

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

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 YEAR ENDED 30 JUNE 2022

	3 months ended 30 June 2022 RM'000	3 months ended 30 June 2021 RM'000	Cumulative period 12 months ended 30 June 2022 RM'000	Audited Cumulative period 12 months ended 30 June 2021 RM'000
<b>Continuing operations:</b>				
<b>Revenue</b>	-	-	-	-
Cost of sales	-	-	-	-
<b>Gross profit</b>	-	-	-	-
Administrative expenses	(1,453)	9,917	(8,280)	5,108
Selling and distribution expenses	-	-	-	-
Other operating expenses	-	-	-	-
Impairment of Assets of disposal group classified as held for sale	-	-	-	-
Other income/(expenses)	3,050	(7,073)	4,013	(5,490)
Net loss on impairment of financial instruments	-	-	-	-
<b>Results from operating activities</b>	<b>1,597</b>	<b>2,843</b>	<b>(4,267)</b>	<b>(382)</b>
Finance expenses	-	-	-	-
Share of results of JV and associates	-	222	-	222
<b>Profit/(Loss) before tax</b>	<b>1,597</b>	<b>3,065</b>	<b>(4,267)</b>	<b>(160)</b>
Taxation	(5)	(355)	(5)	(355)
<b>Profit/(Loss) from continuing operations</b>	<b>1,592</b>	<b>2,710</b>	<b>(4,272)</b>	<b>(515)</b>
<b>Discontinued operations:</b>				
Profit/(Loss) after tax from discontinued operations	(35,021)	(177,008)	(36,067)	(214,870)
Share of results of an associate	-	-	-	-
<b>Profit/(Loss) for the period</b>	<b>(33,429)</b>	<b>(174,298)</b>	<b>(40,339)</b>	<b>(215,385)</b>
<b>Other comprehensive income/(expenses)</b>				
Currency translation differences	28,617	(1,839)	21,846	(3,188)
Cash flow hedges	-	-	-	-
Retirement benefits	-	-	-	-
<b>Total comprehensive income/(expenses) for the period</b>	<b>(4,812)</b>	<b>(176,137)</b>	<b>(18,493)</b>	<b>(218,573)</b>
<b>Profit/(Loss) after tax attributable to:</b>				
<u>Owners of the Company</u>				
Continuing operations	1,592	1,507	(4,272)	(515)
Discontinued operations	(23,261)	(176,220)	(23,316)	(214,870)
<u>Non-controlling interests</u>				
Continuing operations	-	-	-	-
Discontinued operations	(11,760)	(772)	(12,751)	-
	<b>(33,429)</b>	<b>(174,298)</b>	<b>(40,339)</b>	<b>(215,385)</b>
<b>Other comprehensive income/(expenses) attributable to:</b>				
<u>Owners of the Company</u>				
Continuing operations	1,592	2,710	(4,272)	(515)
Discontinued operations	5,356	(178,075)	(1,470)	(218,058)
<u>Non-controlling interests</u>				
Continuing operations	-	-	-	-
Discontinued operations	(11,760)	(772)	(12,751)	-
	<b>(4,812)</b>	<b>(176,137)</b>	<b>(18,493)</b>	<b>(218,573)</b>
<b>Basic earnings/(loss) per ordinary share (sen)</b>				
Continuing operations	0.34	(0.11)	(0.91)	(0.11)
Discontinued operations	(4.97)	(45.88)	(4.98)	(45.88)

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)**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT**  
**30 JUNE 2022**

