

SEALINK INTERNATIONAL BERHAD

[Registration No. 200701042948 (800981-X)]

(Incorporated in Malaysia)

SUMMARY OF KEY MATTERS DISCUSSED AT THE SIXTEENTH ANNUAL GENERAL MEETING (“16TH AGM”) OF SEALINK INTERNATIONAL BERHAD (“THE COMPANY”) HELD AT THE MEETING ROOM, 1ST FLOOR, ADMIN BLOCK, SEALINK ENGINEERING AND SLIPWAY SDN. BHD., LOT 816, BLOCK 1, KUALA BARAM LAND DISTRICT, 98100 KUALA BARAM MIRI, SARAWAK, ON TUESDAY, 28TH MAY, 2024 AT 11:00 A.M.

PRESENT : DIRECTORS

WONG CHIE BIN

YONG KIAM SAM

ERIC KHOO CHUAN SYN @ KHOO CHUAN SYN

YONG NYET YUN

ABSENT WITH APOLOGY: TOH KIAN SING

SHAREHOLDERS

YONG KIAM SAM

WONG CHIE BIN

ERIC KHOO CHUAN SYN @ KHOO CHUAN SYN

YEO PUAY HUANG

LIEW LEE YONG

FLORENCE FUNG CHIEW MEE

YONG NYET YUN

FOO SUK CHING

CHONG SIAW FUI

CHONG SIN HAO

KENNY LIM SHENG XUAN

WINNIE LEE SIEN MEI

KUOK YII PING

ANDES HII TOH HENG

PROXIES

YONG KIAM MIAW FOR YONG FOH CHOI

CHAIRMAN OF MEETING FOR SEALINK HOLDINGS SDN. BHD.

TUNG KAE LEH FOR TUNG LIAN SENG

CORPORATE REPRESENTATIVE

LEE CHEE MENG – CORPORATE REPRESENTATIVE FROM BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

AUDITORS

LIM SOO SIM - GRANT THORNTON MALAYSIA PLT

LEE YI HUI - GRANT THORNTON MALAYSIA PLT

SECRETARY

YEO PUAY HUANG

SCRUTINEER

LEE SHEAU LING – COMMERCIAL QUEST SDN. BHD.

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At the Sixteenth Annual General Meeting (“16th AGM”) of the Company held on 28th May 2024, The Chairman informed that the Company had received some questions from the Minority Shareholders Watch Group (“MSWG”) and Mr Yong Kiam Sam, the Chief Executive Officer Cum Managing Director had been invited to present those questions and the Company’s responses for the interest of minority shareholders, as detailed below:

Presentation of Questions from Minority Shareholder Watch Group and Responses from the Company (The questions are in blue and answers are in black)

Operational & Financial Matters

Q1. The Group recorded a loss after tax (LAT) of RM1,740,810 in FY2023 compared to a LAT of RM20,174,901 in FY2022. This represents a positive variance of RM18,434,091 or 91.37% (Page 62 of the Annual Report 2023/AR2023).

Considering the positive variance recorded in FY2023, what is the prospect of the Group’s performance achieving a positive bottom-line result in the next two financial years? When does Sealink expect a turnaround in its bottom-line performance?

Response from the Company:

We are pleased to report the positive variance recorded in FY2023, reflecting our strategic efforts and operational improvements. Looking ahead, we are hopeful about the Group’s performance over the next two financial years. Our strategies are focused on enhancing operational efficiency, expanding our market presence and exploring new revenue streams. While there are external factors that may influence our performance, we are committed to building on our recent successes and driving towards a sustainable and positive bottom-line result.

We are optimistic about achieving a turnaround in our financial performance this year. Our dedicated team is implementing comprehensive measures aimed at cost optimisation, revenue diversification and strengthening our competitive positioning. We believe these initiatives will significantly contribute to a positive bottom-line result in the foreseeable future.

Q2. The Shipbuilding segment's revenue grew substantially in FY2023, recording a total revenue of RM10,939,121 (FY2022: RM5,347,695). The external and internal segment revenue contributed RM6,647,413 and RM4,291,708, respectively (Pages 103-104 of AR2023).

- (a) What is the outlook for the revenue mix in FY2024?
- (b) What is the current and targeted order book replenishment for the next two financial years?

Response from the Company:

- (a) For FY2024, we anticipate maintaining a balanced revenue mix between external and internal sources. Our strategic focus remains on securing new contracts and enhancing our service offerings to both domestic and international clients. While market conditions and customer demand will play a significant role in shaping the revenue mix, we are confident in our ability to sustain growth through proactive business development and operational efficiency.
- (b) We are actively pursuing several potential opportunities and are optimistic about our prospects. Our targeted order book replenishment strategy for the next two financial years involves.
 - 1. Expanding market reach – We are exploring new markets and customer segments to diversify our client base and increase order intake.

2. Strengthening customer relationships – We are focused on building and maintaining strong relationships with our existing clients, aiming for repeat business and long-term contracts.

While the exact figures for order book replenishment will depend on the success of these initiatives and market conditions, our goal is to achieve a steady inflow of orders that supports our revenue growth targets. Our results show that the initiatives are starting to bear fruit.

Q3. In the ship chartering business, the demand for offshore support vessels (“OSV”) has been elevated by the pickup of activity in the oil and gas industry and from the rising oil prices. The Group witnessed a surge in utilisation rates and average charter rates (Page 11 of AR2023).

- (a) What is the previous, current, and expected OSV utilisation rate in FY2024?
- (b) What are the latest average vessel charter rates?

