

Scomi

SCOMI MARINE BHD
(397979-A)
(Incorporated in Malaysia)

The Board of Directors of Scomi Marine Bhd is pleased to announce the financial results for the quarter and for the twelve months period ended 31 December 2012.

The interim report is prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) 134 "Interim Financial Report" and paragraph 9.22 of the Main Market Listing Requirements (BURSA Securities Listing Requirements) of Bursa Malaysia Securities Berhad (BMSB).

SCOMI MARINE BHD (397979-A)
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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2012

	Note	Current Quarter 3 months ended 31 December		Cumulative 12 months ended 31 December	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue		56,554	108,200	294,722	390,821
Cost of sales		(44,238)	(187,734)	(225,119)	(421,240)
Gross profit		12,316	(79,534)	69,603	(30,419)
Other gains/(losses) - net		(30)	(367)	(3,708)	3,683
Other operating income		303	930	3,390	953
Other operating expenses		5,864	(43,653)	3,981	(45,873)
Administrative expenses		(11,373)	(9,888)	(33,934)	(35,242)
Finance expenses		(1,356)	(378)	(2,885)	(2,638)
Share of results of JV and associates		676	288	2,801	(531)
Profit/(loss) before taxation	B6	6,400	(132,602)	39,248	(110,067)
Taxation	B7	(1,059)	(1,846)	(5,639)	(6,120)
Profit/(loss) for the period		5,341	(134,448)	33,609	(116,187)
Profit/(loss) attributable to :					
Owners of the Company		4,422	(132,495)	29,074	(113,533)
Non-controlling interests		919	(1,953)	4,535	(2,654)
Profit/(loss) for the period		5,341	(134,448)	33,609	(116,187)
Earnings per share attributable to the Owners of the Company:					
Basic earnings/(loss) per ordinary share (sen)		0.60	(18.08)	3.97	(15.49)
Diluted earnings/(loss) per ordinary share (sen)		0.60	(18.08)	3.97	(15.49)
Earnings per share for profit from continuing operations attributable to the Owners of the Company:					
Basic earnings per ordinary share (sen)		0.60	(18.08)	3.97	(15.49)
Diluted earnings per ordinary share (sen)		0.60	(18.08)	3.97	(15.49)

Note : The detailed calculation for the Basic and Diluted (loss)/earnings per share is shown in note B12.

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2012

	Current Quarter 3 months ended 31 December		Cumulative 12 months ended 31 December	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit/(loss) for the period	5,341	(134,448)	33,609	(116,187)
Cash flow hedges - fair value gain	-	-	-	2,645
Exchange difference arising from translation of financial statements of foreign operations	(3,344)	(11,321)	(11,764)	8,576
Total comprehensive income/(loss)	1,997	(145,769)	21,845	(104,966)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	1,681	(143,871)	18,647	(103,204)
Non-controlling interests	316	(1,898)	3,198	(1,762)
Total comprehensive income/(loss)	1,997	(145,769)	21,845	(104,966)

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UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Note	As at 31-Dec-2012 RM'000	As at 31-Dec-2011 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		384,745	439,183
Investment in associates		332	247
Investment in joint venture		20,717	20,188
Goodwill		7,014	7,014
Deferred tax assets		7	6
Receivables		1,401	147
		<u>414,217</u>	<u>466,785</u>
CURRENT ASSETS			
Receivables, deposits and prepayments		90,608	139,888
Short term deposits, cash and bank balances	B8	<u>88,707</u>	<u>80,646</u>
		<u>179,314</u>	<u>220,534</u>
TOTAL ASSETS		<u>593,531</u>	<u>687,319</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		329,854	733,009
Treasury shares		(48)	(47)
Share premium		-	121,913
Other reserves	B10	(102,128)	(113,703)
Retained profits/(accumulated losses)	B11	<u>156,919</u>	<u>(215,422)</u>
Total equity attributable to owners of the Company		384,597	525,750
Non-controlling interests		<u>70,234</u>	<u>45,152</u>
TOTAL EQUITY		<u>454,831</u>	<u>570,902</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term borrowings	B9	21,577	10,186
Derivative financial instrument		-	458
Provision for retirement benefits		2,467	2,315
Deferred tax liabilities		429	442
		<u>24,473</u>	<u>13,401</u>
CURRENT LIABILITIES			
Trade and other payables		71,943	81,047
Short term borrowings	B9	39,612	18,777
Derivative financial instrument		336	315
Current tax liabilities		<u>2,336</u>	<u>2,877</u>
		<u>114,227</u>	<u>103,016</u>
TOTAL LIABILITIES		<u>138,700</u>	<u>116,417</u>
TOTAL EQUITY AND LIABILITIES		<u>593,531</u>	<u>687,319</u>
Net assets per share (RM)		<u>0.52</u>	<u>0.72</u>

