

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2020

	Individual 3 months ended		Cumulative 6 months ended	
	30 Jun 2020 RM'000 (Unaudited)	30 Jun 2019 RM'000 (Unaudited)	30 Jun 2020 RM'000 (Unaudited)	30 Jun 2019 RM'000 (Unaudited)
Revenue	14,833	11,996	35,464	19,036
Cost of sales	<u>(18,161)</u>	<u>(17,165)</u>	<u>(40,795)</u>	<u>(31,209)</u>
Gross profit/(loss)	(3,328)	(5,169)	(5,331)	(12,173)
Other operating income	375	415	1,043	1,177
Other operating expenses	-	(5)	(183)	(5)
Administrative expenses	<u>(5,706)</u>	<u>(2,914)</u>	<u>(7,875)</u>	<u>(5,664)</u>
Operating loss	(8,659)	(7,673)	(12,346)	(16,665)
Finance income	4	535	334	985
Finance expenses	(1,267)	(2,189)	(2,758)	(4,204)
Share of result of an associate	(92)	(164)	(184)	(328)
Share of result of jointly controlled entities	<u>-</u>	<u>68</u>	<u>52</u>	<u>205</u>
Loss before tax	(10,014)	(9,423)	(14,902)	(20,007)
Income tax expense	(200)	(151)	(848)	905
Loss for the period, net of tax	<u>(10,214)</u>	<u>(9,574)</u>	<u>(15,750)</u>	<u>(19,102)</u>
Loss attributable to:				
Owners of the Parent	<u>(10,214)</u>	<u>(9,574)</u>	<u>(15,750)</u>	<u>(19,102)</u>
	<u>(10,214)</u>	<u>(9,574)</u>	<u>(15,750)</u>	<u>(19,102)</u>
Earnings per share (sen)				
- Basic EPS	(2.04)	(1.91)	(3.15)	(3.82)
- Diluted EPS	(2.04)	(1.91)	(3.15)	(3.82)

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 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 30 JUNE 2020****(CONTINUED)**

	Individual 3 months ended		Cumulative 6 months ended	
	30 Jun 2020 RM'000 (Unaudited)	30 Jun 2019 RM'000 (Unaudited)	30 Jun 2020 RM'000 (Unaudited)	30 Jun 2019 RM'000 (Unaudited)
Loss for the period, net of tax	(10,214)	(9,574)	(15,750)	(19,102)
Other Comprehensive Income :				
Exchange differences on translation of foreign operations	(271)	2,886	7,124	501
Total Comprehensive Income for the period, net of tax	<u>(10,485)</u>	<u>(6,688)</u>	<u>(8,626)</u>	<u>(18,601)</u>
Total comprehensive income attributable to:				
Owners of the Company	<u>(10,485)</u>	<u>(6,688)</u>	<u>(8,626)</u>	<u>(18,601)</u>
	<u>(10,485)</u>	<u>(6,688)</u>	<u>(8,626)</u>	<u>(18,601)</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 2019 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 30 JUNE 2020

	As at 30 Jun 2020 RM'000 (Unaudited)	As at 31 Dec 2019 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	418,986	420,864
Investment in an associate	590	774
Investment in a joint venture	-	6,594
	419,576	428,232
Current Assets		
Inventories	12,764	13,457
Trade and other receivables	42,938	54,210
Investment securities	69	68
Income tax refundable	506	444
Cash and cash equivalents	11,525	8,501
	67,802	76,680
Total Assets	487,378	504,912
EQUITY AND LIABILITIES		
Current Liabilities		
Loans and borrowings	62,192	74,952
Trade and other payables	43,185	42,055
Provision for taxation	2,213	580
	107,590	117,587
Net current liabilities	(39,788)	(40,907)
Loans and borrowings	37,912	35,908
Deferred tax liabilities	20,301	21,216
	58,213	57,124
Total Liabilities	165,803	174,711
Net assets	321,575	330,201
Equity attributable to owners of the Company		
Share Capital	329,087	329,087
Retained earnings	(69,259)	(53,509)
Other components of equity	61,747	54,623
Total Equity	321,575	330,201
Total Equity and Liabilities	487,378	504,912
Net asset per share (sen)	64.31	66.04

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITYFOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2020

<----- Attributable to Owners of the Parent ----->

	Share Capital RM'000	Distributable (Accumulated losses)/Retained earnings RM'000	Non-distributable Foreign currency translation reserve RM'000	Total Equity (Unaudited) RM'000
Opening balance at 1 January 2020	329,087	(53,509)	54,623	330,201
Total comprehensive loss for the period	-	(15,750)	7,124	(8,626)
Closing balance at 30 June 2020	329,087	(69,259)	61,747	321,575
Opening balance at 1 January 2019	329,087	(16,815)	55,984	368,256
Total comprehensive loss for the period	-	(36,694)	(1,361)	(38,055)
Closing balance at 31 December 2019	329,087	(53,509)	54,623	330,201

