PART A: EXPLANATORY NOTES AS PER FRS 134

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 31 December 2011. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS") in Malaysia, restated by the early adoption of Financial Reporting Standard 10: Consolidated Financial Statements ("FRS 10") as described below.

The early adoption of FRS10 was made together with FRS 11: Joint Arrangements, FRS 12: Disclosure of Interests in Other Entities, FRS 127: Separate Financial Statements (Revised) and FRS 128: Investments in Associates and Joint Ventures (Revised). The early adoption of FRS11, FRS 12, FRS127 and FRS 128 did not have any impact on the interim financial statements of the Group.

This Condensed Report is the Group's first MFRS compliant Condensed Report and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied.

The following MFRSs and IC Interpretations have been issued by the MASB and are not yet effective:

<u>Effective for annual periods commencing on or after 1 July 2012</u>
Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)

<u>Effective for annual periods commencing on or after 1 January 2013</u>

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interest in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associate and Joint Ventures
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to MFRS 7	Disclosures- Offsetting Financial Assets and Financial Liabilities

<u>Effective for annual periods commencing on or after 1 January 2014</u>

Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities

<u>Effective for annual periods commencing on or after 1 January 2015</u>

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)

IC Interpretation 20 will not have any financial impact to the Group as it is not relevant to the Group's operations.

<u>Early adoption of FRS 10</u>

The Group has opted to early adopt FRS 10 and consequently, determined that it has control and power in respect of its 42.75% interest in Scomi Marine Berhad ("SMB") where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

A1. Basis of preparation of interim financial reports (continued)

Accordingly, the Group now consolidates the results of SMB as a subsidiary for the period ended 31 December 2012. The comparative information in this interim financial statement has retrospectively been restated to take into account the effects of the consolidation of SMB from the date when control was first established. The difference between the amount of assets, liabilities and non-controlling interests recognised at the date of acquisition and the purchase consideration has been taken to retained earnings.

Previously, financial statement of SMB was not consolidated into the Group's results and the result was accounted as Equity Method under MFRS 128 Investments in Associate and Joint Ventures.

A2. Qualification of financial statements

The preceding year annual financial statements were not subject to any qualification.

A3. Seasonal and cyclical factors

The Group's results were not materially affected by any major seasonal or cyclical factors.

A4. Unusual and extraordinary items

There were no exceptional and/or extraordinary items affecting assets, liabilities, equity, net income or cashflows during the current quarter under review.

A5. Material changes in estimates

The Group makes assumptions concerning the future and other sources of estimation uncertainty at the balance sheet date including impairment of intangible assets, depreciation on property, plant and equipment, and deferred tax assets that could arise from unused tax losses and unabsorbed capital allowances.

There was no material changes in estimates reported in the current quarter under review.

A6. Issuance and repayment of debt and equity securities

Save as disclosed below, there were no issuances, cancellations, share buy-backs, resale of shares bought back or repayment of debt and equity securities:

a) Share Capital

During the twelve-month period ended 31 December 2012, the issued and paid-up share capital of the Company increased from 1,187,687,647 ordinary shares of RM0.10 each to 1,550,460,854 ordinary shares of RM0.10 each by way of issuance of:

i. 218,769,875 new ordinary shares of RM0.10 each pursuant to the conversion of 875,079,717 ICSLS of RM0.10 each on the basis of four(4) units of ICSLS for one (1) ordinary share of RM0.10 each;

ii. 2,325,500 new ordinary shares of RM0.10 each pursuant to the exercise of options granted under the ESOS at the option price of RM0.17 per ordinary share;

iii. 2,500,000 new ordinary shares of RM0.24 each pursuant to the exercise of options granted under the ESOS at the option price of RM0.17 per ordinary share;

iv. 20,068,332 new ordinary shares of RM0.10 each pursuant to the conversion of 20,068,332 warrants of RM0.10 each; and

A6. Issuance and repayment of debt and equity securities (continued)

a) Share Capital (continued)

v. 119,109,500 new ordinary shares of RM0.10 each, representing approximately 10% of the issued and paid-up share capital of the Company to IJM Bhd via private placement.

b) Treasury Shares

There were no repurchase of the Company's shares during the current quarter.

A7. Dividends Paid

No dividends were paid during the current quarter.

A8. Segmental Information

Primary reporting format - business segments

	Oilfield Services RM'000	Transport Solutions RM'000	Energy Logistics RM'000	Other RM'000	Elimination RM'000	Group RM'000
Cumulative 12 month period ended 31 December 2012						
Revenue						
Continuing operations						
External sales	912,286	387,233	294,722	356	-	1,594,597
Inter-segment sales	-	-	-	5	(5)	-
	912,286	387,233	294,722	361	(5)	1,594,597
Discontinuing operations						
Revenue for the period	135,329	-	-	-	-	135,329
	1,047,615	387,233	294,722	361	(5)	1,729,926
Results						
Continuing operations						
Operating profit / (loss)	130,221	(13,184)	38,652	(6)	-	155,683
Share of result of						
- associated companies	-	-	85	-	-	85
- jointly controlled entities	-	-	2,716	-	-	2,716
Finance income	1,051	3,051	684	121	-	4,907
Finance cost	(28,692)	(3,524)	(2,890)	(15,524)	-	(50,630)
Profit before impairment charges	102,580	(13,657)	39,247	(15,409)	-	112,761
Impairment charges	-	-	-	-	-	-
	102,580	(13,657)	39,247	(15,409)	-	112,761
Discontinuing operations						
Net profit for the period	(51,805)	-	-	-	-	(51,805)
Segment results	50,775	(13,657)	39,247	(15,409)	-	60,956
Unallocated costs						(12,362)
						48,594
Taxation						(27,313)
Profit for the period						21,281

A8. Segmental Information (continued)

