

**SCOMI ENERGY SERVICES BHD 199601025627 (397979-A)**  
**(Incorporated in Malaysia)**

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2021**

	<b>3 months ended 30 June 2021 RM'000</b>	<b>3 months ended 30 June 2020 RM'000</b>	<b>Cumulative period 12 months ended 30 June 2021 RM'000</b>	<b>Cumulative period 12 months ended 30 June 2020 RM'000</b>
<b>Revenue</b>	<b>81,845</b>	<b>74,359</b>	<b>308,499</b>	<b>416,901</b>
Cost of sales	(74,968)	(69,389)	(271,237)	(332,471)
<b>Gross profit</b>	<b>6,877</b>	<b>4,970</b>	<b>37,262</b>	<b>84,430</b>
Other income/(expenses)	(7,358)	(142,446)	(11,847)	(149,983)
Administrative expenses	(17,717)	(5,639)	(48,229)	(44,249)
Marketing and selling expenses	(3,468)	(4,740)	(21,405)	(28,796)
Other operating expenses	10,352	1,761	4,836	13
Net loss on impairment of financial instruments	(974)	(18,171)	(974)	(18,171)
Finance expenses	(4,996)	(6,086)	(12,747)	(17,910)
Finance income	(40)	15	35	2,073
Share of results of JV and associates	-	(2)	-	105
Impairment of Asset held for sale	(300)	-	(300)	-
Impairment of Assets of disposal group classified as held for sale	(153,523)	-	(153,523)	-
<b>(Loss)/profit before tax</b>	<b>(171,147)</b>	<b>(170,338)</b>	<b>(206,892)</b>	<b>(172,488)</b>
Taxation	(1,579)	(6,412)	(5,735)	(13,121)
<b>Loss for the period</b>	<b>(172,726)</b>	<b>(176,750)</b>	<b>(212,627)</b>	<b>(185,609)</b>
<b>Other comprehensive (loss)/profit</b>				
Currency translation differences	(1,839)	10,383	(1,201)	(22,963)
<b>Total comprehensive loss for the period</b>	<b>(174,565)</b>	<b>(166,367)</b>	<b>(213,828)</b>	<b>(208,572)</b>
<b>(Loss)/profit attributable to:</b>				
Owners of the Company	(170,901)	(175,633)	(211,574)	(184,286)
Non-controlling interests	(1,825)	(1,117)	(1,053)	(1,323)
<b>Loss for the period</b>	<b>(172,726)</b>	<b>(176,750)</b>	<b>(212,627)</b>	<b>(185,609)</b>
Loss from continuing business	(22,053)	(170,269)	(53,135)	(175,785)
Loss from discontinuing business	(150,673)	(6,481)	(159,492)	(9,824)
<b>Loss for the period</b>	<b>(172,726)</b>	<b>(176,750)</b>	<b>(212,627)</b>	<b>(185,609)</b>
<b>Total comprehensive loss attributable to:</b>				
Owners of the Company				
- From continuing business	(14,495)	(171,343)	(52,013)	(194,102)
- From discontinuing business	(158,245)	6,093	(160,762)	(13,147)
	(172,740)	(165,250)	(212,775)	(207,249)
Non-controlling interests	(1,825)	(1,117)	(1,053)	(1,323)
	<b>(174,565)</b>	<b>(166,367)</b>	<b>(213,828)</b>	<b>(208,572)</b>
<b>Earnings per share</b>				
- Basic and diluted (Sen)	<b>(36.49)</b>	<b>(37.51)</b>	<b>(45.18)</b>	<b>(39.36)</b>

