



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018

	Individual 3 months ended		Cumulative 12 months ended	
	31 Dec 2018 RM'000 (Unaudited)	31 Dec 2017 RM'000 (Unaudited)	31 Dec 2018 RM'000 (Unaudited)	31 Dec 2017 RM'000 (Audited)
Revenue	37,941	13,865	71,652	75,185
Cost of sales	<u>(45,423)</u>	<u>(19,742)</u>	<u>(96,241)</u>	<u>(85,624)</u>
Gross loss	(7,482)	(5,877)	(24,589)	(10,439)
Other operating income	17,881	816	21,744	4,641
Other operating expenses	(66)	(342)	(171)	(15,488)
Administrative expenses	<u>(3,302)</u>	<u>(3,130)</u>	<u>(11,397)</u>	<u>(20,383)</u>
Operating profit/(loss)	7,031	(8,533)	(14,413)	(41,669)
Finance income	954	813	2,428	3,029
Finance expenses	(2,846)	(1,727)	(10,910)	(9,524)
Share of result of an associate	(167)	(150)	1,185	(1,022)
Share of result of jointly controlled entities	<u>88</u>	<u>(273)</u>	<u>(299)</u>	<u>(950)</u>
Profit/(loss) before tax	5,060	(9,870)	(22,009)	(50,136)
Income tax expense	(778)	(1,694)	2,243	407
Profit/(loss) for the period, net of tax	<u>4,282</u>	<u>(11,564)</u>	<u>(19,766)</u>	<u>(49,729)</u>
Profit/(loss) attributable to:				
Owners of the Parent	<u>4,282</u>	<u>(11,564)</u>	<u>(19,766)</u>	<u>(49,729)</u>
	<u>4,282</u>	<u>(11,564)</u>	<u>(19,766)</u>	<u>(49,729)</u>
Earnings per share (sen)				
- Basic EPS	0.86	(2.31)	(3.95)	(9.95)
- Diluted EPS	0.86	(2.31)	(3.95)	(9.95)

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018

(CONTINUED)

	Individual 3 months ended		Cumulative 12 months ended	
	31 Dec 2018 RM'000 (Unaudited)	31 Dec 2017 RM'000 (Unaudited)	31 Dec 2018 RM'000 (Unaudited)	31 Dec 2017 RM'000 (Audited)
Profit/(loss) for the period, net of tax	4,282	(11,564)	(19,766)	(49,729)
Other Comprehensive Income :				
Exchange differences on translation of foreign operations	284	(9,077)	3,541	(19,588)
Total Comprehensive Income for the period, net of tax	<u>4,566</u>	<u>(20,641)</u>	<u>(16,225)</u>	<u>(69,317)</u>
Total comprehensive income attributable to:				
Owners of the Company	<u>4,566</u>	<u>(20,641)</u>	<u>(16,225)</u>	<u>(69,317)</u>
	<u>4,566</u>	<u>(20,641)</u>	<u>(16,225)</u>	<u>(69,317)</u>

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITIONFOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018

	As at 31 Dec 2018	As at 31 Dec 2017
	RM'000	RM'000
	(Unaudited)	(Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	452,769	506,552
Land use rights	4,094	10,657
Investment in an associate	5,073	3,795
Investment in a joint venture	17,792	6,738
Other receivables	13,542	394
	493,270	528,136
Current Assets		
Inventories	14,836	34,151
Trade and other receivables	61,190	39,465
Investment securities	66	65
Tax recoverable	880	827
Cash and cash equivalents	28,738	30,158
	105,710	104,666
Total Assets	598,980	632,802
EQUITY AND LIABILITIES		
Current Liabilities		
Loans and borrowings	86,873	99,893
Trade and other payables	48,860	32,371
Provision for taxation	649	1,119
	136,382	133,383
Net current liabilities	(30,672)	(28,717)
Loans and borrowings	70,302	87,845
Deferred tax liabilities	23,386	26,439
	93,688	114,284
Total Liabilities	230,070	247,667
Net assets	368,910	385,135
Equity attributable to owners of the Company		
Share Capital	329,087	329,087
Retained earnings	(16,166)	3,600
Other components of equity	55,989	52,448
Total Equity	368,910	385,135
Total Equity and Liabilities	598,980	632,802
Net asset per share (sen)	73.78	77.03

