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

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

	3 months ended		12 months ended	
	31 Dec 2012 RM'000 (Unaudited)	31 Dec 2011 RM'000 (Unaudited) (restated)	31 Dec 2012 RM'000 (Unaudited)	31 Dec 2011 RM'000 (Audited)
Revenue	27,335	35,526	121,764	202,019
Cost of sales	(18,184)	(25,157)	(84,076)	(150,146)
Gross profit	9,151	10,369	37,688	51,873
Other operating income	3,519	10,885	15,985	16,176
Other operating expenses	(23,772)	(5,692)	(23,772)	(5,798)
Administrative expenses	(6,742)	(8,458)	(21,785)	(24,744)
Finance expenses	(4,445)	(7,453)	(13,999)	(16,677)
Share of result of associate	755	728	1,760	967
(Loss)/profit before tax	(21,534)	379	(4,123)	21,797
Income tax expense	(635)	451	(5,871)	(4,077)
(Loss)/profit for the period	(22,169)	830	(9,994)	17,720
(Loss)/profit attributable to:				
Owners of the Parent	(22,169)	830	(9,994)	17,720
	(22,169)	830	(9,994)	17,720
Earnings per share (sen)				
- Basic EPS	-4.43	0.17	-2.00	3.54
- Diluted EPS	-4.43	0.17	-2.00	3.54

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.

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2012

(CONTINUED)

	3 months ended		12 months ended	
	31 Dec 2012 RM'000 (Unaudited)	31 Dec 2011 RM'000 (Unaudited) (restated)	31 Dec 2012 RM'000 (Unaudited)	31 Dec 2011 RM'000 (Audited)
(Loss)/profit for the period	(22,169)	830	(9,994)	17,720
Other Comprehensive Income :				
Exchange differences on translation of foreign operations	1,347	(573)	1,624	1,131
Total Comprehensive Income for the period	(20,822)	257	(8,370)	18,851
Total comprehensive income attributable to:				
Owners of the Parent	(20,822)	257	(8,370)	18,851
	(20,822)	257	(8,370)	18,851

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 DECEMBER 2012

	As at 31 Dec 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	449,314	452,896	488,727
Land use rights	10,788	11,763	12,293
Investment in an associate	3,487	2,184	-
Other receivables	37,483	47,506	4,287
	501,072	**514,349**	**505,307**
Current Assets			
Inventories	278,676	202,374	205,019
Trade and other receivables	63,306	89,801	97,472
Tax recoverable	2,077	1,324	675
Cash and cash equivalents	90,112	81,703	78,150
	434,171	**375,202**	**381,316**
Non-current asset classified as held for sale	-	36,913	-
	434,171	412,115	381,316
Total Assets	**935,243**	**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	99,797	114,791	110,571
Other components of equity	2,798	1,174	43
Total Equity	**431,682**	**445,052**	**439,701**
Non-Current Liabilities			
Long-term borrowings	246,182	196,929	119,186
Deferred tax liabilities	57,630	55,276	52,613
	303,812	**252,205**	**171,799**
Current Liabilities			
Provision	3,199	2,000	-
Short-term borrowings	155,021	152,872	203,140
Trade and other payables	40,772	73,796	71,593
Provision for taxation	757	539	390
	199,749	**229,207**	**275,123**
Total Liabilities	**503,561**	**481,412**	**446,922**
Total Equity and Liabilities	**935,243**	**926,464**	**886,623**
Net asset per share (sen)	**86.34**	**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 DECEMBER 2012

	Attributable to Owners of the Parent					
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Foreign currency translation reserve RM'000	Total RM'000	Total Equity (Audited) RM'000
Balance as at 1 January 2011	250,000	79,087	110,571	43	439,701	439,701
Dividend	-	-	(13,500)	-	(13,500)	(13,500)
Total comprehensive income for the period	-	-	17,720	1,131	18,851	18,851
Balance as at 31 December 2011	**250,000**	**79,087**	**114,791**	**1,174**	**445,052**	**445,052**

	Attributable to Owners of the Parent					
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Foreign currency translation reserve RM'000	Total RM'000	Total Equity (Unaudited) RM'000
Balance as at 1 January 2012	250,000	79,087	114,791	1,174	445,052	445,052
Dividend	-	-	(5,000)	-	(5,000)	(5,000)
Total comprehensive income for the period	-	-	(9,994)	1,624	(8,370)	(8,370)
Balance as at 31 December 2012	**250,000**	**79,087**	**99,797**	**2,798**	**431,682**	**431,682**