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

**SCOMI ENERGY SERVICES BHD 199601025627 (397979-A)**  
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**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Note	As at 30 June 2021 RM'000	As at 30 June 2020 RM'000 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		43,323	258,778
Right-of-use assets		6,020	14,289
Investment in associates		9,689	9,689
Deferred tax assets		369	1,199
Other receivables		5,887	14,759
		<u>65,288</u>	<u>298,714</u>
<b>CURRENT ASSETS</b>			
Inventories		44,503	72,277
Trade and other receivables		78,069	129,480
Tax recoverable		10,717	14,032
Cash and bank balances	B8	58,482	48,537
		<u>191,771</u>	<u>264,326</u>
Asset held for sale		6,000	-
Assets of disposal group classified as held for sale		52,220	-
		<u>249,991</u>	<u>264,326</u>
<b>TOTAL ASSETS</b>		<b><u>315,279</u></b>	<b><u>563,040</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Share capital		445,535	445,535
Treasury shares		(51)	(51)
Other reserves	B10	(548,089)	(546,888)
Retained earnings		87,557	299,131
<b>Total equity attributable to owners of the Company</b>		<u>(15,048)</u>	<u>197,727</u>
Non-controlling interests		33,376	34,429
<b>TOTAL EQUITY</b>		<u>18,328</u>	<u>232,156</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Provision for retirement benefits		3,028	7,011
Other payables		1,104	1,074
Deferred tax liabilities		2,717	3,729
Lease liabilities		1,066	6,031
		<u>7,915</u>	<u>17,845</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		120,709	158,293
Loans and borrowings	B9	131,938	124,644
Lease liabilities		3,920	7,633
Current tax liabilities		18,459	22,469
		<u>275,026</u>	<u>313,039</u>
Liabilities of disposal group classified as held for sale		14,010	-
<b>TOTAL LIABILITIES</b>		<b><u>296,951</u></b>	<b><u>330,884</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>315,279</u></b>	<b><u>563,040</u></b>
Net assets per share (RM)		<u>(0.03)</u>	<u>0.42</u>

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

**SCOMI ENERGY SERVICES BHD 199601025627 (397979-A)**  
**(Incorporated in Malaysia)**

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2021**

	<b>Attributable to owners of the Company</b>				<b>Total RM '000</b>	<b>Non- controlling interests RM '000</b>	<b>Total equity RM '000</b>
	<b>Share capital RM '000</b>	<b>Treasury shares RM'000</b>	<b>Other reserves RM '000</b>	<b>Retained earnings RM '000</b>			
<b>As at 1 July 2020</b>	445,535	(51)	(546,888)	299,131	197,727	34,429	232,156
Total comprehensive profit/(loss) for the year	-	-	(1,201)	(211,574)	(212,775)	(1,053)	(213,828)
<b>As at 30 June 2021</b>	<b>445,535</b>	<b>(51)</b>	<b>(548,089)</b>	<b>87,557</b>	<b>(15,048)</b>	<b>33,376</b>	<b>18,328</b>
<b>Audited</b>							
<b>As at 1 July 2019</b>	1,005,535	(51)	(527,259)	(73,450)	404,775	33,221	437,996
Total comprehensive (loss)/profit for the year	(560,000)	-	(19,629)	372,581	(207,048)	1,208	(205,840)
<b>As at 30 June 2020</b>	<b>445,535</b>	<b>(51)</b>	<b>(546,888)</b>	<b>299,131</b>	<b>197,727</b>	<b>34,429</b>	<b>232,156</b>

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

**SCOMI ENERGY SERVICES BHD 199601025627 (397979-A)**  
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**UNAUDITED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE 2021**

	Note	12 months ended 30 June 2021 RM'000	12 months ended 30 June 2020 RM'000 (Audited)
<b>Cash Flows From Operating Activities</b>			
Loss before tax		(206,892)	(173,778)
Adjustments for non-cash items:		238,772	192,226
Changes in working capital:			
Inventories		20,024	13,347
Receivables		38,145	73,653
Payables		(37,335)	(43,666)
Cash generated from operations		52,714	61,782
Tax paid		(6,796)	(11,482)
Retirement benefits paid		-	(1,841)
Interest received		35	660
Net cash from operating activities		45,953	49,119
<b>Cash Flows From Investing Activities</b>			
Proceeds from disposal of property, plant and equipment		-	6,521
Purchase of property, plant and equipment		(30,289)	(8,607)
Proceeds from disposal of subsidiaries		1,571	-
Repayment from associates & joint controlled entity		1,275	-
Proceeds from disposal of joint controlled entity		1,500	-
Additional investment in jointly controlled entity		-	18
Net cash used in investing activities		(25,943)	(2,068)
<b>Cash Flows From Financing Activities</b>			
Payment of lease liabilities		(8,679)	(7,989)
Repayment of borrowings		-	(52,300)
Interest paid on borrowings		-	(9,864)
Decrease in short term deposit pledged as securities		307	23,566
Net cash from/(used in) financing activities		(8,372)	(46,587)
Net increase in cash and cash equivalents		11,638	464
<b>Cash and cash equivalents at beginning of the year</b>		45,023	38,668
Currency translation differences		(1,386)	5,891
<b>Cash and cash equivalents at end of the year</b>	B8	55,275	45,023

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

**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS – MFRS 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 30 June 2020 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 year ended 30 June 2021.

