

SCOMI GROUP BHD
(COMPANY NO: 571212-A)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

| | <u>Others</u> | <u>Cumulative Period</u> |
|---|--|---|
| | 3 months ended 30 Sept 2022 RM '000 | 15 months ended 30 Sept 2022 RM '000 |
| <u>Continuing Operations</u> | | |
| Revenue | - | - |
| Cost of revenue | - | - |
| Gross (loss)/profit | - | - |
| Other income/(expenses), net | (3,529) | (36,276) |
| Operating expenses | (382) | (2,283) |
| Finance costs | (1,037) | (5,665) |
| Share of results of associates / jointly controlled entities | - | - |
| Profit/(Loss) before taxation | (4,948) | (44,224) |
| Taxation | - | - |
| Profit/(Loss) for the period/year from continuing operations | (4,948) | (44,224) |
| Profit/(Loss) for the period/year from discontinued operations | 1,046 | 2,248 |
| Profit/(Loss) for the financial period/year | (3,902) | (41,976) |
| Other comprehensive income/(expense) | | |
| Currency translation differences | (1,007) | (2,150) |
| Other comprehensive income/(expense), net of tax | (1,007) | (2,150) |
| Total comprehensive Income/(expense) for the period | (4,909) | (44,126) |
| Loss attributable to: | | |
| Owners of the Company | (3,902) | (41,976) |
| Non-controlling interests | - | - |
| | (3,902) | (41,976) |
| Total comprehensive Income/(expense) attributable to: | | |
| Owners of the Company | (4,909) | (44,126) |
| Non-controlling interests | - | - |
| | (4,909) | (44,126) |
| Earnings/(loss) per share | sen | sen |
| Basic earnings/(loss) per share | (0.36) | (3.84) |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Report for the year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements. No comparatives are shown due to the change in financial year-end from 30 June to 31 December.

SCOMI GROUP BHD
(COMPANY NO: 571212-A)

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

| | As at 30 September 2022 RM'000 | As at 30 June 2021 RM'000 |
|--|---|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 9 | 244 |
| Other Investment | 5,512 | 11,712 |
| | 5,521 | 11,956 |
| Current assets | | |
| Short-term deposits, cash and bank balances | 3 | 64 |
| | 3 | 64 |
| Total assets | 5,524 | 12,020 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share capital | 224,964 | 224,964 |
| Other reserves | - | - |
| Accumulated Losses | (517,765) | (473,639) |
| | (292,801) | (248,675) |
| Non-current liabilities | | |
| Loans and borrowings | - | 242 |
| | - | 242 |
| Current liabilities | | |
| Trade and other payables | 281,355 | 244,194 |
| Loans and borrowings | - | 95 |
| Current tax liabilities | - | - |
| | 281,355 | 244,289 |
| Liabilities Classified As Held-For-Sale | 16,970 | 16,164 |
| Total Liabilities | 298,325 | 260,695 |
| Total equity and liabilities | 5,524 | 12,020 |
| Net asset per share attributable to equity holders of the parent (RM) | (0.27) | (0.23) |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Report for the year ended 30 June 2021 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 SEPTEMBER 2022**

| | Share capital RM'000 | Treasury shares RM'000 | Translation reserve RM'000 | Accumulated losses RM'000 | Total RM'000 | Non- controlling interests RM'000 | Total equity RM'000 |
|---|----------------------------|------------------------------|----------------------------------|---------------------------------|------------------|--|---------------------------|
| At 1 July 2021 | 224,964 | - | - | (473,639) | (248,675) | - | (248,675) |
| Foreign currency translation differences | - | - | (2,150) | - | (2,150) | - | (2,150) |
| Reclassification of Translation Reserve to Accumulated Losses | - | - | 2,150 | (2,150) | - | - | - |
| Loss for the year | - | - | - | (41,976) | (41,976) | - | (41,976) |
| Total comprehensive income for the year | - | - | - | (44,126) | (44,126) | - | (44,126) |
| At 30 September 2022 | 224,964 | - | - | (517,765) | (292,801) | - | (292,801) |
| At 1 July 2020 | 224,964 | - | (7,437) | (458,064) | (240,537) | - | (240,537) |
| Foreign currency translation differences | - | - | 1,197 | - | 1,197 | - | 1,197 |
| Reclassification of Translation Reserve to Accumulated Losses | - | - | (1,197) | 1,197 | - | - | - |
| Loss of significant influence in associate | - | - | 7,437 | - | 7,437 | - | 7,437 |
| Loss for the year | - | - | - | (16,772) | (16,772) | - | (16,772) |
| Total comprehensive income for the year | - | - | 7,437 | (15,575) | (8,138) | - | (8,138) |
| At 30 June 2021 | 224,964 | - | - | (473,639) | (248,675) | - | (248,675) |

SCOMI GROUP BHD
(COMPANY NO: 571212-A)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

| | Period Ended 30 September 2022 RM'000 |
|---|--|
| Cash flows from operating activities | |
| Loss before taxation | |
| Continuing operations | (44,224) |
| Discontinued operations | 2,248 |
| Adjustments for non-cash items | 31,170 |
| Operating (loss)/profit before working capital changes | (10,806) |
| Changes in working capital: | |
| Trade and other receivables | - |
| Trade and other payables | 10,752 |
| Net cash from operating activities | (54) |
| Cash flows from investing activities | |
| Proceed from disposal of property, plant and equipment | 330 |
| Net cash used in investing activities | 330 |
| Cash flows from financing activities | |
| Repayment of borrowings | (337) |
| Interest paid on borrowings | - |
| Net cash used in financing activities | (337) |
| Net increase in cash and cash equivalents | (61) |
| Cash and cash equivalents at beginning of period | 64 |
| Cash and cash equivalents at end of period | 3 |
| <u>Cash and cash equivalents comprise:</u> | |
| Cash and bank balances | 3 |
| | 3 |

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

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 financial statements for the year ended 30 June 2021 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 year ended 30 September 2021.