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2012

	Attributable to owners of the Company							Retained earnings/ accumulated losses RM '000	Total RM '000	Non- controlling interests RM '000	Total equity RM '000
	<-----Non Distributable----->				><-----Distributable----->						
	Share capital RM '000	Treasury shares RM'000	Share premium RM '000	Exchange fluctuation reserve RM '000	Option reserves RM '000	Hedging reserves RM '000	Capital reserves RM '000				
As at 1 January 2012	733,009	(47)	121,913	(118,582)	4,879	-	-	(215,422)	525,750	45,152	570,902
Total comprehensive income for the period	-	-	-	(10,427)	-	-	-	29,074	18,647	3,198	21,845
Purchase of treasury shares	-	(1)	-	-	-	-	-	-	(1)	-	(1)
Share options - value of employee services	-	-	-	-	397	-	-	-	397	-	397
Share options - value of options terminated	-	-	-	-	(5,276)	-	-	5,276	-	-	-
Dilution of interest in subsidiary companies	-	-	-	-	-	-	-	(24,139)	(24,139)	21,884	(2,255)
Share capital and share premium reduction, capital repayment and setting off accumulated losses	(403,155)	-	(121,913)	-	-	-	26,881	362,130	(136,057)	-	(136,057)
As at 31 December 2012	329,854	(48)	-	(129,009)	-	-	26,881	156,919	384,597	70,234	454,831
As at 1 January 2011	733,009	(4)	121,913	(127,117)	5,929	(1,794)	-	(103,723)	628,213	46,914	675,127
Total comprehensive loss for the period	-	-	-	8,535	-	1,794	-	(113,533)	(103,204)	(1,762)	(104,966)
Purchase of treasury shares	-	(43)	-	-	-	-	-	-	(43)	-	(43)
Share options											
- value of employee services	-	-	-	-	784	-	-	-	784	-	784
- value of options lapsed	-	-	-	-	(1,834)	-	-	1,834	-	-	-
As at 31 December 2011	733,009	(47)	121,913	(118,582)	4,879	-	-	(215,422)	525,750	45,152	570,902

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

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UNAUDITED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 DECEMBER 2012

	12 months ended 31-Dec-2012 RM'000	12 months ended 31-Dec-2011 RM'000
Cash Flows From Operating Activities		
Profit/ (loss) for the period	33,609	(116,187)
Adjustments for:		
Depreciation of property, plant and equipment	46,077	71,656
Amortisation of prepaid expenses	2,871	5,669
Amortisation of loan expenses	709	150
Impairment of receivables	144	10,052
Reversal of impairment of receivables	(7,275)	(675)
Impairment of goodwill	-	36,294
Impairment of property, plant and equipment	-	95,218
Impairment of insurance claims receivable	-	202
Provision of retirement benefits	151	667
Interest expense	2,160	2,488
Share option expenses	397	784
Interest income	(684)	(524)
Share of results in associated companies	(85)	2,978
Share of results in a joint venture	(2,716)	(2,447)
Unrealised foreign exchange gain/(loss)	(473)	(43)
Loss/(gain) on disposal of property, plant and equipment	2,668	(3,720)
Taxation expense	5,639	6,120
Operating cash flows before working capital changes	83,192	108,682
Changes in working capital:		
Receivables, deposits and prepayments	45,610	32,751
Payables	(2,671)	29,336
Cash generated from operations	126,131	170,769
Retirement benefits paid	-	(260)
Tax paid	(6,101)	(5,773)
Net cash generated from operating activities	120,030	164,736
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	21,899	4,234
Interest received	684	524
Purchase of property, plant and equipment	(28,524)	(27,052)
Repayment of advances from associated company	1,599	446
Restructuring cost (PTRT)	(2,269)	-
Net cash used in investing activities	(6,611)	(21,848)

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

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UNAUDITED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 DECEMBER 2012 ("continued")

	12 months ended 31-Dec-2012 RM'000	12 months ended 31-Dec-2011 RM'000
Cash Flows From Financing Activities		
Repayment of borrowings	(27,220)	(75,185)
Interest paid on borrowings	(1,848)	(2,497)
Proceeds from term loan	61,952	-
Loan arrangement expense	(1,923)	-
Purchase of treasury shares	(1)	(43)
Increase in short term deposit pledged as security	(10,262)	(2,195)
Capital repayment to shareholder	(135,608)	-
Net cash used in financing activities	<u>(114,910)</u>	<u>(79,920)</u>
Net (decrease)/increase in cash and cash equivalents	(1,491)	62,968
Cash and cash equivalents at beginning of the period	78,451	12,666
Currency Translation Differences	(710)	2,817
Cash and cash equivalents at end of the period	<u>76,250</u>	<u>78,451</u>

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:-

	RM'000	RM'000
Deposits with licensed banks	59,190	55,435
Cash and bank balances	29,517	25,211
	<u>88,707</u>	<u>80,646</u>
Less:		
Restricted cash	(12,457)	(2,195)
	<u>76,250</u>	<u>78,451</u>

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011.

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS – FRS 134

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (FRSs).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2011. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

A2 Significant Accounting Policies

The interim financial statement is the Group's first MFRS compliant and hence MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied.

The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1.

