

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2020

	3 months ended 30 Sept 2020 RM'000	3 months ended 30 Sept 2019 RM'000	Cumulative period 3 months ended 30 Sept 2020 RM'000	Cumulative period 3 months ended 30 Sept 2019 RM'000
Revenue	76,168	107,887	76,168	107,887
Cost of sales	(68,526)	(83,554)	(68,526)	(83,554)
Gross profit	7,642	24,333	7,642	24,333
Other (expenses)/income	(1,881)	3,796	(1,881)	3,796
Administrative expenses	(10,075)	(12,528)	(10,075)	(12,528)
Marketing and selling expenses	(6,208)	(7,400)	(6,208)	(7,400)
Other operating expenses	(1,056)	(290)	(1,056)	(290)
Finance expenses	(3,165)	(2,671)	(3,165)	(2,671)
Finance income	18	989	18	989
(Loss)/profit before tax	(14,725)	6,229	(14,725)	6,229
Taxation	(1,186)	(3,039)	(1,186)	(3,039)
(Loss)/profit for the period	(15,911)	3,190	(15,911)	3,190
Other comprehensive profit				
Currency translation differences	24,330	(18,362)	24,330	(18,362)
Total comprehensive profit/(loss) for the period	8,419	(15,172)	8,419	(15,172)
Profit attributable to:				
Owners of the Company	(17,110)	3,541	(17,110)	3,541
Non-controlling interests	1,199	(351)	1,199	(351)
(Loss)/profit for the period	(15,911)	3,190	(15,911)	3,190
Total comprehensive profit attributable to:				
Owners of the Company	7,220	(14,821)	7,220	(14,821)
Non-controlling interests	1,199	(351)	1,199	(351)
	8,419	(15,172)	8,419	(15,172)
Earnings per share				
- Basic and diluted (Sen)	(3.65)	0.15	(3.65)	0.15

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

SCOMI ENERGY SERVICES BHD 199601025627 (397979-A)
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**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30
SEPTEMBER 2020**

	Note	As at 30 Sept 2020 RM'000	As at 30 June 2020 RM'000 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		245,360	258,778
Right-of-use assets		13,832	14,289
Investment in associates		9,689	9,689
Deferred tax assets		572	1,199
Other receivables		12,611	14,759
		<u>282,064</u>	<u>298,714</u>
CURRENT ASSETS			
Inventories		63,004	72,277
Trade and other receivables		126,563	129,480
Tax recoverable		19,570	14,032
Cash and bank balances	B8	57,471	48,537
		<u>266,608</u>	<u>264,326</u>
TOTAL ASSETS		<u>548,672</u>	<u>563,040</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital		445,535	445,535
Treasury shares		(51)	(51)
Other reserves	B10	37,445	13,115
Retained earnings		(277,983)	(260,872)
Total equity attributable to owners of the Company		<u>204,946</u>	<u>197,727</u>
Non-controlling interests		35,628	34,429
TOTAL EQUITY		<u>240,574</u>	<u>232,156</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Provision for retirement benefits		6,422	7,011
Other payables		1,048	1,074
Deferred tax liabilities		3,601	3,729
Lease liabilities		3,236	6,031
		<u>14,307</u>	<u>17,845</u>
CURRENT LIABILITIES			
Trade and other payables		131,242	158,293
Loans and borrowings	B9	136,213	124,644
Lease liabilities		5,401	7,633
Current tax liabilities		20,935	22,469
		<u>293,791</u>	<u>313,039</u>
TOTAL LIABILITIES		<u>308,098</u>	<u>330,884</u>
TOTAL EQUITY AND LIABILITIES		<u>548,672</u>	<u>563,040</u>
Net assets per share (RM)		<u>0.44</u>	<u>0.42</u>

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

SCOMI ENERGY SERVICES BHD 199601025627 (397979-A)
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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	<u>Attributable to owners of the Company</u>				Total RM '000	Non- controlling interests RM '000	Total equity RM '000
	Share capital RM '000	Treasury shares RM'000	Other reserves RM '000	Retained earnings RM '000			
As at 1 July 2020	445,535	(51)	13,115	(260,872)	197,727	34,429	232,156
Total comprehensive profit/(loss) for the year	-	-	24,330	(17,110)	7,219	1,199	8,418
As at 30 September 2020	445,535	(51)	37,444	(277,982)	204,946	35,628	240,574
Audited							
As at 1 July 2019	1,005,535	(51)	(527,259)	(73,450)	404,775	33,221	437,996
Total comprehensive (loss)/profit for the year	(560,000)	-	540,374	(187,422)	(207,048)	1,208	(205,840)
As at 30 June 2020	445,535	(51)	13,115	(260,872)	197,727	34,429	232,156