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 30 June 2021.

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

| | | <u>Effective dates for financial periods beginning on or after</u> |
|---|--|--|
| Amendments to MFRS 3 | Reference of the Conceptual Framework | 1 January 2022 |
| Amendments to MFRS 116 | Property, Plant and Equipment - Proceeds before Intended Use | 1 January 2022 |
| Amendments to MFRS 137 | Onerous Contracts - Cost of Fulfilling a Contract | 1 January 2022 |
| Annual Improvements to MFRSs Standards 2018 - 2020: | | 1 January 2022 |
| • Amendments to MFRS 1 | | |
| • Amendments to MFRS 9 | | |
| • Amendments to MFRS 16 | | |
| • Amendments to MFRS 141 | | |
| MFRS 17 | Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 17 | Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-Current | 1 January 2023 |
| Amendments to MFRS 101 | Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to MFRS 108 | Definition of Accounting Estimates | 1 January 2023 |
| Amendments to MFRS 112 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |
| Amendments to MFRS 10 and MFRS 128 | Sales or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred until further notice |

The Group and the Company plans to apply the abovementioned accounting standards, interpretations and amendments (if relevant to its financial statements):

- from the annual period beginning on 1 July 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022.

- from the annual period beginning on 1 July 2023 for those amendments that are effective for annual periods beginning on or after 1 January 2023.

The initial application of the abovementioned amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Company.

A2. Qualification of financial statements

The preceding year annual financial statements were subject to the following qualification which was mentioned as follows in the Independent Auditors' Report for the financial year ended 30 June 2021 (to be read in conjunction with the audited financial statement for the year ended 30 June 2021) :

Extracted from the Independent Auditors Report to the members of Scomi Group Bhd:

We do not express an opinion on the accompanying financial statements of the Group and of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

As disclosed in Note 33 to the financial statements, certain matters stated therein were unresolved since the preceding financial year. These matters form the basis of our disclaimer of opinion and are enumerated below. Further, we were unable to determine whether adjustments to the opening accumulated losses might be necessary arising from the possible effects of these matters (individually or accumulatively) on the comparability of the current and prior financial years figures.

1. As disclosed in Note 2 to the financial statements, the financial statements of the Group and of the Company have been prepared on a going concern basis. The application of the going concern basis assumes that the Group and the Company will be able to realise their assets and settle their liabilities in the normal course of business. In forming our disclaimer of opinion, we considered the following matters, amongst others:

- 1.1 As at 30 June 2021, current liabilities of the Group and of the Company has exceeded the current assets by RM260.39 million and RM269.78 million respectively. The Group and the Company also had deficits in equity amounting to RM248.68 million and RM258.07 million respectively.

- 1.2 On 3 December 2019, the Company announced that it has become an affected listed issuer pursuant to the amended Practice Note 17/2011 ("PN17") of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). As an affected issuer, the Company must submit a regularisation plan to Bursa Malaysia and obtain the Bursa Malaysia's approval to implement the regularisation plan.

Bursa Malaysia had on 2 September 2021 announced the extension of time for listed issuers to submit its regularisation plans for PN17 of the MMLR from 12 months to 24 months from the date the listed issuer first announce their PN17 classification ("First Announcement"), whose First Announcement was made between 2 January 2019 to 31 December 2020. Bursa Malaysia had on 22 September 2021, further granted an extension of time of 6 months to the Company to submit a regularisation plan to the regulatory authorities. The Company is currently in the process of formulating the proposed regularisation plan and was granted an extension of time up to 22 February 2022 to submit its regularisation plan to the regulatory authorities.

Therefore, the going concern basis used in preparing the financial statements of the Group and of the Company is significantly dependent on:

- (i) approval being obtained from all the relevant parties on the proposed regularisation plan;
 - (ii) timely and successful implementation of the key components of the proposed regularisation plan; and
 - (iii) ability of the Group and the Company to achieve sustainable and viable operations so as to generate sufficient cash flows to enable them to meet their obligations as and when they fall due.
2. As disclosed in Note 22 to the financial statements, on 26 February 2020, the Company lost its control in Scomi Energy Services Bhd and its subsidiaries ("SESB Group"). Consequently, SESB ceased to be a subsidiary and is accounted for as an associate. The consolidated financial information of SESB Group as of that date was not made available for the Group to account for the effect of the deconsolidation of SESB Group on the said date. The Group accounted for the effects of deconsolidation using the closest available financial information of SESB Group for the financial period ended 31 December 2019. We are unable to determine if there were any material differences between the financial information of the two different dates.

In view of the above, we were unable to obtain sufficient appropriate audit evidence to ascertain whether the amount for the loss on deconsolidation of RM91.46 million as disclosed in Note 22 to the financial statements and share of losses of equity accounted associate of RM8.41 million in previous financial year as disclosed in the statement of profit or loss and other comprehensive income of the Group is fairly stated and the effect of misstatements, if any.

