

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

(Incorporated in Malaysia)

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

	Individual 3 months ended		Cumulative 9 months ended	
	30 Sept 2020 RM'000 (Unaudited)	30 Sept 2019 RM'000 (Unaudited)	30 Sept 2020 RM'000 (Unaudited)	30 Sept 2019 RM'000 (Unaudited)
<b>Revenue</b>	8,391	24,029	43,855	43,065
Cost of sales	<u>(15,648)</u>	<u>(24,347)</u>	<u>(56,443)</u>	<u>(55,556)</u>
Gross profit/(loss)	(7,257)	(318)	(12,588)	(12,491)
Other operating income	262	559	1,305	1,736
Other operating expenses	(15)	-	(198)	(5)
Administrative expenses	<u>(5,012)</u>	<u>(2,250)</u>	<u>(12,887)</u>	<u>(7,914)</u>
<b>Operating loss</b>	(12,022)	(2,009)	(24,368)	(18,674)
Finance income	567	575	901	1,560
Finance expenses	(1,754)	(1,733)	(4,512)	(5,937)
Share of result of an associate	(92)	(330)	(276)	(658)
Share of result of jointly controlled entities	<u>(253)</u>	<u>79</u>	<u>(201)</u>	<u>284</u>
<b>Loss before tax</b>	(13,554)	(3,418)	(28,456)	(23,425)
Income tax expense	815	(649)	(33)	256
<b>Loss for the period, net of tax</b>	<u>(12,739)</u>	<u>(4,067)</u>	<u>(28,489)</u>	<u>(23,169)</u>
Loss attributable to:				
Owners of the Parent	<u>(12,739)</u>	<u>(4,067)</u>	<u>(28,489)</u>	<u>(23,169)</u>
	<u>(12,739)</u>	<u>(4,067)</u>	<u>(28,489)</u>	<u>(23,169)</u>
Earnings per share (sen)				
- Basic EPS	(2.55)	(0.81)	(5.70)	(4.63)
- Diluted EPS	(2.55)	(0.81)	(5.70)	(4.63)

***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 SEPTEMBER 2020****(CONTINUED)**

	Individual 3 months ended		Cumulative 9 months ended	
	30 Sept 2020 RM'000 (Unaudited)	30 Sept 2019 RM'000 (Unaudited)	30 Sept 2020 RM'000 (Unaudited)	30 Sept 2019 RM'000 (Unaudited)
<b>Loss for the period, net of tax</b>	(12,739)	(4,067)	(28,489)	(23,169)
<b>Other Comprehensive Income :</b>				
Exchange differences on translation of foreign operations	(4,784)	1,562	2,339	2,062
<b>Total Comprehensive Income for the period, net of tax</b>	<u>(17,523)</u>	<u>(2,505)</u>	<u>(26,150)</u>	<u>(21,107)</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	<u>(17,523)</u>	<u>(2,505)</u>	<u>(26,150)</u>	<u>(21,107)</u>
	<u>(17,523)</u>	<u>(2,505)</u>	<u>(26,150)</u>	<u>(21,107)</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 POSITION**FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2020

	<b>As at 30 Sept 2020 RM'000 (Unaudited)</b>	<b>As at 31 Dec 2019 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	389,080	420,864
Investment in an associate	497	774
Investment in a joint venture	1,726	6,594
	<b>391,303</b>	<b>428,232</b>
<b>Current Assets</b>		
Inventories	12,114	13,457
Asset held for sale	577	-
Trade and other receivables	47,729	54,210
Investment securities	-	68
Income tax refundable	461	444
Cash and cash equivalents	8,867	8,501
	<b>69,748</b>	<b>76,680</b>
<b>Total Assets</b>	<b>461,051</b>	<b>504,912</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current Liabilities</b>		
Loans and borrowings	64,354	74,952
Trade and other payables	41,521	42,055
Provision for taxation	1,646	580
	<b>107,521</b>	<b>117,587</b>
<b>Net current liabilities</b>	<b>(37,773)</b>	<b>(40,907)</b>
Loans and borrowings	30,930	35,908
Deferred tax liabilities	18,549	21,216
	<b>49,479</b>	<b>57,124</b>
<b>Total Liabilities</b>	<b>157,000</b>	<b>174,711</b>
<b>Net assets</b>	<b>304,051</b>	<b>330,201</b>
<b>Equity attributable to owners of the Company</b>		
Share Capital	329,087	329,087
Retained earnings	(81,998)	(53,509)
Other components of equity	56,962	54,623
<b>Total Equity</b>	<b>304,051</b>	<b>330,201</b>
<b>Total Equity and Liabilities</b>	<b>461,051</b>	<b>504,912</b>
<b>Net asset per share (sen)</b>	<b>60.81</b>	<b>66.04</b>