	Note	As at 30 June 2022	As at 30 June 2021
		RM'000	RM'000 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		255	1,047
Investment in associates		9,911	9,911
		<u>10,166</u>	<u>10,958</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables		5,898	4,908
Inventories		-	-
Current tax assets		5	10,903
Cash and cash equivalents	B8	19,183	802
		<u>25,086</u>	<u>16,614</u>
Asset held for sale		100	6,000
Assets of disposal group classified as held for sale		282,814	294,681
		<u>308,000</u>	<u>317,295</u>
<b>TOTAL ASSETS</b>		<b><u>318,166</u></b>	<b><u>328,253</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	(528,230)	(550,076)
Retained earnings		57,383	84,971
<b>Equity attributable to owners of the Company</b>		<u>(25,363)</u>	<u>(19,621)</u>
Non-controlling interests		7,608	33,204
<b>TOTAL EQUITY</b>		<u>(17,755)</u>	<u>13,583</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Other payables		-	4
Deferred tax liabilities		2,886	2,717
		<u>2,886</u>	<u>2,721</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		16,680	3,759
Current tax liabilities		-	355
		<u>16,680</u>	<u>4,115</u>
Liabilities of disposal group classified as held for sale		316,356	307,834
		<u>333,036</u>	<u>311,949</u>
<b>TOTAL LIABILITIES</b>		<b><u>335,922</u></b>	<b><u>314,670</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>318,166</u></b>	<b><u>328,253</u></b>
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)**  
**(Incorporated in Malaysia)**

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022**

	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			
<b>As at 1 July 2021</b>	445,535	(51)	(550,076)	84,971	(19,621)	33,204	13,583
Foreign currency translation differences for foreign operations			21,846		21,846		21,846
Total other comprehensive income/(expenses) for the year	-	-	21,846	-	21,846	-	21,846
Profit/(loss) for the period				(27,588)	(27,588)	(12,751)	(40,339)
Effects of disposal of subsidiary					-	(12,845)	(12,845)
Total comprehensive income/(expenses) for the year	-	-	21,846	(27,588)	(5,742)	(25,596)	(31,338)
<b>As at 30 June 2022</b>	<b>445,535</b>	<b>(51)</b>	<b>(528,230)</b>	<b>57,383</b>	<b>(25,363)</b>	<b>7,608</b>	<b>(17,755)</b>
<b>Audited</b>						-	-
<b>As at 1 July 2020</b>	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)
<b>As at 30 June 2021</b>	<b>445,535</b>	<b>(51)</b>	<b>(550,076)</b>	<b>84,971</b>	<b>(19,621)</b>	<b>33,204</b>	<b>13,583</b>

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)**

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

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022**

	Note	12 months ended 30 June 2022 RM'000	12 months ended 30 June 2021 RM'000
<b>Cash Flows From/(For) Operating Activities</b>			
Profit/(Loss) before tax:			
Continuing operations		(4,267)	113,596
Discontinued operations (including remeasurement of assets)		(22,665)	(149,341)
Adjustments for non-cash items		38,797	50,827
Changes in working capital:			
Inventories		(2,516)	7,440
Receivables		22,062	25,862
Payables		(7,192)	(18,440)
Cash generated from operations		24,220	29,944
Tax paid		(5,012)	(8,539)
Interest received		294	75
Net cash from/(for) operating activities		19,502	21,480
<b>Cash Flows From/(For) Investing Activities</b>			
Purchase of property, plant and equipment		(16,365)	(7,438)
Proceeds from disposal of property, plant and equipment		6,311	-
Proceeds from disposal of subsidiaries		39,587	1,571
Repayment from associates & joint controlled entity		-	1,275
Proceeds from disposal of joint controlled entity		-	1,500
Net cash used in investing activities		29,534	(3,092)
<b>Cash Flows From/(For) Financing Activities</b>			
Payment of lease liabilities		(4,172)	-
Repayment of borrowings		(30,432)	-
(Increase)/ Decrease in short term deposit pledged as securities		(781)	3,427
Net cash from/(for) financing activities		(35,385)	3,427
Net increase in cash and cash equivalents		13,651	21,815
<b>Cash and cash equivalents at beginning of the year</b>		55,275	45,023
Currency translation differences		1,064	(1,413)
Cash and cash equivalents reclassified as held for sales		(50,807)	(64,623)
<b>Cash and cash equivalents at end of the period</b>	B8	19,183	802

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 2022.

During the year, the following amendments to MFRSs issued by the MASB were adopted:

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021

The adoption of above-mentioned amendments has no significant impact on the financial statements of the group.

Except as for the above, 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.

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

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:

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
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

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.

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.

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.

