

**SEALINK INTERNATIONAL BERHAD (800981-X)**

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2013

	3 months ended		6 months ended	
	30 Jun 2013	30 Jun 2012	30 Jun 2013	30 Jun 2012
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	46,599	43,552	97,114	65,698
Cost of sales	<u>(36,315)</u>	<u>(37,967)</u>	<u>(74,867)</u>	<u>(49,259)</u>
Gross profit	10,284	5,585	22,247	16,439
Other operating income	1,717	6,245	3,929	10,261
Other operating expenses	(1)	-	(1)	-
Administrative expenses	(4,026)	(3,544)	(9,753)	(9,124)
Finance expenses	(3,332)	(2,997)	(6,485)	(6,483)
Share of result of associate	<u>400</u>	<u>316</u>	<u>800</u>	<u>655</u>
Profit before tax	5,042	5,605	10,737	11,748
Income tax expense	(1,652)	(1,962)	(3,035)	(3,321)
Profit for the period	<u>3,390</u>	<u>3,643</u>	<u>7,702</u>	<u>8,427</u>
Profit attributable to:				
Owners of the Parent	<u>3,390</u>	<u>3,643</u>	<u>7,702</u>	<u>8,427</u>
	<u>3,390</u>	<u>3,643</u>	<u>7,702</u>	<u>8,427</u>
Earnings per share (sen)				
- Basic EPS	0.68	0.73	1.54	1.69
- Diluted EPS	0.68	0.73	1.54	1.69

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 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 30 JUNE 2013

(CONTINUED)

	3 months ended		6 months ended	
	30 Jun 2013 RM'000 (Unaudited)	30 Jun 2012 RM'000 (Unaudited)	30 Jun 2013 RM'000 (Unaudited)	30 Jun 2012 RM'000 (Unaudited)
Profit for the period	3,390	3,643	7,702	8,427
Other Comprehensive Income :				
Exchange differences on translation of foreign operations	887	3,326	1,045	3,304
Total Comprehensive Income for the period	<u>4,277</u>	<u>6,969</u>	<u>8,747</u>	<u>11,731</u>
Total comprehensive income attributable to:				
Owners of the Parent	<u>4,277</u>	<u>6,969</u>	<u>8,747</u>	<u>11,731</u>
	<u>4,277</u>	<u>6,969</u>	<u>8,747</u>	<u>11,731</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	As at 30 Jun 2013 RM'000 (Unaudited)	As at 31 Dec 2012 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	538,792	444,676
Land use rights	13,261	13,550
Investment in an associate	4,372	3,526
Other receivables	32,223	37,483
	588,648	499,235
Current Assets		
Inventories	191,844	278,797
Trade and other receivables	68,882	62,018
Tax recoverable	2,420	2,366
Cash and cash equivalents	84,309	113,482
	347,455	456,663
Total Assets	936,103	955,898
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share Capital	250,000	250,000
Share Premium	79,087	79,087
Retained earnings	108,400	100,698
Other components of equity	3,847	2,802
Total Equity	441,334	432,587
Non-Current Liabilities		
Long-term borrowings	240,865	236,918
Deferred tax liabilities	55,448	55,634
	296,313	292,552
Current Liabilities		
Provision	1,500	3,199
Short-term borrowings	156,871	164,285
Trade and other payables	37,430	62,399
Provision for taxation	2,655	876
	198,456	230,759
Total Liabilities	494,769	523,311
Total Equity and Liabilities	936,103	955,898
Net asset per share (sen)	88.27	86.52

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2013

	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	-	-	8,427	3,304	11,731	11,731
Balance as at 30 June 2012	250,000	79,087	123,218	4,478	456,783	456,783

	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 2013	250,000	79,087	100,698	2,802	432,587	432,587
Total comprehensive income for the period	-	-	7,702	1,045	8,747	8,747
Balance as at 30 June 2013	250,000	79,087	108,400	3,847	441,334	441,334

