

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2016

	3 months ended 30 June 2016 RM'000	3 months ended 30 June 2015 RM'000	Cumulative period 3 months ended 30 June 2016 RM'000	Cumulative period 3 months ended 30 June 2015 RM'000
Revenue	204,591	333,803	204,591	333,803
Cost of sales	(178,873)	(268,527)	(178,873)	(268,527)
Gross profit	25,718	65,276	25,718	65,276
Other (expenses) / income	982	2,319	982	2,319
Administrative expenses	(20,813)	(25,339)	(20,813)	(25,339)
Marketing and selling expenses	(14,284)	(17,005)	(14,284)	(17,005)
Other expenses	(1,689)	(1,772)	(1,689)	(1,772)
Finance expenses	(5,593)	(6,945)	(5,593)	(6,945)
Finance income	193	182	193	182
Share of results of JV and associates	(2,364)	861	(2,364)	861
Profit before tax	(17,850)	17,577	(17,850)	17,577
Taxation	(3,951)	(5,915)	(3,951)	(5,915)
Profit for the period	(21,801)	11,662	(21,801)	11,662
Other comprehensive income				
Currency translation differences	18,495	9,702	18,495	9,702
Cash flow hedges	1,483	9,925	1,483	9,925
	19,978	19,627	19,978	19,627
Total comprehensive income for the period	(1,823)	31,289	(1,823)	31,289
Profit attributable to :				
Owners of the Company	(18,002)	12,038	(18,002)	12,038
Non-controlling interests	(3,799)	(376)	(3,799)	(376)
Profit for the period	(21,801)	11,662	(21,801)	11,662
Total comprehensive income attributable to:				
Owners of the Company	1,976	31,665	1,976	31,665
Non-controlling interests	(3,799)	(376)	(3,799)	(376)
	(1,823)	31,289	(1,823)	31,289
Earnings per share				
- Basic and diluted (Sen)	(0.77)	0.51	(0.77)	0.51

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

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	As at 30 June 2016 RM'000	As at 31 Mar 2016 RM'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		537,515	536,985
Investment properties		2,470	2,440
Investment in associates		7,439	7,439
Investment in joint ventures		65,149	66,081
Intangible assets		119,649	117,879
Deferred tax assets		3,924	7,885
Other receivables		1,875	335
		<u>738,021</u>	<u>739,044</u>
CURRENT ASSETS			
Inventories		199,605	205,952
Trade and other receivables		422,030	441,710
Current tax assets		19,360	17,378
Cash and bank balances	B8	135,728	155,858
		<u>776,723</u>	<u>820,898</u>
TOTAL ASSETS		<u>1,514,744</u>	<u>1,559,942</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		1,005,535	1,005,535
Treasury shares		(50)	(50)
Other reserves	B10	(555,549)	(575,527)
Retained earnings	B12	360,605	378,607
Total equity attributable to owners of the Company		<u>810,541</u>	<u>808,565</u>
Non-controlling interests		53,416	57,215
TOTAL EQUITY		<u>863,957</u>	<u>865,780</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings	B9	105,820	103,005
Provision for retirement benefits		8,787	7,359
Other payables		5,584	5,584
Derivative financial liabilities	B11	35,520	28,845
Deferred tax liabilities		5,550	8,602
		<u>161,261</u>	<u>153,395</u>
CURRENT LIABILITIES			
Trade and other payables		272,621	305,541
Loans and borrowings	B9	178,669	197,367
Derivative financial liabilities	B11	13,327	15,247
Current tax liabilities		24,909	22,612
		<u>489,526</u>	<u>540,767</u>
TOTAL LIABILITIES		<u>650,787</u>	<u>694,162</u>
TOTAL EQUITY AND LIABILITIES		<u>1,514,744</u>	<u>1,559,942</u>
Net assets per share (RM)		<u>0.35</u>	<u>0.35</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 30 JUNE 2016