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 30 June 2020.

The following are amendments to the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") and have not been adopted by the Group and the Company:

***Amendments effective for annual periods beginning on or after 1 January 2020***

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

***Amendment effective for annual periods beginning on or after 1 June 2020***

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

***Amendment effective for annual periods beginning on or after 1 January 2021***

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

**A1 Basis of Preparation of Interim Financial Reports (“Continued”)**

***Amendments effective for annual periods beginning on or after 1 January 2022***

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

***MFRS and amendment effective for annual periods beginning on or after 1 January 2023***

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

***Amendments effective for annual periods beginning on or after 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, interpretations and amendments:

- from the annual period beginning on 1 July 2020 for those amendments that are effective for annual periods beginning on or after 1 January 2020 and 1 June 2020;
- from the annual period beginning on 1 July 2021 for those amendments that are effective for annual periods beginning on or after 1 January 2021, except for amendments to MFRS 4, which is not applicable to the Group and the Company;

**A1 Basis of Preparation of Interim Financial Reports (Continued)**

- from the annual period beginning on 1 July 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for amendments to MFRS 141, which is not applicable to the Group and the Company; and
- from the annual period beginning on 1 July 2023 for the amendments that are effective for annual periods beginning on or after 1 January 2023, except for amendments to MFRS 17, which is not applicable to the Group and the Company.

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 the Company.

**A2 Audit Report for Preceding Annual Financial Statements**

The external auditors of the Company, Messrs KPMG PLT, have expressed a "Disclaimer of Opinion" in their audit report for the financial year ended 30 June 2020 in respect of the uncertainty surrounding the going concern in view of the event of default due to the non-repayment of the bond due in December 2019 and consequent cross defaults on the other credit facilities.

Arising from the uncertainty related to going concern, on 20 January 2020, the Company announced that it had been classified as an affected listed issuer pursuant to Paragraph 2.1 (e) of Practice Note 17 ("PN17") under the Main Market Listing Requirements of Bursa Malaysia.

The Company is currently engaged with the secured lenders towards an amicable resolution to address the repayment of the outstanding borrowings and is in the midst of formulating a regularisation plan to address its PN17 status.

**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 other than as disclosed in these unaudited condensed consolidated interim financial statements.

**A5 Material Changes in Estimates**

There were no material changes in estimates other than as disclosed in these unaudited condensed consolidated interim financial statements that have a material effect on the results for the current quarter under review.

**A6 Debt and Equity Securities**

There has been no repurchase of shares during the quarter.

**A7 Dividends Paid/Payable**

There were no dividends paid during the period ended 30 June 2021.



**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 twelve months ended 30 June 2021**

	<b>Drilling Services RM'000</b>	<b>Marine Services RM'000</b>	<b>Total RM'000</b>
<b>REVENUE</b>			
External sales	239,367	69,132	308,499
<b>RESULTS</b>			
Loss from operations	(22,907)	(7,102)	(30,009)
Realised loss on foreign exchange	291	-	291
Unrealised loss on foreign exchange	(5,382)	(685)	(6,067)
Finance costs	(12,747)	-	(12,747)
Other expenses	(6,825)	2,288	(4,537)
Impairment of Asset held for sale	(300)	-	(300)
Impairment of Assets of disposal group classified as held for sale	-	(153,523)	(153,523)
Loss before tax	(47,870)	(159,022)	(206,892)
Taxation	(5,265)	(470)	(5,735)
Loss for the period	(53,135)	(159,492)	(212,627)
<b>Other information</b>			
Depreciation and amortisation	22,409	30,507	52,916
Interest income	31	4	35
Addition to non-current assets other than financial instruments and deferred tax assets	(96,651)	(52,274)	(148,925)

