

**SCOMI GROUP BHD**  
(COMPANY NO: 571212-A)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2019**

	<u>Others</u> 3 months ended 30 June 2019 RM '000	<u>Cumulative Period</u> 15 months ended 30 June 2019 RM '000
<b><u>Continuing Operations</u></b>		
<b>Revenue</b>	<b>119,908</b>	<b>645,321</b>
Cost of revenue	(100,692)	(518,325)
<b>Gross (loss)/profit</b>	<b>19,216</b>	<b>126,996</b>
Other (expenses)/income, net	(10,352)	(22,417)
Operating expenses	(33,770)	(140,885)
Finance costs	(43,643)	(62,233)
Share of results of associates / jointly controlled entities	564	(8,092)
Net loss on impairment of financial instruments	(3,815)	(2,961)
Net effect on deconsolidation of subsidiaries	(184,378)	(184,378)
Loss before taxation	(256,178)	(293,970)
Taxation	(4,854)	(19,337)
<b>Profit for the period from continuing operations</b>	<b>(261,032)</b>	<b>(313,307)</b>
<b><u>Discontinued operations</u></b>		
Loss for the period from discontinued operations	-	(92,469)
<b>Loss for the period/year</b>	<b>(261,032)</b>	<b>(405,776)</b>
<b><u>Other comprehensive income/(expense)</u></b>		
Currency translation differences	(7,181)	(9,277)
Cash flow hedges and Retirement Benefits	-	-
Other comprehensive income/(expense), net of tax	(7,181)	(9,277)
<b>Total comprehensive expense for the period/year</b>	<b>(268,213)</b>	<b>(415,053)</b>
<b><u>Loss attributable to:</u></b>		
Owners of the Company	(250,497)	(378,651)
Non-controlling interests	(10,535)	(27,125)
	<b>(261,032)</b>	<b>(405,776)</b>
<b><u>Total comprehensive expense attributable to:</u></b>		
Owners of the Company	(247,670)	(381,753)
Non-controlling interests	(20,543)	(33,300)
	<b>(268,213)</b>	<b>(415,053)</b>
<b>Earnings/(loss) per share</b>	sen	sen
<b>Basic earnings/(loss) per share</b>	(22.90)	(34.61)

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Report for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements. No comparatives are shown due to the change in financial year-end from 31 March to 30 June. Page 1*

**SCOMI GROUP BHD**  
(COMPANY NO: 571212-A)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2019**

	<b>As at 30 June 2019 RM'000 Unaudited</b>	<b>As at 31 March 2018 RM'000 Audited</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	293,227	441,585
Intangible assets	104,079	277,293
Investment properties	-	2,140
Investment in associate	15,862	7,439
Investment in joint ventures and joint operations	1,148	25,413
Available-for-sale assets	-	108
Deferred tax assets	1,497	41,507
Receivables	14,259	5,525
	<b>430,072</b>	<b>801,010</b>
<b>Current assets</b>		
Inventories	81,380	126,876
Receivables, deposits and prepayments	186,113	994,226
Current tax assets	10,399	20,921
Short-term deposits, cash and bank balances	68,538	102,127
	<b>346,430</b>	<b>1,244,150</b>
Assets classified as held for sale	-	-
	<b>346,430</b>	<b>1,244,150</b>
<b>Total assets</b>	<b>776,502</b>	<b>2,045,160</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	224,964	664,964
Treasury shares	-	(3,239)
Other reserves	27,202	(97,856)
Accumulated Losses	(288,356)	(202,236)
	<b>(36,190)</b>	<b>361,633</b>
Non controlling interests	307,461	345,725
	<b>271,271</b>	<b>707,358</b>
<b>Non-current liabilities</b>		
Trade and other payables	479	3,738
Provision for retirement benefit	8,163	8,932
Loans and borrowings	50,281	150,944
Deferred taxation	5,655	10,004
	<b>64,578</b>	<b>173,618</b>
<b>Current liabilities</b>		
Trade and other payables	288,425	553,043
Loans and borrowings	134,265	565,382
Current tax liabilities	17,963	35,243
Derivative financial liabilities	-	10,516
	<b>440,653</b>	<b>1,164,184</b>
Total liabilities	505,231	1,337,802
<b>Total equity and liabilities</b>	<b>776,502</b>	<b>2,045,160</b>
<b>Net asset per share attributable to equity holders of the parent (RM)</b>	<b>(0.03)</b>	<b>0.33</b>