Note A

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2020**

	Year-to-date Ended	
	30 Jun 2020	30 Jun 2019
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows From Operating Activities		
Loss before tax	(14,902)	(20,007)
Adjustments for:		
Interest income	(334)	(985)
Interest expenses	2,758	4,204
Amortisation of land use rights	25	129
Depreciation of property, plant and equipment	20,439	18,789
Property, plant and equipment written off	-	5
Reversal of impairment loss on trade receivables	-	(1)
Share of result of an associate	185	328
Share of result of joint controlled entities	(52)	(205)
Unrealised loss/(gain) on foreign exchange	1,732	566
Total adjustments	<u>24,753</u>	<u>22,830</u>
Operating profit before working capital changes	9,851	2,823
Changes in working capital		
(Increase)/Decrease in inventories	786	(500)
(Increase)/Decrease in trade and other receivables	19,192	18,586
Increase/(Decrease) in trade and other payables	(7,361)	(8,098)
Net change in former major shareholder	-	(900)
Total changes in working capital	<u>12,617</u>	<u>9,088</u>
Cash flows from operations	22,468	11,911
Interest paid	(2,758)	(4,204)
Interest received	334	985
Income tax refunded	-	676
Income tax paid	(789)	(241)
Net Cash Flows From Operating Activities	<u>19,255</u>	<u>9,127</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2020

	Year-to-date Ended	
	30 Jun 2020	30 Jun 2019
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(157)	(125)
Acquisition of a subsidiary, net of cash	(1,971)	-
Net Cash Flows Used in Investing Activities	(2,128)	(125)
Cash Flows From Financing Activities		
Net movement in fixed deposits pledged	-	502
Net movement in revolving credit	(2,471)	(2,743)
Net movements in short term deposits pledged	(16)	-
Net movement in investment securities	(1)	-
Repayments of obligations under finance leases	(639)	(2)
Repayment of loans and borrowings	(11,119)	(15,173)
Net Cash Flows Used In Financing Activities	(14,246)	(17,416)
Net (Decrease)/Increase in Cash and Cash Equivalents	2,881	(8,414)
Effect of changes in foreign exchange rates	24	11
Cash and Cash Equivalents at the beginning of financial year	(11,718)	12,251
Cash and Cash Equivalents at the end of financial period	(8,813)	3,848

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

Cash and bank balances	11,525	19,316
Bank overdraft	(17,391)	(13,958)
	(5,866)	5,358
Less: Fixed deposits pledged and cash at bank restricted in use	(2,947)	(1,510)
	(8,813)	3,848

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020

**(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"), the requirements of the Companies Act 2016 in Malaysia 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 2019. 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 2019.

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 2019.

The Group adopted the following new and amended MFRSs and Annual Improvements (collectively referred to as "pronouncements"), which were effective since 1 January 2019 as set out below:

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

The Standards and Interpretations (collectively referred to as pronouncements) that are issued but not yet effective up to the date of issuance of the Company's financial statements as disclosed below. The Group intends to adopt these pronouncements, if applicable, when they become effective.

MFRS effective for annual period beginning on or after 1 January 2020

- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
- Amendments to MFRS 101 and MFRS 108: Definition of Material
- Revised Conceptual Framework for Financial Reporting

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

- Amendments to MFRS 17: Insurance Contracts

MFRS effective for annual period beginning on or after 1 January 2022

- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Deferred)

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 2019 were not qualified.

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020

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

A3. Seasonal or cyclical factors

The Group's performance is affected by the marine industry. The demand for our vessels are closely associated with the cyclical fluctuations of the marine 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.

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 30 June 2020 are as follows:

	Shipbuilding RM'000	Chartering RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External sales	428	35,036	-	-	35,464
Inter-segment sales	1,761	13,763	-	(15,524)	-
Total revenue	<u>2,189</u>	<u>48,799</u>	<u>-</u>	<u>(15,524)</u>	<u>35,464</u>
Segment loss (Note A)	<u>(3,243)</u>	<u>(11,993)</u>	<u>(1,214)</u>	<u>1,548</u>	<u>(14,902)</u>

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	(16,450)
Loss from inter-segment sales	1,079
Share of result of an associate	(185)
Share of results of jointly controlled entities	52
Finance costs	2,758
Unallocated corporate expenses	<u>(2,156)</u>
Loss before tax	<u><u>(14,902)</u></u>

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020

(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
Assets and liabilities					
Segment assets	107,281	569,638	221,531	(411,071)	487,378
Segment liabilities	71,506	312,726	159,754	(378,183)	165,803
Net assets	35,775	256,911	61,776	(32,888)	321,575
Other segmental information					
Depreciation	1,367	12,402	6,670	-	20,439
Amortisation of land use rights	-	-	25	-	25

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 30 June 2020.