Primary reporting format - business segments

	Oilfield Services RM'000	Transport Solutions RM'000	Energy Logistics RM'000	Other RM'000	Elimination RM'000	Group RM'000
Cumulative 12 month period ended 31 December 2011						
Revenue						
Continuing operations						
External sales	776,582	246,797	390,821	2,141	-	1,416,341
Inter-segment sales	-	-	-	33,369	(33,369)	-
	776,582	246,797	390,821	35,510	(33,369)	1,416,341
Discontinuing operations						
Revenue for the period	358,217	-	-	-	-	358,217
	1,134,799	246,797	390,821	35,510	(33,369)	1,774,558
Results						
Continuing operations						
Operating profit / (loss)	102,023	(65,085)	33,669	(5,912)	-	64,695
Share of result of						
- associated companies	-	-	(2,978)	-	-	(2,978)
- jointly controlled entities	(439)	-	2,447	-	-	2,008
Finance income	904	999	524	957	-	3,384
Finance cost	(49,517)	(6,004)	(2,638)	(5,464)	-	(63,623)
Profit before impairment charges	52,971	(70,090)	31,024	(10,419)	-	3,486
Impairment charges	(20,189)	(4,339)	(141,091)	-	-	(165,619)
	32,782	(74,429)	(110,067)	(10,419)	-	(162,133)
Discontinuing operations						
Net profit for the period	(170,156)	-	-	-	-	(170,156)
Segment results	(137,374)	(74,429)	(110,067)	(10,419)	-	(332,289)
Unallocated costs						(12,575)
						(344,864)
Taxation						(19,318)
Profit for the period						(364,182)

A9. Valuation of property, plant and equipment

There is no revaluation of property, plant and equipment, as the Group does not adopt a revaluation policy on property, plant and equipment.

A10. Subsequent Events

Other than the updates on the corporate proposals disclosed in Note B6, there were no material events subsequent to the end of the quarter under review.

A11. Changes in composition of the Group

a) On 9 March 2012, Scomi Oiltools AS ("SOAS"), an indirect subsidiary of the Company, has ceased to be a subsidiary of the Company pursuant to the disposal of 100 ordinary shares with a par value of NOK 1,000 each, representing the entire issued and paid up share capital in SOAS, to Knud Holm Prosjekt AS, a Norwegian company, for a total cash consideration of NOK 115,000 (equivalent to approximately RM61,000).

   The disposal of SOAS to Knud Holm Prosjekt AS was preceded by the disposal of the assets and liabilities in the Norwegian Branch of Scomi Oiltools (Europe) Limited, an indirect subsidiary for a total sale consideration of RM10.4 million to SOAS.

b) On 13 March 2012, the Company acquired 2 ordinary shares of RM1.00 each, representing the entire issued and paid-up share capital in Global Learning and Development Sdn Bhd ("GLAD"), for a cash consideration of RM2.00. GLAD has an authorised share capital of RM100,000 divided into 100,000 ordinary shares of RM1.00 each, of which 2 ordinary shares are issued and fully paid-up.

c) On 24 April 2012, Scomi Oiltools Kish Limited ("SOKL"), an indirect subsidiary of the Company, has ceased to be a subsidiary of the Company on 11 April 2012, pursuant to the disposal of 498 registered shares of RIs 10,000.00 each representing 99.6% of the issued and paid up share capital in SOKL to Behnam Mousavi Moustafa, for a total cash consideration of USD17.0 million (approximately RM52.1 million).

d) On 17 September 2012, Scomi Oilfield Limited, a direct subsidiary of the Company, has subscribed 1 ordinary share of US$1.00, representing the entire issued and paid-up share capital in Scomi Equipment Inc. ("SEI"), for a cash consideration of US$1.00.

e) On 28 September 2012, Scomi Oiltools Canada Inc., an indirect subsidiary of the Company, has been voluntarily dissolved.

f) On 17 October 2012, the Company has disposed 100% equity interest in Scomi Nigeria Pte Ltd ("SNPL") and 2% equity interest in Oiltools Africa Limited to AOS Orwell Limited, for a total cash consideration of USD39.77 million.

g) On 26 February 2013, Scomi Sosma Sdn Bhd became a wholly-owned subsidiary following the acquisition by Scomi Chemical Sdn Bhd, a wholly-owned subsidiary of the Company, of the remaining 60% interest from Ombak Elegan Sdn Bhd for a purchase consideration of RM3.9 million.

A12. Contingent liabilities

Details of contingent liabilities of the Group at the end of the quarter are as follows:

	RM'000
Bank Guarantees issued to third parties in respect of performance guarantee by subsidiaries	191,856
Contingent liabilities arising from :	
- litigations	5,700
- tax matters	4,700

A13. Capital and operating lease commitments

a) Capital commitments:

	Approved and contracted for RM'000	Approved but not contracted for RM'000	Total RM'000
Property, plant and equipment	21,924	115,751	137,675
Vessels -docking cost	-	12,583	12,583
Others	-	27,072	27,072
Total	21,924	155,406	177,330

b) Operating lease commitments:

	Current Due within 1 year RM'000	Non-current Due within 1 & 5 years RM'000	Total RM'000
Land	527	67	594
Property	3,549	2,867	6,416
Plant and Machinery	1,769	147	1,916
Others	13,204	6,664	19,868
Total	19,049	9,745	28,794

A14. Related Party Transactions

The following are the significant related party transactions:

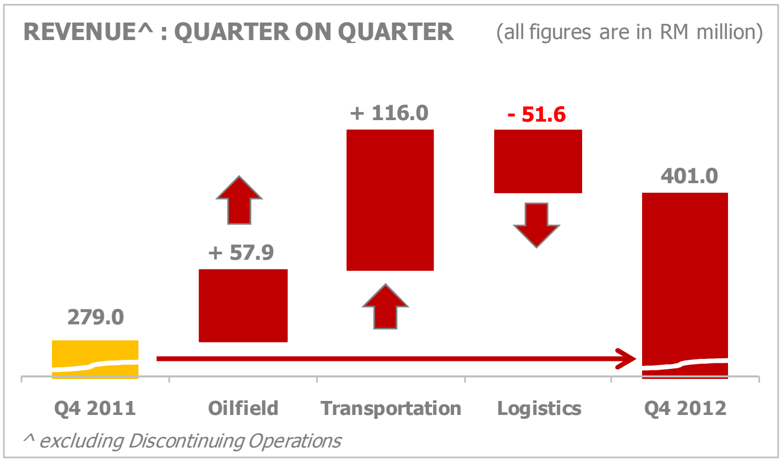
	Current 3 months 31 December 2012 RM'000	Cumulative 12 months 31 December 2012 RM'000
Transactions with a company connected to a Director		
- Purchase of airline ticketing services	246	2,713
- Share registration fee paid to Symphony	36	100

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

B1. Review of Operating Segments

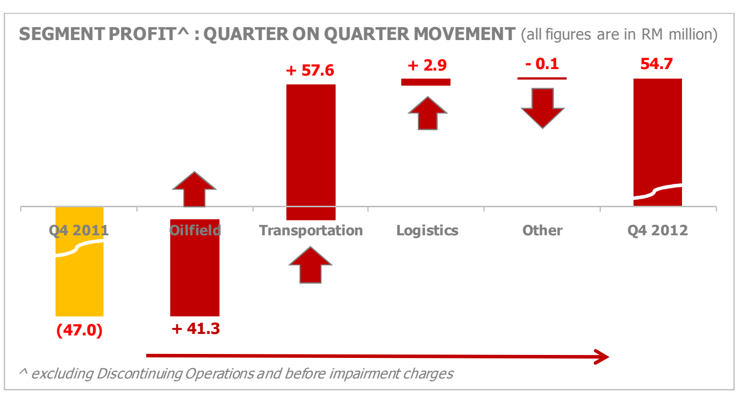
Current Quarter

Overall revenues for the current quarter ended 31 December 2012 ("Q4 2012") was RM401.4 million, an increase of 43% from RM279.0 million recorded in the corresponding quarter ("Q4 2011").



Total segment results for Q4 2012 and Q4 2011 were as follows:

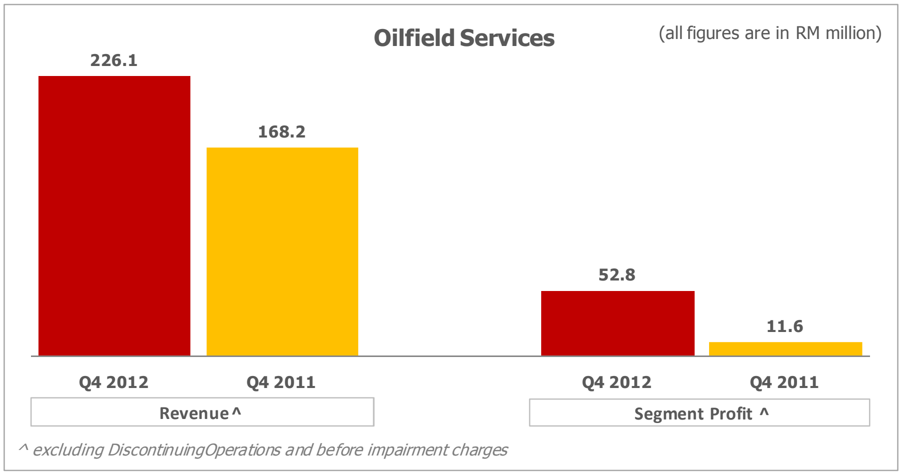
	Q4 2012 RM'000	Q4 2011 RM'000 (restated)
Continuing operations		
- Operating profit/(loss) before impairment charges	54,757	(47,009)
- Impairment charges	-	(160,644)
Profit/(loss) from continuing operations	54,757	(207,653)
Discontinuing operations		
Net loss for the period	(65,741)	(175,644)
	(10,984)	(383,297)



Details of the key factors driving the performance of each segment are provided in the respective sections below.

Oilfield Services

The Oilfield Services division recorded higher revenues of RM226.1 million, as compared to RM168.2 million in Q4 2011.



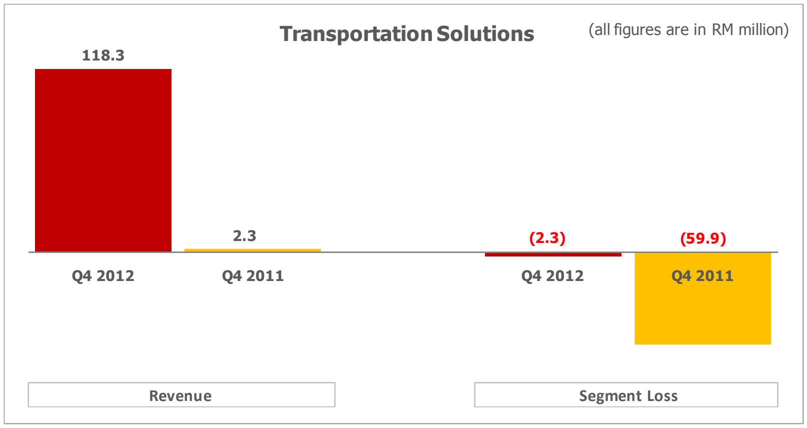
As tabulated below, the division posted a segment profit from continuing operations of RM52.8 million, as compared to a profit of RM11.6 million in Q4 2011. The increase is due principally to higher revenues and lower finance costs.