(a) Adoption of New and Revised FRSs, IC Interpretations and Amendments – FY2012

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2011, except for the following new and revised MFRSs, IC Interpretations and Amendments to MFRSs and IC Interpretations which are applicable for the Group's financial period beginning 1 January 2012:

MFRSs and Interpretations

MFRS 124	Related Party Disclosures (revised)
Amendments to MFRS 112	Exception to Existing Principle for the Measurement of Deferred Tax Arising on Investment Property
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	MFRS 119 The Limit on a Defined Benefit Assets, Minimum Funding Requirements and Their Interaction
Amendments to MFRS 1	First-Time Adoption on Fixed Dates and Hyperinflation
Amendments to MFRS 7	Disclosures on Transfers of Financial Assets

A2 Significant Accounting Policies (“continued”)

Adoption of the above MFRSs, Amendments to MFRSs and IC Interpretations did not have any material effect on the financial performance, position or presentation of financial of the Group.

- (b) Adoption of New and Revised MFRS, IC Interpretations and Amendments to MFRS that were issued but not yet effective

At the date of authorization of these interim financial statements, the following MFRS, IC Interpretations and Amendments were issued but not yet effective and have not been applied by the Group:

MFRSs and Interpretations		Effective for annual periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

In the period ended 30 June 2012, the Group has early adopted the following MFRS which is applicable to its financial statements and as a result considers Scomi Group Berhad as its parent company.

MFRSs and Interpretations		Effective for annual periods beginning on or after
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013

The initial application of the other those Standard are not expected to have a material impact to the financial statements of the Group.

A3 Audit Report for Preceding Annual Financial Statements

The audit report for the Group's annual financial statements for the year ended 31 December 2011 was not subject to any qualification.

A4 Seasonal or Cyclical Factors

The Group's operations are generally not affected by any seasonal or cyclical factors.

A5 Unusual Items

There are no unusual items that affected the assets, liabilities, equity, net income or cash flows in the current quarter under review.

A6 Significant Estimates and Changes in Estimates

Impairment on goodwill

The Group makes assumptions concerning the future and other sources of estimation uncertainty at the balance sheet date during its review for impairment of goodwill.

Determining whether goodwill is impaired requires an estimation of the value in use and fair value less costs to sell of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Fair value less costs to sell is determined based on indicative values on a willing buyer willing seller basis. The recoverable amounts of goodwill have been determined based on higher of fair value less costs to sell and value-in-use calculations. There has been no change in the carrying amount of goodwill since the last quarter.

A7 Debt and Equity Securities

There has been no further repurchase of shares since the last quarter.

The effect of the capital repayment is disclosed under note B5.

A8 Dividends Paid / Payable

There were no dividends paid during the quarter and financial periods ended 31 December 2012.

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A9 Segmental Reporting

Segment information for the financial period as presented in respect of the Group's business segment is as follows:

I) Revenue and results for twelve months ended 31 December 2012

	Marine Logistics	Offshore Support	Others	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE				
External sales	215,319	79,403	-	294,722
Total revenue	<u>215,319</u>	<u>79,403</u>	<u>-</u>	<u>294,722</u>
RESULTS				
Profit from operations	28,230	19,445	-	47,675
Finance costs	(2,292)	(591)	(2)	(2,885)
Interest income	294	-	390	684
(Loss)/gain on disposal of assets	(2,752)	84	-	(2,668)
Share of results in associated companies	-	85	-	85
Share of results in joint venture	-	2,716	-	2,716
Profit before impairment charges	23,480	21,739	388	45,607
Reversal of impairment of receivables	2,330	-	4,945	7,275
Impairment of receivables	(144)	-	-	(144)
Segmental results	<u>25,666</u>	<u>21,739</u>	<u>5,333</u>	<u>52,738</u>
Unallocated costs				<u>(13,490)</u>
Profit before taxation				39,248
Taxation				<u>(5,639)</u>
Profit for the period				<u><u>33,609</u></u>
Profit attributable to the Owners of the Company				
Owners of the Company				29,074
Non-controlling interests				<u>4,535</u>
Profit for the period				<u><u>33,609</u></u>

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A9 Segmental Reporting ("continued")

II) Revenue and results for twelve months ended 31 December 2011

	Marine Logistics	Offshore Support	Others	Total
	RM'000	RM'000	RM'000	RM'000
REVENUE				
External sales	314,436	76,385	-	390,821
Total revenue	<u>314,436</u>	<u>76,385</u>	<u>-</u>	<u>390,821</u>
RESULTS				
Profit from operations	33,608	12,366	-	45,974
Finance costs	(1,772)	(817)	(49)	(2,638)
Interest income	405	77	42	524
Share of results in associated companies	-	(2,978)	-	(2,978)
Share of results in joint venture	-	2,447	-	2,447
Profit before impairment charges	32,241	11,095	(7)	43,329
Reversal of impairment of receivables	229	-	446	675
Impairment of receivables	(202)	(10,052)	-	(10,254)
Impairment of assets	(95,182)	(36)	-	(95,218)
Impairment of goodwill	(36,294)	-	-	(36,294)
Segmental results	<u>(99,208)</u>	<u>1,007</u>	<u>439</u>	<u>(97,762)</u>
Unallocated costs				(12,305)
Loss before taxation				(110,067)
Taxation				(6,120)
Loss for the period				<u>(116,187)</u>
Loss attributable to the Owners of the Company				
Owners of the Company				(113,533)
Non-controlling interests				(2,654)
Loss for the period				<u>(116,187)</u>