**A8 Segmental Reporting (Continued)**

	<b>Drilling Services RM'000</b>	<b>Marine Services RM'000</b>	<b>Total RM'000</b>
<b>ASSETS AND LIABILITIES AS AT 30 JUNE 2021</b>			
<b>ASSETS</b>			
Assets employed in the segment	232,292	3,992	236,284
Investment in associates	-	9,689	9,689
	<u>232,292</u>	<u>13,681</u>	<u>245,973</u>
<u>Unallocated corporate assets:</u>			
Current tax assets			10,717
Deferred tax assets			369
Asset held for sale			6,000
Assets of disposal group classified as held for sale			52,220
Total assets			<u>315,279</u>
<b>LIABILITIES</b>			
Liabilities in segment	<u>252,662</u>	<u>9,103</u>	261,765
<u>Unallocated corporate liabilities:</u>			
Tax payable			18,459
Deferred tax liabilities			2,717
Liabilities of disposal group classified as held for sale			14,010
Total liabilities			<u>296,951</u>
<b>Net assets</b>			<u>18,328</u>

**SCOMI ENERGY SERVICES BHD 199601025627 (397979-A)**  
**(Incorporated in Malaysia)**

**A8 Segmental Reporting (Continued)**

**Revenue and results for twelve months ended 30 June 2020**

	<b>Drilling Services RM'000</b>	<b>Marine Services RM'000</b>	<b>Total RM'000</b>
<b>REVENUE</b>			
External sales	320,568	96,333	416,901
<b>RESULTS</b>			
Loss from operations	(99,838)	(9,163)	(109,001)
Realised (loss)/gain on foreign exchange	9,253	1,354	10,607
Unrealised gain on foreign exchange	4,337	2,117	6,454
Finance costs	(16,232)	(1,678)	(17,910)
Other expense/income	(62,970)	227	(62,743)
Share of results in joint ventures	105	-	105
Profit/(loss) before tax	(165,345)	(7,143)	(172,488)
Taxation	(10,439)	(2,682)	(13,121)
Loss for the period	(175,784)	(9,825)	(185,609)
<b>Other information</b>			
Depreciation and amortisation	28,392	29,939	58,331
Interest income	652	1,421	2,073
Addition to non-current assets other than financial instruments and deferred tax assets	(68,579)	(23,723)	(92,302)
	<b>Drilling Services RM'000</b>	<b>Marine Services RM'000</b>	<b>Total RM'000</b>
<b>ASSETS AND LIABILITIES AS AT 30 JUNE 2020 (Audited)</b>			
<b>ASSETS</b>			
Assets employed in the segment	314,514	223,606	538,120
Investment in associates	-	9,689	9,689
Investment in joint venture	-	-	-
	<u>314,514</u>	<u>233,295</u>	<u>547,809</u>
<u>Unallocated corporate assets:</u>			
Current tax assets			14,032
Deferred tax assets			1,199
Total assets			<u>563,040</u>
<b>LIABILITIES</b>			
Liabilities in segment	<u>266,056</u>	<u>38,630</u>	304,686
<u>Unallocated corporate liabilities:</u>			
Tax payable			22,469
Deferred tax liabilities			3,729
Total liabilities			<u>330,884</u>
<b>Net assets</b>			<u>232,156</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**

On 26 August 2021, the Company announced the proposed disposal of a major subsidiary PT Rig Tenders Indonesia Tbk ("PTRT"). As per MFRS 5, the assets and liabilities of PTRT has been reclassified in the Balance Sheet as of 30 June 2021 as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale". The Assets of the disposal group classified as held for sale has been impaired to its realizable value. The impairment resulted in net loss of RM153.5 million.

On 1 September 2021, Mr Lim Keng Peo of Deloitte Corporate Solutions Sdn Bhd was appointed by OCBC Bank (Malaysia) Berhad, the security agent of the secured lenders, as the Receiver and Manager over the assets and undertakings of Scomi Oiltools Sdn Bhd, an indirectly wholly owned subsidiary of the Company.