Response from the Company:

- (a) The demand for OSV has indeed increased due to a surge in activity in the oil and gas industry and from the rising oil prices. This has positively impacted our utilisation rates and average charter rates. In 2023, the Group experienced a utilisation rate of approximately 55%. Our current utilisation rate remains at around 55%, reflecting steady demand and ongoing fleet management efforts. Looking ahead to FY2024, we anticipate that the utilisation rate will increase, potentially reaching between 60% and 70% (after factoring in dry docking and special surveys for several vessels), contingent on the sustained activity in the oil and gas sector and our ongoing efforts to secure new contracts.
- (b) The surge in demand has also influenced our average vessel charter rates. Our average charter rates are ranging from RM10,000 to RM120,000 per day, depending on the circumstances and specific terms negotiated in each charter party.

Sustainability Matters

Q4. The Group aims to develop new vessels with enhanced energy efficiency and environmental friendliness, aligning with the increasingly stringent environmental standards in the maritime sector (Page 16 of AR2023).

Could the Company share with shareholders more specifics about the new vessel with enhanced energy efficiency and environmental friendliness that it is aiming to develop and how it will align with the sector's environmental standards?

Response from the Company:

The Group is committed to advancing our fleet to meet the increasingly stringent environmental standards in the maritime sector. Our new vessels will incorporate advanced technologies and design features aimed at improving energy efficiency and reducing environmental impact. These new vessels will be equipped with innovative propulsion systems, optimised hull designs and eco-friendly materials. They will comply with the latest international maritime regulations and environmental standards, ensuring that we contribute positively to sustainability and environmental protection.

Q5. Sustainability Reporting

As of April 2024, the common sustainability matters have yet to be audited by the Company's appointed Internal Auditor (Page 45 of AR2023).

In the Sustainability Reporting Guide 3rd Edition, Bursa Malaysia expects Companies to subject their Sustainability Statements to an internal review by the internal audit function.

Will the company subject its sustainability statement to an internal review by the internal auditor or independent assurance?

Response from the Company:

We are aware of the expectations set forth in the Sustainability Reporting Guide 3rd Edition by Bursa Malaysia, which encourages companies to subject their Sustainability Statements to an internal review by the internal audit function. We are currently in the process of evaluating the best approach to ensure the integrity and reliability of our Sustainability Statement. Our options include subjecting the statement to an internal review by our internal audit function or seeking independent assurance from our external auditor. We note the importance of this review in enhancing the credibility of our sustainability reporting and are committed to adhering to best practices in this regard.

Corporate Governance Matters

Q6. Practice 5.9 of The Malaysian Code on Corporate Governance (MCCG)

(The board comprises at least 30% women directors.)

The Company has not applied Practice 5.9 of MCCG. Currently, the Board has one (1) woman director out of five (5) directors, which comprises only 20% of the Board.

In its explanation, the Company states that the Board will evaluate and match the criteria of the potential candidate as well as consider the appointment of more female directors onto the Board in the future to bring a more diverse perspective (Page 37 of CG Report).

Is the Board presently evaluating any potential candidates? If so, what is the prospect of interviewing any potential candidate(s) for an additional women director in FY2024?

Response from the Company:

Although the Company has not met the 30% female Directors on the Board, it is important to note that the Company has nevertheless met the Government-mandated policy of having at least one (1) female director on the board by 1 June 2023 for listed issuers not categorised as Large Companies. At present, the Board has not identified any other potential candidates yet.

The Minority Shareholders Watch Group has raised further question during the 16th AGM and the management responses are presented as below:

Q1. Regarding dry docking, are there any specific time requirements for dry docking to be carried out? Considering the positive outlook, perhaps the dry docking could have been scheduled when the vessel is not chartered.

Response from the Company:

Dry docking is to be carried out every five years as per regulatory requirements. There is a designated window period within which the dry docking must be completed. However, if an incident occurs that affecting seaworthiness, an earlier dry docking may be required to address any necessary repairs or maintenance.

After dealt with points raised by MSWG and the Management’s response by Mr Yong Kiam Sam, the Chairman informed that as there was no legal requirement for a proposed resolution to be seconded, he would take the Meeting through each item on the Agenda as set out in the Notice of the 16th AGM. The polling process would be conducted upon completion of the deliberation of all items to be transacted at this meeting. Commercial Quest Sdn. Bhd. had been appointed as Independent Scrutineer to verify the poll results.

The results of the poll were duly verified and confirmed by the Independent Scrutineer, Commercial Quest Sdn. Bhd. which had been announced to Bursa Malaysia Securities Berhad on 28th May 2024.

The detailed results were as follows :

No.	Agenda	No. voted for	No. voted against	Poll Result
Resolution 1	To re-elect Mr Toh Kian Sing who retires in accordance with Clause 118 of the Company’s Constitution and who being eligible, offer himself for re-election.	225,250,599	0	Carried
Resolution 2	To re-elect Mr Eric Khoo Chuan Syn @ Khoo Chuan Syn who retires in accordance with Clause 118 of the Company’s Constitution and who being eligible, offer himself for re-election.	225,220,499	100	Carried
Resolution 3	To approve the payment of Directors’ Fees up to the amount of RM325,000.00 for the financial year ending 31 December 2023.	225,250,599	0	Carried
Resolution 4	To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorize the Directors to determine their remuneration.	225,250,599	0	Carried
Resolution 5	Proposed Retention of Independent Director “THAT, subject to the passing of Resolution 2, approval be and is hereby given to Mr Eric Khoo Chuan Syn @ Khoo Chuan Syn who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company through a two tier voting process.”	TIER 1 109,080,800 TIER 2 116,139,699	0 100	Carried
Resolution 6	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 and waiver of pre-emptive rights.	225,250,599	0	Carried

The Chairman hereby declared that Resolution 1 to Resolution 6 were duly passed at the 16th AGM.

There being no other business, the 16th AGM of the Company ended at 11:50 a.m. and the Chairman thanked all present for their attendance.