



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

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

	3 months ended		9 months ended	
	30 Sept 2013 RM'000 (Unaudited)	30 Sept 2012 RM'000 (Unaudited)	30 Sept 2013 RM'000 (Unaudited)	30 Sept 2012 RM'000 (Unaudited)
<b>Revenue</b>	37,326	28,731	134,440	94,429
Cost of sales	<u>(25,238)</u>	<u>(16,633)</u>	<u>(100,105)</u>	<u>(65,892)</u>
Gross profit	12,088	12,098	34,335	28,537
Other operating income	1,158	2,205	5,087	12,466
Other operating expenses	(1,080)	-	(1,081)	-
Administrative expenses	(3,977)	(5,919)	(13,730)	(15,043)
Finance expenses	(3,366)	(3,071)	(9,851)	(9,554)
Share of result of an associate	402	350	1,202	1,005
Share of result of a joint venture	<u>19</u>	<u>-</u>	<u>19</u>	<u>-</u>
<b>Profit before tax</b>	5,244	5,663	15,981	17,411
Income tax expense	(1,781)	(1,915)	(4,816)	(5,236)
<b>Profit for the period</b>	<u>3,463</u>	<u>3,748</u>	<u>11,165</u>	<u>12,175</u>
Profit attributable to:				
Owners of the Parent	<u>3,463</u>	<u>3,748</u>	<u>11,165</u>	<u>12,175</u>
	<u>3,463</u>	<u>3,748</u>	<u>11,165</u>	<u>12,175</u>
Earnings per share (sen)				
- Basic EPS	0.69	0.75	2.23	2.44
- Diluted EPS	0.69	0.75	2.23	2.44

*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 SEPTEMBER 2013**

(CONTINUED)

	3 months ended		9 months ended	
	30 Sept 2013 RM'000 (Unaudited)	30 Sept 2012 RM'000 (Unaudited)	30 Sept 2013 RM'000 (Unaudited)	30 Sept 2012 RM'000 (Unaudited)
<b>Profit for the period</b>	3,463	3,748	11,165	12,175
<b>Other Comprehensive Income :</b>				
Exchange differences on translation of foreign operations	3,348	(3,027)	4,393	277
<b>Total Comprehensive Income for the period</b>	<u>6,811</u>	<u>721</u>	<u>15,558</u>	<u>12,452</u>
Total comprehensive income attributable to:				
Owners of the Parent	<u>6,811</u>	<u>721</u>	<u>15,558</u>	<u>12,452</u>
	<u>6,811</u>	<u>721</u>	<u>15,558</u>	<u>12,452</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 SEPTEMBER 2013**

	<b>As at 30 Sept 2013 RM'000 (Unaudited)</b>	<b>As at 31 Dec 2012 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	541,817	444,676
Land use rights	13,116	13,550
Investment in an associate	4,547	3,526
Investment in a joint venture	303	-
Other receivables	30,418	37,483
	<b>590,201</b>	<b>499,235</b>
<b>Current Assets</b>		
Inventories	229,152	278,797
Trade and other receivables	84,910	62,018
Tax recoverable	624	2,366
Cash and cash equivalents	63,312	113,482
	<b>377,998</b>	<b>456,663</b>
<b>Total Assets</b>	<b>968,199</b>	<b>955,898</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share Capital	250,000	250,000
Share Premium	79,087	79,087
Retained earnings	111,863	100,698
Other components of equity	7,195	2,802
<b>Total Equity</b>	<b>448,145</b>	<b>432,587</b>
<b>Non-Current Liabilities</b>		
Long-term borrowings	249,956	236,918
Deferred tax liabilities	54,876	55,634
	<b>304,832</b>	<b>292,552</b>
<b>Current Liabilities</b>		
Provision	1,500	3,199
Short-term borrowings	163,253	164,285
Trade and other payables	46,924	62,399
Provision for taxation	3,545	876
	<b>215,222</b>	<b>230,759</b>
<b>Total Liabilities</b>	<b>520,054</b>	<b>523,311</b>
<b>Total Equity and Liabilities</b>	<b>968,199</b>	<b>955,898</b>
<b>Net asset per share (sen)</b>	<b>89.63</b>	<b>86.52</b>

