



SEALINK INTERNATIONAL BERHAD
 (Company No: 800981-X)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	INDIVIDUAL		CUMULATIVE	
	CURRENT YEAR QUARTER 30 SEPT 2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30 SEPT 2008 RM'000	CURRENT YEAR TO DATE 30 SEPT 2009 RM'000	PRECEDING YEAR TO DATE 30 SEPT 2008 RM'000
Revenue	61,643	83,311	166,689	197,564
Cost of sales	(44,927)	(49,557)	(113,922)	(120,394)
Gross profit	16,716	33,754	52,767	77,170
Other operating income	1,962	845	19,200	1,339
Other operating expenses	(92)	(131)	(220)	(131)
Administrative expenses	(4,639)	(8,177)	(13,006)	(13,906)
Finance costs	(2,532)	(3,477)	(8,500)	(9,797)
Profit before tax	11,415	22,814	50,241	54,675
Excess of fair value of assets & liabilities over their purchase consideration	-	-	-	8,718
Profit before tax	11,415	22,814	50,241	63,393
Income tax expense	(987)	(2,788)	(8,395)	(7,419)
Profit for the period	10,428	20,026	41,846	55,974
Attributable to:				
Equity holders of the Company	10,428	20,026	41,846	50,185
Minority interest	-	-	-	5,789
	10,428	20,026	41,846	55,974
Weighted average number of shares in issue ('000)	500,000	465,496	500,000	201,335
Earnings per share (sen)				
- Basic	2.09	4.30	8.37	24.93
- Diluted	2.09	4.30	8.37	24.93

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.

SEALINK INTERNATIONAL BERHAD
(Company No: 800981-X)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2009

	AS AT END OF CURRENT QUARTER 30 SEPT 2009 RM'000	AUDITED AS AT 31 DEC 2008 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	301,449	305,309
Prepaid land lease payments	51,341	52,275
Other receivables	725	741
	<u>353,515</u>	<u>358,325</u>
CURRENT ASSETS		
Inventories	278,003	276,779
Trade receivables	42,401	43,503
Due from customer on contracts	-	28,141
Other receivables	114,677	99,878
Tax recoverable	352	302
Cash and bank balances	63,649	39,790
TOTAL CURRENT ASSETS	<u>499,082</u>	<u>488,393</u>
TOTAL ASSETS	<u>852,597</u>	<u>846,718</u>
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	250,000	250,000
Share Premium	79,087	79,087
Retained earnings	87,224	65,377
Other reserves	1,479	624
TOTAL EQUITY	<u>417,790</u>	<u>395,088</u>
NON-CURRENT LIABILITIES		
Long term borrowings	75,916	62,855
Other payables	1,304	830
Deferred tax liabilities	48,060	45,415
TOTAL NON-CURRENT LIABILITIES	<u>125,280</u>	<u>109,100</u>
CURRENT LIABILITIES		
Short term borrowings	190,812	207,402
Trade payables	35,459	63,763
Provision for maintenance warranties	1,100	1,900
Due to customer on contracts	17,617	31,225
Other payables	59,503	36,250
Provision for taxation	5,036	1,990
TOTAL CURRENT LIABILITIES	<u>309,527</u>	<u>342,530</u>
TOTAL LIABILITIES	<u>434,807</u>	<u>451,630</u>
TOTAL EQUITY AND LIABILITIES	<u>852,597</u>	<u>846,718</u>
Net asset per share (sen)	83.56	79.02

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 30 SEPTEMBER 2009

	Attributable to equity holders of the Company					Minority Interest	Total Equity
	Share Capital	Share Premium	Other Reserves	Distributable Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At date of Incorporation	***				***		***
Effects arising from merger and acquisition of subsidiary companies	193,315			6,532	199,847	(5,789)	194,058
Public Issue	56,685	85,028			141,713	5,789	147,502
Expenses related to flotation exercise		(5,991)			(5,991)		(5,991)
Profit for the period				50,185	50,185		50,185
Foreign exchange differences recognised directly in equity		-	641		641		641
Balance as at 30 Sept 2008	250,000	79,037	641	56,717	386,395	-	386,395
Balance as at 1 January 2009	250,000	79,087	624	65,378	395,089	-	395,089
Profit for the period				41,846	41,846		41,846
Foreign currency translation			855		855		855
Dividends paid				(20,000)	(20,000)		(20,000)
Balance as at 30 Sept 2009	250,000	79,087	1,479	87,224	417,790	-	417,790