*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*

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 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	-	(28,489)	2,339	(26,150)
<b>Closing balance at 30 September 2020</b>	<b>329,087</b>	<b>(81,998)</b>	<b>56,962</b>	<b>304,051</b>
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)
<b>Closing balance at 31 December 2019</b>	<b>329,087</b>	<b>(53,509)</b>	<b>54,623</b>	<b>330,201</b>

**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 SEPTEMBER 2020**

	Year-to-date Ended	
	30 Sept 2020 RM'000 (Unaudited)	30 Sept 2019 RM'000 (Unaudited)
<b>Cash Flows From Operating Activities</b>		
<b>Loss before tax</b>	(28,456)	(23,425)
Adjustments for:		
Interest income	(901)	(1,560)
Interest expenses	4,512	5,937
Amortisation of land use rights	37	194
Depreciation of property, plant and equipment	30,012	28,278
Loss / (Gain) on disposal of property, plant and equipment	(540)	-
Inventories written off	3	-
Property, plant and equipment written off	-	5
Reversal of inventory written down	-	-
Share of result of an associate	276	658
Share of result of joint controlled entities	201	(284)
Unrealised loss/(gain) on foreign exchange	2,568	(606)
Loss on disposal of investment	1,871	-
Total adjustments	<u>38,039</u>	<u>32,622</u>
<b>Operating profit before working capital changes</b>	<b>9,583</b>	<b>9,197</b>
Changes in working capital		
(Increase)/Decrease in inventories	1,392	(1,042)
(Increase)/Decrease in trade and other receivables	7,370	11,126
Increase/(Decrease) in trade and other payables	2,454	(6,313)
Total changes in working capital	<u>11,216</u>	<u>3,771</u>
<b>Cash flows from operations</b>	<b>20,799</b>	<b>12,968</b>
Interest paid	(4,512)	(5,937)
Interest received	901	1,560
Income tax refunded	-	706
Income tax paid	(950)	(1,003)
<b>Net Cash Flows From Operating Activities</b>	<b><u>16,238</u></b>	<b><u>8,294</u></b>

*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 SEPTEMBER 2020

	<b>Year-to-date Ended</b>	
	<b>30 Sept 2020</b>	<b>30 Sept 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
	(Unaudited)	(Unaudited)
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(780)	(87)
Proceeds from disposal of property, plant and equipment	3,945	-
Proceeds from disposal of investment	560	-
Acquisition of a subsidiary, net of cash	(1,971)	-
<b>Net Cash Flows Used in Investing Activities</b>	<b>1,754</b>	<b>(87)</b>
<b>Cash Flows From Financing Activities</b>		
Net movement in fixed deposits pledged	(200)	462
Net movement in revolving credit	-	(5,347)
Net movements in trade financing	(2,957)	-
Net movement in investment securities	68	-
Net movement in cash at bank restricted in use	-	(1)
(Increase) / decrease in amount due from related companies	11,583	-
(Increase) / decrease in amount due from joint venture companies	(9,871)	-
Repayments of obligations under finance leases	(749)	(4)
Repayment of loans and borrowings	(10,764)	(22,809)
<b>Net Cash Flows Used In Financing Activities</b>	<b>(12,890)</b>	<b>(27,699)</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>5,102</b>	<b>(19,492)</b>
Effect of changes in foreign exchange rates	5	47
Cash and Cash Equivalents at the beginning of financial year	(12,517)	12,251
<b>Cash and Cash Equivalents at the end of financial period</b>	<b>(7,410)</b>	<b>(7,194)</b>
<u>Cash and cash equivalents at the end of the period comprised the following</u>		
Cash and bank balances	8,867	11,308
Bank overdraft	(14,854)	(16,952)
	(5,987)	(5,644)
Less: Fixed deposits pledged and cash at bank restricted in use	(1,423)	(1,550)
	<b>(7,410)</b>	<b>(7,194)</b>

*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.*

(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 SEPTEMBER 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 September 2020 are as follows:

	Shipbuilding	Chartering	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>					
External sales	483	43,372	-	-	43,855
Inter-segment sales	3,024	14,402	-	(17,426)	-
Total revenue	<u>3,507</u>	<u>57,774</u>	<u>-</u>	<u>(17,426)</u>	<u>43,855</u>
Segment loss (Note A)	<u>(4,463)</u>	<u>(22,931)</u>	<u>(2,209)</u>	<u>1,147</u>	<u>(28,456)</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	(29,603)
Loss from inter-segment sales	2,870
Share of result of an associate	(276)
Share of results of jointly controlled entities	(201)
Finance costs	4,512
Unallocated corporate expenses	<u>(5,758)</u>
Loss before tax	<u>(28,456)</u>



INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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
<b>Assets and liabilities</b>					
Segment assets	105,226	550,582	194,827	(389,585)	461,051
Segment liabilities	70,842	308,642	138,115	(360,597)	157,000
Net assets	<u>34,385</u>	<u>241,941</u>	<u>56,713</u>	<u>(28,988)</u>	<u>304,051</u>
<b>Other segmental information</b>					
Depreciation	2,045	17,976	9,990	-	30,012
Amortisation of land use rights	-	-	37	-	37

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 September 2020.

A12. Contingent liabilities

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

	As at 30 Sept 2020 RM'000	As at 30 Sept 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 SEPTEMBER 2020

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

	Transaction value for 3 months ended 30 Sept 2020 RM	Current Year-to-date 30 Sept 2020 RM
<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	12,324	86,424
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	30,000	90,000

**A13. Related party transactions (Continued)**

Transactions between the Group and related parties are as follows:

	Transaction value for 3 months ended 30 Sept 2020 RM	Current Year-to-date 30 Sept 2020 RM
<b>(i) Transactions with companies in which certain Directors of the Company have substantial interest :</b>		
Syarikat Lambir Timber Sdn Bhd - Chartering of vessels	52,500	157,500
Khoo & Co, Advocates and Solicitors - Provision of legal services	19,800	49,040
Sealink Holdings Sdn Bhd - Sale of vehicle	40,000	40,000
<b>(ii) Transactions with Director :</b>		
Yong Foh Choi - Rental of staff quarter at Lot 334, Jalan Lutong-Pujut	1,200	3,600
	<u>158,824</u>	<u>435,564</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.

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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	
	30/9/2020	30/9/2019	30/9/2020	30/9/2019
	RM'000	RM'000	RM'000	RM'000
Revenue	8,391	24,029	43,855	43,065
Operating (loss)	(12,022)	(2,009)	(24,368)	(18,674)
(Loss) before tax	(13,554)	(3,418)	(28,456)	(23,425)
(Loss) after tax	(12,739)	(4,067)	(28,489)	(23,169)
Revenue				
- Shipbuilding Division	55	4,047	483	4,869
- Ship Charter Division	8,336	19,982	43,372	38,196
	8,391	24,029	43,855	43,065

**OPERATING SEGMENTS REVIEW****3Q 2020 vs 3Q 2019****(i) Operating Revenue**

- The Group's revenue for the current quarter ended 30 September 2020 recorded at RM8.3 million mainly due to lower vessel utilisation.

**Chartering Division**

- Chartering division recorded lower revenue of RM8.3 million in the current quarter ended 30 September 2020 as compare to RM20 million in the previous corresponding period ended 30 September 2019. This is mainly due to classification of a subsidiary to joint venture during this quarter and lower utilization rate as a result of delay in project implementation as a result of COVID-19 pandemic.
- Higher operating loss before tax in the current quarter mainly due to docking expenses incurred for vessels scheduled for docking.

**Shipbuilding Division**

- Revenue for shipbuilding division in the quarter ended 30 September 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**

	3Q 2020	2Q 2020	Variance	%
	RM'000	RM'000	RM'000	
Revenue	8,391	14,833	(6,442)	-43%
Loss before tax	<u>(13,554)</u>	<u>(10,014)</u>	(3,540)	-35%

**Current Quarter vs preceding quarter**

- In the current quarter, the Group's revenue was 43% lower as compared to the preceding quarter mainly due to the COVID-19 pandemic. In addition, the Group's loss before tax of RM14.4 million as compared to loss before tax of RM10 million in the preceding quarter was mainly due higher docking and repair cost incurred for scheduled docking and vessels lower utilisation rate.

