



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

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2012

	Quarter and Year-to-date Ended	
	31 Mar 2012 RM'000 (Unaudited)	31 Mar 2011 RM'000 (Unaudited)
Revenue	22,146	51,201
Cost of sales	<u>(11,292)</u>	<u>(31,801)</u>
Gross profit	10,854	19,400
Other operating income	4,016	953
Other operating expenses	-	(1)
Administrative expenses	(5,580)	(6,911)
Finance expenses	(3,486)	(2,739)
Share of result of associate	<u>339</u>	<u>-</u>
Profit before tax	6,143	10,702
Income tax expense	(1,359)	(1,351)
Profit for the period	<u>4,784</u>	<u>9,351</u>
Profit attributable to:		
Owners of the Parent	<u>4,784</u>	<u>9,351</u>
	<u>4,784</u>	<u>9,351</u>
Earnings per share (sen)		
- Basic EPS	0.96	1.87
- Diluted EPS	0.96	1.87

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 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 2012

(CONTINUED)

	Quarter and Year-to-date Ended	
	31 Mar 2012 RM'000 (Unaudited)	31 Mar 2011 RM'000 (Unaudited)
Profit for the period	4,784	9,351
Other Comprehensive Income :		
Exchange differences on translation of foreign operations	(22)	330
Total Comprehensive Income for the period	4,762	9,681
Total comprehensive income attributable to:		
Owners of the Parent	4,762	9,681

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 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 2012

	As at 31 Mar 2012 RM'000 (Unaudited)	As at 31 Dec 2011 RM'000 (Unaudited) (restated)	As at 1 Jan 2011 RM'000 (Unaudited) (restated)
ASSETS			
Non-Current Assets			
Property, plant and equipment	447,083	452,896	488,727
Prepaid lease payments	11,631	11,763	12,293
Investment in an associate	2,046	2,184	-
Other receivables	45,067	47,506	4,287
	505,827	514,349	505,307
Current Assets			
Inventories	218,817	202,374	205,019
Trade and other receivables	76,525	89,801	97,472
Tax recoverable	1,594	1,324	675
Cash and cash equivalents	107,225	81,703	78,150
	404,161	375,202	381,316
Non-current asset classified as held for sale	47,888	36,913	-
	452,049	412,115	381,316
Total Assets	957,876	926,464	886,623
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent			
Share Capital	250,000	250,000	250,000
Share Premium	79,087	79,087	79,087
Retained earnings	119,575	114,791	110,572
Other components of equity	1,152	1,174	43
Total Equity	449,814	445,052	439,702
Non-Current Liabilities			
Long-term borrowings	221,174	196,929	119,186
Deferred tax liabilities	55,878	55,276	52,613
	277,052	252,205	171,799
Current Liabilities			
Provision	2,000	2,000	-
Short-term borrowings	163,632	152,872	203,140
Trade and other payables	64,241	73,796	71,592
Provision for taxation	1,137	539	390
	231,010	229,207	275,122
Total Liabilities	508,062	481,412	446,921
Total Equity and Liabilities	957,876	926,464	886,623
Net asset per share (sen)	89.96	89.01	87.94

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2012

	Attributable to Owners of the Parent					Total Equity (Unaudited) 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 2011	250,000	79,087	110,571	43	439,701	439,701
Total comprehensive income for the period	-	-	9,351	330	9,681	9,681
Balance as at 31 March 2011	250,000	79,087	119,922	373	449,382	449,382

	Attributable to Owners of the Parent					Total Equity (Unaudited) 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 2012	250,000	79,087	114,791	1,174	445,052	445,052
Total comprehensive income for the period	-	-	4,784	(22)	4,762	4,762
Balance as at 31 March 2012	250,000	79,087	119,575	1,152	449,814	449,814

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 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 AND YEAR-TO-DATE ENDED 31 MARCH 2012**

