

**THIS SHARE BUY-BACK STATEMENT IS IMPORTANT AND
REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") takes no responsibility for the contents of this Share Buy-back Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Share Buy-back Statement. In addition, in accordance with Practice Note 18 of the Main Market Listing Requirements of Bursa Securities, Bursa Securities has not perused the contents of this Share Buy-back Statement prior to its issuance.

Scomi

SCOMI GROUP BHD

(Company No: 571212-A)

(Incorporated in Malaysia under the Companies Act, 1965)

SHARE BUY-BACK STATEMENT

IN RELATION TO

THE PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

(To be read together with the Ordinary Resolution 8 in the Notice of 13th Annual General Meeting ("AGM") as set out in our Annual Report 2015)

The above proposal will be tabled as Special Business at the forthcoming 13th AGM, details of which are set out below. The notice of the 13th AGM together with the Form of Proxy is set out in the Annual Report of Scomi Group Bhd for the financial year ended 31 March 2015, which is dispatched together with this Share Buy-back Statement. You are urged to complete and deposit the Form of Proxy at the Share Registrar of the Company, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, no later than 48 hours before the time appointed for holding the 13th AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 13th AGM should you subsequently wish to do so.

Last date and time for lodging : Sunday, 6 September 2015 at 2:30 pm
the Form of Proxy

Date and Time of 13th AGM : Tuesday, 8 September 2015 at 2:30 pm or any adjournment thereof

Place of 13th AGM : Banquet Hall, 1st Floor, Kuala Lumpur Golf & Country Club, 10 Jalan
1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia

This Share Buy-back Statement is dated 14 August 2015

DEFINITIONS

Except where the context otherwise indicates, the following definitions shall apply throughout this Share Buy-back Statement:

"Act"	:	Companies Act, 1965, as amended from time to time and any re-enactment thereof
"AGM"	:	Annual General Meeting
"Articles of Association"	:	Articles of Association of SGB
"Board"	:	Board of Directors of SGB
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (635998-W)
"Code"	:	Malaysian Code on Take-Overs and Mergers 2010 and any amendments thereof
"Central Depository"	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
"Director"	:	Has the meaning given in Section 2 of the Capital Markets and Services Act 2007
"EPS"	:	Earnings per share
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time
"Proposed Renewal of Authority for Share Buy-back"	:	Proposed renewal of authority for SGB to carry out the Proposed Share Buy-back
"Proposed Share Buy-back"	:	Proposed purchase of up to ten percent (10%) of SGB's issued and paid-up share capital pursuant to Section 67A of the Act
"RM" and "Sen"	:	Ringgit Malaysia and sen respectively
"Purchased Shares"	:	Shares purchased pursuant to the Proposed Share Buy-back
"SGB" or "Company"	:	Scomi Group Bhd (571212-A)
"SGB Share(s)" or "Share(s)"	:	Ordinary share(s) of RM0.10 each in SGB

DEFINITIONS (Cont'd)

- "Share Buy-back Mandate" : Mandate granted by shareholders at SGB's 12th AGM held on 24 September 2014
- "Substantial Shareholder" : Has the meaning given in Section 69D of the Act
- "Treasury Shares" : The Purchased Shares which are retained by the Company and shall have the meaning given in Section 67A of the Act

Any references to "our Company" or "SGB" in this Share Buy-back Statement are to Scomi Group Bhd, references to "our Group" are to our Company and its subsidiaries and references to "we", "us", "our" and "ourselves" are to our Company, and save where the context otherwise requires, and its subsidiaries.

[The rest of this page is intentionally left blank]

SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK:

1.	INTRODUCTION.....	1
2.	DETAILS OF THE PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK	1
3.	SOURCE OF FUNDS.....	2
4.	RATIONALE FOR THE PROPOSED SHARE BUY-BACK.....	2
5.	RISK ASSESSMENT OF THE PROPOSED SHARE BUY-BACK.....	3
6.	FINANCIAL EFFECT OF THE PROPOSED SHARE BUY-BACK.....	3
7.	PURCHASE OF SHARES AND RESALE OF TREASURY SHARES.....	4
8.	PUBLIC SHAREHOLDING SPREAD.....	4
9.	IMPLICATIONS OF THE PROPOSED SHARE BUY-BACK ON THE CODE.....	5
10.	DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS.....	5
11.	DIRECTORS' RECOMMENDATION.....	5

Scomi

SCOMI GROUP BHD

(Company No: 571212-A)

(Incorporated in Malaysia under the Companies Act, 1965)

SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

1. INTRODUCTION

- 1.1 On 9 July 2015, we announced our intention to seek a renewal of an existing authority from our shareholders for the Proposed Share Buy-back.
- 1.2 The purpose of this Statement is to provide you with the details of the Proposed Renewal of Authority for Share Buy-back and to seek your approval for the resolution relating to the said proposal to be tabled at our forthcoming 13th AGM. The Ordinary Resolution pertaining to the Proposed Renewal of Authority for Share Buy-back is set out as Special Business in the Notice of 13th AGM contained in the Annual Report of the Company for the financial year ended 31 March 2015, which was sent to you together with this Statement.

