



SEALINK INTERNATIONAL BERHAD
(800981-X)

Head Office
Lot 1035 Blk 4 MCLD,
Piasau Industrial Area,
Jalan Cattleya 5, CDT 139,
98000 Miri, Sarawak, Malaysia.

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SEALINK INTERNATIONAL BERHAD (800981-X)

ANNUAL REPORT 2008



SEALINK INTERNATIONAL BERHAD
(800981-X)

Annual Report **2008**

MOTION



IN



GROWTH



Contents

2	Vision, Mission and Philosophy
4	Corporate Information
5	Details of the Group – Places of Operations/Offices
6	Group Structure
7	Group Financial Highlights
8	Notice of Annual General Meeting
9	Statement Accompanying Notice of Annual General Meeting
10	Profiles of Directors
12	Chairman's Statement
16	Audit Committee Report
20	Statement on Internal Control
21	Statement on Corporate Governance
28	Financial Statements
79	Landed Properties
82	Analysis of Shareholders Form of Proxy



Vision, Mission and Philosophy



The Sealink Group

We are a Malaysia-based Integrated Service Provider, having provided products and services to over 20 countries around the world. Sealink Group is an Integrated Service Provider which builds, owns and operates a diverse fleet of offshore marine support vessels, serving mainly the global offshore oil and gas exploration and production industry. The majority of our products and services are derived overseas.

We are listed on Main Board of Bursa Malaysia.

Our Vision

A Leader in the Integrated Service Provider for the oil and gas offshore marine support vessels

Our Mission

Construct High Performance Global Class Vessels

Establishing, Maintaining and Serving a Network of Global Customers

Continuous Performance in Achieving International Accreditation in Maritime Safety Standards

Continuous Improvement of Management and Operational Efficiency and Optimisation of Systems

Our Goal

Satisfied Customers

Growth in Market Share

Creating an Intelligent and Vibrant Workforce

Profitability

Our Value

Quality Excellence without Compromising Integrity

Customers and Employees are Company's Assets

Competitiveness

Environmental Friendliness

Social Consciousness

Corporate Information

Board of Directors

Ybhg Datuk Michael Hardin	<i>Non- Independent Non-Executive Director Chairman</i>
Yong Foh Choi	<i>Non- Independent Executive Director Managing Director</i>
Yong Kiam Sam	<i>Non- Independent Executive Director Chief Executive Officer cum Deputy Managing Director</i>
Eric Khoo Chuan Syn @ Khoo Chuan Syn	<i>Non- Independent Non- Executive Director</i>
Toh Kian Sing	<i>Independent Non Executive Director</i>
Wong Chie Bin	<i>Independent Non Executive Director</i>

Audit Committee

Wong Chie Bin	<i>Chairman</i>
Toh Kian Sing	<i>Member</i>
Eric Khoo Chuan Syn @ Khoo Chuan Syn	<i>Member</i>

Nomination Committee

Eric Khoo Chuan Syn @ Khoo Chuan Syn	<i>Chairman</i>
Wong Chie Bin	<i>Member</i>
Yong Kiam Sam	<i>Member</i>

Remuneration Committee

Eric Khoo Chuan Syn @ Khoo Chuan Syn	<i>Chairman</i>
Wong Chie Bin	<i>Member</i>
Yong Kiam Sam	<i>Member</i>

Company Secretary

Yeo Puay Huang (LS000577)

Registered Office and Corporate Office

Lot 1035, Block 4, MCLD, Piasau Industrial Area
98000 Miri, Sarawak
Tel : 085 651778
Fax : 085 652480
Email : sealink@asiasealink.com
Website : asiasealink.com

Registrar

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara,
Damansara Heights, 50490 Kuala Lumpur
Tel : 03-20849000
Fax : 03-20949940

Auditors

Ernst & Young (AF: 0039)
4th Floor, Unit 4.1, Lot 698
Wisma Yong Lung
Pelita Commercial Centre,
98000 Miri, Sarawak
Tel : 085-423881
Fax : 085-413921

Principal Bankers

Malayan Banking Berhad (3813-K)
Miri Business Centre,
1st Floor, Lot 939 & 940, Jalan Asmara
MCLD, 98000 Miri, Sarawak
Tel : 085-428766
Fax : 085- 415766

Maybank Islamic Berhad (787435-M)
Miri Business Centre,
1st Floor, Lot 939 & 940, Jalan Asmara
MCLD, 98000 Miri, Sarawak
Tel : 085-428766
Fax : 085- 415766

AmBank (M) Berhad (8515-D)
Regional Business Centre- Sarawak
No.164, 166 & 168, 1st Floor
Jalan Abell, 93100 Kuching Sarawak
Tel : 082-244791
Fax : 082-259771

RHB Bank Berhad (6171-M)
Regional Corporate Banking- Sarawak
2nd Floor, Lot 363, Jalan Kulas,
93400 Kuching, Sarawak
Tel : 082-274800
Fax : 082-274846

Stock Exchange Listings

Listed on Main Board of Bursa Malaysia Securities Berhad
on 29th July 2008
Stock Code : 5145
Stock Name : SEALINK

Details of the Group

- Places of Operations/Offices

Sealink International Berhad

Lot 1035, Block 4, MCLD, Piasau Industrial Area, 98000 Miri, Sarawak
Telephone No. : 085-651778
Facsimile No. : 085-652480

Sealink Engineering and Slipway Sdn Bhd

Lot 816, Block 1, Kuala Baram Land District, 98100 Kuala Baram Miri.
Telephone No. : 085- 605767
Facsimile No. : 085- 605428

Sealink Shipyard Sdn Bhd

Lot 1339, Jalan Cattleya 1, MCLD, Krokop, 98000 Miri, Sarawak
Telephone No. : 085- 660077
Facsimile No. : 085- 652520

Seagood Pte Ltd

545 Orchard Road #09-07, Far East Shopping Centre, 238882 Singapore
Telephone No. : 0267377911
Facsimile No. : 02 67374889



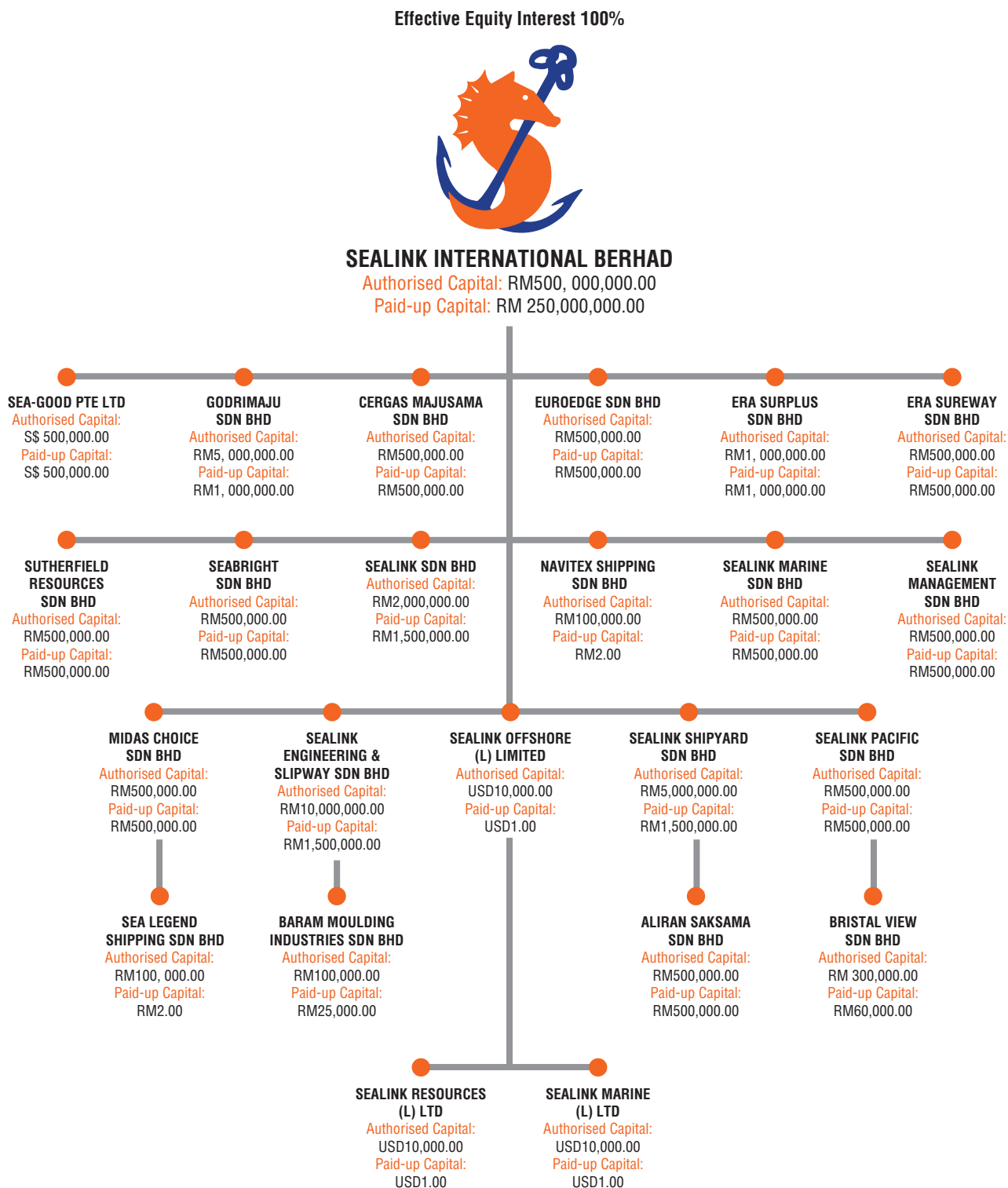
Group Structure

DATE AND PLACE OF INCORPORATION:

Sealink International Berhad was incorporated on 28 December 2007

Principal Activities:

Investment Holding Company



Group Financial Highlights

(A) Quarterly results

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Period Ended 31 December 2008	Year Ended 31 December 2007
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	52,755	57,924	83,311	42,272	236,262	162,670
PBT	15,547	25,097	22,814	10,374	73,832	45,866
PAT	13,663	22,653	20,026	7,974	64,316	41,200
Attributable to ordinary equity holders of the Company	8,336	21,579	20,026	7,974	57,915	41,200

(B) Segmental performance - Revenue

Revenue	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000
Chartering	37,019	39,124	44,539	72,406
Shipbuilding	14,180	57,432	118,011	163,816
Rental income	180	135	120	40
Total	51,379	96,691	162,670	236,262

(C) Segmental performance – NPBT

Net profit before tax (NPBT)	2005 RM'000	2006 RM'000	2007 RM'000	2008 RM'000
Chartering	25,587	31,468	25,413	26,340
Shipbuilding	1,770	11,623	20,421	38,244
Rental income	159	61	32	(76)
Total	27,516	43,152	45,866	64,508 **

(D) Financial Statistics

	2005	2006	2007	2008
Basic earnings per share (Sen)	-	-	-	20.79
Net dividend per share (Sen)	-	-	-	4
Operating profit margin (%)	-	-	-	33.02
Net assets per share attributable to ordinary equity holders of the Company (RM)	-	-	-	0.79
Return on average shareholders' equity (%)	-	-	-	15.84

** Excluding excess of fair value of assets and liabilities over the purchase consideration

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the First Annual General Meeting of Sealink International Berhad will be held at Meeting Room, 1st Floor, Admin Block, Sealink Engineering & Slipway Sdn Bhd., Lot 816, Block 1, Kuala Baram Land District, 98100 Kuala Baram Miri, Sarawak on Thursday, 25 June 2009 at 11.00 a.m. to transact the following businesses:-

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial period ended 31 December 2008 together with the Reports of the Directors and Auditors thereon. **(Resolution No. 1)**
2. To declare a Final Single Tier Dividend of 4 sen per share for the financial period ended 31 December 2008. **(Resolution No. 2)**
3. To approve Directors' Fees for the financial year ending 31 December 2009. **(Resolution No. 3)**
4. To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the companies Act, 1965:-

"That pursuant to Section 129(6) of the Companies Act, 1965, YBhg Datuk Michael Hardin, who is over the age of seventy years and retiring in accordance with Section 129 (6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."

5. To re-elect the following Directors who retire as Directors of the Company pursuant to Article 89 of the Company's Articles of Association:-
 - i. Yong Foh Choi **(Resolution No. 5)**
 - ii. Yong Kiam Sam **(Resolution No. 6)**
 - iii. Eric Khoo Chuan Syn @ Khoo Chuan Syn **(Resolution No. 7)**
 - iv. Wong Chie Bin **(Resolution No. 8)**
 - v. Toh Kian Sing **(Resolution No. 9)**
6. To re-appoint Messrs. Ernst & Young as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Directors. **(Resolution No. 10)**

SPECIAL BUSINESS

7. Authority to Allot and Issue Shares Pursuant to Section 132D of The Companies Act, 1965:- **(Resolution No. 11)**

"THAT subject always to the approvals of the relevant authorities, the Directors of the Company be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors of the Company may in their absolute discretion deem fit, provided that the aggregated number of shares issued pursuant to this resolution does not exceed 10% of the issued capital of the Company as at date of this Annual General Meeting and that the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Securities and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."
8. Proposed Shareholders' Ratification and Proposed Shareholders' Mandate On Recurrent Related Party Transactions of A Revenue Or Trading Nature. **(Resolution No. 12)**
9. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

Notice of Annual General Meeting

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that a Final Single Tier Dividend of 4 sen per share for the financial period ended 31 December 2008, will be paid on 31 July 2009 to depositors who are registered in the Record of Depositors at the close of business on 15 July 2009 if approved by members at the Annual General Meeting on 25 June, 2009.

A depositor shall qualify for entitlement only in respect of :-

- (a) Shares transferred into the depositor's securities account before 4:00 p.m. on 15 July 2009 in respect of ordinary shares; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

By order of the Board,

Yeo Puay Huang
Company Secretary
(LS 000577)

3 June 2009

NOTES:

A proxy may but need not be a member of the Company and the provisions of Section 149 (1)(b) of the Act shall not apply to the Company.

To be valid, this form, duly completed must be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting.

A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.

Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

If the appointor is a corporation this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.

Explanatory Notes to Special Business

1. Ordinary Resolution No. 11

Authority to Allot and Issue Shares Pursuant to Section 132D of The Companies Act, 1965.

The above Ordinary Resolution, if passed, will empower the Directors of the Company to issue and allot shares at any time in their absolute discretion without convening a general meeting provided that the aggregate number of shares issued does not exceed 10% of the issued share capital of the Company for the time being.

2. Ordinary Resolution No. 12

Proposed Shareholders' Ratification and Proposed Shareholders' Mandate On Recurrent Related Party Transactions of A Revenue Or Trading Nature.

For further information of Ordinary Resolution No. 12, please refer to the Circular to Shareholders dated 3 June 2009.

STATEMENT ACCOMPANYING NOTICE OF FIRST ANNUAL GENERAL MEETING

The information on Board Meetings and attendance of the Directors can be found on page 22 of the Annual Report.

Directors who are standing for re-election at the First Annual General Meeting of the Company are as follows :-

Section 129(6) of the companies Act, 1965

Datuk Michael Hardin

Article 89 of the Articles of Association

- (i) Yong Foh Choi
- (ii) Yong Kiam Sam
- (iii) Eric Khoo Chuan Syn @ Khoo Chuan Syn
- (iv) Wong Chie Bin
- (v) Toh Kian Sing

Their particulars and their respective shareholdings in the Company are stated on page 82 of the Annual Report.

Profiles of Directors



Datuk Michael Hardin

Chairman

Non- Independent Non-Executive Director

Malaysian

YBhg Datuk Michael Hardin, aged 75, was appointed to the Board of Sealink International Berhad on 28 December 2007.

He obtained a Diploma in Public Administration from the Civil Service Training Centre in Canberra Australia in 1958 and later a certificate from Oxford Business School, United Kingdom in 1968.

He began his career in the early 1950s as Sarawak Administrative Officer in the Sarawak Civil Service. In the early 1960s, he served as an assistant private secretary to the Governor of Sarawak and one year later as a Private Secretary to the Chief Minister of Sarawak. In the 1970s, he served as permanent Secretary in the Ministry of Forestry and Land in Kuching, Sarawak. In 1980s, he served as a Resident of the Fourth Division in Miri till his retirement from the civil services in 1984. Upon retiring from civil service, Datuk Michael Hardin ventured into private business and was involved in businesses including timber operations, general trading and shipping.

He has now been involved with our Group for the past 20 years, since 1988. Along with his extensive experience and involvement in the shipping industry, he has built a wide network of local and foreign business contacts over the years. Datuk has played a significant role in transforming our Group from a previously small shipowner into a respected shipbuilder and shipowner in Malaysia today.

He does not have any family relationship with any other director and / or major shareholder of the Company and has no conviction for any offences within the past ten (10) years other than traffic offences.