**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**

There were no material changes in contingent liabilities arising since the last audited financial statements for the financial year ended 30 June 2020.

**A13 Capital Commitments**

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

	<b>Approved and contracted for RM'000</b>	<b>Approved but not contracted for RM'000</b>	<b>Total RM'000</b>
Plant & Machinery	4,141	7,270	11,411
Vessels (drydocking)	9,186	7,814	17,000
	13,327	15,084	28,411

**A13 Capital Commitments (Continued)**

The future minimum lease payments under non-cancellable operating leases as at 30 June 2021 are as follows:

	<b>30 June 2021 RM'000</b>
Less than one year	3,920
Between one and five years	<u>1,066</u>
	<u>4,987</u>

**A14 Related party transactions**

There were no material related party transactions by the Group and the Company during the twelve months ended 30 June 2021.

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

**B1 Review of Operating Segments**

The Group has two reportable segments which are Drilling Services ("DS") and Marine Services ("MS"). Drilling Services provides integrated drilling fluids, drilling waste management solutions and production chemicals while Marine Services consist of bulk transportation and offshore support vessel services.

**Current quarter vs Corresponding quarter of the preceding year  
4Q21 (June '21) v 4Q20 (June '20)**

	Revenue		Profit/(loss) before tax	
	3 Months to		3 Months to	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Operating Segments:				
Drilling Services	63,745	59,453	(20,474)	(165,508)
Marine Services	18,100	14,906	(150,673)	(4,830)
	<u>81,845</u>	<u>74,359</u>	<u>(171,147)</u>	<u>(170,338)</u>

**Group**

Group revenue for the current quarter was higher by RM7.5 million or 10.1% compared to the corresponding quarter of the preceding year ("4QFY2020") with higher revenue in both segments.

Loss before tax ("LBT") for the current quarter was RM171.1 million as compared to RM170.3 million in 4QFY2020. The assets and liabilities of a major subsidiary proposed to be disposed (refer Note A10) has been reclassified as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale". The Assets of disposal group classified as held for sale has been impaired to its realizable value and LBT for the current quarter includes the impairment loss of RM153.5 million. LBT of 4QFY2020 included an impairment of goodwill and intangible assets amounting to RM104 million.

**Drilling Services**

The segment's revenue for the current quarter increased by RM4.3 million or 7.2% as compared to 4QFY2020, with higher revenue from Russia, India and Malaysia.

DS segment recorded a lower LBT as compared to 4QFY2020 as the corresponding quarter had several one-off expenditure including impairment of goodwill and intangible asset of RM 104.0 million.

**B1 Review of Operating Segments (Continued)**

**Marine Services**

The segment's revenue for the current quarter increased by RM3.2 million or 21.4% as compared to 4QFY2020 resulting from higher shipments and tonnage carried.

MS LBT was RM150.7 million as compared to RM4.8 million for 4QFY2020 mainly due to impairment of Assets of disposal group classified as held for sale amounting to RM153.5 million.

**12 months ended 30 June 2021 vs 12 months ended 30 June 2020**

	<b>Revenue</b>		<b>(Loss)/profit before tax</b>	
	<b>12 Months to</b>		<b>12 Months to</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Operating Segments:				
Drilling Services	239,367	320,568	(47,870)	(165,346)
Marine Services	69,132	96,333	(159,022)	(7,142)
	<u>308,499</u>	<u>416,901</u>	<u>(206,892)</u>	<u>(172,488)</u>

**Group**

Group revenue for 12 months ended 30 June 2021 ("YTD FY2021") was lower by RM108.4 million or 26% as compared to the corresponding period of the preceding year ("YTD FY2020") resulting from lower revenue in both segments.

LBT for YTD FY2021 was higher at RM206.9 million as compared to YTD FY2020 of RM172.5 million. The assets and liabilities of a major subsidiary proposed to be disposed (refer Note A10) has been reclassified as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale". The Assets of disposal group classified as held for sale has been impaired to its realizable value and LBT for the year includes the impairment loss of RM153.5 million. LBT of YTD FY2020 included an impairment of goodwill and intangible assets amounting to RM104 million.