Subsequently, on 23 May 2022, the Company announced that Bursa Malaysia has, vide its letter dated 23 May 2022, approved a further extension of time of six (6) months up until 30 November 2022 to submit its regulation 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 June 2022.

**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 2022**

	<b>Investment Holding and Others RM'000</b>
<b>REVENUE</b>	
External sales	<hr/>
<b>RESULTS</b>	
Profit/(Loss) from operations	(10,924)
Realised gain/(loss) on foreign exchange	(16)
Unrealised gain/(loss) on foreign exchange	2,660
Finance costs	-
Other expenses	-
Other income	4,013
Profit/(loss) before tax	<hr/> (4,267)
Taxation	(5)
Profit/(Loss) for the period	<hr/> (4,272) <hr/>
<b>Other information</b>	
Depreciation and amortisation	123
Interest income	30
Addition/(reduction) to non-current assets other than financial instruments and deferred tax assets	<hr/> (792) <hr/>



**A8 Segmental Reporting (Continued)**

	<b>Investment Holding and Others RM'000</b>
<b>ASSETS AND LIABILITIES AS AT 30 JUNE 2022</b>	
<b>ASSETS</b>	
Assets employed in the segment	25,241
Investment in associates	9,911
	<u>35,152</u>
Assets of disposal group held for sale	282,814
Assets held for sale	100
Total assets	<u>318,166</u>

**Revenue and results for twelve months ended 30 June 2021**

	<b>Investment Holding and Others RM'000</b>
<b>REVENUE</b>	
External sales	<u>-</u>
<b>RESULTS</b>	
Profit/(Loss) from operations	7,526
Realised gain/(loss) on foreign exchange	(161)
Unrealised gain/(loss) on foreign exchange	(2,035)
Finance costs	-
Other expense/income	(5,490)
Profit/(loss) before tax	<u>(160)</u>
Taxation	(355)
Profit/(Loss) for the period	<u>(515)</u>
<b>Other information</b>	
Depreciation and amortisation	107
Interest income	-
Addition to non-current assets other than financial instruments and deferred tax assets	<u>-</u>

	<b>Investment Holding and Others RM'000</b>
<b>ASSETS AND LIABILITIES AS AT 30 JUNE 2021</b>	
<b>ASSETS</b>	
Assets employed in the segment	17,661
Investment in associates	9,911
	<hr/> 27,572
<u>Unallocated corporate assets:</u>	
Assets of disposal group held for sale	294,681
Assets held for sale	6,000
Total assets	<hr/> 328,253 <hr/>

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

**Discontinued operations**

	3 months ended 30 June 2022	3 months ended 30 June 2021	YTD period ended 30 June 2022	YTD period ended 30 June 2021
	RM'000	RM'000	RM'000	RM'000
<b><u>Marine Services</u></b>				
Revenue	-	18,694	27,102	69,132
Cost of sales	-	(16,269)	(21,691)	(67,332)
Gross profit	-	2,425	5,411	1,800
Other income / (expenses)	-	(139,543)	367	(139,783)
Administration expenses	-	(2,293)	(3,291)	(9,182)
Other expenses	-	(751)	-	(2,177)
Results from operating activities	-	(140,162)	2,487	(149,342)
Profit/(Loss) before tax	-	(140,162)	2,487	(149,342)
Taxation	-	554	(359)	(115)
Profit/(Loss) after tax from discontinued operations	-	(139,608)	2,128	(149,457)
Attributable to:				
Owners of the parent	-	(139,608)	2,128	(149,457)

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

**Discontinued operations (Continued)**

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

	3 months ended 30 Jun 2022 RM'000	3 months ended 30 Jun 2021 RM'000	YTD period ended 30 Jun 2022 RM'000	YTD period ended 30 Jun 2021 RM'000
After charging:				
Impairment loss on receivables	-	-	233	-
Depreciation of property, plant and equipment	-	7,788	8,502	30,507
Realised loss/(gain) on foreign exchange	-	(455)	(5)	-
And crediting:				
Gain/ (Loss) on disposal of property, plant and equipment	-	16	(16)	8
Interest income/ (expense)	-	8	(1)	4