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2013

	Year-to-date Ended	
	30 Jun 2013	30 Jun 2012
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows From Operating Activities		
Profit before tax	10,737	11,748
Adjustments for:		
Interest income	(2,441)	(1,975)
Interest expenses	6,484	6,483
Amortisation of land use rights	289	635
Depreciation of property, plant and equipment	16,668	15,269
Gain on disposal of property, plant and equipment	(61)	-
Gain on disposal of non-current asset held for sale	-	(2,852)
Property, plant and equipment written off	2	-
Reversal of provision for maintenance warranties	(1,699)	-
Reversal of impairment loss on trade receivables	-	(4,281)
Share of profit of associate	(800)	(655)
Unrealised gain on foreign exchange	(147)	(552)
Total adjustments	<u>18,295</u>	<u>12,072</u>
Operating profit before working capital changes	29,032	23,820
Changes in working capital		
Decrease in inventories	93,355	18,471
(Increase)/decrease in trade and other receivables	(6,707)	5,507
Decrease in trade and other payables	(25,171)	(20,743)
Increase in amount due to ultimate holding company	-	9
Net change in associate balances	4,941	4,609
Total changes in working capital	<u>66,418</u>	<u>7,853</u>
Cash flows from operations	95,450	31,673
Interest paid	(9,084)	(9,680)
Income tax refund	85	-
Income tax paid	(1,601)	(2,160)
Net Cash From Operating Activities	<u>84,850</u>	<u>19,833</u>
Cash Flows From Investing Activities		
Increase in non-current asset held for sale	-	(13,338)
Purchase of property, plant and equipment	(108,842)	(32,433)
Proceeds from disposal of property, plant and equipment	86	-
Proceeds from disposal of non-current asset held for sale	-	53,118
Interest received	2,441	2,516
Net Cash (Used In) /From Investing Activities	<u>(106,315)</u>	<u>9,863</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2013

	Year-to-date Ended	
	30 Jun 2013 RM'000 (Unaudited)	30 Jun 2012 RM'000 (Audited)
Cash Flows From Financing Activities		
Net movement in fixed deposits pledged	1,005	24,781
Net movement in cash at bank restricted in use	23,997	-
Net movements in trade financing	(13,918)	(14,153)
Proceeds from term loans	39,532	78,230
Proceeds from finance lease	160	-
Repayments of term loans	(32,014)	(26,254)
Repayments of hire purchase payables	-	(31)
Net Cash From Financing Activities	18,762	62,573
Net (Decrease)/Increase in Cash and Cash Equivalents	(2,703)	92,269
Effect of changes in foreign exchange rates	665	1,921
Cash and Cash Equivalents at the beginning of financial year	53,928	38,419
Cash and Cash Equivalents at the end of financial period	51,890	132,609

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

Cash and bank balances	84,309	159,666
Bank overdraft	(17,919)	(15,178)
	66,390	144,488
Less: Fixed deposits pledged and cash at bank restricted in use	(14,500)	(11,879)
	51,890	132,609

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

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

A1. Basis of Preparation

The interim financial statements has been prepared on the historical cost basis, unless otherwise stated.

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by Malaysian Accounting Standards Boards ("MFRS") and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012. The explanatory notes attached to the 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 financial year ended 31 December 2012.

On 1 January 2013, the Group adopted the following new and amended MFRS and IC interpretations mandatory for annual financial period beginning on or after 1 January 2013.

Amendment to MFRS 101	Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
MFRS 3	Business Combinations (IFRS 3 <i>Business Combinations</i> issued by IASB in March 2004)
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investment in Associate and Joint Ventures
MFRS 127	Consolidated and Separate Financial Statements (IAS27 as revised by IASB in December 2003)
Amendments to MFRS 7	Disclosures- Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvement 2009-2011 Cycle)
Amendment to MFRS 132	Financial Instruments: Presentation (Annual Improvement 2009 -2011 Cycle)
Amendments to MFRS 134	Interim Financial reporting (Annual Improvements 2009-2011 Cycle)
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

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

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

A1. Basis of Preparation (Continued)

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 January 2014

Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10, MFRS12 and MRS127	Investment Entities

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

MFRS 9	Financial Instruments
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The adoption of above standards and amendments are expected to have no significant impact on the financial statements of the Group upon their initial application.

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 2012 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 was no item that affect assets, liabilities, equity, net income, or cash flows that are unusual in nature, size, or incidence during the current quarter under review.

A5. Material changes in estimates

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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

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

A7. Dividends Paid

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

A8. Segmental information

The results and other information of the Group as at 30 June 2013 are as follows:

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External sales	50,352	46,762	-	-	97,114
Inter-segment sales	6,324	3,456	-	(9,780)	-
Total revenue	<u>56,676</u>	<u>50,218</u>	<u>-</u>	<u>(9,780)</u>	<u>97,114</u>
Segment profit/(loss) (Note A)	<u>(3,451)</u>	<u>13,540</u>	<u>638</u>	<u>10</u>	<u>10,737</u>

Note A

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

Segment profit	10,727
Loss from inter-segment sales	25
Share of profit of an associate	800
Finance costs	1,730
Unallocated corporate expenses	<u>(2,545)</u>
Profit before tax	<u>10,737</u>

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

**(A) NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (MFRS 134) :
INTERIM FINANCIAL REPORTING**
A8. Segmental information (Continued)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Assets and liabilities					
Segment assets	288,027	593,377	651,723	(597,024)	936,103
Segment liabilities	219,221	306,078	311,589	(342,119)	494,769
Net assets	<u>68,806</u>	<u>287,299</u>	<u>340,134</u>	<u>(254,905)</u>	<u>441,334</u>
Other segmental information					
Depreciation	3,771	13,901	24	(1,028)	16,668
Amortisation of land use rights	53	211	25	-	289

A9. Capital commitments

Capital commitments are as follows:

	Approved and contracted for RM'000	Approved but not contracted for RM'000
Property, plant and equipment	<u>3,827</u>	<u>248,766</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 30 June 2013.