**Drilling Services**

The segment's revenue for YTD FY2021 decreased by RM81.2 million or 25.3% as compared to YTD FY2020. This was mainly due to lower activity in most countries except Russia.

LBT was lower at RM47.8 million in YTD FY2021 as compared to RM165.3 million in YTD FY2020 (which included an impairment of goodwill and intangibles amounting to RM104 million).

**B1 Review of Operating Segments (Continued)**

**Marine Services**

The segment's revenue for YTD FY2021 decreased by RM27.2 million or 28.2% as compared to YTD FY2020 resulting from lower shipments and tonnage carried.

MS LBT was RM159 million which included impairment of Assets of disposal group classified as held for sale amounting to RM153.5million.

**B2 Current quarter vs immediate preceding quarter**

	Revenue 3 Months to		Profit/(loss) before tax 3 Months to	
	30 June 2021 RM'000	31 Mar 2021 RM'000	30 June 2021 RM'000	31 Mar 2021 RM'000
Operating Segments:				
Drilling Services	63,745	53,850	(20,474)	2,964
Marine Services	18,100	15,987	(150,673)	(3,947)
	<u>81,845</u>	<u>69,837</u>	<u>(171,147)</u>	<u>(983)</u>

**Group**

Group revenue for the current quarter was higher by RM12 million or 17.2% as compared to the preceding quarter ("3QFY2021") with higher revenue in both DS and MS segment.

LBT for the current quarter was RM171.1 million as compared to RM1.0 million in 3QFY2021. The assets and liabilities of a major subsidiary proposed to be disposed (refer Note A10) has been reclassified as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale". The Assets of disposal group classified as held for sale has been impaired to its realizable value and LBT for the current quarter includes the impairment loss of RM153.3 million in addition to impairment of inventory and fixed assets.

**Drilling Services**

The segment's revenue for the current quarter increased by RM9.9 million or 18.4% as compared to 3QFY2021 with higher revenue in Russia, Nigeria and Malaysia.

The LBT for the current quarter was RM20.5 million as compared to PBT of RM2.9 million in 3QFY2021 due to higher other expenses which includes impairment of inventory and fixed assets.



**B2 Current quarter vs immediate preceding quarter (Continued)**

**Marine Services**

The segment's revenue for the current quarter was higher by RM2.1 million or 13.2% as compared to 3QFY2021 due to higher shipments and tonnage carried.

MS recorded a higher LBT by RM150.6 million as a result of impairment of Assets of disposal group classified as held for sale.

**B3 Current Financial Year Prospects**

**Drilling Service Outlook**

With increase in oil prices it is estimated activity will increase while cash flow will be the area of focus.

**Marine Services Outlook**

On 26 August 2021, the Company announced the proposed disposal of a major subsidiary PTRT which is the major contributor in the Marine Services segment. With improving outlook of coal prices and tonnage required by our customers, it is estimated that volume of freight will remain resilient pending the completion of the sale of PTRT.

**B4 Profit Forecast**

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

**B5 Corporate Proposals**

On 26 August 2021, M&A Securities Sdn Bhd on behalf of the Company announced that Scomi Marine Services Pte Lte ("SMS"), a wholly owned subsidiary of the Company, had on same date entered into a conditional shares purchase agreement with PT Surya Indah Muara Pantai to dispose 490,597,000 shares in PTRT representing 80.54% equity interest in PTRT for a cash consideration of USD9.5 million (approximately RM40.0 million). The Company shall convene an extraordinary general meeting in due course to approve the transaction once it has secured the necessary clearance from Bursa Malaysia.

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**B6 Profit before taxation**

