

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 JUNE 2023

	3 months ended 30 June 2023 RM'000	3 months ended 30 June 2022 RM'000	Cumulative period 12 months ended 30 June 2023 RM'000	Cumulative period 12 months ended 30 June 2022 RM'000
Continuing operations:				
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Administrative expenses	(1,045)	(1,293)	(5,508)	(8,120)
Other operating income	38,132	3,330	30,127	3,330
Other income/(expenses)	48	(25,986)	257	(25,020)
Results from operating activities	37,135	(23,949)	24,876	(29,810)
Finance expenses	-	(68)	-	(68)
Profit/(loss) before tax	37,387	(24,017)	25,128	(29,878)
Taxation	(41)	-	(41)	-
Profit/(loss) from continuing operations	37,346	(24,017)	25,087	(29,878)
Discontinued operations:				
Loss after tax from discontinued operations	(151,060)	(6,622)	(112,343)	(7,672)
Loss for the period	(113,714)	(30,639)	(87,256)	(37,550)
Other comprehensive income				
Currency translation differences	24,290	28,617	118,297	21,846
Merger reserve reversal	6,893	-	443,323	-
	31,183	28,617	561,620	21,846
Total comprehensive income for the period	(82,531)	(2,022)	474,364	(15,704)
Loss after tax attributable to:				
<u>Owners of the Company</u>				
Continuing operations	37,346	(24,017)	25,087	(29,878)
Discontinued operations	(151,060)	(17,630)	(112,231)	(18,680)
<u>Non-controlling interests</u>				
Continuing operations	-	-	-	-
Discontinued operations	-	11,008	(112)	11,008
	(113,714)	(30,639)	(87,256)	(37,550)
Other comprehensive income/(expenses) attributable to:				
<u>Owners of the Company</u>				
Continuing operations	61,636	(24,017)	25,092	(29,878)
Discontinued operations	(144,167)	10,987	449,384	3,166
<u>Non-controlling interests</u>				
Continuing operations	-	-	-	-
Discontinued operations	-	11,008	(112)	11,008
	(82,531)	(2,022)	474,364	(15,704)
Basic earnings/(loss) per ordinary share (sen)				
Continuing operations	B10 7.97	(5.13)	5.36	(6.38)
Discontinued operations	B10 (32.26)	(3.76)	(23.96)	(3.99)

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 JUNE 2023

	Note	As at 30 June 2023 RM'000	As at 30 June 2022 RM'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		18	55
Investment in associates		(0)	10,340
		18	10,395
CURRENT ASSETS			
Trade and other receivables		12,443	6,204
Current tax assets		-	5
Cash and cash equivalents	B8	1,489	19,184
		13,932	25,393
Asset held for sale		-	100
Assets of disposal group classified as held for sale		-	283,339
		13,932	308,832
TOTAL ASSETS		13,950	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	26,881	(534,739)
Retained earnings		(460,422)	58,024
Equity attributable to owners of the Company		11,943	(31,231)
Non-controlling interests		-	9,758
TOTAL EQUITY		11,943	(21,473)
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred tax liabilities		-	2,912
		-	2,912
CURRENT LIABILITIES			
Trade and other payables		1,966	15,454
Current tax liabilities		41	1
		2,007	15,455
Liabilities of disposal group classified as held for sale		-	322,333
		2,007	337,788
TOTAL LIABILITIES		2,007	340,700
TOTAL EQUITY AND LIABILITIES		13,950	319,227
Net assets per share (RM)		0.03	(0.07)

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 2023

	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	-	-	561,620	-	561,620	-	561,620
Total other comprehensive income for the period	-	-	561,620	-	561,620	-	561,620
Loss for the period	-	-	-	(87,144)	(87,144)	(112)	(87,256)
Total comprehensive income/(expenses) for the period	-	-	561,620	(87,144)	474,476	(112)	474,364
Disposal of subsidiaries	-	-	-	(431,302)	(431,302)	(9,646)	(440,948)
As at 30 June 2023	445,535	(51)	26,881	(460,422)	11,943	-	11,943
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 JUNE 2023