During the financial year, the Group had loss significant influence over SESB Group and investment in SESB Group is henceforth accounted for as other investment. As a result, we are unable to ascertain whether the amount for the gain arising on the loss of significant influence of associate of RM8.41 million recognised in the statement of profit or loss and other comprehensive income of the Group is fairly stated.

3. We were unable to ascertain whether the outstanding liabilities amounting to RM2.68 million of the Group, as disclosed in Note 17(c)(vi) to the financial statements, is fairly stated. These liabilities are mainly related to past related parties' transactions that are pending substantiation, reconciliation and reclassification to appropriate accounts.

A3. Seasonal and cyclical factors

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

A4. Unusual items

During the period, an amount of RM8.5 million was recognized due to liabilities arising from advances by a related party ("Related Party") in prior years ("Advances") to former subsidiaries ("Former Subsidiaries") of the Group. These advances were given by the Related Party to the Former Subsidiaries when they were still subsidiaries of the Group.

Apart from the above, there are no other unusual items that affected the assets, liabilities, equity, net income or cash flows in the current period under review.

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.

A7. Dividends paid

No dividends were paid during the current period.

A8. 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.

A9. Subsequent Events

On 20 September 2022, the Company obtained from the High Court of Malaya at Kuala Lumpur ("the Court") the Orders pursuant to Sections 366, 368 and 369 of the Companies Act 2016 whereby leave was granted by the Court to the Company to call for a Court Convened Meeting ("CCM") to approve with or without modification, a proposed scheme of arrangement ("Proposed Scheme") and compromise between the Company and its Creditors ("Scheme Creditors" – please refer to Bursa announcement dated 20 September 2022 for details).

The summary of the proposed settlement of the Scheme Creditors are as follows:

- (a) by way of a reduction of 80% towards the outstanding amount ("Compromised Amount") due to the Scheme Creditors;
- (b) Issuance of new shares of SGB to the Scheme Creditors for the settlement of the Compromised Amount, being the 20% of the balance outstanding amount due (after reduction).

Based on the Explanatory Statement issued on 21 October 2022 to the Scheme Creditors, the total liabilities due to the Scheme Creditors is approximately RM127.4 million with, the 20% of the balance outstanding amount (after reduction) being the Compromised Amount totaling RM25.5 million, a reduction of approximately RM101.9 million.

The CCM was held on 15 November 2022 for the Scheme Creditors to consider and vote on the Proposed Scheme and was duly approved by the requisite majority of the Scheme Creditors.

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

A10. Changes in composition of the Group

There were no material changes in the composition of the Group during the period under review.

A11. Contingent liabilities

There were no contingent liabilities of the Group at the end of the period.

A12. Capital and operating lease commitments

There were no capital and operating lease commitments as at the end of the period.

A14. Related Party Transactions

The following is the related party transaction during the period under review:

| | Current 3 months ended 30-Sep-22 RM'000 | Cumulative Cumulative Period 15 months ended 30-Sep-22 RM'000 |
|---|--|--|
| <u>Income / (Expenses):</u> | | |
| Transactions with related party: | | |
| Sale of motor vehicle | - | 330 |

A15. Change of Financial Year End

During the period, the Company changed its financial year end from 30 June 2022 to 31 December 2022.

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

B1. Review of performance

The Company changed its financial year-end from 30 June 2022 to 31 December 2022 during period. Consequentially, there is no corresponding quarter to compare against the current period. For analysis purposes, the Company is comparing the results for the current 3 months ended 30 September 2022 against the 3 months ended 30 September 2021 of prior year while no comparison is made for the 15 months period ended 30 September 2022.

Current Period – 3 months ended 30 September 2022 (“5Q2022”) vs 30 September 2021 (“5Q2021”).

Details of the key factors driving the performance for the 5Q2022 vs 5Q2021 are provided below:

| | Revenue | | Variance | | Profit/(Loss) After Tax | | Variance | |
|-----------|--------------|--------------|----------|---|-------------------------|--------------|----------|-----|
| | 3 months to | | | | 3 months to | | | |
| | 30 Sept 2022 | 30 Sept 2021 | RM'000 | % | 30 Sept 2022 | 30 Sept 2021 | RM'000 | % |
| | RM'000 | RM'000 | RM'000 | % | RM'000 | RM'000 | RM'000 | % |
| Corporate | - | - | - | - | (3,902) | (7,228) | 3,326 | 46% |
| | - | - | | | (3,902) | (7,228) | | |
| | | | | | | | | |

Corporate

The lower Loss After Tax for the current 3-months period ended (“5Q2022”) compared to the same period in prior year (“5Q2021”) was mainly due to:

- Fair value adjustment gain of RM2.1 million in 5Q2022 (5Q2021 : Loss of RM2.1 million);
- Lower operating cost in 5Q2022 of RM0.4 million (5Q2021 : Operating Cost : RM0.5 million);
- Lower Impairment on receivables of RM0.2 million in 5Q2022 (5QFY2021: Impairment of RM0.4 million);
- Higher Profits From Discontinued Operations of RM1.0 million in 5Q2022 (5QYF2021: RM0.2 million) which was arising mainly from Forex Gain;

Offset by:

- Higher Forex Losses of RM1.6 million (5QFY2021: RM0.1 million);
- Higher Provision For Redemption of Pledged Securities of RM3.8 million in 5Q2022 (5QFY2021: RM3.3 million);

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

The lower Loss Before Tax ("LBT") for the current 3 months period of RM5.0 million compared to LBT of RM18.6 million in the preceding 3 months period was mainly due to:

- a) Liabilities recognized due to advances by a Related Party to Former Subsidiaries of the Group of RM8.5 million in the preceding 3 months period (5Q2022: RM Nil).
- b) Fair Value Adjustment Gain on Other Investment in the current period of RM2.1 million compared to preceding quarter of RM3.4 million loss;
- c) Offset by higher Forex losses of RM1.6 million in the current 3 months period as compared to a Forex Loss of RM1.2 million in the preceding quarter.