	Q4 2012 RM'000	Q4 2011 RM'000 (restated)
Continuing operations		
Operating profit	60,678	36,454
Finance income	363	(1,507)
Finance cost	(8,194)	(23,378)
Operating profit before impairment charges	52,847	11,569
Impairment charges	-	(20,189)
Profit/(loss) from continuing operations	52,847	(8,620)
Discontinuing operations ^		
Net loss for the period	(65,741)	(175,644)
Segment loss	(12,894)	(184,264)

^ *this comprise the results of the businesses which have either been or are in the process of being disposed.*

Transportation Solutions

The Transportation Solutions division recorded higher revenues of RM118.3 million, as compared to RM2.3 million in Q4 2011, due principally to higher attributable revenue-generating project works in respect of the division's project in Malaysia.

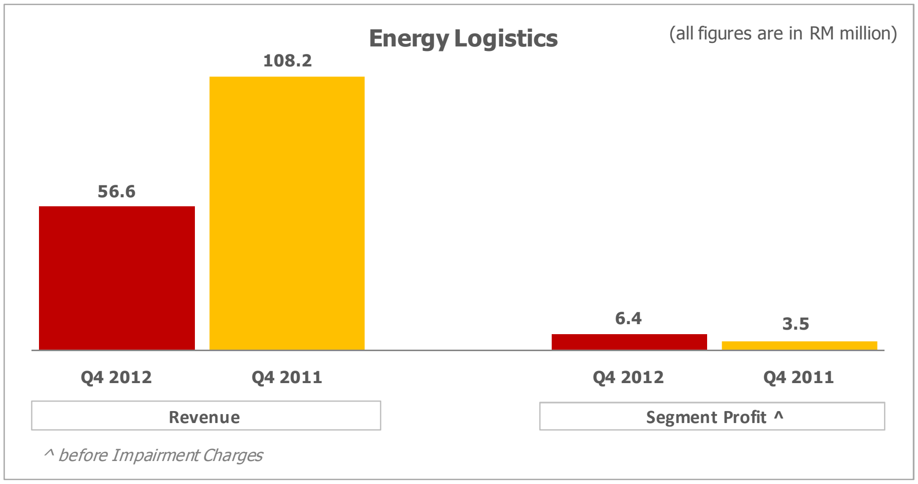


Consequently, the division posted a lower segment loss before impairment charges of RM2.3 million, as compared to RM59.9 million in Q4 2011.

	Q4 2012 **RM'000**	**Q4 2011** **RM'000** **(restated)**
Continuing operations		
Operating loss	(2,208)	(59,714)
Finance income	573	660
Finance cost	(700)	(893)
Operating loss before impairment charges	(2,335)	(59,947)
Impairment charges	-	(4.339)
Segment loss	(2,335)	(64,286)

Energy Logistics

The Energy Logistics division recorded lower revenues of RM56.6 million, as compared to RM108.2 million in Q4 2011, due principally to the expiry of the contract from the major customer.

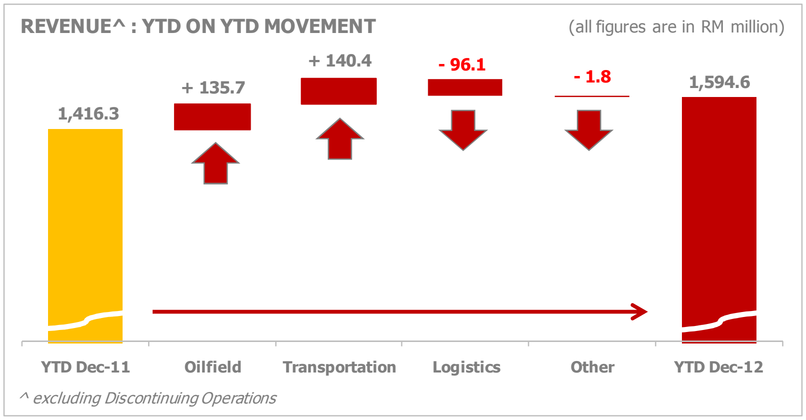


However, the division posted a higher operating profit before impairment charges of RM6.4 million, as compared to RM3.5 million in Q4 2011 due principally to costs savings achieved through higher operational productivity and lower bunker consumption.

	Q4 2012 RM'000	**Q4 2011** RM'000 (restated)
Continuing operations		
Operating profit	6,998	3,517
Finance income	86	88
Finance cost	(1,361)	(377)
	5,723	3,228
Share of results of :		
- associated companies	(15)	(384)
- jointly controlled entity	691	672
Profit before impairment charges	6,399	3,516
Impairment charges	-	(136,116)
Segment profit/(loss)	6,399	(132,600)

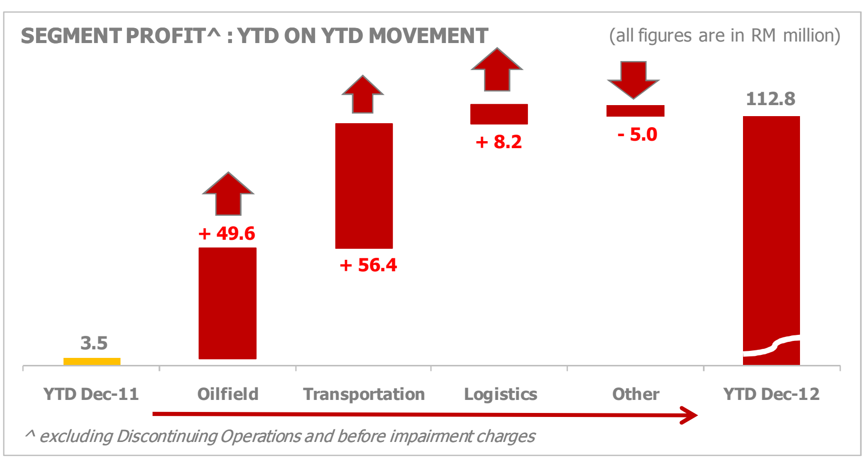
Year To Date

Overall revenues for the twelve month period ended 31 December 2012 ("YTD Dec-12") was RM1,594.6 million, an increase of 12.6% from RM1,416.3 million recorded in the corresponding period ended 31 December 2011 ("YTD Dec-11").