A12. Contingent liabilities

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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

**(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 30 Jun 2013 RM	Current Year-to-date 30 Jun 2013 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	33,384	67,165
Manmohan's (Labuan) Sdn Bhd		
- Rental of office at Lot 20, Labuan	3,000	6,000
Syarikat Guan Teck Enterprise (Sarawak) Sdn Bhd		
- Lease of office at Lot 1035, Piasau	26,250	52,500
Syarikat Lambir Timber Sdn Bhd		
- Chartering of vessels	52,500	105,000
Rajah & Tann		
- Provision of legal services	281,344	281,344
Khoo & Co, Advocates and Solicitors		
- Provision of legal services	1,056	17,056
(ii) Transactions with Director :		
Yong Foh Choi		
- Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	1,500	3,000
	<u>399,034</u>	<u>532,065</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.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

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

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

(a) Current quarter compared with previous corresponding quarter (2Q 2013 Vs. 2Q 2012)

The Group's performance for the current quarter under review compared to 2Q 2012 is as follow:

	Shipbuilding	Chartering	Consolidated
	RM'000	RM'000	Total
			RM'000
Revenue (2Q 2013)	21,348	25,251	46,599
Revenue (2Q 2012)	20,901	22,651	43,552
Variance	<u>447</u>	<u>2,600</u>	<u>3,047</u>
<i>Variance (%)</i>			<i>7%</i>

The Group's revenue for the current quarter achieved at RM46.6 million increased by RM3 million or 7% compared to 2Q 2012 mostly attributed to increased revenue from ship charter division.

	Shipbuilding	Chartering	Others/ Elimination	Consolidated
	RM'000	RM'000	RM'000	Total
				RM'000
(Loss)/profit before tax (2Q 2013)	(4,670)	7,699	2,013	5,042
(Loss)/profit before tax (2Q 2012)	(1,588)	4,813	2,380	5,605
<i>Variance (%)</i>				<i>10%</i>

Despite increased revenue, group profit before tax drop by RM563,000 compared to preceding quarter due to higher losses from shipbuilding division.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

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

B1. Review of performance of the Company and its principal subsidiaries (continued)

(b) 1H 2013 compared with 1H 2012

The Group's performance for 1H 2013 compared with corresponding period in 2012 is as follow:-

	Shipbuilding	Chartering	Consolidated
	RM'000	RM'000	Total
			RM'000
Revenue (1H 2013)	50,352	46,762	97,114
Revenue (1H 2012)	21,422	44,276	65,698
Variance	<u>28,930</u>	<u>2,486</u>	<u>31,416</u>
<i>Variance (%)</i>			<i>48%</i>

The Group achieved revenue of RM97.1 million in the 1H 2013, increased by RM31.4 million or 48% compared to corresponding period last year due to increased revenue from shipbuilding division.

	Shipbuilding	Chartering	Others/ Elimination	Consolidated
	RM'000	RM'000	RM'000	Total
				RM'000
(Loss)/profit before tax (1H 2013)	(3,451)	13,540	648	10,737
(Loss)/profit before tax (1H 2012)	(8,544)	13,127	7,165	11,748
<i>Variance (%)</i>				<i>9%</i>

The Group recorded profit before tax of RM10.7 million in 1H 2013, 9% lower than previous corresponding period due to recognition of gain on disposal on non current asset held for sale in 2012.

Shipbuilding segment posted a lower loss of RM3.5 million in 1H 2013 against loss of RM8.5 million in the 1H 2012 due to increased revenue while profit from ship charter segment increased marginally to RM13.5 million.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

(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 30 Jun 2013 RM'000	Preceding Quarter ended 31 Mar 2013 RM'000	Variance RM'000	%
Revenue	46,599	50,515	(3,916)	-8%
Profit before tax	<u>5,042</u>	<u>5,695</u>	(653)	-11%

Despite improved performance from ship charter division, the group achieved revenue of RM46.6 million for the current quarter, lower than preceding quarter by RM3.9 million or 8%. Revenue from ship charter division increased by 17% compared to preceding quarter, however this was offset by the drop in revenue from ship building segment.

The Group reported profit before tax of RM5 million for the current quarter, lower than preceding quarter by RM653,000 due to loss suffered by one of the shipyard.