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A9 Segmental Reporting ("continued")

	Marine Logistics RM'000	Offshore Support RM'000	Others RM'000	Total RM'000
ASSETS AND LIABILITIES AS AT 31 DECEMBER 2012				
ASSETS				
Assets employed in the segment	392,176	167,400	12,906	572,482
Investment in associated companies	-	332	-	332
Investment in joint venture	-	20,717	-	20,717
Segment asset	<u>392,176</u>	<u>188,449</u>	<u>12,906</u>	<u>593,531</u>
LIABILITIES				
Liabilities in segment	<u>62,073</u>	<u>63,746</u>	<u>12,881</u>	<u>138,700</u>

	Marine Logistics RM'000	Offshore Support RM'000	Others RM'000	Total RM'000
PERIOD ENDED 31 DECEMBER 2012				
OTHER INFORMATION				
Capital expenditure	20,838	7,685	-	28,523
Depreciation of property, plant and equipment	33,775	12,101	201	46,077
Other significant non-cash expenses:				
- share based payment expenses	-	-	397	<u>397</u>

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A9 Segmental Reporting ("continued")

	Marine Logistics RM'000	Offshore Support RM'000	Others RM'000	Total RM'000
ASSETS AND LIABILITIES AS AT 31 DECEMBER 2011				
ASSETS				
Assets employed in the segment	485,752	166,778	14,354	666,884
Investment in associated companies	-	247	-	247
Investment in joint venture	-	20,188	-	20,188
Segment assets	<u>485,752</u>	<u>187,213</u>	<u>14,354</u>	<u>687,319</u>
LIABILITIES				
Liabilities in segment	<u>78,398</u>	<u>23,080</u>	<u>14,413</u>	<u>115,891</u>

	Marine Logistics RM'000	Offshore Support RM'000	Others RM'000	Total RM'000
PERIOD ENDED AS AT 31 DECEMBER 2011				
OTHER INFORMATION				
Capital expenditure	17,269	9,783	-	27,052
Depreciation of property, plant and equipment	60,328	11,152	176	71,656
Other significant non-cash expenses:				
- share based payment expenses	-	-	784	784

A10 Valuation of Property, Plant and Equipment

There was no change to the valuation of property, plant and equipment brought forward from the previous annual financial statements.

A11 Material Subsequent Events

Save as disclosed in Note B5, the capital repayment was completed on 29 August 2012, there were no other material events subsequent to the end of the quarter under review that has not been reflected in these condensed financial statements.

A12 Changes in Composition of the Group

There were no other changes in the composition of the Group for the current period.

A13 Contingent Liabilities

Detail of contingent liabilities of the Group as at 18 February 2013 is as follows:-

	RM'000
Bank guarantee issued for charter marine contracts	16,832
	=====

A14 Capital Commitments

Authorised capital commitments as at 18 February 2013 not provided for in the financial statements of the Group are as follows:

	Approved and contracted for RM'000	Approved but not contracted for RM'000	Total RM'000
Vessels - refurbishment	9,282	-	9,282

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A14 Capital Commitments (continued)

The future minimum lease payments under non-cancellable operating leases as at 31 December 2012 are as follows:

In respect of:	Total outstanding RM'000	Expiring within one year RM'000	Expiring between one to five years RM'000
Rental of office premises	1,425	476	949
Re-charter vessel contracts	12,887	7,593	5,294
	<u>14,312</u>	<u>8,069</u>	<u>6,243</u>

The currency exposure profile of the operating lease commitments are summarized as follows:

	RM'000
Malaysia Ringgit	1,151
United States Dollar	<u>13,161</u>
	<u>14,312</u>

A15 Related party transactions

	Current quarter 3 months ended 31 December 2012 RM'000	Cumulative quarter 12 months ended 31 December 2012 RM'000
<i>Transactions with companies of which certain substantial shareholders have interests</i>		
Air ticket cost charged	24	44
Computer software application fees	-	17
Office rental paid/payable	70	280
Consultancy Services	-	2,000
<i>Transactions with companies of which have interest in the subsidiaries</i>		
Agency and management fees paid	254	1,013

The Directors are of the view that the above transactions have been entered into in the normal course of business under terms and conditions no less favorable to the Group and the Company than those arranged with independent third parties.

B EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of Operating Segments

The Group has two reportable segments which are the Group's strategic business units. Each business units offer different product and services to different market segments.

Marine Logistics offers marine affreightment and time charter of vessels services mainly to the Coal Industry while Offshore Support is in the business of managing and chartering of vessels to the oil and gas industry.