Total segment results for YTD Dec-12 and YTD Dec-11 were as follows:

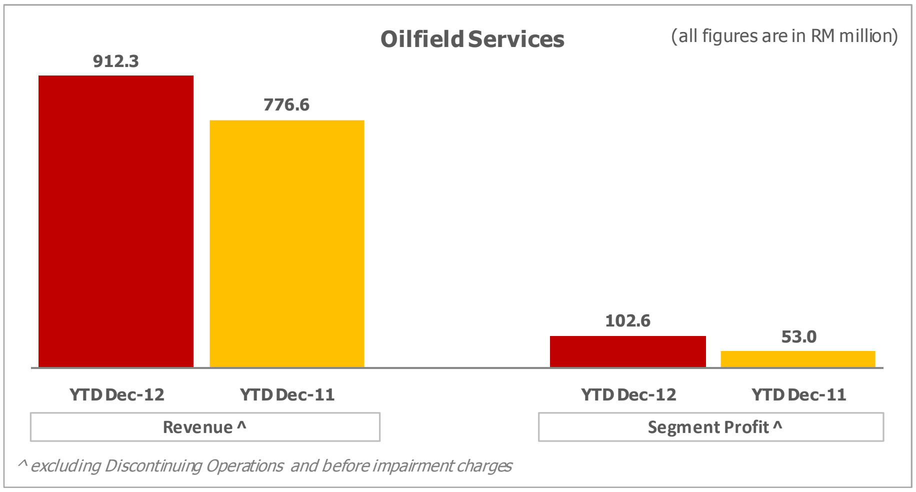
	YTD Dec-12 RM'000	YTD Dec-11 RM'000 (restated)
Continuing operations		
- Operating profit before impairment charges	112,761	3,486
- Impairment charges	-	(165,619)
Profit/(loss) from continuing operations	112,761	(162,133)
Discontinuing operations		
Loss from discontinuing operations	(51,805)	(170,156)
Segment profit/(loss)	60,956	(332,289)



Details of the key factors driving the performance of each segment are provided in the respective sections below.

Oilfield Services

The Oilfield Services division recorded higher revenues of RM912.3 million due principally to higher drilling activities in YTD Dec-12, as compared to RM776.6 million in YTD Dec-11.



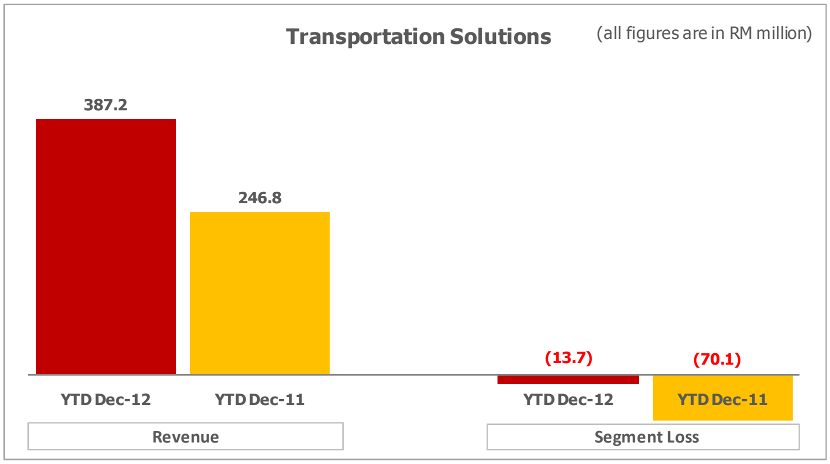
Consequently, the division posted a higher segment profit before impairment charges from continuing of RM102.6 million, as compared to RM53.0 million in YTD Dec-11. The increase is due principally to higher revenues and lower finance costs.

	YTD Dec-12 RM'000	**YTD Dec-11 RM'000 (restated)**
Continuing operations		
Operating profit	130,221	102,023
Finance income	1,051	904
Finance cost	(28,692)	(49,517)
	102,580	53,410
Share of result of jointly controlled entity	-	(439)
Profit before impairment charges	102,580	52,971
Impairment charges	-	(20,189)
Profit from continuing operations	102,580	32,782
Discontinuing operations ^		
Net profit for the period	(51,805)	(170,156)
Segment profit/(loss)	50,775	(137,374)

^ this comprise the results of the businesses which have either been or are in the process of being disposed.

Transportation Solutions

The Transportation Solutions division recorded higher revenues of RM387.2 million, as compared to RM246.8 million in YTD Dec-11, due principally to higher attributable revenue-generating project works in respect of the division's project in Malaysia.

