

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2015

	3 months ended 31 Mar 2015 RM'000	3 months ended 31 Mar 2014 RM'000	Cumulative period 12 months ended 31 Mar 2015 RM'000	Cumulative period 12 months ended 31 Mar 2014 RM'000 (Audited)
Revenue	385,371	373,005	1,559,942	1,415,994
Cost of sales	(298,148)	(282,980)	(1,225,653)	(1,081,859)
Gross profit	87,223	90,025	334,289	334,135
Other operating income	10,646	(386)	12,090	17,147
Administrative expenses	(38,964)	(23,073)	(127,404)	(114,397)
Marketing and selling expenses	(17,589)	(21,655)	(75,591)	(76,537)
Other operating expenses	-	(4,056)	-	(4,056)
Finance expenses	(6,930)	(10,189)	(27,139)	(33,436)
Share of results of JV and associates	(2,177)	870	1,248	5,063
Profit before taxation	32,209	31,536	117,493	127,919
Taxation	(17,644)	(21,711)	(42,762)	(46,988)
Profit for the period	14,565	9,825	74,731	80,931
Other comprehensive income				
Currency translation differences	(7,058)	(28,145)	11,926	33,101
Cash flow hedges	(4,001)	1,058	4,892	(6,339)
	(11,059)	(27,087)	16,818	26,762
Total comprehensive income for the period	3,506	(17,262)	91,549	107,693
Profit attributable to :				
Owners of the Company	15,488	11,858	77,108	81,875
Non-controlling interests	(923)	(2,033)	(2,377)	(944)
Profit for the period	14,565	9,825	74,731	80,931
Total comprehensive income attributable to:				
Owners of the Company	4,429	(15,229)	93,926	108,637
Non-controlling interests	(923)	(2,033)	(2,377)	(944)
	3,506	(17,262)	91,549	107,693
Earnings per share				
- Basic and diluted (Sen)	0.66	0.51	3.29	3.50

The unaudited Condensed Financial Statement should be read in conjunction with the accompanying explanatory notes.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	As at 31 Mar 2015 RM'000	As at 31 Mar 2014 RM'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		573,408	561,757
Investment properties		2,495	2,516
Investment in associates		-	124
Investment in joint venture		69,143	54,935
Intangible assets		115,841	114,332
Deferred tax assets		1,583	9,157
Receivables		-	141
		<u>762,470</u>	<u>742,962</u>
CURRENT ASSETS			
Inventories		240,480	214,739
Receivables, deposits and prepayments		505,916	508,000
Tax recoverable		14,836	11,952
Short term deposits, cash and bank balances	B8	202,244	184,443
		<u>963,476</u>	<u>919,134</u>
TOTAL ASSETS		<u>1,725,946</u>	<u>1,662,096</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		1,005,535	1,005,535
Treasury shares		(48)	(48)
Other reserves	B10	(627,359)	(644,177)
Retained earnings	B12	<u>389,160</u>	<u>312,052</u>
Total equity attributable to owners of the Company		<u>767,288</u>	<u>673,362</u>
Non-controlling interests		<u>65,882</u>	<u>68,483</u>
TOTAL EQUITY		<u>833,170</u>	<u>741,845</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term borrowings	B9	177,006	223,460
Provision for retirement benefits		11,691	5,952
Other payables		5,588	2,676
Derivative financial liabilities	B11	24,709	23,715
Deferred tax liabilities		<u>4,816</u>	<u>5,418</u>
		<u>223,810</u>	<u>261,221</u>
CURRENT LIABILITIES			
Trade and other payables		364,851	390,567
Short term borrowings	B9	254,264	246,090
Derivative financial liabilities	B11	21,349	5,378
Current tax liabilities		<u>28,502</u>	<u>16,995</u>
		<u>668,966</u>	<u>659,030</u>
TOTAL LIABILITIES		<u>892,776</u>	<u>920,251</u>
TOTAL EQUITY AND LIABILITIES		<u>1,725,946</u>	<u>1,662,096</u>
Net assets per share (RM)		<u>0.33</u>	<u>0.29</u>

The unaudited Condensed Financial Statement should be read in conjunction with the accompanying explanatory notes.