	Year-to-date Ended	
	31 Mar 2012 RM'000 (Unaudited)	31 Mar 2011 RM'000 (Unaudited)
Cash Flows From Operating Activities		
Profit before tax	6,143	10,702
Adjustments for:		
Interest income	(996)	(164)
Interest expenses	3,486	2,739
Amortisation of land use rights	318	315
Depreciation of property, plant and equipment	7,580	7,328
Gain on disposal of property, plant and equipment	-	(4)
Property, plant and equipment written off	-	1
Reversal of impairment loss on trade receivables	(2,673)	-
Share of profit of associate	(339)	-
Unrealised (gain)/loss on foreign exchange	(1,413)	3,491
Total adjustment	<u>5,963</u>	<u>13,706</u>
Operating profit before working capital changes	12,106	24,408
Changes in working capital		
(Increase)/Decrease in inventories	(14,678)	18,965
Decrease/(increase) in trade and other receivables	31,974	(21,005)
(Decrease)/increase in trade and other payables	(23,356)	4,351
Increase in amount due to ultimate holding company	9	-
Total changes in working capital	<u>(6,051)</u>	<u>2,311</u>
Cash Flows from operations	6,055	26,719
Interest paid	(5,095)	(2,649)
Income tax paid	(955)	(444)
Net Cash From Operating Activities	<u>5</u>	<u>23,626</u>
Cash Flows From Investing Activities		
Investment in associate	-	(3,500)
Increase in non current asset held for sale	(10,449)	-
Purchase of property, plant and equipment	(1,969)	(28,332)
Proceeds from disposal of property, plant and equipment	-	17
Interest received	1,259	164
Net Cash Used In Investing Activities	<u>(11,159)</u>	<u>(31,651)</u>

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2012

	Year-to-date Ended	
	31 Mar 2012	31 Mar 2011
	RM'000	RM'000
Cash Flows From Financing Activities		
Net movement in fixed deposits pledged	14,125	396
Net movements in trade financing	(7,054)	152
Proceeds from term loans	45,000	24,998
Repayments of term loans	(12,331)	(7,814)
Repayments of hire purchase payables	(15)	(360)
Net Cash From Financing Activities	39,725	17,372
Effect of changes in foreign exchange rates	(14)	417
Net Increase in Cash and Cash Equivalents	28,557	9,764
Cash and Cash Equivalents at the beginning of financial year	38,419	44,566
Cash and Cash Equivalents at the end of financial period	66,976	54,330

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

Cash and bank balances	107,225	93,466
Bank overdraft	(22,468)	(9,386)
	84,757	84,080
Less: Fixed deposits pledged	(17,781)	(29,750)
	66,976	54,330

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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

A1. First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

These condensed consolidated interim financial statements, for the period ended 31 March 2012, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 134 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied.

The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation on how the transition from FRS to MFRS has affected the Group's financial position, financial performance and cash flows is set out in Note A2 below. The transition from FRS to MFRS has not had a material impact on the statement of comprehensive income and statement of cash flows.

A2. Significant accounting policies and application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except the following:-

(a) Business combination

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

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

A2. Significant accounting policies and application of MFRS 1 (continued)

(a) Business combination (continued)

Acquisition before date of transition

The Group elect to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- (i) The classification of former business combination under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition)

(b) Property, plant and equipment

Upon the transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, plant and equipment. At the date of transition to MFRS, the Group elected to regard the revalued amounts of vessels and lands as at 6 June 2008 as deemed cost at the date of the revaluation as these amounts broadly comparable to fair value at that date.

(c) Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations in a separate component of equity. Cumulative foreign currency translation differences for all foreign operations maintain in equity as at the date of transition to MFRS.

(d) MFRS 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 2012

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

A2. Significant accounting policies and application of MFRS 1 (continued)

(d) MFRS 117 Leases (continued)

The MFRS 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 MFRS 117 has resulted in certain unexpired land leases to be reclassified as finance leases. At 1 January 2012, the Group reassessed the lease classification on the basis of the facts and circumstances existing on that date and recognised certain leasehold land held for own use as property, plant and equipment. The Group has applied this change in accounting policy retrospectively and certain comparatives have been restated.

The following comparatives have been restated:

	As previously stated RM	Adjustment RM	As restated RM
Consolidated statements of financial position			
1/01/2011			
Property, plant and equipment	450,816	37,911	488,727
Land use rights	50,204	(37,911)	12,293
31/12/2011			
Property, plant and equipment	414,834	38,062	452,896
Land use rights	49,825	(38,062)	11,763

A3. 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 2011 were not qualified.

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.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

**(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 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 quarter under review.

A6. Material changes in estimates

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

A8. Dividends Paid

No dividend was paid in the current financial quarter under review.