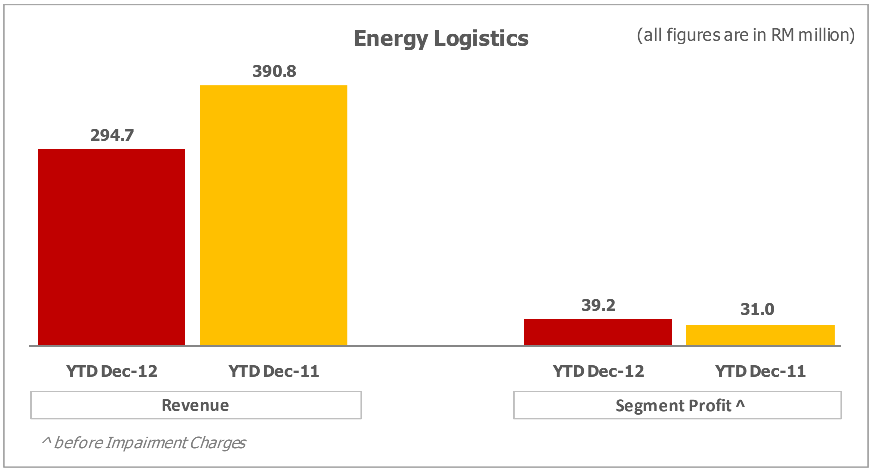


Consequently, the division posted a lower segment loss before impairment charges of RM13.7 million, as compared to RM70.1 million loss in YTD Dec-11.

	YTD Dec-12 RM'000	YTD Dec-11 RM'000
Continuing operations		
Operating loss	(13,184)	(65,085)
Finance income	3,051	999
Finance cost	(3,524)	(6,004)
Profit before impairment charges	(13,657)	(70,090)
Impairment charges	-	(4,339)
Segment loss	(13,657)	(74,429)

Energy Logistics

The Energy Logistics division recorded lower revenues of RM294.7 million, as compared to RM390.8 million in YTD Dec-11, due principally to the expiry of the contract from the major customer.



Despite the lower revenue, the division posted a higher segment profit before impairment charges of RM39.2 million, as compared to RM31.0 million in YTD Dec-11, due principally to costs savings achieved through higher operational productivity and lower bunker consumption.

	YTD Dec-12 RM'000	**YTD Dec-11 RM'000 (restated)**
Continuing operations		
Operating profit	38,652	33,669
Finance income	684	524
Finance cost	(2,890)	(2,638)
	36,446	31,555
Share of results of :		
- associated companies	85	(2,978)
- jointly controlled entity	2,716	2,447
Profit before impairment charges	39,247	31,024
Impairment charges	-	(141,091)
Segment profit/(loss)	39,247	(110,067)

B2. Material Change in Performance as Compared to Preceding Quarter

The Group recorded a profit before tax from continuing operations of RM49.9 million in Q4 2012 as compared to a profit of RM6.5 million in the preceding quarter ("Q3 2012").

As tabulated below, the increase in the profit was principally due to a combination of contributing factors which include the following:

a) Overall increase in the revenues, principally from the Oilfield and Transportation;

b) Improvement in the gross profit margins, from 18.1% to 21.5%; and,

c) An increase in the attributable segmental profits posted by the Oilfield Services and Logistics divisions; and,

	Q4 2012 RM'000	Q3 2012 RM'000
Continuing operations		
Revenue	401,040	343,480
Cost of revenue	(314,982)	(281,447)
Gross profit	86,058	62,033
Gross margin	21.5%	18.1%
Segment results from continuing operations of :		
- Oilfield Services Division	52,847	14,645
- Transportation Solution Division	(2,335)	(3,735)
- Energy Logistics Division	6,399	2,278
	56,911	13,188
Finance costs at SGB Corporate,net	(2,800)	(3,878)
	54,111	9,310
Other SGB corporate costs, net	(4,211)	(2,792)
Profit before tax for the period	49,900	6,518

B3. Current financial period prospects

The Group remains optimistic of benefitting from the growth in Oil & Gas exploration & production activities, specifically in the South East Asia region, and the anticipated increase in transportation infrastructure projects in Malaysia, Brazil and India.

Oilfield Services Division is expected to continue to benefit from the increasing drilling activities in Asia especially Malaysia, Thailand and Indonesia. Steady growth is also expected in the Middle East particularly the Gulf region.

Transport Solutions Division continues to focus on project execution in its KL and Brazil monorail projects and will endeavour to complete its portion of work on the Mumbai monorail project within agreed timelines. Management has been focusing on stringent costs management whilst taking measures to move the business forward and building up its order book.

The performance of the division in the remaining financial period is expected to be challenging.

The division will continue to pursue opportunities in monorail projects especially in Malaysia, Brazil and India, to capitalize on the increasing demand for infrastructure development in these countries beyond the current year.

Energy Logistics remains optimistic with the growth of oil and gas industry in the region. Along with enhanced economic activity in the region, energy demand is increasing which, combined with the high price of oil, have generated interest in oil and gas exploration and production. The number of wells to be drilled and the number of new platforms scheduled to be installed are all set to increase incrementally through to 2013.

The increase in the level of activity is expected to absorb the flow of new vessels in the market, which should result in steady to higher daily charter rates of offshore support vessels and high utilization.

The coal market remains competitive as reflected in the lower coal price, but we continue to serve our major customers where we have term contracts albeit with a smaller fleet.

Upon completion of the Proposed Disposals by SGB, the enlarged SMB group which will house the Oilfield Services and Energy Logistics businesses under one roof is expected to provide greater synergies for earnings growth within each segment through stream-lining of marketing effort, cross-selling of products and services and resource sharing.

B4. Variance of actual and revenue or profit estimate

The Company has not announced or disclosed any revenue or profit estimate, forecast, projection or internal targets for the Group for the period under review.

