



SEALINK INTERNATIONAL BERHAD (800981-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2010

	Quarter and Year-to-date Ended	
	31 Mar 2010 RM'000 (Unaudited)	31 Mar 2009 RM'000 (Unaudited) Restated
Revenue	79,178	51,300
Cost of sales	<u>(62,866)</u>	<u>(34,134)</u>
Gross profit	16,312	17,166
Other operating income	1,974	16,578
Other operating expenses	(195)	-
Administrative expenses	(2,475)	(3,998)
Finance costs	<u>(1,156)</u>	<u>(3,311)</u>
Profit before tax	14,460	26,435
Income tax expense	(1,446)	(5,210)
Profit for the period	<u>13,014</u>	<u>21,225</u>
Profit attributable to:		
Owners of the Parent	<u>13,014</u>	<u>21,225</u>
	<u>13,014</u>	<u>21,225</u>
Earnings per share (sen)		
- Basic EPS	2.60	4.25
- Diluted EPS	2.60	4.25

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2010

(CONTINUED)

	Quarter and Year-to-date Ended	
	31 Mar 2010 RM'000 (Unaudited)	31 Mar 2009 RM'000 (Unaudited) Restated
Profit for the period	13,014	21,225
Other Comprehensive Income :		
Exchange differences on translating:		
(a) Foreign operations	(2,330)	(311)
(b) Other subsidiary with functional currency other than Ringgit Malaysia	(3,523)	-
Total Comprehensive Income for the period	7,161	20,914
Total comprehensive income attributable to:		
Owners of the Parent	7,161	20,914

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2010

	As at 31 Mar 2010	As at 31 Dec 2009
	RM'000	RM'000
	(Unaudited)	(Audited)
		Restated
ASSETS		
Non-Current Assets		
Property, plant and equipment	397,826	398,125
Prepaid land lease payments	48,292	48,594
Other receivables	500	509
	<u>446,618</u>	<u>447,228</u>
Current Assets		
Inventories	246,099	290,323
Trade receivables	50,681	23,100
Due from customer on contracts	21,994	-
Other receivables	34,869	36,582
Derivatives	183	-
Tax recoverable	1,430	1,763
Fixed deposits pledged to licensed banks	16,907	13,447
Cash and cash equivalents	73,545	36,189
	<u>445,708</u>	<u>401,404</u>
Total Assets	<u>892,326</u>	<u>848,632</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share Capital	250,000	250,000
Share Premium	79,087	79,087
Retained earnings	110,212	97,198
Other components of equity	(4,702)	1,151
Total Equity	<u>434,597</u>	<u>427,436</u>
Non-Current Liabilities		
Long-term borrowings	102,295	69,354
Other payables	415	415
Deferred tax liabilities	50,303	49,717
	<u>153,013</u>	<u>119,486</u>
Current Liabilities		
Short-term borrowings	218,372	210,422
Trade payables	32,029	34,847
Provision for maintenance warranties	5,641	5,711
Due to customer on contracts	7,492	9,767
Other payables	39,891	40,291
Provision for taxation	1,291	672
	<u>304,716</u>	<u>301,710</u>
Total Liabilities	<u>457,729</u>	<u>421,196</u>
Total Equity and Liabilities	<u>892,326</u>	<u>848,632</u>
Net asset per share (sen)	<u>86.92</u>	<u>85.49</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2010

	Attributable to Owners of the Parent					Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Foreign currency translation reserve RM'000	Total RM'000	
						Restated
Balance as at 1 January 2009	250,000	79,087	65,377	624	395,088	395,088
Total comprehensive income for the period	-	-	21,225	(311)	20,914	20,914
Balance as at 31 March 2009	250,000	79,087	86,602	313	416,002	416,002

	Attributable to Owners of the Parent					Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Foreign currency translation reserve RM'000	Total RM'000	
Balance as at 1 January 2010	250,000	79,087	97,198	1,151	427,436	427,436
Total comprehensive income for the period	-	-	13,014	(5,853)	7,161	7,161
Balance as at 31 March 2010	250,000	79,087	110,212	(4,702)	434,597	434,597