	<u>Attributable to owners of the Company</u>						
	Share capital RM '000	Treasury shares 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 2016	1,005,535	(50)	(575,527)	378,607	808,565	57,215	865,780
Total comprehensive income for the year	-	-	19,978	(18,002)	1,976	(3,799)	(1,823)
As at 30 June 2016	1,005,535	(50)	(555,549)	360,605	810,541	53,416	863,957
Audited							
As at 1 April 2015, restated	1,005,535	(48)	(613,230)	381,341	773,598	66,399	839,997
Total comprehensive income for the year	-	-	37,703	(2,734)	34,969	(9,184)	25,785
Repurchased during the year	-	(2)	-	-	(2)	-	(2)
As at 31 March 2016	1,005,535	(50)	(575,527)	378,607	808,565	57,215	865,780

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

UNAUDITED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 JUNE 2016

	Note	3 months ended 30 June 2016 RM'000	3 months ended 30 June 2015 RM'000
Cash Flows From Operating Activities			
Profit before tax		(17,850)	17,577
Adjustments for non-cash items:		25,797	19,731
Changes in working capital:			
Inventories		6,347	4,090
Receivables		14,001	(6,674)
Payables		(24,189)	25,597
Cash generated from operations		4,106	60,321
Tax paid		(5,692)	(5,108)
Interest received		193	182
Net cash generated from operating activities		(1,393)	55,395
Cash Flows From Investing Activities			
Proceeds from disposal of property, plant and equipment		52	61
Purchase of property, plant and equipment		(4,202)	(8,815)
Net cash used in investing activities		(4,150)	(8,754)
Cash Flows From Financing Activities			
Repayment of borrowings		(14,493)	(29,507)
Interest paid on borrowings		(4,963)	(6,384)
Decrease in short term deposit pledged as securities		(16,737)	(10,725)
Net cash used in financing activities		(36,193)	(46,616)
Net (decrease)/increase in cash and cash equivalents		(41,736)	25
Cash and cash equivalents at beginning of the year		109,381	151,693
Currency translation differences		4,866	(3,891)
Cash and cash equivalents at end of the period	B8	72,511	147,827

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 2016 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 2017.

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 2016.

The following are accounting standards, amendments and interpretations of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*

A1 Basis of Preparation of interim financial reports ("continued")

- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- Amendments to MFRS 107, *Statement of Cash Flows – Disclosure Initiative*
- Amendments to MFRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments* (2014)
- MFRS 15, *Revenue from Contracts with Customers*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plans to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 April 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016.
- from the annual period beginning on 1 April 2017 for those amendments that are effective for annual periods beginning on or after 1 January 2017.
- from the annual period beginning on 1 April 2018 for those accounting standards, that are effective for annual periods beginning on or after 1 January 2018.
- from the annual period beginning on 1 April 2019 for those accounting standards, that are effective for annual periods beginning on or after 1 January 2019.

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

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

MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 15.

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.

MFRS 16, Leases

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

Amendments to MFRS 10, Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception

The amendments to MFRS 10, MFRS 12 and MFRS 128 require an investment entity parent to fair value a subsidiary providing investment-related services that is itself an investment entity, an intermediate parent owned by an investment entity group can be exempt from preparing consolidated financial statements and a non-investment entity investor can retain the fair value accounting applied by its investment entity associate or joint venture.

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

A2 Audit Report for Preceding Annual Financial Statements

The audit report for the Group's annual financial statements for the year ended 31 March 2016 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

The Company had performed a share buy-back transaction on 3 June 2016 which consists of 5,000 shares at RM0.215 each.

A7 Dividends Paid / Payable

There were no dividends paid during the quarter and financial period ended 30 June 2016.

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A8 Segmental Reporting

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

Revenue and results for three months ended 30 June 2016

	Drilling Services RM'000	Marine Services RM'000	Development and Production Asset and Services RM'000	Total RM'000
REVENUE				
External sales	154,741	49,621	229	204,591
RESULTS				
Profit from operations	(2,339)	(8,101)	(435)	(10,875)
Realised loss on foreign exchange	(1,089)	(23)	-	(1,112)
Unrealised gain/(loss) on foreign exchange	2,266	(584)	-	1,682
Finance costs	(5,578)	(15)	-	(5,593)
Other operating income	433	(21)	-	412
Share of results in joint ventures	-	(1,765)	(599)	(2,364)
Profit before tax	(6,307)	(10,509)	(1,034)	(17,850)
Taxation	(3,435)	(516)	-	(3,951)
Profit for the period	(9,742)	(11,025)	(1,034)	(21,801)
Other information				
Depreciation and amortisation	12,066	12,846	-	24,912
Interest income	174	19	-	193
Addition to non-current assets other than financial instruments and deferred tax assets	(26,339)	(10,914)	(10)	(37,263)

