

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 ENDED 30 SEPTEMBER 2022

	3 months ended 30 Sept 2022 RM'000	3 months ended 30 Sept 2021 RM'000	Cumulative period 3 months ended 30 Sept 2022 RM'000	Cumulative period 3 months ended 30 Sept 2021 RM'000
Continuing operations:				
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Administrative expenses	(1,985)	(2,405)	(1,985)	(2,405)
Other operating expenses	(8,000)	-	(8,000)	-
Other income	86	1,799	86	1,799
Results from operating activities	(9,899)	(606)	(9,899)	(606)
Finance expenses	-	-	-	-
Loss before tax	(9,899)	(606)	(9,899)	(606)
Taxation	-	-	-	-
Loss from continuing operations	(9,899)	(606)	(9,899)	(606)
Discontinued operations:				
Profit after tax from discontinued operations	38,717	2,470	38,717	2,470
Profit for the period	28,818	1,864	28,818	1,864
Other comprehensive income				
Currency translation differences	93,044	(1,201)	93,044	(1,201)
Merger reserve reversal	436,430	-	436,430	-
	529,474	(1,201)	529,474	(1,201)
Total comprehensive income for the period	558,292	663	558,292	663
Profit/(Loss) after tax attributable to:				
<u>Owners of the Company</u>				
Continuing operations	(9,899)	(606)	(9,899)	(606)
Discontinued operations	38,829	2,470	38,829	2,470
<u>Non-controlling interests</u>				
Continuing operations	-	-	-	-
Discontinued operations	(112)	-	(112)	-
	28,818	1,864	28,818	1,864
Other comprehensive income/(expenses) attributable to:				
<u>Owners of the Company</u>				
Continuing operations	83,145	(606)	(37,729)	(606)
Discontinued operations	475,259	1,269	596,133	1,269
<u>Non-controlling interests</u>				
Continuing operations	-	-	-	-
Discontinued operations	(112)	-	(112)	-
	558,292	663	558,292	663
Basic earnings/(loss) per ordinary share (sen)				
Continuing operations	(2.11)	(0.13)	(2.11)	(0.13)
Discontinued operations	8.29	0.53	8.29	0.53

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

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	Note	As at 30 Sept 2022 RM'000	As at 30 June 2022 RM'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		55	55
Investment in associates		2,340	10,340
		2,395	10,395
CURRENT ASSETS			
Trade and other receivables		5,856	6,204
Inventories		-	-
Current tax assets		5	5
Cash and cash equivalents	B8	15,957	19,184
		21,818	25,393
Asset held for sale		100	100
Assets of disposal group classified as held for sale		-	283,339
		21,918	308,832
TOTAL ASSETS		24,313	319,227
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		445,535	445,535
Treasury shares		(51)	(51)
Other reserves	B9	(5,266)	(534,739)
Retained earnings		(430,336)	58,024
Equity attributable to owners of the Company		9,882	(31,231)
Non-controlling interests		-	9,758
TOTAL EQUITY		9,882	(21,473)
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities		2,925	2,912
		2,925	2,912
CURRENT LIABILITIES			
Trade and other payables		11,505	15,454
Current tax liabilities		1	1
		11,506	15,455
Liabilities of disposal group classified as held for sale		0	322,333
		11,506	337,788
TOTAL LIABILITIES		14,431	340,700
TOTAL EQUITY AND LIABILITIES		24,313	319,227
Net assets per share (RM)		0.02	(0.07)

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SCOMI ENERGY SERVICES BHD 199601025627 (397979-A)
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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 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			
As at 1 July 2022	445,535	(51)	(534,739)	58,024	(31,231)	9,758	(21,473)
Foreign currency translation differences for foreign operations	-	-	529,474	-	529,474	-	529,474
Retirement benefits	-	-	-	-	-	-	-
Total other comprehensive income for the period	-	-	529,474	-	529,474	-	529,474
Profit/(loss) for the period	-	-	-	28,930	28,930	(112)	28,818
Total comprehensive income/(expenses) for the period	-	-	529,474	28,930	558,404	(112)	558,292
Disposal of subsidiaries	-	-	-	(517,290)	(517,290)	(9,646)	(526,936)
As at 30 September 2022	445,535	(51)	(5,266)	(430,336)	9,882	-	9,882
	-	-	-	-	-	-	-
Audited						-	-
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	-	-	15,337	-	15,337	-	15,337
Total other comprehensive income for the year	-	-	15,337	-	15,337	-	15,337
Loss for the year	-	-	-	(26,947)	(26,947)	(10,601)	(37,548)
Total comprehensive income/(expenses) for the year	-	-	15,337	(26,947)	(11,610)	(10,601)	(22,211)
Disposal of subsidiaries	-	-	-	-	-	(12,845)	(12,845)
As at 30 June 2022	445,535	(51)	(534,739)	58,024	(31,231)	9,758	(21,473)