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2010**

	Year-to-date Ended	
	31 Mar 2010	31 Mar 2009
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows From Operating Activities		
Profit before tax	14,460	26,435
Adjustments for:		
Non-cash items	2,518	(7,757)
Non-operating items	1,141	3,193
Operating profit before working capital changes	18,119	21,871
Net change in current assets	(4,174)	(8,731)
Net change in current liabilities	(5,491)	21,302
Cash Flows From / (Used in) operations	8,454	34,442
Interest paid	(1,156)	(3,269)
Income tax paid	1,034	(675)
Net Cash From Operating Activities	8,332	30,498
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(17,552)	(13,562)
Proceeds from disposal of property, plant and equipment	8,486	35,938
Interest received	15	76
Net Cash (Used in) / From Investing Activities	(9,051)	22,452
Cash Flows From Financing Activities		
Net movement in fixed deposits pledged	(11,260)	(1,817)
Net movements in trade financing	(9)	(3,920)
Proceeds from hire purchase	-	5,082
Proceeds from term loans	48,000	-
Repayments of term loans	(10,597)	(6,343)
Repayments of hire purchase payables	(766)	(7,823)
Net Cash From / (Used in) Financing Activities	25,368	(14,821)
<i>Effect of changes in foreign exchange rates</i>	(366)	(12)
Net Increase in Cash and Cash Equivalents	24,283	38,117
Cash and Cash Equivalents at the beginning of financial year	27,206	9,858
Cash and Cash Equivalents at the end of financial period	51,489	47,975

Cash and cash equivalents at the end of the period comprised the following:

Cash and bank balances	73,545	72,376
Bank overdraft	(22,056)	(24,401)
	51,489	47,975

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

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

A1. Accounting policies and methods of computation

The interim financial report has been prepared in accordance with FRS 134, Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. The figures for the cumulative period in the current quarter have not been audited.

The interim financial statements should be read in conjunction with the audited financial statements of the Group ("SIB and its subsidiaries") for the year ended 31 December 2009. The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2009 except for the following.

In the current quarter ended 31 March 2010, the Group adopted the following new and revised FRSs and Interpretations:

Effective for financial periods beginning on or after 1 July 2009

FRS 8 : Operating Segments

Effective for financial periods beginning on or after 1 January 2010

FRS 4 : Insurance Contracts

FRS 7 : Financial Instruments: Disclosures

FRS 101 : Presentation of Financial Statements (revised)

FRS 123 : Borrowing Costs

FRS 139 : Financial Instruments: Recognition and Measurement

Amendments for FRS 1 : First-time Adoption of Financial Reporting Standards

and FRS 127 : Consolidated and Separate Financial Statements: Cost of an Investment in a
Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2 : Share-based Payment - Vesting Conditions and Cancellations

Amendments to FRS 117 : Leases

Amendments to FRS 132 : Financial Instruments: Presentation

Amendments to FRS 139 : Financial Instruments: Recognition and Measurement, FRS 7 : Financial Instruments:
Disclosures and IC Interpretation 9 : Reassessment of Embedded Derivatives

Amendments to FRSs 'Improvements to FRSs (2009)'

IC Interpretation 9 : Reassessment of Embedded Derivatives

IC Interpretation 10 : Interim Financial Reporting and Impairment

IC Interpretation 11 : FRS 2 - Group and Treasury Share Transactions

IC Interpretation 13 : Customer Loyalty Programmes

IC Interpretation 14 : FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements
and their Interaction

TR i - 3 : Presentation of Financial Statements of Islamic Financial Institutions

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

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

The principal effects of the changes in presentation, changes in methods of computation and in accounting policies resulting from the adoption of the new and revised FRSs, IC Interpretations and Amendments are set out below:

FRS 101 (revised), Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

The effects of the change in presentation are as follows:

The gains and losses that were recognised directly in equity in the preceding year corresponding period are presented as components in other comprehensive income in the statement of comprehensive income. The total comprehensive income for preceding year corresponding period is presented separately and allocation is made to show the amount attributable to owners of the parent and to non-controlling interests. The effects on the comparatives to the Group on adoption of FRS 101 are as follows:

For the period ended 31 March 2009	Income Statement as previously reported RM'000	Effects of adopting FRS 101 RM'000	Statement of comprehensive income As restated RM'000
Profit for the period	21,225	-	21,225
Other comprehensive income	-	(311)	(311)
Total comprehensive income			<u>20,914</u>
Total comprehensive income attributable to:			
Owners of the Parent			<u>20,914</u>
			<u>20,914</u>

The total comprehensive income for the period is presented as a one-line item in the statement of changes in equity.