*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.*

SEALINK INTERNATIONAL BERHAD (800981-X)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 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
Dividend	-	-	(5,000)	-	(5,000)	(5,000)
Total comprehensive income for the period	-	-	12,175	277	12,452	12,452
<b>Balance as at 30 September 2012</b>	<b>250,000</b>	<b>79,087</b>	<b>121,966</b>	<b>1,451</b>	<b>452,504</b>	<b>452,504</b>

	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	-	-	11,165	4,393	15,558	15,558
<b>Balance as at 30 September 2013</b>	<b>250,000</b>	<b>79,087</b>	<b>111,863</b>	<b>7,195</b>	<b>448,145</b>	<b>448,145</b>

*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 SEPTEMBER 2013**

	Year-to-date Ended	
	30 Sept 2013 RM'000 (Unaudited)	30 Sept 2012 RM'000 (Unaudited)
<b>Cash Flows From Operating Activities</b>		
<b>Profit before tax</b>	15,981	17,411
Adjustments for:		
Interest income	(3,392)	(2,921)
Interest expenses	9,851	9,554
Amortisation of land use rights	434	953
Reversal of deposit written off	(882)	-
Depreciation of property, plant and equipment	26,691	23,672
Gain on disposal of property, plant and equipment	(71)	-
Gain on disposal of non-current asset held for sale	-	(4,570)
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 an associate	(1,202)	(1,005)
Share of profit of a joint venture	(19)	-
Unrealised (gain)/loss on foreign exchange	(487)	1,391
Total adjustments	<u>29,226</u>	<u>22,793</u>
Operating profit before working capital changes	45,207	40,204
Changes in working capital		
Decrease/(increase) in inventories	65,097	(40,065)
(Increase)/decrease in trade and other receivables	(22,512)	26,337
Decrease in trade and other payables	(22,783)	(34,520)
Increase in amount due to ultimate holding company	-	8
Net change in associate balances	7,566	5,894
Total changes in working capital	<u>27,368</u>	<u>(42,346)</u>
Cash flows from operations	72,575	(2,142)
Interest paid	(14,333)	(14,542)
Income tax refund	1,845	335
Income tax paid	(3,004)	(3,774)
<b>Net Cash Flows From/(used in) Operating Activities</b>	<b><u>57,083</u></b>	<b><u>(20,123)</u></b>
<b>Cash Flows From Investing Activities</b>		
Acquisition of investment in a joint venture	(500)	-
Increase in non-current asset held for sale	-	(13,545)
Purchase of property, plant and equipment	(119,043)	(37,485)
Decrease/(increase) in land use rights	-	434
Proceeds from disposal of property, plant and equipment	116	-
Proceeds from disposal of non-current asset held for sale	-	54,631
Interest received	3,392	3,701
<b>Net Cash Flows (Used In) /From Investing Activities</b>	<b><u>(116,035)</u></b>	<b><u>7,736</u></b>

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

	Year-to-date Ended	
	30 Sept 2013 RM'000 (Unaudited)	30 Sept 2012 RM'000 (Audited)
<b>Cash Flows From Financing Activities</b>		
Net movement in fixed deposits pledged	4,641	22,815
Net movement in cash at bank restricted in use	23,294	-
Net movements in trade financing	(12,632)	(13,714)
Proceeds from term loans	53,713	100,026
Proceeds from finance lease	160	-
Repayments of term loans	(40,464)	(40,534)
Repayments of hire purchase payables	(7)	(41)
Dividends paid to shareholders	-	(5,000)
<b>Net Cash Flows From Financing Activities</b>	<b>28,705</b>	<b>63,552</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(30,247)</b>	<b>51,165</b>
Effect of changes in foreign exchange rates	4,859	(623)
Cash and Cash Equivalents at the beginning of financial year	53,928	38,419
<b>Cash and Cash Equivalents at the end of financial period</b>	<b>28,540</b>	<b>88,961</b>

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

Cash and bank balances	63,312	116,728
Bank overdraft	(23,122)	(13,923)
	40,190	102,805
Less: Fixed deposits pledged and cash at bank restricted in use	(11,650)	(13,844)
	<b>28,540</b>	<b>88,961</b>

*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 THIRD QUARTER ENDED 30 SEPTEMBER 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.