*** denotes RM1.50

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 30 SEPTEMBER 2009

	CURRENT YEAR TO DATE 30 SEPT 2009 RM'000	PRECEDING YEAR TO DATE 30 SEPT 2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	50,241	63,393
Adjustments:-		
Non-cash items	4,366	6,026
Non-operating items (net of income)	7,764	9,357
Operating profit before changes in working capital	<u>62,371</u>	<u>78,776</u>
<u>Changes in working capital</u>		
Net change in current assets	(21,924)	(195,408)
Net change in current liabilities	14,133	55,357
Total changes in working capital	<u>(7,791)</u>	<u>(140,051)</u>
Net cash used in operations	54,580	(61,275)
Interest paid	(7,949)	(9,796)
Income tax paid	(3,714)	(1,140)
Income tax refund	3	-
Net cash from / (used in) operating activities	<u>42,920</u>	<u>(72,211)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries	-	(16,607)
Increase in prepaid land lease payments	(4)	-
Purchase of property, plant and equipment	(32,293)	(38,473)
Proceeds from disposal of investment in subsidiary	-	712
Proceeds from disposal of property, plant and equipment	36,398	978
Interest received	185	439
Net cash from / (used in) investing activities	<u>4,286</u>	<u>(52,951)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in fixed deposits pledged	(1,809)	-
Net movements in trade financing	(5,630)	16,053
Proceeds from hire purchase	-	1,434
Proceeds from term loans	33,410	24,664
Net proceeds from issuance of shares	-	135,721
Repayments of term loans	(16,994)	(11,214)
Repayments of hire purchase payables	(5,625)	-
Dividends paid to shareholders	(20,000)	-
Net cash from / (used in) financing activities	<u>(16,648)</u>	<u>166,658</u>
Net increase/(decrease) in cash and cash equivalents	30,558	41,496
Cash and cash equivalents at beginning of financial year***	9,857	(9,858)
Effect of foreign exchange rate changes	67	-
Cash and cash equivalents at the end of financial period	<u>Note (a)</u> <u>40,482</u>	<u>31,638</u>

***** Remark:**

Cash and cash equivalents at beginning of financial year was restated from RM13.35 million to RM9.86 million due to reclassification of fixed deposits held on lien for bank guarantee facilities.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2009
(continued)

Note (a)

Cash and cash equivalents comprise the following amounts:

	CURRENT YEAR TO DATE 30 SEPT 2009 RM'000	PRECEDING YEAR TO DATE 30 SEPT 2008 RM'000
Current		
Deposits with licensed banks and cash balances		
- Unrestricted	58,351	41,534
- Restricted	5,298	-
	<hr/> 63,649	<hr/> 41,534
Less: Bank Overdraft	(17,869)	(9,896)
	<hr/> 45,780	<hr/> 31,638
Less: Fixed deposits pledged as security	(5,298)	-
	<hr/> 40,482	<hr/> 31,638
Cash and cash equivalents at the end of financial period	<hr/> 40,482	<hr/> 31,638

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.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

(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 Main Market 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 on 30 September 2009 and have not been applied by the Company ("Sealink International Berhad"):

FRS and Interpretations	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 101*	Presentation of Financial Statements	1 January 2010
FRS 123*	Borrowing Costs	1 January 2010
FRS 139*	Financial Instruments: Recognition and Measurement	1 January 2010
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2010
Amendment to FRS 2	Share-based Payment - Vesting Conditions and Cancellations	1 January 2010
Amendment to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendment to FRS 132	Financial Instruments: Presentation	1 January 2010
IC Interpretation 9*	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 - The Limit on a Defined Asset, Minimum Funding Requirements and their Interaction	1 January 2010

* This includes amendment to the FRS.

There are amendments to other FRSs contained in the document entitled "Improvements to FRSs (2009)" issued by MASB, which shall be effective for financial periods beginning on or after 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.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

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

A4. Seasonal or cyclical factors

The Group's performance is affected by the oil and gas industry. The demand for our vessels are closely associated with the cyclical fluctuations of the oil and gas industry.

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. Dividends Paid

First and final single tier dividend of 8% or 4 sen per share for the financial period ended 31 December 2008 was paid to shareholders on 31 July 2009.

RM'000

20,000

A9. 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 30 Sept 2009 RM'000	Current Period to date 30 Sept 2009 RM'000
Revenue		
Shipbuilding	45,375	120,254
Chartering	<u>16,268</u>	<u>46,435</u>
	<u>61,643</u>	<u>166,689</u>
Profit from operations		
Shipbuilding	9,867	31,416
Chartering	<u>6,849</u>	<u>21,351</u>
	16,716	52,767
Other operating income	1,962	19,200
Other operating expenses	(92)	(220)
Administrative expenses	(4,639)	(13,006)
Finance costs	(2,532)	(8,500)
Profit before tax	<u>11,415</u>	<u>50,241</u>

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

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

A10. 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.

A11. Capital commitments

Capital commitments are as follows:

	Current Period to date 30 Sept 2009 RM'000
<u>Approved and contracted for:</u>	
- Property, plant and equipment	8,099
<u>Approved but not contracted for:</u>	
- Property, plant and equipment	88,000

A12. Material events subsequent to the end of period reported

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.

A13. Changes in composition of the group

There were no changes in composition of the Group for the financial quarter under review .