Current quarter vs Corresponding quarter

A) Revenue and results for three months ended 31 December 2012

	Marine Logistics	Offshore Support	Others	Total
	Q4 2012 RM'000	Q4 2012 RM'000	Q4 2012 RM'000	Q4 2012 RM'000
REVENUE				
External sales	34,399	22,155	-	56,554
Total revenue	<u>34,399</u>	<u>22,155</u>	-	<u>56,554</u>
RESULTS				
Profit from operations	167	6,756	-	6,923
Finance costs	(1,234)	(122)	-	(1,356)
Interest income	86	-	-	86
Share of results in associated companies	-	(15)	-	(15)
Share of results in joint venture	-	691	-	691
Profit before impairment charges	(981)	7,310	-	6,329
Reversal of impairment of receivables	1,696	-	3,924	5,620
Impairment of receivables	(144)	-	-	(144)
Segmental results	<u>571</u>	<u>7,310</u>	<u>3,924</u>	11,805
Unallocated costs				(5,405)
Profit before taxation				6,400
Taxation				(1,059)
Profit for the period				<u>5,341</u>
Profit attributable to the Owners of the Company				
Owners of the Company				4,422
Non-controlling interests				919
Profit for the period				<u>5,341</u>

B1 Review of Operating Segments

Current quarter vs Corresponding quarter ("continued")

B) Revenue and results for three months ended 31 December 2011

	Marine Logistics	Offshore Support	Others	Total
	Q4 2011	Q4 2011	Q4 2011	Q4 2011
	RM'000	RM'000	RM'000	RM'000
REVENUE				
External sales	84,798	23,402	-	108,200
Total revenue	<u>84,798</u>	<u>23,402</u>	-	<u>108,200</u>
RESULTS				
Profit from operations	2,260	5,887	-	8,147
Finance costs	(204)	(172)	(1)	(377)
Interest income	86	-	2	88
Share of results in associated companies	-	(384)	-	(384)
Share of results in joint venture	-	672	-	672
Profit before impairment charges	2,142	6,003	1	8,146
Reversal of impairment of receivables	229	-	446	675
Impairment of receivables	(202)	(5,077)	-	(5,279)
Impairment on assets	(95,182)	(36)	-	(95,218)
Impairment on goodwill	(36,294)	-	-	(36,294)
Segmental results	<u>(129,307)</u>	<u>890</u>	<u>447</u>	<u>(127,970)</u>
Unallocated costs				(4,632)
Loss before taxation				(132,602)
Taxation				(1,846)
Loss for the period				<u>(134,448)</u>
Loss attributable to the Owners of the Company				
Owners of the Company				(132,495)
Non-controlling interests				(1,953)
Loss for the period				<u>(134,448)</u>

B1 Review of Operating Segments

Current quarter vs Corresponding quarter ("continued")

I) REVENUE

Marine Logistics recorded lower revenue in current quarter compared to corresponding quarter principally due to the expiry of a major contract which was replaced by a new contract with different terms.

There is no material Revenue fluctuation in the Offshore Support Division.

II) MARINE LOGISTICS SEGMENT RESULTS

Marine Logistics Division has a better segment result of RM0.57 million profit in Q4 2012 compared to segment loss of RM129.3 million in corresponding quarter.

The segment loss in Q4 2011 was mainly as a result of goodwill impairment of RM36.3 million and impairment of vessels of RM95.2 million plus drop in operating profit.

Profit from operations declined from RM2.3 million in Q4 2011 to RM0.2 million in Q4 2012 mainly due to decrease in revenue as explained earlier and increase in finance cost.

III) OFFSHORE SUPPORT DIVISION SEGMENT RESULTS

Offshore Division registered an improved segment result of RM7.3 million profit this quarter from RM0.9 million profit in corresponding quarter. The main reasons are higher operating profit with improved Gross Profit Margin and impairment of receivables in Q4 2011 but none in this quarter.

B2 Material Change in Performance as Compared to Preceding Quarter

I) Revenue and results for three months ended 31 December 2012

	Marine Logistics	Offshore Support	Others	Total
	Q4 2012	Q4 2012	Q4 2012	Q4 2012
	RM'000	RM'000	RM'000	RM'000
REVENUE				
External sales	34,399	22,155	-	56,554
Total revenue	<u>34,399</u>	<u>22,155</u>	-	<u>56,554</u>
RESULTS				
Profit from operations	167	6,756	-	6,923
Finance costs	(1,234)	(122)	-	(1,356)
Interest income	86	-	-	86
Share of results in associated companies	-	(15)	-	(15)
Share of results in joint venture	-	691	-	691
Profit before impairment charges	(981)	7,310	-	6,329
Reversal of impairment of receivables	1,696	-	3,924	5,620
Impairment of receivables	(144)	-	-	(144)
Segmental results	<u>571</u>	<u>7,310</u>	<u>3,924</u>	11,805
Unallocated costs				(5,405)
Profit before taxation				6,400
Taxation				(1,059)
Profit for the period				<u>5,341</u>
Profit attributable to the Owners of the Company				
Owners of the Company				4,422
Non-controlling interests				919
Profit for the period				<u>5,341</u>

B2 Material Change in Performance as Compared to Preceding Quarter
("continued")