B3. Current Financial Period Prospects

The Company is actively taking measures to restructure its balance sheet as well as finalizing proposals with its customers together with its business partners.

On 15 November 2022, a Creditors Meeting was held as part of the Proposed Scheme of Arrangement to restructure the liabilities of the Company. The Proposed Scheme of Arrangement was duly approved by the Creditors as required under the Companies Act 2016 (please see Bursa announcement dated 20 September 2022, 21 October 2022 and 15 November 2022 for details).

The Company is focused on carrying out initiatives to build up its order book and top line on segments it has capabilities such as Energy Management Solutions, including Renewable Energy as well as the Rail sector. The Company have submitted several proposals to potential customers for these segments including conducting operational trials as part of the business proposals with Memorandum of Understanding ("MOU") signed with various parties before an award could be finalized.

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

| | Current 3 months ended 30-Sep-22 | Cumulative Period 15 months ended 30-Sep-22 |
|------------------------------|---|--|
| Continuing operations | | |
| Current tax: | | |
| Malaysian income tax | - | - |
| Foreign tax | - | - |
| Total income tax | <u>-</u> | <u>-</u> |

There is no tax expense for the current period while the current quarter losses do not meet the criteria for deferred tax income.

B6. Status of corporate proposals announced by the Company

- (a) There are no corporate proposals that have been announced but not completed.
- (b) Practice Note 17

On 30 August 2019, the Company triggered Paragraph 2.1(a) and 2.1(e) of PN17 of the Listing Requirements of Bursa. Pursuant to this, on 3 September 2019 the Company submitted an application for a waiver ("Waiver Application") from being classified as an affected listed issuer to Bursa Securities.

Bursa Securities had, vide its letter dated 2 December 2019, decided to reject SGB's application for a waiver from being classified as an affected listed issuer pursuant to Paragraph 8.04(2) and PN17 of the Listing Requirements as there are concerns on the sustainability and growth potential of the existing/remaining business and the ability of SGB to generate sufficient revenue and thus profitability. Pursuant to this and as well as Paragraph 8.04 and Practice Note 17 of the Listing Requirements, the Company is now regarded as an affected listed issuer ("**PN17 Company**") as it has triggered Paragraphs 2.1(a) and 2.1(e) of PN17 of the Listing Requirements.

On 21 January 2020, the Company has defaulted in repaying in full by one bullet repayment of RM21.00 million each to TSWA and GGSB, respectively, pursuant to the TSWA Loan Agreement and GGSB Loan Agreement. The total amount defaulted is RM42.00 million together with interest, which was due on 18 January 2020. After further reasonable inquiry into the affairs of the Company by the Board, the Board is of the opinion that the Company is not solvent and unable to provide to Bursa Securities a solvency declaration as required under Paragraph 9.19A(4) of the Listing Requirements. Pursuant to this, the Company has further triggered the prescribed criteria under Paragraph 2.1(f) of PN17 of the Listing Requirements on 20 January 2020.

The Company is in the midst of finalising a plan to regularise its financial condition ("**Proposed Regularisation Plan**") and the announcement on the same will be made in due course in accordance to the Listing Requirements. Bursa Securities had on 26 March 2020 announced additional relief measures to alleviate the impact of COVID-19 on capital market players, among others, the extension of time for listed issuers to submit its regularisation plans for PN17 of the MMLR from twelve (12) months to twenty-four (24) months from the date the listed issuer first announced their PN17 classification ("**First Announcement**"), whose First Announcement was made between 2 January 2019 to 31 December 2020. As such, the Company had until 29 August 2021 to submit its regularisation plan to the regulatory authorities. The Company had on 16 August 2021 submitted an application to Bursa Securities for an extension of time of twelve (12) months i.e. up to 31 August 2022 to submit its regularisation plan to the relevant regulatory authorities.

On 22 September 2021, Bursa Securities decided to grant the Company an extension of time of 6 months up to 28 February 2022 to submit its regularisation plan to the relevant regulatory authorities. The extension of time is without prejudice to Bursa Securities' right to proceed to suspend the trading of the listed securities of the Company and to de-list the Company in the event:-

- (i) the Company fails to submit the regularisation plan to the regulatory authorities on or before 28 February 2022;
- (ii) the Company fails to obtain the approval from any of the regulatory authorities necessary for the implementation of its regularisation plan; or
- (iii) the Company fails to implement its regularisation plan within the time frame or extended time frame stipulated by any of the regulatory authorities.

Upon occurrence of any of the events set out in (i) to (iii) above, Bursa Securities may suspend the trading of the listed securities of SGB on the 6th market day after the date of notification of suspension by Bursa Securities and de-list the Company, subject to the Company's right to appeal against the delisting.

On 25 February 2022, the Company submitted a further extension of time application to Bursa Securities of nine (9) months i.e. up to 30 November 2022 to submit the Company's Regularisation Plan to the relevant regulatory authorities ("**EOT Application**").