Yong Foh Choi

Managing Director

Non-Independent Executive Director

Malaysian

Yong Foh Choi, aged 69, was appointed to the Board of Sealink International Berhad on 28 December 2007.

A self-made businessman, he first gained working experience working in several companies from the logging and timber industries. Later, he incorporated Yong Foh Choi & Sons Enterprise Sdn Bhd ("YFC & Sons") to spearhead his own business interests in timber extraction, imports and exports in the early 1960s. By the mid 1970s, the company diversified and branched out into property development, shipping and offshore logistics support services.

He was a shareholder and founding member of Bumi Armada Navigation [BANSB] (a major offshore oil and gas service provider), where he held the position of Managing Director from 1974 till 1993. In 1993, he sold his shares in BANSB, and began developing SSB. Initially, SSB provided chartering services of marine vessels to non-oil and gas industries. However, in 1997, YFC changed SSB's business direction by venturing back into chartering OSVs to the offshore oil and gas industry.

As the founder of our Group, he brings with him over 34 years of hands-on operational experience, especially in maritime regulations, procedures and requirements. His technical and management experience has been instrumental in developing and expanding our Group to our current position today, as a leading shipbuilder and shipowner in the country.

He is the father of Yong Kiam Sam, who is a Director of Sealink International Berhad. He has not been convicted for any offences within the past ten (10) years other than traffic offences.

Yong Kiam Sam

Chief Executive Officer cum Deputy Managing Director

Non-Independent Executive Director

Malaysian

Yong Kiam Sam, aged 38, was appointed to the Board of Sealink International Berhad on 28 December 2007.

He graduated from the University of Melbourne, Australia with a Bachelor of Commerce in 1992. Later, he obtained a Master in Business Administration from the London Business School, United Kingdom.

He began his career as an accounts executive in Lambir Myanmar Investments Ltd, Myanmar, and later worked as a senior consultant with Ernst & Young Consultants, Singapore.

He has been our Group since 1996 and sits on the boards of all our subsidiary companies. He has played a crucial role in changing the mind-set of our Group to become more customer-focused, while remaining business-centric. He has also played an important role in expanding our Group's overseas activities.

He is also a member of the Remuneration and Nomination Committee.

He is the son of Yong Foh Choi, who is a Director of Sealink International Berhad. He has not been convicted for any offences within the past ten (10) years other than traffic offences.

Profiles of Directors

Eric Khoo Chuan Syn @ Khoo Chuan Syn

Non-Independent Non-Executive Director
Malaysian

Eric Khoo Chuan Syn @ Khoo Chuan Syn, aged 52, was appointed to the Board of Sealink International Berhad on 20 May 2008.

He is a practicing Advocate and Solicitor, having graduated with a Bachelor of Laws (LLB) Hons, from the University of Wolverhampton, England, United Kingdom in 1978 and as a Barrister-at-Law from Gray's Inn, London, England, UK in 1979. He worked as a Magistrate with the Judicial Department, from 1979 till 1982, after which he joined the private sector.

With over 27 years of experience as an advocate and solicitor, Mr Khoo has been our Group's main solicitor and legal advisor. As such, we believe that he will be a valuable asset to our Group.

He is also the Chairman of the Remuneration and Nomination Committee and a member of the Audit Committee of the Company.

He has no family relationship with any other Director and/ or major shareholder and not been convicted for any offences within the past ten (10) years other than traffic offences.

Toh Kian Sing

Independent Non-Executive Director
Singaporean

Toh Kian Sing, aged 44, was appointed to the Board of Sealink International Berhad on 23 May 2008. He is currently a partner of Messrs Rajah & Tann, one of the largest law firms in Singapore, where he is the Head of the Admiralty and Shipping Practice Group.

He graduated at the top of his class in the Faculty of Law of the National University of Singapore, and holds a first class honours degree in civil law from the University of Oxford.

He has vast experience as a shipping litigation and arbitration lawyer, specialising in charterparty, bills of lading, ship sale and purchase, ship building and marine insurance disputes. He also handles commodity trading (particularly oil and minerals) and letters of credit disputes.

None of the Directors have any:

1. Conflict of interest with the Company; and
2. Directorships in other public companies.

The details of attendance of each Director at Board Meetings are set out on page [] of the Annual Report.

He is a practising advocate and solicitor of the Supreme Court of Singapore, an arbitrator listed in the panel of arbitrators of the Singapore International Arbitration Centre as well as the China Maritime Arbitration Commission and was appointed a Senior Counsel of the Supreme Court of Singapore in January 2007. With his strong credentials, we are confident that he will play a significant role in the continued growth and development of our group.

He is a member of Audit Committee.

He has no family relationship with any other Director and/ or major shareholder and not been convicted for any offences within the past ten (10) years.

Wong Chie Bin

Independent Non-Executive Director
Malaysian

Wong Chie Bin, aged 53, was appointed to the Board of Sealink International Berhad on 20 May 2008. He is currently partner of one of the largest audit firm in Sarawak.

He graduated from the University of Otago, New Zealand with a Bachelor Degree in Commerce. He is member of the Malaysian Institute of Accountants, a Fellow member of the Chartered Tax Institute of Malaysia and a Member of New Zealand Institute of Chartered Accountants.

He is currently a committee member of the Malaysian Institute of Taxation, Sarawak Branch and Chairman of Malaysian Institute of Accountants for Miri Chapter. He has over thirty years of working experience in accounting, auditing, taxation and management consultancy services.

He is the Chairman of Audit Committee and also a member Remuneration and Nomination Committee of the Company.

He has no family relationship with any other Director and/ or major shareholder and not been convicted for any offences within the past ten (10) years other than traffic offences.

Chairman's Statement

Dear Valued Shareholders,

On the 29 July 2008, our Company made its debut on the Stock Exchange of the Main Board of Bursa Malaysia Securities Berhad. And on behalf of the Board of Directors of Sealink International Berhad ("the Company") and its subsidiaries ("SIB Group"), it is our greatest pleasure to present the First Annual Report and Audited Financial Statements of our Company for the financial period ended, 31 December 2008 ("FPE 2008"), after its successful listing.

Performance and review

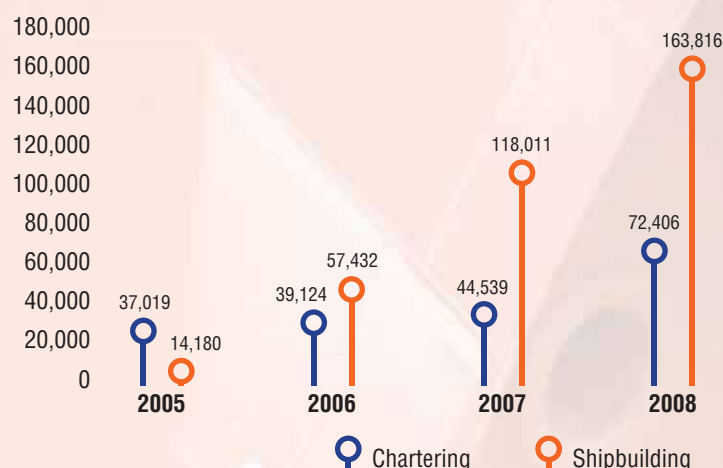
We are pleased to report that despite the trying economic conditions particularly in the last quarter of 2008, for the period 2008, the group performed remarkably well by achieving a Profit Before Tax of RM73.8 Million on the back of RM236.3 Million in total revenue. For the Financial period ended 31 December 2008 profit after taxation stood at RM64.3 Million, including excess of fair value of assets and liabilities over the purchase consideration for subsidiaries acquired of RM9.3 million. Excluding the exceptional item of RM9.3 million mentioned above, profit after tax still exceeds the forecast profit of RM50 Million. That translates to a creditable earning of 21 sen per share and a net asset per share of 79 sen. (Earnings per share is based on weighted average, number of ordinary shares in issue)

This healthy growth of SIB Group's revenue and profitability is mainly attributed to the continuous expansion in the robust oil and gas industry and, in particular the provision of offshore vessel chartering services which our Company is involved in.

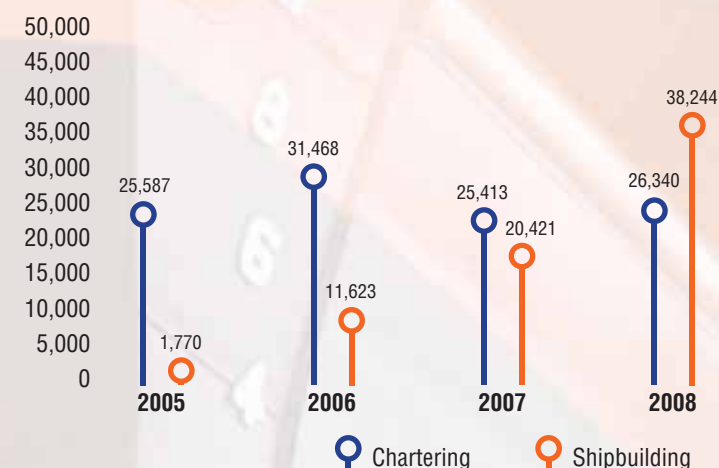
Dividend

In the light of the good results and after taking into account the current economic downturn, our Board had recommended final single tier dividend of 4 sen per ordinary of RM0.50 each share for FPE 2008 as a reward to its shareholders. The said proposed final dividend will be subject to the shareholders' approval in the forthcoming Annual General Meeting.

Revenue (RM'000)



Net Profit Before Tax (NPBT) (RM'000)



Chairman's Statement



The Oil and Gas Industry

In 2008, the price of global crude oil was volatile and in fact, had breached USD147 per barrel. Since then, it has come down to a level at USD56 per barrel at the time of writing. In Malaysia, output of crude oil and gas is anticipated to continue to rise on the back of expansion and development of new oil and gas fields. Hence, notwithstanding the volatility in oil prices, we maintain our view that industry prospects remain bright in the long term given continued exploration due to the depletion in global reserves. Furthermore, in Malaysia, even with oil price at current levels, it is still viable for the oil majors to continue their planned capital expenditure given the relatively low cost of production.

Under the Ninth Malaysia Plan, the national oil company, PETRONAS plans to invest approximately RM43 billion in the oil and gas industry of which thirty percent (30%) has been planned for the upstream sector. The remaining portion of the investments (in upstream) would be derived from the international oil majors operating in Malaysian waters.

PETRONAS is also continuing its efforts to increase the country's oil reserves by venturing into the deepwater exploration and enhancing the oil recovery rate in existing oil and gas fields. The recent oil and gas discoveries will not only alleviate the depleting natural reserves but also provide brighter prospects for local oil and gas service providers such as SIB.

Outlook for 2009

Despite the current economic downturn, and uncertainty, we believe that the combined effect of a possible global economic recovery in 4Q 2009 and one of the closest compliance with production quota cuts by OPEC members in history would create fundamental support to crude oil prices at sustainable levels.

Therefore, in line with the above, we are cautiously optimistic that the prospects of SIB Group in providing integrated offshore services to the oil and gas industry remain good and positive for the next few years. We expect exploration and production activities in Malaysia, spearheaded by Petronas, to continue for the next few years, especially in deep waters.

Many Malaysian oil and gas players are involved mainly in the production phase of the oil and gas activities and are therefore less affected by the lower crude oil prices. We expect the project flow to continue for the production phase, as Petronas and other oil majors are likely to give priority to projects that are operational with immediate income.

SIB Group is taking further steps to penetrate into new niche markets for its offshore support vessels services, and as such would remain optimistic and upbeat on the future of the oil and gas industry for the years ahead.

However, for the immediate year 2009, we believe that given the current global economic downturn and uncertainty, our Company's financial performance would not be anticipated to be as good a level as that of FPE 2008.

Chairman's Statement



Corporate Development

Since SIB's listing on the Bursa Securities on the 29 July 2008, there were no corporate exercises implemented for the period under review.

Corporate Social Responsibility

In achieving our corporate social responsibility, we have undertaken various activities to achieve our objectives in:-

- Awareness of Health, Safety and Environmental performance; and
- Development of Staff.

We have continuously eliminated potential risks of injury or hazards through the findings and recommendations of our Health, Safety and Environmental (HSE) department. Various HSE regulations and procedures have been established and communicated to all staff, business associates and visitors to our site offices as our well as operation/maintenance centres.

As for staff development, we have organised various in-house training as well as technical courses for all our staff throughout the period. We believe in growing our own talent and continuously upgrading our talent pool of workforce. Our aim is to attract, train and retain the right people so that they have the ability and drive to achieve competitive advantage and superior competence.

Corporate Governance

The Board believes in the maintenance of the highest standards of corporate governance practices within the Group as a fundamental part of discharging our responsibilities to protect and maximize shareholders' value and in enhancing the continued business prosperity of the Group. The measures implemented have been highlighted in the Corporate Governance Report in this Annual Report.

Chairman's Statement



Investor Relations

During the period, we organised various site visits to our shipyards and to our new vessel launches, analysts' briefings as well as taking part in various investor road shows. This is to establish proactive and timely communication linkages with the investment community such as institutional investors, fund managers, analysts and media on our Company's financial performance and business operations. Our Company's website is also updated on a regular basis to reflect the latest developments and increase public awareness at the same time.

Appreciation

On behalf of the Board, I wish to extend my gratitude and appreciation to our management and staff for their wholehearted commitment and dedication in reinforcing our position as one of the leading intergrated service providers in the oil and gas industry in Malaysia. Their efforts coupled with their high level of competency have indeed resulted in the Group's sterling performance for FPE 2008.

We would also like to take this opportunity to thank our valued institutional and individual shareholders for your confidence and belief in the prospects of the SIB Group, the oil majors who have been supporting us in their upstream and downstream operations over the years, our business associates and principals for their successful collaboration with us in various business operations, our bankers and Governmental Authorities for their vital role in our strategic planning and execution.

Lastly, my special thanks also to my colleagues on the Board of SIB for their invaluable support and guidance throughout the period.

YBhg DATUK MICHAEL HARDIN

Non-Independent Non-Executive Chairman

27 April 2009

Audit Committee Report

MEMBERSHIP AND ATTENDANCE AT MEETINGS

Sealink International Berhad was listed and quoted on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities") on 29 July 2008. Prior to that, the Audit Committee was established on 28 May 2008.

The members of the Audit Committee during the financial period ended 31 December 2008 comprised the following directors.

Name	Total Number of Meeting held during the financial period ended 31 December 2008	Attendance	Percentage of Attendance (%)
Wong Chie Bin Chairman (Appointed on 20 May 2008) Independent Non-Executive Director	2	2	100%
Toh Kian Sing Member (Appointed on 23 May 2008) Independent Non-Executive Director	2	2	100%
Eric Khoo Chuan Syn @ Khoo Chuan Syn Member, (Appointed on 20 May 2008) Non-independent Non-Executive Director	2	2	100%

From the date of listing till 31 December 2008, two (2) Audit Committee meetings were held. The CEO and certain Senior Managers of the Group, a representative of the External Auditor and Internal Auditor attended some of the meetings at the Audit Committee's invitation.

COMPOSITION AND TERMS OF REFERENCE OF THE AUDIT COMMITTEE

(a) Objectives

The primary objective of the Audit Committee is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control and compliance with specified Financial Reporting Standards and Listing Requirements of Bursa Malaysia Securities Berhad. In addition, the Audit Committee will endeavour to adopt certain practices aimed at maintaining appropriate standards of corporate responsibility, integrity and accountability to the Company's shareholders.

(b) Composition

The Audit Committee shall comprise at least three (3) Directors, the majority of whom are independent.

The members of the Audit Committee shall be appointed by the Board of Directors and all members of the Audit Committee including the Chairman are Non-Executive Directors. At least one (1) member of the Audit Committee shall be a member of the Malaysian Institute of Accountants or if not a member of the Malaysian Institute of Accountants, must have at least three (3) years' working experience and have passed the examinations specified in Part 1 of the First Schedule of the Accountants Act 1967 or a member of one (1) of the associations of accountants specified in Part II of the said schedule or has a degree/masters/ doctorate in accounting or finance and at least three (3) years' post qualification experience in accounting or finance or is a member of a professional accountancy organisation which has been admitted as full members of the International Federation of Accountants and at least three (3) years' post qualification experience in accounting or finance or at least seven (7) years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation.

No alternate director shall be appointed as a member of the Audit Committee.

The Board shall review the terms of office and performance of the members of the Audit Committee at least once every three (3) years to determine whether the members have carried out their duties in accordance with their terms of reference. In the event of any vacancy in the Audit Committee resulting in the non-compliance of subparagraph 15.10(1) of the Listing Requirements of the Bursa Malaysia Securities Berhad, the Board shall fill the vacancy within three (3) months from the date of the vacancy.

Audit Committee Report

(c) Chairman

An Independent Non-Executive Director shall be the Chairman of the Audit Committee.

