



SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 31 MARCH 2009

	INDIVIDUAL		CUMULATIVE	
	CURRENT YEAR QUARTER 31 MAR 2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 MAR 2008 RM'000	CURRENT YEAR TO DATE 31 MAR 2009 RM'000	PRECEDING YEAR TO DATE 31 MAR 2008 RM'000
Revenue	51,300	N/A	51,300	N/A
Cost of sales	(34,134)	N/A	(34,134)	N/A
Gross profit	17,166	N/A	17,166	N/A
Other operating income	16,578	N/A	16,578	N/A
Administrative expenses	(3,998)	N/A	(3,998)	N/A
Finance costs	(3,311)	N/A	(3,311)	N/A
Profit before tax	26,435	N/A	26,435	N/A
Income tax expense	(5,210)	N/A	(5,210)	N/A
Profit for the period	21,225	N/A	21,225	N/A
Attributable to:				
Equity holders of the Company	21,225	N/A	21,225	N/A
Weighted average number of shares in issue ('000)	500,000	N/A	500,000	N/A
Earnings per share (sen)				
- Basic	4.25	N/A	4.25	N/A
- Diluted	4.25	N/A	4.25	N/A

The unaudited Condensed Consolidated Income Statements should be read in conjunction with the Directors' Report and Audited Financial Statements for the period ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009

	AS AT END OF CURRENT QUARTER 31 MAR 2009 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31 MAR 2008 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	294,027	N/A
Prepaid land lease payments	52,046	N/A
Other receivables	649	N/A
	<u>346,722</u>	<u>N/A</u>
CURRENT ASSETS		
Inventories	287,287	N/A
Trade receivables	27,345	N/A
Due from customer on contracts	10,849	N/A
Other receivables	112,636	N/A
Tax recoverable	302	N/A
Cash and bank balances	77,681	N/A
TOTAL CURRENT ASSETS	<u>516,100</u>	<u>N/A</u>
TOTAL ASSETS	<u>862,822</u>	<u>N/A</u>
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	250,000	N/A
Share Premium	79,087	N/A
Retained earnings	86,602	N/A
Other reserves	313	N/A
TOTAL EQUITY	<u>416,002</u>	<u>N/A</u>
NON-CURRENT LIABILITIES		
Long-term borrowings	56,835	N/A
Other payables	830	N/A
Deferred tax liabilities	45,401	N/A
TOTAL NON-CURRENT LIABILITIES	<u>103,066</u>	<u>N/A</u>
CURRENT LIABILITIES		
Short term borrowings	199,724	N/A
Trade payables	45,608	N/A
Provision for maintenance warranties	1,400	N/A
Due to customer on contracts	30,914	N/A
Other payables	58,965	N/A
Provision for taxation	7,143	N/A
TOTAL CURRENT LIABILITIES	<u>343,754</u>	<u>N/A</u>
TOTAL LIABILITIES	<u>446,820</u>	<u>N/A</u>
TOTAL EQUITY AND LIABILITIES	<u>862,822</u>	<u>N/A</u>
Net asset per share (sen)	83.20	N/A per share

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Directors' Report and Audited Financial Statements for the period ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 FOR THE QUARTER ENDED 31 MARCH 2009

	Attributable to equity holders of the Company					Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Distributable Retained Earnings RM'000	Total RM'000	
Balance as at 1 Jan 2009	250,000	79,087	624	65,377	395,088	395,088
Profit for the period				21,225	21,225	21,225
Foreign currency translation			(311)		(311)	(311)
Balance as at 31 March 2009	250,000	79,087	313	86,602	416,002	416,002

The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Directors' Report and Audited Financial Statements for the period ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 MARCH 2009

