

SCOMI ENERGY SERVICES BHD 199601025627 (397979-A)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND PERIOD ENDED 31 MARCH 2020

	3 months ended 31 Mar 2020 RM'000	Cumulative period 9 months ended 31 Mar 2020 RM'000
Revenue	110,520	342,542
Cost of sales	(88,085)	(263,082)
Gross profit	22,435	79,460
Other income/(expenses)	5,668	(7,537)
Administrative expenses	(13,578)	(38,610)
Marketing and selling expenses	(8,200)	(24,056)
Other operating expenses	(1,213)	(1,748)
Finance expenses	(4,614)	(11,824)
Finance income	180	2,058
Share of results of JV and associates	-	107
Profit/(loss) before tax	678	(2,150)
Taxation	(2,696)	(6,709)
Loss for the period	(2,018)	(8,859)
Other comprehensive profit		
Currency translation differences	(40,899)	(33,346)
	(40,899)	(33,346)
Total comprehensive loss for the period	(42,917)	(42,205)
Profit attributable to :		
Owners of the Company	887	(8,653)
Non-controlling interests	(2,905)	(206)
Loss for the period	(2,018)	(8,859)
Total comprehensive profit attributable to:		
Owners of the Company	(40,012)	(41,999)
Non-controlling interests	(2,905)	(206)
	(42,917)	(42,205)
Earnings per share		
- Basic and diluted (Sen)	0.19	(1.85)

Due to change in financial year from 31 March to 30 June, there is no corresponding period for the current quarter ended 31 March 2020.

The unaudited Condensed Financial Statement should be read in conjunction with the accompanying explanatory notes.

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UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	As at 31 Mar 2020 RM'000	As at 30 June 2019 RM'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		282,614	298,990
Investment in associates		8,847	8,847
Investment in joint ventures		2,084	2,084
Intangible assets		107,451	103,531
Deferred tax assets		674	529
Other receivables		176	14,333
		<u>401,846</u>	<u>428,314</u>
CURRENT ASSETS			
Inventories		79,160	82,811
Trade and other receivables		210,309	267,439
Tax recoverable		31,031	13,493
Cash and bank balances	B8	45,273	65,748
		<u>365,773</u>	<u>429,491</u>
TOTAL ASSETS		<u>767,619</u>	<u>857,805</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		445,535	1,005,535
Treasury shares		(51)	(51)
Other reserves	B10	(605)	(527,259)
Retained earnings		(82,103)	(73,450)
Total equity attributable to owners of the Company		<u>362,776</u>	<u>404,775</u>
Non-controlling interests		33,015	33,221
TOTAL EQUITY		<u>395,791</u>	<u>437,996</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Loans and borrowings	B9	-	49,800
Provision for retirement benefits		6,890	8,401
Other payables		1,261	1,028
Deferred tax liabilities		4,903	4,486
		<u>13,054</u>	<u>63,715</u>
CURRENT LIABILITIES			
Trade and other payables		195,574	200,336
Loans and borrowings	B9	148,824	136,006
Current tax liabilities		14,376	19,752
		<u>358,774</u>	<u>356,094</u>
TOTAL LIABILITIES		<u>371,828</u>	<u>419,809</u>
TOTAL EQUITY AND LIABILITIES		<u>767,619</u>	<u>857,805</u>
Net assets per share (RM)		<u>0.77</u>	<u>0.17</u>

The unaudited Condensed Financial Statement should be read in conjunction with the accompanying explanatory notes.

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2020

	<u>Attributable to owners of the Company</u>						
	Share capital RM '000	Treasury shares RM'000	Other reserves RM '000	Retained earnings RM '000	Total RM '000	Non- controlling interests RM '000	Total equity RM '000
As at 1 July 2019	1,005,535	(51)	(527,259)	(73,450)	404,775	33,221	437,996
Total comprehensive loss for the year	(560,000)	-	526,654	(8,653)	(41,999)	(206)	(42,205)
As at 31 March 2020	445,535	(51)	(605)	(82,103)	362,776	33,015	395,791
Audited							
As at 1 April 2018	1,005,535	(51)	(542,246)	32,474	495,712	40,993	536,705
Net loss on impairment of financial instrument (MFRS 9)	-	-	(1,078)	(10,705)	(11,783)	-	(11,783)
Total comprehensive profit/(loss) for the year	-	-	16,065	(95,219)	(79,154)	(7,772)	(86,926)
As at 30 June 2019	1,005,535	(51)	(527,259)	(73,450)	404,775	33,221	437,996

The unaudited Condensed Financial Statement should be read in conjunction with the accompanying explanatory notes.