A9. Segmental information

The results and other information of the Group as at 31 March 2012 are as follows:

	Shipbuilding	Chartering	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External sales	521	21,625	-	-	22,146
Inter-segment sales	2,039	519	-	(2,558)	-
Total revenue	<u>2,560</u>	<u>22,144</u>	<u>-</u>	<u>(2,558)</u>	<u>22,146</u>
Segment profit (Note A)	<u>(6,956)</u>	<u>8,314</u>	<u>(741)</u>	<u>5,527</u>	<u>6,144</u>

Note A

Segment profit is reconciled to profit before tax presented in the condensed consolidated statement of comprehensive income as follows:

Segment profit	617
Share of profit of an associate	339
Loss from inter-segment sales	6,007
Finance costs	231
Unallocated corporate expenses	(1,051)
Profit before tax	<u>6,143</u>

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

**(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING****A9. Segmental information (continued)**

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Assets and liabilities					
Segment assets	360,090	611,871	578,797	(592,882)	957,876
Segment liabilities	267,030	342,754	239,307	(341,029)	508,062
Net assets	<u>93,060</u>	<u>269,117</u>	<u>339,490</u>	<u>(251,853)</u>	<u>449,814</u>
Other segmental information					
Depreciation	1,817	6,117	1	(355)	7,580
Amortisation of land use rights	177	115	26	-	318

A9. Capital commitments

Capital commitments are as follows:

RM'000	Approved and contracted for	Approved but not contracted for
Property, plant and equipment	<u>5,827</u>	<u>77,116</u>

A10. 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.

A11. Changes in composition of the Group

There were no changes in composition of the Group for the current quarter ended 31 March 2012.

A12. Contingent liabilities

There are no additional contingent liabilities since the last annual balance sheet date.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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

A13. Related party transactions

Transactions between the Group and related parties are as follows:

	Transaction value for 3 months ended 31 Mar 2012 RM	Current Year-to-date 31 Mar 2012 RM
(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	32,701	32,701
Manmohan's (Labuan) Sdn Bhd		
- Rental of office at Lot 20, Labuan	3,000	3,000
Syarikat Guan Teck Enterprise (Sarawak) Sdn Bhd		
- Lease of office at Lot 1035, Piasau	26,400	26,400
Syarikat Lambir Timber Sdn Bhd		
- Chartering of vessels	52,500	52,500
Rajah & Tann		
- Provision of legal services	2,803	2,803
Khoo & Co, Advocates and Solicitors		
- Provision of legal services	63,525	63,525
(ii) Transactions with Director :		
Yong Foh Choi		
- Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	1,500	1,500
	<u>182,429</u>	<u>182,429</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

Current financial period compared with immediate preceding quarter (Q1 2012 vs Q4 2011)

Group revenue for the current quarter decreased by RM13.2 million or 37% to RM22.1 million against immediate preceding quarter's RM35.3 million due to substantial drop in shipbuilding revenue.

The Group achieved profit before taxation of RM6.14 million for the quarter, increased by RM4.09 million compared to previous quarter partly due to reversal of impairment loss on receipt of settlement sum from a debtor.

The performance of respective operating business segments :

Shipbuilding Division

Revenue decreased by RM13.95 million or 96% due to no new sales contract signed in the current quarter. The yard has sold all the vessels that was keel laid prior to 2011. The yard's personnel had been busy completing all the vessels for delivery to client in the past few months. New vessels currently in progress now are still at an early stage of construction. As revenue is recognised based on percentage of completion (once it is sold) this attributed to the temporary drop in revenue in recent quarters until sales are confirmed for the new vessels that is being constructed now.

Despite drop in revenue, shipbuilding profit improve mainly due to reversal of warranty costs provided in previous year on settlement sum received from a debtor.

Chartering Division

Revenue increased by RM0.57 million was attributed to one additional vessel acquired by the chartering division. The vessel was onhired immediately on delivery from the shipyard.

Current quarter compared with previous corresponding quarter (Q1 2012 vs Q1 2011)

Group revenue for current quarter was lower than previous corresponding quarter by RM29.05 million or 57%. The drop was due to decrease in shipbuilding revenue. On the contrary, revenue from ship charter increased by RM2.35 million or 12%.

