

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2021

	3 months ended 30 Sept 2021 RM'000	3 months ended 30 Sept 2020 RM'000	Cumulative period 3 months ended 30 Sept 2021 RM'000	Cumulative period 3 months ended 30 Sept 2020 RM'000
Continuing operations:				
Revenue	62,462	59,012	62,462	59,012
Cost of sales	(47,491)	(51,628)	(47,491)	(51,628)
Gross profit	14,971	7,384	14,971	7,384
Administrative expenses	(8,598)	(7,689)	(8,598)	(7,689)
Selling and distribution expenses	(5,207)	(6,207)	(5,207)	(6,207)
Other operating expenses	248	(1,056)	248	(1,056)
Other income/(expenses)	3,412	71	3,412	71
Results from operating activities	4,826	(7,497)	4,826	(7,497)
Finance expenses	(2,245)	(3,165)	(2,245)	(3,165)
Profit/(Loss) before tax	2,581	(10,662)	2,581	(10,662)
Taxation	(2,484)	(965)	(2,484)	(965)
Profit/(Loss) from continuing operations	97	(11,627)	97	(11,627)
Discontinued operations:				
Profit/(Loss) after tax from discontinued operations	565	(4,284)	565	(4,284)
Profit/(Loss) for the period	662	(15,911)	662	(15,911)
Other comprehensive income/(expenses)				
Currency translation differences	(7,252)	24,330	(7,252)	24,330
Total comprehensive income/(expenses) for the period	(6,590)	8,419	(6,590)	8,419
Profit/(Loss) after tax attributable to:				
<u>Owners of the Company</u>				
Continuing operations	995	(12,826)	995	(12,826)
Discontinued operations	565	(4,284)	565	(4,284)
<u>Non-controlling interests</u>				
Continuing operations	(898)	1,199	(898)	1,199
Discontinued operations	-	-	-	-
	662	(15,911)	662	(15,911)
Other comprehensive income/(expenses) attributable to:				
<u>Owners of the Company</u>				
Continuing operations	(6,257)	11,504	(6,257)	11,504
Discontinued operations	565	(4,284)	565	(4,284)
<u>Non-controlling interests</u>				
Continuing operations	(898)	1,199	(898)	1,199
Discontinued operations	-	-	-	-
	(6,590)	8,419	(6,590)	8,419
Basic earnings/(loss) per ordinary share (sen)				
Continuing operations	0.21	(2.74)	0.21	(2.74)
Discontinued operations	0.12	(0.91)	0.12	(0.91)

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 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2021**

	Note	As at 30 Sept 2021	As at 30 June 2021
		RM'000	RM'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		41,254	43,317
Right-of-use assets		5,995	5,995
Investment in associates		9,911	9,911
Deferred tax assets		-	369
Other receivables		8,529	5,829
		<u>65,689</u>	<u>65,421</u>
CURRENT ASSETS			
Trade and other receivables		72,345	82,741
Inventories		45,837	43,255
Current tax assets		10,875	10,903
Cash and cash equivalents	B8	61,713	58,482
		<u>190,770</u>	<u>195,381</u>
Asset held for sale		6,000	6,000
Assets of disposal group classified as held for sale		60,536	61,451
		<u>257,306</u>	<u>262,832</u>
TOTAL ASSETS		<u>322,995</u>	<u>328,253</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		445,535	445,535
Treasury shares		(51)	(51)
Other reserves	B10	(557,328)	(550,074)
Retained earnings		86,531	84,969
Equity attributable to owners of the Company		<u>(25,313)</u>	<u>(19,621)</u>
Non-controlling interests		32,306	33,204
TOTAL EQUITY		<u>6,993</u>	<u>13,583</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liabilities		1,033	1,033
Provision for retirement benefits		2,966	3,153
Other payables		1,131	1,108
Deferred tax liabilities		2,808	2,717
		<u>7,938</u>	<u>8,011</u>
CURRENT LIABILITIES			
Loans and borrowings	B9	133,451	131,710
Lease liabilities		2,399	3,905
Trade and other payables		144,836	138,575
Current tax liabilities		16,229	18,459
		<u>296,915</u>	<u>292,649</u>
Liabilities of disposal group classified as held for sale		11,149	14,010
		<u>308,064</u>	<u>306,659</u>
TOTAL LIABILITIES		<u>316,002</u>	<u>314,670</u>
TOTAL EQUITY AND LIABILITIES		<u>322,995</u>	<u>328,253</u>
Net assets per share (RM)		<u>(0.05)</u>	<u>(0.04)</u>