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

	3 months ended 30 Jun 2022 RM'000	3 months ended 30 Jun 2021 RM'000	YTD period ended 30 Jun 2022 RM'000	YTD period ended 30 Jun 2021 RM'000
Tax (benefit)/expense	-	554	(359)	(115)
	-	554	(359)	(115)

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

	3 months ended 30 Jun 2022 RM'000	3 months ended 30 Jun 2021 RM'000	YTD period ended 30 Jun 2022 RM'000	YTD period ended 30 Jun 2021 RM'000
Net cash generated from / (used for) operating activities	-	126	8,454	1,179
Net cash generated from / (used for) investing activities	-	44	(4,082)	(1,892)
Net cash generated from / (used for) financing activities	-	-	-	-
	-	170	4,372	(713)

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

**Discontinued operations (Continued)**

	3 months ended 30 Jun 2022 RM'000	3 months ended 30 Jun 2021 RM'000	YTD period ended 30 Jun 2022 RM'000	YTD period ended 30 Jun 2021 RM'000
<b><u>Drilling Services</u></b>				
Revenue	62,723	66,082	240,973	239,662
Cost of sales	(55,488)	(61,713)	(191,288)	(204,637)
Gross profit	7,235	4,369	49,685	35,025
Other income / (expenses)	(5,488)	(7,420)	(128)	(14,699)
Selling and distribution costs	(5,559)	(4,490)	(19,119)	(22,218)
Administration expenses	(6,747)	(28,711)	(30,352)	(47,823)
Other expenses	(15,978)	2,881	(15,949)	(569)
Results from operating activities	(26,537)	(33,371)	(15,863)	(50,284)
Finance cost	(2,413)	(2,389)	(9,289)	(10,050)
Profit/(Loss) before tax	(28,950)	(35,760)	(25,152)	(60,334)
Taxation	(6,071)	(1,640)	(13,043)	(5,079)
Results from operating activities, net of tax	(35,021)	(37,400)	(38,195)	(65,413)
Profit/(Loss) after tax from discontinued operations	(35,021)	(37,400)	(38,195)	(65,413)
Attributable to:				
Owners of the parent	(35,021)	(37,400)	(38,195)	(65,413)

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

---

**Discontinued operations (Continued)**

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

	<b>3 months ended 30 Jun 2022 RM'000</b>	<b>3 months ended 30 Jun 2021 RM'000</b>	<b>YTD period ended 30 Jun 2022 RM'000</b>	<b>YTD period ended 30 Jun 2021 RM'000</b>
After charging:				
Auditor's remuneration - statutory audit	95	1,313	732	2,602
Impairment loss on receivables	599	959	427	1,130
Depreciation of property, plant and equipment	2,672	6,335	14,286	22,433
Directors' remuneration: other emoluments	1	(1,584)	47	(1,513)
Inventories written down	13,021	1,171	6,541	(957)
Realised loss/(gain) on foreign exchange	18,324	(6,260)	13,537	(103)
And crediting:				
Gain/ (Loss) on disposal of property, plant and equipment	74	(6,990)	45	(7,261)
Interest income/ (expense)	400	108	262	37

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

	<b>3 months ended 30 June 2022 RM'000</b>	<b>3 months ended 30 June 2021 RM'000</b>	<b>YTD period ended 30 June 2022 RM'000</b>	<b>YTD period ended 30 June 2021 RM'000</b>
Tax (benefit)/expense	(6,071)	(1,640)	(13,043)	(5,079)

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

(c) The Balance sheet are as summarised below:

	YTD period ended 30 June 2022 RM'000	YTD period ended 30 June 2021 RM'000
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	55,219	54,944
Deferred tax assets	281	369
	<u>55,500</u>	<u>55,313</u>
<b>Current Assets</b>		
Trade and other receivables	126,865	132,361
Inventories	49,642	49,328
Cash and cash equivalents	50,807	57,680
	<u>227,314</u>	<u>239,368</u>
<b>Total Assets</b>	<b><u>282,814</u></b>	<b><u>294,681</u></b>
<b>Equity and Liabilities</b>		
Share capital	43,419	43,419
Treasury shares	2,500	2,500
Other reserves	(281,044)	(192,527)
Retained earnings	197,605	118,298
<b>Equity attributable to owners of the Company</b>	<u>(37,520)</u>	<u>(28,310)</u>
Non-controlling interests	3,978	15,158
<b>Total Equity</b>	<u>(33,542)</u>	<u>(13,153)</u>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Lease liabilities	3,000	1,066
Provision for retirement benefits	3,103	3,029
Other payables	1,380	1,104
Deferred tax liabilities	135	-
	<u>7,618</u>	<u>5,199</u>
<b>Current Liabilities</b>		
Loans and borrowings	113,587	131,938
Lease liabilities	5,373	3,920
Trade and other payables	178,224	148,672
Current tax liabilities	11,554	18,104
	<u>308,738</u>	<u>302,635</u>
<b>Total Liabilities</b>	<b><u>316,356</u></b>	<b><u>307,834</u></b>
<b>Total Equity and Liabilities</b>	<b><u>282,814</u></b>	<b><u>294,681</u></b>

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

---

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

	<b>3 months ended 30 June 2022 RM'000</b>	<b>3 months ended 30 June 2021 RM'000</b>	<b>YTD period ended 30 June 2022 RM'000</b>	<b>YTD period ended 30 June 2021 RM'000</b>
Net cash generated from/ (used for) operating activities	(144)	(184)	(42)	26
Net cash generated from/ (used for) investing activities	-	-	-	-
Net cash generated from/ (used for) financing activities	-	174	(121)	(17)
	<u>(144)</u>	<u>(9)</u>	<u>(163)</u>	<u>9</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**

Save as disclosed under Note B5 (b) on Corporate Proposals, there are no material subsequent events.

**A11 Changes in Composition of the Group**

Save for the disposal of PT Rig Tenders Indonesia Tbk, 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 period ended 30 June 2022.

**A13 Related party transactions**

There were no material related party transactions by the Group and the Company during the twelve (12) months ended 30 June 2022.

**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**

On 17 March 2022, the Group announced the proposed disposal of its remaining segment, Drilling Services. The proposed disposal resulted in classification of Drilling Services as Discontinued Operations since the third quarter. As a result, the performance of Drilling Services is presented as a single lined item net of tax in the Consolidated Statement of Profit or Loss. Further details of the performance of Discontinued Operations are presented under item A8 Discontinued Operations. Following the change in classification, Continuing Operations is now represented by holding company and several dormant companies.

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

---

	<b>Revenue for 3 months to 30 June 2022</b>	<b>Revenue for 3 months to 30 June 2021</b>	<b>Profit/(Loss) before tax for 3 months to 30 June 2022</b>	<b>Profit/(Loss) before tax for 3 months to 30 June 2021</b>
	<b>RM mil</b>	<b>RM mil</b>	<b>RM mil</b>	<b>RM mil</b>
Investment holdings and others	-	-	1.60	3.06

The Group reported a pre-tax profit of RM1.60 million for the quarter under review as compared to the pre-tax profit of RM3.06 million for the corresponding quarter in the preceding year. The profit in the current quarter is attributed to foreign exchange gain. The profit reported in the corresponding quarter of preceding year was in respect of share of results in an associate and the reversal of certain administrative expenses.

	<b>Revenue for 12 months to 30 June 2022</b>	<b>Revenue for 12 months to 30 June 2021</b>	<b>Profit/(Loss) before tax for 12 months to 30 June 2022</b>	<b>Profit/(Loss) before tax for 12 months to 30 June 2021</b>
	<b>RM mil</b>	<b>RM mil</b>	<b>RM mil</b>	<b>RM mil</b>
Investment holdings and others	-	-	(4.27)	(0.16)

The Group posted a pre-tax loss of RM4.27 million for the period under review against the pre-tax loss of RM0.16 million for the corresponding period. The pre-tax loss in the current period is mainly due to higher corporate expenses incurred during the period and impairment of server assets. The pre-tax loss reported in the corresponding period was due to a combination of the share of results in an associate, corporate expenses incurred during the period and the reversal of certain administrative expenses.