	Note	12 months ended 30 June 2023 RM'000	12 months ended 30 June 2022 RM'000
Cash Flows From/(For) Operating Activities			
Profit/(loss) before tax:			
Continuing operations		25,128	(6,779)
Discontinued operations (including remeasurement of assets)		(111,187)	5,902
Adjustments for non-cash items		(44,935)	3,635
Changes in working capital:			
Inventories		-	(3,804)
Receivables		-	19,910
Payables		(9,193)	(6,649)
Cash (used in)/generated from operations		(140,187)	12,216
Tax paid		-	(5,250)
Interest received		200	139
Net cash (for)/from operating activities		(139,987)	7,105
Cash Flows From/(For) Investing Activities			
Purchase of property, plant and equipment		-	(16,422)
Proceeds from disposal of property, plant and equipment		19	6,311
Proceeds from disposal of subsidiaries		39,146	39,587
Net cash generated from investing activities		39,165	29,477
Cash Flows For Financing Activities			
Payment of lease liabilities		-	(4,937)
Repayment of borrowings		(95)	(30,432)
Increase in short term deposit pledged as securities		-	(781)
Net cash for financing activities		(95)	(36,150)
Net (decreased)/increased in cash and cash equivalents		(100,917)	432
Cash and cash equivalents at beginning of the year		19,184	55,275
Currency translation differences		83,222	1,955
Cash and cash equivalents reclassified as held for sales		-	(36,052)
Cash and cash equivalents at end of the period	B8	1,489	21,610

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 2023 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 2023.

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 2023.

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”) but are not yet effective for the current periods:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
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 2024
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
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

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.

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.

A2 Audit Report for Preceding Annual Financial Statements (Continued)

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.

On 17 May 2023, M & A Securities had submitted an application for a further extension of time up to 30 November 2023 to submit its regularisation plan to Bursa Securities.

On 13 July 2023 Bursa Securities has decided to reject the further extension of time application as the Company has not demonstrated to the satisfaction of Bursa Securities any material development towards the finalisation and submission of the regularisation plan to the regulatory authorities.

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 2023.

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 2023

	Investment Holding Others RM'000
REVENUE	
External sales	-
RESULTS	
Loss from operations	(5,214)
Unrealised loss on foreign exchange	(42)
Other operating income	30,127
Other income	257
Profit before tax	25,128
Taxation	(41)
Profit for the period	25,087
Other information	
Depreciation and amortisation	6
Interest income	550
Reduction to non-current assets other than financial instruments and deferred tax assets	(37)

	Investment Holding Others RM'000
ASSETS AND LIABILITIES AS AT 30 JUNE 2023	
ASSETS	
Assets employed in the segment	13,950
Investment in associates	-
	13,950
Assets held for sale	-
Total assets	13,950

A8 Segmental Reporting (Continued)

Revenue and results for twelve months ended 30 June 2022

	Investment Holding Others RM'000
REVENUE	
External sales	-
RESULTS	
Loss from operations	(11,108)
Realised loss on foreign exchange	(16)
Unrealised gain on foreign exchange	3,004
Other expenses	(25,020)
Loss before tax	(29,878)
Taxation	-
Loss for the period	(29,878)
Other information	
Depreciation and amortisation	294
Interest income	30
Reduction to non-current assets other than financial instruments and deferred tax assets	(6)
	Investment Holding Others RM'000
ASSETS AND LIABILITIES AS AT 30 JUNE 2022	
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 June 2023 RM'000	3 months ended 30 June 2022 RM'000	YTD period ended 30 June 2023 RM'000	YTD period ended 30 June 2022 RM'000
<u>Marine Services</u>				
Revenue	-	(0)	-	27,357
Cost of sales	-	1	-	(21,895)
Gross profit	-	0	-	5,462
Other expenses	10,545	(167,472)	10,545	(167,103)
Administration expenses	(17)	(14)	(17)	(3,337)
Other expenses	(285,656)	(237)	(179,501)	(237)
Results from operating activities	<u>(275,128)</u>	<u>(167,723)</u>	<u>(168,973)</u>	<u>(165,215)</u>
Loss before tax	(275,128)	(167,723)	(168,973)	(165,215)
Taxation	-	(2)	-	(364)
Loss after tax from discontinued operations	<u>(275,128)</u>	<u>(167,725)</u>	<u>(168,973)</u>	<u>(165,579)</u>
Attributable to:				
Owners of the parent	<u>(275,128)</u>	<u>(167,725)</u>	<u>(168,973)</u>	<u>(165,579)</u>

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Discontinued Operations (Continued)