(d) Meetings and Minutes

The Audit Committee shall meet at least four (4) times annually. However, at least once a year, the Audit Committee shall meet with the external auditors without the Executive Directors being present.

The CEO, Group Finance Manager, certain Senior Management of the Group and representative of the Internal Auditor and External Auditor shall attend the meetings at the invitation of the Audit Committee.

The Company Secretary shall be the Secretary of the Audit Committee and will record, prepare and circulate the minutes of the meetings of the Audit Committee and ensure that the minutes are properly kept and produced for inspection if required. The Audit Committee shall report to the Board and its minutes tabled and noted by the Board.

(e) Quorum

The presence of a majority of Independent Non-Executive Director shall form a quorum for the audit committee meeting.

(f) Authority

The Audit Committee is authorised by the Board to review any activity within the Audit Committee's terms of reference. The Audit Committee is authorised to seek any information the Audit Committee requires from any Director or member of management and has full and unrestricted access to any information pertaining to the group and the management, and all employees of the Group are required to comply with the requests made by the Audit Committee. The Committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary in the discharge of its duties.

In the event that any member of the Audit Committee shall need to seek external professional advice in furtherance of his duties, he shall first consult with and obtain approval of the Chairman of the Audit Committee. The Audit committee shall have direct communication channels and be able to convene meetings with the external auditors without the presence of the non independent members of the Audit Committee, whenever deemed necessary.

RESPONSIBILITIES AND DUTIES

In fulfilling its primary objectives, the Audit Committee undertakes, amongst others, the following responsibilities and duties:-

(a) Financial Reporting

To review the quarterly and annual financial statements of the Company, focusing particularly on:

- any significant changes to accounting policies and practices;
- significant adjustments arising from the audits;
- compliance with financial reporting standards and other legal and regulatory requirements

(b) Related Party Transactions

To review any related party transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity and adequacy of the group's procedures for monitoring and reviewing of Related Party Transactions.

(c) Audit Reports

To prepare the annual Audit Committee report to the Board which includes the composition of the Audit Committee, its terms of reference, number of meetings held, a summary of its activities and the existence of an Internal Audit unit and summary of the activities of that unit for inclusion in the Annual Report; and

To review the Board's statements on compliance with the Malaysian Code on Corporate Governance for inclusion in the Annual Report.

Audit Committee Report

(d) Internal Control

To consider annually the internal control system and risk management framework adopted within the Group and to be satisfied that the methodology employed allows identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to minimise losses and maximize opportunities;

To cause reviews to be made of the extent of compliance with established internal policies, standards, plans and procedures;

To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored;

To recommend to the Board steps to improve the system of internal control derived from the findings of the internal and external auditors and from the consultations of the Audit Committee itself; and

To obtain assurance that proper plans for control have been developed prior to the commencement of major areas of change within the Group.

(e) Internal Audit

To be satisfied that strategies, plans, manning and organisation for internal auditing are communicated down through the Group specifically:

- to review the internal audit plans and to be satisfied as to their consistency, adequacy and coverage;
- to be satisfied that the Internal Audit unit within the Group has the proper resources and standing to enable them to complete their task as per the audit plans;
- to review status reports from Internal Audit and ensure that appropriate actions have been taken to implement the audit recommendations;
- to recommend any broader reviews deemed necessary as a consequence of the issues concerns identified;
- to ensure Internal Audit has full, free and unrestricted access to all activities, records, property and personnel necessary to perform its duties; and
- to request and review any special audit which it deems necessary.

(f) External audit

- To review the external auditors' audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and co-ordination of the external auditors. The Audit Committee will consider a consolidated opinion on the quality of external auditing at one (1) of its meetings;
- To review with the external auditors the Statement on Internal Control of the Group for inclusion in the Annual Report;
- To review any matters arising concerning the appointment and re-appointment, audit fee and any questions of resignation or dismissal of the external auditors;
- To review and evaluate factors related to the independence of the external auditors and assist them in preserving their independence;
- To be advised of significant use of the external auditors in performing non-audit services within the Group, considering both the types of services rendered and the fees, such that their position as auditors are not deemed to be compromised; and
- To review the external auditors' findings arising from audits, particularly any comments and responses in management letters as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken.

(g) Other matters

To act on any other matters as may be directed by the Board.

INTERNAL AUDIT FUNCTION

The Group has appointed a well established external Internal Audit firm, which reports to the Audit Committee and assists the Audit Committee in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives.

Internal audit provides independent assessment on the effectiveness and efficiency of internal controls utilizing a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the Audit Committee.

The Audit Committee approves the internal audit plan during the first Audit Committee meeting each year. Any subsequent changes to the internal audit plan are approved by the Audit Committee. The scope of internal audit covers the audits of all units and operations, including subsidiaries as stated in the letter of engagement.

Audit Committee Report

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The main activities undertaken by the Audit Committee during the financial period ended 31 December 2008 included the following:

- a) Reviewed the quarterly unaudited financial and annual audited financial statements of the Group and the Company including the announcements pertaining thereto, before recommending to the Board for their approval and release of the Groups results to Bursa Malaysia Securities Berhad;
- b) Reviewed with external auditors on their audit planning memorandum on the statutory audit of the Group for the financial period ended 31 December 2008;
- c) Reviewed and discussed with the external auditors of their audit findings inclusive of system evaluation, audit fees, issues raised and management letter together with management's response;
- d) Reviewed the internal audit plan;
- e) Reviewed the internal audit reports presented and considered the findings of internal audit through the review of the internal audit reports tabled and management responses thereof;
- f) Reviewed the effectiveness of the Group's system of internal control;
- g) Reviewed related party transactions and conflict of interest situation that may arise within the Company or the Group;
- h) Reviewed the Company's compliance with the Bursa Listing Requirements, applicable Approved Accounting Standards and other relevant legal and regulatory requirements; and
- i) Report to the Board on its activities and significant findings and results.

This Audit Committee Report is made in accordance with the resolution passed at the Board of Directors Meeting held on 27 April 2009.

Statement on Internal Control

INTRODUCTION

The Board is pleased to provide the following statement, which outlines the nature and scope of internal control of the Group during the financial period ended 31 December 2008.

a. Responsibility Of The Board

The Board acknowledges the importance of maintaining a sound system of internal control and effective risk management as part of its ongoing efforts to practice good corporate governance. The Board is committed to practising good standards of corporate governance and observing best practices, and will continue to improve on current practices.

The Board has ultimate responsibility for the system of internal control operating throughout the Group and for reviewing its effectiveness, adequacy and integrity, including financial and operational controls, compliance with relevant laws and regulations, and risk management in order to safeguard shareholders' investments and the Group's assets.

The Board recognises that the Group's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and that it can only provide reasonable and not absolute assurance against misstatement or loss. The Board continuously evaluates appropriate initiatives to strengthen the transparency and efficiency of its operations taking into account the requirements for sound and appropriate internal controls and management information systems within the Group.

b. Control Environment

The Board of Directors and Senior Management consistently endeavor to maintain an adequate system of internal controls designed to manage risks rather than eliminate them. The Group has an organisation structure that is aligned to business requirements. The internal control mechanism is embedded in the various work processes at appropriate levels in the Company. As such, it is recognised that the system of internal controls can only provide reasonable assurance and not absolute assurance against the occurrence of any material misstatement or loss.

The Board is accountable for ensuring the existence and effectiveness of internal control and provides leadership and direction to Senior Management on the manner the Company controls its businesses, the state of internal control and its activities. In developing the internal control systems, consideration is given to the overall control environment of the Company, assessment of financial and operational risks and an effective monitoring mechanism.

The Board confirms that the system of internal controls, with the key elements highlighted above, was in place during the financial period. This system is subject to regular review by the Board.

c. Internal Audit

The outsourced Internal Auditors had reviewed the Group's system of internal controls to address the related internal control weaknesses. The Internal Audit team independently reviews the risk identification procedures and control processes implemented by the management. Any significant weaknesses identified during the reviews together with the improvement measures to strengthen the internal controls were reported to the Audit Committee. Internal audit also test the effectiveness of the internal control on the basis of an internal audit strategy and detailed annual internal audit plan presented to the Audit Committee for approval.

d. Information and Communication

While the Management has full responsibility in ensuring the effectiveness of internal control, which it establishes, the Board of Directors has the authority to assess the state of internal control as it deems necessary. In doing so, the Board has the right to enquire information and clarification from Management as well as to seek inputs from the Audit Committee, external and internal auditors, and other experts at the expense of the Company.

e. Risk Management

The Group has an ongoing process for identifying, evaluating and managing the significant risks faced by the Group throughout the financial period under review. This is to ensure that all high risks are adequately addressed at various levels within the Group. Risk management is embedded in the Group's management system and is every employee's responsibility. The Group firmly believes that risk management is critical for the Group's continued profitability and the enhancement of shareholder value.

CONCLUSION

On overall, the Board of Directors is satisfied that the process of identifying, evaluating and managing significant risks that may affect achievement of the Group's business objectives is in place to provide reasonable assurance to that effect. It is the Group's positive attitude towards striving for better that drives its desire to make sure the system of internal control will be enhanced on regular basis as the Group progresses to the next level. The Board of Directors and the Management will seek regular assurance on the effectiveness and soundness of the internal control system through appraisals by the internal as well as external auditors.

Statement on Corporate Governance

The Board of Directors (“the Board”) of Sealink International Berhad “Sealink” believes that good corporate governance is fundamental to the Group’s continued success. Therefore, the Board is committed to ensuring the highest standards of Corporate Governance are practiced throughout Sealink, as a fundamental part of discharging its responsibilities to protect and enhance the shareholders’ value and financial performance of the organisation.

This statement sets out the commitment of the Board of Sealink towards the Malaysian Code of Corporate Governance (“Code”) and describes how the Group has applied the principles laid down in the Code. Save where otherwise identified specifically, the Group has complied with the Best Practices of the Code throughout the financial period.

SECTION 1: THE BOARD OF DIRECTORS

THE BOARD SIZE AND BALANCE

The Board is collectively responsible for promoting the success of the Group by directing and supervising its affairs. The key responsibilities include the primary responsibilities prescribed under the Best Practices Provision AA 1 in Part 2 of the Code. These cover a review of the strategic direction for the Group and overseeing the business operations of the Group, evaluating whether these are being properly managed.

COMPOSITION

The Board of Directors consists of a two (2) Non-Independent Executive Directors, two (2) Non-Independent Non-Executive Directors and two (2) Independent Non-Executive Directors. The Company complies with the criteria of Bursa Malaysia’s Listing Requirements (“LR”) of having at least one third or two of the board members as Independent Non-Executive Directors. The profiles of each of the Directors are presented on page 10 to 11 of this Annual Report.

DUTIES AND RESPONSIBILITIES OF THE BOARD

The Board retains full and effective control over the affairs of the Company and the Group. This includes responsibility for determining the Company’s and the Group’s development and overall strategies direction which are as follows:

- a. Reviewing and providing guidance on the Company’s and Group’s corporate strategy and adopting a strategic plan for the Company through the development of risk policy, annual budgets and long range business plans, reviewing major capital expenditures, acquisition and disposal.
- b. Monitoring corporate performance and the conduct of the Group’s business and to ensure compliances to best practices and principles of corporate governance.
- c. Identifying and implementing appropriate system to manage principal risks. The Board undertakes this responsibility through the Audit Committee.
- d. Ensuring and reviewing the adequacy and soundness of the Group’s financial system, internal control systems and management information system are in compliance with the applicable standards and laws and regulations.
- e. Ensuring a transparent Board nomination and remuneration process including management, ensuring the skills and experiences of the Directors are adequate for discharging their responsibilities whilst the caliber of the Non-Executive Directors bring an independent judgment in the decision making process.

Statement on Corporate Governance

BOARD MEETINGS

Board Meetings are scheduled for every quarter with additional meetings to be convened as and when required. Two (2) Board meetings were held during the financial period ended 31 December 2008. The number of Board meeting held during the financial period ended 31 December 2008 and the attendance of the meetings are as follows:-

Name of Directors	Meetings attended by the Directors / Total Number of Meeting held during the financial period ended 31 December 2008	Percentage of Attendance (%)
Executive Directors		
Yong Foh Choi	2/2	100%
Yong Kiam Sam	2/2	100%
Non- Executive Directors		
YBHG Datuk Michael Hardin	2/2	100%
Eric Khoo Chuan Syn @ Khoo Chuan Syn	2/2	100%
Toh Kian Sing	2/2	100%
Wong Chie Bin	2/2	100%

SUPPLY OF INFORMATION

All directors are given complete and timely information before each Board Meeting to be convened together with an agenda and a set of Board papers. Board papers are circulated in sufficient time to enable directors to obtain further explanation, if necessary, in order to be properly briefed before each meeting.

At least four (4) Board Meetings are to be held annually, each meeting being scheduled to be held within two (2) months after each quarter to consider the quarterly financial results and to review operational performance. Additional meetings are convened as and when necessary.

All Directors have access to the advice of the Company Secretary, Independent Professional Advisors and Internal/External Auditors in appropriate circumstances at the Company's expense.

APPOINTMENT OF DIRECTORS

The Nomination Committee is responsible for recommending to the Board suitable candidate(s) for appointment as new Directors. In making these recommendations, factors such as mix of skills, experience, expertise and contribution to the Company will be considered before the recommendation for appointment of the proposed director is put forward to the Board for consideration and approval.

RE – ELECTION

In accordance with the Articles of Association and in compliance with Bursa Malaysia Securities Berhad's Listing Requirements, all Directors are required to retire from office once at least in each three (3) years, and shall be eligible for re-election. The Articles of Association also requires that at least one third (1/3) of the Board of Directors shall retire at each Annual General meeting and may offer themselves for re-election.

AUDIT COMMITTEE

The Audit Committee was established on 28 May 2008. The composition, responsibilities, detailed term of reference and the activities of the Audit Committee during the financial period ended 31 December 2008 are set out separately in the Audit Committee Report on pages 16 to 19 of this Annual Report. The members of the Audit Committee who served during the financial period ended 31 December 2008 are:

- Wong Chie Bin
- Toh Kian Sing
- Eric Khoo Chuan Syn @ Khoo Chuan Syn

Statement on Corporate Governance

NOMINATION COMMITTEE

The Nomination Committee was established in 28 May 2008. The Committee shall be responsible of nominating the appropriate Board balance and size as well as ensuring that the Board possesses the required mix of responsibilities, skills and experience. The Nomination Committee shall conduct a review of the mix of skills, experience and other core competencies for the Board on an annual basis. The members of the Nomination Committee who served during the financial period ended 31 December 2008 are:

- Eric Khoo Chuan Syn @ Khoo Chuan Syn
- Wong Chie Bin
- Yong Kiam Sam

REMUNERATION COMMITTEE

In line with the Best Practices of the Malaysian Code on Corporate Governance, the Board has set up a Remuneration Committee in 28 May 2008 to assist the Board in determining the Director's remuneration. The Committee meets at least once a year. The members of the Remuneration Committee who served during the financial period ended 31 December 2008 are:

- Eric Khoo Chuan Syn @ Khoo Chuan Syn
- Wong Chie Bin
- Yong Kiam Sam

The respective Committee reports to the Board on matters considered and their recommendations thereon. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

DIRECTORS' REMUNERATION

The Board believes that remuneration should be sufficient to attract, retain and motivate Directors of the necessary caliber, expertise and experience to lead the Group. In line with this philosophy, remuneration for the Executive Directors is aligned to individual and corporate performance. For Non-Executive Directors the fees commensurate with the level of experience and responsibilities shouldered by the respective Directors

The Remuneration Committee recommends the policy framework and is responsible for assessing the compensation package for the Executive Directors. The remuneration of the Executive Directors consists of salary, bonus, and benefits-in-kind.

Remuneration for Non-Executive Directors is determined by the Board as a whole. Individual directors do not participate in determining their own remuneration package. The Board, subject to a maximum sum as authorised by the Company's shareholders, determines fees payable to Non-Executive Directors. Directors are also entitled to meeting allowances and reimbursement of expenses incurred in the course of their duties as Directors. Details of the Directors remuneration for the financial period ended 31 December 2008 are as follows:

Aggregate Remuneration categorized into appropriate components:

	Fees (RM)	Salaries and Allowances, inclusive of EPF contributions (RM)	Bonus (RM)	Benefits-in-kind (RM)	Total (RM)
Executive Directors	330,000	328,564	-	20,325	678,889
Non-Executive Directors	151,476	-	-	5,300	156,776
Total	481,476	328,564	-	25,625	835,665

Statement on Corporate Governance

Remuneration Bands

Range of Remuneration	Executive Directors	Non-Executive Directors	Total
RM1-RM50,000	-	3	60,000
RM50,001-RM100,000	-	1	96,776
RM101,000-RM150,000	-	-	-
RM150,001-RM200,000	-	-	-
RM200,001-RM250,000	-	-	-
RM250,001-RM300,000	-	-	-
RM300,001-RM350,000	2	-	678,889
RM350,001-RM400,000	-	-	-
RM400,001-RM450,000	-	-	-
RM450,001-RM500,000	-	-	-
Total	2	4	835,665

DIRECTORS' TRAINING AND EDUCATION

In compliance with the Listing Requirements of and the relevant Practice Notes issued by Bursa Securities, all Directors have attended the Mandatory Accreditation Programme ("MAP") prescribed by Bursa Securities.