	CURRENT YEAR TO DATE 31 MAR 2009 RM'000	PRECEDING YEAR TO DATE 31 MAR 2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	26,435	N/A
Adjustments:-		
Non-cash items	(7,757)	N/A
Non-operating items (net of income)	3,193	N/A
Operating profit before changes in working capital	<u>21,871</u>	<u>N/A</u>
<u>Changes in working capital</u>		
Net change in current assets	(8,731)	N/A
Net change in current liabilities	<u>21,302</u>	<u>N/A</u>
Total changes in working capital	12,571	-
Net cash used in operations	34,442	N/A
Interest paid	(3,269)	N/A
Income tax paid	(675)	N/A
Net cash from / (used in) operating activities	<u>30,498</u>	<u>N/A</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,562)	N/A
Proceeds from disposal of property, plant and equipment	35,938	N/A
Interest received	76	N/A
Net cash from / (used in) investing activities	<u>22,452</u>	<u>N/A</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movements in trade financing	(3,920)	N/A
Proceeds from hire purchase	5,082	N/A
Repayments of term loans	(6,343)	N/A
Repayments of hire purchase payables	<u>(7,823)</u>	<u>N/A</u>
Net cash from / (used in) financing activities	<u>(13,004)</u>	<u>N/A</u>
Net increase/(decrease) in cash and cash equivalents	39,946	N/A
Cash and cash equivalents at beginning of financial year	13,346	N/A
Effect of foreign exchange rate changes	(12)	N/A
Cash and cash equivalents at the end of financial period	<u>53,280</u>	<u>N/A</u>
<u>Cash and cash equivalents at the end of the period comprised the following:</u>		
Cash and bank balances	77,681	N/A
Bank overdraft	<u>(24,401)</u>	<u>N/A</u>
	<u>53,280</u>	<u>N/A</u>

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Directors' Report and Audited Financial Statements for the period ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

(A) NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134) : INTERIM FINANCIAL REPORTING

A1. Basis of reporting preparation

The unaudited interim financial statements have been prepared in accordance with the Financial Reporting Standards 134 (FRS134) : "Interim Financial Reporting" and Appendix 9B part A of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report contains condensed consolidated financial statement and selected explanatory notes. The notes include an explanation of events and transactions that are significant to the understanding of the changes in financial position and performance of the Group ("SIB and its subsidiaries"). The interim financial report and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with Financial Reporting Standards ("FRS").

A2. Summary of significant accounting policies

Significant accounting policies adopted are consistent with those of the statutory financial statements for the financial period ended 31 December 2008. The following new FRSs and Interpretations were issued but not yet effective and have not been applied by the Company ("Sealink International Berhad"):

FRS and Interpretation		Effective for financial periods beginning on or after
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Company and its subsidiaries for the period ended 31 December 2008 were not qualified.

A4. Seasonal or cyclical factors

The Group's performance would be subject to the risk of increase in downtime and off-hires due to adverse weather conditions such as monsoon seasons.

Notwithstanding the above, the current Group's fleet of vessels are to be made available regardless of the weather condition. This in turn, will provide the Group with a firm stream of income.

(A) NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134) : INTERIM FINANCIAL REPORTING

A5. Items of unusual nature and amount

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

A6. Material changes in estimates

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

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

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

A8. Segmental information

Segmental analysis for the Group's revenue and results by business segments for the current financial period to date is as follows:

	Current Quarter 31 March 2009 RM'000	Current Period to date 31 March 2009 RM'000
Revenue		
Shipbuilding	36,808	36,808
Chartering	14,492	14,492
	<u>51,300</u>	<u>51,300</u>
Profit from operations		
Shipbuilding	11,048	11,048
Chartering	6,118	6,118
	<u>17,166</u>	<u>17,166</u>
Other operating income	16,578	16,578
Administration costs	(3,998)	(3,998)
Finance costs	(3,311)	(3,311)
Profit before tax	<u>26,435</u>	<u>26,435</u>

A9. Valuation of property, plant and equipment

The valuation of property, plant and equipment has been brought forward without amendment from the audited financial statements for the financial period ended 31 December 2008.

(A) NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134) : INTERIM FINANCIAL REPORTING

A10. Capital commitments

Capital commitments as at end of the current quarter and financial period to date are as follows:

	31 March 2009
	RM
<u>Approved and contracted for:</u>	
- Property, plant and equipment	<u>7,698,036</u>
<u>Approved but not contracted for:</u>	
- Property, plant and equipment	<u>104,000,000</u>

A11. Material events subsequent to the end of period reported

A barge, Sealink Pacific 330, belonging to our subsidiary, SSB ("Sealink Sdn Bhd") whilst on charter, to an overseas client, travelling from Singapore to the Port of Suez, was hijacked in the Gulf of Aden, off Somalia's northern coast. The said barge is fully insured and the overseas client is currently working on its release.