	<b>Current 3 months ended 30 June 2021 RM'000</b>	<b>Current 3 months ended 30 June 2020 RM'000</b>	<b>Cumulative 12 months ended 30 June 2021 RM'000</b>	<b>Cumulative 12 months ended 30 June 2020 RM'000</b>
The profit before taxation is arrived at after crediting/(charging):				
Interest income	(40)	15	35	2,073
Impairment loss:				
- property, plant and equipment	(27,666)	(4,002)	(27,666)	(4,002)
- amount due from ultimate holding company	-	(12,345)	-	(12,345)
Impairment of goodwill	-	(99,713)	-	(99,713)
Impairment of intangible assets	-	(4,615)	-	(4,615)
Impairment of inventories	(11,536)	(4,906)	(11,536)	(4,906)
Depreciation and amortisation	(14,046)	(18,331)	(52,916)	(58,331)
Recovery/written-back of doubtful debts	-	3,643	-	8,659
Gain/(Loss) on foreign exchange - net	2,411	8,563	(5,776)	17,062
Gain/(Loss) on disposal of property, plant and equipment	-	(730)	281	(694)
Interest expense	(4,996)	(7,047)	(12,747)	(17,477)
Gain on disposal of subsidiaries	-	-	694	-
Gain on disposal of joint controlled entity	-	-	1,500	-
Share of results of associate and joint controlled entity	-	(2)	-	105

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**B7 Taxation**

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

	<b>Current 3 months ended 30 June 2021 RM'000</b>	<b>Current 3 months ended 30 June 2020 RM'000</b>	<b>Cumulative 12 months ended 30 June 2021 RM'000</b>	<b>Cumulative 12 months ended 30 June 2020 RM'000</b>
Malaysian income tax				
- current year	-	-	-	-
Foreign income tax				
- current year	1,579	6,412	5,735	13,121
Total income tax	<u>1,579</u>	<u>6,412</u>	<u>5,735</u>	<u>13,121</u>
Effective tax rate	<u>-0.9%</u>	<u>-3.8%</u>	<u>-2.8%</u>	<u>-7.6%</u>

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

- a. Losses in certain tax jurisdictions not qualifying for tax relief;
- b. The tax effects of the different tax rates in various jurisdictions and certain expenses not deductible for tax purposes; and
- c. The above mentioned income tax is related to the revenues and profits recorded by the operating subsidiaries and there are no group reliefs for losses.

**B8 Cash and bank balances**

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

	<b>As at 30 June 2021 RM'000</b>
Cash and bank balances	55,275
Short term deposits with licensed banks	<u>3,207</u>
	58,482
Less : restricted cash	<u>(3,207)</u>
Cash and cash equivalents	<u>55,275</u>

The restricted cash comprise of deposits pledged to financial institutions for bank guarantees.

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**B9 Loans and borrowings**

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

	<b>Current RM'000</b>	<b>Non- Current RM'000</b>	<b>Total RM'000</b>
Borrowings – secured	<u>131,938</u>	<u>0</u>	<u>131,938</u>

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

	<b>RM'000</b>
Ringgit Malaysia	98,735
US Dollar *	<u>33,203</u>
Total	<u>131,938</u>

\* These relate to working capital loans.

**B10 Other reserves**

	<b>As at 30 June 2021 RM'000</b>	<b>As at 30 June 2020 (Audited) RM'000</b>
Capital reserve	26,881	26,881
Translation reserves	(131,646)	(130,445)
Merger reserve	<u>(443,324)</u>	<u>(443,324)</u>
	<u>(548,089)</u>	<u>(546,888)</u>

**B11 Earnings per share**

	<b>3 months ended 30 June 2021 RM'000</b>	<b>3 months ended 30 June 2020 RM'000</b>	<b>12 months ended 30 June 2021 RM'000</b>	<b>12 months ended 30 June 2020 RM'000</b>
<b><u>Basic and diluted earnings per share</u></b>				
(Loss)/profit for the period	<u>(170,901)</u>	<u>(175,633)</u>	<u>(211,574)</u>	<u>(184,286)</u>
Issued and paid-up capital	468,355	468,355	468,355	468,355
Less : Treasury shares	<u>(31)</u>	<u>(154)</u>	<u>(31)</u>	<u>(154)</u>
Weighted average number of ordinary shares in issue ('000)	<u>468,324</u>	<u>468,201</u>	<u>468,324</u>	<u>468,201</u>
<b>Basic earnings per share (sen)</b>	<b><u>(36.49)</u></b>	<b><u>(37.51)</u></b>	<b><u>(45.18)</u></b>	<b><u>(39.36)</u></b>

**B12 Material Litigation**

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

**B13 Proposed Dividend**

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

**B14 Authorised For Issue**

The interim financial statements were authorised for issue on 28 September 2021 by the Board of Directors.