All Directors also attended a Workshop on Strategic Risk Management conducted by Smart Focus.

The Directors are also aware of their duty to undergo appropriate training from time to time to ensure that they be better equipped to carry out their duties as Directors. The Board is mindful therefore of the need to keep abreast of changes in both the regulatory and business environments as well as with as with new developments within the industry in which the Group operates.

Whenever the need arises, the Company provides briefings of new recruits to the Board to ensure they have a comprehensive understanding on the operations of the Group and the Company.

Particulars of training programmes attended by the Directors are as follows:

Directors	Training	Date of Training
YBhg Datuk Michael Hardin	Mandatory Accreditation Programme for Directors of Public Listed Companies	21.10.2008- 22.10.2008
Yong Foh Choi	Mandatory Accreditation Programme for Directors of Public Listed Companies	21.10.2008- 22.10.2008
Yong Kiam Sam	Mandatory Accreditation Programme for Directors of Public Listed Companies	21.10.2008- 22.10.2008
Eric Khoo Chuan Syn @ Khoo Chuan Syn	Mandatory Accreditation Programme for Directors of Public Listed Companies	21.10.2008- 22.10.2008
Toh Kian Sing	Mandatory Accreditation Programme for Directors of Public Listed Companies	16.12.2008- 17.12.2008
Wong Chie Bin	Mandatory Accreditation Programme for Directors of Public Listed Companies	23.09.2008- 24.09.2008

Statement on Corporate Governance

SECTION 2: COMMITTEES OF THE BOARD

The Board has delegated certain responsibilities to several Committees, which operate within the clearly defined terms of reference. The Chairman of the various committees will report the outcome of the committee meetings to the Board and such reports are incorporated in the minutes of meeting. The various committees are as follows;

Committee

Audit Committee
Nomination Committee
Remuneration Committee

Chairperson

Wong Chie Bin
Eric Khoo Chuan Syn @ Khoo Chuan Syn
Eric Khoo Chuan Syn @ Khoo Chuan Syn

SECTION 3: SHAREHOLDERS

DIALOGUE WITH INVESTORS

Recognizing the importance of timely dissemination of information to shareholders and other stakeholders, the Board is committed to ensure that the shareholders and other stakeholders are well informed of all important issues and major developments of the Company and the information is communicated to them through the following documents:

- Annual Report
- The various disclosures and announcements made to Bursa Malaysia including the Quarterly Reports and Annual Financial Statements.
- Shareholders may obtain the Company's latest announcements via the Bursa Malaysia website at www.bursamalaysia.com.my.

THE ANNUAL GENERAL MEETING ("AGM")

Notice of AGM which is contained in the Annual Report is sent out at least twenty-one (21) days prior to the date of the meeting. There will be commentary by the Chairman at the AGM regarding the Company's performance for each financial year and a brief review on current business conditions. At each AGM, a platform is available to shareholders to participate in the question and answer session. Extraordinary General Meetings ("EGM") are held when required.

SECTION 4: ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING

The Directors are responsible to ensure that financial statements prepared are drawn up in accordance with the provision of the Companies Act 1965; and Applicable Accounting Standards in Malaysia. In presenting the financial statements, the Company has used appropriate accounting policies, consistencies applied and supported by reasonable judgments and estimates.

The quarterly results were reviewed by the Audit Committee and approved by the Board of Directors before being released to the Bursa Malaysia. By presenting the quarterly results and financial statements, the company is mindful of the necessity to present a balanced assessment of the Group's financial position. The details of the Company and the Group's financial statements for the financial period ended 31 December 2008 can be found on pages 28 to 78 of the Annual Report.

INTERNAL CONTROL

Information on the Group's internal control is presented in the Statement on Internal Control on page 20.

RELATIONSHIP WITH THE AUDITORS

The Board via the Audit Committee maintains an appropriate and transparent relationship with the Group's external auditors. The Audit committee meets with the external auditors at least once a year to review audit plans and to facilitate exchange of views on issues requiring attention. The role of Audit Committee in relation to the auditors is described in the Audit Committee Report set out on pages 16 to 19 of this Annual Report.

Statement on Corporate Governance

DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 1965 ("the Act") to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and the provisions of the Act. The Board of Directors is responsible to take reasonable steps to ensure that the financial statements give a true and fair view of the state of affairs of the Group and the Company, and of their results and cash flows for the financial period then ended.

In preparing the financial statements of the Group and the Company for the period ended 31 December 2008, the Board of Directors has:

- adopted suitable accounting policies and applied them consistently;
- where applicable, made judgments and estimates that are reasonable and prudent; and
- ensured that applicable approved accounting standards have been followed.

The Directors have ensured that the Group and Company keep proper accounting and other records that will disclose with reasonable accuracy at any time the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Act and the applicable approved accounting standards.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Mindful of the need to be a corporately responsible organisation, the Group undertook various steps to play its part in contributing to the welfare of the society and communities in the environment it operates. Sealink Group recognises that for long term sustainability, its strategic orientation will need to look beyond the financial parameters. Hence, the Group supports important causes such as donation to the needy and community services. However, the Group endeavors to broaden its scope of CSR initiatives over time.

Sealink has also emphasized CSR within the organisation, by focusing on the following:-

- Occupational health and safety at the workplace. Staff are equipped with the necessary equipment and accessories at the various work-sites and factory to promote safety; and
- Looking after the welfare of its employees, example successful insurance and Socso claims for the unfortunate, provision of Staff Dinners and resources for participation in sports events.

ADDITIONAL COMPLIANCE INFORMATION

The following disclosures are made in accordance with Part A of Appendix 9C of the Listing Requirement of Bursa Securities.

Status of Utilisation of Proceeds

As at 30 April 2009, the gross proceeds derived from the Public Issue in conjunction with the listing of the Company on the Main Board of Bursa Securities on 29 July 2008 had been utilised in the following manner.

Description	Proposed Utilisation * RM'000	Amount Utilised RM'000	Balance RM'000
Part finance the construction of marine vessels and upgrade of shipyards	60,000	82,308	(22,308)
Repayment of bank borrowings	50,000	26,751	23,249
Working Capital	26,713	26,713	-
Listing expenses	5,000	5,941	(941)
TOTAL	141,713	141,713	-

* As set out in the Prospectus dated 30 June 2008.

Statement on Corporate Governance

Share Buybacks

The Company did not carry out any share buy-backs during the financial period.

Options, Warrants or Convertible Securities

There was no exercise of Options or Convertible Securities or conversion of warrants during the financial period.

American Depositary Receipt ("ADR") or Global Depositary Receipt ("GDR") Programme

The Company did not sponsor any ADR or GDR programme during the financial period.

Imposition of Sanctions/Penalties

There were no material sanction or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial period.

Non-Audit Fees

The amount of non-audit fees paid to external auditors Ernst & Young by the Group for the financial period ended 31 December 2008 amounted to RM 271,250.

Variation in Results

There is no material variance between the financial results and the profit forecast or unaudited results previously made for the financial period ended 31 December 2008.

Profit Guarantee

There was no profit guarantee given by the Company during the financial period.

Material Contracts

There were no material contracts outside the ordinary course of business entered into by the Company and its subsidiaries involving Director's and major shareholder's interest which were still subsisting at the end of the financial period or entered into since the end of the previous financial year.

Revaluation of Landed Properties

The Company and its subsidiaries did not adopt any revaluation policy on landed properties during the financial period.

Profit Forecast Variance

Other than the forecast that were issued in the prospectus as part of the listing requirements, there was no other profit forecast issued in respect of the financial result ended 31 December 2008.

Recurrent related Party Transactions

The related party transactions are disclosed in pages 71 to 72 of the Annual Report.

Financial Statements

Directors' Report	29
Statement By Directors	33
Statutory Declaration	33
Auditors' Report	34
Income Statements	35
Balance Sheets	36
Consolidated Statement Of Changes In Equity	37
Company Statement Of Changes In Equity	38
Cash Flow Statements	39
Notes To Financial Statements	41

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial period ended 31 December 2008.

CHANGE OF COMPANY NAME

The Company was incorporated on 28 December 2007 and changed its name from Sealink International Sdn. Bhd. to Sealink International Berhad on 16 January 2008.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are shipping business, shipbuilding and repair of vessels and letting of properties.

The Company was listed on the Main Board of Bursa Malaysia Securities Berhad on 29 July 2008 after the completion of its Public Issue (refer to Note 37 to the financial statements.)

Other than stated above, there have been no significant changes in the nature of the principal activities during the financial period.

RESULTS

	Group RM	Company RM
Profit for the period	64,316,419	22,023,396
Profit after tax attributable to:		
Equity holders of the Company	57,915,462	22,023,396
Minority interests	6,400,957	-
	64,316,419	22,023,396

There were no material transfers to or from reserves or provisions during the financial period, other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since its date of incorporation.

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the financial period ended 31 December 2008, of 4 sen on 500,000,000 ordinary shares of RM0.50 each, amounting to a dividend payable of RM20,000,000 shall be proposed for shareholders' approval. The financial statements for the current financial period do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2009.

DIRECTORS' REPORT

DIRECTORS

The names of the Directors of the Company in office since the date of incorporation and at the date of this report are:

Datuk Michael Hardin	(Named in the Articles)
Yong Foh Choi	(Named in the Articles)
Yong Kiam Sam	(Named in the Articles)
Wong Chie Bin	(Appointed on 20.5.2008)
Eric Khoo Chuan Syn @ Khoo Chuan Syn	(Appointed on 20.5.2008)
Toh Kian Sing	(Appointed on 23.5.2008)

In accordance with the Company's Articles of Association, Yong Foh Choi, Yong Kiam Sam, Wong Chie Bin, Eric Khoo Chuan Syn @ Khoo Chuan Syn and Toh Kian Sing retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Datuk Michael Hardin, having attained the age of seventy, retires pursuant to Section 129(2) of the Companies Act, 1965 and a resolution is being proposed for his re-appointment as director under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

DIRECTORS' BENEFITS

Neither at the end of the financial period, nor at any time during that period, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the date of incorporation, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 10 to the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which a Director is a member or with a company in which a Director has a substantial financial interest, except as disclosed in Note 33 to the financial statements.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial period in shares in the Company during the financial period were as follows:

	Number of Ordinary Shares of RM0.50 Each			
	At date of incorporation	Acquired	Sold	At 31 December 2008
Direct interest				
Datuk Michael Hardin	1	300,000	-	300,001
Yong Foh Choi	1	45,716,799	-	45,716,800
Yong Kiam Sam	1	67,382,398	-	67,382,399
Eric Khoo Chuan Syn @ Khoo Chuan Syn	-	30,000	-	30,000
Wong Chie Bin	-	30,000	-	30,000
Deemed interest through holding company:				
Datuk Michael Hardin	-	274,080,800	(15,000,000)	259,080,800
Yong Foh Choi	-	274,080,800	(15,000,000)	259,080,800

DIRECTORS' REPORT

DIRECTORS' INTERESTS (Continued)

Datuk Michael Hardin, Yong Foh Choi and Yong Kiam Sam, by virtue of their interests in shares of the Company, are deemed to have an interest in the shares of all subsidiaries under the Company to the extent that the Company has an interest.

The other Director in office at the end of the financial period did not have any interest in shares in the Company or its related corporations during the financial period.

ISSUE OF SHARES

At date of incorporation, the Company's issued and paid up share capital was 3 of RM0.50 each.

Subsequently, as part of the listing scheme, the Company increased its:

- (a) authorised share capital from RM100,000 to RM500,000,000 through the creation of 999,800,000 ordinary shares of RM0.50 each; and
- (b) issued and paid up ordinary shares capital from RM1.50 to RM250,000,000 by way of:
 - i) the issuance of 386,629,997 ordinary shares of RM0.50 each at an issue price of RM0.50 each as purchase consideration for the acquisition of subsidiaries described in Note 16 to the financial statements; and
 - ii) the issuance of 113,370,000 ordinary shares of RM0.50 each through a public issue at an issue price of RM1.25 each for cash.

SIGNIFICANT EVENTS

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Note 37 to the financial statements.

OTHER STATUTORY INFORMATION

- a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:
 - i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (Continued)

- d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- e) At the date of this report, there does not exist:
 - i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or
 - ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial period.
- f) In the opinion of the Directors:
 - i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and
 - ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial period in which this report is made.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 27 April 2009.

YONG FOH CHOI

YONG KIAM SAM

STATEMENT BY DIRECTORS/ STATUTORY DECLARATION

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, **YONG FOH CHOI** and **YONG KIAM SAM**, being two of the Directors of **SEALINK INTERNATIONAL BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 35 to 78 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2008 and of the results and the cash flows of the Group and of the Company for the period then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 27 April 2009.

YONG FOH CHOI

YONG KIAM SAM

STATUTORY DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **LOW WAI HAR**, being the officer primarily responsible for the financial management of **SEALINK INTERNATIONAL BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 35 to 78 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed **LOW WAI HAR** at Miri
in the State of Sarawak on 27 April 2009.

LOW WAI HAR

Before me,

DR DOMINIC LAI YEW HOCK
Commissioner for Oaths (No.Q047)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SEALINK INTERNATIONAL BERHAD

We have audited the financial statements of Sealink International Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 35 to 78.

Directors' responsibility for the financial statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2008 and of their financial performance and cash flows of the Group and of the Company for the period then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 16 to the financial statements.
- (c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young

AF: 0039

Chartered Accountants

Miri, Malaysia

Date: 27 April 2009

Yong Nyet Yun

2708/04/10 (J)

Chartered Accountant

INCOME STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2008

	Note	Group 28.12.2007 - 31.12.2008 RM	Company 28.12.2007 - 31.12.2008 RM
Revenue	4	236,261,652	22,066,081
Cost of sales	5	(140,402,063)	-
Gross profit		95,859,589	22,066,081
Other income	6	12,291,474	381,546
Other operating expenses		(1,495,042)	-
Administrative expenses		(19,324,677)	(259,020)
Profit from operations		87,331,344	22,188,607
Finance costs	7	(13,499,252)	-
Profit before tax	8	73,832,092	22,188,607
Income tax expense	11	(9,515,673)	(165,211)
Profit for the period		64,316,419	22,023,396
Attributable to:			
Equity holders of the Company		57,915,462	-
Minority interest		6,400,957	-
		64,316,419	22,023,396
Earnings per share attributable to Equity holders of the Company (sen):			
Basic, for profit for the period	12	20.79	-
Diluted, for profit for the period	12	20.79	-

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2008

	Note	Group 2008 RM	Company 2008 RM
NON-CURRENT ASSETS			
Property, plant and equipment	14	305,309,013	-
Prepaid land lease payments	15	52,275,536	-
Investment in subsidiaries	16	-	211,607,999
Other receivables	20	740,910	-
		<hr/> 358,325,459	<hr/> 211,607,999
CURRENT ASSETS			
Inventories	17	276,779,364	-
Trade receivables	18	71,643,252	-
Other receivables	20	99,877,987	139,238,673
Tax recoverable		302,220	-
Cash and bank balances	21	39,790,030	510,116
		<hr/> 488,392,853	<hr/> 139,748,789
CURRENT LIABILITIES			
Short term borrowings	22	207,401,537	-
Trade payables	24	63,763,390	-
Provision for maintenance warranties	25	1,900,000	-
Other payables	26	65,708,103	183,459
Amount due to directors	27	1,656,901	-
Amount due to holding company	28	110,852	-
Current tax payable		1,989,557	63,050
		<hr/> 342,530,340	<hr/> 246,509
NET CURRENT ASSETS		<hr/> 145,862,513	<hr/> 139,502,280
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 504,187,972	<hr/> 351,110,279
NON-CURRENT LIABILITIES			
Long term borrowings	22	62,854,823	-
Other payables	26	829,992	-
Deferred tax liabilities	29	45,415,437	-
		<hr/> 109,100,252	<hr/> -
		<hr/> 395,087,720	<hr/> 351,110,279
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY:			
Share capital	30	250,000,000	250,000,000
Share premium	30	79,086,883	79,086,883
Retained earnings	31	65,376,492	22,023,396
Other reserves	32	624,345	-
Total equity		<hr/> 395,087,720	<hr/> 351,110,279