**(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,      Investment Entities  
MFRS12 and MRS127

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

MFRS 9                              Financial Instruments

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2013 are as follows:

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<b>Revenue</b>					
External sales	52,538	81,902	-	-	134,440
Inter-segment sales	13,515	10,159	-	(23,674)	-
Total revenue	<u>66,053</u>	<u>92,061</u>	<u>-</u>	<u>(23,674)</u>	<u>134,440</u>
Segment profit/(loss) (Note A)	<u>(8,535)</u>	<u>24,862</u>	<u>2,675</u>	<u>(3,021)</u>	<u>15,981</u>

## Note A

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

Segment profit	19,002
Dividend from an associate	(250)
Loss from inter-segment sales	(2,792)
Share of result of an associate	1,202
Share of result of a joint venture	19
Finance costs	2,617
Unallocated corporate expenses	<u>(3,817)</u>
Profit before tax	<u>15,981</u>

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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
<b>Assets and liabilities</b>					
Segment assets	310,490	598,874	794,870	(736,035)	968,199
Segment liabilities	236,601	300,906	451,933	(469,386)	520,054
Net assets	<u>73,889</u>	<u>297,968</u>	<u>342,937</u>	<u>(266,649)</u>	<u>448,145</u>
<b>Other segmental information</b>					
Depreciation	5,589	20,824	1,875	(1,596)	26,692
Amortisation of land use rights	79	318	37	-	434

**A9. Capital commitments**

Capital commitments are as follows:

	<b>Approved and contracted for RM'000</b>	<b>Approved but not contracted for RM'000</b>
Property, plant and equipment	<u>3,844</u>	<u>129,284</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**

**(1) Establishment of new companies**

Companies incorporated during the current quarter and financial year to date include the following:

**(a) Seasten Sdn Bhd**

Seasten Sdn Bhd (STSB) was incorporated on 18 July 2013 under the Companies Act, 1965 with authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares valued at RM1.00 has been issued and fully paid-up. The principal activity of STSB is ship operator and ship owner.

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

**A11. Changes in composition of the Group (continued)**

**(b) Hanvoir (L) Ltd**

Hanvoir (L) Ltd (HLL) was incorporated in the Federal Territory of Labuan on 18 July 2013 under the Labuan Companies Act, 1990 with issued and paid up capital of USD1.00. HLL is wholly owned subsidiary of Sealink Offshore (L) Ltd (SOL) . The principal activity of HLL is ship operator and ship owner.

**(2) Investment in joint venture**

**Mitra Angkasa Sdn Bhd**

On 30 August 2013, Sea Legend Shipping Sdn Bhd (SLSSB) acquired 50,000 ordinary shares in Mitra Angkasa Sdn Bhd (MASB) for total cash consideration of RM50,000. On the same date, SLSSB subscribed for 450,001 ordinary shares of RM1 each in MASB. Hence, the shareholdings of SLSSB stands at 50.0001%. SLSSB also entered into a Deed of Variation on 30 August 2013 to vary the terms for subscription of redeemable preference shares (RPS) from 3,500,000 RPS to 5,000,000 RPS. Hence, SLSSB shall subscribe 2,500,000 redeemable preference share at RM1 each at an interest rate of 9.1% per annum in MASB in due course.

**A12. Contingent liabilities**

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

## INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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:

	<b>Transaction value for 3 months ended 30 Sept 2013 RM</b>	<b>Current Year-to-date 30 Sept 2013 RM</b>
<b>(i) Transactions with companies in which certain Directors of the Company have substantial interest :</b>		
Ming Kiong Agencies (Singapore) Pte Ltd		
- Rental of office at Far East shopping centre, Singapore	34,771	101,936
Manmohan's (Labuan) Sdn Bhd		
- Rental of office at Lot 20, Labuan	3,000	9,000
Syarikat Guan Teck Enterprise (Sarawak) Sdn Bhd		
- Lease of office at Lot 1035, Piasau	26,250	78,750
Syarikat Lambir Timber Sdn Bhd		
- Chartering of vessels	52,500	157,500
Rajah & Tann		
- Provision of legal services	95,395	376,739
Khoo & Co, Advocates and Solicitors		
- Provision of legal services	3,950	21,006
<b>(ii) Transactions with Director :</b>		
Yong Foh Choi		
- Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	1,500	4,500
	<b>217,366</b>	<b>749,431</b>

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 (3Q 2013 Vs. 3Q 2012)**

The Group's performance for the current quarter under review compared to 3Q 2012 is as follow:

	<b>Shipbuilding</b>	<b>Chartering</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>Total</b>
			<b>RM'000</b>
Revenue (3Q 2013)	2,186	35,140	37,326
Revenue (3Q 2012)	1,686	27,045	28,731
Variance	<u>500</u>	<u>8,095</u>	<u>8,595</u>
<i>Variance (%)</i>			<i>30%</i>

The Group's revenue for the current quarter achieved at RM37.3 million increased by RM8.6 million or 30% compared to 3Q 2012 mostly attributed to increased revenue from ship charter division. The increase in ship charter revenue was due to increased in overall utilisation rate and the charter of a new hybrid vessel.

	<b>Shipbuilding</b>	<b>Chartering</b>	<b>Others/ Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Total</b>
				<b>RM'000</b>
(Loss)/profit before tax (3Q 2013)	(5,084)	11,322	(994)	5,244
(Loss)/profit before tax (3Q 2012)	(6,785)	9,607	2,841	5,663
<i>Variance (%)</i>				<i>-7%</i>

Ship charter division registered profit before tax of RM11.3 million in 3Q 2013. As explained above, the favourable results was partly attributed to charter of a new hybrid vessel and overall increase in utilisation rate.

The Group registered profit before tax of RM5.2 million, which was slightly lower than 3Q 2012 because of other income derived in 3Q 2012 amounted to RM1.7 million which is non-recurrent.

## INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

**(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS****B1. Review of performance of the Company and its principal subsidiaries (continued)****(b) YTD 2013 compared with YTD 2012**

The Group's performance for 9 months 2013 compared with corresponding period in 2012 is as follow:-

	<b>Shipbuilding</b>	<b>Chartering</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>Total</b>
			<b>RM'000</b>
Revenue (YTD 2013)	52,538	81,902	134,440
Revenue (YTD 2012)	23,108	71,321	94,429
Variance	<u>29,430</u>	<u>10,581</u>	<u>40,011</u>
<i>Variance (%)</i>	<i>&gt;100%</i>	<i>15%</i>	<i>42%</i>

The Group achieved revenue of RM134.4 million in current financial period, increased by RM40.0 million or 42% compared to corresponding period last year due to increased revenue from both division.

Shipbuilding

Shipbuilding division's revenue increased more than 100% compared to corresponding period last year principally due to increased in number of vessels sold.

Ship charter

Ship charter division recorded 15% increase in revenue compared to corresponding financial period mainly due to additional revenue generated from the new vessel. The vessel was awarded 6 months contract (include extension of 1 + 1 month). The same contract is expected to be extended another term.

	<b>Shipbuilding</b>	<b>Chartering</b>	<b>Others/ Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Total</b>
				<b>RM'000</b>
(Loss)/profit before tax (YTD 2013)	(8,535)	24,862	(346)	15,981
(Loss)/profit before tax (YTD 2012)	(15,329)	22,734	10,006	17,411
<i>Variance (%)</i>				<i>8%</i>

Shipbuilding segment posted a lower loss of RM8.5 million in current financial period against loss of RM15.3 million in the corresponding financial period due to increased revenue while profit from ship charter segment increased marginally to RM24.8 million. Despite the rise in revenue, profit only showed marginal increase due to initial cost incurred to take delivery of vessel from China and get the vessel ready for charter. A sale contract for an offshore supply vessel was secured in Quarter 4 which will be recognised in the same quarter. Apart from that, 2 completed vessels is expected to be transferred to the ship charter division as part of the group expansion and fleet modernization plan.

Despite a lower loss suffered by the shipbuilding segment, the Group recorded profit before tax of RM15.9 million in current financial period which is 8% lower than corresponding financial period due to other income of RM4.5 million derived in year 2012 which is non-recurrent.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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**

	<b>Current Quarter ended 30 Sept 2013 RM'000</b>	<b>Preceding Quarter ended 30 Jun 2013 RM'000</b>	<b>Variance RM'000</b>	<b>%</b>
Revenue	37,326	46,599	(9,273)	-20%
Profit before tax	<u>5,244</u>	<u>5,042</u>	202	4%

The Group recorded revenue of RM37.3 million, lower than preceding quarter by 20% due to decreased revenue from shipbuilding.