Amendment to FRS 117: Leases

Prior to 1 January 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group as operating lease and where necessary, the minimum lease payments or the up-front payments made were allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and building element of the lease at the inception of the lease. The up-front payment represented prepaid lease payments and were amortised on a straight-line basis over the lease term.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

**(A) NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134) :
INTERIM FINANCIAL REPORTING****AMENDMENT TO FRS 117: LEASES (CONTINUED)**

The amendments to FRS 117 Leases clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in certain unexpired land leases to be reclassified as finance leases. The Group has applied this change (lease with unexpired period more than 50 years) in accounting policy retrospectively and certain comparatives have been restated. The following are effects to the consolidated statement of financial position as at 31 March 2010 arising from the above change in accounting policy:

Balance Sheet	As previously stated	Effect on adoption of FRS 117	As restated
As at 31 December 2009	RM'000	RM'000	RM'000
Property, plant and equipment	395,691	2,434	398,125
Prepaid land lease payments	51,028	(2,434)	48,594

FRS 139, Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments.

Financial assets

Financial assets are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets have expired or have been transferred. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the statement of profit and loss.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

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

FRS 139, FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT (CONTINUED)

The Group classifies its investments in financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date, with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

As at the balance sheet date, the Group did not have any financial assets in the category financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets. The details of the changes in accounting policies and the effect arising from the adoption of FRS 139 are discussed below:

Impairment of trade receivable

Prior to 1 January 2010, provision for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate.

FRS 8, Operating Segments

Prior to the adoption of FRS 8, the Group's segment reporting was based on a primary reporting format of business segments. Segmental reporting by geographical segments has not been prepared as the Group's operations are carried out predominantly in Malaysia. With the adoption of FRS 8, the Group's segment reporting has been changed to operating segments based on the segment information provided to the Chief Executive Officer and Board of Directors. Other segment as disclosed under Note A7 consist of investment holding and letting of properties, neither has ever met any of the quantitative thresholds for determining reportable segments.

FRS 123 (revised), Borrowing Cost

Prior to the adoption of the revised FRS 123, the Group expensed all borrowing costs as and when they were incurred. With the adoption of the revised FRS 123, this policy has been changed to capitalising borrowing costs that are directly attributable to the acquisition or construction of qualifying assets that take a substantial period of time to get them ready for their intended sale or use.

All other borrowing costs are recognised as an expense as and when they are incurred. The new policy is applied prospectively to borrowing costs for which the commencement date of capitalisation is on or after 1 January 2010.

The amount of borrowing cost capitalised on that asset is the actual borrowing costs incurred during the period less any investment income on the temporary investment of those borrowings.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

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

The following new FRSs and Interpretations were issued but not yet effective on 31 March 2010 and have not been applied by the Group:

Effective for financial periods beginning on or after 1 March 2010

Amendments to FRS 132 : Classification of Rights Issues

Effective for financial periods beginning on or after 1 July 2010

FRS 1 : First-time Adoption of Financial Reporting Standards

FRS 3 : Business Combinations (revised)

FRS 127 : Consolidated and Separate Financial Statements (amended)

Amendments FRS 2 : Share-based Payment

Amendments to FRS 5 : Non-current Assets Held For Sale and Discontinued Operations

Amendments to FRS 138 : Intangible Assets

Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 12 : Service Concession Arrangements

IC Interpretation 15 : Agreements for the Construction of Real Estate

IC Interpretation 16 : Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17 : Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011

Amendments to FRS 1 : Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 7 : Improving Disclosures about Financial Instruments

The new FRSs and Interpretations, and amendments to certain Standards and Interpretations above are expected to have no significant impact on the financial statements of the Group upon their initial application.