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2015

	Attributable to owners of the Company							
	Share capital RM '000	Treasury shares RM'000	Share premium RM '000	Other reserves RM '000	Retained earnings RM '000	Total RM '000	Non- controlling interests RM '000	Total equity RM '000
As at 1 April 2014	1,005,535	(48)	-	(644,177)	312,052	673,362	68,483	741,845
Total comprehensive income for the year	-	-	-	16,818	77,108	93,926	(2,377)	91,549
Dividends paid to non-controlling interest of subsidiary	-	-	-	-	-	-	(224)	(224)
As at 31 March 2015	1,005,535	(48)	-	(627,359)	389,160	767,288	65,882	833,170
Audited								
As at 1 April 2013	1,005,535	(48)	-	(660,680)	219,918	564,725	70,349	635,074
Total comprehensive income for the year	-	-	-	26,762	81,875	108,637	(944)	107,693
Dividends to shareholders' of a subsidiary	-	-	-	-	-	-	(922)	(922)
Share options								
- value of options terminated/lapsed	-	-	-	(10,259)	10,259	-	-	-
As at 31 March 2014	1,005,535	(48)	-	(644,177)	312,052	673,362	68,483	741,845

The unaudited Condensed Financial Statement should be read in conjunction with the accompanying explanatory notes.

UNAUDITED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 MARCH 2015

	Note	12 months ended 31 Mar 2015 RM'000	12 months ended 31 Mar 2014 RM'000
Cash Flows From Operating Activities			
Profit before taxation		117,493	127,919
Adjustments for non-cash items:		95,769	103,825
Changes in working capital:			
Inventories		(25,741)	(1,009)
Receivables, deposits and prepayments		6,856	(45,175)
Payables		(16,005)	29,121
Cash generated from operations		<u>178,372</u>	<u>214,681</u>
Tax paid		(20,593)	(37,131)
Retirement benefits paid		-	(1,774)
Interest received		2,221	1,411
Net cash generated from operating activities		<u>160,000</u>	<u>177,187</u>
Cash Flows From Investing Activities			
Proceeds from disposal of property, plant and equipment		4,354	6,602
Purchase of property, plant and equipment		(60,035)	(97,841)
Repayment of advance from jointly controlled entity		-	4,150
Additional investment in joint controlled entity		(9,592)	(1,360)
Net cash used in investing activities		<u>(65,273)</u>	<u>(88,449)</u>
Cash Flows From Financing Activities			
Repayment of borrowings		(139,288)	(397,175)
Proceeds from borrowings		103,358	359,796
Interest paid on borrowings		(27,139)	(28,407)
Decrease/(increase) in short term deposit pledged as securities		5,227	(43,853)
Dividend paid to minority shareholders of subsidiary		(224)	(922)
Net cash used in financing activities		<u>(58,066)</u>	<u>(110,561)</u>
Net increase/(decrease) in cash and cash equivalents		36,661	(21,823)
Cash and cash equivalents at beginning of the year		125,435	139,292
Currency translation differences		(13,634)	7,966
Cash and cash equivalents at end of the year	B8	<u><u>148,462</u></u>	<u><u>125,435</u></u>

The unaudited Condensed Financial Statement should be read in conjunction with the accompanying explanatory notes.

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

A1 Basis of Preparation of interim financial reports

The interim financial statements are prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) Listing Requirements and should be read in conjunction with the Company’s annual audited financial statements for the year ended 31 March 2014 and the accompanying notes attached to the unaudited condensed consolidated financial statements.

Within the context of these condensed consolidated financial statements, the Group comprises the Company and its subsidiaries, and the Group’s interest in associates and joint ventures as at and for the quarter ended 31 March 2015.

Except as described below, the same accounting policies and methods of computation are followed in the condensed consolidated financial statements as compared with the consolidated financial statements for year ended 31 March 2014.

As of 1 April 2014, the Group has adopted the following MFRSs and amendments which are effective for annual periods beginning on or after 1 January 2014.

Effective for annual periods commencing on or after 1 January 2014

Amendments to MFRS 10	<i>Consolidated Financial Statements: Investment Entities</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities: Investment Entities</i>
Amendments to MFRS 127	<i>Separate Financial Statements (2011): Investment Entities</i>
Amendments to MFRS 132	<i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRS 136	<i>Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets</i>
Amendments to MFRS 139	<i>Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting</i>
IC Interpretation 21	<i>Levies</i>

The adoption of the above MFRSs and amendments does not have any material impact on the financial statements.