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 CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Attributable to owners of the Company				Total RM '000	Non- controlling interests RM '000	Total equity RM '000
	Share capital RM '000	Treasury shares RM'000	Other reserves RM '000	Retained earnings RM '000			
As at 1 July 2021	445,535	(51)	(550,076)	84,971	(19,621)	33,204	13,583
Foreign currency translation differences for foreign operations			(7,252)		(7,252)		(7,252)
Total other comprehensive income/(expenses) for the year	-	-	(7,252)	-	(7,252)	-	(7,252)
Profit/(loss) for the period				1,560	1,560	(898)	662
Total comprehensive income/(expenses) for the year	-	-	(7,252)	1,560	(5,692)	(898)	(6,590)
As at 30 September 2021	445,535	(51)	(557,328)	86,531	(25,313)	32,306	6,993
Audited							
As at 1 July 2020	445,535	(51)	(546,888)	299,131	197,727	34,429	232,156
Foreign currency translation differences for foreign operations			(3,188)		(3,188)		(3,188)
Total other comprehensive income/(expenses) for the year	-	-	(3,188)	-	(3,188)	-	(3,188)
Profit/(loss) for the period				(214,160)	(214,160)	(1,225)	(215,385)
Total comprehensive income/(expenses) for the year	-	-	(3,188)	(214,160)	(217,348)	(1,225)	(218,573)
As at 30 June 2021	445,535	(51)	(550,076)	84,971	(19,621)	33,204	13,583

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 CONDENSED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Note	3 months ended 30 Sept 2021 RM'000	3 months ended 30 Sept 2020 RM'000
Cash Flows From/(For) Operating Activities			
Profit/(Loss) before tax:			
Continuing operations		2,581	(10,662)
Discontinued operations (including remeasurement of assets)		830	(4,063)
Adjustments for non-cash items		24,510	36,398
Changes in working capital:			
Inventories		(2,582)	8,976
Receivables		2,157	4,471
Payables		(4,060)	(19,949)
Cash generated from operations		23,436	15,171
Tax paid		(4,978)	(5,174)
Interest received		43	18
Net cash from/(for) operating activities		18,501	10,015
Cash Flows From/(For) Investing Activities			
Proceeds from disposal of property, plant and equipment		20	-
Purchase of property, plant and equipment		(14,371)	(1,070)
Proceeds from disposal of subsidiaries		-	378
Repayment from associates & joint controlled entity		-	899
Net cash used in investing activities		(14,351)	207
Cash Flows From/(For) Financing Activities			
Payment of lease liabilities		(1,505)	-
Decrease in short term deposit pledged as securities		(3,875)	2,714
Net cash from/(for) financing activities		(5,380)	2,714
Net increase in cash and cash equivalents		(1,230)	12,936
Cash and cash equivalents at beginning of the year		55,275	45,023
Currency translation differences		585	(1,288)
Cash and cash equivalents at end of the year	B8	54,630	56,671

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

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

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 2021 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 2021.

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:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

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

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is not expected to have any material impact on the financial statements of the Group upon their initial application.

A2 Audit Report for Preceding Annual Financial Statements

The external auditors of the Company, Crowe Malaysia PLT, have expressed a “Disclaimer of Opinion” in their audit report for the financial year ended 30 June 2021 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 March 2020 and consequent cross defaults on the other credit facilities.

In the preceding year, on 31 October 2019, the Company announced that the Company had triggered the prescribed criteria under Paragraph 2.1(e) of Practice Note 17 (“PN17”) of the Main Market Listing Requirements of Bursa Malaysia.

On 21 October 2021, the Company announced the appointment of M&A Securities Sdn Bhd as the principal adviser to the Company for its proposed regularisation plan to address its PN17 status.

Subsequently, on 8 November 2021, the Company announced that Bursa Malaysia has, vide its letter dated 8 November 2021, approved the Company’s application for an extension of time of six (6) months up until 30 April 2022 to submit its regularisation plan.