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

A2. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements of the Company ("Sealink International Berhad") and its subsidiaries for the year ended 31 December 2009 were not qualified.

A3. 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.

A4. 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 year under review.

A5. Material changes in estimates

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

A6. 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 year.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

**(A) NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134) :
INTERIM FINANCIAL REPORTING**
A7. Segmental information

The results and other information of the Group as at 31 March 2010 are as follows:

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External sales	63,919	15,259	-	-	79,178
Inter-segment sales	19,000	75	18	(19,093)	-
Total revenue	<u>82,919</u>	<u>15,334</u>	<u>18</u>	<u>(19,093)</u>	<u>79,178</u>
Segment results					
Profit from operations	8,673	7,526	(583)	-	15,616
Finance costs					<u>(1,156)</u>
Profit before income tax					14,460
Income tax					<u>(1,446)</u>
Profit after tax					<u><u>13,014</u></u>
Assets and liabilities					
Segment assets	447,706	428,376	260,320	(244,076)	892,326
Segment liabilities	353,209	213,256	115,498	(224,234)	457,729
Net assets	<u>94,497</u>	<u>215,120</u>	<u>144,822</u>	<u>(19,842)</u>	<u>434,597</u>
Other segmental information					
Depreciation	1,407	4,210	11	-	5,628
Amortisation of prepaid land lease payments	171	118	13	-	302

A8. Capital commitments

Capital commitments are as follows:

RM'000	Approved and contracted for	Approved but not contracted for
Property, plant and equipment	<u>33,856</u>	<u>41,500</u>

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

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

A9. 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 year to date.

A10. Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year to date save for the acquisitions of Sealink Dockyard Sdn Bhd ("SDSB") and Seabright (Singapore) Private Limited ("SSPL") as follows:

(1) Sealink Dockyard Sdn Bhd ("SDSB")

SDSB was incorporated in Malaysia on 19 January 2010 under the Companies Act, 1965. Its principal activity is ship repair. Its present authorised share capital is RM100,000 comprising 2 ordinary shares of RM1.00 each, of which 2 ordinary shares of RM1.00 each have been issued and fully paid-up.

(2) Seabright (Singapore) Private Limited ("SSPL")

SSPL was incorporated in Singapore on 19 January 2010 under the Singapore Companies Act, Cap. 50. Its principal activity is ship owning, ship operating and chartering. Its present authorised share capital is SGD10,000.00 comprising 10,000 ordinary shares of SGD1.00 each, of which 10,000 ordinary shares of SGD1.00 each have been issued and fully paid-up.

A11. Changes in contingent liabilities

The following is the additional contingent liabilities since the last report:

	Year-to-date 31 Mar 2010 RM'000
Corporate guarantees given by the Company to financial institutions for banking facilities granted to subsidiaries	<u>9,197</u>

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

**(A) NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134) :
INTERIM FINANCIAL REPORTING****A12. Related party transactions**

Transactions between the Group and related parties are as follows:

	Transaction value for 3 months ended 31 Mar 2010 RM'000	Current Year-to-date 31 Mar 2010 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	32	32
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	26	26
Syarikat Lambir Timber Sdn Bhd		
- Chartering of vessels	53	53
Khoo & Co., Advocates and Solicitors		
- Provision of legal services	8	8
(ii) Transactions with Director :		
Yong Foh Choi		
- Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	2	2
	124	124

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.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS**B1. Review of performance of the Company and its principal subsidiaries**Current quarter compared with previous corresponding quarter

Revenue for the current quarter achieved at RM79.2 million increased by RM27.9 million or 54% compared to the corresponding quarter last year. Despite the increase in revenue, gross profit declined by RM854,000 or 5% due to softer prices on sale of vessels.

The Group achieved profit before taxation of RM14.5 million for the current quarter, drop by RM12 million or 45% compared to the corresponding quarter last year. This was due to last year corresponding quarter included the gain on disposal of an offshore support vessel from the fleet.