A1 Basis of Preparation of interim financial reports (“continued”)

The following MFRS, amendments and interpretations to existing standards that are applicable to the Group but not yet effective and have not been early adopted.

Effective for annual periods commencing on or after 1 July 2014

Amendments to MFRS 1	<i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)</i>
Amendments to MFRS 2	<i>Share-based Payment (Annual Improvements 2010-2012 Cycle)</i>
Amendments to MFRS 3	<i>Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)</i>
Amendments to MFRS 8	<i>Operating Segments (Annual Improvements 2010-2012 Cycle)</i>
Amendments to MFRS 13	<i>Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)</i>
Amendments to MFRS 116	<i>Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)</i>
Amendments to MFRS 119	<i>Employee Benefits – Defined Benefit Plans: Employee Contributions</i>
Amendments to MFRS 124	<i>Related Party Disclosures (Annual Improvements 2010-2012 Cycle)</i>
Amendments to MFRS 138	<i>Intangible Assets (Annual Improvements 2010-2012 Cycle)</i>
Amendments to MFRS 140	<i>Investment Property (Annual Improvements 2011-2013 Cycle)</i>

Effective for annual periods commencing on or after 1 January 2016

MFRS 14	<i>Regulatory Deferral Accounts</i>
Amendments to MFRS 116	<i>Property, plant and equipment (Clarification of Acceptable Methods of Depreciation and Amortisation)</i>
Amendments to MFRS 138	<i>Intangibles Assets (Clarification of Acceptable Methods of Depreciation and Amortisation)</i>
Amendments to MFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>

A1 Basis of Preparation of interim financial reports (“continued”)

Effective for a date yet to be confirmed

MFRS 9	<i>Financial Instruments (2009)</i>
MFRS 9	<i>Financial Instruments (2010)</i>
MFRS 9	<i>Financial Instruments – Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139</i>
Amendments to MFRS 7	<i>Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures</i>

The initial application of the abovementioned accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Company except as mentioned below:

MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

A2 Audit Report for Preceding Annual Financial Statements

The audit report for the Group’s annual financial statements for the year ended 31 March 2014 was not subject to any qualification.

A3 Seasonal or Cyclical Factors

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

A4 Unusual Items

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

A5 Significant Estimates and Changes in Estimates

The Group makes assumptions concerning the future and other sources of estimation uncertainty at the balance sheet date including impairment of intangible assets, depreciation on property, plant and equipment, and deferred tax assets that could arise from unused tax losses and unabsorbed capital allowances.

There were no material changes in estimates reported in the current quarter under review.

A6 Debt and Equity Securities

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

A7 Dividends Paid /Payable

There were no dividends paid during the quarter and financial period ended 31 March 2015.

A8 Segmental Reporting

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

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A8 Segmental Reporting (“continued”)

Revenue and results for twelve months ended 31 March 2015

	Oilfield Services RM'000	Marine Services RM'000	Scomi D&P RM'000	Total RM'000
REVENUE				
External sales	1,282,011	277,931	-	1,559,942
RESULTS				
Profit from operations	128,648	2,646	-	131,294
Finance costs	(24,773)	(2,366)	-	(27,139)
Other operating income	13,787	(1,697)	-	12,090
Share of results in associates	-	(124)	-	(124)
Share of results in joint ventures	-	3,235	(1,863)	1,372
Profit before tax	117,662	1,694	(1,863)	117,493
Taxation	(39,882)	(2,880)	-	(42,762)
Profit for the period	77,780	(1,186)	(1,863)	74,731
Other information				
Depreciation and amortisation	49,401	39,418	-	88,819
Interest income	1,497	724	-	2,221

Revenue and results for twelve months ended 31 March 2014

	Oilfield Services RM'000	Marine Services RM'000	Total RM'000
REVENUE			
External sales	1,236,547	179,447	1,415,994
RESULTS			
Profit from operations	141,980	(2,835)	139,145
Finance costs	(29,991)	(3,445)	(33,436)
Other operating income	14,815	2,332	17,147
Share of results in associates	-	(247)	(247)
Share of results in joint ventures	-	5,310	5,310
Profit before tax	126,804	1,115	127,919
Taxation	(42,121)	(4,867)	(46,988)
Profit for the period	84,683	(3,752)	80,931
Other information			
Depreciation and amortisation	42,927	38,610	81,537
Interest income	1,159	250	1,409