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A8 Segmental Reporting (“continued”)

Revenue and results for three months ended 30 June 2015

	Drilling Services RM'000	Marine Services RM'000	Development and Production Asset and Services RM'000	Total RM'000
REVENUE				
External sales	283,828	49,975	-	333,803
RESULTS				
Profit from operations	24,749	(3,361)	(46)	21,342
Realised gain on foreign exchange	2,143	235	-	2,378
Unrealised gain/(loss) on foreign exchange	1,054	(1,155)	-	(101)
Finance costs	(6,792)	(153)	-	(6,945)
Other operating income	37	5	-	42
Share of results in joint ventures	-	2,058	(1,197)	861
Profit before tax	21,191	(2,371)	(1,243)	17,577
Taxation	(5,562)	(353)	-	(5,915)
Profit for the period	15,629	(2,724)	(1,243)	11,662
Other information				
Depreciation and amortisation	12,617	10,242	-	22,859
Interest income	160	22	-	182
Addition to non-current assets other than financial instruments and deferred tax assets	(6,813)	613	(1,197)	(7,397)

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A8 Segmental Reporting (“continued”)

	Drilling Services RM'000	Marine Services RM'000	Development and Production Asset and Services RM'000	Total RM'000
ASSETS AND LIABILITIES AS AT 30 JUNE 2016				
ASSETS				
Assets employed in the segment	941,385	477,218	269	1,418,872
Investment in joint venture	882	54,685	9,582	65,149
	<u>942,267</u>	<u>539,342</u>	<u>9,851</u>	<u>1,491,460</u>
<u>Unallocated corporate assets:</u>				
Current tax assets				19,360
Deferred tax assets				3,924
Total assets				<u><u>1,514,744</u></u>
LIABILITIES				
Liabilities in segment	<u>510,872</u>	<u>58,367</u>	<u>2,242</u>	571,481
<u>Unallocated corporate liabilities:</u>				
Tax payable				24,909
Deferred tax liabilities				5,550
Derivatives financial instruments				48,847
Total liabilities				<u><u>650,787</u></u>
Net assets				<u><u>863,957</u></u>

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A8 Segmental Reporting ("continued")

	Drilling Services RM'000	Marine Services RM'000	Development and Production Asset and Services RM'000	Total RM'000
ASSETS AND LIABILITIES AS AT 30 JUNE 2015				
ASSETS				
Assets employed in the segment	1,077,954	632,457	66	1,710,477
Investment in associates	-	-	-	-
Investment in joint venture	455	60,503	9,592	70,550
	<u>1,078,409</u>	<u>692,960</u>	<u>9,658</u>	<u>1,781,027</u>
<u>Unallocated corporate assets:</u>				
Tax recoverable				16,801
Deferred tax assets				5,001
Total assets				<u>1,802,829</u>
LIABILITIES				
Liabilities in segment	<u>647,286</u>	<u>185,984</u>	<u>9,712</u>	842,982
<u>Unallocated corporate liabilities:</u>				
Tax payable				22,732
Deferred tax liabilities				7,833
Derivatives financial instruments				49,405
Total liabilities				<u>922,952</u>
Net assets				<u>879,877</u>

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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>2,000</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	-	1,667	1,667
Plant & Machinery	2,033	12,866	14,899
Vessels	-	29,274	29,274
Others	138	4,039	4,177
	<u>2,171</u>	<u>47,846</u>	<u>50,017</u>

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A13 Capital Commitments ("continued")

The future minimum lease payments under non-cancellable operating leases as at 30 June 2016 are as follows:

	30 June 2016 RM'000
Less than one year	6,849
Between one and five years	11,601
	<u>18,450</u>

A14 Related party transactions

	3 months ended 30 June 2016 RM'000
Holding company	
Rental expenses	<u>414</u>
Transactions with companies in which certain substantial shareholders have interest	
Lease of office equipment	24
Provision of human resources services	28
Administration fees charged	83
Air ticket cost charged	161
Office rental paid/payable	<u>44</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 Drilling Services, Marine Services and Development and Production Asset and Services. Drilling Services provides integrated drilling fluids, drilling waste management solutions and production chemicals while Marine Services consist of coal transportation and offshore support vessel services. Development and Production Asset and Services provides 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	
	30 June	30 June	30 June	30 June
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Operating Segments:				
Drilling Services	154,741	283,828	(6,307)	21,191
Marine Services	49,621	49,975	(10,509)	(2,371)
Development and Production Asset and Services	229	-	(1,034)	(1,243)
	<u>204,591</u>	<u>333,803</u>	<u>(17,850)</u>	<u>17,577</u>

Group

Group revenue for the current quarter decreased by RM129.2 million or 38.7% compared to the corresponding quarter of the preceding year ("1QFY2016") due to lower activity in Drilling Services.

Loss Before Tax was RM17.8 million due to lower revenue and fixed costs in place, particularly in Marine Services.

Drilling Services

The segment's revenue for the current quarter decreased by RM129.1 million or 45.5% as compared to 1QFY2016, mainly due to lower activity particularly in Malaysia, Indonesia and West Africa but partially offset by growth in Russia. Due to the low oil prices, customers have been cautious in their drilling plans, resulting in projects being deferred or delayed.

Loss Before Tax for the current quarter of RM6.3 million was mainly due to the lower top line with certain fixed costs in place. Operating Expenditure was lower by 22.1% (in US\$ terms) compared to previous quarter as a result of continuous cost-cutting initiatives.

B1 Review of Operating Segments (“continued”)

Marine Services

The segment revenue for the current quarter was lower by RM0.1 million or 0.7% compared to 1QFY2016 mainly due to low utilisation of offshore vessels. The Coal unit has remained flat quarter-on-quarter while Offshore Vessels remained idle.

Loss Before Tax was RM10.5 million due to lower revenue and fixed costs in place, specifically the cost incurred for the idle Offshore Vessels.

Development & Production Asset and Services

The Loss Before Tax is mainly due to share of losses in a joint venture – Ophir Productions Sdn. Bhd. (“OPSB”).

B2 Review of Operating Segments as Compared to Preceding Quarter

Loss Before Tax was RM17.8 million compared to a Loss Before Tax of RM33.9 million in the preceding quarter. The Loss Before Tax in the preceding quarter includes Non-Recurring Charges of RM44.3 million. The Loss Before Tax for the current quarter is mainly due to lower drilling activities and the cost incurred for the unutilized offshore vessels.

B3 Current Financial Year Prospects

Drilling Services

Low oil price environment is expected to remain in the near term impacting drilling activity. As spending by customers continue to dip, pricing pressures are likely to impact margins. We are exploring possibilities of bringing new products to market by leveraging on strategic initiatives and tie-ups. Costs management continue to be our primary focus as we undertake various initiatives to improve efficiency and operating structure.

Marine Services

Market continues to remain challenging with the Coal market expected to remain flat in coming quarters. Offshore vessels continue to remain unutilized though management is focused on being very competitive with our charters. We are extending the segment's geographical reach by forming alliances with other energy players in the region in order to maximize the utilization potential of the vessels.

Development and Production Asset and Services

OPSB continues to streamline its Capex and Operating expenses in order to operate within a lean cost structure to mitigate the impact of low oil prices. First oil is re-scheduled to mid-2017 as agreed with Petronas.