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

	3 months ended 30 June 2023 RM'000	3 months ended 30 June 2022 RM'000	YTD period ended 30 June 2023 RM'000	YTD period ended 30 June 2022 RM'000
After charging:				
Impairment loss on subsidiaries	80,306	237	80,306	237
Depreciation of property, plant and equipment	-	73	-	8,576
And crediting:				
Realised gain on foreign exchange	-	(1,180)	-	(618)
Gain on disposal of property, plant and equipment	-	(33)	-	(17)
Interest income	-	(1)	-	-

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

	3 months ended 30 June 2023 RM'000	3 months ended 30 June 2022 RM'000	YTD period ended 30 June 2023 RM'000	YTD period ended 30 June 2022 RM'000
Tax expense	-	(281)	-	86
	<u>-</u>	<u>(281)</u>	<u>-</u>	<u>86</u>

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

	3 months ended 30 June 2023 RM'000	3 months ended 30 June 2022 RM'000	YTD period ended 30 June 2023 RM'000	YTD period ended 30 June 2022 RM'000
Net cash generated from operating activities	-	-	-	15,283
Net cash generated from investing activities	-	-	-	-
Net cash used in financing activities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,283</u>

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Discontinued Operations (Continued)

<u>Drilling Services</u>	3 months ended 30 June 2023 RM'000	3 months ended 30 June 2022 RM'000	YTD period ended 30 June 2023 RM'000	YTD period ended 30 June 2022 RM'000
Revenue	248	71,827	43,580	250,078
Cost of sales	(174)	(63,041)	(30,625)	(198,842)
Gross profit	74	8,786	12,955	51,236
Other income	18,106	300,517	45,903	305,877
Selling and distribution costs	-	(6,586)	-	(20,147)
Administration expenses	(34)	(122,660)	(34)	(146,266)
Other expenses	(5)	(10,682)	(834)	(10,682)
Results from operating activities	18,141	169,375	57,990	180,018
Finance cost	(1)	(2,468)	(204)	(9,344)
Profit before tax	18,140	166,907	57,786	170,674
Taxation	(7)	(6,223)	(1,156)	(13,195)
Results from operating activities, net of tax	18,133	160,684	56,630	157,479
Profit after tax from discontinued operations	18,133	160,684	56,630	157,479
Attributable to:				
Owners of the parent	18,133	160,684	56,630	157,479

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Discontinued Operations (Continued)

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

	3 months ended 30 June 2023 RM'000	3 months ended 30 June 2022 RM'000	YTD period ended 30 June 2023 RM'000	YTD period ended 30 June 2022 RM'000
After charging:				
Depreciation of property, plant and equipment	-	-	1,398	11,613
(Gain)/loss on disposal of property, plant and equip	-	-	-	(28)
And crediting:				
Realised gain on foreign exchange	-	-	577	4,785
Interest income	-	-	-	138

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

	3 months ended 30 June 2023 RM'000	3 months ended 30 June 2022 RM'000	YTD period ended 30 June 2023 RM'000	YTD period ended 30 June 2022 RM'000
Tax expense	7	6,223	1,156	13,195

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Discontinued Operations (Continued)

(c) The balance sheet are as summarised below:

	YTD period ended 30 June 2023 RM'000	YTD period ended 30 June 2022 RM'000
<u>Assets</u>		
Non-Current Assets		
Property, plant and equipment	-	56,700
Deferred tax assets	-	472
	-	57,171
Current Assets		
Trade and other receivables	-	112,678
Inventories	-	54,279
Current tax assets	-	11,651
Cash and cash equivalents	-	50,822
	-	229,430
Total Assets	-	286,602
<u>Equity and Liabilities</u>		
Share capital	-	21,458
Treasury shares	-	2,500
Share premium	-	22,511
Other reserves	-	(259,929)
Retained earnings	-	163,339
Equity attributable to owners of the Company	-	(50,121)
Non-controlling interests	-	4,385
Total Equity	-	(45,735)
<u>Liabilities</u>		
Non-Current Liabilities		
Lease liabilities	-	10,681
Provision for retirement benefits	-	3,474
Other payables	-	1,397
Deferred tax liabilities	-	(0)
	-	15,552
Current Liabilities		
Loans and borrowings	-	113,735
Lease liabilities	-	7,926
Trade and other payables	-	182,539
Current tax liabilities	-	12,585
	-	316,785
Total Liabilities	-	332,337
Total Equity and Liabilities	-	286,602