The group recorded profit before tax of RM6.14 million for the current quarter against profit before tax of RM10.7 million reported in previous corresponding quarter, drop by RM4.56 million or 43%.

The performance of respective operating business segments:

Shipbuilding Division

Revenue decreased by RM31.4 million or 98% due to reason mentioned above. The shipbuilding division delivered an AHTS (DP2) and one offshore supply vessel to the chartering division this quarter but the revenue has been recognised in previous period based on stage of completion. Operating profit improved due to the reversal of warranty costs provided in previous year.

Chartering Division

Revenue increased by RM2.35 million or 12% compared to previous corresponding quarter due to increase in utilisation rate.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS**B2. Material changes in the quarterly results compared to the results of the preceding quarter**

	Current Quarter ended 31 Mar 2012 RM'000	Preceding Quarter ended 31 Dec 2011 RM'000	Variance RM'000	%
Revenue	22,146	35,364	(13,218)	-37%
Profit before tax	<u>6,143</u>	<u>2,054</u>	4,089	199%

The Group recorded lower revenue of RM22.15 million, drop by RM13.22 million or 37% compared to preceding quarter mainly due decrease in shipbuilding revenue.

The profit before taxation ("PBT") of the Group for the current quarter of RM6.1 million was higher than the preceding quarter by RM4.09 million due to reversal of impairment loss on receivables and reversal of expenses taken up previously.

B3. Commentary on prospects

The global uncertainty seems to be on the road to recovery but there are constant surprises and uncertainties from the economies in Euro Zone. Nevertheless, the oil and gas industry has improved from the lows experienced in the last 2 years. We maintain our expectation for more awards by PETRONAS and other regional oil majors and we believe that this would increase the sale and charter of our offshore marine support vessels ("OSV"). With the increased oil and gas activities in Malaysia, Sealink is optimistic that the ship charter and repair division would perform reasonably well in the next 12 months. The results of the ship building division would be lower due to the timing of recognition of the sale of vessels in 2012.

SIB is still cautiously optimistic on the global economy's path to full recovery despite the improvement of the Crude Oil Price to the present level of above USD90 per barrel. The Group will continuously improve its core competencies in ship building, ship chartering and ship repair activities in Malaysia and abroad in preparation for the economic turnaround.

B4. Variance between actual profit from forecast profit

Not applicable as no profit forecast was published.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS**B5. Profit before tax**

Included in the profit before tax are the following item:

	Quarter and Year-to-date Ended	
	31 Mar 2012	31 Mar 2011
	RM'000	RM'000
Interest income	(996)	(164)
Other income	(347)	(789)
Interest expense	3,486	2,739
Depreciation of property, plant and equipment	7,580	7,328
Amortisation of land use rights	318	315
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain or loss on disposal of quoted or unquoted investments	-	-
Gain or loss on disposal of property, plant and equipment	-	(4)
Gain or loss on derivatives	-	-
Reversal of impairment loss on trade receivables	(2,673)	-
Impairment loss on trade receivables	-	-
(Gain)/loss on foreign exchange		
- Realised	553	808
- Unrealised	(1,413)	1,047

B6. Taxation

	Current Quarter 31 Mar 2012 RM'000	Current Year-to-date 31 Mar 2012 RM'000
Malaysian income tax	758	758
Deferred income tax	601	601
Total tax expenses	1,359	1,359

The effective tax rate for the current quarter is 22% lower than the statutory tax rate of 25% partly due to one of the subsidiary is subject to 3% tax or maximum of RM20,000 in accordance with Section 7(1) of the Labuan Business Activity Tax Act 1990 and profit from one of the subsidiary in Singapore is not subject to income tax.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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

B7. 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.

B8. Quoted securities

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

B9. Status of corporate proposal

The company announced on 31 May 2010 on the proposed feasibility study on the shipbuilding division.

The Board are still considering several locations for the listing and further details on the findings of the feasibility study will be announced in due course.

