



## Scomi Group Bhd

News Release

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### Scomi Group records RM237.6 million revenue

PETALING JAYA: Scomi Group Bhd ("SGB" or "the Group") posted a revenue of RM237.6million for the quarter ended 30 June 2016 ("Q1 FY2017"). Its Oilfield Services ("OFS") unit continued to be the major revenue contributor with 65%, while Marine Services and Transport Solutions accounted for 21% and 14% of the total revenue respectively.

The Group's revenue and profitability were impacted due to the further drop in rig count for Q1 FY2017 which contributed to lower revenue for OFS. In the Marine Services division, the coal segment remained flat and the utilisation rate for offshore services vessels was low. The Transport Solutions unit meanwhile, also recorded reduced revenue for the quarter.

On a positive note, the Group's operating expenditure ("Opex") declined from RM106.6 million in the preceding quarter to RM47.4 million as a result of ongoing Group-wide cost optimisation efforts and one off costs incurred last quarter.

"To mitigate the effects of a challenging operating environment, SGB continues to explore possibilities of bringing new products to the market by leveraging on strategic initiatives and collaborations. The Group also plans to extend its Marine Services division's geographical reach by forming alliances with other energy players in the region to maximise vessel utilisation rate," said Mukhnizam Mahmud, SGB's Chief Financial Officer.

During the quarter, Transport Solutions was awarded additional works for its Line 17 – Gold São Paulo monorail project in Brazil worth RM504.6million. The Group is now directly contracted to provide full rolling stocks and additional systems for the project. Meanwhile, OFS and Marine Services won contracts worth more than USD22 million for Q1 FY2017.

SGB has restructured itself to create a more robust structure that will allow it to better compete globally and meet the ever challenging business conditions. The Group now has four distinctive business divisions – Scomi Energy Services for OFS and Marine Services; Scomi Engineering for research & development, design and manufacture of rail and commercial vehicles; Scomi International which will drive initiatives in its participation in various turnkey, concessions and privatisation projects for the transport and energy businesses; and Scomi Chemicals which will focus on utilising nanotechnology as a platform to develop enhanced chemical products for various industries.

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### **About Scomi Group**

Scomi Group Bhd, which is listed on the Bursa Malaysia Securities Bhd, and its Group of companies are involved in the Energy Services comprising of the Oilfield Services and Marine Services; and Transport Solutions sectors. The Group offers drilling fluids & related engineering services, drilling waste management solutions, supply of industrial and production chemicals, marine vessel services, transport engineering solutions involving special purpose vehicles, rail wagons, monorail and buses. With offices in 22 countries, the Scomi Group derives most of its business from its international operations, which is backed by over 60 years of experience in the industry servicing numerous local and multinational companies.

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