Discontinued Operations (Continued)

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

	3 months ended 30 June 2023 RM'000	3 months ended 30 June 2022 RM'000	YTD period ended 30 June 2023 RM'000	YTD period ended 30 June 2022 RM'000
Net cash generated from operating activities	-	-	(64)	(73)
Net cash generated from investing activities	-	-	(29,429)	-
Net cash used in financing activities	-	-	(189)	85
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	(29,682)	12

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, Emerald Logistics Sdn Bhd, Scomi Marine Pte Ltd, Scomi D&P, Trans Advantage Sdn Bhd and Scomi Argentina Sociedad Anonima 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 financial year ended 30 June 2023 up to the date of this report.

A13 Related Party Transactions

	3 months Ended 30 June 2023 RM'000
Associate	
Recharge of expenses paid on behalf	<u>16</u>

The Directors are of the view that the above transactions have been entered into in the normal course of business under terms and conditions no less favorable to the Group and the Company than those arranged with independent third parties.

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

B1 Review of Operating 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 June 2023	Revenue for 3 months to 30 June 2022	Profit before tax for 3 months to 30 June 2023	Loss before tax for 3 months to 30 June 2022
	RM mil	RM mil	RM mil	RM mil
Investment holdings and others	-	-	37.39	(24.02)

The Group reported a pre-tax profit of RM37.39 million as compared to pre-tax loss of RM24.02 million in the corresponding quarter and period in the preceding year. This was mainly due to gain on disposal of subsidiaries, unrealised forex gain and lower other operating cost during the quarter and period under review.

	Revenue for 12 months to 30 June 2023	Revenue for 12 months to 30 June 2022	Profit before tax for 12 months to 30 June 2023	Loss before tax for 12 months to 30 June 2022
	RM mil	RM mil	RM mil	RM mil
Investment holdings and others	-	-	25.13	(29.88)

The Group posted a pre-tax profit of RM25.13 million for the period under review against the pre-tax loss of RM29.88 million for the corresponding period. This was mainly due to gain on disposal of subsidiaries, unrealised forex gain and lower other operating cost.

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

	Profit before tax for 3 months to 30 June 2023	Loss before tax for 3 months to 31 Mar 2023
	RM mil	RM mil
Investment holdings and others	37.39	(0.64)

The Group reported a pre-tax profit of RM37.39 million as compared to the immediate preceding quarter. This was mainly contributed by gain on disposal of subsidiaries and unrealised forex gain during the 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 to Bursa Securities for an extension of time of six (6) months up to 31 May 2023 to submit the proposed regularisation plan to Bursa Securities. On 12 January 2023, Bursa approved the Company's application for a further extension of time of 6 months up to 31 May 2023 to submit its regularisation plan to regulatory authorities.

The Company announced on 13 January 2023 that the Parties have mutually agreed to extend the date to execute the Acquisition Agreement and the Due Diligence Period from 15 January 2023 to 15 April 2023. Subsequently on 18 January 2023 the Company also announced that the Parties have on 18 January 2023 entered into an Addendum to the FA to amend, modify and supplement Clause 2.4A of the FA.

On 11 May 2023, the Parties mutually agreed to further extend the date to execute the Acquisition Agreement and the Due Diligence Period from 15 April 2023 to 15 September 2023. On 17 May 2023, M & A Securities had submitted an application for a further extension of time up to 30 November 2023 to submit its regularisation plan to Bursa Securities. On 18 July 2023, the Parties mutually agreed to terminate the FA under Clause (iii) of the Third Addendum for PJD.

B3 Current Financial Year Prospects (Continued)

On 4 August 2023, The Board of Directors ("Board") of SESB wishes to announce that the Company had entered into a Heads of Agreement ("HOA") with Duta Marine Sdn Bhd ("DMSB") and desirous of entering into an agreement for purposes of setting out a broad framework for further discussions leading upon to the finalization and signing of the Definitive Agreement. On 28 August 2023, SESB and Duta Marine Sdn Bhd mutually agreed to further extend the date for the Heads of Agreement from 24 August 2023 to 24 September 2023.

B4 Profit Forecast

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

B5 Corporate Proposals

(a) 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 Liquidation) ("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).

B5 Corporate Proposals (Continued)

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. 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 were completed on 6 September 2022.