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 YEAR ENDED 30 SEPTEMBER 2022

	Note	3 months ended 30 Sept 2022 RM'000	3 months ended 30 Sept 2021 RM'000
Cash Flows (For)/From Operating Activities			
(Loss)/Profit before tax:			
Continuing operations		(9,899)	(1,808)
Discontinued operations (including remeasurement of assets)		39,873	5,219
Adjustments for non-cash items		(23,772)	24,510
Changes in working capital:			
Inventories		-	(2,582)
Receivables		(288)	2,157
Payables		(27,673)	(4,060)
Cash generated from operations		(21,759)	23,436
Tax paid		-	(4,978)
Interest received		86	43
Net cash (for)/from operating activities		(21,673)	18,501
Cash Flows From/(For) Investing Activities			
Purchase of property, plant and equipment		-	(14,371)
Proceeds from disposal of property, plant and equipment		-	20
Proceeds from disposal of subsidiaries		21,000	-
Net cash generated/(used) in investing activities		21,000	(14,351)
Cash Flows For Financing Activities			
Payment of lease liabilities		-	(1,505)
Repayment of borrowings		(95)	-
Increase in short term deposit pledged as securities		-	(3,875)
Net cash for financing activities		(95)	(5,380)
Net decrease in cash and cash equivalents		(768)	(1,230)
Cash and cash equivalents at beginning of the year		19,184	55,275
Currency translation differences		(2,459)	585
Cash and cash equivalents reclassified as held for sales		-	-
Cash and cash equivalents at end of the period	B8	15,957	54,630

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 2022 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:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
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 2022.

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:

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 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
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	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 2022 as the preparation of the financial statements on a going concern basis is highly dependent on the successful implementation of the debt restructuring plan and regularisation plan by the company.

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.

A2 Audit Report for Preceding Annual Financial Statements (Continued)

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 regularisation plan.

SESB had on 17 November 2022 submitted to Bursa Securities an application for an extension of time of six (6) months up until 31 May 2023 to submit its regularisation plan. The Group together with the principal adviser are in the midst of formulating a regularisation plan to address the financial condition of the Group.

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 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 three months ended 30 September 2022

	Investment Holding and Others RM'000
REVENUE	
External sales	-
RESULTS	
Loss from operations	(1,985)
Realised gain/(loss) on foreign exchange	-
Unrealised gain/(loss) on foreign exchange	-
Finance costs	-
Other expenses	(8,000)
Other income	86
Loss before tax	(9,899)
Taxation	-
Loss for the period	<u>(9,899)</u>
Other information	
Depreciation and amortisation	-
Interest income	86
Addition/(reduction) to non-current assets other than financial instruments and deferred tax assets	<u>-</u>

	Investment Holding Others RM'000
ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2022	
ASSETS	
Assets employed in the segment	21,873
Investment in associates	2,340
	<u>24,213</u>
Assets of disposal group held for sale	-
Assets held for sale	100
Total assets	<u>24,313</u>

A8 Segmental Reporting (Continued)

Revenue and results for three months ended 30 September 2021

	Investment Holding Others RM'000
REVENUE	
External sales	-
RESULTS	
Loss from operations	(7,318)
Realised gain on foreign exchange	15
Unrealised gain on foreign exchange	4,898
Finance costs	-
Other expenses	-
Other income	1,799
Loss before tax	(606)
Taxation	-
Loss for the period	(606)
Other information	
Depreciation and amortisation	49
Interest income	-
Addition to non-current assets other than financial instruments and deferred tax assets	(6)
	Investment Holding Others RM'000
ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2021	
ASSETS	
Assets employed in the segment	25,448
Investment in associates	10,340
	35,788
Assets of disposal group held for sale	283,339
Assets held for sale	100
Total assets	319,227