B5. Taxation

	Current Quarter 3 months ended 31 December		Cumulative 12 months ended 31 December	
	2012 RM'000	2011 RM'000 (restated)	2012 RM'000	2011 RM'000 (restated)
Continuing operations				
Current tax:				
Malaysian income tax	874	20,997	3,370	23,764
Foreign tax	5,419	(47,302)	17,427	(30,296)
	6,293	(26,305)	20,797	(6,532)
(Over)/ Under provision of income tax in prior years	(306)	15,935	820	9,625
	5,987	(10,370)	21,617	3,093
Deferred tax	(618)	18,364	5,696	16,225
Total from continuing operations	5,369	7,994	27,313	19,318
Discontinuing operations				
Current tax:				
Malaysian income tax	-	2,560	-	2,560
Foreign tax	(9)	35,986	3,819	35,986
	(9)	38,546	3,819	38,546
(Over)/ Under provision of income tax in prior years	(10)	205	(292)	205
	(19)	38,751	3,527	38,751
Deferred tax	2	19,328	483	19,328
Total from discontinuing operations	(17)	58,079	4,010	58,079
Total income tax expense	5,352	66,073	31,323	77,397

Domestic current income tax is calculated at the statutory tax rate of 25% (2011: 25%) of the taxable profit for the year. Taxation for the other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The tax expense for the current quarter was mainly due to:

a) non-deductibility of certain expenses for tax purposes;
b) higher statutory corporate tax rates for certain foreign subsidiaries

B6. Status of corporate proposals announced by the Company

(A) Proposed SOL Reorganisation and Proposed SOBL Western Acquisition

Since the last update, SGB had announced the following transactions which are part of the proposed internal reorganisation of Scomi Oilfield Limited ("**SOL**") ("**Proposed SOL Reorganisation**") as follows:-

a) SGB, SOL, Standard Chartered Private Equity Limited ("**SCPE**"), Fuji Investments I ("**FII**") and Scomi Oiltools Bermuda Limited ("**SOBL**") had on 5 November 2012 entered into a letter of agreement ("**Letter of Agreement**") relating to (a) conditional sale and purchase agreement in relation to the proposed disposal by SOL of 76.08%, 16.71% and 7.21% equity interest in SOBL to SGB, SCPE and FII ("**Proposed SOBL Disposal**") ("**SOBL CSPA**") and (b) Deed of Unwinding. Pursuant to the Letter of Agreement, SGB, SCPE and FII agreed with SOL that the conditions precedent requiring (i) the written approval of the lenders of any member of the SOL and SOBL group of companies, if required, and (ii) the approval of the Securities Commission for the proposed disposal of SOL to SMB, be treated as conditions subsequent to be satisfied by 31 December 2012 after completion under SOBL CSPA.

b) The Proposed SOBL Disposal was completed on 8 November 2012.

c) The Controller of Foreign Exchange of the Bermuda Monetary Authority had, vide its letters dated 26 November 2012, confirmed that it had no objections to SGB acquiring the 16.71% and 7.21% equity interest in SOBL from SCPE and FII respectively, pursuant to the Proposed SOBL Western Acquisition.

d) In respect of the proposed disposals by SOBL to SOL, the following transactions had been completed as follows:-

   (i) The disposal of 99.99% equity interest in Scomi Oiltools (Thailand) Ltd which was completed on 12 December 2012;

   (ii) The disposal of 100% equity interest in Scomi Oiltools Pty Ltd which was completed on 14 December 2012;

   (iii) The disposal of 100% equity interest in KMC Oiltools BV which was completed on 19 December 2012;

   (iv) The disposal of 100% equity interest in Scomi Oiltools (Cayman) Ltd, 100% equity interest in Scomi Oiltools Ltd and 100% equity interest in Scomi Oiltools (Africa) Limited which were completed on 20 December 2012;

   (v) The disposal of 100% equity interest in KMCOB Capital Berhad which was completed on 31 December 2012; and

   (vi) The disposal of 50% equity interest in Vibratherm Limited which was completed on 10 January 2013;

B6. Status of corporate proposals announced by the Company (continued)

(A) Proposed SOL Reorganisation and Proposed SOBL Western Acquisition (continued)

e) SGB, SOL, SCPE, FII and SOBL had entered into a second letter of agreement ("**2nd Letter of Agreement**") on 4 January 2013. Pursuant to 2nd Letter of Agreement, the parties agreed that the long stop date of 31 December 2012 for the satisfaction of the conditions precedent and conditions subsequent in relation to the (i) Proposed SOBL Disposal in particular the terms of the Letter of Agreement, (ii) proposed disposal of 100% equity interest in Scomi Oiltools Sdn Bhd ("**Proposed SOSB Disposal**"), iii) proposed disposal of 51% equity interest in Scomi Oiltools Oman LLC ("**Proposed SOOL Disposal**"), (iv) proposed disposal of 99.95% equity interest in Scomi Oiltools Egypt SAE ("**Proposed SOES Disposal**"), (v) Proposed Vibratherm Disposal and (vi) and the proposed acquisition by SGB of 16.71% and 7.21% equity interest in SOBL from SCPE and FII ("**Proposed SOBL Western Acquisition**") to be extended to 31 March 2013.

The Proposed SOSB Disposal was completed on 20 February 2013.

The Proposed SOOL Disposal was completed on 23 February 2013

(B) Proposed Disposals by SGB and Proposed Exemption to SGB

In relation to the proposed disposal by SGB to SMB of (i) its 76.08% equity interest in SOL, (ii) its entire issued and paid–up share capital of Scomi Sosma Sdn Bhd and (iii) its 48% of the issued and paid-up share capital of Scomi KMC Sdn Bhd (collectively referred as "**Proposed Disposals by SGB**"), the following approvals had been obtained:-

a) Approval of the Securities Commission, which was obtained vide its letter dated 17 January;

b) Approval of Bursa Securities, which was obtained vide its letter dated 17 January 2013; and,

c) Approval of the Company's shareholders, which was obtained at an extraordinary general meeting held on 20 February 2013.