II) Revenue and results for three months ended 30 September 2012

	Marine Logistics	Offshore Support	Others	Total
	Q3 2012	Q3 2012	Q3 2012	Q3 2012
	RM'000	RM'000	RM'000	RM'000
REVENUE				
External sales	31,713	17,818	-	49,531
Total revenue	<u>31,713</u>	<u>17,818</u>	-	<u>49,531</u>
RESULTS				
Profit/(loss) from operations	(1,969)	2,225	-	256
Finance costs	(895)	(148)	(1)	(1,044)
Interest income	62	-	225	287
Recovery from liquidated damages claim	2,477	-	-	2,477
Loss on disposal of assets	(2,872)	-	-	(2,872)
Share of results in associated companies	-	83	-	83
Share of results in joint venture	-	711	-	711
Profit before impairment charges	(3,197)	2,871	224	(102)
Reversal of impairment of receivables	373	-	1,021	1,394
Segmental results	<u>(2,824)</u>	<u>2,871</u>	<u>1,245</u>	1,292
Unallocated costs				<u>983</u>
Profit before taxation				2,275
Taxation				<u>(1,514)</u>
Profit for the period				<u>761</u>
Profit attributable to the Owners of the Company				
Owners of the Company				(646)
Non-controlling interests				<u>1,407</u>
Profit for the period				<u>761</u>

I) REVENUE

Marine Logistics recorded higher revenue generated in current quarter compared to the preceding quarter mainly due to additional contracts on charter basis.

Revenue from Offshore Division was higher by RM4.4 million largely contributed by improved utilization of vessels.

B2 Material Change in Performance as Compared to Preceding Quarter (“continued”)

II) MARINE LOGISTICS SEGMENT RESULTS

Marine Logistics registered a segmental profit of RM0.6 million in current quarter compared a segmental loss of RM 2.8 million in the preceding quarter. The better performance comes from improvement in current quarter’s operating profit and the loss on disposal of vessels of RM2.8 million in preceding quarter, partly set off by the following:-

1. Higher finance costs in Q4; and
2. Recovery of RM2.5 million vessel liquidated damages in Q3 but none in Q4.

Operating profit improved from a loss of RM1.9 million in Q3 to profit of RM0.2 million principally due to higher revenue and lower operating costs.

III) OFFSHORE SUPPORT SEGMENT RESULTS

Offshore Support Division posted higher segmental profit of RM7.3million in current quarter compared to RM2.8 million in preceding quarter largely contributed by higher revenue as explained above.

B3 Current Year Prospects

The coal market remains competitive as reflected in the lower coal price, but we continue to serve our major customers where we have term contracts albeit with a smaller fleet.

The Group remains optimistic with the growth of oil and gas industry in the region. Along with enhanced economic activity in the region, energy demand is increasing which, combined with the high price of oil, have generated interest in oil and gas exploration and production. The number of wells to be drilled and the number of new platforms scheduled to be installed are all set to increase incrementally through to 2013. The increase in the level of activity is expected to absorb the flow of new vessels in the market, which should result in steady to higher daily charter rates of offshore support vessels and high utilization.

With the approval of shareholders in the EGM held on 20th February 2013, the proposed acquisitions will effectively allow the enlarged SMB group to expand its involvement in the drilling fluid solutions and drilling waste management businesses, while maintaining its position in the marine logistics and offshore support services businesses.

B4 Profit Forecast

This section is not applicable as no profit forecast was published.

B5 Corporate Proposals

Proposed Acquisition by SMB, proposed exemption to Scomi Group Bhd ("**SGB**") and Scomi Energy Sdn Bhd ("**SESB**") and proposed increase in authorised share capital of SMB.

On 24 July 2012, the Company had announced to Bursa Malaysia that:-

(i) Proposed acquisition by SMB of the following:-

- a) The entire share capital of Scomi Oilfield Limited ("**SOL**") for a total purchase consideration of RM1,020,02 million ("**Proposed Sol Acquisition**");
- b) The entire issued and paid-up ordinary share capital of Scomi Sosma Sdn Bhd ("**SSSB**") for a total purchase consideration of RM6.71 million; and
- c) 48% of the issued and paid-up ordinary shares of Scomi KMC Sdn Bhd ("**SKMC**") for a purchase consideration of RM769,911

(items (a), (b) and (c) to be collectively referred to as **Proposed Acquisition**)

(ii) SMB also entered into the following conditional agreement:-

- a) share sale agreement ("**SSA**") with Scomi Group Bhd ("**SGB**"), Standard Chartered Private Equity Limited and Fuji Investments I (collectively "**Vendors**") for the proposed acquisition of the entire issued and paid-up ordinary and preference shares of Scomi Oilfield Limited ("**SOL**") for a total purchase consideration of RM1,020.20 million (subject to adjustments) comprising, among others, a base sum of RM756.12 million to be satisfied by the issuance of 1,608,765,957 new ordinary shares of RM0.45 each in SMB ("**SMB Shares**") at an issue price of RM0.47 per SMB Share ("**Consideration Shares**") ("**Proposed SOL Acquisition**");
- b) SSA with SGB for the proposed acquisition of the entire issued and paid-up ordinary share capital of Scomi Sosma Sdn Bhd ("**SSSB**") for a purchase consideration of RM6.71 million ("**Proposed SSSB Acquisition**"); and
- c) SSA with SGB for the proposed acquisition of 48% of the issued and paid-up ordinary shares of Scomi KMC Sdn Bhd ("**SKMC**") for a purchase consideration of RM769,911 ("**Proposed SKMC Acquisition**").