UNAUDITED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MAR 2020

	Note	9 months ended 31 Mar 2020 RM'000
Cash Flows From Operating Activities		
Loss before tax		(2,150)
Adjustments for non-cash items:		43,890
Changes in working capital:		
Inventories		3,651
Receivables		67,725
Payables		(66,612)
Cash generated from operations		<u>46,504</u>
Tax paid		(16,058)
Interest received		2,058
Net cash from operating activities		<u>32,504</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment		(2,343)
Net cash used in investing activities		<u>(2,343)</u>
Cash Flows From Financing Activities		
Repayment of borrowings		(42,117)
Interest paid on borrowings		(10,430)
Decrease in short term deposit pledged as securities		24,085
Net cash used in financing activities		<u>(28,462)</u>
Net increase in cash and cash equivalents		1,699
Cash and cash equivalents at beginning of the year		38,668
Currency translation differences		1,911
Cash and cash equivalents at end of the year	B8	<u>42,278</u>

Due to change in financial year from 31 March to 30 June, there is no corresponding period for the current 9 months ended 31 March 2020.

The unaudited Condensed Financial Statement should be read in conjunction with the accompanying explanatory notes.

A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS – 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 30 June 2019 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 31 March 2020. The Company has changed its financial year end from 31 March 2019 to 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 30 June 2019.

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 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*

A1 Basis of Preparation of Interim Financial Reports (“Continued”)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentations of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*

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 July 2019 for those accounting standards, amendments and interpretation that are effective for annual periods beginning on or after 1 January 2019, except for amendments to MFRS 3, amendments to MFRS 11 and amendments to MFRS 128 which are not applicable to the Company; and
- from the annual period beginning on 1 July 2020 for those amendments that are effective for annual periods beginning on or after 1 January 2020, except for amendments to MFRS 3 which is not applicable to the Company.

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

A1 Basis of Preparation of Interim Financial Reports (Continued)

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 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 and the Company expect to recognised right-of-use assets and lease liabilities on 1 July 2019. On overall, net current liabilities will be higher due to presentation of a portion of the lease liabilities as current liabilities.

A2 Audit Report for Preceding Annual Financial Statements

The audit report for the Group's annual financial statements for the year ended 30 June 2019 was not subject to any qualification.

A3 Seasonal or Cyclical Factors

The Group's operations are generally not affected by any 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 quarter 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 quarter under review.

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A6 Debt and Equity Securities

There has been no further repurchase of shares during the quarter.

A7 Dividends Paid/Payable

There were no dividends paid during the period ended 31 March 2020.

A8 Segmental Reporting

Segment information for the financial period as presented in respect of the Group's business segment is as follows:

Revenue and results for nine months ended 31 March 2020

	Drilling Services RM'000	Marine Services RM'000	Total RM'000
REVENUE			
External sales	261,115	81,427	342,542
RESULTS			
Profit from operations	5,341	9,705	15,046
Realised (loss)/gain on foreign exchange	(1,470)	45	(1,425)
Unrealised gain on foreign exchange	9,287	637	9,924
Finance costs	(10,167)	(1,657)	(11,824)
Other expense	(2,936)	(11,042)	(13,978)
Share of results in joint ventures	107	-	107
Profit/(loss) before tax	162	(2,312)	(2,150)
Taxation	(5,678)	(1,031)	(6,709)
Loss for the period	(5,516)	(3,343)	(8,859)
Other information			
Depreciation and amortisation	17,063	22,937	40,000
Interest income	637	1,421	2,058
Addition to non-current assets other than financial instruments and deferred tax assets	(58,289)	(58,241)	(116,530)

Due to change in financial year from 31 March to 30 June, there is no corresponding period for the current 9 months ended 31 March 2020.