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITYFOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018

	<----- Attributable to Owners of the Parent ----->				
	Non-distributable		Distributable	Non-distributable	
	Share Capital	Share Premium	Retained Earnings	Foreign currency translation reserve	Total Equity (Unaudited)
	RM'000	RM'000	RM'000	RM'000	RM'000
Opening balance at 1 January 2018	250,000	79,087	3,600	52,448	385,135
Adjustments for effect of Companies Act 2016 (Note A)	79,087	(79,087)	-	-	-
Total comprehensive income for the period	-	-	(19,766)	3,541	(16,225)
Closing balance at 31 December 2018	329,087	-	(16,166)	55,989	368,910
Opening balance at 1 January 2017	250,000	79,087	53,330	72,036	454,453
Total comprehensive income for the period	-	-	(49,730)	(19,588)	(69,318)
Closing balance at 31 December 2017	250,000	79,087	3,600	52,448	385,135

With the Companies Act 2016 ("New Act") came into effect on 31 January 2017, the credit amount of RM79,087,000 standing in the share premium account has been transferred to the share capital account. The Group may exercise

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018

	Year-to-date Ended	
	31 Dec 2018	31 Dec 2017
	RM'000	RM'000
	(Unaudited)	(Audited)
Cash Flows From Operating Activities		
Loss before tax	(22,009)	(50,136)
Adjustments for:		
Interest income	(2,428)	(3,029)
Interest expenses	10,910	9,524
Dividend income from investment securities	-	(2)
Amortisation of land use rights	507	579
Depreciation of property, plant and equipment	40,843	43,327
Loss / (Gain) on disposal of property, plant and equipment	(18,413)	13,412
Gain on disposal of a joint venture	-	(249)
Impairment loss on trade and other receivables	-	629
Inventories written off	64	107
Property, plant and equipment written off	4	31
Reversal of impairment loss on trade receivables	(865)	(36)
Reversal of deposit written off	-	(186)
Reversal of inventories written off	-	(8)
Share of result of an associate	(1,185)	1,022
Share of result of joint controlled entities	299	950
Unrealised loss/(gain) on foreign exchange	(977)	515
Total adjustments	<u>28,759</u>	<u>66,586</u>
Operating loss before working capital changes	6,750	16,450
Changes in working capital		
(Increase)/Decrease in inventories	19,250	16,736
(Increase)/Decrease in trade and other receivables	(31,120)	(1,349)
Increase/(Decrease) in trade and other payables	3,336	(1,261)
Net change in holding company balances	10,086	4,000
Total changes in working capital	<u>1,552</u>	<u>18,125</u>
Cash flows from operations	8,302	34,585
Interest paid	(10,910)	(10,649)
Interest received	2,428	3,029
Income tax refund	140	403
Income tax paid	(961)	(407)
Net Cash Flows From Operating Activities	<u>(1,001)</u>	<u>26,950</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2018

	Year-to-date Ended	
	31 Dec 2018 RM'000 (Unaudited)	31 Dec 2017 RM'000 (Audited)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(107)	(1,113)
Proceeds from disposal of property, plant and equipment	45,100	18,699
Acquisition of redeemable preference shares in a joint venture	-	(656)
Proceeds from disposal of ordinary shares in a joint venture	-	756
Net Cash Flows (Used in)/From Investing Activities	44,993	17,686
Cash Flows From Financing Activities		
Net movement in fixed deposits pledged	10,560	6,434
Net movement in revolving credit	(1,201)	-
Net movement in cash at bank restricted in use	-	771
Net movements in trade financing	-	(8,200)
Proceeds from term loans	-	27,731
Repayments of obligations under finance leases	(80)	(58)
Repayment of term loans	(30,061)	(78,350)
Net Cash Flows Used In Financing Activities	(20,782)	(51,672)
Net (Decrease)/Increase in Cash and Cash Equivalents	23,210	(7,036)
Effect of changes in foreign exchange rates	87	(334)
Cash and Cash Equivalents at the beginning of financial year	(11,268)	(3,898)
Cash and Cash Equivalents at the end of financial period	12,029	(11,268)

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

Cash and bank balances	28,738	30,158
Bank overdraft	(14,620)	(28,776)
	14,118	1,382
Less: Fixed deposits pledged and cash at bank restricted in use	(2,089)	(12,650)
	12,029	(11,268)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 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. Basis of Preparation

The interim financial statements have 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 2017. 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 2017.