Other than the above, there were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the current quarter and financial period to date.

A12. Changes in composition of the group

There were no changes in the composition of the Group during the current quarter and financial period to date save for the acquisitions of Sealink Offshore (L) Ltd ("SOLL"), Sealink Marine (L) Ltd ("SMLL") and Sealink Resources (L) Ltd ("SRLL") as follows:

- 1 Sealink Offshore (L) Ltd ("SOLL") was incorporated in the Federal Territory of Labuan on 5 January 2009 under the Offshore Companies Act, 1990, as a wholly owned subsidiary of SIB ("Sealink International Berhad"). Its principal activity is an investment holding company. Its present authorised share capital is US\$10,000 comprising 10,000 ordinary shares of US\$1.00 each, of which 1 ordinary shares of US\$1.00 each have been issued and fully paid-up.
- 2 Sealink Marine (L) Ltd ("SMLL") was incorporated in the Federal Territory of Labuan on 6 January 2009 under the Offshore Companies Act, 1990, as a wholly owned subsidiary of SOLL, a subsidiary of the Company. Its principal activities are an investment holding, ship owning and trading. Its present authorised share capital is US\$10,000 comprising 10,000 ordinary shares of US\$1.00 each, of which 1 ordinary shares of US\$1.00 each have been issued and fully paid-up.
- 3 Sealink Resources (L) Ltd ("SRLL") was incorporated in the Federal Territory of Labuan on 6 January 2009 under the Offshore Companies Act, 1990, as a wholly owned subsidiary of SOLL, a subsidiary of the Company. Its principal activities are an investment holding, ship owning and trading. Its present authorised share capital is US\$10,000 comprising 10,000 ordinary shares of US\$1.00 each, of which 1 ordinary shares of US\$1.00 each have been issued and fully paid-up.

(A) NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134) : INTERIM FINANCIAL REPORTING

A13. Contingent Liabilities and Contingent Assets

Contingent liabilities of the Group are as follows:

	Current Quarter RM'000	Current Period to date RM'000
(i) Bank guarantee for contracts entered into with customers	6,204	6,204
(ii) Corporate guarantees to financial institutions in respect of banking facilities granted to subsidiaries	40,977	40,977
(iii) Corporate guarantee to a financial institution in respect of documentary credits issued on behalf of a subsidiary	5,603	5,603
	<u>52,784</u>	<u>52,784</u>

A14. Significant related party transactions

The Company entered into the following transactions with related parties during the financial period:

	Transaction value for 3 months ended 31 March 2009 RM'000	Current Year To-Date 31 March 2009 RM'000
(i) Transactions with companies in which certain directors of the Company have substantial interest :		
Ming Kiong Agencies (Singapore) Pte Ltd - Rental of office at Far East shopping centre, Singapore	43	43
Manmohan's (Labuan) Sdn Bhd - Rental of office at Lot 20, Labuan	3	3
Syarikat Guan Teck Enterprise (Sarawak) Sdn Bhd - Lease of office at Lot 1035, Piasau	25	25
Syarikat Lambir Timber Sdn Bhd - Chartering of vessels	53	53
Khoo & Co., Advocates and Solicitors - Provision of legal services	4	4
Rajah & Tann - Provision of legal services	12	12
	<u>140</u>	<u>140</u>

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

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

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

The Group recorded a turnover of RM51.3 million and achieved profit before tax of RM26.4 million for the current quarter ended 31 March 2009. Profit before tax included gain on sale of vessels.

In the opinion of the directors, the result for the current quarter and financial period to date have not been affected by any transactions or events of a material nature which has arisen between 31 December 2008 and the date of this report.