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT

OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2008

	← Attributable to Equity Holders of the Company →				Minority Interests	Total Equity
	Share Capital (Note 30) RM	Share Premium (Note 30) RM	Other Reserves (Note 32) RM	Distributable Retained Earnings RM	Total RM	RM
At date of incorporation	2	-	-	-	2	-
Effects arising from merger	139,291,047	-	-	7,461,030	146,752,077	13,283,951
At date of incorporation, as restated	139,291,049	-	-	7,461,030	146,752,079	13,283,951
Foreign currency translation	-	-	624,345	-	624,345	-
Profit for the period	-	-	-	57,915,462	57,915,462	6,400,957
Ordinary shares issued pursuant to:						
- acquisition of subsidiaries	40,740,000	-	-	-	40,740,000	-
- acquisition of minority interests of subsidiaries	13,283,951	-	-	-	13,283,951	(19,684,908)
- listing exercise	56,685,000	85,027,500	-	-	141,712,500	-
Listing expenses set off against share premium	-	(5,940,617)	-	-	(5,940,617)	-
At 31 December 2008	250,000,000	79,086,883	624,345	65,376,492	395,087,720	-

The accompanying notes form an integral part of the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2008

	Share Capital (Note 30) RM	Share Premium (Note 30) RM	Distributable Retained Earnings RM	Total Equity RM
At date of incorporation	2	-	-	2
Profit for the period	-	-	22,023,396	22,023,396
Ordinary shares issued pursuant to:				
- acquisition of subsidiaries	193,314,998		-	193,314,998
- listing exercise	56,685,000	85,027,500	-	141,712,500
Listing expenses set off against share premium	-	(5,940,617)	-	(5,940,617)
At 31 December 2008	250,000,000	79,086,883	22,023,396	351,110,279

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2008

	Group 28.12.2007 - 31.12.2008 RM	Company 28.12.2007 - 31.12.2008 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	73,832,092	22,188,607
Adjustments for:		
Depreciation of property, plant and equipment	16,290,215	-
Amortisation of prepaid land lease payments	851,722	-
Inventories written off	121,626	-
Provision for maintenance warranties	1,900,000	-
Provision for doubtful debts	611,819	-
Excess of fair value of assets and liabilities over purchase consideration for acquired subsidiaries	(9,297,926)	-
Unrealised gain on foreign exchange	(803,142)	-
Gain on disposal of property, plant and equipment	(21,338)	-
Interest expenses	13,549,410	-
Interest income	(1,079,085)	(381,093)
Dividend income	-	(22,066,081)
Operating profit/(loss) before working capital changes	95,955,393	(258,567)
Increase in inventories	(86,854,635)	-
Increase in receivables	(94,613,844)	(139,238,673)
Increase in payables	51,999,118	183,459
Increase in amount due to holding company	759,311	-
Cash absorbed by operations	(32,754,657)	(139,313,781)
Interest received	556,064	-
Income tax refunded	600,023	-
Income tax paid	(2,542,030)	(31,080)
Interest paid	(13,549,410)	-
Net cash used in operating activities	(47,690,010)	(139,344,861)

CASH FLOW STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2008

	Group 28.12.2007 - 31.12.2008 RM	Company 28.12.2007 - 31.12.2008 RM
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	523,021	381,093
Dividend received	-	21,995,000
Acquisition of subsidiaries	(15,606,748)	(18,293,000)
Purchase of property, plant and equipment	(70,029,482)	-
Increase in prepaid land lease payments	(20,919,871)	-
Proceeds from disposal of property, plant and equipment	301,054	-
Net cash (used in)/from investing activities	(105,732,026)	4,083,093
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	135,771,884	135,771,884
Net movements in trade financing	19,406,200	-
Proceeds from term loans	42,654,050	-
Proceeds from hire purchase	76,800	-
Repayments of term loans	(15,527,733)	-
Repayment of hire purchase payables	(5,926,014)	-
Net cash from financing activities	176,455,187	135,771,884
NET INCREASE IN CASH AND CASH EQUIVALENTS	23,033,151	510,116
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	171,788	-
CASH AND CASH EQUIVALENTS AT DATE OF INCORPORATION	(9,858,497)	-
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD (NOTE 21)	13,346,442	510,116

The accompanying notes form an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

1. CORPORATE INFORMATION

The Company is a public listed company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Lot 1035, Block 4, MCLD, Piasau Industrial Area, 98000 Miri, Sarawak.

The immediate and ultimate holding company of the Company is Sealink Holdings Sdn. Bhd., which is incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 April 2009.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are shipping business, shipbuilding and repair of vessels and letting of properties.

The Company was listed on the Main Board of Bursa Malaysia Securities Berhad on 29 July 2008 after the completion of its Public Issue (refer to Note 37 to the financial statements.) There have been no significant changes in the nature of the principal activities during the financial period.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Preparation

The financial statements of the Group comply with Financial Reporting Standards in Malaysia and the Companies Act, 1965.

The financial statements of the Group and of the Company have been prepared under the historical basis convention, except for vessels which have been measured at their fair values.

The financial statements are presented in Ringgit Malaysia (RM).

3.2 Standards and Interpretations Issued but Not Yet Effective

At the date of authorisation of these financial statements, the following FRSs, amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group:

Effective for financial periods beginning on or after 1 July 2008:

At the date of authorisation of these financial statements, the following new FRSs and Interpretations were issued but not yet effective and have not been applied by the Company:

FRS and Interpretations		Effective for financial periods beginning on or after
FRS 4	: Insurance Contracts	1 January 2010
FRS 7	: Financial Instruments: Disclosures	1 January 2010
FRS 8	: Operating Segments	1 July 2009
FRS 139	: Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9	: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	: Interim Financial Reporting and Impairment	1 January 2010

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139. The other FRSs, amendments to FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Summary of Significant Accounting Policies

a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method except for subsidiaries arising from common control transfers. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Subsidiaries arising from common control transfers are consolidated using the principles of the merger method of accounting. Common control transfers are acquisitions of entries whereby these entities have common ultimate controlling parties prior to and immediately after such transfers. The difference between the carrying value of the investment and the nominal value of ordinary shares acquired is treated as a merger reserve or merger deficit. Merger deficit is adjusted against suitable reserves of the subsidiaries acquired to the extent that laws or statutes do not prohibit the use of such reserves. The results and financial position of the companies being merged are included as if the merger had been effected throughout the current financial period.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Summary of Significant Accounting Policies (Continued)

b) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Capital work-in-progress is not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life of:

Buildings and wharf	10 - 55 years
Vessels	20 years
Vessel equipment	2.5 - 10 years
Dry docking expenses	2.5 years
Equipment, furniture and fittings	5 - 10 years
Plant and machinery	10 years
Motor vehicles	5 - 6.25 years

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

c) Construction Contracts

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred which will probably be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Summary of Significant Accounting Policies (Continued)

d) Impairment of Non-Financial Assets

The carrying amounts of assets, other than construction contract assets and inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated to reduce the carrying amount of the assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

e) Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the weighted average. The cost of raw materials comprises costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. In arriving at the net realisable value, due allowance is made for all damaged, obsolete and slow moving items.

f) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Summary of Significant Accounting Policies (Continued)

f) Financial Instruments (Continued)

(i) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash at bank, fixed deposits with a licensed bank and bank overdrafts.

(ii) Trade Receivables

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iii) Trade Payables

Trade payables are stated at cost which is the fair value of the consideration to be paid in future for goods and services received.

(iv) Interest-Bearing Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

(v) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

g) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases are classified as operating leases.

(ii) Finance Leases

Assets acquired by way of hire purchase are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Summary of Significant Accounting Policies (Continued)

g) Leases (Continued)

(ii) Finance Leases (Continued)

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 3.3(b).

(iii) Operating Leases

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents a prepaid lease payment and are amortised on a straight-line basis over the lease term.

h) Income Tax

Income tax on the profit or loss for the period comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Summary of Significant Accounting Policies (Continued)

i) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

j) Employee Benefits

Short Term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group.

Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial periods. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). The Group's foreign subsidiaries also make contributions to its countries' statutory pension schemes.

k) Foreign Currencies

i) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Summary of Significant Accounting Policies (Continued)

k) Foreign Currencies (Continued)

ii) Foreign Operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date.

l) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue from services

Revenue from services rendered is recognised net of discounts as and when the services are performed.

Rental Income

Revenue is recognised as the rental accrued unless collectibility is in doubt.

Construction Revenue

Revenue from construction contracts is accounted for by percentage of completion method as described in Note 3.3(c).

4. REVENUE

	Group 28.12.2007 - 31.12.2008 RM	Company 28.12.2007 - 31.12.2008 RM
Construction revenue	163,815,694	-
Charter and hiring charges	72,405,958	-
Dividend income	-	22,066,081
Rental income	40,000	-
	236,261,652	22,066,081

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

5. COST OF SALES

	Group 28.12.2007 - 31.12.2008 RM	Company 28.12.2007 - 31.12.2008 RM
Construction contract costs	108,018,250	-
Cost of services rendered	32,383,813	-
	<hr/> 140,402,063	<hr/> -

6. OTHER INCOME

	Group 28.12.2007 - 31.12.2008 RM	Company 28.12.2007 - 31.12.2008 RM
Gain on disposal of property, plant and equipment	21,338	-
Realised gain on foreign exchange	469,541	453
Interest income	1,079,085	381,093
Excess of fair value of assets and liabilities over purchase consideration for subsidiaries acquired	9,297,926	-
Sundry income	1,423,584	-
	<hr/> 12,291,474	<hr/> 381,546

7. FINANCE COSTS

	Group 28.12.2007 - 31.12.2008 RM	Company 28.12.2007 - 31.12.2008 RM
Interest expenses on:		
- Bank overdrafts	1,742,909	-
- Bankers acceptances	975,290	-
- Hire purchase	487,718	-
- Revolving credits	6,854,983	-
- Term loans	3,464,581	-
- Other interest	23,929	-
	<hr/> 13,549,410	<hr/> -
Loss/(Gain) on foreign exchange:		
- Realised	290,807	-
- Unrealised	(340,965)	-
	<hr/> 13,499,252	<hr/> -

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

8. PROFIT BEFORE TAX

	Group 28.12.2007 - 31.12.2008 RM	Company 28.12.2007 - 31.12.2008 RM
This is arrived at after charging/(crediting):		
Employee benefits expense (Note 9)	22,198,097	-
Non-executive directors' remuneration (Note 10)	151,476	60,000
Auditors' remuneration		
- Current period	157,300	35,000
- Underprovision in prior period	37,900	-
Amortisation of prepaid land lease payments (Note 15)	851,722	-
Depreciation of property, plant and equipment (Note 14)	16,290,215	-
Hiring charges	2,680,082	-
Inventories written off	121,626	-
Loss/(Gain) on foreign exchange:		
- Realised	2,456,187	-
- Unrealised	(462,177)	-
Office rental expenses	301,049	-
Rental of premises	262,200	-
Provision for doubtful debts	611,819	-
Provision for maintenance warranties	1,900,000	-

9. EMPLOYEE BENEFITS EXPENSE

	Group 28.12.2007 - 31.12.2008 RM	Company 28.12.2007 - 31.12.2008 RM
Salaries and wages	20,224,403	-
Social security contributions	190,041	-
Contributions to defined benefit plan	1,760,804	-
Other benefits	22,849	-
	22,198,097	-

Included in employee benefits expense of the Group are the Executive Directors' remuneration amounting to RM658,564 as further disclosed in Note 10.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

10. DIRECTORS' REMUNERATION

	Group 28.12.2007 - 31.12.2008 RM	Company 28.12.2007 - 31.12.2008 RM
Executive Directors' remuneration (Note 9)		
- Fees	330,000	-
- Other emoluments	328,564	-
	658,564	-
Non-executive directors' fees (Note 8)	151,476	60,000
Total directors' remuneration	810,040	60,000
Estimated money value of benefits-in-kind	25,625	-
Total directors' remuneration including benefits-in-kind	835,665	60,000

The details of remuneration receivable by Directors of the Company during the period are as follows:

	Group 28.12.2007 - 31.12.2008 RM	Company 28.12.2007 - 31.12.2008 RM
Executive:		
Salaries	299,757	-
EPF	28,807	-
Fees	330,000	-
Estimated money value of benefits-in-kind	20,325	-
	678,889	-
Non-executive:		
Fees	151,476	60,000
Estimated money value of benefits-in-kind	5,300	-
	156,776	60,000
	835,665	60,000

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

10. DIRECTORS' REMUNERATION (Continued)

The number of Directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of Directors 2008
Executive Director: RM300,001 – RM350,000	2
Non-Executive Directors: RM50,001 – RM100,000	1
Below RM50,000	3

11. INCOME TAX EXPENSE

	Group 28.12.2007 - 31.12.2008 RM	Company 28.12.2007 - 31.12.2008 RM
Tax expense for the period:		
Based on profit for the period		
- Malaysian income tax	3,793,187	165,211
- Foreign tax	622	-
Underprovision in prior year		
- Malaysian income tax	11,703	-
	<hr/> 3,805,512	<hr/> 165,211
Deferred tax (Note 29):		
Relating to origination of temporary differences	6,661,614	-
Relating to changes in tax rate	(995,501)	-
Underprovision in prior year	44,048	-
	<hr/> 5,710,161	<hr/> -
	<hr/> 9,515,673	<hr/> 165,211

One of the subsidiaries has been granted Pioneer Status Incentive under the Promotion of Investments Act, 1986 with effect from 21 November 2006 for a period of 5 years.

Taxation for the subsidiary in Singapore is calculated at the rates prevailing in Singapore.

Domestic income tax is calculated at the Malaysian statutory tax rate of 26% of the estimated assessable profit for the period. Certain subsidiaries of the Company being Malaysian resident companies with paid-up capital of RM2.5 million or less qualify for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act, 1967 as follows:

On the first RM500,000 of chargeable income	: 20%
In excess of RM500,000 of chargeable income	: Malaysian corporate statutory tax rate

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

11. INCOME TAX EXPENSE (Continued)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group 28.12.2007 - 31.12.2008 RM	Company 28.12.2007 - 31.12.2008 RM
Profit before tax	73,832,092	22,188,607
Taxation at Malaysian statutory tax rate of 26%	19,196,344	5,769,038
Effect of income subject to a lower tax rate of 20%	(182,017)	-
Effect of expenses not deductible for tax purposes	3,573,250	62,273
Effect of income not subject to tax	(10,946,528)	(5,666,100)
Effect of tax incentive	(1,149,846)	-
Effect of changes in tax rate on opening balance of deferred tax	(731,467)	-
Deferred tax recognised at different tax rates	(264,034)	-
Deferred tax assets not recognised during the period	89,112	-
Underprovision of deferred tax in prior year	44,048	-
Underprovision of tax expense in prior year	11,703	-
Others	(124,892)	-
Tax expense for the period	9,515,673	165,211

The Group have unutilised tax losses and unabsorbed capital allowances available for carrying forward of approximately:

	Group 2008 RM
Unutilised tax losses	497,125
Unabsorbed capital allowances	17,772,922
	18,270,047

The availability of the unabsorbed tax losses and unabsorbed capital allowances for offsetting against future taxable profits are subject to no substantial changes in shareholdings under the Income Tax Act 1967 and guidelines issued by the tax authority.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

12. EARNINGS PER SHARE

(a) Basic

Basic earnings per share amounts are calculated by dividing 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.

	2008 RM
Profit attributable to ordinary equity holders of the Company	57,915,462
	<hr/>
	2008 '000
Weighted average number of ordinary shares in issue	278,609,455
	<hr/>
	2008 Sen
Basic earnings per share for profit for the period	20.79
	<hr/>

(b) Diluted

Diluted earnings per share amounts are calculated by dividing 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.