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Report for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.*

**SCOMI GROUP BHD**  
(COMPANY NO: 571212-A)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2019**

	Share capital RM'000	Treasury shares RM'000	Translation reserve RM'000	Other reserves Capital Reduction reserve RM'000	Hedge reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
<b>At 1 April 2018</b>	<b>664,964</b>	<b>(3,239)</b>	<b>(97,856)</b>	-	-	<b>(202,236)</b>	<b>361,633</b>	<b>345,725</b>	<b>707,358</b>
Adjustment on initial application of MFRS 9	-	-	1,056	-	-	(17,288)	(16,232)	(4,964)	(21,196)
<b>At 1 April 2018, restated</b>	<b>664,964</b>	<b>(3,239)</b>	<b>(96,800)</b>	-	-	<b>(219,524)</b>	<b>345,401</b>	<b>340,761</b>	<b>686,162</b>
Foreign currency translation differences for foreign operations	-	-	(25,058)	-	-	-	(25,058)	(6,175)	(31,233)
Release of foreign currency translation differences on deconsolidation of subsidiaries	-	-	21,956	-	-	-	21,956	-	21,956
Capital Reduction	(440,000)	-	-	440,000	-	-	-	-	-
Transfer to Capital Reduction Reserve	-	-	-	(312,896)	-	312,896	-	-	-
Loss for the period	-	-	-	-	-	(378,651)	(378,651)	(27,125)	(405,776)
<b>Total comprehensive income for the year</b>	<b>(440,000)</b>	-	<b>(3,102)</b>	<b>127,104</b>	-	<b>(65,755)</b>	<b>(381,753)</b>	<b>(33,300)</b>	<b>(415,053)</b>
Own shares sold	-	3,239	-	-	-	(3,077)	162	-	162
<b>At 30 June 2019</b>	<b>224,964</b>	-	<b>(99,902)</b>	<b>127,104</b>	-	<b>(288,356)</b>	<b>(36,190)</b>	<b>307,461</b>	<b>271,271</b>
<b>At 1 April 2017</b>	<b>636,582</b>	<b>(18,696)</b>	<b>(79,389)</b>	-	<b>10,657</b>	<b>24,959</b>	<b>574,113</b>	<b>502,147</b>	<b>1,076,260</b>
Foreign currency translation differences for foreign operations	-	-	(18,467)	-	-	-	(18,467)	(3,078)	(21,545)
Cash flow hedges	-	-	-	-	(10,657)	-	(10,657)	(5,576)	(16,233)
Loss for the year	-	-	-	-	-	(249,974)	(249,974)	(82,108)	(332,082)
Retirement benefits	-	-	-	-	-	350	350	-	350
<b>Total comprehensive income for the year</b>	-	-	<b>(18,467)</b>	-	<b>(10,657)</b>	<b>(249,624)</b>	<b>(278,748)</b>	<b>(90,762)</b>	<b>(369,510)</b>
Issue of ordinary shares	28,382	-	-	-	-	-	28,382	(28,382)	-
Transaction with non-controlling interest	-	-	-	-	-	36,445	36,445	(37,278)	(833)
Own shares sold	-	15,457	-	-	-	(14,016)	1,441	-	1,441
<b>At 31 March 2018</b>	<b>664,964</b>	<b>(3,239)</b>	<b>(97,856)</b>	-	-	<b>(202,236)</b>	<b>361,633</b>	<b>345,725</b>	<b>707,358</b>