YOU ARE ADVISED TO READ THIS STATEMENT AND TO CONSIDER THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK.

2. DETAILS OF THE PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

- 2.1 At our 12th AGM held on 24 September 2014, we obtained the renewal of authority from our shareholders to undertake the purchase of up to ten percent (10%) of our issued and paid-up share capital at the time of purchase through Bursa Securities.
- 2.2 In accordance with the Listing Requirements, the authority obtained by our Board for the purchase of our own Shares may only continue to be in force until:
- (i) the conclusion of our next AGM at which time the authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
 - (ii) the expiration of the period within which our next AGM is required by law to be held; or
 - (iii) revoked or varied by an ordinary resolution passed by our shareholders in a general meeting,
- whichever occurs first.
- 2.3 Accordingly, in view of the expiry of the Share Buy-back Mandate at the conclusion of our forthcoming 13th AGM which will be held on Tuesday, 8 September 2015 at 2:30 pm, our Board proposes to seek your approval for the Proposed Renewal of Authority for Share Buy-back at our forthcoming 13th AGM. The Proposed Share Buy-back will be subject to compliance with Section 67A of the Act and any prevailing laws, rules, regulations, orders, guidelines, and requirements issued by the relevant authorities.

3. SOURCE OF FUNDS

- 3.1 Pursuant to the Listing Requirements, the funding for the purchase of SGB Shares shall be limited to the amount equivalent to the aggregate of the Company's retained profits and/or share premium and may either be undertaken with internally generated funds and/or borrowings. Accordingly, our Board proposes to allocate an amount of funds which will not exceed the aggregate sum of the retained earnings and/or share premium of our Company in respect of any purchase of our own Shares pursuant to the Proposed Share Buy-back.
- 3.2 Based on our latest audited accounts of the Company for the financial year ended 31 March 2015, our Company's retained earnings and share premium are RM677.32 million and RM352.38 million respectively. As at 15 July 2015, our total issued and paid-up share capital is RM155,420,965.40 comprising 1,554,209,654 Shares (excluding 14,427,200 Shares previously purchased by the Company pursuant to the Share Buy-back Mandate and currently retained as Treasury Shares).
- 3.3 We will fund the Proposed Share Buy-back from internally generated funds and/or borrowings. If we purchase our own Shares using external borrowings, our Board will ensure that we have sufficient funds to repay the external borrowings and that the said repayments will not have a material effect on the cash flow of the Company.
- 3.4 The actual number of Shares to be purchased, the total amount of funds to be utilised, impact on cash flow and the timing of the purchase(s) will depend on the prevailing equity market conditions and sentiments as well as the financial resources available to us at the time of the purchase(s).

4. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-back, if implemented, is expected to benefit our Company in the following manner:

- (i) the Proposed Share Buy-back would provide us with an additional option of utilising our surplus financial resources (which is not immediately required for other uses) to purchase our Shares at prices which are favourable;
- (ii) the Proposed Share Buy-back may stabilise the supply and demand of our Shares traded on the Main Market of Bursa Securities and support its fundamental value;
- (iii) with the ability to maintain the stability of our share price through the Proposed Share Buy-back, investors' confidence in our Shares is expected to be enhanced;
- (iv) if the Purchased Shares are held as Treasury Shares, we may have the opportunity to realise a potential gain if these are resold on Bursa Securities at a higher price than the purchase price;
- (v) Purchased Shares which are retained as Treasury Shares may also be distributed as share dividends to reward our shareholders; and
- (vi) all things being equal, the Proposed Share Buy-back will result in a lower number of Shares being used for the purpose of computing EPS, if the Purchased Shares are subsequently cancelled or during the period such Shares are held as Treasury Shares. Therefore, the Proposed Share Buy-back will improve our EPS, which in turn is expected to have a positive impact on the fundamental value of our Shares.

5. RISK ASSESSMENT OF THE PROPOSED SHARE BUY-BACK

- 5.1 The Proposed Share Buy-back is not expected to have any potential material disadvantages to the Group and shareholders of the Company.
- 5.2 The Proposed Share Buy-back, if implemented, would reduce the financial resources of our Group. This may result in our Group having to forego future investment opportunities and/or any interest income that may be derived from the deposit of such funds in interest bearing instruments.
- 5.3 On the other hand, the financial resources of our Group may increase pursuant to the resale of the Purchased Shares (held as Treasury Shares) at prices higher than the purchase price.
- 5.4 Nevertheless, our Board will be mindful of the interests of our Group and our shareholders in implementing the Proposed Share Buy-back and any subsequent resale of the Treasury Shares on Bursa Securities, if any.

6. FINANCIAL EFFECT OF THE PROPOSED SHARE BUY-BACK

6.1 Share Capital

The effect of the Proposed Share Buy-back on our issued and paid-up share capital will depend on whether the Purchased Shares are cancelled or retained as Treasury Shares.

In the event the Proposed Share Buy-back is carried out in full and the Purchased Shares are cancelled, our issued and paid-up share capital will be reduced by the number of Purchased Shares so cancelled.