	2008 RM
Profit attributable to ordinary equity holders of the Company	57,915,462
	<hr/>
	2008 '000
Weighted average number of ordinary shares in issue	278,609,455
	<hr/>
	2008 Sen
Diluted earnings per share for profit for the period	20.79
	<hr/>

13. DIVIDENDS

At the forthcoming Annual General Meeting, a final single tier dividend in respect of the financial period ended 31 December 2008, of 4 sen on 500,000,000 ordinary shares of RM0.50 each, amounting to a dividend payable of RM20,000,000 shall be proposed for shareholders' approval. The financial statements for the current financial period do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2009.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings and wharf* RM	Vessels and vessel equipment RM	Equipment, furniture and fittings RM	Plant and machinery RM	Motor vehicles RM	Total RM
GROUP						
At 31 December 2008						
Cost or Valuation						
At date of incorporation	14,430,734	147,682,238	4,690,286	26,819,430	2,918,807	196,541,495
Revaluation surplus	-	63,969,270	-	-	-	63,969,270
Elimination of accumulated depreciation on valuation	-	(26,840,926)	-	-	-	(26,840,926)
Subsidiaries acquired	-	12,025,262	39,860	-	-	12,065,122
Reclassification	-	877,804	-	-	25,327	903,131
Transfer from capital work in progress	1,959,152	11,311,424	-	236,292	-	13,506,868
Additions	4,012,222	50,110,504	2,170,316	4,369,646	1,209,707	61,872,395
Disposals	-	(29,650)	-	(208,440)	(143,608)	(381,698)
Exchange rate difference	-	171,284	568	-	-	171,852
At 31.12.2008	20,402,108	259,277,210	6,901,030	31,216,928	4,010,233	321,807,509
Representing:						
At cost	20,402,108	3,339,683	6,901,030	31,216,928	4,010,233	65,869,982
At valuation	-	255,937,527	-	-	-	255,937,527
At 31.12.2008	20,402,108	259,277,210	6,901,030	31,216,928	4,010,233	321,807,509
Accumulated Depreciation						
At date of incorporation	3,707,132	24,960,745	1,309,773	4,894,754	1,740,888	36,613,292
Elimination of accumulated depreciation on valuation	-	(26,840,926)	-	-	-	(26,840,926)
Subsidiaries acquired	-	66,867	26,583	-	-	93,450
Charge for the period (Note 8)	711,937	11,472,652	615,705	2,981,052	508,869	16,290,215
Disposals	-	(1,536)	-	-	(100,446)	(101,982)
Exchange rate difference	-	3,382	412	-	-	3,794
At 31.12.2008	4,419,069	9,661,184	1,952,473	7,875,806	2,149,311	26,057,843
Net Carrying Amount						
At cost	15,983,039	2,371,373	4,948,557	23,341,122	1,860,922	48,505,013
At valuation	-	247,244,653	-	-	-	247,244,653
At 31.12.2008	15,983,039	249,616,026	4,948,557	23,341,122	1,860,922	295,749,666
Capital Work-In Progress						
At date of incorporation						23,967,394
Additions						8,842,551
Transfer to property, plant and equipment						(13,506,868)
Transfer to stock						(903,131)
Reclassification						(8,840,599)
At 31.12.2008						9,559,347
						305,309,013

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

*Buildings and Wharf

	Workshop and Renovation RM	Wharf, Yard and Buildings RM	Total RM
GROUP			
At 31 December 2008			
Cost			
At date of incorporation	1,598,082	12,832,652	14,430,734
Transfer from capital work in progress	24,084	1,935,068	1,959,152
Additions	73,632	3,938,590	4,012,222
At 31 December 2008	1,695,798	18,706,310	20,402,108
Accumulated Depreciation			
At date of incorporation	648,122	3,059,010	3,707,132
Charge for the period	161,761	550,176	711,937
At 31 December 2008	809,883	3,609,186	4,419,069
Net Carrying Amount			
At 31 December 2008	885,915	15,097,124	15,983,039

- i) The net book values of property, plant and equipment and vessels pledged to financial institutions for bank borrowings as referred to in Note 22 are as follows:

	Group 2008 RM
Vessels	157,285,740

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

ii) The costs and net book values of property, plant and equipment held under hire purchase arrangements are as follows:

	Plant and Machinery RM	Motor Vehicles RM	Capital Work-in Progress RM	Total RM
GROUP				
Cost				
At 31 December 2008	9,554,700	1,885,328	649,200	12,089,228
Net Book Value				
At 31 December 2008	7,385,326	1,164,621	649,200	9,199,147

- iii) During the period, the Group acquired property, plant and equipment with total cost of RM70,714,946 of which RM693,160 was under hire purchase arrangement.
- iv) The vessels were revalued on 6 June 2008 by Raine & Horne International Zaki + Partners Sdn. Bhd., an independent professional valuer. Fair value is determined by reference to open market values on an existing use basis.
- v) At 31 December 2008, had the revalued vessels of the Group been carried under cost model, the carrying amount would have been RM154,050,525.

15. PREPAID LAND LEASE PAYMENTS

	Group 2008 RM
At date of incorporation	32,207,387
Additions	20,919,871
Amortisation for the period (Note 8)	(851,722)
At 31 December	52,275,536
Analysed as:	
Long term leasehold land	9,404,730
Short term leasehold land	42,870,806
	52,275,536

Leasehold land with an aggregate carrying value of RM19,075,328 are pledged as securities for bank borrowings as referred to in Note 22.

The leasehold land were revalued on 31 December 2006 by Colliers, Jordan Lee & Jaafar Sdn. Bhd., an independent valuer. Fair value is determined by reference to open market values.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

16. INVESTMENT IN SUBSIDIARIES

	Company 2008 RM
Unquoted shares, at cost	211,607,999

Details of the subsidiaries are as follows:

Name of Companies	Country of Incorporation	Principal Activities	Percentage of Equity Held 2008 %
Cergas Majusama Sdn. Bhd.	Malaysia	Regional and coastal shipping business	100
Era Sureway Sdn. Bhd.	Malaysia	Regional and coastal Shipping business	100
Era Surplus Sdn. Bhd.	Malaysia	Regional and coastal shipping business	100
Midas Choice Sdn. Bhd.	Malaysia	Regional and coastal shipping business	100
Godrimaju Sdn. Bhd.	Malaysia	Regional and coastal shipping business	100
Euroedge Sdn. Bhd.	Malaysia	Inactive	100
Navitex Shipping Sdn. Bhd.	Malaysia	Regional and coastal shipping business	100
Seabright Sdn. Bhd.	Malaysia	Regional and coastal shipping business	100
Sealink Engineering And Slipway Sdn. Bhd.	Malaysia	Shipbuilding, repair of vessels and related works	100
Sealink Management Sdn. Bhd.	Malaysia	Regional and coastal shipping business	100
Sealink Marine Sdn. Bhd.	Malaysia	Regional and coastal shipping business	100
Sealink Pacific Sdn. Bhd.	Malaysia	Regional and coastal shipping business	100
Sealink Sdn. Bhd.	Malaysia	Regional and coastal shipping business and letting of properties	100

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

16. INVESTMENT IN SUBSIDIARIES (Continued)

Name of Companies	Country of Incorporation	Principal Activities	Percentage of Equity Held 2008 %
Sutherland Resources Sdn. Bhd.	Malaysia	Regional and coastal shipping business	100
Sealink Shipyard Sdn. Bhd.	Malaysia	Shipbuilding and repair of vessels	100
Sea-Good Pte Ltd*	Singapore	Investment holding in shares, ship and boat leasing with operator (including chartering)	100
Subsidiary of Sealink Shipyard Sdn. Bhd.			
Aliran Saksama Sdn. Bhd.	Malaysia	Inactive	100
Subsidiary of Sealink Engineering And Slipway Sdn. Bhd.			
Baram Moulding Industries Sdn. Bhd.	Malaysia	Inactive	100
Subsidiary of Sealink Pacific Sdn. Bhd.			
Bristol View Sdn. Bhd.	Malaysia	Inactive	100
Subsidiary of Midas Choice Sdn. Bhd.			
Sea Legend Shipping Sdn. Bhd.	Malaysia	Inactive	100

* Audited by a firm other than Ernst & Young.

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up capital of the Company, the Group acquired the following subsidiaries on 28 May 2008:

Cergas Majusama Sdn. Bhd.

100% equity interest in Cergas Majusama Sdn. Bhd. for a cash consideration of RM3,170,000.

Era Sureway Sdn. Bhd.

100% equity interest in Era Sureway Sdn. Bhd. for a cash consideration of RM6,217,000.

Era Surplus Sdn. Bhd.

100% equity interest in Era Surplus Sdn. Bhd. for a total consideration of RM885,000 by way of the issuance of 1,770,000 ordinary shares of RM0.50 each of the Company at an issue price of RM0.50.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

16. INVESTMENT IN SUBSIDIARIES (Continued)

Euroedge Sdn. Bhd.

100% equity interest in Euroedge Sdn. Bhd. for a total consideration of RM4,885,000 by way of the issuance of 9,770,000 ordinary shares of RM0.50 each of the Company at an issue price of RM0.50.

Godrimaju Sdn. Bhd.

100% equity interest in Godrimaju Sdn. Bhd. for a total consideration of RM4,960,000 by way of the issuance of 9,920,000 ordinary shares of RM0.50 each of the Company at an issue price of RM0.50.

Midas Choice Sdn. Bhd.

100% equity interest in Midas Choice Sdn. Bhd. for a total consideration of RM4,860,000 by way of the issuance of 9,720,000 ordinary shares of RM0.50 each of the Company at an issue price of RM0.50.

Navitex Shipping Sdn. Bhd.

100% equity interest in Navitex Shipping Sdn. Bhd. for a total consideration of RM7,250,000 by way of the issuance of 14,500,000 ordinary shares of RM0.50 each of the Company at an issue price of RM0.50.

Seabright Sdn. Bhd.

100% equity interest in Seabright Sdn. Bhd. for a total consideration of RM34,600,000 by way of the issuance of 69,200,000 ordinary shares of RM0.50 each of the Company at an issue price of RM0.50.

Sea-Good Pte. Ltd.

100% equity interest in Sea-Good Pte. Ltd. for a total consideration of RM40,740,000 by way of the issuance of 81,479,997 ordinary shares of RM0.50 each of the Company at an issue price of RM0.50.

Sealink Engineering and Slipway Sdn. Bhd.

100% equity interest in Sealink Engineering and Slipway Sdn. Bhd. for a total consideration of RM10,930,000 by way of the issuance of 21,860,000 ordinary shares of RM0.50 each of the Company at an issue price of RM0.50.

Sealink Management Sdn. Bhd.

100% equity interest in Sealink Management Sdn. Bhd. for a total consideration of RM2,815,000 by way of the issuance of 5,630,000 ordinary shares of RM0.50 each of the Company at an issue price of RM0.50.

Sealink Marine Sdn. Bhd.

100% equity interest in Sealink Marine Sdn. Bhd. for a total consideration of RM10,665,000 by way of the issuance of 21,330,000 ordinary shares of RM0.50 each of the Company at an issue price of RM0.50.

Sealink Pacific Sdn. Bhd.

100% equity interest in Sealink Pacific Sdn. Bhd. for a total consideration of RM15,638,000 by way of the issuance of 31,276,000 ordinary shares of RM0.50 each of the Company at an issue price of RM0.50.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

16. INVESTMENT IN SUBSIDIARIES (Continued)

Sealink Sdn. Bhd.

100% equity interest in Sealink Sdn. Bhd. for a total consideration of RM28,280,000 by way of the issuance of 56,560,000 ordinary shares of RM0.50 each of the Company at an issue price of RM0.50.

Sealink Shipyard Sdn. Bhd.

100% equity interest in Sealink Shipyard Sdn. Bhd. for a total consideration of RM26,807,000 by way of the issuance of 53,614,000 ordinary shares of RM0.50 each of the Company at an issue price of RM0.50.

Sutherland Resources Sdn. Bhd.

100% equity interest in Sutherland Resources Sdn. Bhd. for a cash consideration of RM8,906,000.

- (a) The acquisition of all the subsidiaries except Sea-Good Pte. Ltd. arises from a common control transfer and was consolidated under the principles of merger method of accounting.

The acquisition of these subsidiaries involved acquiring minority interests in Midas Choice Sdn. Bhd., Godrimaju Sdn. Bhd. and Sealink Shipyard Sdn. Bhd. for 100% ownership. The acquisitions of these minority interests were accounted for by purchase method.

The effects of the acquisition of these subsidiaries on the financial statements of the Group are as follows:

	RM
Nominal value of ordinary shares issued	152,574,998
Less: Minority interests	(13,283,951)
	<hr/> 139,291,047
Acquisition of subsidiaries for cash	18,293,000
	<hr/> 157,584,047
Less: Nominal value of ordinary shares acquired	(9,477,502)
	<hr/> 148,106,545

The merger deficit arising has been set-off against the following reserves of the subsidiaries acquired as their usage is not prohibited by laws or statutes:

	Balance before set off RM	Utilised against merger deficit RM	Balance after set off RM
At date of incorporation			
Asset revaluation reserve	55,533,002	(55,533,002)	-
Retained earnings	100,034,573	(92,573,543)	7,461,030
	<hr/> 155,567,575	<hr/> (148,106,545)	<hr/> 7,461,030

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

16. INVESTMENT IN SUBSIDIARIES (Continued)

The acquired subsidiaries have contributed the following results to the Group:

	2008 RM
Revenue*	234,190,028
Profit after tax*	63,992,700

* Computed on a basis of a full financial year as merger method of accounting has been adopted.

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount RM
Property, plant and equipment	247,864,867
Prepaid land lease payments	32,207,387
Goodwill on consolidation	29,718
Inventories	182,133,455
Trade and other receivables	66,342,591
Tax recoverable	504,538
Cash and bank balances	9,929,633
	539,012,189
Borrowings	(212,293,275)
Trade and other payables	(108,358,400)
Tax payable	(326,210)
Deferred tax liabilities	(39,705,276)
	(360,683,161)
Carrying value of net assets	178,329,028
Less: Minority interests	(13,283,951)
Group's share of net assets	165,045,077

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

16. INVESTMENT IN SUBSIDIARIES (Continued)

(b) The acquisition of Sea-Good Pte. Ltd. has contributed the following results to the Group:

	2008 RM
Revenue	2,071,624
Profit after tax	437,487

If the acquisitions had occurred on 1 January 2008, the Group's revenue and profit for the period would have been RM3,538,828 and RM1,114,337 respectively.

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount RM
Property, plant and equipment	11,971,672
Trade and other receivables	37,900,746
Cash and bank balances	2,686,252
	52,558,670
Trade and other payables	(6,444,144)
Borrowings	(2,445,702)
Deferred tax liabilities	(2,137)
	(8,891,983)
Fair value of net assets	43,666,687
Less: Minority interests	-
Group's share of net assets	43,666,687
Reserve on acquisition	(2,926,687)
Total cost of acquisition	40,740,000

The cost of acquisition comprised the following:

Purchase consideration satisfied by ordinary shares issued	40,740,000
--	------------

The cash outflow on acquisition is as follows:

Purchase consideration satisfied by cash	-
Cash and cash equivalents of subsidiary acquired	(2,686,252)
Net cash outflow of the group	(2,686,252)

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

17. INVENTORIES

	Group 2008 RM
At cost:	
Vessel parts and materials	527,144
Machinery and equipment	87,946,464
Consumables	429,322
Raw materials	61,567,251
Work-in-progress	126,309,183
	<hr/> 276,779,364 <hr/>

During the period, the Group acquired inventories of RM7,794,900 under hire purchase arrangement. As at 31 December 2008, the cost of the inventories of RM8,661,000 are under hire purchase arrangement.

18. TRADE RECEIVABLES

	Group 2008 RM
Trade receivables	44,294,966
Due from customers on contracts (Note 19)	28,140,517
	<hr/> 72,435,483 <hr/>
Less: Provision for doubtful debts	(792,231)
	<hr/> 71,643,252 <hr/>

The Group's normal trade credit terms range from 30 to 60 days.

The Group has no significant concentration of credit risk that may arise from exposure to a single debtor or to groups of debtors.

19. DUE FROM CUSTOMERS ON CONTRACTS

	Group 2008 RM
Construction contract costs incurred to date	131,904,560
Attributable profit	40,075,705
	<hr/> 171,980,265 <hr/>
Less: Progressive billings	(143,839,748)
	<hr/> 28,140,517 <hr/>

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

20. OTHER RECEIVABLES

	Group 2008 RM	Company 2008 RM
Current		
Due from subsidiaries	-	139,238,585
Deposits	43,352,957	-
Prepayments	53,983,264	-
Interest receivable	88	88
Sundry receivables	2,541,678	-
	<hr/> 99,877,987	<hr/> 139,238,673
Non-current		
Deposits	740,910	-
	<hr/> 100,618,897	<hr/> 139,238,673

The amount due from subsidiaries is unsecured, interest free and has no fixed terms of repayment.

21. CASH AND CASH EQUIVALENTS

	Group 2008 RM	Company 2008 RM
Fixed deposits with licensed banks	8,225,247	280,000
Cash on hand and at bank	31,564,783	230,116
	<hr/> 39,790,030	<hr/> 510,116
Cash and bank balances		
Less: Bank overdrafts (Note 22)	(26,443,588)	-
	<hr/> 13,346,442	<hr/> 510,116
Cash and cash equivalents		

Deposits with licensed banks of the Group amounting to RM1,234,829 are pledged to banks for bank guarantees issued to third parties.

Fixed deposits of the Group amounting to RM1,234,829 are registered under the name of a Director.