B10. Group borrowings and debt securities

Total Group's borrowings as at 31 March 2012 were as follows:

1. <u>Total Borrowings</u>	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short-term borrowings	113,632	50,000	163,632
Long-term borrowings	221,174	-	221,174
	<u>334,806</u>	<u>50,000</u>	<u>384,806</u>
2. <u>Borrowings denominated in US Dollars</u>	Secured	Unsecured	Total
	USD'000	USD'000	USD'000
Short-term borrowings	4,275	-	4,275
Long-term borrowings	11,436	-	11,436
	<u>15,711</u>	<u>-</u>	<u>15,711</u>

B11. Derivative Financial Instruments

There are no outstanding derivatives as at the reporting period.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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

B12. Material litigation

1. On 1 May 2007, pursuant to the terms of the shipbuilding contract, Sealink Engineering & Slipway Sdn Bhd ("SESSB") had arranged for a bankers' guarantee in the sum of US\$2 million to be issued to Petroleum Marine Services SAE ("PMS") (the "Bankers' Guarantee"). The bankers' guarantee was issued to PMS by the Bank of Nova Scotia, against a counter-guarantee by Malayan Banking Berhad ("Maybank").

The vessel was completed and delivered to PMS on 14 February 2009. PMS have alleged that they should be reimbursed for certain repairs to the vessel under the warranty provision in the ship building contract. SESSB offered to reimburse PMS up to US\$450,000 under the warranty. This offer was initially declined by PMS. PMS made a purported call on the Bankers' Guarantee, pursuant to which the Bank of Nova Scotia made purported demands on the counter-guarantee against Maybank. The Bank of Nova Scotia paid the sum of US\$ 2 million to PMS, and Maybank paid the sum of US\$ 2 million to the Bank of Nova Scotia.

On 12 June 2010, SESSB commenced arbitration proceedings in Singapore against PMS in respect of the alleged disputes under the warranty. On 16 June 2010, SESSB obtained an interim injunction order from the Miri High Court against Maybank from making payment under the counter-guarantee. The injunction was lifted on 13 October 2010, pursuant to which Maybank made payment to the Bank of Nova Scotia under the counter-guarantee. On 21 July 2011, the Miri High Court dismissed SESSB's action. SESSB has since filed an appeal against the decision of the Miri High Court.

On 28 February 2012, SESSB signed a settlement agreement with PMS to settle its claims against PMS on a global basis. SESSB received payment of the settlement sum on 13 March 2012. With the payment of the Tribunal's fees and expenses by SESSB, the arbitration proceedings between SESSB and PMS have been terminated on 10 April 2012. SESSB has therefore withdrawn its appeal in the Malaysian proceedings.

2. Sealink Sdn Bhd ("SSB") had on 2 July 2010 served a Notice of Arbitration on Petroleum Marine Services ("PMS"), in respect of SSB's claim against PMS for unpaid charter hire in the sum of US\$803,597.50 and overdue interest amounting to US\$107,345.37 (as at 31 May 2010).

SSB officially commenced arbitration proceedings against PMS on 26 August 2010, under the Rules of the Singapore International Arbitration Centre.

After several rounds of negotiations, both parties finally agreed to settle SSB's claim against PMS, on payment of a settlement sum from PMS to SSB. The settlement agreement between SSB and PMS was signed on 28 February 2012, and the settlement sum was fully paid by PMS on 13 March 2012. The formal termination of the arbitration proceedings between SSB and PMS is pending the finalisation of the Tribunal's fees and expenses, which SSB will pay.

B13. Dividend payable

A final single tier tax exempt dividend in respect of the financial year ended 31 December 2011, of 1 sen on 500,000,000 ordinary shares of RM0.50 each, amounting to a dividend payable of RM5,000,000 is subject to the approval of Shareholders at the forthcoming Annual General Meeting.

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

B14. Earnings per Share

	3 months ended	
	31 Mar 2012 RM'000	31 Mar 2011 RM'000
Profit attributable to Owners of the Parent (RM'000)	4,784	9,351
Weighted average number of shares in issue ('000)	500,000	500,000
Basic earnings per share (sen)	0.96	1.87
Diluted earnings per share (sen)	0.96	1.87

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.

B15. Disclosure of Realised and Unrealised Profits

The retained profits as at 31 March 2012 and 31 December 2011 are analysed as follows:

	As at 31 Mar 2012 RM'000	As at 31 Dec 2011 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	340,946	325,161
- Unrealised	(53,195)	(44,286)
	287,751	280,875
Consolidation adjustments	(168,176)	(166,083)
Total Group retained profits as per consolidated accounts	119,575	114,792