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 was no repurchase of shares during the quarter.

A7 Dividends Paid/Payable

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

A8 Segmental Reporting

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

Continuing operations

Revenue and results for three months ended 30 September 2021

	Drilling Services RM'000
REVENUE	
External sales	<u>62,462</u>
RESULTS	
Profit/(Loss) from operations	(2,743)
Realised gain/(loss) on foreign exchange	12,174
Unrealised gain/(loss) on foreign exchange	(8,265)
Finance costs	(2,245)
Other expenses	248
Other income	<u>3,412</u>
Profit/(loss) before tax	2,581
Taxation	<u>(2,484)</u>
Profit/(Loss) for the period	<u>97</u>
Other information	
Depreciation and amortisation	4,011
Interest income	43
Addition/(reduction) to non-current assets other than financial instruments and deferred tax assets	<u>(2,063)</u>

A8 Segmental Reporting (Continued)

	Drilling Services RM'000
ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2021	
ASSETS	
Assets employed in the segment	246,547
Investment in associates	9,911
	<u>256,459</u>
<u>Unallocated corporate assets:</u>	
Asset held for sale	6,000
Assets of disposal group classified as held for sale	-
Total assets	<u>262,459</u>

Revenue and results for three months ended 30 September 2020

	Drilling Services RM'000
REVENUE	
External sales	<u>59,012</u>
RESULTS	
Profit/(Loss) from operations	(7,566)
Realised gain/(loss) on foreign exchange	(845)
Unrealised gain/(loss) on foreign exchange	(909)
Finance costs	(3,165)
Other expense/income	1,804
Profit/(loss) before tax	<u>(10,681)</u>
Taxation	(965)
Profit/(Loss) for the period	<u>(11,646)</u>
Other information	
Depreciation and amortisation	5,547
Interest income	17
Addition to non-current assets other than financial instruments and deferred tax assets	<u>7,643</u>

A8 Segmental Reporting (Continued)

	Drilling Services RM'000
ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2020	
ASSETS	
Assets employed in the segment	313,827
Investment in associates	9,689
Investment in joint venture	-
	<u>323,516</u>
<u>Unallocated corporate assets:</u>	
Asset held for sale	-
Current tax assets	19,570
Deferred tax assets	572
Total assets	<u>343,658</u>

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Discontinued operations

<u>PTRT Group</u>	3 months ended 30 Sept 2021 RM'000	3 months ended 30 Sept 2020 RM'000	YTD period ended 30 Sept 2021 RM'000	YTD period ended 30 Sept 2020 RM'000
Revenue	19,924	17,156	19,924	17,156
Cost of sales	(15,925)	(16,898)	(15,925)	(16,898)
Gross profit	3,999	258	3,999	258
Other income / (expenses)	137	(1,934)	138	(1,934)
Administration expenses	(2,047)	(2,387)	(2,047)	(2,386)
Other expenses	(248)	-	(248)	-
Results from operating activities	1,841	(4,063)	1,842	(4,063)
Profit/(Loss) before tax	1,841	(4,063)	1,842	(4,063)
Taxation	(264)	(221)	(264)	(221)
Profit/(Loss) after tax from discontinued operations	1,577	(4,284)	1,577	(4,284)
Loss on remeasurement of assets	(1,012)	-	(1,012)	-
Attributable to: Owners of the parent	565	(4,284)	565	(4,284)

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Discontinued operations (Continued)

(a) Included in the results from operating activities are the following:-

	3 months ended 30 Sept 2021 RM'000	3 months ended 30 Sept 2020 RM'000	YTD period ended 30 Sept 2021 RM'000	YTD period ended 30 Sept 2020 RM'000
After charging:				
Impairment loss on receivables	248	-	248	-
Depreciation of property, plant and equipment	6,402	7,457	6,402	7,457
Realised loss/(gain) on foreign exchange	(8)	170	(8)	170
And crediting:				
Gain on disposal of property, plant and equipment	(16)	-	(16)	-
Interest income	(1)	(1)	(1)	(1)

(b) The income tax expense on discontinued operations are summarised below:

	3 months ended 30 Sept 2021 RM'000	3 months ended 30 Sept 2020 RM'000	YTD period ended 30 Sept 2021 RM'000	YTD period ended 30 Sept 2020 RM'000
Tax (benefit)/expense	(264)	(221)	(264)	(221)
	<u>(264)</u>	<u>(221)</u>	<u>(264)</u>	<u>(221)</u>

(c) The cash flows attributable to the discontinued operations are as follows:

	3 months ended 30 Sept 2021 RM'000	3 months ended 30 Sept 2020 RM'000	YTD period ended 30 Sept 2021 RM'000	YTD period ended 30 Sept 2020 RM'000
Net cash generated from operating activities	8,417	1,058	8,417	1,058
Net cash generated from investing activities	(4,207)	(1,940)	(4,207)	(1,940)
Net cash used in financing activities	-	-	-	-
	<u>4,210</u>	<u>(882)</u>	<u>4,210</u>	<u>(882)</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 16 November 2021, the Company announced the completion of the disposal of subsidiary PT Rig Tenders Indonesia Tbk ("PTRT") wherein the full proceeds have been received and that the Sale Shares have been transferred to the Purchaser.

A11 Changes in Composition of the Group

Save for the disposal of PTRT, 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 2021.

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
Plant & Machinery	96	2,705	2,801

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

	30 Sept 2021 RM'000
Less than one year	2,399
Between one and five years	1,033
	<u>3,432</u>

A14 Related party transactions

There were no material related party transactions by the Group and the Company during the three (3) months ended 30 September 2021.

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

B1 Review of Operating Segment – Current Quarter and Period versus the Corresponding Quarter and Period

Following the classification of Marine Services as Discontinued Operations, for the period under review, the Group only operates a single reportable segment which is Drilling Services. Drilling Services provides integrated drilling fluids, drilling waste management solutions and production chemicals.

	Revenue for 3 months to 30 Sept 2021	Revenue for 3 months to 30 Sept 2020	Profit/(Loss) before tax for 3 months to 30 Sept 2021	Profit/(Loss) before tax for 3 months to 30 Sept 2020
	RM mil	RM mil	RM mil	RM mil
Drilling Services	62.5	59.0	2.6	(10.7)

For the quarter and period under review, the Group posted revenue that was higher than the corresponding quarter and period in the preceding year by approximately RM3.5 million. The increase was mainly attributed to the improving drilling activities from Nigeria, Russia and Middle East. Malaysia and Indonesia operations however, posted lower revenues.

The Group reported a pre-tax profit of RM2.6 million for the quarter and period under review, an improvement against the pre-tax loss of RM10.7 million for the corresponding quarter and period in the preceding year. The better performance was a result of improving revenues, gross profit margins, lower finance costs and foreign exchange gains registered in the quarter and period under review. In the corresponding quarter and period under review of the preceding year, the Group registered higher selling and distribution expenses and a loss on foreign exchange.

B2 Material Change in the Profit Before Tax – Current Quarter versus the Immediate Preceding Quarter

	Profit/(Loss) before tax for 3 months to 30 Sept 2021	Profit/(Loss) before tax for 3 months to 30 June 2021
	RM mil	RM mil
Drilling Services	2.6	(34.0)

The Group's pre-tax profit for the current quarter amounting to RM2.6 million is a marked improvement against the RM34.0 million pre-tax loss reported in the immediate preceding quarter in which the Group recorded higher other expenses which included inventory write-down, impairment of fixed assets and provision for expenses.

B3 Current Financial Year Prospects

Based on the encouraging 22% increase in international rig count since January 2021 of 1,183 to 1448 rigs as at end of September 2021 which is an indicator of drilling activities, the Board is optimistic the Group revenue from Drilling Services for the current year will be on an improving trend. The average Brent spot price forecasts by the U.S. Energy Information Administration at USD71.91/bbl for 2022, up from USD71.59/bbl for 2021 is also expected to contribute towards growth in global oil production.

Following the disposal of Marine Services segment, the Group will solely depend on Drilling Services to generate revenues and profits for the remaining financial year. The Group will focus on finalising a regularization plan to settle its debt obligations and chart a new plan for the Group moving forward.

Notwithstanding the above, the Board will continue to act prudently and diligently in monitoring the business moving forward, taking into account the constraints of the Group pending the completion of its regularization plan.