A1.1 Changes in Accounting Policies

The accounting policies adopted in the preparation of the unaudited interim financial statements are consistent with those used in the preparation of the Group's audited financial statements for the financial year ended 31 December 2017 except for the following:

MFRS effective for annual period beginning on or after 1 January 2018

- Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions
- MFRS 9: Financial Instruments
- MFRS 15: Revenue from Contracts with Customers
- Amendments to MFRS 140: Transfers of Investment Property
- Annual improvements to MFRS Standards 2014-2016 Cycle
 - (i) Amendments to MFRS 1: First-time adoption of Malaysian Financial Reporting Standards
 - (ii) Amendments to MFRS 128: Investment in Associates and Joint Ventures
- IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

MFRS effective for annual period beginning on or after 1 January 2019

- Amendments to MFRS 9: Prepayment Features with Negative Compensation
- MFRS 16: Leases
- Amendments to MFRS 119 Employee Benefits - *Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 128 Investments in Associates and Joint Ventures - *Long-term Interests in Associates and Joint Ventures*
- Amendments to MFRS 3 Business Combinations (*Annual Improvements to MFRS Standards 2015 - 2017 Cycle*)
- Amendments to MFRS 11 Joint Arrangements (*Annual Improvements to MFRS Standards 2015 - 2017 Cycle*)
- Amendments to MFRS 112 Income Taxes (*Annual Improvements to MFRS Standards 2015 - 2017 Cycle*)
- Amendments to MFRS 123 Borrowing Costs (*Annual Improvements to MFRS Standards 2015 - 2017 Cycle*)
- IC Interpretation 23 Uncertainty over Income Tax Treatments

MFRS effective for annual period beginning on or after 1 January 2021

- MFRS 17 Insurance Contracts

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

MFRS effective date of these Standards have been deferred, and yet to be announced

- Amendments to MFRS 10 Consolidated Financial Statements
- MFRS 128 Investments in Associates and Joint Ventures - *Sale or Contribution of Assets between and Investor and its Associates or Joint Venture*

The adoption of above standards and amendments are either not relevant or do not have any impact on the financial statements of the Group except as mentioned below:

- MFRS 15, *Revenue from Contracts with Customers and Clarifications to MFRS 15, Revenue from Contracts with Customers*.
MFRS 15 replaces the guidance in MFRS11, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreement for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue Barter Transactions Involving Advertising Services*.
- MFRS 9, *Financial Instruments*
MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The adoption of MFRS 15 and MFRS 9 will result in a change in accounting policies. The Group is currently assessing the financial impact that may arise from the adoption of these accounting standards.

The Group and the Company plan to apply:

- from the annual period beginning on 1 January 2019, the accounting standards, amendments or interpretations that are effective for annual period beginning on or after 1 January 2019 for MFRS 16 which is assessed as presently applicable to the Group.

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 2017 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 financial 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.

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 quarter.

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

A7. Dividends Paid

No dividend was paid in the current quarter under review.

A8. Segmental information

The results and other information of the Group as at 31 December 2018 are as follows:

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External sales	26,617	45,035	-	-	71,652
Inter-segment sales	2,797	18,034	-	(20,831)	-
Total revenue	<u>29,414</u>	<u>63,069</u>	<u>-</u>	<u>(20,831)</u>	<u>71,652</u>
Segment loss (Note A)	<u>(1,602)</u>	<u>(21,393)</u>	<u>(2,262)</u>	<u>3,248</u>	<u>(22,009)</u>

A8. Segmental information (continued)