If the Purchased Shares are retained as Treasury Shares, resold or distributed to our shareholders, the Proposed Share Buy-back will not have any effect on our issued and paid-up share capital.

6.2 Net Assets

(a) If Purchased Shares are retained as Treasury Shares and/or cancelled

When we purchase our own Shares, regardless of whether they are retained as Treasury Shares and/or cancelled, the net assets per Share of the Group will decrease if the cost per Share purchased exceeds the net assets per Share of the Group at the relevant point in time. However, if the cost per Share purchased is below the net assets per Share of the Group at the relevant point in time, the net assets per Share of the Group will increase.

(b) If Purchased Shares are retained as Treasury Shares and subsequently resold

In the case where the Purchased Shares are treated as Treasury Shares and subsequently resold on Bursa Securities, the net assets per Share of the Group upon the resale will increase if we realise a gain from the resale, and vice-versa. If the Treasury Shares are distributed as share dividends, the net assets per share of the Group will decrease.

6.3 Working Capital

The Proposed Share Buy-back will reduce our working capital, the quantum of which depends on the purchase price(s) of the Purchased Shares and the number of Purchased Shares and the effective funding cost or any loss in interest income to us. The cash flow of the Company and the Group will be reduced relative to the number of Purchased Shares and the purchase price(s) of the Purchased Shares.

For the Purchased Shares which are kept as Treasury Shares, upon its resale, our working capital will increase. Again, the quantum of the increase will depend on the actual selling price of the Treasury Shares and the number of Treasury Shares resold.

6.4 EPS

All things being equal, whether the Purchased Shares are kept as Treasury Shares or cancelled, the Proposed Share Buy-back will result in a lower number of Shares being used for the purpose of computing our EPS, hence increasing our EPS. The extent of the effect of the Proposed Share Buy-back on our EPS is dependent on the number of Purchased Shares and the effective funding cost or loss in interest income to us or the opportunity cost in relation to other investment opportunities.

6.5 Dividends

The Proposed Share Buy-back is not expected to have any material impact on the policy of our Board in recommending dividends to our shareholders.

Notwithstanding that, if the Purchased Shares are retained as Treasury Shares, the dividend rate will increase with the suspension of the rights attaching to the Treasury Shares held in respect of dividend entitlement. Moreover, the Treasury Shares so purchased may be distributed as dividends to our shareholders if we so decide.

7. PURCHASE OF SHARES AND RESALE OF TREASURY SHARES

During the financial year ended 31 March 2015, we have not purchased our own Shares. As at 15 July 2015, the Purchased Shares pursuant to the previous Share Buy-back Mandate were 14,427,200 and all Purchased Shares have been retained as Treasury Shares.

There was no resale or cancellation of the Treasury Shares during the financial year ended 31 March 2015.

Information on the Purchased Shares is set out on the page 127 under Note 17 Treasury Shares to the audited accounts of the Company for the financial year ended 31 March 2015 as contained in the Annual Report 2015 of the Company.

8. PUBLIC SHAREHOLDING SPREAD

According to our Record of Depositors and Register of Substantial Shareholders as at 15 July 2015, our public shareholding spread is sixty nine point fourteen percent (69.14%). Our Board will be mindful in ensuring that the public shareholding spread requirement of at least twenty five percent (25%) of our issued and paid-up share capital (excluding Treasury Shares) held by public shareholders, is complied at all times and will not carry out the Proposed Share Buy-back if it will result in our public shareholding spread not being met.

9. IMPLICATIONS OF THE PROPOSED SHARE BUY-BACK ON THE CODE

9.1 Pursuant to Part II of the Code, in the event that any of our shareholders, together with parties acting in concert with them (if any) who collectively hold:

- (a) less than thirty three percent (33%) of our issued and paid-up share capital, increase their shareholdings to more than thirty three percent (33%); or
- (b) more than thirty three percent (33%) but less than fifty percent (50%) of our issued and paid-up share capital, increases his/her shareholding by two percent (2%) within a six (6) month period,

the affected shareholder and parties acting in concert with him/her would be obliged to undertake a mandatory offer for the remaining Shares not held by them.

9.2 Based on the Register of Substantial Shareholders of the Company as at 15 July 2015, there should be no implication with regard to the Code on the Company and its Substantial Shareholders arising from the Proposed Share Buy-back even in the event that the Proposed Share Buy-back is implemented in full.

10. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the proportionate increase in the percentage shareholdings including, amongst others, the voting rights of our shareholders, none of our Directors, Substantial Shareholders and persons connected to them has any interest, either direct or indirect, in the Proposed Share Buy-back.

11. DIRECTORS' RECOMMENDATION

Our Board, after careful deliberation and having considered all aspects of the Proposed Renewal of Authority for Share Buy-back, is of the opinion that the Proposed Renewal of Authority for Share Buy-back is in the best interest of our Company.

Accordingly, our Board recommends that you vote in favour of the resolution pertaining to the Proposed Renewal of Authority for Share Buy-back which will be tabled at the forthcoming 13th AGM.

[The rest of this page is intentionally left blank]