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 DECEMBER 2012

	Year-to-date Ended	
	31 Dec 2012	**31 Dec 2011**
	RM'000	**RM'000**
	(Unaudited)	(Audited)
Cash Flows From Operating Activities		
(Loss)/profit before tax	(4,123)	21,797
Adjustments for:		
Interest income	(4,358)	(3,509)
Interest expenses	13,999	14,092
Amortisation of land use rights	1,268	1,282
Bad debts recovered	-	(1)
Deposit written off	2,342	5,525
Depreciation of property, plant and equipment	31,751	30,019
Gain on disposal of property, plant and equipment	-	(637)
Gain on disposal of non- current asset held for sale	(5,869)	(447)
Impairment loss on trade receivables	3,003	260
Impairment loss on inventories	3,900	-
Impairment loss on property, plant and equipment	12,883	-
Property, plant and equipment written off	434	22
Provision for maintenance warranties	1,199	2,000
Reversal of impairment loss on trade receivables	(4,281)	(196)
Share of profit of associate	(1,761)	(968)
Unrealised loss on foreign exchange	1,445	3,069
Total adjustments	55,955	50,511
Operating profit before working capital changes	51,832	72,308
Changes in working capital		
(Increase)/decrease in inventories	(72,875)	5,709
Decrease in trade and other receivables	22,961	13,889
(Decrease)/increase in trade and other payables	(33,844)	1,202
(Decrease)/increase in amount due to ultimate holding company	(129)	95
Net change in associate balances	10,518	(56,503)
Total changes in working capital	(73,369)	(35,608)
Cash Flows (used in)/ from operations	(21,537)	36,700
Interest paid	(19,245)	(16,858)
Income tax refund	494	707
Income tax paid	(4,957)	(2,623)
Net Cash (Used In)/From Operating Activities	**(45,245)**	**17,926**

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2012

	Year-to-date Ended	
	31 Dec 2012	**31 Dec 2011**
	RM'000	**RM'000**
	(Unaudited)	(Audited)
Cash Flows From Investing Activities		
Acquisition of investment in an associate	(50)	(3,450)
Decrease in other receivable	-	3,500
Increase in non current asset held for sale	(13,006)	(50,213)
Increased in land and development expenditure	(47)	-
Purchase of property, plant and equipment	(40,979)	(42,600)
Decrease/(increase) in land use rights	434	(904)
Proceeds from disposal of property, plant and equipment	-	11,328
Proceeds from disposal of non-current asset held for sale	54,458	52,449
Interest received	4,919	3,770
Net Cash From/(Used In) Investing Activities	**5,729**	**(26,120)**
Cash Flows From Financing Activities		
Net movement in fixed deposits pledged	20,563	(7,781)
Net movements in trade financing	(18,792)	(69,817)
Proceeds from term loans	113,569	128,840
Repayments of term loans	(54,827)	(37,638)
Repayments of hire purchase payables	(41)	(456)
Dividends paid to shareholders	(5,000)	(13,500)
Net Cash From /(Used in) Financing Activities	**55,472**	**(352)**
Net Increase/(Decrease) in Cash and Cash Equivalents	**15,956**	**(8,546)**
Effect of changes in foreign exchange rates	(447)	1,085
Cash and Cash Equivalents at the beginning of financial year	38,419	45,880
Cash and Cash Equivalents at the end of financial period	**53,928**	**38,419**

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

Cash and bank balances	90,112	81,703
Bank overdraft	(20,182)	(6,694)
	69,930	75,009
Less: Fixed deposits pledged	(16,002)	(36,590)
	53,928	**38,419**

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.

(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 December 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 previous 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.

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. Amendments/standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

MFRS effective for annual periods beginning on or after 1 July 2012

Amendments to MFRS 101	Presentation of items of Other Comprehensive Income

MFRS effective for annual periods beginning on or after 1 January 2013

Amendments to MFRS 1	Government Loans
Amendments to MFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
MFRS 10	Consolidated Financial Statements

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

A3. Amendments/standards issued but not yet effective (Continued)

MFRS effective for annual periods beginning on or after 1 January 2013 (Continued)

MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
Amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134	Annual Improvements 2009-2011 Cycle
Amendment to IC Interpretation 2	Annual Improvements 2009-2011 Cycle
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine

MFRS effective for annual periods beginning on or after 1 January 2014

Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities

MFRS effective for annual periods beginning on or after 1 January 2015

MFRS 9	Financial Instruments (MFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (MFRS 9 issued by IASB in October 2010)

A4. 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.

A5. 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.