**SCOMI GROUP BHD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2019**

	<b>Cumulative Period Current Period 30 June 2019 RM'000 Unaudited</b>
<b>Cash flows from operating activities</b>	
Loss before taxation	
continuing operations	(293,970)
Adjustments for non-cash items	322,693
Operating (loss)/profit before working capital changes	<b>28,723</b>
Changes in working capital:	
Inventories	30,350
Trade and other receivables	32,657
Trade and other payables	(40,114)
Cash from operations	51,616
Tax and Retirement Benefits Paid	(985)
<b>Net cash from operating activities</b>	<b>50,631</b>
<b>Cash flows from investing activities</b>	
Additional investment in Joint-Venture/Associates	5,647
Purchase of property, plant and equipment	(16,755)
Proceeds from disposal of property, plant and equipment	5,710
Net cash impact from derecognition of liabilities	68,339
Proceeds from disposal of subsidiaries	21,555
Interest received	1,022
<b>Net cash used in investing activities</b>	<b>85,518</b>
<b>Cash flows from financing activities</b>	
Repayment of bank borrowings	(38,167)
Interest paid on borrowings	(22,993)
Increase in cash and short term deposit pledged as security	(3,345)
Sale of treasury shares	162
<b>Net cash used in financing activities</b>	<b>(64,343)</b>
<b>Net increase in cash and cash equivalents</b>	71,806
<b>Cash and cash equivalents at beginning of period</b>	(31,407)
Currency translation differences	3,927
<b>Cash and cash equivalents at end of period</b>	<b>44,326</b>
<u>Cash and cash equivalents comprise:</u>	
Short term deposits with licensed banks	24,538
Cash and bank balances	44,000
	68,538
Less: Short-term deposit pledged as securities	(24,212)
	<b>44,326</b>

*No comparatives are shown due to the change in financial year-end from 31 March to 30 June.*

### 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 March 2018 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 period ended 30 June 2019.

Except as described below, 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 31 March 2018.

The following are amendments to the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") and have been adopted by the Group and the Company:

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018***

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4, *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019***

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures*

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021***

- MFRS 17, *Insurance Contracts*

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plans to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 April 2018 for those accounting standards, amendments and interpretation that are effective for annual periods beginning on or after 1 January 2018; and
- from the annual period beginning on 1 July 2019 for those accounting standards, amendments and interpretation that are effective for annual periods beginning on or after 1 January 2019.

**A1. Basis of Preparation of interim financial reports (“continued”)**

The Group and the Company does not plan to apply MFRS 17, Insurance Contracts that is effective for annual periods beginning on 1 April 2021 as it is not applicable to the Group and the Company.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company except as mentioned below:

**MFRS 15, Revenue from Contracts with Customers**

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The application of MFRS 15 does not have a material effect on the Group’s financial statements.

**MFRS 9, Financial Instruments**

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

In respect of impairment of financial assets, MFRS 9 replaces the “incurred loss” model in MFRS 139 with a forward looking “expected credit loss” (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at fair value through other comprehensive income, but not to investments in equity instruments.

As allowed by the transitional provisions of MFRS 9, the Group elected not to restate the comparatives. Effects arising from the initial application of MFRS 9 is as below:

<b>Group</b>	<b>As reported at 31 March 2018 RM’000</b>	<b>Estimated adjustments due to adoption of MFRS 9 RM’000</b>	<b>Estimated adjusted opening balance at 1 April 2018 RM’000</b>
Trade and other receivables	994,226	(21,196)	973,030
Translation reserve	(97,856)	1,056	(96,800)
Accumulated Losses	(202,236)	(17,288)	(219,524)
Non-Controlling Interest	345,725	(4,964)	340,761

**A1. Basis of Preparation of interim financial reports (“continued”)****MFRS 16, Leases**

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

**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 items**

There are no unusual items that affected the assets, liabilities, equity, net income or cash flows in the current period 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 period under review.

**A6. Debt and equity securities**

There were no issuances, cancellations, share buy-backs, resale of shares bought back or repayment of debt and equity securities during the current period, except as stated below:-

Sale of treasury shares during the period as follow:-

<b>Date</b>	<b>No. of units</b>	<b>Price/unit RM</b>	<b>Total consideration RM</b>
12 April 18	361,400	0.13	46,982
19 April 18	388,600	0.13	50,518
20 April 18	330,800	0.13	43,070
8 June 18	169,200	0.13	21,996
<b>Total</b>	<b>1,250,000</b>		<b>162,566</b>



**A7. Dividends paid**

No dividends were paid during the current period.

**A8. Segmental Information**

The segmental information is as tabulated below.