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A8 Segmental Reporting (“continued”)

	Oilfield Services RM'000	Marine Services RM'000	Scomi D&P RM'000	Total RM'000
ASSETS AND LIABILITIES AS AT 31 MARCH 2015				
ASSETS				
Assets employed in the segment	1,128,124	512,260	-	1,640,384
Investment in associates	-	-	-	-
Investment in joint venture	454	66,826	1,863	69,143
	<u>1,128,578</u>	<u>579,086</u>	<u>1,863</u>	<u>1,709,527</u>
<u>Unallocated corporate assets:</u>				
Tax recoverable				14,836
Deferred tax assets				1,583
Total assets				<u>1,725,946</u>
LIABILITIES				
Liabilities in segment	<u>725,815</u>	<u>87,585</u>	-	813,400
<u>Unallocated corporate liabilities:</u>				
Tax payable				28,502
Deferred tax liabilities				4,816
Derivatives financial instruments				46,058
Total liabilities				<u>892,776</u>
Net assets				<u>833,170</u>

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A8 Segmental Reporting (“continued”)

	Oilfield Services RM'000	Marine Services RM'000	Total RM'000
ASSETS AND LIABILITIES			
AS AT 31 MARCH 2014			
ASSETS			
Assets employed in the segment	1,404,253	181,675	1,585,928
Investment in associates	-	124	124
Investment in joint venture	26	54,909	54,935
	<u>1,404,279</u>	<u>236,708</u>	<u>1,640,987</u>
<u>Unallocated corporate assets:</u>			
Tax recoverable			11,952
Deferred tax assets			9,157
Total assets			<u><u>1,662,096</u></u>
LIABILITIES			
Liabilities in segment	<u>831,248</u>	<u>37,497</u>	868,745
<u>Unallocated corporate liabilities:</u>			
Tax payable			16,995
Deferred tax liabilities			5,418
Derivatives financial instruments			29,093
Total liabilities			<u><u>920,251</u></u>
Net assets			<u><u>741,845</u></u>

A9 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.

A10 Material Subsequent Events

There are no material events subsequent to the end of the quarter under review that have not been reflected in these condensed financial statements.

A11 Changes in Composition of the Group

There were no changes in the composition of the Group during the period under review.

A12 Contingent Liabilities

Detail of contingent liabilities of the Group is as follows:-

	RM'000
Contingent liabilities arising from tax matters	<u>1,600</u>

A13 Capital Commitments

Authorised capital commitments 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
Property	-	3,914	3,914
Plant & Machinery	2,085	43,668	45,753
Vessels	88,099	15,138	103,237
Others	29	15,558	15,587
	<u>90,213</u>	<u>78,278</u>	<u>168,491</u>

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A13 Capital Commitments (“continued”)

The future minimum lease payments under non-cancellable operating leases as at 31 March 2015 are as follows:

	Total outstanding RM'000	Expiring within one year RM'000	Expiring between one to five years RM'000
In respect of:			
Building	9,870	3,599	6,271
Plant & Machinery	1,459	1,140	319
Vessels	5,699	5,524	175
Others	1,126	733	393
	<u>18,154</u>	<u>10,996</u>	<u>7,158</u>

A14 Related party transactions

	3 months ended 31 Mar 2015 RM'000	12 months ended 31 Mar 2015 RM'000
Holding company		
Rental expenses	<u>447</u>	<u>1,806</u>
Transactions with companies in which certain substantial shareholders have interest		
Lease of office equipment	18	171
Provision of human resources services	43	204
Administration fees charged	25	122
Air ticket cost charged	204	1,273
Office rental paid/payable	<u>47</u>	<u>185</u>
Transactions with joint ventures		
Chartering services paid/payable	<u>1,368</u>	<u>7,690</u>

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 three reportable segments which are Oilfield Services, Marine Services and Scomi D&P. Oilfield Services provides integrated drilling fluids, drilling waste management solutions and production chemicals while Marine Services consist of coal transportation and offshore support vessel services. Scomi D&P is a new segment providing subsurface, field development and production management services, provision of products and project management services of offshore facilities encompassing pre-development through ready for start-up, operations and maintenance services.