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Discontinued Operations

	3 months ended 30 Sept 2022 RM'000	3 months ended 30 Sept 2021 RM'000	YTD period ended 30 Sept 2022 RM'000	YTD period ended 30 Sept 2021 RM'000
<u>Marine Services</u>				
Revenue	-	19,924	-	19,924
Cost of sales	-	(15,925)	-	(15,925)
Gross profit	-	3,999	-	3,999
Other expenses	-	(127)	-	(127)
Administration expenses	-	(2,047)	-	(2,047)
Other expenses	-	-	-	-
Results from operating activities	-	1,825	-	1,825
Profit before tax	-	1,825	-	1,825
Taxation	-	(264)	-	(264)
Profit after tax from discontinued operations	-	1,561	-	1,561
Attributable to:				
Owners of the parent	-	1,561	-	1,561

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Discontinued Operations (Continued)

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

	3 months ended 30 Sept 2022 RM'000	3 months ended 30 Sept 2021 RM'000	YTD period ended 30 Sept 2022 RM'000	YTD period ended 30 Sept 2021 RM'000
After charging:				
Impairment loss on receivables	-	-	-	-
Depreciation of property, plant and equipment	-	6,402	-	6,402
And crediting:				
Realised gain on foreign exchange	-	101	-	101
Gain on disposal of property, plant and equipment	-	16	-	16
Interest income	-	1	-	1

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

	3 months ended 30 Sept 2022 RM'000	3 months ended 30 Sept 2021 RM'000	YTD period ended 30 Sept 2022 RM'000	YTD period ended 30 Sept 2021 RM'000
Tax expense	-	256	-	264
	<u>-</u>	<u>256</u>	<u>-</u>	<u>264</u>

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

	3 months ended 30 Sept 2022 RM'000	3 months ended 30 Sept 2021 RM'000	YTD period ended 30 Sept 2022 RM'000	YTD period ended 30 Sept 2021 RM'000
Net cash generated from operating activities	-	15,283	-	15,283
Net cash generated from investing activities	-	-	-	-
Net cash used in financing activities	-	-	-	-
	<u>-</u>	<u>15,283</u>	<u>-</u>	<u>15,283</u>

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Discontinued Operations (Continued)

<u>Drilling Services</u>	3 months ended 30 Sept 2022 RM'000	3 months ended 30 Sept 2021 RM'000	YTD period ended 30 Sept 2022 RM'000	YTD period ended 30 Sept 2021 RM'000
Revenue	43,580	62,462	43,580	62,462
Cost of sales	(30,625)	(47,490)	(30,625)	(47,490)
Gross profit	12,955	14,972	12,955	14,972
Other income	27,956	3,078	27,956	3,078
Selling and distribution costs	-	(5,207)	-	(5,207)
Administration expenses	-	(6,192)	-	(6,192)
Other expenses	(834)	(1,012)	(834)	(1,012)
Results from operating activities	40,077	5,639	40,077	5,639
Finance cost	(204)	(2,245)	(204)	(2,245)
Profit before tax	39,873	3,394	39,873	3,394
Taxation	(1,156)	(2,484)	(1,156)	(2,484)
Results from operating activities, net of tax	38,717	910	38,717	910
Profit after tax from discontinued operations	38,717	910	38,717	910
Attributable to:				
Owners of the parent	38,717	910	38,717	910

Discontinued Operations (Continued)

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

	3 months ended 30 Sept 2022 RM'000	3 months ended 30 Sept 2021 RM'000	YTD period ended 30 Sept 2022 RM'000	YTD period ended 30 Sept 2021 RM'000
After charging:				
Depreciation of property, plant and equipment	-	3,962	-	3,962
Loss on disposal of property, plant and equipment	-	253	-	253
And crediting:				
Realised gain on foreign exchange	577	3,327	577	3,327
Interest income	-	42	-	42