(The Proposed SOL Acquisition, Proposed SSSB Acquisition and Proposed SKMC Acquisition are collectively referred to as "**Proposed Acquisitions**").

B5 Corporate Proposals (“continued”)

- (iii) In conjunction with the Proposed SOL Acquisition, SMB intends to increase its authorised share capital from RM451,100,000 comprising 998,000,000 SMB Shares and 200,000,000 SMB RCCPS (“Proposed Increase in Authorised Share Capital”). The Memorandum and Articles of Association of the Company will also be amended to facilitate the Proposed Increase in Authorised Share Capital.
- (iv) On 11 January 2013, the Company had announced to Bursa Malaysia that it is proposing to undertake the Proposed Change of Name from “**Scomi Marine Bhd**” to “**Scomi Energy Services Bhd**”.

Further to the above announcements, the Company had announced that:-

- i. Securities Commission (“**SC**”) had, vide its letter dated 15 January 2013 (which was received on 16 January 2013), granted its approval for the Proposed Acquisitions and the resultant equity structure of SMB upon completion of the Proposed Acquisitions, subject to the following conditions:
 - (a) SMB to allocate 12.5% of its enlarged issued and paid-up share capital to Bumiputera investors to be recognised by the Ministry of International Trade and Industry (“**MITI**”), within 1 year after registering profit or 3 years after the implementation of the Proposed Acquisitions, whichever is the earlier (“**Triggering Date**”);
 - (b) SMB to submit a proposal to comply with the Bumiputera equity condition for the SC’s approval within 6 months from the Triggering Date;
 - (c) SMB to submit an application to MITI for the allocation of SMB Shares to Bumiputera investors, after obtaining the SC’s approval for the proposal. In the event that the SMB Shares are not fully allocated to Bumiputera investors within a year from the date of application to MITI, SMB will be deemed to have complied with the Bumiputera equity conditions; and
 - (d) Maybank IB/SMB to fully comply with the requirements of the Equity Guidelines issued by the SC on 8 May 2009 and Listing Requirements pertaining to the implementation of the Proposed Acquisitions
- ii. Bursa Securities has, vide its letter dated 17 January 2013, granted its approval for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities subject to the following conditions:
 - (a) SMB and Maybank IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed SOL Acquisition;
 - (b) SMB and Maybank IB to inform Bursa Securities upon completion of the Proposed SOL Acquisition;

B5 Corporate Proposals ("continued")

- (c) SMB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed SOL Acquisition is completed; and
 - (d) SMB to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders of SMB in the extraordinary general meeting approving the Proposed SOL Acquisition
 - iii. The Company had announced to Bursa Malaysia the following:
 - (a) SMB and the parties to the SOL Agreement and SKMC Agreement have, vide letters dated 21 January 2013 mutually agreed to extend the period for the fulfilment of the conditions precedent to the SOL Agreement and SKMC Agreement respectively from 24 January 2013 to 31 March 2013; and
 - (b) SMB and SGB have, vide a letter dated 21 January 2013 mutually agreed on the following:
 - i. to extend the period for the fulfilment of the conditions precedent to the SSSB Agreement from 24 January 2013 to 31 March 2013; and
 - ii. in the the amount of the SMB Assignment of Interco Loan exceeds the amount of the SSSB Consideration and Amount Owing, SGB to accord the surplus to SMB in cash, which will be funded via SGB's internally generated funds.
 - iv. that the resolutions set out in the Notice of EGM dated 25 January 2013 in relation to the Proposed Acquisitions, Proposed Exemption, Proposed Increase in Authorised Share Capital and Proposed Change of Name have been duly passed by the Shareholders at the EGM held on 20 February 2013.

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B6 Profit before taxation

	Current Quarter 3 months ended 31 December		Cumulative 12 months ended 31 December	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<i>The profit before taxation is arrived at after charging/(crediting)</i>				
Interest income	86	88	684	524
Other income	217	(250)	2,706	429
Depreciation and amortisation	(11,052)	(27,746)	(46,077)	(71,656)
Impairment of receivables	(144)	(5,077)	(144)	(10,052)
Impairment of insurance claim receivables	-	(202)	-	(202)
Impairment loss on property, plant and equipment	-	(95,218)	-	(95,218)
Impairment of goodwill	-	(36,294)	-	(36,294)
Reversal of impairment of receivables	5,619	675	7,275	675
Loss on foreign exchange - net	(130)	(412)	(1,405)	(412)
Net gain on derivative financial instruments	91	375	365	375
Gain/(loss) on disposal of property, plant and equipment	9	12	(2,668)	3,720
Interest expense	(955)	(364)	(2,176)	(2,488)
Amortisation of prepaid expenses	(10)	(1,465)	2,871	5,669
Amortisation of loan expenses	(401)	(13)	(709)	(150)
Share of results of associates	(15)	(384)	85	(2,978)
Share of results of joint venture	691	672	2,716	2,447

B7 Taxation

Details of the taxation as at end of the period are as follows:-

	Current Quarter 3 months ended 31 December		Cumulative 12 months ended 31 December	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax - current year	(52)	237	(36)	442
Indonesian income tax - current year	1,111	1,609	5,675	5,678
Total income tax	<u>1,059</u>	<u>1,846</u>	<u>5,639</u>	<u>6,120</u>
Effective tax rate	<u>16.55%</u>		<u>14.37%</u>	

The effective tax rate is less than Malaysian tax rate of 25% mainly because of the tax effects of the different tax rates in different jurisdiction, certain expenses not deductible and adjustment for over accruals.