B3. Commentary on prospects

The oil and gas industry in Malaysia is expecting more contracts to be awarded for the marginal oil fields as well as the enhanced oil recovery projects in 2013. The results for the Group is expected to improve going forward as the Group is currently undertaking steps to improve the results from the shipbuilding division. Among the steps taken are the consolidation of the two fabrication yards, the commencement of several new shipbuilding projects and cost cutting measures introduced to improve the utilisation and performance of the shipbuilding operations at its yard.

We believe that with the trend of awarding more contracts, it would increase the demand for the charter and sale of our marine offshore support vessels ("OSV"). Apart from new contracts, the Group's chartering division was also awarded extensions to several long-term charter contracts. Sealink has taken delivery of a sophisticated hybrid vessel and will take delivery of the next same vessel in the next quarter. Sealink is optimistic that the ship charter division would still perform reasonably well in the next 12 months. The oil and gas industry has been getting more competitive and Sealink is committed to maintain, if not to improve, its position and market share in the oil and gas industry through the additions of new and larger vessels for the deep water operations.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

(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	
	30 Jun 2013 RM'000	30 Jun 2012 RM'000
Interest income	(2,441)	(1,975)
Other income	(1,427)	(1,153)
Interest expense	6,484	6,483
Depreciation of property, plant and equipment	16,668	15,269
Amortisation of land use rights	289	635
Property, plant and equipment written off	2	-
Gain or loss on disposal of non-current asset held for sale	-	(2,852)
Gain or loss on disposal of property, plant and equipment	(61)	-
Reversal of provision for maintenance warranties	(1,699)	-
Reversal of impairment loss on trade receivables	-	(4,281)
(Gain)/loss on foreign exchange		
- Realised	(957)	(573)
- Unrealised	(147)	(552)

B6. Taxation

	Current Quarter 30 Jun 2013 RM'000	Current Year-to-date 30 Jun 2013 RM'000
Malaysian income tax	1,940	3,222
Deferred income tax	(288)	(187)
Total tax expenses	1,652	3,035

The effective tax rate for the current quarter is higher compared to previous quarter due to higher provision of Malaysia income tax on the ship chartering division.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

(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

On 31 May 2010, the company announced the proposed feasibility study to list its shipbuilding division.

The Board of directors have decided to discontinue with the plan to list its shipbuilding division for the time being.

B10. Group borrowings and debt securities

Total Group's borrowings as at 30 June 2013 were as follows:

1. Total Borrowings	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short-term borrowings	138,074	18,797	156,871
Long-term borrowings	240,865	-	240,865
	<u>378,939</u>	<u>18,797</u>	<u>397,736</u>
2. Borrowings denominated in US Dollars	Secured	Unsecured	Total
	USD'000	USD'000	USD'000
Short-term borrowings	9,355	-	9,355
Long-term borrowings	32,435	-	32,435
	<u>41,790</u>	<u>-</u>	<u>41,790</u>

B11. Derivative Financial Instruments

There are no outstanding derivatives as at the reporting period.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013

(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 (the "Contract").

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 Contract and/or for damages and/or expenses incurred by SSB pursuant to BPS breaches of the Contract. BPS has filed a counterclaim for RM57,942,087.99 (comprising alleged committed costs to perform the Contract, alleged unlawful deductions under the Contract and interest), as well as costs.

On the existing evidence, the solicitors are of the view that there are reasonably good prospects of recovering the disputed sum, and successfully resisting BPS's counterclaim. SSB has provided for impairment loss of RM994,000 for equipment deposits and interest capitalised for the first vessel and RM11.889 million on the second vessel.

B13. Dividend payable

No interim dividend has been declared for the current quarter ended 30 June 2013.

B14. Earnings per Share

	3 months ended		6 months ended	
	30 Jun 2013 RM'000	30 Jun 2012 RM'000	30 Jun 2013 RM'000	30 Jun 2012 RM'000
Profit attributable to Owners of the Parent (RM'000)	<u>3,390</u>	<u>3,643</u>	<u>7,702</u>	<u>8,427</u>
Weighted average number of shares in issue ('000)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Basic earnings per share (sen)	<u>0.68</u>	<u>0.73</u>	<u>1.54</u>	<u>1.69</u>
Diluted earnings per share (sen)	<u>0.68</u>	<u>0.73</u>	<u>1.54</u>	<u>1.69</u>

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.

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

B15. Disclosure of Realised and Unrealised Profits

The retained profits as at 30 June 2013 and 31 December 2012 are analysed as follows:

	As at 30 Jun 2013 RM'000	As at 31 Dec 2012 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	387,118	373,770
- Unrealised	(54,047)	(47,593)
	<u>333,071</u>	<u>326,177</u>
Consolidation adjustments	(224,671)	(225,479)
Total Group retained profits as per consolidated accounts	<u>108,400</u>	<u>100,698</u>