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

	3 months ended 30 Sept 2022 RM'000	3 months ended 30 Sept 2021 RM'000	YTD period ended 30 Sept 2022 RM'000	YTD period ended 30 Sept 2021 RM'000
Tax expense	1,156	2,484	1,156	2,484

SCOMI ENERGY SERVICES BHD 199601025627 (397979-A)
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Discontinued Operations (Continued)

(c) The Balance sheet are as summarised below:

	YTD period ended 30 Sept 2022 RM'000	YTD period ended 30 Sept 2021 RM'000
<u>Assets</u>		
Non-Current Assets		
Property, plant and equipment	-	46,285
Deferred tax assets	-	(63)
	-	46,222
Current Assets		
Trade and other receivables	-	93,332
Inventories	-	45,836
Cash and cash equivalents	-	54,681
	-	193,849
Total Assets	-	240,070
<u>Equity and Liabilities</u>		
Share capital	-	43,419
Treasury shares	-	2,500
Other reserves	-	(306,403)
Retained earnings	-	120,337
Equity attributable to owners of the Company	-	(140,146)
Non-controlling interests	-	13,782
Total Equity	-	(126,364)
<u>Liabilities</u>		
Non-Current Liabilities		
Lease liabilities	-	(1,600)
Provision for retirement benefits	-	2,966
Other payables	-	1,126
Deferred tax liabilities	-	4
	-	2,496
Current Liabilities		
Loans and borrowings	-	133,451
Lease liabilities	-	5,032
Trade and other payables	-	211,610
Current tax liabilities	-	13,846
	-	363,939
Total Liabilities	-	366,435
Total Equity and Liabilities	-	240,070

Discontinued Operations (Continued)

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

	3 months ended 30 Sept 2022 RM'000	3 months ended 30 Sept 2021 RM'000	YTD period ended 30 Sept 2022 RM'000	YTD period ended 30 Sept 2021 RM'000
Net cash generated from operating activities	(64)	(73)	(64)	(73)
Net cash generated from investing activities	(29,429)	-	(29,429)	-
Net cash used in financing activities	(189)	85	(189)	85
	<u>(29,682)</u>	<u>12</u>	<u>(29,682)</u>	<u>12</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 part (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, Scomi Oilfield Limited (Bermuda) and Scomi KMC Sdn Bhd, 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 September 2022.

A13 Related Party Transactions

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

	Revenue for 3 months to 30 Sept 2022	Revenue for 3 months to 30 Sept 2021	Loss before tax for 3 months to 30 Sept 2022	Loss before tax for 3 months to 30 Sept 2021
	RM mil	RM mil	RM mil	RM mil
Investment holdings and others	-	-	(9.90)	(0.61)

The Group reported a higher pre-tax loss by RM9.3 million for the quarter and period under review as compared to the corresponding quarter and period in the preceding year. This was mainly due to impairment loss on investments in associates namely Southern Petroleum Transportation Joint Stock Company by RM8.0 million during the quarter and period under review.

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

	Loss before tax for 3 months to 30 Sept 2022	Profit before tax for 3 months to 31 June 2022
	RM mil	RM mil
Investment holdings and others	(9.90)	1.60

The Group reported a pre-tax loss of RM9.9 million for the current quarter as compared to a pre-tax profit of RM1.60 million in the immediate preceding quarter. This was mainly due to impairment loss on investments in associates namely Southern Petroleum Transportation Joint Stock Company by RM8.0 million during the current quarter.

B3 Current Financial Year Prospects

Following the sale of the SESB's Oilfield business which has been completed on 6 September 2022, the Company has entered into a Framework Agreement ("FA") with PJD Link Holdings Sdn Bhd and Noblemax Resources Sdn Bhd and PJD Link (M) Sdn Bhd ("Target Company") on 3 October 2022, for the proposed acquisition of 100% equity interest in the Target Company by SESB ("Proposed Acquisition").

As SESB had on 17 November 2022 submitted an application for extension of time of six (6) months up to 31 May 2023 to submit the proposed regularisation plan to Bursa Securities, the Company is currently focusing on the Proposed Acquisition which is intended to be undertaken as the Company's proposed regularisation plan or form part thereof.