The above mentioned income tax is related to the revenues and profits recorded by the operating subsidiaries and there is no claims group relief losses.

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B8 Short term deposits, cash and bank balances

Short term deposits, cash and bank balances comprise of:-

	As at 31-Dec-2012 RM'000	As at 31-Dec-2011 RM'000
Cash and bank balances	41,054	25,211
Short term deposits with licensed banks	47,653	55,435
	<u>88,707</u>	<u>80,646</u>
Less : restricted cash	<u>(12,457)</u>	<u>(2,195)</u>
Cash and cash equivalents	<u>76,250</u>	<u>78,451</u>

The restricted cash comprise deposits pledged to financial institutions for loan facility and bank guarantee facility granted to a subsidiary.

B9 Borrowings

Details of the borrowings as at end of the period are as follows:-

	As at 31-Dec-2012 RM'000	As at 31-Dec-2011 RM'000
Current:-		
Bank loans (secured)	40,668	18,793
Unamortised loan expense	<u>(1,079)</u>	<u>(47)</u>
	39,589	18,746
Hire purchase payables	<u>23</u>	<u>31</u>
	<u>39,612</u>	<u>18,777</u>
Non-current:-		
Bank loans (secured)	21,744	10,162
Unamortised loan expense	<u>(167)</u>	<u>-</u>
	21,577	10,162
Hire purchase payables	<u>-</u>	<u>24</u>
	<u>21,577</u>	<u>10,186</u>
Total borrowings		
Bank loans (secured)	62,412	28,955
Unamortised loan expense	<u>(1,246)</u>	<u>(47)</u>
	61,166	28,908
Hire purchase payables	<u>23</u>	<u>55</u>
	<u>61,189</u>	<u>28,963</u>
	As at 31-Dec-2012 RM'000	As at 31-Dec-2011 RM'000
Malaysia Ringgit	23	55
United States Dollars	<u>61,166</u>	<u>28,908</u>
	<u>61,189</u>	<u>28,963</u>

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B10 Other reserves

	As at 31-Dec-2012 RM'000	As at 31-Dec-2011 RM'000
Share option reserve	-	4,879
Exchange fluctuation reserves	(129,009)	(118,582)
Distributable capital reserves	26,881	-
	<u>(102,128)</u>	<u>(113,703)</u>

B11 Retained Earnings

	As at 31-Dec-2012 RM'000	As at 31-Dec-2011 RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries:		
- Realised	152,360	(258,206)
- Unrealised	(40,102)	(1,237)
	<u>112,258</u>	<u>(259,443)</u>
Total share of retained earnings from associated companies:		
- Realised	42,465	43,990
- Unrealised	1,811	1,864
Total share of retained earnings from jointly controlled entities:		
- Realised	6,246	3,653
- Unrealised	-	-
	<u>162,780</u>	<u>(209,936)</u>
Less : Consolidation adjustments	(5,861)	(5,486)
Total retained earnings/(accumulated losses)	<u>156,919</u>	<u>(215,422)</u>

SCOMI MARINE BHD (397979-A)
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B12 Earnings Per Share

	Current Quarter		Cumulative	
	3 months ended		12 months ended	
	31 December		31 December	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<u>Basis earnings/(loss) per share</u>				
Profit/(loss) for the period	4,422	(132,495)	29,074	(113,533)
Issued and paid-up capital	733,009	733,009	733,009	733,009
Less : Treasury shares purchased during the period	(144)	(143)	(144)	(143)
Weighted average number of ordinary shares in issue ('000)	732,865	732,866	732,865	732,866
Basic earnings/(loss) per share (sen)	0.60	(18.08)	3.97	(15.49)
<u>Fully diluted earnings/(loss) per share</u>				
Profit/(loss) for the period	4,422	(132,495)	29,074	(113,533)
Weighted average number of ordinary shares in issue ('000)	732,865	732,866	732,865	732,866
Assumed shares issued from the exercise of ESOS ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares used in the calculation of diluted earnings per share ('000)	732,865	732,866	732,865	732,866
Diluted earnings/(loss) per share (sen)	0.60	(18.08)	3.97	(15.49)

The ESOS scheme has been terminated on 26 June 2012 as part of the Corporate exercise.

B13 Material Litigation

There was no pending material litigation at the date of this quarterly report.

B14 Proposed Dividend

No dividend has been proposed in respect of the quarter under review.

B15 Authorised For Issue

The interim financial statements were authorized for issue on 28 February 2013 by the Board of Directors.