	<b>Oilfield Services</b>	<b>Marine Services</b>	<b>Others / Elimination</b>	<b>Group</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cumulative 15 months period ended 30 June 2019</b>				
<b>Revenue</b>				
Revenue for the period	498,044	147,277	-	645,321
<b>Results</b>				
Operating Profit / (Loss)	(14,756)	5,851	11,497	2,592
Share of result of				
- associated companies	-	-	-	-
- jointly controlled entities	(9,500)	1,408	-	(8,092)
Other income/(expenses)	23,786	(29,684)	(220,340)	(226,237)
Finance cost	(17,223)	(7,003)	(38,007)	(62,233)
Segment results	(17,693)	(29,428)	(246,849)	(293,970)
Taxation				(19,337)
Loss from continuing operations				(313,307)
Loss from discontinued operations				(92,469)
				(405,776)

*Note : Transport Solutions segment have been removed from the segmental information due to deconsolidation of Scomi Engineering Bhd ("SEB") and is shown under Loss from discontinued operations. Please refer to note A11 for details on the deconsolidation of SEB.*

**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**

There were no material events subsequent to the end of the period under review.

**A11. Changes in composition of the Group**

On 31 Jan 2019, Scomi Sosma Sdn Bhd, an indirectly wholly-owned subsidiary of the Company, sold its entire interests in Scomi Anticor S.A.S to Vink + Co GMBH Handelsgesellschaft UND CO.KG. Scomi Anticor S.A.S has ceased to be a subsidiary of the Company as from 31 Jan 2019.

On 20 Feb 2019 Scomi Oilfield Limited, a indirectly wholly-owned subsidiary of the Company sold

## SCOMI GROUP BHD (571212-A)

51% of equity interest in Scomi Oiltools Ltd (incorporated in Cayman Islands) to Midgard Oilfield Services FZ LLC ("Midgard"). Scomi Oilfield Limited continues to hold 49% interest in Scomi Oiltools Ltd.

On 24 January 2019, the High Court of Malaya at Shah Alam granted orders for Scomi Engineering Bhd ("SEB") to be placed under judicial management and for the appointment of Dato' Heng Ji Keng and Andrew Heng from Ferrier Hodgson MH Sdn Bhd as judicial managers of SEB to drive the restructuring and rehabilitation process for a 6 months period. However, the judicial managers were not able to carry out any significant rehabilitation as at 30 June 2019. Consequentially, the Company carried out an assessment as at 30 June 2019 on whether there still exists control over SEB as a subsidiary under MFRS 10 and concluded that it no longer meets the criteria. Accordingly, the assets and liabilities of SEB and its subsidiaries ("SEB Group") have been deconsolidated due to the loss of control of SEB Group with the effective date being retrospectively on 24 January 2019. The net effect of assets and liabilities of SEB Group that have been deconsolidated are as follows:

	<b>RM'000</b> <b>Unaudited</b>
<b>ASSETS</b>	
Property, plant and equipment	48,883
Intangible assets	170,800
Available-for-sale assets	109
Deferred tax assets	35,124
<b>Non-current assets</b>	<b>254,916</b>
Inventories	12,091
Receivables, deposits and prepayments	709,350
Current tax assets	650
<b>Current assets</b>	<b>722,091</b>
<b>Total Assets</b>	<b>977,007</b>
Trade and other payables	(302,454)
Loans and borrowings	(421,242)
Current tax liabilities	(13,668)
<b>Current Liabilities</b>	<b>(737,364)</b>
Loans and borrowings	(70,370)
Deferred taxation	(6,851)
<b>Non-current liabilities</b>	<b>(77,221)</b>
<b>Total Liabilities</b>	<b>(814,585)</b>
<b>Translation Reserve</b>	<b>21,956</b>
<b>NET EFFECT ON DECONSOLIDATION OF SUBSIDIARIES</b>	<b>184,378</b>
<b>NET CASH IMPACT FROM DERECOGNITION OF LIABILITIES</b>	<b>68,339</b>

*Note 1 : The Net Cash Impact From Derecognition Of Liabilities of RM68.339 million arose due to the deconsolidation of the bank overdraft balance of SEB Group from the Net Cash and Cash Equivalents of SGB Group.*

*Note 2 : Included in the Net Effect On Deconsolidation of Subsidiaries is impairment of receivable due from SEB Group of RM124.2 million.*

Except for the above, there were no other material changes in the composition of the Group during the period under review.