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

	Current Quarter ended 31 March 2009	Preceding Quarter ended 31 Dec 2008	Variance	%
	RM'000	RM'000	RM'000	
Revenue	51,300	42,272	9,028	21%
Profit before tax	26,435	10,374	16,061	155%

The increase in revenue was attributed to contract revenue recognised on completion and delivery of two offshore support vessels in the current quarter.

The increase in Profit before tax was mostly attributed to gain on sale of vessels from the fleet as mentioned in Note B1 above.

B3. Commentary on prospects

Despite the global economic downturn, the Board of SIB is still cautiously optimistic with respect to the offshore support industry. With the depletion in global reserves, the oil majors will continue with their capital expenditure programmes to maintain the production level and their reserves. This will sustain the demand for offshore support vessels.

During this period, the Group will continue to improve on its core competencies in ship building and ship chartering while at the same time maintain its investment in fleet expansion and renewal to consolidate and increase its market share in preparation for the economic turnaround.

B4. Variance between actual profit from forecast profit

The Group has not issued any profit forecast for the current financial period and therefore no comparison is available.

B5. Taxation

Current tax expense:

	Current Quarter	Current Period to date
	RM'000	RM'000
Malaysian income tax	5,224	5,224
Deferred income tax	(14)	(14)
Total tax expense	<u>5,210</u>	<u>5,210</u>

B6. Profit from sale of unquoted investments and/or properties

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

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

B7. Quoted securities

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

B8. Status of corporate proposal

Status of utilisation of proceeds

As at the end of the current quarter and financial period to date, the status of utilisation of proceeds as compared to the actual utilisation is as follows:

	Time frame for utilisation upon listing	Proposed utilisation as per prospectus RM'000	Actual utilisation RM'000	Surplus / (Deficit) RM'000	Remarks
(i)	Repayment of bank borrowings	within 6 months	50,000	26,751	23,249 available for use
(ii)	Part finance the construction of marine vessels and upgrade of shipyards	within 24 months	60,000	82,308	(22,308) See ### below
(iii)	Working capital	within 24 months	26,713	26,713	-
(iv)	Estimated listing expenses	Immediate	5,000	5,941	(941) See ### below
Total proceeds			141,713	141,713	-

The deficit was financed by the excess from (i).

B9. Group borrowings and debt securities

Total Group's borrowings as at 31 March 2009 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
1. Total Borrowings			
Short term borrowings	126,068	73,755	199,823
Long term borrowings	56,736	-	56,736
	<u>182,804</u>	<u>73,755</u>	<u>256,559</u>
	Secured USD'000	Unsecured USD'000	Total USD'000
2. Borrowings denominated in US Dollars			
Short term borrowings	2,456	-	2,456
Long term borrowings	4,670	-	4,670
	<u>7,126</u>	<u>-</u>	<u>7,126</u>

B10. Off balance sheet financial instruments

The Group does not have any financial instruments with off-balance sheet risk.

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

B11. Material litigation

As at the date of this Interim financial report, there are no material litigations against the Group. The following litigations were disclosed in the Prospectus :

- (a) SSB ("Sealink Sdn Bhd") purchased two tugs (which was named Sealink Maju 4 and Sealink Maju 5) (the "Vessels") from Zhejiang Tianlong Import & Export Co Ltd ("ZTIECL"). The Vessels were provisionally registered in the name of ESSB ("Era Surplus Sdn Bhd"). The Vessels were wrongly attached by an Order of Court issued by Shaoxing Intermediate Court on the application of a Shaoxing Tianlong Import & Export Co Ltd ("STIECL") on 25 Jan 2006 who alleged, inter alia, the Vessels belonged to ZTIECL. The case has moved to Ningbo Maritime Court. SSB also filed a claim against ZTIECL for loss of use of the Vessels due to the latter's wrongful attachment of the Vessels. The Ningbo Maritime Court held on 25 July 2006 that the Vessels were in fact owned by SSB by virtue of the sale of the Vessels by ZTIECL and that ZTIECL shall release the Vessels. Ningbo Maritime Court further awarded USD1,000 per day damage in favour of SSB for the period that the Vessels were wrongly attached. ZTIECL appealed to the Zhejiang Provincial High Court. The Zhejiang Provincial High Court held on 25 April 2007 that SSB is the owner of the Vessel and the Vessels shall be released to SSB. However, Zhejiang Provincial High Court did not award any damage to SSB for wrongful detention. Being unsatisfied with the decision of the Zhejiang Provincial High Court, SSB applied to the Supreme Court of the People's Republic of China for a review of the former's decision. Sometime in late 2008, ZTIECL also applied for review on the decision that the Vessels are owned by SSB.