On 11 April 2022, Bursa Securities rejected the Company's application for a further extension of time to submit its regularisation plan. In the circumstances and pursuant to paragraph 8.04(5) of Bursa Securities Main Market Listing Requirements:-

- (i) the trading in the securities of the Company will be suspended with effect from **20 April 2022**; and
- (ii) the securities of the Company will be de-listed on **22 April 2022** unless an appeal against the de-listing is submitted to Bursa Securities on or before **18 April 2022** ("the Appeal Timeframe"). Any appeal submitted after the Appeal Timeframe will not be considered by Bursa Securities.

In the event the Company submits an appeal to Bursa Securities within the Appeal Timeframe, the de-listing of the securities of the Company from the Official List of Bursa Securities on **22 April 2022** will be deferred pending the decision on the Company's appeal. However, Bursa Securities shall proceed to suspend the trading of the Company's securities on **20 April 2022** even though the decision on the Company's appeal is still pending.

On 5 May 2022, the Company submitted an appeal against the de-listing ("**Appeal**") of the Company to Bursa Securities.

On 15 June 2022, Bursa Securities informed it has decided to allow the Appeal and grant a further extension of time until 30 November 2022 to submit the regularisation plan to the relevant authorities for approval ("**Extended Timeframe**"). Bursa Securities has further stated in its decision that it would de-list the securities of the Company from the Official List of Bursa Securities pursuant to paragraph 8.04 of the Main Market Listing Requirements of Bursa Securities in the event:

- (i) the Company fails to submit the regularisation plan to the relevant authorities for approval within the Extended Timeframe i.e. on or before 30 November 2022;
- (ii) the Company fails to obtain the approval for the implementation of its regularisation plan and does not appeal within the timeframe (or extended timeframe, as the case may be) prescribed to lodge an appeal;
- (iii) the Company does not succeed in its appeal; or
- (iv) the Company fails to implement its regularisation plan within the timeframe or extended timeframes stipulated by the relevant authorities.

Upon occurrence of any of the events set out in (i) to (iv) above, the securities of the Company shall be removed from the Official List of Bursa Securities upon the expiry of two (2) market days from the date the Company is notified by Bursa Securities or on such other date as may be specified by Bursa Securities.

Further announcement will be made to Bursa Securities with regards to the development on the above in due course.

B7. Group borrowings and debt securities

The Group has no borrowings and debt securities as at the end of the reporting period.

B8. Changes in material litigation

1. HIGH COURT OF SHAH ALAM WRIT OF SUMMONS NO. BA-22NCC-90-06/2020 FILED BY SCOMI ENERGY SERVICES BHD ("PLAINTIFF")

On 22 June 2020, the Company was served with a Writ of Summons dated 18 June 2020 by the Plaintiff through their solicitors ("Suit"). In this Suit, the Plaintiff is claiming the following from SGB:

- (a) the sum of RM54,525,036.49 (as at 31.3.2020) ("Settlement Sum") being the outstanding sum due and owing by the Company to the Plaintiff.
- (b) interest at the rate of 5% per annum on the final judgement sum from the date of filing of the Suit herein until the date of full and final settlement.
- (c) costs; and
- (d) such further or other relief and/or orders as deemed fit and proper by the Honourable Court.

The High Court of Shah Alam on 26 November 2020 allowed the Plaintiff's application for summary judgement ("Summary Judgement") against the Company for:

- (i) Settlement Sum
- (ii) interest at the rate of 5% per annum from the date of filing of the Suit until the date of full and final settlement.
- (iii) cost of RM5,000.00 to the Plaintiff.

The Notice of Appeal ("Appeal") has been filed to appeal to the Court of Appeal against the decision of the High Court of Shah Alam which allowed the application by the Plaintiff for Summary Judgement against SGB.

On 7 October 2022, the Company withdrew the Appeal which was allowed by the Court of Appeal.

2. HIGH COURT OF KUALA LUMPUR WRIT OF SUMMONS NO. WA-22NCC-545-11/2020 FILED BY MALAYAN BANKING BERHAD (PLAINTIFF OR MBB) AGAINST SCOMI GROUP BHD (SGB OR COMPANY)

The Company has on 10 November 2020 been served with a Writ of Summons dated 6 November 2020 by the Plaintiff through their solicitors ("MBB Suit"). In this MBB Suit, the Plaintiff is claiming the following from SGB:

- (a) the sum of RM113,957,000.00 ("Claimed Sum") together with interest accruing thereon at the rate of 3.5% per annum above MBB's Base Lending Rate on a monthly rest and compounded monthly until full settlement (estimated total interest accruing as at 10 November 2020 is approximately RM22,771,000.00) ("Interest Accrued").
- (b) costs; and
- (c) such further or other relief and/or orders as deemed fit and proper by the Honourable Court.

On 8 June 2022, the Company accepted ("Acceptance") a settlement proposal ("Settlement Proposal") from MBB with the following salient terms and conditions ("Salient Terms and Conditions"):

- 1) The settlement sum agreed is RM8,000,000.00 ("Settlement Sum").
- 2) The Settlement Sum to be paid in full to MBB on or before 29 July 2022.
- 3) The Company to enter into consent judgement ("Consent Judgement") with MBB on the MBB Suit by 9 June 2022 with the following primary conditions:
 - a) For the Claimed Sum which is RM113,957,000.00.
 - b) Interest Accrued.
- 4) MBB will withhold enforcement or execution of the Consent Judgement against the Company until 29 July 2022 pending fulfilment of the Salient Terms and Conditions by the Company.
- 5) The withdrawal of all suits and claims by the Company against MBB.
- 6) Payment of legal fees and expenses of RM200,000.00 for legal fees incurred by MBB.
- 7) Upon payment of Settlement Sum and the fulfilment of the Salient Terms and Conditions by the Company:
 - a) MBB will release or discharge the Company from liabilities and obligations to MBB arising from the Claimed Sum and Interest Accrued under the MBB Suit and Consent Judgement.
 - b) MBB will release the Pledged Shares to the Company.
- 8) In the event that the Company fails to comply with any of the Salient Terms and Conditions, the Settlement Proposal shall be deemed to have automatically lapsed and ceased to have further effect immediately and MBB shall be at liberty to immediately exercise all their rights including under the Consent Judgement and continue all legal proceedings against the Company to recover the full debt due and owing under the MBB Suit.