A12. Contingent liabilities

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

	As at 30 Jun 2020 RM'000	As at 30 Jun 2019 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:

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020

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

	Transaction value for 3 months ended 30 Jun 2020 RM	Current Year-to-date 30 Jun 2020 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	37,400	74,100
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	30,000	60,000

A13. Related party transactions (Continued)

Transactions between the Group and related parties are as follows:

	Transaction value for 3 months ended 30 Jun 2020 RM	Current Year-to-date 30 Jun 2020 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	105,000
Khoo & Co, Advocates and Solicitors - Provision of legal services	2,340	29,240
(ii) Transactions with Director :		
Yong Foh Choi - Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	1,200	2,400
	126,440	276,740

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 30 JUNE 2020**(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		Cumulative Period	
	30/6/2020 RM'000	30/6/2019 RM'000	30/6/2020 RM'000	30/6/2019 RM'000
Revenue	14,833	11,996	35,464	19,036
Operating (loss)	(8,659)	(7,673)	(12,346)	(16,665)
(Loss) before tax	(10,014)	(9,423)	(14,902)	(20,007)
(Loss) after tax	(10,214)	(9,574)	(15,750)	(19,102)
Revenue				
- Shipbuilding Division	6	255	428	822
- Ship Charter Division	14,827	11,741	35,036	18,214
	<u>14,833</u>	<u>11,996</u>	<u>35,464</u>	<u>19,036</u>

OPERATING SEGMENTS REVIEW**2Q 2020 vs 2Q 2019****(i) Operating Revenue**

- Comparatively, the Group's revenue for the current quarter ended 30 June 2020 increased by 23% as compared to the corresponding quarter ended 30 June 2019. The increase in revenue in the current quarter is mainly due to higher vessel utilisation.

Chartering Division

- Chartering division achieved an increase in revenue in the current quarter ended 30 June 2020 by 26% from RM11.7 million in the previous corresponding period ended 30 June 2019 to RM14.8 million quarter ended in the period ended 30 June 2020. This is in line with more contracts won.
- Higher operating loss before tax in the current quarter is mainly due to more vessels are onhired.

Shipbuilding Division

- Revenue for shipbuilding division in the quarter ended 30 June 2020 is lower as the repair activities are mainly from own vessels.

B2. Material changes in the quarterly results compared to the results of the preceding quarter

	2Q 2020 RM'000	1Q 2020 RM'000	Variance RM'000	%
Revenue	14,833	20,631	(5,798)	-28%
Loss before tax	<u>(10,014)</u>	<u>(4,888)</u>	(5,126)	-105%

Current Quarter vs preceding quarter

- In the current quarter, the Group's revenue was 28% lower as compared to the preceding quarter mainly due to the Covid-19 pandemic. In addition, the Group's loss before tax of RM10 million as compared to loss before tax of RM4.9 million in the preceding quarter was mainly due to the slight drop in the revenue for both chartering and shipbuilding division and the foreign exchange loss amounting to about RM1 million.

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

B3. Commentary on prospects

The Group will continue to manage costs and increase efficiency in this recovery 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.

Local upstream activities are expected to stay elevated from high levels seen in 2019, as guided in Petronas' Activity Outlook for 2020-2022. Kenanga research has identified biggest winners to include marine vessel providers, benefiting from a huge surge in the number of anchor handling tugs supply (AHTS) vessels. Base activities in maintenance are projected to increase for both onshore and offshore in tandem with this outlook.

According to the research arm of Kenanga Investment Bank Berhad, contract flow started to show signs of a gradual pick-up for the past four to five quarters. The newer jobs came mostly from the upstream activities. 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 support sectors. The improved contract flow is, nonetheless, a positive sign, as a result of (i) under investments in the yesteryears, coupled with (ii) increased local activities, as guided by Petronas' latest activity outlook and increased upstream spending.