**(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.

Leading economic indicators in Malaysia have shown that the economy has passed its trough as the country heads towards a modest recovery with 2020 drawing to a close. Positive distributive trade figures, easing unemployment rates and growing retail sales were suggesting an economic recovery in 2021, alongside the expansionary [Budget 2021](#) which has drawn optimism among economists and analysts as the government seeks to boost consumption and investments.

Analysts see signs for the oil and gas sector's recovery happening, albeit at a slow and gradual pace. The Malaysian economy is projected to contract in 2020 due to the impact of the COVID-19 pandemic. In 2021, the economy is expected to recover, propelled by the recovery of global demand as well as resumption of domestic economic activities which will be complemented by a continuous stimulus effect, although the pace and strength depended critically on the containment of COVID-19 and the effective implementation of Budget 2021 measures.

After bottoming out in April 2020, Kenanga Research saw that Brent crude oil prices seemed to have stabilised hovering range-bound between US\$40 to US\$45 per barrel. Nonetheless, based on the U.S. Energy Information Administration's estimates, global oil consumption is expected to continue its recovery trajectory in 2021. The oil and gas sector could also benefit if crude oil price recovers due to higher oil demand and project revivals.

The group's borrowings reduced significantly from RM111million in December 2019 to RM95million in September 2020, a drop of about 14.4%. 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 operations have increased by 63% to RM21million in the current quarter ended 30 September 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.

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.

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

	9 months ended	
	30 Sept 2020 RM'000	30 Sept 2019 RM'000
Interest income	(901)	(1,560)
Interest expenses	4,512	5,937
Amortisation of land use rights	37	194
Property, plant and equipment written off	-	5
Depreciation of property, plant and equipment	30,012	28,278
Loss / (Gain) on disposal of property, plant and equipment	(540)	-
Inventories written off	3	-
Property, plant and equipment written off	-	5
Share of result of an associate	276	658
Share of result of joint controlled entities	201	(284)
Unrealised loss/(gain) on foreign exchange	2,568	(606)
Loss on disposal of investment	1,871	-

**B6. Taxation**

	Current Quarter 30 Sept 2020 RM'000	Year-to-date 30 Sept 2020 RM'000
	Malaysian income tax	262
Deferred tax reversal	(1,077)	(1,993)
<b>Total tax</b>	<u>(815)</u>	<u>33</u>

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.

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 September 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 September 2020 were as follows:

As at 30 September 2020						
	Short term		Long term		Total borrowings	
	Foreign currency	RM'000	Foreign currency	RM'000	Foreign currency	RM'000
Secured						
- Bank overdraft	-	14,854	-	-	-	14,854
- Revolving credits	-	34,315	-	-	-	34,315
- Loans (USD)	2,681	11,142	5,361	22,277	8,042	33,419
- Loans (SGD)	869	2,635	1,487	4,511	2,356	7,146
- Loans (RM)	-	1,217	-	3,854	-	5,071
- Obligations under finance leases	-	191	-	288	-	479
		64,354		30,930		95,284

As at 30 September 2019						
	Short term		Long term		Total borrowings	
	Foreign	RM'000	Foreign	RM'000	Foreign currency	RM'000
Secured						
- Bank overdraft	-	16,952	-	-	-	16,952
- Revolving credits	-	39,452	-	-	-	39,452
- Loans (USD)	2,934	12,291	7,127	29,861	10,061	42,152
- Loans (SGD)	1,214	3,679	2,356	7,140	3,570	10,819
- Loans (RM)	-	6,676	-	4,057	-	10,733
- Obligations under finance leases	-	2	-	-	-	2
		79,052		41,058		120,111

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 September 2020.

**B14. Earnings per Share**

	3 months ended		9 months ended	
	30 Sept 2020 RM'000	30 Sept 2019 RM'000	30 Sept 2020 RM'000	30 Sept 2019 RM'000
(Loss)/Profit attributable to Owners of the Parent (RM'000)	<u>(12,739)</u>	<u>(4,067)</u>	<u>(28,489)</u>	<u>(23,169)</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>(2.55)</u>	<u>(0.81)</u>	<u>(5.70)</u>	<u>(4.63)</u>
Diluted earnings per share (sen)	<u>(2.55)</u>	<u>(0.81)</u>	<u>(5.70)</u>	<u>(4.63)</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 30 September 2020 was authorised for issue by the Board resolution of the directors dated 27th November 2020.

**By Order Of The Board**  
**27-November-2020**