Current quarter vs. corresponding quarter of the preceding year

	Revenue		Profit/(loss) before tax	
	3 Months to		3 Months to	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	RM'000	RM'000	RM'000	RM'000
Operating Segments:				
Oilfield Services	325,812	331,702	33,345	38,663
Marine Services	59,559	41,303	727	(7,127)
Scomi D&P	-	-	(1,863)	-
	<u>385,371</u>	<u>373,005</u>	<u>32,209</u>	<u>31,536</u>

Group

Group revenue for the current quarter increased by RM12.4 million or 3.3% compared to corresponding quarter of the preceding year ("4QFY2014"), mainly due to additional revenue from the TNB Fuel Service Sdn Bhd ("TNBF") contract in the Marine Services division.

Profit before tax for the current quarter increased by RM0.7 million or 2.1% compared to 4QFY2014. The lower growth is primarily due to lower margin derived from both divisions and the share of losses in a joint venture – Ophir Production Sdn Bhd ("OPSB")

B1 Review of Operating Segments (“continued”)

Oilfield Services

The segment's revenue for the current quarter decreased by RM5.9 million or 1.8% as compared to 4QFY2014, mainly due to lower activity level in Malaysia and West Africa and depreciation of Ruble in Russia.

Profit before tax recorded a decrease of RM5.3 million or 13.8% compared to 4QFY2014, mainly due to lower gross margin as a result of less favourable product mix and weaker earnings from West Africa and Russia.

Marine Services

The segment revenue for the current quarter was higher by RM18.2 million or 44.2% compared to 4QFY2014 mainly due to additional contribution from a TNBF contract in Malaysia offset by lower revenue from Indonesia operations due to the weak coal market.

The segment posted a profit before tax of RM0.7million with positive contributions to margin from the TNBF contract and Indonesia operations.

Scomi D&P

The loss of RM1.86million relates to the share of losses in a joint venture - OPSB.

YTD FY2015 vs. YTD FY2014

	Revenue		Profit before tax	
	12 Months to		12 Months to	
	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	RM'000	RM'000	RM'000	RM'000
Operating Segments:				
Oilfield Services	1,282,011	1,236,547	117,662	126,804
Marine Services	277,931	179,447	1,694	1,115
Scomi D&P	-	-	(1,863)	-
	<u>1,559,942</u>	<u>1,415,994</u>	<u>117,493</u>	<u>127,919</u>

Group

Group revenue for the YTD FY2015 increased by RM143.9 million or 10.2% compared to YTD FY2014, mainly due to the additional revenue from a TNBF contract in Marine Services and forex translation.

B1 Review of Operating Segments (“continued”)

Profit before tax for the current year decreased by RM10.4 million or 8.2% compared to YTD FY2014, primarily due to lower margin derived from both divisions and the share of losses in a joint venture - OPSB.

Oilfield Services

The segment’s revenue for current quarter showed an increase of RM45 million due to forex translation.

Profit before tax recorded a decrease of RM9.1 million or 7.2% compared to YTD FY2014, mainly due to overall lower gross margin as a result of less favourable product mix and weaker earnings from West Africa and Russia.

Marine Services

The segment revenue for the current year was higher by RM98.5 million compared to YTD FY2014 mainly due to contribution from a TNBF contract.

However, profit before tax showed only a marginal improvement due to the lower margin of the Malaysia coal business and a one-off reversal in FY2014.

Scomi D&P

The loss of RM1.86million relates to the share of losses in a joint venture - OPSB.

B2 Review of Operating Segments as Compared to Preceding Quarter

	Revenue		Profit/(loss) before tax	
	3 Months to		3 Months to	
	31 Mar 2015	31 Dec 2014	31 Mar 2015	31 Dec 2014
	RM'000	RM'000	RM'000	RM'000
Operating Segments:				
Oilfield Services	325,812	350,392	33,345	29,065
Marine Services	59,559	69,097	727	(1,912)
Scomi D&P	-	-	(1,863)	-
	<u>385,371</u>	<u>419,489</u>	<u>32,209</u>	<u>27,153</u>

Group revenue for the current quarter decreased by RM34.1 million or 8.1% compared to immediate preceding quarter ("3QFY2015"), mainly due to lower activity level in both segments.