Note A

The following items are added to/(deducted from) segment loss to arrive at "Loss before tax from continuing operations" presented in the condensed consolidated income statements:

Segment Loss	(25,257)
Loss from inter-segment sales	2,438
Share of result of an associate	1,185
Share of results of jointly controlled entities	(299)
Finance costs	10,910
Unallocated corporate expenses	<u>(10,986)</u>
Loss before tax	<u><u>(22,009)</u></u>

A8. Segmental information (continued)

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Assets and liabilities					
Segment assets	161,163	673,507	241,733	(477,423)	598,980
Segment liabilities	<u>98,207</u>	<u>363,870</u>	<u>210,720</u>	<u>(442,728)</u>	<u>230,070</u>
Net assets	<u>62,956</u>	<u>309,637</u>	<u>31,013</u>	<u>(34,695)</u>	<u>368,910</u>
Other segmental information					
Depreciation	3,286	25,236	12,836	(513)	40,843
Amortisation of land use rights	<u>105</u>	<u>353</u>	<u>49</u>	<u>-</u>	<u>507</u>

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

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	-	126,969

A10. Material events subsequent to the end of period reported

There were no material events subsequent to the end of the interim period reported which have not been reflected under the current quarter.

A11. Changes in composition of the Group

There were no changes in composition of the Group for the current quarter ended 31 December 2018.

A12. Contingent liabilities

The following is the contingent liability since the last annual balance sheet date:

	As at 31 Dec 2018 RM'000	As at 31 Dec 2017 RM'000
Corporate guarantees given to financial institutions in consideration of credit facilities granted to a jointly controlled entity	-	-

A13. Related party transactions

Transactions between the Group and related parties are as follows:

	Transaction value for 3 months ended 31 Dec 2018 RM	Current Year-to-date 31 Dec 2018 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	13,848	54,544
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	30,000	120,000

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

A13. Related party transactions (Continued)

Transactions between the Group and related parties are as follows:

	Transaction value for 3 months ended 31 Dec 2018 RM	Current Year-to-date 31 Dec 2018 RM
(i) Transactions with companies in which certain Directors of the Company have substantial interest :		
Syarikat Lambir Timber Sdn Bhd - Chartering of vessels	52,500	210,000
Khoo & Co, Advocates and Solicitors - Provision of legal services	54,450	87,653
Rajah & Tann Singapore LLP - Provision of legal services	-	6,706
(ii) Transactions with Director :		
Yong Foh Choi - Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	1,200	4,800
	<u>154,998</u>	<u>495,703</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 favorable than those transacted with unrelated parties.

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018**(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS****B1. Review of performance of the Company and its principal subsidiaries****(a) Financial review for current quarter and financial year to date**

	Individual Period		Changes (%)	Cumulative Period		Changes (%)
	31/12/2018 RM'000	31/12/2017 RM'000		31/12/2018 RM'000	31/12/2017 RM'000	
Revenue	37,941	13,865	174%	71,652	75,185	-5%
Operating profit/(loss)	7,031	(8,533)	182%	(14,413)	(41,669)	65%
Profit/(Loss) before tax	5,060	(9,870)	151%	(22,009)	(50,136)	56%
Profit/(Loss) after tax	4,282	(11,564)	137%	(19,766)	(49,729)	60%
Revenue						
- Shipbuilding Division	25,431	756	3264%	26,617	21,867	22%
- Ship Charter Division	12,510	15,060	-17%	45,035	53,318	-16%
	<u>37,941</u>	<u>13,865</u>	174%	<u>71,652</u>	<u>75,185</u>	-5%

OPERATING SEGMENTS REVIEW**4Q 2018 vs 4Q 2017****(I) Operating Revenue**

- Comparatively, the Group's revenue in the current quarter increased by 174% and the group made a profit before tax of RM5 million for the current quarter as compared to loss before taxation of RM9.9 million in the corresponding quarter ended 31 December 2017.

Chartering Division

- Chartering activities are not generally significant affected by seasonal fluctuations, but variations over the quarter occurred as a consequence of vessel utilization rates, dry-docking and also the charter rates.
- The increase in operating profit in the current quarter is mainly due to the sale of piece of land in subsidiary.

