

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 2023

	Note	3 months ended 30 Sep 2023 RM'000	3 months ended 30 Sep 2022 RM'000	Cumulative 3 months ended 30 Sep 2023 RM'000	Cumulative 3 months ended 30 Sep 2022 RM'000
Continuing operations:					
Revenue		-	-	-	-
Cost of sales		-	-	-	-
Gross profit		-	-	-	-
Administrative expenses		(679)	(1,985)	(679)	(1,985)
Other operating expenses		-	(8,000)	-	(8,000)
Other income		7	86	7	86
Results from operating activities		(672)	(9,899)	(672)	(9,899)
Finance expenses		-	-	-	-
Loss before tax	B6	(672)	(9,899)	(672)	(9,899)
Taxation	B7	-	-	-	-
Loss from continuing operations		(672)	(9,899)	(672)	(9,899)
Discontinued operations:					
Profit after tax from discontinued operations		-	38,717	-	38,717
(Loss)/Profit for the period		(672)	28,818	(672)	28,818
Other comprehensive income					
Currency translation differences		-	93,044	-	93,044
Merger reserve reversal		-	436,430	-	436,430
		-	529,474	-	529,474
Total comprehensive income for the period		(672)	558,292	(672)	558,292
(Loss)/Profit after tax attributable to:					
<u>Owners of the Company</u>					
Continuing operations		(672)	(9,899)	(672)	(9,899)
Discontinued operations		-	38,829	-	38,829
<u>Non-controlling interests</u>					
Continuing operations		-	-	-	-
Discontinued operations		-	(112)	-	(112)
		(672)	28,818	(672)	28,818
Other comprehensive (expenses)/income attributable to:					
<u>Owners of the Company</u>					
Continuing operations		(672)	83,145	(672)	(37,729)
Discontinued operations		-	475,259	-	596,133
<u>Non-controlling interests</u>					
Continuing operations		-	-	-	-
Discontinued operations		-	(112)	-	(112)
		(672)	558,292	(672)	558,292
Basic (loss)/earnings per ordinary share (sen)					
Continuing operations		(0.14)	(2.14)	(0.14)	(2.14)
Discontinued operations		-	8.29	-	8.29

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 2023**

	Note	As at 30 Sep 2023 RM'000	As at 30 Jun 2023 RM'000 (Audited)
ASSETS			
NON-CURRENT ASSET			
Plant and equipment		17	18
		17	18
CURRENT ASSETS			
Other receivables		80	563
Cash and cash equivalents	B8	1,160	1,489
		1,240	2,052
		1,240	2,052
TOTAL ASSETS		1,257	2,070
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	26,881
Accumulated losses		(472,975)	(472,303)
Equity attributable to owners of the Company		(610)	62
TOTAL EQUITY		(610)	62
LIABILITIES			
CURRENT LIABILITIES			
Other payables and accruals		1,826	1,967
Current tax liabilities		41	41
		1,867	2,008
TOTAL LIABILITIES		1,867	2,008
TOTAL EQUITY AND LIABILITIES		1,257	2,070
Net (liability)/asset per share (RM)		(0.0013)	0.00013

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

SCOMI ENERGY SERVICES BHD 199601025627 (397979-A)
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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Attributable to owners of the Company						Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Other reserves RM'000	(Accumulated losses)/ Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	
As at 1 July 2023	445,535	(51)	26,881	(472,303)	62	-	62
Loss for the period	-	-	-	(672)	(672)	-	(672)
Total comprehensive expenses for the period	-	-	-	(672)	(672)	-	(672)
As at 30 September 2023	445,535	(51)	26,881	(472,975)	(610)	-	(610)
Audited							
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	-	-	11,821	-	11,821	-	11,821
Total other comprehensive income for the year	-	-	11,821	-	11,821	-	11,821
Loss for the year	-	-	-	(86,163)	(86,163)	(112)	(86,275)
Total comprehensive income/(expenses) for the year	-	-	11,821	(86,163)	(74,342)	(112)	(74,454)
Disposal of subsidiaries	-	-	549,799	(444,164)	105,635	(9,646)	95,989
As at 30 June 2023	445,535	(51)	26,881	(472,303)	62	-	62