The group's borrowings reduced significantly from RM111million in December 2019 to RM 100million in June 2020, a drop of about 11%. Presently, only two vessels are encumbered. This speaks well on the viability of the Group's business despite the challenging conditions in which it operates. At the same time, with reduced gearing the Group will have a stronger balance sheet to take on additional financing to fund expansion when the industry turns around. In addition, the cashflow from operating activities have improved by more than double from RM9million to RM19million in the current quarter ended 30 June 2020. This marked a significant improvement in our ability to generate cash compared to the prior year.

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.

The outlook for the global shipping sector into 2020 will remain stable as higher expected earnings are counterbalanced by the US-China trade tensions and worldwide regulatory risks, says Moody's Investors Service. Based on AmBank research, with the outbreak of the coronavirus, it is likely to have some dampening impact on its economic performance in Malaysia. Nevertheless, with the current COVID-19 outbreak, analysts believe that its impact on Malaysia's economy would likely lead to moderate growth in the near term as the immediate weaker outlook is expected to be partially weathered by the potential uptick in domestic activities in the second half of 2020, mainly through a substantial contribution from government fiscal measures and the lagged impact of further monetary easing. The Government will come up with a more comprehensive and meaningful economic stimulus measures for companies and the economy. With the Government lending stronger support to the maritime industry with the 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. The local oil and gas sector will get more push from the government this year amid rising exploration and production activities.

While we remain vigilant on the market outlook, we will continue to capitalise on our capabilities and reputation in vessel chartering business. Long term sustainability of the business has been our key priority. We will remain resilient in strengthening our core business and shall continue expanding strategically into new opportunities.

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020**(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. Loss before tax

Included in the loss before tax are the following items:

	6 months ended	
	30 Jun 2020	30 Jun 2019
	RM'000	RM'000
Interest income	(334)	(985)
Interest expenses	2,758	4,204
Amortisation of land use rights	25	129
Property, plant and equipment written off	-	5
Reversal of impairment loss on trade receivables	-	(1)
Depreciation of property, plant and equipment	20,439	18,789
Share of result of an associate	185	328
Share of result of joint controlled entities	(52)	(205)
Unrealised loss/(gain) on foreign exchange	1,732	566
	1,732	566

B6. Taxation

	Current	Year-to-date
	Quarter	
	30 Jun 2020	30 Jun 2020
	RM'000	RM'000
Malaysian income tax	715	1,764
Deferred tax reversal	(515)	(915)
Total tax	200	849

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.

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INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020**(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 30 June 2020.

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 30 June 2020 were as follows:

As at 30 June 2020						
	Short term		Long term		Total borrowings	
	Foreign currency	RM'000	Foreign currency	RM'000	Foreign currency	RM'000
Secured						
- Bank overdraft	-	17,391	-	-	-	17,391
- Revolving credits	-	34,765	-	-	-	34,765
- Loans (USD)	1,261	5,402	6,781	29,038	8,042	34,440
- Loans (SGD)	856	2,626	1,709	5,242	2,565	7,868
- Loans (RM)	-	1,825	-	3,245	-	5,070
- Obligations under finance leases	-	183	-	388	-	570
		62,192		37,913		100,104

As at 30 June 2019						
	Short term		Long term		Total borrowings	
	Foreign	RM'000	Foreign	RM'000	Foreign currency	RM'000
Secured						
- Bank overdraft	-	13,958	-	-	-	13,958
- Revolving credits	-	47,240	-	-	-	47,240
- Loans (USD)	3,027	12,514	7,790	32,199	10,817	44,713
- Loans (SGD)	1,331	4,067	3,040	7,839	4,371	11,906
- Loans (RM)	-	3,828	-	4,665	-	8,493
- Obligations under finance leases	-	4	-	-	-	4
		81,611		44,703		126,314

SEALINK INTERNATIONAL BERHAD (800981-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2020**(B) ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS****B11. Derivative Financial Instruments**

There are no outstanding derivatives at the reporting period.

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 30 June 2020.

B14. Earnings per Share

	3 months ended		6 months ended	
	30 Jun 2020 RM'000	30 Jun 2019 RM'000	30 Jun 2020 RM'000	30 Jun 2019 RM'000
(Loss)/Profit attributable to Owners of the Parent (RM'000)	<u>(10,214)</u>	<u>(9,574)</u>	<u>(15,750)</u>	<u>(19,102)</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>(2.04)</u>	<u>(1.91)</u>	<u>(3.15)</u>	<u>(3.82)</u>
Diluted earnings per share (sen)	<u>(2.04)</u>	<u>(1.91)</u>	<u>(3.15)</u>	<u>(3.82)</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 second quarter ended 30 June 2020 was authorised for issue by the Board resolution of the directors dated 27th August 2020.

By Order Of The Board
27-August-2020