- (b) 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. The Company announced on 13 January 2023 that the Parties have mutually agreed to extend the date to execute the Acquisition Agreement and the Due Diligence Period from 15 January 2023 to 15 April 2023. Subsequently on 18 January 2023 the Company also announced that the Parties have on 18 January 2023 entered into an Addendum to the FA to amend, modify and supplement Clause 2.4A of the FA. On 18 July 2023, the Parties mutually agreed to terminate the FA under Clause (iii) of the Third Addendum for PJD.
- (c) On 4 August 2023, The Board of Directors ("Board") of SESB wishes to announce that the Company had entered into a Heads of Agreement ("HOA") with Duta Marine Sdn Bhd ("DMSB") and desirous of entering into an agreement for purposes of setting out a broad framework for further discussions leading upon to the finalization and signing of the Definitive Agreement. On 28 August 2023, SESB and Duta Marine Sdn Bhd mutually agreed to further extend the date for the Heads of Agreement from 24 August 2023 to 24 September 2023.
- (d) On 13 July 2023, the Company has appeal to Bursa Securities within the Appeal Timeframe, the de-listing of the securities of the Company from the Official List of Bursa Securities. The appeal committee meeting for Bursa Malaysia will be held on 29 August 2023 and have granted our request for oral presentation.

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B6 Profit/(Loss) Before Taxation

	Current 3 months ended 30 June 2023	Current 3 months ended 30 June 2022	Cumulative 12 months ended 30 June 2023	Cumulative 12 months ended 30 June 2022
	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	1	203	6	294
Loss/(gain) on foreign exchange - net	(11,879)	1,076	(11,907)	2,044
Impairment loss:				
- investment in associate	25,549	3,197	33,549	3,197
Interest income	(357)	(30)	(550)	(30)
Waiver of debt	(45,841)	-	(45,841)	-
Loss on disposal of property, plant and equipment	12	-	12	-
Gain on disposal of subsidiaries	(49,852)	-	(49,852)	-
	<hr/>	<hr/>	<hr/>	<hr/>

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B7 Taxation

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

	Current 3 months ended 30 June 2023	Current 3 months ended 30 June 2022	Cumulative 12 months ended 30 June 2023	Cumulative 12 months ended 30 June 2022
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
Malaysian income tax				
- current year	41	-	41	-
Foreign income tax				
- current year	-	-	-	-
Total income tax (Continuing)	<u>41</u>	<u>-</u>	<u>41</u>	<u>-</u>
Effective tax rate (Continuing)	0.11%	0.00%	-0.16%	0.00%
<u>Discontinued operations</u>				
Malaysian income tax				
- current year	-	-	-	-
Foreign income tax				
- current year	7	6,225	1,156	13,559
Total income tax (Discontinued)	<u>7</u>	<u>6,225</u>	<u>1,156</u>	<u>13,559</u>
Effective tax rate (Discontinued)	-	14.11%	1.04%	35.82%
Total income tax	48	6,225	1,197	13,559
Effective tax rate	<u>-</u>	<u>14.11%</u>	<u>1.08%</u>	<u>35.82%</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.

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B8 Cash and Bank Balances

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

	As at 30 June 2023 RM'000
Cash and bank balances	478
Short term deposits with licensed banks	1,011
Cash and cash equivalents	<u>1,489</u>

B9 Other Reserves

	As at 30 June 2023 RM'000	As at 30 June 2022 (Audited) RM'000
Capital reserve	26,881	26,881
Translation reserves	0	(118,297)
Merger reserve	-	(443,323)
	<u>26,881</u>	<u>(534,739)</u>

B10 Earnings Per Share

	Current 3 months ended 30 June 2023 RM'000	Current 3 months ended 30 June 2022 RM'000	Cumulative 12 months ended 30 June 2023 RM'000	Cumulative 12 months ended 30 June 2022 RM'000
<u>Basic and diluted earnings per share</u>				
Loss for the period	(113,714)	(41,647)	(87,144)	(48,558)
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>
Basic earnings/(loss) per share (sen)				
Continuing	7.97	(5.13)	5.36	(6.38)
Discontinued	(32.26)	(3.76)	(23.96)	(3.99)
	<u>(24.28)</u>	<u>(8.89)</u>	<u>(18.61)</u>	<u>(10.37)</u>

B11 Material Litigation

There is no change in material litigation since the date of the audited financial statements for financial year ended 30 June 2023 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 August 2023 by the Board of Directors.