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A8 Segmental Reporting (Continued)

	Drilling Services RM'000	Marine Services RM'000	Total RM'000
ASSETS AND LIABILITIES AS AT 31 MARCH 2020			
ASSETS			
Assets employed in the segment	535,022	189,961	724,983
Investment in associates	-	8,847	8,847
Investment in joint venture	2,084	-	2,084
	<u>537,106</u>	<u>198,808</u>	<u>735,914</u>
<u>Unallocated corporate assets:</u>			
Current tax assets			31,031
Deferred tax assets			674
Total assets			<u>767,619</u>
LIABILITIES			
Liabilities in segment	<u>335,598</u>	<u>16,951</u>	352,549
<u>Unallocated corporate liabilities:</u>			
Tax payable			14,376
Deferred tax liabilities			4,903
Total liabilities			<u>371,828</u>
Net assets			<u>395,791</u>

	Drilling Services RM'000	Marine Services RM'000	Development & Production Asset and Services RM'000	Total RM'000
ASSETS AND LIABILITIES AS AT 30 JUNE 2019 (AUDITED)				
ASSETS				
Assets employed in the segment	603,261	229,555	36	832,852
Investment in associates	0	8,847	-	8,847
Investment in joint venture	1,148	-	936	2,084
	<u>604,409</u>	<u>238,402</u>	<u>972</u>	<u>843,783</u>
<u>Unallocated corporate assets:</u>				
Current tax assets				13,493
Deferred tax assets				529
Total assets				<u>857,805</u>
LIABILITIES				
Liabilities in segment	<u>343,739</u>	<u>57,992</u>	<u>(6,160)</u>	395,571
<u>Unallocated corporate liabilities:</u>				
Tax payable				19,752
Deferred tax liabilities				4,486
Total liabilities				<u>419,809</u>
Net assets				<u>437,996</u>

A9 Valuation of Property, Plant and Equipment

There was no change to the valuation of property, plant and equipment brought forward from the previous annual financial statements.

A10 Material Subsequent Events

The Company and its subsidiaries, KMCOB Capital Berhad, Scomi Oiltools Sdn Bhd, Scomi KMC Sdn Bhd have on 2 April 2020 applied for Judicial Management ("JM") Order pursuant to Sections 404, 405, 406 and 407 of the Companies Act, 2016 and Rule 8 of the Company (Corporate Rescue Mechanism) Rules 2018 with the High Court of Malaya at Shah Alam. The applications are fixed for hearing on 24 June 2020.

A11 Changes in Composition of the Group

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

A12 Contingent Liabilities

Detail of contingent liabilities of the Group is as follows:-

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

A13 Capital Commitments

Authorised capital commitments not provided for in the financial statements of the Group are as follows:

	Approved and contracted for RM'000	Approved but not contracted for RM'000	Total RM'000
Plant & Machinery	2,141	15,354	17,495
Vessels (drydocking)	-	16,400	16,400
Others	-	3,292	3,292
	<u>2,141</u>	<u>35,046</u>	<u>37,187</u>

The future minimum lease payments under non-cancellable operating leases as at 31 March 2020 are as follows:

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	31-Mar 2020 RM'000
Less than one year	4,999
Between one and five years	<u>5,772</u>
	<u>10,771</u>

A14 Related party transactions

	3 months Ended 31 Mar 2020 RM'000	9 months Ended 31 Mar 2020 RM'000
Holding company *		
Rental income	18	54
Interest income	-	1,417
Cost sharing & recharge of expenses paid on behalf	<u>453</u>	<u>835</u>
 Associate		
Recharge of expenses paid on behalf	<u>77</u>	<u>104</u>

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

* Scomi Group Bhd ceased to be the company's holding company on 26 February 2020.

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

B1 Review of Operating Segments

The Group has two reportable segments which are Drilling Services and Marine Services. Drilling Services provides integrated drilling fluids, drilling waste management solutions and production chemicals while Marine Services consist of coal transportation and offshore support vessel services.