Profit before tax for the current quarter increased by RM5.1 million or 18.6% compared to 3QFY2015, primarily due to higher margin derived from both divisions.

Oilfield Services

The segment's revenue for current quarter decreased by RM24.6 million or 7.0% as compared to 3QFY2015, contributed by lower activity level in Malaysia, Myanmar, West Africa, and Gulf offset by higher revenue in Turkmenistan and Thailand.

Profit before tax for the current quarter increased by RM4.3 million or 14.7% as compared to 3QFY2015 due to higher gross margins arising from a more favourable product mix in Malaysia and Turkmenistan.

Marine Services

The segment revenue for the current quarter was lower by RM9.5 million or 13.8% due to lower revenue from TNBF contract and lower utilisation of offshore support vessels.

Profit before tax for the current quarter increased by RM2.6million with higher margins in Indonesia operations due to operating efficiencies.

Scomi D&P

The loss of RM1.86million relates to the share of losses in a joint venture - OPSB.

B3 Current Financial Year Prospects

Group

The environment will be challenging for the Group in the coming year. As activity slows, both in oil & gas and coal sector, we expect some impact in reduced activities to filter to oil & gas service companies.

Oilfield Services

Given the uncertain market environment, the outlook for Oil & Gas sector will continue to be difficult. Nevertheless, we are not dependent on a single market and can leverage on markets that are not severely impacted. The focus on cost management continues and investment in R&D are initiatives which will help us ride out this period.

Marine Services

Marine division outlook continues to remain challenging; latest forecasts show that coal production in Indonesia could drop by up to 24% this year compared to 2014. For FY2016 management will continue to focus their efforts in managing costs to remain competitive and profitable in the midst of the changing industry landscape. Management is also expanding business development efforts to carry non-coal cargo such as logs as well as third party vessels as in the case of TNB Fuel contracts to increase utilisation rates and supplement revenue streams. On the offshore side, further stability to the oil price will allow us to unlock potential upside from the offshore support vessels division. Competition in this area continues to be tough, therefore, management's focus is on keeping rates competitive with the key goal of improving utilisation rates.

Scomi D&P

SESB secured the Ophir RSC where it has a 30% interest through its subsidiary, Scomi D&P Sdn Bhd. The project is expected to contribute to the Group from 1QFY2017. We continue to build our capabilities in this segment, with a view to support the above RSC while exploring other opportunities.

B4 Profit Forecast

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

B5 Corporate Proposals

There are no corporate proposals that have been announced but not completed.

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B6 Profit before taxation

	3 months ended 31 Mar 2015 RM'000	3 months ended 31 Mar 2014 RM'000	12 months ended 31 Mar 2015 RM'000	12 months ended 31 Mar 2014 RM'000
The profit before taxation is arrived at after (charging)/crediting:				
Interest income	849	603	2,221	1,409
Depreciation and amortisation	(22,965)	(21,236)	(88,819)	(81,537)
Recovery/written-back of doubtful debts (Allowance)/written-back of doubtful debts	-	45	851	4,658
Gain/(loss) on foreign exchange - net	(6,079)	-	(7,126)	(5,708)
Gain/(loss) on disposal of property, plant and equipment	13,738	(2,190)	12,309	8,810
Interest expense	97	(448)	98	369
Share of results of associates	(6,930)	(10,189)	(27,139)	(33,436)
Share of results of joint venture	-	(100)	(124)	(247)
	<u>(2,177)</u>	<u>970</u>	<u>1,372</u>	<u>5,310</u>

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B7 Taxation

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

	3 months ended 31 Mar 2015 RM'000	3 months ended 31 Mar 2014 RM'000	12 months ended 31 Mar 2015 RM'000	12 months ended 31 Mar 2014 RM'000
Malaysian income tax				
- current year	1,609	11,568	3,391	16,616
- prior year	-	(1,489)	-	(38)
Foreign income tax				
- current year	16,035	11,565	39,371	30,343
- prior year	-	67	-	67
Total income tax	<u>17,644</u>	<u>21,711</u>	<u>42,762</u>	<u>46,988</u>
Effective tax rate	<u>54.8%</u>	<u>68.8%</u>	<u>36.4%</u>	<u>36.7%</u>

The effective tax rate for the current quarter is higher than the Malaysian tax rate of 25% mainly because of:-

- a. Marine segment taxation that is based on revenue instead of profit in Indonesia
- b. The tax effects of the different tax rates in various jurisdictions and certain expenses not deductible for tax purposes;
- c. The above mentioned income tax is related to the revenues and profits recorded by the operating subsidiaries and there are no group relief for losses.