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

	<b>Profit/(Loss) before tax for 3 months to 30 June 2022</b>	<b>Profit/(Loss) before tax for 3 months to 31 Mar 2022</b>
	<b>RM mil</b>	<b>RM mil</b>
Investment holdings and others	1.60	(1.45)

The Group reported a pre-tax profit for the current quarter amounting to RM1.60 million against a pre-tax loss of RM1.45 million in the immediate preceding quarter mainly due to foreign exchange gain recognised in the current quarter.

**B3 Current Financial Year Prospects**

Drilling Fluids segment posted a RM18.45 million loss after tax for the quarter on the back of thinner profit margins, higher operating expenses and increase in tax provision. The adverse performance is mainly a result of increasing material and logistic costs.

Following the conclusion of the Extraordinary General Meeting on 8 August 2022 where shareholders approved the proposed disposal of the Group's 100% equity interest in Scomi Oilfield Limited, 52% equity interest in Scomi KMC Sdn Bhd and several other assets for cash consideration of RM21 million, the Group is now focused on completion of the transaction, which is in line with the Group's strategy to resolve its debt obligations.

At the same time, the Group is actively evaluating viable business opportunities for injection into the lean structure with the aim to improve the financial condition of the Group and offer growth opportunities that benefit the shareholders of the Company.

**B4 Profit Forecast**

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

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

**B5 Corporate Proposals**

- (a) 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).

On 16 November 2021, the Company announced the completion of the disposal and that the shares of PTRT have transferred to the purchaser with the full sale proceeds of the disposal having been remitted to subsidiary Scomi Marine Services Pte. Ltd.

The status of utilisation of proceeds raised from the disposal as at 30 June 2022 is as follows:

Purpose	Proposed utilisation RM mil	Intended timeframe for utilisation	Amount raised RM mill	Actual utilisation RM mil	Balance to utilise RM mil
Repayment of debts	26.5	within 6 months	26.5	26.5	-
Working capital	11.5	within 12 months	11.5	5.5	6.0
Estimated proposed listing expenses	1.6	immediately	1.6	1.6	-
<b>Total</b>	<b>39.6</b>		<b>39.6</b>	<b>33.6</b>	<b>6.0</b>

- (b) On 17 March 2022, the Group announce that SESB, wholly-owned subsidiary Scomi Oilfield Limited ("SOL") and wholly-owned subsidiary of SOL Scomi Oiltools Sdn Bhd (In Receivership) ("SOSB") had entered into the following 5 conditional sale and purchase agreements:
- (i) Between SESB and Cahya Mata Oiltools Sdn Bhd ("SPV 1"), a wholly-owned subsidiary of Cahya Mata Sarawak Berhad ("CMS"), for the disposal of SESB's 48% equity interest in Scomi KMC Sdn Bhd ("SKMC") and 100% equity interest in SOL to SPV1 for a cash consideration of RM13,505,000 (SPA 1);
  - (ii) Between SOSB and Oiltools International Sdn Bhd (a wholly-owned subsidiary of CMS) ("SPV 2") for the disposal of SOSB's 4% equity interest in SKMC, 25% equity interest in Scomi Oiltools Gulf W.L.L. and 25% equity interest in Continental Wire Cloth (Malaysia) Sdn Bhd (formerly known as Global Oilfield Products Sdn Bhd) for a cash consideration of RM2,600,001 (SPA 2);
  - (iii) Between SOSB and SPV 2 for the disposal of SOSB's 5-storey shop office in Petaling Jaya, Selangor to SPV 2 for a cash consideration of RM3,000,000 (SPA 3);

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

---

- (iv) Between SOSB and SPV 2 for the disposal of SOSB's remaining inventories and equipment to SPV 2 for a cash consideration of RM1,894,999 (SPA 4); and
- (v) Between SOL and Falcon Residences Sdn Bhd for the disposal of SOL's 100% equity interest in nine (9) other subsidiary companies to Falcon for a nominal cash consideration of RM1 (SPA 5).

The aggregate disposal consideration amounts to RM21,000,000.