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

A6. Items of unusual nature and amount

There was no item that affect assets, liabilities, equity, net income, or cash flows that are unusual in nature, size, or incidence during the current financial period ended 31 December 2012, other than those stated below:

(i) Sealink Sdn Bhd, a wholly -owned subsidiary of the Group has commenced arbitration against Boustead Penang Shipyard Sdn Bhd ("BPS"). The Group claim against BPS, the sum of US$4,935,000 which is to be refunded to the Group by BPS pursuant to BPS breaches of the contract. The Group had recognised impairment loss of RM994,000 on equipment deposit and interest capitalised todate in the financial quarter ended 31 December 2012.

(ii) The Group also provided for Impairment loss of RM11.889 million on property, plant and equipment(capital Work-in progress) on the second vessel pending the settlement of dispute on the shipbuilding contract between both parties. Please refer to Note B12 for detail of the shipbuilding contract.

(iii) The Group recognised impairment loss of RM3.9 million on deposit paid pursuant to the shipbuilding contract signed between Sealink Antarabangsa Ltd ("Sealink Antarabangsa"), one of the subsidiary of the Group and Hung Hao International Limited ("Hung Hao") dated 30th day of March, 2011. Due to slow progress and non delivery of the vessel, Hung Hao signed a mutual release and settlement with Sealink Antarabangsa whereby, the termination of the contract is subject to Hung Hao paying Sealink Antarabangsa the sum of USD 1.38 million as full and final settlement. The Group intend to commence arbitration to recover the outstanding from Hung Hao.

A7. Material changes in estimates

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

A8. 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.

A9. Dividends Paid

	RM'000
Final single tier dividend of 1 sen per share as at 31 December 2011 was paid to shareholders on 18 September 2012.	5,000

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

A10. Segmental information

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

	Shipbuilding	Chartering	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External sales	23,285	98,479	-	-	121,764
Inter-segment sales	31,834	11,483	-	(43,317)	-
Total revenue	55,119	109,962	-	(43,317)	121,764
Segment profit/(loss) (Note A)	(30,157)	16,429	6,802	2,803	(4,123)

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

Segment loss	(6,926)
Dividend from subsidiaries	(4,775)
Loss from inter-segment sales	6,279
Share of profit of an associate	1,760
Finance costs	(1,672)
Unallocated corporate expenses	1,211
Loss before tax	(4,123)

Segmental information

	Shipbuilding	Chartering	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Assets and liabilities					
Segment assets	334,320	611,117	404,767	(414,961)	935,243
Segment liabilities	257,734	325,499	291,088	(370,760)	503,561
Net assets	76,586	285,618	113,679	(44,201)	431,682
Other segmental information					
Depreciation	6,932	26,448	2	(1,631)	31,751
Amortisation of land use rights	707	460	101	-	1,268

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

A11. Capital commitments

Capital commitments are as follows:

	Approved and contracted for RM'000	Approved but not contracted for RM'000
Property, plant and equipment	5,897	248,766

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 year to date.

A13. Changes in composition of the Group

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

A14. Contingent liabilities

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

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

A15. Related party transactions

Transactions between the Group and related parties are as follows:

	Transaction value for 3 months ended 31 Dec 2012 RM	Current Year-to-date 31 Dec 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	32,498	133,622
Manmohan's (Labuan) Sdn Bhd		
- Rental of office at Lot 20, Labuan	3,000	12,000
Syarikat Guan Teck Enterprise (Sarawak) Sdn Bhd		
- Lease of office at Lot 1035, Piasau	25,800	105,000
Syarikat Lambir Timber Sdn Bhd		
- Chartering of vessels	52,500	210,000
Rajah & Tann		
- Provision of legal services	457,259	564,203
Khoo & Co, Advocates and Solicitors		
- Provision of legal services	10,300	186,956
(ii) Transactions with Director :		
Yong Foh Choi		
- Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	1,500	6,000
	582,857	1,217,781

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

<u>Current financial period compared with immediate preceding quarter (Q4 2012 Vs. Q3 2012)</u>

The Group's revenue for the current quarter achieved at RM27.3 million, decreased by RM1.4 million or 3% compared to preceding quarter's RM28.7 million mainly due to drop in revenue from shipbuilding.

The Group suffered loss before tax of RM21.53 million for current quarter, compared to profit before tax of RM5.67 million in preceding quarter. The substantial drop was mainly attributed to deposit for equipment and machinery amounted to RM2.34 million written off, provision for impairment loss amounted to RM16.78 million on property, plant and equipment (capital work-in progress) and inventory (please refer to Note A6 for details) and impairment loss of RM3.0 million on trade receivables.