**A12. Contingent liabilities**

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

	<b>RM'000</b>
Contingent liabilities arising from :	
- tax matters	<u>2,000</u>

**A13. Capital and operating lease commitments**

a) Capital commitments:

	<b>Approved and contracted for RM'000</b>	<b>Approved but not contracted for RM'000</b>	<b>Total RM'000</b>
Plant and equipment	-	7,191	7,191
Vessels (dry-docking)	13,142	562	13,704
Total	<u>13,142</u>	<u>7,753</u>	<u>20,895</u>

b) Operating lease commitments:

	<b>30 June 2019 RM'000</b>
Less than one year	2,601
Between one and five years	3,658
	<u>6,259</u>

**A14. Related Party Transactions**

The following are the significant related party transactions:

	<b>Other Period 3 months ended 30-Jun-19 RM'000</b>	<b>Cumulative Period 15 months ended 30-Jun-19 RM'000</b>
<b>Transactions with companies connected to Directors: (expenses / (Income) )</b>		
Airline Ticketing Services	4	51
Rental Income	-	(190)
	<hr/>	<hr/>

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 favourable to the Group and the Company than those arranged with independent third parties.

**A15. Change of Financial Year End**

During the period, the Company changed its financial year end from 31 March 2019 to 30 June 2019.

**PART B : EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES**
**B1. Review of performance**
**Current Period – 3 months ended 30 June 2019 vs 30 June 2018**

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

	Revenue		Variance		Loss Before Tax		Variance	
	3 months to				3 months to			
	30 June 2019	30 June 2018			30 June 2019	30 June 2018		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Operating segments:								
Oilfield Services	91,629	94,557	(2,928)	-3%	(23,240)	(2,526)	(20,714)	820%
Marine Services	28,279	30,334	(2,055)	-7%	236	5,428	(5,192)	-96%
Corporate/Elimination	-	-	-	-	(233,174)	(331)	(232,843)	70345%
	<b>119,908</b>	<b>124,891</b>			<b>(256,178)</b>	<b>2,571</b>		

*Note : Due to the change in financial year from 31 March to 30 June, there is no corresponding period for the current 3 months ended 30 June 2019. The results for the 3 months ended 30 June 2018 are shown for analysis purposes only.*

Oilfield Services

The segment's revenue decreased by RM2.9 million or 3% as compared to 3 months ended 30<sup>th</sup> June 2018 mainly due to lower revenue in Malaysia and Myanmar as well as Turkmenistan and France (the operations of both of these countries were disposed off during the current financial period).

LBT in the segment increased by RM20.7 million as compared to 3 months ended 30<sup>th</sup> June 2018 which mainly contributed by lower gross profit and higher operating expenses during the period.

Marine Services

The segment's revenue decreased by RM2.1 million or 7% as compared to 3 months ended 30<sup>th</sup> June 2018 as a result of decrease in revenue on the coal affreightment contract in Malaysia.

PBT was lower by RM5.2 million as compared to 3 months ended 30<sup>th</sup> June 2018 mainly contributed by higher operating expenses and finance cost during the period.

Corporate

Current period LBT includes loss on net effect of deconsolidation of subsidiaries of RM184.4 million as well related adjustments of RM38.0 million as a result of the deconsolidation. Additionally, there was also RM8.7 million impairment of investment in jointly-controlled entities during the period.

***Note 1 : Review of performance for the Transport Solutions segment have been removed due to the deconsolidation of the segment in this quarter.***

***Note 2 : Due to the change in financial year from 31 March to 30 June, there is no corresponding period for the 15 months period ending on 30 June 2019 and accordingly, no analysis of performance is shown.***

**B2. Material Change in Performance as Compared to Preceding 3 months Period**

The Group recorded a LBT of RM256.2 million in the current 3 months ended 30 June 2019 as compared to a LBT of RM42.1million in the preceding 3 months ending of 31 March 2019.