SCOMI ENERGY SERVICES BHD 199601025627 (397979-A)
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UNAUDITED CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Note	3 months 30 Sep 2023 RM'000	3 months 30 Sep 2022 RM'000
Cash Flows For Operating Activities			
(Loss)/Profit before tax:			
Continuing operations		(672)	(9,899)
Discontinued operations (including remeasurement of assets)		-	39,873
Adjustments for non-cash items		(6)	(23,772)
Changes in working capital:			
Receivables		483	(288)
Payables		(141)	(27,673)
Cash used in operations		<u>(336)</u>	<u>(21,759)</u>
Tax paid		-	-
Interest received		7	86
Net cash for operating activities		<u>(329)</u>	<u>(21,673)</u>
Cash Flows From Investing Activity			
Proceeds from disposal of subsidiaries		-	21,000
Net cash generated from investing activity		<u>-</u>	<u>21,000</u>
Cash Flows For Financing Activity			
Repayment of borrowings		-	(95)
Net cash for financing activity		<u>-</u>	<u>(95)</u>
Net decrease in cash and cash equivalents		(329)	(768)
Cash and cash equivalents at beginning of the period		1,489	19,184
Currency translation differences		-	(2,459)
Cash and cash equivalents at end of the period	B8	<u>1,160</u>	<u>15,957</u>

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 as at and for the year ended 30 June 2023.

During the current financial period, the following amendments to MFRSs issued by the MASB were adopted:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
MFRS 17 Insurance Contracts
Amendments to MFRS 17 Insurance Contracts
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101: Disclosure of Accounting Policies
Amendments to MFRS 108: Definition of Accounting Estimates
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

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
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 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

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 2023. The basis for Disclaimer of Opinion in the financial statements for the financial year ended 30 June 2023 is as follows:

1. Material uncertainty related to going concern;
2. Unverified other payables and accruals;
3. Unverified financial areas of the disposed group of subsidiaries;
4. Unverified revenue; and
5. Unverified other expenses.

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 current financial period.

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 2023

	Investment Holding and Others RM'000
REVENUE	
External sales	-
	<hr/>
RESULTS	
Loss from operations	(679)
Other operating income	7
Profit before tax	<hr/> (672)
Taxation	-
Profit for the period	<hr/> <hr/> (672)
Other information	
Depreciation and amortisation	(1)
Interest income	7
Reduction to non-current assets other than financial instruments and deferred tax assets	<hr/> (1)

A8 Segmental Reporting (Continued)

Revenue and results for three months ended 30 September 2023
(Continued)

	Investment Holding and Others RM'000
ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2023	
ASSETS	
Assets employed in the segment	1,257
	<u>1,257</u>
Total assets	<u>1,257</u>

Revenue and results for three months ended 30 September 2022

	Investment Holding and Others RM'000
REVENUE	
External sales	<u>-</u>
RESULTS	
Loss from operations	(1,985)
Other expenses	(8,000)
Other income	86
Loss before tax	<u>(9,899)</u>
Taxation	-
Loss for the period	<u>(9,899)</u>
Other information	
Interest income	86
Reduction to non-current assets other than financial instruments and deferred tax assets	<u>-</u>

A8 Segmental Reporting (Continued)

Revenue and results for three months ended 30 September 2022
(Continued)

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

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

	3 months ended 30 Sept 2023 RM'000	3 months ended 30 Sept 2022 RM'000
After crediting:		
Realised gain on foreign exchange	-	577

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

	3 months ended 30 Sept 2023 RM'000	3 months ended 30 Sept 2022 RM'000
Tax expense	-	1,156

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

	3 months ended 30 Sept 2023 RM'000	3 months ended 30 Sept 2022 RM'000
Net cash generated from operating activities	-	(64)
Net cash generated from investing activities	-	(29,429)
Net cash generated in financing activities	-	(189)

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

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

There were no material related party transactions by the Group and the Company during the three (3) months ended 30 September 2023.

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

As of 30 June 2023, the Group has completed the disposal of its remaining segment, Drilling Services. 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 for comparative purposes. 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 a dormant company.

	Revenue for 3 months to 30 Sep 2023 RM mil	Revenue for 3 months to 30 Sep 2022 RM mil	Loss before tax for 3 months to 30 Sep 2023 RM mil	Loss before tax for 3 months to 30 Sep 2022 RM mil
Investment holdings and others	-	-	(0.67)	(9.90)

The Group reported a lower pre-tax loss by approximately RM 10.57 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 lower other operating cost during the quarter and period under review and there was an impairment loss on investment in associates namely Southern Petroleum Transportation Joint Stock Company of RM8.0 million during the financial quarter ended 30 September 2022.

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

	Loss before tax for 3 months to 30 September 2023 RM mil	Profit before tax for 3 months to 30 June 2023 RM mil
Investment holdings and others	(0.67)	19.40

The Group reported a pre-tax loss of RM0.67 million for the current quarter as compared to a pre-tax profit of RM19.40 million in the immediate preceding quarter. There were no gain on disposal of subsidiaries and unrealised forex gain for the current quarter under review.