B4 Profit Forecast

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

B5 Corporate Proposals

(a) The status of utilisation of proceeds raised from the disposal of PTRT as at 30 September 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	8.5	3.0
Estimated proposed listing expenses	1.6	immediately	1.6	1.6	-
Total	39.6		39.6	36.6	3.0

(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);
- (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).

On 8 August 2022, at the Extraordinary General Meeting, shareholders had approved the proposed disposal. Subsequently, to facilitate the completion of the transactions,

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

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.

B5 Corporate Proposals (Continued)

The aggregate disposal consideration amounts to RM21,000,000 the proceeds of which has been utilised for debt repayment to the secured lenders.

The sale of the SESB's Oilfield business was completed on 6 September 2022.

- (c) The Company has entered into a Framework Agreement ("FA") with PJD Link Holdings Sdn Bhd and Noblemax Resources Sdn Bhd and PJD Link (M) Sdn Bhd ("Target Company") on 3 October 2022, for the proposed acquisition of 100% equity interest in the Target Company by SESB ("Proposed Acquisition"), which is intended to be undertaken as the Company's proposed regularisation plan or form part thereof.

On 17 November 2022, SESB had submitted an application for extension of time of six (6) months up to 31 May 2023 to submit the proposed regularisation plan to Bursa Securities.

Save for the Proposed Acquisition described in item (c) 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	Current	Cumulative	Cumulative
	3 months ended 30 Sept 2022	3 months ended 30 Sept 2021	3 months ended 30 Sept 2022	3 months ended 30 Sept 2021
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
Profit/(Loss) before taxation is stated at after charging/(crediting):				
Depreciation and amortisation	-	49	-	49
Gain on foreign exchange - net	-	(4,913)	-	(4,913)
Impairment loss:				
- investment in associate	8,000	-	8,000	-
Interest income	(86)	-	(86)	-
	<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: -

	Current 3 months ended 30 Sept 2022 RM'000	Current 3 months ended 30 Sept 2021 RM'000	Cumulative 3 months ended 30 Sept 2022 RM'000	Cumulative 3 months ended 30 Sept 2021 RM'000
<u>Continuing operations</u>				
Malaysian income tax				
- current year	-	-	-	-
Foreign income tax				
- current year	-	-	-	-
Total income tax (Continuing)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Effective tax rate (Continuing)	0.00%	0.00%	0.00%	0.00%
<u>Discontinued operations</u>				
Malaysian income tax				
- current year	-	-	-	-
Foreign income tax				
- current year	1,156	2,748	1,156	2,748
Total income tax (Discontinued)	<u>1,156</u>	<u>2,748</u>	<u>1,156</u>	<u>2,748</u>
Effective tax rate (Discontinued)	-2.90%	-52.65%	-2.90%	-52.65%
Total income tax	1,156	2,748	1,156	2,748
Effective tax rate	<u>-2.90%</u>	<u>-52.65%</u>	<u>-2.90%</u>	<u>-52.65%</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.

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

B8 Cash and Bank Balances

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

	As at 30 Sept 2022 RM'000
Cash and bank balances	878
Short term deposits with licensed banks	15,079
Cash and cash equivalents	<u>15,957</u>

B9 Other Reserves

	As at 30 Sept 2022 RM'000	As at 30 June 2022 (Audited) RM'000
Capital reserve	26,881	26,881
Translation reserves	(25,253)	(118,296)
Merger reserve	(6,894)	(443,324)
	<u>(5,266)</u>	<u>(534,739)</u>

B10 Earnings Per Share

	Current 3 months ended 30 Sept 2022 RM'000	Current 3 months ended 30 Sept 2021 RM'000	Cumulative 3 months ended 30 Sept 2022 RM'000	Cumulative 3 months ended 30 Sept 2021 RM'000
<u>Basic and diluted earnings per share</u>				
Profit for the period	<u>28,930</u>	<u>1,864</u>	<u>28,930</u>	<u>1,864</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	(2.11)	(0.13)	(2.11)	(0.13)
Discontinued	8.29	0.53	8.29	0.53
	<u>6.18</u>	<u>0.40</u>	<u>6.18</u>	<u>0.40</u>

B11 Material Litigation

There is no change in material litigation since the date of the audited financial statements for financial year ended 30 September 2022 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 30 November 2022 by the Board of Directors.