As tabulated below, the increase in LBT during the current period was mainly contributed by loss on net effect of deconsolidation of subsidiaries of RM184.4 million and related adjustments of RM38.0 million as well as loss from impairment of investment in a joint-controlled entity of RM8.7 million.

For the Oilfield Services segment, the increase in LBT was primarily due to decrease in gross profit and higher operating expenses while the preceding period had gains on disposal of property, plant & equipment. While for the Marine Services segment, the preceding period included a vessel impairment of RM39 million.

	Revenue		Variance		Loss Before Tax		Variance	
	3 months to				3 months to			
	30 June 2019	31 Mar 2019	#	%	#	%		
	RM'000	RM'000	11087	%	RM'000	RM'000	RM'000	%
Operating segments:								
Oilfield Services	91,629	103,808	(12,179)	-12%	(23,240)	(354)	(22,886)	-6465%
Marine Services	28,279	28,264	15	0%	236	(38,586)	38,822	-101%
Corporate	-	-	-	-	(233,174)	(3,139)	(230,035)	-7328%
	119,908	132,072			(256,178)	(42,079)		

*Note : Material Change in Performance for the Transport Solutions segment have been removed due to the deconsolidation of the segment.*

**B3. Current Financial Period Prospects**
**Oilfield Services**

The market has not witnessed an increase in activity level in the oil services sector and operators remain cautious on spending and managing costs. Pricing and margins remain under pressure.

**Marine Services**

The coal market in Indonesia continues to be active. Demand for offshore vessels is still sluggish and our offshore vessels are still idle.

**Transport Solutions**

In Malaysia, Scomi Transit Project Sdn Bhd ("STP"), an indirect wholly-owned subsidiary of the Company entered into a Settlement Agreement to resolve the disputes with Prasarana Malaysia Berhad ("PMB") for the Kuala Lumpur Monorail Fleet Expansion Project ("Project"). With the Settlement Agreement, STP is now tasked with the repairs and refurbishment of the 5 train sets for the KL Monorail Fleet Expansion Project. STP is now progressing with the repairs. STP has on 16 August 2019 delivered 3 trains sets to PMB. Remaining works are progressing according to schedule.

The segment continues to pursue new business in Malaysia and abroad.

**B4. Profit Forecast**

The Group 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**

	<b>Other Period 3 months ended 30-Jun-19</b>	<b>Cumulative Period 15 months ended 30-Jun-19</b>
<b>Continuing operations</b>		
Current tax:		
Malaysian income tax	-	-
Foreign tax	4,854	19,337
	<u>4,854</u>	<u>19,337</u>
Deferred tax:		
Malaysia	-	-
Foreign	-	-
Total income tax	<u>4,854</u>	<u>19,337</u>

Domestic current income tax is calculated at the statutory tax rate of 24% 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:

- Losses in certain tax jurisdictions not qualifying for tax relief;
- The tax effects of the different tax rates in various jurisdictions and certain expenses not deductible for tax purposes; and
- The above mentioned income tax is related to the revenues and profits recorded by the operating subsidiaries and there are no group relief for losses.

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

On 5 June 2018, the Company announced a Proposed Private Placement ("Placement") of up to 10% of the issued share capital of the Company. On 29 November 2018, the Company submitted an application to Bursa Malaysia Securities Berhad ("Bursa Securities") to seek an extension of time of six (6) months from 14 December 2018, on which the approval of Bursa Securities for the Private Placement granted on 14 June 2018 would lapse, for the Company to implement the Placement. On 6 December 2018, Bursa Securities granted the extension of time of six (6) months until 14 June 2019 for SGB to complete the Private Placement. However, on 14 June 2019, the Company decided to undertake the proposed rights issue of shares with warrants announced on 27 May 2019, and hence will no longer proceed with the Private Placement.

The Company also announced on 14 August 2018 that it is proposing to undertake a reduction of the issued share capital of the Company ("Capital Reduction Exercise") pursuant to Section 116 of the Companies Act, 2016. At the Extraordinary General Meeting held on 2 November 2018, the shareholders of the Company duly approved the Capital Reduction Exercise. The Capital Reduction Exercise was completed on 31 January 2019.

