		31.12.2005	31.12.2006	31.12.2007
		RM	RM	RM
NON-CURRENT ASSETS				
Property, plant and equipment		11,633,517	20,944,029	39,513,918
CURRENT ASSETS				
Inventories		107,985	104,573	99,505
Trade receivables		-	3,693,785	5,964,735
Other receivables		71,139	78,182	108,033
Amount due from related companies		57,623	193	-
Cash and bank balances		144,297	429,134	1,764,926
		<u>381,044</u>	<u>4,305,867</u>	<u>7,937,199</u>
CURRENT LIABILITIES				
Borrowings	24.1.1.1	804,732	1,927,798	2,244,689
Trade payables		372,950	397,198	744,540
Other payables		426,253	51,429	179,779
Taxation		-	-	-
Amount due to directors		37,803	-	-
Amount due to related companies		4,850,764	6,873,761	14,528,461
		<u>6,492,502</u>	<u>9,250,186</u>	<u>17,697,469</u>
NET CURRENT LIABILITIES		<u>(6,111,458)</u>	<u>(4,944,319)</u>	<u>(9,760,270)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,522,059</u>	<u>15,999,710</u>	<u>29,753,648</u>
NON-CURRENT LIABILITIES				
Borrowings	24.1.1.2	953,156	5,215,822	10,409,627
Deferred taxation		1,144,251	2,792,423	4,930,816
		<u>2,097,407</u>	<u>8,008,245</u>	<u>15,340,443</u>
		<u>3,424,652</u>	<u>7,991,465</u>	<u>14,413,205</u>
FINANCED BY:				
Share capital		500,000	500,000	500,000
Reserves		2,924,652	7,491,465	13,913,205
Shareholders' funds		<u>3,424,652</u>	<u>7,991,465</u>	<u>14,413,205</u>
Ratios				
NTA		3,424,652	7,991,465	14,413,205
NTA per share		6.85	15.98	28.83
Current ratio (times)		0.1	0.5	0.4
After tax return on Shareholders' funds ⁽¹⁾ (%)		27.2	57.1	44.6

Notes:

⁽¹⁾ $\frac{\text{Profit after tax for the year/period}}{\text{Shareholders' funds}}$

10. ACCOUNTANTS' REPORT (Cont'd)**24. Seabright Sdn. Bhd. (Cont'd)****24.1 Balance Sheets (Cont'd)****24.1.1 Restatement of Balance Sheets**

The reclassifications of balance sheets were made to ensure consistency of presentation throughout the financial years under review. The reconciliations of the audited financial statements to that presented in this report are set out below:

24.1.1.1 Term Borrowings

As at	31.12.2005 RM
Per audited financial statements	809,144
Reclassified to:	
- Long term borrowings	(4,412)
As restated	<u>804,732</u>

24.1.1.2 Long Term Borrowings

As at	31.12.2005 RM
Per audited financial statements	948,744
Reclassified from:	
- Short term borrowings	4,412
As restated	<u>953,156</u>

10. ACCOUNTANTS' REPORT (Cont'd)**24. Seabright Sdn. Bhd. (Cont'd)****24.2 Income Statements**

	Note	<----- Financial years ended ----->		
		31.12.2005 RM	31.12.2006 RM	31.12.2007 RM
Revenue	24.2.1.1	2,175,747	8,737,848	14,184,977
Cost of sales		(737,071)	(2,587,357)	(4,576,449)
Gross profit		<u>1,438,676</u>	<u>6,150,491</u>	<u>9,608,528</u>
Other operating income	24.2.1.2	26,213	407,544	83,742
Administrative expenses		(60,690)	(212,040)	(318,161)
Profit before interest & tax		<u>1,404,199</u>	<u>6,345,995</u>	<u>9,374,109</u>
Interest expenses		(108,922)	(131,011)	(813,976)
Profit before tax		<u>1,295,277</u>	<u>6,214,984</u>	<u>8,560,133</u>
Taxation		(363,014)	(1,648,171)	(2,138,393)
Profit after taxation		<u>932,263</u>	<u>4,566,813</u>	<u>6,421,740</u>
Number of shares in issue		500,000	500,000	500,000
Earnings per share:				
Gross ⁽ⁱ⁾		2.59	12.43	17.12
Net ⁽ⁱⁱ⁾		1.86	9.13	12.84
Gross profit margin (%)		66	70	68
Net profit margin (%)		42.85	52.26	45.27
EBIDTA		2,011,024	7,181,921	10,803,717
Effective tax rate (%)		28.0	26.5	25.0
Trade receivables turnover period (months)		-	5.07	5.05
Trade payables turnover period (months)		6.07	1.84	1.95
Inventories turnover period (months)		1.76	0.49	0.26

Notes:

- (i) Profit before tax divided by the number of shares in issue during the year
(ii) Profit after tax divided by the number of shares in issue during the year

10. ACCOUNTANTS' REPORT (Cont'd)**24. Seabright Sdn. Bhd. (Cont'd)****24.2 Income Statements (Cont'd)****24.2.1 Reclassification of income statements**

The reclassifications of income statements of Seabright Sdn. Bhd. were made to reflect more appropriately the nature of the items and to ensure consistency of presentation throughout the financial years under review. The reconciliations of the audited financial statements to that presented in this report are set out below:

24.2.1.1 Revenue

Year ended	31.12.2005 RM
Per audited financial statements	2,177,370
Reclassified to:	
- Other operating income	(1,623)
As restated	<u>2,175,747</u>

24.2.1.2 Other Operating Income

Year ended	31.12.2005 RM
Per audited financial statements	24,590
Reclassified from:	
- Revenue	1,623
As restated	<u>26,213</u>

10. ACCOUNTANTS' REPORT (Cont'd)**24. Seabright Sdn. Bhd. (Cont'd)****24.3 Statements of Changes in Equity**

	Share Capital RM	Retained earnings RM	Total Equity RM
At 1 January 2005	500,000	1,992,389	2,492,389
Profit for the year	-	932,263	932,263
At 31 December 2005	500,000	2,924,652	3,424,652
Profit for the year	-	4,566,813	4,566,813
At 31 December 2006	500,000	7,491,465	7,991,465
Profit for the year	-	6,421,740	6,421,740
At 31 December 2007	500,000	13,913,205	14,413,205

24.4 Cash Flow Statements

	<----- Financial years ended ----->		
	31.12.2005 RM	31.12.2006 RM	31.12.2007 RM
Net cash from operating activities	8,672,000	5,045,544	15,825,404
Net cash used in investing activities	(7,975,244)	(10,146,439)	(19,940,308)
Net cash (used in)/from financing activities	(774,061)	5,385,732	5,450,696
Net (decrease)/increase in cash and cash equivalents	(77,305)	284,837	1,335,792
Cash and cash equivalents at beginning of year	221,602	144,297	429,134
Cash and cash equivalents at end of year	144,297	429,134	1,764,926