SSB and ESSB also started a fresh claim in the Ningbo Maritime Court against STIECL for various damages due to the latter's wrongful attachment of the Vessels (the "2nd Action"). The 2nd Action is for RMB9 million at the time the claim was mounted and is subject to upward revision after SSB has completed its repairs on the Vessel. The Case was heard on 31 July 2008 and the claim (2nd Action) was dismissed by the Ningbo Maritime Court. SSB and ESSB have submitted another appeal.

Zhejiang Provincial High Court had a hearing on the '2nd Action' on 30 October 2008. SSB and ESSB were requested by the Court to provide further evidence. The case was heard on 17 April 2009. The decision of the supreme court of China is still pending.

- (b) Godrimaju Sdn Bhd (GSB) vs. Consolidated Pipe Carriers Pte Ltd (CPC)

GSB as the owners of "Sealink Pacific 101" ("the Vessel") entered into a Bareboat Charterparty dated 14 March 2005 with Consolidated Pipe Carriers Pte Ltd of Singapore ("CPC") as charterers in respect of the Vessel.

CPC has provided GSB with a Bank Guarantee for the sum of USD150,000 and paid the outstanding chartering fee due under the Bareboat Charterparty as the expiry of the Bareboat charterparty on 27 March 2008. CPC has not paid chartering fee for CPC's extended use of the Vessel after 27 March 2008, which GSB asserts has been agreed between parties at the rate of SGD2,400 per day or part thereof up to 11 May 2008. CPC has alleged that CPC is entitled to set off the chartering fee as CPC carried out various repairs to the Vessel which amount to USD355,151. GSB has been advised that such a set off is without legal basis, for reason given below: -

Under Clause 13 of the Bareboat Charterparty, CPC is obliged to, subject to the approval of the Owners or Owners underwriters, effect all insured repairs, undertake settlement of all miscellaneous expenses in connection with such repairs as well as all insured charges, expenses and liabilities, to the extent of coverage under the insurances taken out by GSB. Clause 13 further provides that CPC is to be secured reimbursement through the underwriters of the Vessel for such expenditures upon presentation of accounts. Accordingly, CPC claims that it will only pay the outstanding chartering fee once CPC has been reimbursed for the costs of the repairs by the underwriters of the Vessel.

However, that there is no provision in the Bareboat Charterparty which entitles CPC to deduct or set off from chartering the amount that it has incurred for repairs carried out to the Vessel.

The action in the High Court of Singapore was earlier stayed in favour of arbitration. GSB claimed on the Bank Guarantee on 15 September 2008 and recovered the charter fees outstanding. Both parties also agreed on the final settlement sum of SGD12,900 claimed by GSB for the incidental expenses. The final settlement sum was fully paid by CPC to GSB on 9 March 2009.

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

B12. Dividends

A first and final single tier dividend in respect of the financial period ended 31 December 2008, of 4 sen on 500,000,000 ordinary shares of RM0.50 each, amounting to a dividend payable of RM20,000,000 is subject to the approval of Shareholders at the forthcoming Annual General Meeting.

B13. Earnings per Share

	Current Quarter ended 31 March 2009 RM'000	Current Quarter ended 31 March 2008 RM'000
Net profit attributable to ordinary equity holders of the Company (RM'000)	21,225	N/A
Weighted average number of shares in issue ('000)	500,000	N/A
Basic earnings per share (sen)	4.25	N/A
Diluted earnings per share (sen)	4.25	N/A

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

The computation of diluted earnings per share is the same as basic earnings per share as there were no potential shares to be issued as at the end of the reporting period.