The Acceptance of the Settlement Proposal is in the best interest of the Company and will facilitate the restructuring of the liabilities of the Company.

On 9 June 2022, the Company entered into a Consent Judgement with MBB on the MBB Suit for the Claimed Sum and Interest Accrued and have withdrawn all counter claims against MBB on the MBB Suit.

On 28 July 2022, MBB granted the Company an extension of time until 30 August 2022 to pay the Settlement Sum to MBB under the Settlement Proposal.

On 12 October 2022, Company accepted a revised settlement proposal ("Revised Settlement Proposal") from Maybank with the following Salient Terms and Conditions:

1. The Claimed Sum and Interest Accrued comprising the amount claimed under the Consent Judgment shall be settled through:
 - (a) By payment of Settlement Sum which is RM8,000,000.00.
 - (b) From the proceeds of disposal, realisation, sale or dealings by MBB of the Pledged Shares ("Realisation Proceeds"). MBB is allowed to appropriate the Realisation Proceeds and apply them to partially settle the Company's liabilities under the Consent Judgment.

2. The Company shall not oppose MBB's application to seek leave of Court to dispose of, realise, sell or deal with the Pledged Shares.
3. The Company is given until 15 November 2022 to pay the Settlement Sum to MBB.
4. All costs and expenses to be incurred in relation to the Revised Settlement Proposal, including cost associated with item (2) shall be borne by the Company and the Company to pay RM20,000.00 to the Bank's Solicitors by 15 October 2022 towards this.
5. MBB will withhold enforcement or execution of the Consent Judgment pending the fulfilment of Salient Terms and Conditions as stated above under the Revised Settlement Proposal.

The Company on 24 November 2022 accepted a further EOT up to 28 December 2022 to pay the Settlement Sum with the following additional conditions imposed by Maybank:

1. Confirmation by the Company that the settlement of the liabilities to Maybank under the Memorandums of Deposit and Consent Judgment shall be governed by the terms and conditions of the Revised Settlement Proposal and not the Proposed Scheme of Arrangement carried out recently by the Company or the statements in the Explanatory Statement to Scheme Creditors in connection with the Proposed Scheme of Arrangement; and
2. Confirmation by the Company that the Proposed Scheme of Arrangement does not bind Maybank.

The Company will make further announcement on any material development on the Revised Settlement Proposal in due course.

3. KUALA LUMPUR SESSION COURT SUIT NO. WA-B52NCC-407-07/2022 FILED BY GIG TECHNOLOGY HOLDINGS SDN BHD (PLAINTIFF OR GIG) AGAINST SCOMI GROUP BHD (SGB OR COMPANY).

On 7 July 2022, the Company was served with a Writ of Summon dated 6 July 2022 by the Plaintiff through their solicitors ("GIG Suit"). In the GIG Suit, the Plaintiff is claiming the following from SGB:

- i) the sum of RM540,000.00 ("Claimed Sum");
- ii) interest of 8% per annum towards the sum of RM500,000.00 from 8 December 2021 onwards until full settlement of the Claimed Sum;
- iii) Costs; and
- iv) such further orders as deemed fit and proper by the Honourable Court.

The Claimed Sum arose from the funding provided by GIG on 8 December 2021 of RM500,000.00 ("Funding"). The Funding was to be repaid within 12 months from the date of receipt of the Funding together with interest of 8% per annum which resulted in the GIG Suit. Total of 10,204,082 shares of Scomi Energy Services Bhd (an investment of the Company) owned by the Company was secured against the Funding ("Pledged Shares") that may be required to be disposed to settle the GIG Suit.

The above suit is currently placed in abeyance pending the completion of the Proposed Scheme of Arrangement (please see below for details).

The Company will make further announcement on any material development for the above in due course.

4. WINDING-UP SUIT AGAINST SCOMI GROUP BHD BY MR SAMMY TSE KWOK FAI - SUIT NO. WA-28NCC-753-09/2022

On 19 September 2022, Scomi Group Bhd ("SGB" or the "Company") received a winding up petition ("Petition") by Mr Sammy Tse Kwok Fai. The details of the Petition are as follows:

- (a) The Petition dated 13 September 2022 was presented to the High Court of Malaya at Kuala Lumpur ("the Court") on the same date, and thereafter was received by SGB on 19 September 2022.
- (b) The amount claimed is RM1,218,000.00 (the "Demanded Amount") comprising non-payment of outstanding salary and claims.
- (c) The Petition is pursuant to a Statutory Notice under Section 466(1)(a) of the Companies Act 2016 from Mr Sammy Tse Kwok Fai for the Demanded Amount dated 27 July 2022 which was received by the Company only on 17 August 2022.
- (d) If the Petition is granted and a winding-up order is eventually issued by the Court, the Company would be placed in liquidation and would cease operation and its financial affairs would be overseen by a liquidator to be appointed by the Court. Barring this, there are no other operational and financial impact of the winding-up petition.