The performance of respective operating business segments :

<u>Shipbuilding Division</u>

The shipbuilding division recorded revenue of only RM 177,000 , decreased by RM1.5 million due to the sale of 2 Landing crafts will only be captured on delivery of the vessels in 1st quarter of 2013. Although the ship repair segment is performing quite well, however the revenue and profit is eliminated on intragroup transactions. Equipment and machinery deposit of RM2.34 million written off further increase the loss of the shipbuilding division.

<u>Chartering Division</u>

Chartering division's revenue was fairly consistent with a slight increase of RM113,000 compared to preceding quarter despite some of the vessels on long-term charter was docked during the quarter. However, the increase in crewing cost, survey fee and cost incurred to hire replacement vessel has pushed up direct cost, attributed to the drop in gross profit by about 13%.

<u>Current financial period compared with previous corresponding financial period (YTD 2012 Vs. YTD 2011)</u>

Group consolidated revenue drop substantially from RM202 million to RM121.8 million or 40% due to decrease in shipbuilding revenue. On the contrary, revenue from ship charter increased by RM11.4million or 13%.

The Group recorded loss before tax of RM4.12 million for current financial period, compared to profit before tax of RM21.79 million in year 2011. The substantial drop was mainly attributed to lower production by shipbuilding segment while the favourable results from chartering division is insufficient to cover the drop in shipbuilding division. Furthermore, the impairment loss on property, plant and equipment (capital work-in progress) and inventory amounted to RM16.78 million, deposit written off amounted to RM2.34 million and impairment loss on trade receivables amounted to RM3million increase losses of the Group. Excluding impairment loss and exceptional items (total RM22.12 million), Group results before tax is RM18.0 million.

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

Current financial period compared with previous corresponding financial period (YTD 2012 Vs. YTD 2011)

The performance of respective operating business segments :

Shipbuilding Division

Shipbuilding division's revenue decreased by RM91.6 million or 80% due to reason mentioned above.

Chartering Division

Chartering division's revenue increased by RM11.4 million or 13% compared to previous corresponding financial period due to increase in long-term charters and higher utilisation rate for vessels on spot charter.

Current quarter compared with previous corresponding quarter (Q4 2012 Vs. Q4 2011)

Group Revenue for Q4 2012 was lower than Q4 2011 by RM8.2 million or 23% due to decrease in shipbuilding revenue while revenue from ship charter increased by RM6 million or 29%.

The Group recorded loss before tax of RM 21.53 million for the current quarter, drop by RM21.9 million compared to profit before tax of RM 379,000 in the previous corresponding period. The adverse result was mainly due to provision for impairment loss on property, plant and equipment (capital work-in progress) and inventory amounted to RM16.78 million, deposit written off amounted to RM2.34 million and impairment loss on trade receivables amounted to RM3.0 million.

The performance of respective operating business segments:

Shipbuilding Division

Substantial drop in shipbuilding revenue mainly attributed to not many vessel was constructed during the year. The shipbuilding division was awarded with 2 contracts but the revenue will only be recognised in 1st quarter of 2013 on delivery of the vessels.

Chartering Division

Revenue increased by RM6.1 million or 29% compared to previous corresponding quarter. The favourable results was due to some of the long-term contracts were extended and higher utilisation of vessels on spot charter. In addition to that, the chartering arm won a new long-term contract and this has contributed to the increased revenue.

(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 Dec 2012 RM'000	Preceding Quarter ended 30 Sept 2012 RM'000	Variance RM'000	%
Revenue	27,335	28,731	(1,396)	-5%
(Loss)/Profit before tax	(21,534)	5,663	(27,197)	-480%

The Group recorded lower revenue of RM27.3 million compared to RM28.7 million in preceding quarter mainly due to drop in shipbuilding revenue while charter revenue increased marginally by RM113,000.

Despite slight drop in revenue, current quarter financial results drop significantly due to provision of impairment loss of RM16.78 million on property , plant and equipment (capital work-in progress) and inventory, machinery/equipment deposit written off amounted to RM2.34 million and impairment loss on trade receivables amounted 3.0 million.

B3. Commentary on prospects

The global economy is now taking small steps towards recovery but there are still some surprises and uncertainties lurking around ; the US debt ceiling issue extended to May 2013, Japan's plans to devalue their currency to gain export advantage and uncertainties in the Greece & Spain economies. 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 in the wake of the recent oil discoveries in Malaysia in 2012 thus , offshore oil and gas activities will be heightened in 2013.The market is expecting more contracts to be awarded for the marginal oil fields as well as the enhanced oil recovery projects in 2013. We believe that this would increase the demand for charter and sale of our offshore marine support vessels ("OSV"). Apart from new contracts, the Group's chartering division was also awarded extension of several long-term charter contracts. With the increased oil and gas activities in Malaysia, Sealink is optimistic that the ship charter and ship repair would perform reasonably well in the next 12 months.