B3 Current Financial Period Prospects

On 4 August 2023, SESB had entered into a Heads of Agreement with Duta Marine Sdn Bhd ("DMSB") for purposes of setting out a broad framework for further discussions leading upon to the finalisation and signing of the Definitive Agreement.

SESB and DMSB had entered into a definitive and binding agreement ("Definitive Agreement") for the following alternative transactions ("Transaction"):

- DMSB's disposal of certain assets (including but not limited one or more subsidiaries of DMSB, which may include but is not limited to Duta Pacific Offshore Sdn Bhd to SESB in exchange for shares and/or cash;or
- Entry into any other transactions or arrangements between SESB and DMSB as may be mutually agreed. On 28 August 2023, SESB and DMSB had mutually agreed to further extend the date of the Heads of Agreement from 24 August 2023 to 24 September 2023.

On 21 July 2023, the Company has submitted an appeal for further extension of time up to 31 January 2024 to submit its regularisation plan to Bursa Securities. On 11 September 2023, Bursa Securities has approved and grant the Company a further extension of time.

B4 Profit Forecast

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

B5 Corporate Proposals

- (a) On 4 August 2023, The Company had entered into a Heads of Agreement ("HOA") with Duta Marine Sdn Bhd ("DMSB") 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. The Definitive Agreement has not been finalised as at date of report.
- (b) 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 for Bursa Malaysia have granted our appeal of de-listing.

On 11 September 2023, Bursa Securities has approved the appeal for further extension of time up to 31 January 2024 to submit its regularisation plan to Bursa Securities.

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B6 Loss Before Taxation

	Current 3 months ended 30 Sep 2023 RM'000	Current 3 months ended 30 Sep 2022 RM'000	Cumulative 3 months ended 30 Sep 2023 RM'000	Cumulative 3 months ended 30 Sep 2022 RM'000
<u>Continuing operations</u>				
Loss before taxation is stated at after charging/(crediting):				
Depreciation and amortisation	1	-	1	-
- investment in associate	-	8,000	-	8,000
Interest income	(7)	(86)	(7)	(86)
	<hr/>	<hr/>	<hr/>	<hr/>

B7 Taxation

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

	Current 3 months ended 30 Sep 2023 RM'000	Current 3 months ended 30 Sep 2022 RM'000	Cumulative 3 months ended 30 Sep 2023 RM'000	Cumulative 3 months ended 30 Sep 2022 RM'000
<u>Continuing operations</u>				
Malaysian income tax	-	-	-	-
<u>Discontinued operations</u>				
Malaysian income tax				
- current year	-	-	-	-
- prior year	-	-	-	-
Foreign income tax				
- current year	-	1,156	-	1,156
- prior year	-	-	-	-
Total income tax (Discontinued)	<hr/>	<hr/>	<hr/>	<hr/>
Effective tax rate (Discontinued)	-	(2.90)	-	-2.90%
Total income tax	-	1,156	-	1,156
Effective tax rate	<hr/>	<hr/>	<hr/>	<hr/>
	-	-2.90%	-	-2.90%

(a) The above-mentioned income tax is related to the revenues and profits recorded by the subsidiaries which were disposed on during the quarter ended 30 September 2022 and there are no group reliefs for losses.

(b) In the current financial period, the Group and the Company are in a loss-making position hence is not subjected to income tax.

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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 Sep 2023 RM'000	As at 30 June 2023 (Audited) RM'000
Cash and bank balances	142	478
Short term deposits with licensed banks	1,018	1,011
Cash and cash equivalents	<u>1,160</u>	<u>1,489</u>

B9 Other Reserves

	As at 30 Sep 2023 RM'000	As at 30 June 2023 (Audited) RM'000
Capital reserve	<u>26,881</u>	<u>26,881</u>

B10 Earnings Per Share

	Current 3 months ended 30 Sep 2023 RM'000	Current 3 months ended 30 Sep 2022 RM'000	Cumulative 3 months ended 30 Sep 2023 RM'000	Cumulative 3 months ended 30 Sep 2022 RM'000
<u>Basic and diluted (loss)/earnings per share</u>				
(Loss)/Profit for the period	<u>(672)</u>	<u>28,818</u>	<u>(672)</u>	<u>28,818</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>
Basic earnings/(loss) per share (sen)				
Continuing	(0.14)	(2.14)	(0.14)	(2.14)
Discontinued	-	8.29	-	8.29
	<u>(0.14)</u>	<u>6.15</u>	<u>(0.14)</u>	<u>6.15</u>

B11 Material Litigation

There has been no change in material litigation since the date of the audited financial statements for the financial period 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 November 2023 by the Board of Directors.