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 Ltd, 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). Subsequently, on 16 November 2021, the Company announced the completion of the disposal.

Save for the above, there were no corporate proposals announced which remained incomplete as at the date of issue of this interim report.

B6 Profit before taxation

	Current 3 months ended 30 Sept 2021 RM'000	Current 3 months ended 30 Sept 2020 RM'000	Cumulative 3 months ended 30 Sept 2021 RM'000	Cumulative 3 months ended 30 Sept 2020 RM'000
<u>Continuing operations</u>				
Profit/(Loss) before taxation is stated at after charging/(crediting):				
Depreciation and amortisation	4,011	5,547	4,011	5,547
Interest expense	2,245	3,165	2,245	3,165
Loss/(Gain) on foreign exchange - net	(3,324)	1,754	(3,324)	1,754
Interest income	(43)	(17)	(43)	(17)
Gain/(Loss) on disposal of property, plant and equipment	253	(46)	253	(46)
Gain on disposal of subsidiaries	-	(694)	-	(694)
	<hr/>	<hr/>	<hr/>	<hr/>

B7 Taxation

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

	Current 3 months ended 30 Sept 2021 RM'000	Current 3 months ended 30 Sept 2020 RM'000	Cumulative 3 months ended 30 Sept 2021 RM'000	Cumulative 3 months ended 30 Sept 2020 RM'000
<u>Continuing operations</u>				
Malaysian income tax				
- current year	105	-	105	-
Foreign income tax				
- current year	2,379	965	2,379	965
Total income tax (Continuing)	<u>2,484</u>	<u>965</u>	<u>2,484</u>	<u>965</u>
Effective tax rate (Continuing)	-96.3%	9.1%	-96.3%	9.1%
<u>Discontinued operations</u>				
Malaysian income tax				
- current year	-	-	-	-
Foreign income tax				
- current year	264	221	264	221
Total income tax (Discontinued)	<u>264</u>	<u>221</u>	<u>264</u>	<u>221</u>
Effective tax rate (Discontinued)	-31.8%	5.4%	-31.8%	5.4%
Total income tax	2,748	1,186	2,748	1,186
Effective tax rate	<u>-80.6%</u>	<u>8.1%</u>	<u>-80.6%</u>	<u>8.1%</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:-

	As at 30 Sept 2021 RM'000
Cash and bank balances	54,631
Short term deposits with licensed banks	7,082
	<u>61,713</u>
Less : restricted cash	<u>(7,082)</u>
Cash and cash equivalents	<u>54,631</u>

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

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>133,451</u>	<u>0</u>	<u>133,451</u>

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

	RM'000
Ringgit Malaysia	99,732
US Dollar *	33,719
Total	<u>133,451</u>

* These relate to working capital loans.

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B10 Other reserves

	As at 30 Sept 2021	As at 30 June 2021 (Audited)
	RM'000	RM'000
Capital reserve	26,881	26,881
Translation reserves	(140,887)	(133,634)
Merger reserve	(443,323)	(443,323)
	<u>(557,328)</u>	<u>(550,076)</u>

B11 Earnings per share

	Current 3 months ended 30 Sept 2021 RM'000	Current 3 months ended 30 Sept 2020 RM'000	Cumulative 3 months ended 30 Sept 2021 RM'000	Cumulative 3 months ended 30 Sept 2020 RM'000
<u>Basic and diluted earnings per share</u>				
(Loss)/profit for the period	<u>1,560</u>	<u>(17,110)</u>	<u>1,560</u>	<u>(17,110)</u>
Issued and paid-up capital	468,355	468,355	468,355	468,355
Less : Treasury shares	(31)	(31)	(31)	(31)
Weighted average number of ordinary shares in issue ('000)	<u>468,324</u>	<u>468,324</u>	<u>468,324</u>	<u>468,324</u>
<u>Basic earnings/(loss) per share (sen)</u>				
Continuing	0.21	(2.74)	0.21	(2.74)
Discontinued	0.12	(0.91)	0.12	(0.91)
	<u>0.33</u>	<u>(3.65)</u>	<u>0.33</u>	<u>(3.65)</u>

B12 Material Litigation

There is no change in material litigation since the date of the audited financial statements for financial year ended 30 June 2021 up to 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 29 November 2021 by the Board of Directors.