With the hugely anticipated two ultra-sophisticated hybrid propulsion multipurpose platform supply vessels cum anchor handling tugs that would be completing in the next few months, the Company is optimistic that they will contribute towards the results of SIB. These two vessels are well suited for the deep and ultra deep water operations.

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.

(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. Profit before tax

Included in the profit before tax are the following item:

	Year-to-date Ended	
	31 Dec 2012	**31 Dec 2011**
	RM'000	**RM'000**
Interest income	(4,358)	(3,509)
Other income	(1,477)	(12,471)
Interest expense	13,999	14,092
Deposit written off	2,342	5,525
Depreciation of property, plant and equipment	31,751	30,019
Amortisation of land use rights	1,268	1,282
Impairment loss on trade receivables	3,003	260
Impairment loss on property, plant and equipment	12,883	-
Impairment loss on inventories	3,900	-
Property, plant and equipment written off	434	22
Gain or loss on disposal of property, plant and equipment	-	(637)
Gain or loss on disposal of non-current asset held for sale	(5,869)	-
Reversal of impairment loss on trade receivables	(4,281)	(196)
(Gain)/loss on foreign exchange		
- Realised	(168)	(3,519)
- Unrealised	1,445	3,069

B6. Taxation

	Current Quarter	Current Year-to-date
	31 Dec 2012	**31 Dec 2012**
	RM'000	**RM'000**
Malaysian income tax	317	3,517
Deferred income tax	318	2,354
Total tax expenses	635	5,871

The effective tax rate for the current quarter is very high due to losses suffered by the shipbuilding division while impairment loss on the property, plant and equipment are non tax deductable has resulted in higher effective tax rate.

(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 December 2012 were as follows:

1. **Total Borrowings**	**Secured**	**Unsecured**	**Total**
	RM'000	**RM'000**	**RM'000**
Short-term borrowings	113,118	41,903	155,021
Long-term borrowings	246,182	-	246,182
	359,300	41,903	401,203

	Secured	**Unsecured**	**Total**
2. **Borrowings denominated in US Dollars**	**USD'000**	**USD'000**	**USD'000**
Short-term borrowings	3,815	-	3,815
Long-term borrowings	28,279	-	28,279
	32,094	-	32,094

B11. Derivative Financial Instruments

There are no outstanding derivatives as at the reporting period.

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

B12. Material litigation

On 7 December 2012, Sealink Sdn Bhd ("SSB") initiated arbitration before the Kuala Lumpur Centre for Arbitration ("KLRCA") against Boustead Penang Shipyard Sdn Bhd ("BPS") under a shipbuilding contract dated 3 April 2008 to build two (2) units of 7,000 dwt oil carriers/chemical carriers.

SSB claims against BPS, inter alia, the sum of USD4,935,000 which is to be refunded and/or paid to SSB by BPS under the Contract and/or for interest payable by BPS to SSB under the terms of the Contact and/or for damages and/or expenses incurred by SSB pursuant to BPS breaches of the Contract. BPS has indicated to KLRCA that they may lodge a counterclaim.

The solicitors are confident of the results of the arbitration and the recovery of the disputed sum. SSB has provided for impairment loss of RM994,000 for equipment deposits and interest capitalised.

B13. Dividend payable

No interim dividend has been declared for the current quarter ended 31 December 2012.

B14. Earnings per Share

	3 months ended		12 months ended	
	31 Dec 2012 RM'000	31 Dec 2011 RM'000	31 Dec 2012 RM'000	31 Dec 2011 RM'000
Profit attributable to Owners of the Parent (RM'000)	(22,169)	830	(9,994)	17,720
Weighted average number of shares in issue ('000)	500,000	500,000	500,000	500,000
Basic earnings per share (sen)	- 4.43	0.17	- 2.00	3.54
Diluted earnings per share (sen)	- 4.43	0.17	- 2.00	3.54

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.

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

B15. Disclosure of Realised and Unrealised Profits

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

	As at 31 Dec 2012 RM'000	As at 31 Dec 2011 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	341,685	325,160
- Unrealised	(57,814)	(44,286)
	283,871	280,874
Consolidation adjustments	(184,074)	(166,083)
Total Group retained profits as per consolidated accounts	99,797	114,791