In addition, on 21 January 2013, SGB announced the following:-

(i) SGB and parties to the SOL Agreement and SKMC Agreement (*as defined in the announcement dated 24 July 2012)* had vide letters dated 21 January 2013 mutually agreed to extend the period of fulfilment of the conditions to the SOL Agreement and SKMC Agreement respectively from 24 January 2013 to 31 March 2013; and

(ii) SGB and SMB had vide a letter dated 21 January mutually agreed to extend the period for fulfilment of the conditions precedent to the SSSB Agreement *(as defined in the announcement dated 24 July 2012)* from 24 January 2013 to 31 March 2013 and in the event the amount of the SMB Assignment of Interco Loan exceeds the amount of the SSSB Consideration and Amount Owing *(as defined in the announcement dated 24 July 2012)*, SGB to accord the surplus to SMB in cash which will be funded via SGB's internally generated funds.

B6. Status of corporate proposals announced by the Company (continued)

(B) Proposed Disposals by SGB and Proposed Exemption to SGB (continued)

The Company had on 22 February 2013 submitted an application for the Proposed Exemption to the Securities Commission.

On 26 February 2013, SGB announced the completion of the proposed acquisition by Scomi Chemical Sdn Bhd of the remaining 60% of the issued and paid-up ordinary share capital of Scomi Sosma Sdn Bhd from Ombak Elegan Sdn Bhd for a purchase consideration of RM3.9 million.

On 27 February 2013, SGB announced the completion of the proposed acquisition by the Company of the entire issued and paid-up ordinary share capital of Scomi Sosma Sdn Bhd from Scomi Chemicals Sdn Bhd for a purchase consideration of RM5,573,750.

(C) Proposed Bonds Issue

The following approvals for the proposed issuance of RM110.0 million nominal value of zero coupon 3-year redeemable convertible secured bonds by SGB to IJM Corporation Berhad ("**Proposed Bonds Issue**") had been obtained:-

a) Approval of the Securities Commission for the issuance of the Bonds, which was obtained via its letter dated 13 December 2012

b) Approval of Bursa Securities, which was obtained via its letter dated 14 January 2013 for the listing of and quotation for up to 348,873,287 new ordinary shares of RM0.10 each in SGB arising from the conversion of the Bonds; and

c) Approval of the shareholders of SGB, which was obtained at the EGM convened on 31 January 2013.

The Proposed Bonds Issue was completed on 8 February 2013 with the issuance Bonds on the same date.

(D) Change of Financial Year End

On 14 December 2012, the Company had announced to the Bursa Malaysia that the Board of Directors of the Company has approved the change of financial year of the Company from 31 December to 31 March. The next audited financial statements of the Company shall be for a period of fifteen (15) months, made up from 1 January 2012 to 31 March 2013.

Thereafter, the subsequent financial years of the Company shall end on 31 March every year.

B7. Group borrowings and debt securities

The Group borrowings and debt securities as at the end of the reporting period are as follows:

	Current RM'000	Non-current RM'000	Total RM'000
Borrowings - secured	650,359	357,157	1,007,516
	650,359	357,157	1,007,516

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

	RM'000
Ringgit Malaysia	770,765
US Dollar	160,973
Indian Rupee	65,444
Others	10,334
Total	1,007,516

B8. Change in material litigation

Other than as disclosed under contingent liabilities in Note A12 for litigations, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material adverse effect on the financial position of the Company or any of its subsidiaries and the Board does not know of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries.

B9. Proposed Dividend

No dividend has been declared for the current quarter under review.

B10. Earnings per share

		Current Qaurter 3 months ended 31 December 2012	2011 (restated)	Cumulative 12 months ended 31 December 2012	2011 (restated)
Basic earnings per share					
Net (loss)/profit attributable to shareholders	(RM'000)	(26,930)	(248,225)	18,077	(232,332)
Weighted average number of shares	('000)	1,351,979	1,391,996	1,221,927	1,391,731
Basic earnings per share	(sen)	(1.99)	(17.83)	1.48	(16.69)
Diluted earnings per share					
Net (loss)/profit attributable to shareholders	(RM'000)	(26,930)	(248,225)	18,077	(232,332)
Weighted average number of shares	('000)	1,351,979	1,391,996	1,221,927	1,391,731
Dilutive effect of unexercised share option and warrants	('000)	6,512	2,941	6,513	2,797
	('000)	1,358,491	1,394,937	1,228,440	1,394,528
Diluted earnings per share	(sen)	(1.98)	(17.79)	1.47	(16.66)

B11. Realised and Unrealised Retained Profits

The breakdown of retained earnings as at reporting date is analysed as follows:

	As at 31 December 2012 RM'000	As at 31 December 2011 RM'000 (restated)
Total retained profits of company and its subsidiaries:		
- Realised	312,509	237,362
- Unrealised	(21,480)	(30,842)
	291,029	206,520
Total share of retained profits from associated companies:		
- Realised	42,781	43,990
- Unrealised	1,821	1,864
Total share of retained profits from jointly controlled entities:		
- Realised	5,583	3,634
	341,214	256,008
Consolidation adjustments	94,034	136,753
Total group retained profits as per consolidated accounts	435,248	392,761

B12. Profit / (loss) for the period

Profit / (loss) for the period is stated after charging / (crediting) :

	Current 3 months 31 December 2012 RM'000	Cumulative 12 months 31 December 2012 RM'000
Interest income	(951)	(4,907)
Interest expense	9,981	50,630
Unrealized foreign exchange (gain)/loss	17,764	43,769
Realized foreign exchange loss/(gain)	(8,054)	(9,445)
Depreciation and amortisation	22,816	97,029
(Reversal)/Allowance for and write off of inventories	(334)	(74)
Reversal of doubtful debt provision	(3,660)	(5,316)
Other income including investment income	-	(1,331)
Provision of impairment charges	27,729	41,055
Loss on disposal of property, plant and equipment	(2,030)	658
Loss on disposal of business	-	35,969
Fair value gain on put option	(27,955)	(27,955)
Gain on disposal of subsidiary	-	(50,829)

B13. Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 February 2013.