On 27 May 2019, 30 May 2019, 18 July 2019 and 9 August 2019, the Company had announced that it is proposing to undertake the following proposals (collectively referred to as the "Proposals"):

- (i) proposed reduction of the Company's issued share capital pursuant to Section 116 of the Companies Act, 2016 ("Act") ("Proposed Share Capital Reduction");
- (ii) proposed consolidation of every four (4) existing ordinary shares in SGB ("SGB Share" or "Share") into one (1) SGB Share ("Consolidated Share") ("Proposed Share Consolidation");
- (iii) proposed renounceable rights issue of up to 1,188,890,151 new Consolidated Shares ("Rights Shares") together with up to 396,296,717 free detachable warrants ("Warrants C") on the basis of three (3) Rights Shares together with one (1) free Warrant C for every one (1) Consolidated Share held by the entitled shareholders ("Entitled Shareholders"), on an entitlement date to be determined later ("Rights Entitlement Date") at an issue price of RM0.18 per Rights Share ("Issue Price") ("Proposed Rights Issue of Shares with Warrants");
- (iv) a proposed restricted issue of up to 215,100,743 new Consolidated Shares ("Restricted Issue Shares") together with up to 71,700,247 detachable warrants ("Warrants C") on the basis of three (3) Restricted Issue Shares together with one (1) free Warrants C at an issue price of RM0.19 per Restricted Issue Share to Tan Sri Nik Awang @ Wan Azmi Bin Wan Hamzah ("TSWA") and Gelombang Global Sdn Bhd ("GGSB") ("Proposed Restricted Issue").
- (v) Proposed set-off of the amount repayable to Sammy Tse Kwok Fai ("STKF") against the subscription moneys payable by STKF pursuant to the Proposed Rights Issue of Shares with Warrants ("Proposed Set-Off"); and
- (vi) proposed settlement of liabilities owing by SGB to Malayan Banking Berhad ("Maybank") and Astramina ("Proposed Liabilities Settlement");

The Company intends to raise a minimum of approximately RM75.59 million from the Proposed Rights Issue of Shares with Warrants to meet the minimum funding requirements of the Group ("Minimum Subscription Level"). The Minimum Subscription Level will be met via the undertakings from the following ("Undertakings"):

- (a) **IJM Corporation Berhad ("IJM")**, being the major shareholder of SGB with 21.39% equity interest. IJM will subscribe in full, their entitlement under the Proposed Rights Issue of Shares with Warrants based on their shareholdings as at the Rights Entitlement Date
- (b) **Mr. Sammy Tse Kwok Fai ("STKF")**, the Chief Executive Officer of SGB. STKF has irrevocably undertaken that he will subscribe in full, both for his entitlement at the Rights Entitlement Date ("STKF's Entitlement") and for the additional Rights Shares not taken up by other Entitled Shareholders by way of excess shares applications (if allocated to him) ("STKF's Excess Undertakings") to such extent that the total value of his subscription of Rights Shares under STKF's Entitlement and the STKF's Excess Undertaking pursuant to the Proposed Rights Issue of Shares with Warrants received by SGB shall not exceed RM3.00 million (collectively referred to as "Loans / Advances to SGB").
- (c) **TSWA**, existing shareholder of SGB with 0.75% equity interest. TSWA will subscribe in full, both for his own entitlement at the Rights Entitlement Date ("TSWA's Entitlement") and for the additional Rights Share not taken up by other Entitled Shareholders by way of excess shares applications (if allocated to him) ("TSWA's Excess Undertaking") to such extent that the total value of his subscription of Rights Shares under TSWA's Entitlement and TSWA's Excess Undertaking pursuant to the Proposed Rights Issue of Shares with Warrants received by SGB shall not exceed RM21.00 million.



Further to the above, on 17 July 2019, TSWA provided RM21.00 million, as a loan to SGB for his commitment to subscribe for TSWA's Entitlement and TSWA's Excess Undertaking (collectively referred to as "Loans / Advances to SGB"). The loan was disbursed to the Company on 19 July 2019. In the event that a subscription amount of less than RM21.00 million is required from TSWA to achieve a full subscription level, the balance amount will be allocated for the Proposed Restricted Issue.