The above suit has been placed in abeyance pending the completion of the Proposed Scheme of Arrangement (please see below for details).

The Company will make further announcement on any material development for the above in due course.

5. WINDING UP SUIT AGAINST SCOMI GROUP BHD BY ASTRAMINA ADVISORY SDN BHD - SUIT NO. WA-28NCC-749-09/2022

On 19 September 2022, Scomi Group Bhd ("SGB" or the "Company") received a winding up petition ("Winding Up Petition") by Astramina Advisory Sdn Bhd ("Astramina").

The details of the Winding Up Petition are as follows:

- (a) The Winding Up Petition dated 12 September 2022 was presented to the High Court of Malaya at Kuala Lumpur ("the Court") on the same date, and thereafter was received by SGB on 19 September 2022.
- (b) The amount claimed is RM2,652,971.42 (the "Demanded Amount") stated as comprising of non-payment of amount owing to Astramina.
- (c) The Winding Up Petition is pursuant to a Statutory Notice under Section 466(1)(a) of the Companies Act 2016 from Astramina for the Demanded Amount dated 5 July 2022 as mentioned in the Winding Up Petition.
- (d) If the Winding Up Petition is granted and a winding-up order is eventually issued by the Court, the Company would be placed in liquidation and would cease operation and its financial affairs would be overseen by a liquidator to be appointed by the Court. Barring this, there are no other operational and financial impact of the Winding-up Petition.
- (e) The Company is not expected to incur material losses from the Winding-up Petition.

The above suit has been placed in abeyance pending the completion of the Proposed Scheme of Arrangement (please see below for details).

The Company will make further announcement on any material development for the above in due course.

6. PROPOSED SCHEME OF ARRANGEMENT PURSUANT TO SECTIONS 366, 368 AND 369 OF THE COMPANIES ACT 2016 FOR SCOMI GROUP BHD

On 20 September 2022, the High Court of Malaya at Kuala Lumpur ("the Court") allowed the Company's Application which was made pursuant to Sections 366, 368 and 369 of the Companies Act, 2016 ("Order") in amongst others, the following terms:

- (a) that leave be granted to the Company to call for its Court Convened Meeting (hereinafter "the Scheme Meeting") pursuant to Section 366(1) of the Companies Act 2016 for the purpose of taking into account and if deemed appropriate, to approve with or without modification, a proposed scheme of arrangement ("Proposed Scheme of Arrangement") and compromise between the Company and its Creditors ("the Scheme Creditors"), the particulars of which are contained in the Company's Proposed Scheme of Arrangement;
- (b) with regards to the Scheme Meeting, an order that:
 - i) the Creditors' Meeting is to be held within three (3) months from the date of this Order;
 - ii) liberty be given to the Company to conduct the Scheme Meeting virtually or by way of such other technology, means, method and/or facilities that enables the Scheme Creditors to participate and vote remotely as set out in Annexure-A to the Order;
 - iii) subject to paragraph b(i) above, liberty be given to the Company to fix the time, date and venue for the Scheme Meeting;
 - iv) the Scheme Meeting be summoned by giving notice of not less than twenty one (21) days and that such notice shall be deemed to have been properly served by way of advertisements once in English in "The New Straits Times" newspaper and once in the national language in the "Berita Harian" newspaper respectively ("Advertisements") and that notice of the Scheme Meetings shall be deemed to have been duly served on each Scheme Creditor the day after publication of both Advertisements, and
 - v) an "Explanatory Statement" pursuant to Section 369 of the Companies Act 2016 shall be given to each Scheme Creditor under the Proposed Scheme of Arrangement together with notice of the Scheme Meeting referred to in paragraph b(iv) above;
- (c) Pursuant to Section 368 (1) of the Companies Act 2016:
 - i) That a restraining order be granted whereby all current and/or pending proceedings and/or further proceedings and/or future proceedings in any action or proceedings against the Applicant and/or its assets (wherever located, and whether held by the Company in whole or in part, directly or indirectly, as principal or agent, beneficially or otherwise), including, without derogating from the generality of the foregoing:
 1. Court, winding up and arbitration proceedings as well as any intended or future proceedings;
 2. execution or enforcement process, extra-judicial proceedings or other proceedings;
 3. any proceedings in the Industrial Court and/or Labour Court;

4. any proceedings under the Construction Industry Payment and Adjudication Act 2012;
 5. any proceedings in any tribunal under any statute;
 6. demands for payment, exercise or intended exercise of any liens, securities, undertakings and guarantees under any documents, performance bonds, bank guarantees or security documents; and
 7. the dealing with such assets in any way or entering upon any premises upon which such assets may be located except with the prior written consent of the Applicant or upon further order of this Honourable Court; be and is hereby forthwith restrained and stayed except by leave of the Court ("Restraining Order"), for a period of three (3) months from date of the Order and subject to such terms as the Court may impose;
- (d) An order that En Ariff Riza Abdullah (NRIC No.: 810518-14-6149) the person nominated as a director of the Company pursuant to Section 368(2)(d) of the Companies Act 2016, be approved and appointed;
- (e) Order that the Company shall within seven (7) days from the date of the Order;
- i) lodge an office copy of the Order with the Registrar of Companies;
 - ii) publish the Restraining Order once in one widely circulated newspaper in Malaysia in the national language and once in one widely circulated newspaper in Malaysia in the English language, and
 - iii) lodge the Restraining Order with the Registrar of the Companies Commission of Malaysia within seven (7) days of the date of the Order.
- (f) order that upon the conclusion of the Scheme Meeting, the Chairman shall report the voting results of the Scheme Meeting to the Court;
- (g) In the event that the Proposed Scheme of Arrangement is approved at the Scheme Meetings, that pursuant to section 366(3) of the Companies Act 2016, the Company be at liberty to apply for an Order of Court approving the Proposed Scheme of Arrangement, with such modifications as may be approved at the Scheme Meetings, and subject to such alterations or conditions as this Honourable Court thinks just, so as to be binding between the Company and the Scheme Creditors;