A14. Contingent Liabilities and Contingent Assets

Contingent liabilities of the Group are as follows:

	Current Period to date 30 Sept 2009 RM'000
(i) Bank guarantees for contracts entered with customer and supplier	7
(ii) Corporate guarantees to financial institutions in respect of banking facilities granted to subsidiaries	155,427
(iii) Corporate guarantee to a financial institution in respect of documentary credits issued on behalf of a subsidiary	1,698
	<u>157,132</u>

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

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

A15. Significant related party transactions

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

	Transaction value for 3 months ended 30 Sept 2009 RM'000	Current Period to date 30 Sept 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	44	131
Manmohan's (Labuan) Sdn Bhd - Rental of office at Lot 20, Labuan	3	9
Syarikat Guan Teck Enterprise (Sarawak) Sdn Bhd - Lease of office at Lot 1035, Piasau	25	74
Syarikat Lambir Timber Sdn Bhd - Chartering of vessels	53	159
Khoo & Co., Advocates and Solicitors - Provision of legal services	42	81
Rajah & Tann - Provision of legal services	-	12
(ii) Transactions with director :		
Yong Foh Choi - Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	2	4
	<u>169</u>	<u>470</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. Variance of results against preceding year quarter.

For the current quarter ended 30 September 2009, the Group recorded consolidated revenue of RM61.6 million. This represents a decline of RM21.7 million or 26% as compared to RM83.3 million recorded in the corresponding quarter last year.

Net profit after tax recorded for the current quarter ended 30 September 2009 of RM10.4 million is RM9.6 million lower than that recorded in the corresponding quarter ended 30 September 2008. The revenue and net profit after tax for the current quarter is lower due to the timing of the sale of offshore support vessels.

B2. Variance of results against preceding quarter.

	Current Quarter ended 30 Sept 2009 RM'000	Preceding Quarter ended 30 June 2009 RM'000	Variance RM'000	%
Revenue	61,643	53,747	7,896	15%
Profit before tax	11,415	12,391	(976)	-8%

The increase in revenue was mainly attributed to sale and delivery of one Anchor Handling Tug in this current quarter.

B3. Current year prospects

Following the announcements of economic recovery by several major economies and the crude oil price rising from a low of USD31 in December 2008 to USD70 per barrel range in recent months, the Board of Directors maintain their cautious optimism for the offshore support industry but they are also aware that the path to full economic recovery may take longer than envisaged.

With the crude oil price at this price range, we believe that Petronas may announce the awards for several offshore support vessels ("OSV") contracts in the near future as Petronas has reaffirmed its commitment to their previously announced exploration and production expenditure. These awards would be very timely for the Group as the Group has several OSVs that will be delivered in the first half of 2010.

The Group will continuously improve its core competencies in ship building and ship chartering and is constantly exploring new opportunities in Malaysia and abroad in preparation for the economic turnaround. The Group's ship repair facilities will also be ready by next year and this is expected to contribute additional revenue to the Group.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

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

B4. Variance between actual profit from forecast profit

Not applicable as no profit forecast was published.

B5. Taxation

Current tax expense:	Current Quarter RM'000	Current Period to date RM'000
Malaysian income tax	(424)	5,749
Deferred income tax	1,411	2,646
Total tax expense	<u>987</u>	<u>8,395</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.

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

There were no corporate proposals announced but not completed as at the reporting date.

B9. Group borrowings and debt securities

Total Group's borrowings as at 30 Sept 2009 were as follows:

1. Total Borrowings	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	125,086	65,726	190,812
Long term borrowings	75,916	-	75,916
	<u>201,002</u>	<u>65,726</u>	<u>266,728</u>
2. Borrowings denominated in US Dollars	Secured USD'000	Unsecured USD'000	Total USD'000
Short term borrowings	2,228	-	2,228
Long term borrowings	5,613	-	5,613
	<u>7,841</u>	<u>-</u>	<u>7,841</u>

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

B10. Off balance sheet financial instruments

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

B11. Material litigation

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

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 2nd Action was dismissed by the Zhejiang Provincial High Court on 6 January 2009. Being unsatisfied with the decision of the Zhejiang Provincial High Court, SSB and ESSB applied to the Supreme Court of the People's Republic of China for a retrial of the former's decision. The application for retrial on "2nd Action" was accepted by the Supreme Court of China on 15 July 2009.

Under the mediation of the court, this dispute was amicably settled and payment of a settlement sum is due to SSB and ESSB.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

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

B12. Dividend payable

No interim dividend has been declared for the current quarter ended 30 September 2009.

B13. Earnings per Share

	Current Quarter ended 30 Sept 2009 RM'000	Preceding Year Corresponding Quarter ended 30 Sept 2008 RM'000
Net profit attributable to ordinary equity holders of the Company (RM'000)	10,428	20,026
Weighted average number of shares in issue ('000)	500,000	465,496
Basic earnings per share (sen)	2.09	4.30
Diluted earnings per share (sen)	2.09	4.30

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.