Despite the drop in revenue, the Group reported profit before tax of RM5.2 million for the current quarter which is comparable to the preceding quarter.

**B3. Commentary on prospects**

The oil and gas industry in Malaysia is expecting more contracts to be awarded for the marginal oil fields, enhanced oil recovery projects and new installation of platforms in 2014 and beyond. The industry believes that Petronas will step up oil exploration and production activities before Malaysia becomes a net oil importer.

The overall results for the SIB Group are expected to improve going forward as the SIB Group had taken delivery of several new vessels and SIB Group is also in the process of improving the results from the shipbuilding division. SIB have consolidated the operations of the two fabrication yards, commenced several new shipbuilding projects and cost cutting measures introduced to improve the profitability of the shipbuilding operations.

We believe that the demand and rates for the charter and sale of our marine offshore support vessels ("OSV") will improve from those obtained in 2013. Apart from new contracts, the SIB Group's chartering division was also awarded extensions of several long-term charter contracts. SIB Group had taken delivery of two sophisticated hybrid vessels. SIB Group is also modernizing the fleet by disposing of the older and smaller vessels to improve the charter rates and utilisation. Barring unforeseen circumstances, the SIB Group is optimistic that the ship chartering division would perform reasonably well in the next 12 months. The oil and gas industry has been getting more competitive and SIB Group will improve and maintain its 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 Sept 2013 RM'000	30 Sept 2012 RM'000
Interest income	(3,392)	(2,921)
Other income	(1,624)	(694)
Interest expense	9,851	9,554
Reversal of deposit written off	(882)	-
Depreciation of property, plant and equipment	26,691	23,672
Amortisation of land use rights	434	953
Property, plant and equipment written off	2	-
Gain or loss on disposal of non-current asset held for sale	-	(4,570)
Gain or loss on disposal of property, plant and equipment	(71)	-
Reversal of provision for maintenance warranties	(1,699)	-
Reversal of impairment loss on trade receivables	-	(4,281)
(Gain)/loss on foreign exchange		
- Realised	(1,165)	(1,144)
- Unrealised	(487)	1,391
	<u>(487)</u>	<u>1,391</u>

**B6. Taxation**

	Current Quarter 30 Sept 2013 RM'000	Current Year-to-date 30 Sept 2013 RM'000
Malaysian income tax	2,353	5,574
Deferred income tax	(572)	(758)
<b>Total tax expenses</b>	<u>1,781</u>	<u>4,816</u>

The effective tax rate for the current quarter is slightly higher compared to statutory tax rate due to loss suffered by shipbuilding division.



INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 September 2013 were as follows:

<b>1. <u>Total Borrowings</u></b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Short-term borrowings	144,680	18,573	163,253
Long-term borrowings	249,956	-	249,956
	<u>394,636</u>	<u>18,573</u>	<u>413,209</u>
<b>2. <u>Borrowings denominated in US Dollars</u></b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>
Short-term borrowings	8,792	-	8,792
Long-term borrowings	35,658	-	35,658
	<u>44,450</u>	<u>-</u>	<u>44,450</u>

**B11. Derivative Financial Instruments**

There are no outstanding derivatives as at the reporting period.

## INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 ("KLRC") 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 September 2013.

**B14. Earnings per Share**

	3 months ended		9 months ended	
	30 Sept 2013	30 Sept 2012	30 Sept 2013	30 Sept 2012
	RM'000	RM'000	RM'000	RM'000
Profit attributable to Owners of the Parent (RM'000)	<u>3,463</u>	<u>3,748</u>	<u>11,165</u>	<u>12,175</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>0.69</u>	<u>0.75</u>	<u>2.23</u>	<u>2.44</u>
Diluted earnings per share (sen)	<u>0.69</u>	<u>0.75</u>	<u>2.23</u>	<u>2.44</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.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2013

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

**B15. Disclosure of Realised and Unrealised Profits**

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

	<b>As at 30 Sept 2013 RM'000</b>	<b>As at 31 Dec 2012 RM'000</b>
Total retained profits of the Company and its subsidiaries:		
- Realised	401,419	373,770
- Unrealised	(53,140)	(47,593)
	<u>348,279</u>	<u>326,177</u>
Consolidation adjustments	(236,416)	(225,479)
Total Group retained profits as per consolidated accounts	<u><u>111,863</u></u>	<u><u>100,698</u></u>