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B8 Short term deposits, cash and bank balances

Short term deposits, cash and bank balances at the end of the reporting period comprise of:-

	As at 31 Mar 2015 RM'000
Cash and bank balances	152,194
Short term deposits with licensed banks	<u>50,050</u>
	202,244
Less : restricted cash	(51,308)
Less : bank overdraft	<u>(2,474)</u>
Cash and cash equivalents	<u>148,462</u>

The restricted cash comprise deposits pledged to financial institutions for loan facility, bank guarantee and repayment towards loan facility granted to subsidiaries.

B9 Borrowings

The Group borrowings and debts securities as at the end of the reporting period are as follows:

	Current RM'000	Non- Current RM'000	Total RM'000
Borrowings – secured	<u>254,264</u>	<u>177,006</u>	<u>431,270</u>

The Group borrowings and debt securities are denominated in the following currencies:

	RM'000
Ringgit Malaysia	252,105
US Dollar*	173,021
Others	<u>6,144</u>
Total	<u>431,270</u>

* These relate to working capital loans.

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B10 Other reserves

	As at 31 Mar 2015 RM'000	As at 31 Mar 2014 RM'000
Capital reserve	26,881	26,881
Exchange fluctuation reserves	(199,250)	(211,176)
Hedging reserve	(11,667)	(16,559)
Merger reserve	<u>(443,323)</u>	<u>(443,323)</u>
	<u><u>(627,359)</u></u>	<u><u>(644,177)</u></u>

B11 Derivative Financial Liabilities

	Current RM'000	Non- Current RM'000	Total RM'000
Derivatives used for hedging			
Cross currency interest rate swaps ("CCIRS") at fair value	<u>21,349</u>	<u>24,709</u>	<u>46,058</u>

The notional principal amounts of the outstanding CCIRSs at 31 March 2015 were RM215 million.

The Group had entered into CCIRS during 2012 and 2013, that were designated as cash flow hedges to hedge the Group's exposure to foreign exchange risk on its Guaranteed Serial Bond. These contracts entitle the Group to receive principal and fixed interest amounts in RM and oblige the Group to pay principal and fixed interest amounts in USD and the CCIRS reflect the timing of these cash flows. These CCIRS contracts have maturities of up to 4 years from 31 March 2015.

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B12 Retained Earnings

	As at 31 Mar 2015 RM'000	As at 31 Mar 2014 RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries:		
- Realised	1,267,697	1,200,452
- Unrealised	<u>(302,300)</u>	<u>(310,915)</u>
	965,397	889,537
Total share of retained earnings from associated companies:		
- Realised	(16,857)	(16,733)
- Unrealised	-	-
Total share of retained earnings from jointly controlled entities:		
- Realised	24,720	23,348
- Unrealised	<u>-</u>	<u>-</u>
	973,260	896,152
Less : Consolidation adjustments	<u>(584,100)</u>	<u>(584,100)</u>
Total retained earnings	<u><u>389,160</u></u>	<u><u>312,052</u></u>

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B13 Earnings Per Share

	3 months ended 31 Mar 2015 RM'000	3 months ended 31 Mar 2014 RM'000	12 months ended 31 Mar 2015 RM'000	12 months ended 31 Mar 2014 RM'000
<u>Basic and diluted earnings per share</u>				
Profit for the period	15,488	11,858	77,108	81,875
Issued and paid-up capital	2,341,775	2,341,775	2,341,775	2,341,775
Less : Treasury shares	(145)	(145)	(145)	(145)
Weighted average number of ordinary shares in issue ('000)	<u>2,341,630</u>	<u>2,341,630</u>	<u>2,341,630</u>	<u>2,341,630</u>
Basic earnings per share (sen)	<u>0.66</u>	<u>0.51</u>	<u>3.29</u>	<u>3.50</u>

B14 Material Litigation

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

B15 Proposed Dividend

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

B16 Authorised For Issue

The interim financial statements were authorised for issue on 21 May 2015 by the Board of Directors.