Current 3 months ended 31 March 2020 ("Current period") as compared to 3 months ended 31 March 2019

	Revenue 3 Months to		Profit/(loss) before tax 3 Months to	
	31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
Operating Segments:				
Drilling Services	85,478	103,808	288	(1,058)
Marine Services	25,042	28,264	390	(38,585)
	<u>110,520</u>	<u>132,072</u>	<u>678</u>	<u>(39,643)</u>

Note: Due to change in financial year from 31 March to 30 June, there is no corresponding period for the current 3 months ended 31 March 2020. The results for the 3 months ended 31 March 2019 are shown for analysis purposes only.

Group

Group revenue for the 3 months ended 31 March 2020 was lower by RM21.6 million or 16.3% compared to the 3 months ended 31 March 2019 contributed by lower revenue from both Drilling Services and Marine Services segment.

Profit before tax ("PBT") for the Current period was RM0.7 million as compared to Loss before tax ("LBT") of RM39.6 million for the 3 months ended 31 March 2019. This was mainly due to forex gain of RM9.7 million (31 March 2019 was a forex loss of RM15.3 million), lower other expenses by RM10.8 million and lower other operating expenses by RM3.5 million.

B1 Review of Operating Segments (Continued)

Drilling Services ("DS")

The segment's revenue for the Current period decreased by RM18.3 million or 17.7% as compared to 3 months ended 31 March 2019, mainly due to lower revenue in Malaysia, Pakistan and Myanmar.

DS segment recorded a PBT by RM0.3 million as compared to LBT of RM1.1 million in 3 months ended 31 March 2019 contributed by forex gain of RM9.2 million (31 March 2019 was a forex loss of RM15.7 million) and lower operating expenses during the Current period, offset by lower gross profit as a result of lower revenue.

Marine Services ("MS")

The segment's revenue for the Current period decreased by RM3.2 million or 11.4% as compared to 3 months ended 31 March 2019 resulting from lower shipments and tonnage carried.

MS PBT was RM0.4 million as compared to a LBT of RM38.6 million for the 3 months ended 31 March 2019. The 3 months ended 31 March 2019 had a one-off impairment of offshore supply vessel of RM39.2 million.

B2 3 months ended 31 March 2020 as compared to Preceding 3 months ended 31 December 2019 ("Preceding period")

	Revenue		Profit/(loss) before tax	
	3 Months to		3 Months to	
	31 Mar	31 Dec	31 Mar	31 Dec
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Operating Segments:				
Drilling Services	85,478	94,176	288	(3,661)
Marine Services	25,042	29,959	390	(5,396)
	<u>110,520</u>	<u>124,135</u>	<u>678</u>	<u>(9,057)</u>

Group

Group revenue for the Current period was lower by RM13.6 million or 11.0% as compared to the Preceding period with lower revenue in both Drilling and Marine Services segment.

The Group recorded a PBT of RM0.7 million as compared to a LBT of RM9.1 million in Preceding period mainly due to forex gain of RM9.7 million recorded during the Current period (Preceding period had forex loss of RM4.9 million).

B2 3 months ended 31 March 2020 as compared to Preceding 3 months ended 31 December 2019 (Continued)

Group (Continued)

Drilling Services

The segment's revenue for the Current period decreased by RM8.7 million or 9.2% as compared to Preceding period contributed by decreased revenue in Russia, Malaysia and Australia.

DS segment recorded a PBT of RM0.3 million as compared to LBT of RM3.7 million in the Preceding period mainly contributed by forex gain of RM9.2 million. Partially offset by lower gross profit arising from lower revenue and product mix and higher operating expenses.

Marine Services

The segment's revenue for the Current period was lower by RM4.9 million or 16.4% compared to Preceding period due to lower shipments and tonnage carried. The offshore vessel generated revenue on a short-term job.

MS recorded a PBT of RM0.4 million as compared to LBT of RM5.4 million in Preceding period due to lower revenue and consequently lower gross profit. The Preceding period had a one-off impairment of amount due to holding company as well as a forex loss.

B3 Current Financial Year Prospects

Drilling Service Outlook

The drop in oil prices is likely to result in delay or deferral of several projects. Activity is likely to remain low.

Marine Services Outlook

Demand for vessels is strong and we expect activity to continue as in the previous quarters.