Shipbuilding Division

- Quarterly revenue from shipbuilding division ballooned 3264% to RM25.4 million from RM756k in previous quarter mainly due to shipbuilding division has completed a sale of vessel in the current quarter.

For the full financial year ended Dec 31, 2018, the Group's net loss narrowed by more than half to RM19.8 million from a net loss of RM49.7 million in the previous year.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018**(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**

	4Q 2018	3Q 2018	Variance	%
	RM'000	RM'000	RM'000	
Revenue	37,941	11,198	26,743	239%
Profit/(Loss) before tax	<u>5,060</u>	<u>(11,736)</u>	16,796	-143%

Current Quarter vs preceding quarter

In the current quarter, the Group achieved profit before tax of RM5 million as compared to loss before tax of RM11.7 million in the preceding quarter. The Group's revenue was 239% higher as compared to the preceding quarter.

The increase in revenue in the current quarter as compared to the immediate preceding quarter is mainly due to the sale of a vessel in shipbuilding division and the increase in profit before tax is mainly due to sale of piece of land in subsidiary which completed on 5 December 2018.

B3. Commentary on prospects

Although market sentiments are still cautious, there is more optimism over prospects for the oil and gas industry on the back of stable oil prices, prompting greater levels of activity. The Group will continue to manage costs and increase efficiency in this turbulent economic climate to improve our competitiveness and resilience. Riding on our strong foundation, we are confident that the Group will achieve good results going forward.

Based on industry analyst reports, the oil market reacted positively to the Organisation of the Petroleum Exporting Countries' (OPEC) recent decision to extend oil output cuts till June 2019 and US sanctions against exporters Iran and Venezuela. Meanwhile, analyst believes that oil prices will see some stabilisation at the current US\$60 per barrel levels for 2019, supported by demand and supply fundamentals.

Petronas' Activity Outlook for 2019-2021 portrays growth in brownfield activities particularly in rigs category and its supporting services, marine vessels. Base activities in maintenance is projected to increase for both onshore and offshore in tandem with this outlook.

Research also indicates that the upward revision in most upstream sub-segments' activities could be due to the delayed work orders last year being pushed to 2019 which may potentially lead to better contract flows and further provide order-book replenishment opportunities for the supporting sectors.

The Group believes that the steady oil price recovery in recent months have led to the increase of activities in the offshore segment. Such optimism is expected to boost the number of projects approved which will also represent opportunities for the Group. The oil and gas sector is expected to continue on a recovery path with upstream companies gradually stepping up production and boosting other firms involved in the industry.

According to Kenanga Research, tendering activities have been on the rise and oil majors are reviewing projects suggesting that they are relatively more upbeat on the upstream sector following the stabilisation of oil prices.

The Group will continue its emphasis on its core activities of ship building, ship charter and ship repair. The Group's shipbuilding division will be looking towards building vessels which have a niche market as well as enhancing its docking (ship repair) facilities, whilst continuous efforts will be taken towards optimising capacity utilisation of the Group's vessels. The Group is also looking at building new vessels that are more energy efficient and environment friendly, in line with tighter environmental regulations in the maritime industry. With the ongoing initiatives in sustainable cost rationalisation and exposures, we believe the Group is well positioned to tide over the current business challenges, of which the worst seem to be over.

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018**(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS**

With the Government lending stronger support to the maritime industry with the recent launch of the Malaysia Shipping Master plan, the country is set to become a self-sufficient and internationally competitive nation that can benefit us along the maritime industry supply chain.

Barring any unforeseen circumstances or events, The Board is optimistic that demand for offshore marine support vessels will improve with further increased expenditure in offshore oil field development and maintenance work by the oil majors. The outlook is improving in anticipation of a shipping recovery.

B4. Variance between actual profit from forecast profit

Not applicable as no profit forecast was published.