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

	Current Quarter ended 31 Mar 2010 RM'000	Preceding Quarter ended 31 Dec 2009 RM'000	Variance RM'000	%
Revenue	79,178	26,088	53,090	204%
Profit before tax	<u>14,460</u>	<u>8,487</u>	5,973	70%

The Group recorded higher revenue of RM79.2 million representing an increase of RM53.1 million or 204% over the preceding quarter mainly due to sale of two Offshore Support Vessels. One of the vessel was completed and delivered on 31 March 2010 and another vessel is expected to be completed by end of 2010.

The profit before taxation ("PBT") of the Group for the current quarter of RM14.5 million was higher than the preceding quarter by RM5.97 million or 70% due to higher revenue from ship building and the unrealised foreign exchange gain of RM 1.7 Million.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS**B3. Commentary on prospects**

The global uncertainty seems to have waned and the oil and gas industry has improved from the lows experienced last year. We expect more awards by PETRONAS and several other regional oil majors for the supply of marine offshore support vessels ("OSV") in view of the improvements in the oil and gas industry. These awards are very timely for the Group as the Group has several OSVs that would be delivered in 2010. Nevertheless, SIB is cautiously optimistic on the global economy's path to full recovery.

The Group will continuously improve its core competencies in ship building and ship chartering in Malaysia and abroad in preparation for the economic turnaround. The Group has completed its first ship repair facility and this activity would be able to contribute positively to the results of the Group going forward.

B4. Variance between actual profit from forecast profit

Not applicable as no profit forecast was published.

B5. Taxation

	Current Quarter 31 Mar 2010 RM'000	Current Year-to-date 31 Mar 2010 RM'000
Malaysian income tax	859	859
Deferred income tax	587	587
Total tax expenses	<u>1,446</u>	<u>1,446</u>

The effective tax rate for the current financial year is 10% , lower than the statutory tax rate of 25% mainly due to Pioneer Status and Reinvestment Allowance claimed by the shipyards.

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 year to date.

B7. Quoted securities

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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS**B8. Status of corporate proposal**

There were no corporate proposals for the current quarter and financial year to date.

B9. Group borrowings and debt securities

Total Group's borrowings as at 31 March 2010 were as follows:

1. <u>Total Borrowings</u>	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings	148,389	69,983	218,372
Long-term borrowings	102,295	-	102,295
	<u>250,684</u>	<u>69,983</u>	<u>320,667</u>
2. <u>Borrowings denominated in US Dollars</u>	Secured USD'000	Unsecured USD'000	Total USD'000
Short-term borrowings	1,992	-	1,992
Long-term borrowings	4,678	-	4,678
	<u>6,670</u>	<u>-</u>	<u>6,670</u>

B10. Financial instruments**Derivatives**

a) The Group's derivatives as at 31 March 2010 are as follows:

<u>Type of Derivatives</u>	Contract Value RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000
Forward Exchange Contract			
Sale Contract (US Dollar)			
- Less than one year	<u>9,978</u>	<u>183</u>	<u>-</u>

b) The Group does not anticipate any market or credit risks arising from these derivatives.

c) There have been no changes since the end of the previous financial year in respect of the following:

- (1) the types of derivative contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- (2) the risk management policies in place for mitigating and controlling the risks associated with these derivatives contracts; and
- (3) the related accounting policies.

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(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS**B11. Material litigation**

The Group is not engaged in any material litigation, whether as plaintiff or defendant, which may have a material impact on the financial position or performance of the Group. The Board of Directors does 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 the financial or business position of the Group.

B12. Dividends

A final single tier tax exempt dividend in respect of the financial year ended 31 December 2009, 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

	Quarter and Year-to-date ended	
	31 Mar 2010 RM'000	31 Mar 2009 RM'000
Profit attributable to Owners of the Parent (RM'000)	13,014	21,225
Weighted average number of shares in issue ('000)	500,000	500,000
Basic earnings per share (sen)	2.60	4.25
Diluted earnings per share (sen)	2.60	4.25

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 new shares issued during the reporting period.