- (d) **GGSB**, existing shareholder of SGB with 0.01% equity interest. GGSB has irrevocably undertaken that GGSB will subscribe in full, both for their own entitlement at the Rights Entitlement Date ("GGSB's Entitlement") and for the additional Rights Share not taken up by other Entitled Shareholders by way of excess shares applications (if allocated to them) ("GGSB's Excess Undertaking") to such extent that the total value of their subscription of Rights Shares under GGSB's Entitlement and GGSB's Excess Undertaking pursuant to the Proposed Rights Issue of Shares with Warrants received by SGB shall not exceed RM21.00 million.

Further to the above, on 17 July 2019, GGSB provided RM21.00 million, as a loan to SGB for his commitment to subscribe for GGSB's Entitlement and GGSB's Excess Undertaking (collectively referred to as "Loans / Advances to SGB"). The loan was disbursed to the Company on 19 July 2019. In the event that a subscription amount of less than RM21.00 million is required from GGSB to achieve a full subscription level, the balance amount will be allocated for the Proposed Restricted Issue.

The applications in relation to the Proposals have been submitted to Bursa Malaysia Securities Berhad on 20 August 2019.

There are no other corporate proposals that have been announced but not completed.

**(b) Status of utilisation of proceeds raised from corporate proposals**

Loans and Advances raised from the Proposals were partially utilised as follows:

<b>Purpose</b>	<b>Proposed utilisation</b>	<b>Actual utilisation</b>
	<b>RM'000</b>	<b>RM'000</b>
Part repayment of advances from SESB	11,000	-
Part repayment to the non-trade creditors	4,885	-
Working capital	11,906	3,000
Redemption of securities pledged	15,659	-
Estimated expenses in relation to the Proposals	1,550	-
	<hr/>	<hr/>
	45,000	3,000

**B7. Group borrowings and debt securities**

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

	<b>As at</b>
	<b>30 June 2019</b>
	<b>RM'000</b>
Current	134,265
Non Current	50,281
Total	<u>184,546</u>

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

	<b>As at</b>
	<b>30 June 2019</b>
	<b>RM'000</b>
<b>Denominated in:</b>	
Ringgit Malaysia	123,986
US Dollar	60,560
Total	<u>184,546</u>

**B8. Changes in material litigation**

Pursuant to the withdrawals of the respective claims and/or counterclaims by Scomi Transit Projects Sdn Bhd and Prasarana Malaysia Berhad as agreed under the Settlement Agreement between them dated 4 April 2019, there are no further material litigation involving the Group.

**B9. Proposed Dividend**

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

**B10. Earnings per share**

The computation for earnings per share is as shown below.

		<b>3 months Period Ended 30 June 2019</b>	<b>15 months Period Ended 30 June 2019</b>
<b>Basic earnings/(loss) per share</b>			
Net losses attributable to shareholders	(RM'000)	<u>(250,497)</u>	<u>(378,651)</u>
<u>Weighted average number of shares</u>	('000)		
Issued shares at opening		1,092,657	1,092,657
Effect of sale of treasury shares		1,250	1,250
Weighted average number of shares	('000)	<u>1,093,907</u>	<u>1,093,907</u>
Basic earnings/(loss) per share	(sen)	<u>(22.90)</u>	<u>(34.61)</u>

Diluted earnings per ordinary share are not presented as the Group's warrants exercise price is more than the average share price for the period.

**B11. Loss Before Taxation for the period**

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

	<b>Other Period 3 months ended 30-Jun-19 RM'000</b>	<b>Cumulative Period 15 months ended 30-Jun-19 RM'000</b>
Interest income	237	1,022
Interest expense	(5,387)	(23,000)
Foreign exchange gain/(loss), net	6,271	13,921
Depreciation and amortisation	(14,353)	(78,061)
Impairment loss on property, plant and equipment	-	(39,197)
Profit / (Loss) on disposal of subsidiaries	-	(314)
Net effect on deconsolidation of subsidiaries	(184,378)	(184,378)
Loss on impairment of investment in jointly-controlled entities	(8,658)	(8,658)
Gain/(Loss) on disposal of property, plant and equipment	643	7,171

**B12. 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 30 August 2019.