The effective interest rates and the maturity of deposits of the Group as at the balance sheet date are as follows:

	Interest rate 2008 %	Maturity 2008 Days
Deposits with licensed banks	2.40 - 3.88	6 - 365

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

22. BORROWINGS

	Group 2008 RM
Short Term Borrowings	
Secured:	
Bank overdrafts	11,523,851
Term loans	20,113,936
Revolving credits	82,991,192
Bankers acceptances	10,125,000
Hire purchase (Note 23)	7,727,821
	<hr/> 132,481,800 <hr/>
Unsecured:	
Bank overdrafts	14,919,737
Revolving credits	50,000,000
Bankers acceptances	10,000,000
	<hr/> 74,919,737 <hr/>
	<hr/> 207,401,537 <hr/>
Long Term Borrowings	
Secured:	
Term loans	60,493,609
Hire purchase (Note 23)	2,361,214
	<hr/> 62,854,823 <hr/>
Total Borrowings	
Bank overdrafts (Note 21)	26,443,588
Term loans	80,607,545
Revolving credits	132,991,192
Bankers acceptances	20,125,000
Hire purchase (Note 23)	10,089,035
	<hr/> 270,256,360 <hr/>
Maturity of borrowings (excluding hire purchase):	
Within one year	199,673,716
More than 1 year and less than 2 years	18,564,402
More than 2 years and less than 5 years	35,179,637
5 years or more	6,749,570
	<hr/> 260,167,325 <hr/>

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

22. BORROWINGS (Continued)

The effective interest rates at the balance sheet date for borrowings, excluding hire purchase payables, were as follows:

	Group 2008 %
Bank overdrafts	7.90 – 8.25
Fixed loans	5.00 – 8.25
Floating rate loans	5.24 – 7.90
Revolving credits	4.93 – 5.20
Bankers acceptances	4.00 – 5.30

The bank overdrafts, term loans, bankers acceptances and revolving credits are secured by the following:

- (a) Fixed charges over landed property and certain assets of the subsidiaries as disclosed in Note 15;
- (b) First legal charge over the vessels of the subsidiaries as disclosed in Note 14;
- (c) Joint and severally guaranteed by the Directors,
- (d) A Director's fixed deposits with the bank; and
- (e) Deed of debenture incorporating a fixed and floating charge over all current and future fixed and floating assets of certain subsidiaries.

23. HIRE PURCHASE PAYABLE

	Group 2008 RM
Minimum lease payments:	
Not later than 1 year	8,077,223
Later than 1 year but not later than 2 years	2,196,313
Later than 2 years but not later than 5 years	222,036
	<hr/>
Total future minimum lease payments	10,495,572
Less: Future finance charges	(406,537)
	<hr/>
Present value of finance lease liabilities	10,089,035
	<hr/>
Present value of finance lease liabilities:	
Not later than 1 year	7,727,821
Later than 1 year but not later than 2 years	2,144,602
Later than 2 years but not later than 5 years	216,612
	<hr/>
	10,089,035
Less: Amount due within 12 months (Note 22)	(7,727,821)
	<hr/>
Amount due after 12 months (Note 22)	2,361,214
	<hr/>

The hire purchase bore interest at balance sheet date of between 4.42% to 8.87% per annum.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

24. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 days.

Included in trade payables of the Group is an amount of RM2,331,663 due to companies in which certain Directors have substantial financial interests.

25. PROVISION FOR MAINTENANCE WARRANTIES

The Group gives 180 days warranties on defective workmanship and/or materials not discoverable on delivery of the vessel which become apparent during the warranty period. Specific provision is made according to the terms of each shipbuilding agreement or sale agreement.

26. OTHER PAYABLES

	Group 2008 RM	Company 2008 RM
Current		
Deposits	34,307,161	-
Accruals	7,978,466	153,429
Land premium payables	474,390	-
Sundry payables	22,948,086	30,030
	<hr/> 65,708,103	<hr/> 183,459
Non -current		
Land premium payables	829,992	-
	<hr/> 66,538,095	<hr/> 183,459

Included in sundry payables of the Group is an amount of RM19,495,298 due to companies owned substantially by certain Directors.

27. AMOUNT DUE TO DIRECTORS

The amount due to Directors is unsecured, interest free and has no fixed terms of repayment. The Directors have agreed not to demand repayment of the amount due to them during the next twelve months except insofar as the funds of the Group permit repayment and such repayment will not adversely affect the ability of the Group to meet its liabilities as and when they fall due.

28. AMOUNT DUE TO HOLDING COMPANY

The amount due to holding company is unsecured, interest-free and has no fixed terms of repayment.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

29. DEFERRED TAX LIABILITIES

	Group 2008 RM
At date of incorporation	23,841,921
Transfer from revaluation surplus (Note 32)	15,863,355
Recognised in income statement (Note 11)	5,710,161
	<hr/>
At 31 December	45,415,437
	<hr/>

The components and movements of deferred tax liabilities and assets during the financial period prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Accelerated capital allowance RM	Revaluation of land RM	Total RM
At date of incorporation	20,879,881	7,145,298	28,025,179
Transfer from revaluation surplus	-	15,863,355	15,863,355
Recognised in income statement	7,026,604	(935,010)	6,091,594
	<hr/>	<hr/>	<hr/>
At 31 December 2008	27,906,485	22,073,643	49,980,128
	<hr/>	<hr/>	<hr/>

Deferred tax assets of the Group:

	Unutilised tax losses RM	Unabsorbed capital allowances RM	Total RM
At date of incorporation	(134,993)	(4,048,265)	(4,183,258)
Recognised in income statement	13,533	(394,966)	(381,433)
	<hr/>	<hr/>	<hr/>
At 31 December 2008	(121,460)	(4,443,231)	(4,564,691)
	<hr/>	<hr/>	<hr/>

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

30. SHARE CAPITAL AND SHARE PREMIUM

Group	Number of Ordinary Shares of RM0.50 Each Share Capital (Issued and Fully Paid)	Share Capital (Issued and Fully Paid) RM	Amount Total Share Premium RM	Share Capital and Share Premium RM
At date of incorporation	3	2	-	2
Effects arising from merger (Note 16 (a))	278,582,096	139,291,047	-	139,291,047
At date of incorporation, as restated	278,582,099	139,291,049	-	139,291,049
Ordinary shares issued pursuant to:				
- acquisition of subsidiaries	81,479,997	40,740,000	-	40,740,000
- acquisition of minority interest				
- of subsidiaries	26,567,904	13,283,951	-	13,283,951
- listing exercise (Note 37)	113,370,000	56,685,000	85,027,500	141,712,500
Listing expenses set off against share premium	-	-	(5,940,617)	(5,940,617)
At 31 December 2008	500,000,000	250,000,000	79,086,883	329,086,883

Company

At date of incorporation	3	2	-	2
Ordinary shares issued pursuant to:				
- acquisition of subsidiaries	386,629,997	193,314,998	-	193,314,998
- listing exercise (Note 37)	113,370,000	56,685,000	85,027,500	141,712,500
Listing expenses set off against share premium	-	-	(5,940,617)	(5,940,617)
At 31 December 2008	500,000,000	250,000,000	79,086,883	329,086,883

	Number of Ordinary Shares of RM0.50 Each 2008	Amount 2008 RM
Authorised share capital:		
At date of incorporation	200,000	100,000
Created during the period	999,800,000	499,900,000
At 31 December	1,000,000,000	500,000,000

At date of incorporation, the Company's issued and paid up share capital was 3 of RM0.50 each.

Subsequently, as part of the listing scheme, the Company increased its:

- (a) authorised share capital from RM100,000 to RM500,000,000 through the creation of 999,800,000 ordinary shares of RM0.50 each; and

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

30. SHARE CAPITAL AND SHARE PREMIUM (Continued)

- (b) issued and paid up ordinary shares capital from RM1.50 to RM250,000,000 by way of:
- the issuance of 386,629,997 ordinary shares of RM0.50 each at an issue price of RM0.50 each as purchase consideration for the acquisition of subsidiaries described in Note 16 to the financial statements; and
 - the issuance of 113,370,000 ordinary shares of RM0.50 each through a public issue at an issue price of RM1.25 each for cash.

31. RETAINED EARNINGS

As at 31 December 2008, the Company did not have any tax credit balances under Section 108 of the Income Tax Act, 1967 to frank the payment of tax paid dividends. The Company may distribute dividends out of its entire retained earnings under the single tier system.

32. OTHER RESERVES

	Asset Revaluation Reserve RM	Foreign Currency Translation Reserve RM	Total RM
At date of incorporation	7,427,087	-	7,427,087
Revaluation surplus	63,969,270	-	63,969,270
Transfer to deferred tax (Note 29)	(15,863,355)	-	(15,863,355)
Exchange differences on translation of the financial statements of foreign entities	-	624,345	624,345
	55,533,002	624,345	56,157,347
Effects arising from mergers	(55,533,002)	-	(55,533,002)
At 31 December 2008	-	624,345	624,345

33. RELATED PARTY DISCLOSURES

	Group 28.12.2007 - 31.12.2008 RM	Company 28.12.2007 - 31.12.2008 RM
Transactions with subsidiaries		
Dividend income	-	22,066,081
Transactions with companies in which certain Directors have substantial interests		
Rental paid	244,850	-
Hiring charges	66,000	-
Legal and professional fees	325,391	-
Purchase of materials*	9,064,459	-

* incurred prior to 1 March 2008

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

33. RELATED PARTY DISCLOSURES (Continued)

	Group 28.12.2007 - 31.12.2008 RM	Company 28.12.2007 - 31.12.2008 RM
Transactions with a company in which a key management personnel has substantial interest		
Purchase of materials	398,887	-
Transactions with a company in which a person connected with certain Directors has substantial interest		
Contract for sandblasting and painting	1,388,998	-

The Directors are of the opinion that all the above transactions were entered into in the normal course of business and were established on terms and conditions that were not materially different from those obtainable in transactions with unrelated parties.

The remuneration of Directors and other members of key management during the period was as follows:

	Group 2008 RM	Company 2008 RM
Short-term employee benefits	2,644,910	60,000
Post-employment benefits: Defined contribution plan	223,333	-
	2,868,243	60,000
Included in the total remuneration of key management are:		
Directors' remuneration (Note 10)	810,040	60,000

34. CAPITAL COMMITMENTS

	Group 2008 RM
Capital expenditure:	
Approved and contracted for:	
Property, plant and equipment	7,887,396
Approved but not contracted for:	
Property, plant and equipment	120,000,000

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

35. CONTINGENT LIABILITIES

Guarantees to banks and financial institutions for credit facilities granted to subsidiaries are as follows:

	Company 2008 RM
Corporate guarantees	10,456,363

36. CHANGE OF COMPANY NAME

The Company was incorporated on 28 December 2007 and changed its name from Sealink International Sdn. Bhd. to Sealink International Berhad on 16 January 2008.

37. SIGNIFICANT EVENT

On 29 July 2008, the Company's entire issued and paid-up capital was officially listed on the Main Board of Bursa Malaysia Securities Berhad. The transactions in conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up capital of the Company are as follows:

(i) Acquisitions of:

- a) the entire equity interests in Godrimaju Sdn. Bhd. ("GSB"), comprising 1,000,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM4,960,000 which was fully satisfied by the issuance of 9,920,000 ordinary shares of RM0.50 each at an issue price of RM0.50 per share credited as fully paid-up.
- b) the entire equity interests in Midas Choice Sdn. Bhd. ("MCSB") and Sea Legend Shipping Sdn. Bhd. ("SLSSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM4,860,000 which was fully satisfied by the issuance of 9,720,000 ordinary shares of RM0.50 each at an issue price of RM0.50 per share credited as fully paid-up.
- c) the entire equity interests in Sea-Good Pte. Ltd. ("SGPL"), comprising 500,000 ordinary shares of SGD1.00 each, for a total purchase consideration of RM40,740,000 which was fully satisfied by the issuance of 81,479,997 ordinary shares of RM0.50 each at an issue price of RM0.50 per share credited as fully paid-up.
- d) the entire equity interests in Sealink Shipyard Sdn. Bhd. ("SSSB") and Aliran Saksama Sdn. Bhd. ("ASSB") (Collectively referred to as "SSSB Group"), comprising 1,500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM26,807,000 which was fully satisfied by the issuance of 53,614,000 ordinary shares of RM0.50 each at an issue price of RM0.50 per share credited as fully paid-up.
- e) the entire equity interests in Sealink Pacific Sdn. Bhd. ("SPSB") and Bristol View Sdn. Bhd. ("BVS") (Collectively referred to as "SPSB Group"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM15,638,000 which was fully satisfied by the issuance of 31,276,000 ordinary shares of RM0.50 each at an issue price of RM0.50 per share credited as fully paid-up.
- f) the entire equity interests in Sealink Engineering and Slipway Sdn. Bhd. ("SESSB") and Baram Moulding Industries Sdn. Bhd. ("BMISB"), comprising 1,500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM10,930,000 which was satisfied by the issuance of 21,860,000 ordinary shares of RM0.50 each at an issue price of RM0.50 per share credited as fully paid-up.
- g) the entire equity interests in Cergas Majusama Sdn. Bhd. ("CMSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM3,170,000 via cash.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

37. SIGNIFICANT EVENT (Continued)

(i) Acquisitions of (Continued):

- h) the entire equity interests in Era Sureway Sdn. Bhd. ("ESWSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM6,217,000 via cash.
- i) the entire equity interests in Euroedge Sdn. Bhd. ("ESB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM4,885,000 via the issuance of 9,770,000 ordinary shares of RM0.50 each at an issue price of RM0.50 per share credited as fully paid-up.
- j) the entire equity interests in Era Surplus Sdn. Bhd. ("ESSB"), comprising 1,000,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM885,000 via the issuance of 1,770,000 ordinary shares of RM0.50 each at an issue price of RM0.50 per share credited as fully paid-up.
- k) the entire equity interests in Navitex Shipping Sdn. Bhd. ("NSSB"), comprising 2 ordinary shares of RM1.00 each, for a total purchase consideration of RM7,250,000 via the issuance of 14,500,000 ordinary shares of RM0.50 each at an issue price of RM0.50 per share credited as fully paid-up.
- l) the entire equity interests in Seabright Sendirian Berhad ("SBSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM34,600,000 via the issuance of 69,200,000 ordinary shares of RM0.50 each at an issue price of RM0.50 per share credited as fully paid-up.
- m) the entire equity interests in Sealink Management Sdn. Bhd. ("SMGSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM2,815,000 via the issuance of 5,630,000 ordinary shares of RM0.50 each at an issue price of RM0.50 per share credited as fully paid-up.
- n) the entire equity interests in Sealink Marine Sdn. Bhd. ("SMSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM10,665,000 via the issuance of 21,330,000 ordinary shares of RM0.50 each at an issue price of RM0.50 per share credited as fully paid-up.
- o) the entire equity interests in Sutherland Resources Sdn. Bhd. ("SRSB"), comprising 500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM8,906,000 via cash.
- p) the entire equity interests in Sealink Sdn. Bhd. ("SSB"), comprising 1,500,000 ordinary shares of RM1.00 each, for a total purchase consideration of RM28,280,000 via the issuance of 56,560,000 ordinary shares of RM0.50 each at an issue price of RM0.50 per share credited as fully paid-up.

The purchase consideration for the acquisitions was arrived at on a willing buyer-willing seller basis based on the adjusted audited net assets of GSB, MCSB, SGPL, SSSB, CMSB, ESWSB, ESB, ESSB, NSSB, SBSB, SESSB, SMGSB, SMSB, SPSB, SRSB and SSB as at 30 September 2007.

- (ii) public issue of 113,370,000 ordinary shares at an issue price of RM1.25 per share.
- (iii) offer for sale of 15,000,000 ordinary shares at an issue price of RM1.25 per share.

38. COMPARATIVE FIGURES

There are no comparative figures as this is the first set of financial statements prepared. The financial statements are in respect of the period from 28 December 2007, the date of incorporation, to 31 December 2008.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

39. FINANCIAL INSTRUMENTS

a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its liquidity, interest rate, foreign exchange and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

b) Liquidity Risk

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

c) Interest Rate Risk

The Group's primary interest rate risk relates to interest bearing debt, as the Group has no substantial long-term interest bearing assets as at 31 December 2008. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes.

d) Foreign Exchange Risk

The Group mainly transacts in Ringgit Malaysia and is exposed to rate fluctuation between Ringgit Malaysia and United States Dollar, Singapore Dollar, Brunei Dollar, Papua New Guinea Kina and Euro.

The financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:

	United States Dollar RM	Singapore Dollar RM	Papua New Guinea Kina RM	Euro RM	Total RM
At 31 December 2008					
Ringgit Malaysia	1,323,489	(24,100,591)	(60,006)	(6,455,707)	(29,292,815)

e) Credit Risk

Credit risks are minimised and monitored via strictly limiting the Group's association to business partners with high credit worthiness.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

39. FINANCIAL INSTRUMENTS (Continued)

f) Fair Values

The carrying amounts of financial assets and financial liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the following:

	Note	Group Carrying Amount RM	Company Fair Value RM	Carrying Amount RM	Fair Value RM
At 31 December 2008					
Amount due from subsidiaries	20	-	*	139,238,585	*
Amount due to directors	27	1,656,901	*	-	*
Amount due to holding company	28	110,852	*	-	*

* It is not practical to estimate the fair values of amounts due from/to subsidiaries, Directors and holding company due principally to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs.