B4 Profit Forecast

This section is not applicable as no profit forecast was published.

B5 Corporate Proposals

Capital Reduction and Share Consolidation Exercise

The capital reduction has been completed on 14 February 2020 when the sealed order of the High Court of Malaya, Shah Alam was lodged with the Companies Commission of Malaysia.

As regards the share consolidation exercise, the entitlement date was 28 February 2020 and the 468,355,087 consolidated shares was listed on the Main Market of Bursa Securities on 2 March 2020.

B6 Profit before taxation

	Current 3 months ended 31 Mar 2020 RM'000	Cumulative 9 months ended 31 Mar 2020 RM'000
The profit before taxation is arrived at after (charging)/crediting:		
Interest income	180	2,058
Impairment loss:		
- property, plant and equipment	(2,501)	(3,801)
- receivables	-	(844)
- amount due from ultimate holding company	(464)	(12,345)
Depreciation and amortisation	(13,999)	(40,000)
Recovery/written-back of doubtful debts	3,165	5,015
Gain on foreign exchange - net	9,660	8,499
Gain on disposal of property, plant and equipment	9	36
Interest expense	(3,729)	(10,430)
Share of results of associate and joint ventures	-	107
	<u>-</u>	<u>107</u>

B7 Taxation

Details of the taxation as at end of the period are as follows:-

	Current 3 months ended 31 Mar 2020 RM'000	Cumulative 9 months ended 31 Mar 2020 RM'000
Malaysian income tax - current year	-	-
Foreign income tax - current year	<u>2,696</u>	<u>6,709</u>
Total income tax	<u>2,696</u>	<u>6,709</u>
Effective tax rate	<u>397.6%</u>	<u>-312.0%</u>

The variance in the effective tax rate for the current quarter compared to the Malaysian tax rate of 24% mainly because of:-

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

B8 Cash and bank balances

Cash and bank balances at the end of the reporting period comprise of:-

	As at 31 Mar 2020 RM'000
Cash and bank balances	44,272
Short term deposits with licensed banks	<u>1,001</u>
	45,273
Less : restricted cash	<u>(2,995)</u>
Cash and cash equivalents	<u>42,278</u>

The restricted cash comprise of deposits pledged to financial institutions for loan facilities, bank guarantees and repayment towards loan facility granted to subsidiaries.

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B9 Loans and borrowings

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

	Current RM'000	Non- Current RM'000	Total RM'000
Borrowings – secured	<u>148,824</u>	<u>0</u>	<u>148,824</u>

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

	RM'000
Ringgit Malaysia	105,049
US Dollar *	<u>43,775</u>
Total	<u>148,824</u>

* These relate to working capital loans.

KMCOB Capital Berhad ("KMCOB"), a subsidiary, has defaulted on payment of Series E bond amounting to RM55.0 million due on 13 December 2019. KMCOB received a letter from the Facility agent on 12 March 2020 on an event of default. The debt owed under the bonds is RM80,412,996.09.

B10 Other reserves

	As at 31 Mar 2020 RM'000	As at 30 June 2019 (Audited) RM'000
Capital reserve	586,881	26,881
Translation reserves	(144,163)	(110,817)
Merger reserve	<u>(443,323)</u>	<u>(443,323)</u>
	<u>(605)</u>	<u>(527,259)</u>

B11 Earnings Per Share

	3 months ended 31 Mar 2020 RM'000	9 months ended 31 Mar 2020 RM'000
<u>Basic and diluted earnings per share</u>		
Profit/(loss) for the period	<u>887</u>	<u>(8,653)</u>
Issued and paid-up capital	468,355	468,355
Less : Treasury shares	<u>(154)</u>	<u>(154)</u>
Weighted average number of ordinary shares in issue ('000)	<u>468,201</u>	<u>468,201</u>
Basic earnings per share (sen)	<u>0.19</u>	<u>(1.85)</u>

B12 Material Litigation

There was no pending material litigation at the date of this report.

B13 Proposed Dividend

No dividend has been proposed in respect of the period under review.

B14 Authorised For Issue

The interim financial statements were authorised for issue on 16 June 2020 by the Board of Directors.