On 21 October 2022, the Composite Explanatory Statement required to be furnished pursuant to Section 369(1) of the Companies Act 2016, the Notices of Court Convened Meeting and the Form of Proxy for the Court Convened Meeting were despatched by email, ordinary post or courier to the Scheme Creditors that are entitled to attend and vote at the said Court Convened Meeting.

On 15 November 2022, the Court Convened Meeting was held for the Scheme Creditors to consider and vote on the proposed scheme of arrangement ("Proposed Scheme") between the Company and the Scheme Creditors. The Proposed Scheme was approved by the requisite majority of the Scheme Creditors.

The Company will make further announcement on any material development for the above in due course.

4. APPLICATION FOR JUDICIAL MANAGEMENT ORDER

The Company applied for Judicial Management Order ("JM Order") pursuant to Sections 404 and 405 of the Companies Act, 2016 with the High Court of Malaya at Kuala Lumpur on 14 April 2021. The application for the JM Order immediately puts into effect a moratorium ("Moratorium") for the period commencing with the application of the JM Order and ending with the grant or dismissal of the application, during which no resolution shall be passed or order shall be made for the winding-up of the Company.

In addition, during this Moratorium, the leave of the Court will be required to:-

- a) enforce any charge on or security over the property of the Company; and
- b) commence or continue any legal proceedings against the Company or their respective property.

The JM Order was applied for as part of proactive measure by SGB to:-

- a) get the involvement of an independent professional to facilitate the restructuring of the Company with the assistance of the Board of Directors ("BOD") and management;
- b) rehabilitate and maximize the return to creditors and value to the shareholders of the Company; and
- c) give the Company the opportunity to rehabilitate and be restored to profitability.

At the hearing held on 28 May 2021 in respect of the application ("Application") for the JM Order which is being opposed by creditors of SGB, the Court adjourned the hearing to 24 August 2021 to allow for the parties to file their respective affidavits in response and written submissions in relation to the Application.

On 24 August 2021, the Court adjourned for a decision to 4 October 2021 (initially fixed for 24 September 2021) for the Court to decide on the following legal threshold issues:

1. whether public listed companies ("PLC") are allowed to apply for a JM Order pursuant to Section 403 of the Companies Act 2016.
2. the definition of a secured creditor pursuant to Section 409 of the Companies Act 2016.

On 4 October 2021, the Court delivered the decision that the Company's application for Judicial Management was dismissed with costs. The Court held, inter alia, as follows:-

- a) public listed companies ("PLC") are not allowed to apply for a JM Order pursuant to Section 403 of the Companies Act 2016.
- b) a creditor with a registered charge is deemed a secured creditor pursuant to Section 409 of the Companies Act 2016.

On 5 October 2021, the Notice of Appeal ("JM Appeal") was filed to appeal to the Court of Appeal against the decision of the Court which had dismissed the Company's application for JM Order with costs.

On 8 October 2021, an application was filed in the Court of Appeal for interim preservation order pursuant to Section 44 of the Courts of Judicature Act 1964, to preserve and prevent any legal proceedings against the Company pending the disposal of the JM Appeal.

On 16 December 2021, the Court of Appeal granted the interim preservation order pursuant to Section 44 of the Courts of Judicature Act 1964, to preserve and prevent any legal proceedings against the Company pending the disposal of the JM Appeal.

At the Hearing for the JM Appeal on 23 February 2022, the Court of Appeal requested further submissions pertaining to the issue on whether public listed companies are allowed to apply for a Judicial Management Order.

On 23 May 2022, the Court of Appeal delivered the decision on the JM Appeal whereby the Company's Appeal was dismissed with costs.

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.

| | | Current 3 months ended 30 September 2022 | Cumulative Period 15 months ended 30 September 2022 |
|---|--------|---|--|
| Basic earnings/(loss) per share | | | |
| Net profit/(losses) attributable to shareholders (RM'000) | | <u>(3,902)</u> | <u>(41,976)</u> |
| <u>Weighted average number of shares</u> | ('000) | | |
| Issued shares at opening | | <u>1,093,907</u> | <u>1,093,907</u> |
| Weighted average number of shares | ('000) | <u>1,093,907</u> | <u>1,093,907</u> |
| Basic earnings/(loss) per share | (sen) | <u>(0.36)</u> | <u>(3.84)</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

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

| | Current 3 months ended 30-Sep-22 RM'000 | Cumulative Period 15 months ended 30-Sep-22 RM'000 |
|---|--|---|
| Interest expense | (1,037) | (5,665) |
| Provision for redemption of pledged securities | (3,793) | (17,313) |
| Impairment of receivables | (226) | (1,295) |
| Fair value adjustment on other investment | 2,067 | (6,201) |
| Gain/(loss) from disposal of property, plant and equipment, net | - | 102 |
| Foreign exchange gain/(loss), net | (1,577) | (3,045) |
| Liabilities recognized due to former subsidiaries | - | (8,524) |

B12. Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors on 29 November 2022.