B4 Profit Forecast

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

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B5 Corporate Proposals

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

B6 Profit before taxation

	Current quarter 3 months ended 30 June 2016 RM'000	Current quarter 3 months ended 30 June 2015 RM'000	Cumulative period 3 months ended 30 June 2016 RM'000	Cumulative period 3 months ended 30 June 2015 RM'000
The profit before taxation is arrived at after (charging)/crediting:				
Interest income	193	182	193	182
Depreciation and amortisation	(24,912)	(22,859)	(24,912)	(22,859)
Gain on foreign exchange - net	570	2,277	570	2,277
(Loss)/gain on disposal of property, plant and equipment	(57)	245	(57)	245
Interest expense	(4,963)	(6,384)	(4,963)	(6,384)
Share of results of joint ventures	(2,364)	861	(2,364)	861
	<u>(2,364)</u>	<u>861</u>	<u>(2,364)</u>	<u>861</u>

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B7 Taxation

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

	Current quarter 3 months ended 30 June 2016 RM'000	Current quarter 3 months ended 30 June 2015 RM'000	Cumulative period 3 months ended 30 June 2016 RM'000	Cumulative period 3 months ended 30 June 2015 RM'000
Malaysian income tax				
- current year	184	311	184	311
Foreign income tax				
- current year	<u>3,767</u>	<u>5,604</u>	<u>3,767</u>	<u>5,604</u>
Total income tax	<u>3,951</u>	<u>5,915</u>	<u>3,951</u>	<u>5,915</u>
Effective tax rate	<u>-22.1%</u>	<u>33.7%</u>	<u>-22.1%</u>	<u>33.7%</u>

The variance in the effective tax rate for the current quarter compared to the Malaysian tax rate of 24% mainly because of:-

- Losses in certain tax jurisdictions not qualifying for tax relief.
- The tax effects of the different tax rates in various jurisdictions and certain expenses not deductible for tax purposes;
- 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 Cash and bank balances

Cash and bank balances at the end of the reporting period comprise of:-

	As at 30 June 2016 RM'000
Cash and bank balances	64,215
Short term deposits with licensed banks	71,513
	<u>135,728</u>
Less : restricted cash	(60,753)
Less : bank overdraft	(2,464)
Cash and cash equivalents	<u>72,511</u>

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

B9 Loans and 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>178,669</u>	<u>105,820</u>	<u>284,489</u>

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

	RM'000
Ringgit Malaysia	195,119
US Dollar*	89,314
Others	56
Total	<u>284,489</u>

* *These relate to working capital loans.*

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B10 Other reserves

	As at 30 June 2016 RM'000	As at 31 March 2016 RM'000
Capital reserve	26,881	26,881
Translation reserves	(147,751)	(166,246)
Hedging reserve	8,644	7,161
Merger reserve	(443,323)	(443,323)
	<u>(555,549)</u>	<u>(575,527)</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>13,327</u>	<u>35,520</u>	<u>48,847</u>

The notional principal amounts of the outstanding CCIRSs at 30 June 2016 were RM160 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 2 years from 31 March 2016.

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B12 Retained Earnings

	As at 30 June 2016 RM'000	As at 31 Mar 2016 RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries:		
- Realised	1,249,915	1,318,941
- Unrealised	<u>(309,461)</u>	<u>(360,653)</u>
	940,454	958,288
Total share of retained earnings from associated companies:		
- Realised	(16,733)	(9,418)
- Unrealised	-	-
Total share of retained earnings from jointly controlled entities:		
- Realised	20,984	13,837
- Unrealised	<u>-</u>	<u>-</u>
	944,705	962,707
Less : Consolidation adjustments	<u>(584,100)</u>	<u>(584,100)</u>
Total retained earnings	<u><u>360,605</u></u>	<u><u>378,607</u></u>

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B13 Earnings Per Share

	3 months ended 30 June 2016 RM'000	3 months ended 30 June 2015 RM'000	3 months ended 30 June 2016 RM'000	3 months ended 30 June 2015 RM'000
<u>Basic and diluted earnings per share</u>				
Profit for the period	(18,002)	12,038	(18,002)	12,038
Issued and paid-up capital	2,341,775	2,341,775	2,341,775	2,341,775
Less : Treasury shares	(149)	(145)	(149)	(145)
Weighted average number of ordinary shares in issue ('000)	<u>2,341,626</u>	<u>2,341,630</u>	<u>2,341,626</u>	<u>2,341,630</u>
Basic earnings per share (sen)	<u>(0.77)</u>	<u>0.51</u>	<u>(0.77)</u>	<u>0.51</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.

B17 Authorised For Issue

The interim financial statements were authorised for issue on 11 August 2016 by the Board of Directors.