On 8 August 2022, at the Extraordinary General Meeting, shareholders had approved the proposed disposal. Subsequently, to facilitate the completion of the transactions, SESB, SOSB, SPV 1 and SPV 2 have mutually agreed to further extend the conditional period of SPA 1, SPA 2, SPA 3 and SPA 4 from 15 August 2022 to 31 August 2022.

Save for the proposed disposal described in item (b) above, there are no other 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 June 2022 RM'000	Current 3 months ended 30 June 2021 RM'000	Cumulative 12 months ended 30 June 2022 RM'000	Cumulative 12 months ended 30 June 2021 RM'000
--	---	---	---	---

**Continuing operations**

Profit/(Loss) before taxation  
is stated at after  
charging/(crediting):

Depreciation and amortisation	32	(160)	123	(107)
Loss/(Gain) on foreign exchange - net	(1,680)	(2,815)	(2,644)	(1,850)
Impairment of assets	817	300	817	300
	<hr/>	<hr/>	<hr/>	<hr/>

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

**B7 Taxation**

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

	<b>Current 3 months ended 30 June 2022 RM'000</b>	<b>Current 3 months ended 30 June 2021 RM'000</b>	<b>Cumulative 12 months ended 30 June 2022 RM'000</b>	<b>Cumulative 12 months ended 30 June 2021 RM'000</b>
<b><u>Continuing operations</u></b>				
Malaysian income tax				
- current year	5	355	5	355
Foreign income tax				
- current year	-	-	-	-
Total income tax (Continuing)	<u>5</u>	<u>355</u>	<u>5</u>	<u>355</u>
Effective tax rate (Continuing)	0.31%	11.58%	0.12%	221.55%
<b><u>Discontinued operations</u></b>				
Malaysian income tax				
- current year	-	-	-	-
Foreign income tax				
- current year	6,071	1,086	13,402	5,194
Total income tax (Discontinued)	<u>6,071</u>	<u>1,086</u>	<u>13,402</u>	<u>5,194</u>
Effective tax rate (Discontinued)	20.97%	0.62%	59.13%	2.48%
Total income tax	<b>6,076</b>	<b>1,441</b>	<b>13,407</b>	<b>5,549</b>
Effective tax rate	<b><u>20.99%</u></b>	<b><u>0.82%</u></b>	<b><u>59.15%</u></b>	<b><u>2.65%</u></b>

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:-

Short term deposits, cash and bank balances

	<b>As at 30 June 2022 RM'000</b>
Cash and bank balances	-
Short term deposits with licensed banks	19,183
Cash and cash equivalents	<u>19,183</u>
Add: Deposits classified as short term investment	-
Less : restricted cash	-
Less : bank overdraft	-
Cash and cash equivalents	<u>19,183</u>

**B9 Other reserves**

	<b>As at 30 June 2022 RM'000</b>	<b>As at 30 June 2021 (Audited) RM'000</b>
Capital reserve	26,881	26,881
Translation reserves	(111,788)	(133,634)
Merger reserve	(443,323)	(443,323)
	<u>(528,230)</u>	<u>(550,076)</u>

**B10 Earnings per share**

	<b>Current 3 months ended 30 June 2022 RM'000</b>	<b>Current 3 months ended 30 June 2021 RM'000</b>	<b>Cumulative 12 months ended 30 June 2022 RM'000</b>	<b>Cumulative 12 months ended 30 June 2021 RM'000</b>
<b><u>Basic and diluted earnings per share</u></b>				
(Loss)/profit for the period	(33,429)	(174,298)	(40,339)	(215,385)
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)	468,324	468,324	468,324	468,324
<b>Basic earnings/(loss) per share (sen)</b>				
Continuing	0.34	(0.11)	(0.91)	(0.11)
Discontinued	(4.97)	(45.88)	(4.98)	(45.88)
	<b>(7.14)</b>	<b>(40.87)</b>	<b>(8.62)</b>	<b>(45.98)</b>

**B11 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.

**B12 Proposed Dividend**

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

**B13 Authorised For Issue**

The interim financial statements were authorised for issue on 29 Aug 2022 by the Board of Directors.