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) *Cash and Cash Equivalents, Trade and Other Receivables/Payables and Short Term Borrowings*

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

(ii) *Borrowings*

The fair value of borrowings is estimated by discounting the expected future cash flows using the current interest rates for liabilities with similar risk profiles. The current interest rates approximate the contractual interest rates.

40. SEGMENTAL INFORMATION

a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

b) Business segments

The Group comprises the following main business segments:

- i) Shipbuilding; and
- ii) Chartering of vessels

The Group builds and charters, amongst others, multipurpose supply vessels, crew boats, tug boats, steel dumb barges and landing craft which are mainly used in the offshore oil and gas industry.

Other operations of the Group mainly comprise of investment holding and letting of properties, neither of which constitutes a separately reportable segment.

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

40. SEGMENTAL INFORMATION (Continued)

c) Geographical segments

Segmental reporting by geographical segments has not been prepared as the Group's operations are carried out predominantly in Malaysia.

d) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses. Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

	Continuing operations			
	Shipbuilding RM	Chartering RM	Others RM	Total RM
31 December 2008				
Revenue				
Total revenue	221,229,294	72,405,958	40,000	293,675,252
Inter-segment sales	(57,413,600)	-	-	(57,413,600)
Sales to external customers	163,815,694	72,405,958	40,000	236,261,652
Results				
Segment operating profit/(loss)	48,755,584	29,251,640	(3,806)	78,003,418
Unallocated other income				9,327,926
Finance costs				(13,499,252)
Profit before tax				73,832,092
Income tax expense				(9,515,673)
Net profit for the period				64,316,419

NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2008

40. SEGMENTAL INFORMATION (Continued)

	Continuing operations				
	Shipbuilding RM	Chartering RM	Others RM	Eliminations RM	Total RM
31 December 2008					
Assets					
Segment assets	512,764,800	473,718,435	143,993,190	(283,758,113)	846,718,312
Total assets	512,764,800	473,718,435	143,993,190		846,718,312
Liabilities					
Segment liabilities	439,534,120	286,926,973	4,093,321	(278,923,822)	451,630,592
Total assets	439,534,120	286,926,973	4,093,321		451,630,592
Other segment information					
Capital expenditure	32,121,619	60,773,292	1,300		92,896,211
Depreciation	4,264,200	12,026,015	-		16,290,215
Amortisation of prepaid land lease payments	520,739	285,403	45,580		851,722

LANDED PROPERTIES

NO	LAND IDENTIFICATION / POSTAL ADDRESS	DESCRIPTION OF PROPERTY / USAGE	OWNER	AREA (sq m)	APPROXIMATE AGE OF THE BUILDING / TENURE/DATE OF EXPIRY OF LEASE	ADJUSTED NBV AS AT 31.12.2008 (RM)
1	No. 156, Block 5 Kuala Baram Land District / No 156, Kuala Baram Industrial Estate, 98100 Kuala Baram, Miri, Sarawak	Agriculture vacant land / N/A	SEALINK SHIPYARD SDN BHD (195853-D)	8,050 more or less	N/A / Lease term expires on 29 April 2016	267,200
2	Lot 816, Block 1 Kuala Baram Land District (formerly known as Lot 1282, Kuala Baram Land District) / Lot 816, Kuala Baram Industrial Estate, 98100 Kuala Baram, Miri, Sarawak	Industrial land and building/ Shipyard, slipway and warehouse	SEALINK SHIPYARD SDN BHD (195853-D)	116,170 more or less	2 years / 60 years / Lease term expires on 28 February 2056	25,059,693
3	Lot 1341, Miri Concession Land District / Lot 1341, Jalan Cattleya 1, Krokop/Piasau Industrial Estate, 98000 Miri, Sarawak	Industrial land and building/ Warehouse	SEALINK SHIPYARD SDN BHD (195853-D)	1,971 more or less	60 years / Lease term expires on 31 December 2027	708,428
4	Lot 2142, Block 4, Miri Concession Land District/ Lot 2142, Jalan Cattleya 1, Krokop/Piasau Industrial Estate, 98000 Miri, Sarawak	Industrial land and building/ Shipyard with one (1) detached building (office)	SEALINK SHIPYARD SDN BHD (195853-D)	4,700 more or less	60 years / Lease term expires on 24 February 2052	1,921,627
5	Lot 1340, Miri Concession Land District/ Lot 1340, Jalan Cattleya 1, Krokop/Piasau Industrial Estate, 98000 Miri, Sarawak		SEALINK SENDIRIAN BERHAD (20471-D)	4,039 more or less	30 years /60 years/ Lease term expires on 31 December 2027	2,178,381

LANDED PROPERTIES

NO	LAND IDENTIFICATION / POSTAL ADDRESS	DESCRIPTION OF PROPERTY / USAGE	OWNER	AREA (sq m)	APPROXIMATE AGE OF THE BUILDING / TENURE/DATE OF EXPIRY OF LEASE	ADJUSTED NBV AS AT 31.12.2008 (RM)
6	Lot 1359 Block 3 Miri Concession Land District/ Lot 1359, Jalan Piasau Utara 1, Piasau Industrial Estate, 98000 Miri, Sarawak	Industrial land and building / Detached building (office-cum warehouse)	SEALINK SENDIRIAN BERHAD (20471-D)	4,244 more or less	21 years /60 years/ Lease term expires on 20 December 2047	2,012,378
7	Lot 482 Block 4 Miri Concession Land District/ Lot 482 Block 4 Miri Concession Land District, 98009 Miri, Sarawak	Vacant industrial land/ N/A	SEALINK SENDIRIAN BERHAD (20471-D)	19,441 more or less	N/A/60 years/ Lease term expires on 11 June 2036	9,189,818
8	Lot 1802 Lambir Land District (2/10th undivided right title share & interest)/ 2 1/2 Mile, Riam Road, Miri, Sarawak	Vacant agricultural land/ N/A	SEALINK SENDIRIAN BERHAD (20471-D)	23,110 more or less	N/A / Lease term expires on 17 August 2015	121,333
9	Lot 1339 Miri Concession Land District/ Lot 1339, Jalan Cattleya 1, Krokop/Piasau Industrial Estate, 98000 Miri, Sarawak	Industrial land and building / One (1) Single Storey Office cum Workshop Building	SEALINK SHIPYARD SDN BHD (195853-D)	4,059 more or less	40 years /60 years / Lease term expires on 31 December 2027	2,319,261
10	Lot 372 Block 1 Kuala Baram Land District/ Lot 372, Kuala Baram Industrial Estate, 98100 Kuala Baram, Miri, Sarawak	Vacant industrial land/ N/A	SEALINK SHIPYARD SDN BHD (195853-D)	123,780 more or less	N/A /60 years / Lease term expires on 7 April 2057	11,588,325

LANDED PROPERTIES

NO	LAND IDENTIFICATION / POSTAL ADDRESS	DESCRIPTION OF PROPERTY / USAGE	OWNER	AREA (sq m)	APPROXIMATE AGE OF THE BUILDING / TENURE/DATE OF EXPIRY OF LEASE	ADJUSTED NBV AS AT 31.12.2008 (RM)
11	Lot 323 Block 1 Kuala Baram Land District (formerly known as Provisional Lease Lot 2040 Kuala Baram Land District)/ Lot 323, Kuala Baram Industrial Estate, 98100 Miri, Sarawak	Industrial land and buildings / Three (3) detached buildings utilized as office, storage yard & fabrication yard	BARAM MOULDING INDUSTRIES SDN BHD (200873-D)	19,750 more or less	1 year/ 60 years / Lease term expires on 17 July 2058	4,852,155
12	Country Lease 205316669/ CL 205316669, Jalan Ranche-Ranche Lama, Kampung Ranche-Ranche, 87000 Labuan, Wilayah Persekutuan	Vacant development land /N/A	BRISTAL VIEW SDN BHD (253385-T)	101,700 more or less	N/A / 999 years/ Lease term expires on 2 August 2865	4,260,000
13	Lot 288 Block 1 Kuala Baram Land District/ Lot 288, Kuala Baram Industrial Estate, 98100 Kuala Baram, Miri, Sarawak	Industrial land and building / Workers quarters	ALIRAN SAKSAMA SDN BHD (473205-H)	19,647 more or less	Less than 1 year / 60 years / Lease term expires on 22 October 2067	2,894,060

ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL 2009

Authorised Share Capital	: 1,000,000,000
Paid-up Share Capital	: 500,000,000
Types of Shares	: Ordinary Shares of RM0.50 each
No of Shareholders	: 1,972
Voting rights	: 1 vote for every share

SIZE OF SHAREHOLDINGS			NO. OF HOLDERS	%	NO. OF HOLDINGS	%
1	-	99	2	0.10	100	0.00
100	-	1,000	777	39.40	185,500	0.04
1,001	-	10,000	619	31.39	3,510,300	0.70
10,001	-	100,000	416	21.10	15,214,700	3.04
100,001	-	24,999,999 (*)	155	7.86	108,909,401	21.78
25,000,000 AND ABOVE (**)			3	0.15	372,179,999	74.44
TOTAL			1,972	100.00	500,000,000	100.00

REMARK : * - LESS THAN 5% OF ISSUED HOLDINGS
: ** - 5% AND ABOVE OF ISSUED HOLDINGS

DIRECTORS' INTEREST (as per Register of Directors' Shareholdings)

Name of Directors	No. of Shares Held			
	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
1. Datuk Michael Hardin	300,001	0.06	259,080,800 ^(a)	51.82
2. Yong Foh Choi	45,716,800	9.14	326,463,199 ^(b)	65.29
3. Yong Kiam Sam	67,382,399	13.47	304,797,600 ^(c)	60.96
4. Eric Khoo Chuan Syn @ Khoo Chuan Syn	30,000	0.01	0	0.00
5. Wong Chie Bin	30,000	0.01	0	0.00
6. Toh Kian Sing	0	0.00	0	0.00

Note:

- (a) Deemed interested by virtue of his substantial shareholding in Sealink Holdings Sdn Bhd.
- (b) Deemed interested by virtue of his substantial shareholding in Sealink Holdings Sdn Bhd and his son, Yong Kiam Sam's shareholding in the Company.
- (c) Deemed interested by virtue of, his father Yong Foh Choi substantial shareholding in Sealink Holdings Sdn. Bhd. and also his father's shareholding in the Company.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL 2009

SUBSTANTIAL SHAREHOLDERS

ORDINARY SHARES HOLDERS WITH HOLDINGS OF 5.0% AND ABOVE AS AT 30/04/2009
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

NAME OF HOLDER	NO OF HOLDINGS	PERCENTAGE
SEALINK HOLDINGS SDN. BHD.	259,080,800	51.82
YONG KIAM SAM	67,382,399	13.48
YONG FOH CHOI	45,716,800	9.14
TOTAL	372,179,999	74.44
TOTAL ISSUED HOLDINGS	500,000,000	

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30/04/2009
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

	HOLDER NAME AND ADDRESS	NO OF HOLDINGS	PERCENTAGE
1	SEALINK HOLDINGS SDN. BHD.	259,080,800	51.82
2	YONG KIAM SAM	67,382,399	13.48
3	YONG FOH CHOI	45,716,800	9.14
4	AMSEC NOMINEES (TEMPATAN) SDN BHD KUAH HUN LIANG	8,300,000	1.66
5	AMSEC NOMINEES (TEMPATAN) SDN BHD LIM GAO LEONG	7,500,000	1.50
6	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (DR)	6,990,000	1.40
7	HDM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG SING NGUONG (M05)	5,923,700	1.18
8	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PHEIM ASSET MANAGEMENT SDN BHD FOR EMPLOYEES PROVIDENT FUND	5,315,000	1.06
9	AIBB NOMINEES (TEMPATAN) SDN BHD CHUA MA YU	5,079,000	1.02
10	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	5,010,000	1.00
11	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	4,626,900	0.93
12	BANK KERJASAMA RAKYAT MALAYSIA BERHAD AS BENEFICIAL OWNER	4,000,000	0.80

ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL 2009

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30/04/2009
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME PERSON)

	HOLDER NAME AND ADDRESS	NO OF HOLDINGS	PERCENTAGE
13	BANK KERJASAMA RAKYAT MALAYSIA BERHAD	2,000,000	0.40
14	BANK KERJASAMA RAKYAT MALAYSIA BERHAD AS BENEFICIAL OWNER	2,000,000	0.40
15	DATA HASRAT SDN BHD	2,000,000	0.40
16	HDM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH PIK CHAI (M05)	1,950,000	0.39
17	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)	1,830,000	0.37
18	AMANAH RAYA NOMINEES (TEMPATAN) SDN BHD PB ISLAMIC EQUITY FUND	1,266,600	0.25
19	KENANGA NOMINEES (TEMPATAN) SDN BHD KENANGA CAPITAL SDN BHD FOR TENGKU AB MALEK BIN TENGKU MOHAMED	1,100,000	0.22
20	AMANAH SAHAM MARA BERHAD	1,000,000	0.20
21	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG SING NGUONG	1,000,000	0.20
22	KAMARUDDIN @ MAMAT BIN ENDUT	1,000,000	0.20
23	KOPERASI PERMODALAN FELDA BERHAD	900,000	0.18
24	PERBADANAN USAHAWAN JOHOR SDN BHD	873,500	0.17
25	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LBF)	847,100	0.17
26	BAHTERA OFFSHORE (M) SDN BHD	800,000	0.16
27	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED MF)	800,000	0.16
28	TASEC NOMINEES (TEMPATAN) SDN BHD TA FIRST CREDIT SDN BHD FOR AGROSEGAR SDN. BHD.	800,000	0.16
29	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAU MIN HO (E-SRK)	727,300	0.15
30	TETANGGA AKRAB SDN. BHD.	700,000	0.14
	TOTAL	446,519,099	89.30
	TOTAL ISSUED HOLDINGS	500,000,000	



SEALINK INTERNATIONAL BERHAD

(Company No. 800981-X)

No. of Shares Held :

FORM OF PROXY

I/We NRIC No./ Company No.
(Full Name in Capital Letters)

of
(Full Address in Capital Letter)

being a member/members of SEALINK INTERNATIONAL BERHAD hereby appoint
(Full Name in Capital Letters)

I/C No. of
(Full Address in Capital Letter)

or failing him/her, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf, at the Annual General Meeting of the Company to be held at Meeting Room, 1st Floor, Admin Block, Sealink Engineering & Slipways Sdn Bhd., Lot 816, Block 1, Kuala Baram Land District, 98100 Kuala Baram Miri, Sarawak on Thursday, 25 June 2009 at 11.00am and, at any adjournment thereof for/against the resolution(s) to be proposed thereat.

NO.	ORDINARY BUSINESS	FOR	AGAINST
1.	To receive and adopt the Audited Financial Statements for the financial period ended 31 December 2008 together with the Reports of the Directors and Auditors thereon.		
2.	To declare a Final Single Tier Dividend of 4 sen per share for the financial period ended 31 December 2008.		
3.	To approve Directors' Fees for the financial year ending 31 December 2009.		
4.	To consider and, if thought fit, to pass the following resolution pursuant to Section 129(6) of the companies Act, 1965:- "That pursuant to Section 129(6) of the Companies Act, 1965, YBhg Datuk Michael Hardin, who is over the age of seventy years and retiring in accordance with Section 129 (6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company."		
5.	To re-elect Yong Foh Choi who shall retire in accordance with Article 89 of the Company's Articles of Association.		
6.	To re-elect Yong Kiam Sam who retires as Director of the Company pursuant to Article 89 of the Company's Articles of Association.		
7.	To re-elect Eric Khoo Chuan Syn @ Khoo Chuan Syn who retires as Director of the Company pursuant to Article 89 of the Company's Articles of Association.		
8.	To re-elect Wong Chie Bin who retires as Director of the Company pursuant to Article 89 of the Company's Articles of Association.		
9.	To re-elect Toh Kian Sing who retires as Director of the Company pursuant to Article 89 of the Company's Articles of Association.		
10.	To re-appoint Messrs. Ernst & Young as the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Directors.		
NO.	SPECIAL BUSINESS	FOR	AGAINST
11.	To authorise Directors to allot and issue shares pursuant to Section 132D of The Companies Act, 1965.		
12.	Proposed Shareholders' Ratification and Proposed Shareholders' Mandate On Recurrent Related Party Transactions of A Revenue Or Trading Nature.		

.....
Signature of Shareholder(s)/Common Seal

NOTES:

A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.

To be valid, this form, duly completed must be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting.

A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1) (c) of the Act are complied with.

Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

If the appointor is a corporation this form must be executed under its common seal or under the hand of an officer or attorney duly authorised.

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AFFIX
STAMP



**REGISTERED OFFICE/
PRINCIPAL PLACE OF BUSINESS**

Lot 1035, Block 4, MCLD
Piasau Industrial Area
98000 Miri Sarawak

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