B5. Loss before tax

Included in the loss before tax are the following items:

	12 months ended	
	31 Dec 2018	31 Dec 2017
	RM'000	RM'000
Interest income	(2,428)	(3,029)
Interest expenses	10,910	9,524
Dividend income from investment securities	-	(2)
Amortisation of land use rights	507	579
Depreciation of property, plant and equipment	40,843	43,327
Loss / (Gain) on disposal of property, plant and equipment	(18,413)	13,412
Gain on disposal of a joint venture	-	(249)
Impairment loss on trade receivables	-	629
Inventories written off	64	107
Property, plant and equipment written off	4	31
Reversal of inventories written off	-	(8)
Reversal of impairment loss on trade and receivables	(865)	(36)
Reversal of deposit written off	-	(186)
Share of result of an associate	(1,185)	1,022
Share of result of joint controlled entities	299	950
Unrealised loss/(gain) on foreign exchange	(977)	515

B6. Taxation

	Current	Year-to-date
	Quarter	Year-to-date
	31 Dec 2018	31 Dec 2018
	RM'000	RM'000
Malaysian income tax	297	811
Deferred tax reversal	481	(3,054)
Total tax	778	(2,243)

The effective tax rate for the Group for the financial period was lower than statutory tax rate due to reversal of deferred tax relating to temporary differences as well as the different tax rate applicable to subsidiaries of the Group in other jurisdictions.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018

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

B7. Sale of unquoted investments and/or properties

There were no sales of unquoted investments and no other sales of properties for the current quarter and financial year ended 31 December 2018 except for the sale of a piece of land in subsidiary on 1 October 2018.

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

There is no corporate proposal announced but not completed as at end of the financial period under review.

B10. Group borrowings and debt securities

Total Group's borrowings as at 31 December 2018 were as follows:

As at 31 December 2018						
	Short term		Long term		Total borrowings	
	Foreign currency	RM'000	Foreign currency	RM'000	Foreign currency	RM'000
Secured						
- Bank overdraft	-	14,620	-	-	-	14,620
- Revolving credits	-	44,799	-	-	-	44,799
- Loans (USD)	2,986	10,076	10,829	40,952	13,815	51,028
- Loans (SGD)	905	10,239	3,373	10,239	4,278	20,478
- Loans (RM)	-	7,134	-	19,110	-	26,244
- Obligations under finance leases	-	5	-	1	-	6
		86,873		70,302		157,175

As at 31 December 2017						
	Short term		Long term		Total borrowings	
	Foreign	RM'000	Foreign	RM'000	Foreign currency	RM'000
Secured						
- Bank overdraft	-	28,776	-	-	-	28,776
- Revolving credits	-	46,000	-	-	-	46,000
- Loans (USD)	2,012	7,798	12,331	50,264	14,343	58,062
- Loans (SGD)	487	1,634	4,278	12,802	4,765	14,436
- Loans (RM)	-	15,641	-	24,738	-	40,379
- Obligations under finance leases	-	44	-	41	-	85
		99,893		87,845		187,738

B11. Derivative Financial Instruments

There are no outstanding derivatives at the reporting period.

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2018**(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS****B12. Material litigation**

There was no material litigation for the current quarter and financial year to date.

B13. Dividend payable

No interim dividend has been declared for the current quarter ended 31 December 2018.

B14. Earnings per Share

	3 months ended		12 months ended	
	31 Dec 2018 RM'000	31 Dec 2017 RM'000	31 Dec 2018 RM'000	31 Dec 2017 RM'000
(Loss)/Profit attributable to Owners of the Parent (RM'000)	<u>4,282</u>	<u>(11,564)</u>	<u>(19,766)</u>	<u>(49,729)</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>0.86</u>	<u>(2.31)</u>	<u>(3.95)</u>	<u>(9.95)</u>
Diluted earnings per share (sen)	<u>0.86</u>	<u>(2.31)</u>	<u>(3.95)</u>	<u>(9.95)</u>

Basic earnings per share of the Company is calculated by dividing net (loss)/profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

The computation of diluted earnings per share is the same as basic earnings per share as there were no new shares issued during the reporting period.

B15. Authorisation For Issue

The quarterly report for the third quarter ended 31 December 2018 was authorised for issue by the Board resolution of the directors dated 28th February 2019.

By Order Of The Board

Yeo Puay Huang (f)
Company Secretary
28-February-2019