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

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

UNAUDITED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Note	3 months ended 30 Sept 2020 RM'000	3 months ended 30 Sept 2019 RM'000
Cash Flows From Operating Activities			
(Loss)/profit before tax		(14,725)	6,229
Adjustments for non-cash items:		36,398	14,235
Changes in working capital:			
Inventories		8,976	(2,150)
Receivables		4,471	36,223
Payables		(19,949)	(34,473)
Cash generated from operations		15,171	20,064
Tax paid		(5,174)	(3,603)
Interest received		18	989
Net cash from operating activities		10,015	17,450
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		(1,070)	(2,917)
Proceeds from disposal of subsidiaries		378	-
Repayment from associates & joint controlled entity		899	-
Net cash from/(used in) investing activities		207	(2,917)
Cash Flows From Financing Activities			
Repayment of borrowings		-	(10,579)
Interest paid on borrowings		-	(2,501)
Decrease/(increase) in short term deposit pledged as securities		2,714	(4,871)
Net cash from/(used in) financing activities		2,714	(17,951)
Net increase/(decrease) in cash and cash equivalents		12,936	(3,418)
Cash and cash equivalents at beginning of the year		45,023	38,668
Currency translation differences		(1,288)	547
Cash and cash equivalents at end of the year	B8	56,671	35,797

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 2020 and the accompanying notes attached to the unaudited condensed consolidated financial statements.

Within the context of these condensed consolidated financial statements, the Group comprises the Company and its subsidiaries, and the Group's interest in associates and joint ventures as at and for the period ended 30 June 2020.

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 2020.

The following are amendments to the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") and have not been adopted by the Group and the Company:

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, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

Amendment effective for annual periods beginning on or after 1 June 2020

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

Amendment effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

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

Amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

MFRS and amendment effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

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, interpretations and amendments:

- 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 and 1 June 2020;
- from the annual period beginning on 1 July 2021 for those amendments that are effective for annual periods beginning on or after 1 January 2021, except for amendments to MFRS 4, which is not applicable to the Group and the Company;
- 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, except for amendments to MFRS 141, which is not applicable to the Group and the Company; and

A1 Basis of Preparation of Interim Financial Reports (Continued)

- from the annual period beginning on 1 July 2023 for the amendments that are effective for annual periods beginning on or after 1 January 2023, except for amendments to MFRS 17, which is not applicable to the Group and the Company.

The initial application of the abovementioned accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

A2 Audit Report for Preceding Annual Financial Statements

The external auditors of the Company, Messrs KPMG PLT, have expressed a "Disclaimer of Opinion" in their audit report for the financial year ended 30 June 2020 in respect of the uncertainty surrounding the going concern in view of the event of default due to the non-repayment of the bond due in December 2019 and consequent cross defaults on the other credit facilities.

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.

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 30 September 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 three months ended 30 September 2020

	Drilling Services RM'000	Marine Services RM'000	Total RM'000
REVENUE			
External sales	59,012	17,156	76,168
RESULTS			
Loss from operations	(7,566)	(2,131)	(9,697)
Realised loss on foreign exchange	(845)	(170)	(1,015)
Unrealised loss on foreign exchange	(909)	(1,744)	(2,653)
Finance costs	(3,165)	-	(3,165)
Other income	1,804	1	1,805
Loss before tax	(10,681)	(4,044)	(14,725)
Taxation	(965)	(221)	(1,186)
Loss for the period	(11,646)	(4,265)	(15,911)
Other information			
Depreciation and amortisation	5,547	7,458	13,005
Interest income	17	1	18
Addition to non-current assets other than financial instruments and deferred tax assets	7,643	(17,979)	(10,336)

A8 Segmental Reporting (Continued)

	Drilling Services RM'000	Marine Services RM'000	Total RM'000
ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2020			
ASSETS			
Assets employed in the segment	313,827	205,014	518,841
Investment in associates	9,689	-	9,689
Investment in joint venture	-	-	-
	<u>323,516</u>	<u>205,014</u>	<u>528,530</u>
<u>Unallocated corporate assets:</u>			
Current tax assets			19,570
Deferred tax assets			572
Total assets			<u>548,672</u>
LIABILITIES			
Liabilities in segment	<u>263,388</u>	<u>20,174</u>	283,562
<u>Unallocated corporate liabilities:</u>			
Tax payable			20,935
Deferred tax liabilities			3,601
Total liabilities			<u>308,098</u>
Net assets			<u>240,575</u>

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A8 Segmental Reporting (Continued)

Revenue and results for three months ended 30 September 2019

	Drilling Services RM'000	Marine Services RM'000	Total RM'000
REVENUE			
External sales	81,461	26,426	107,887
RESULTS			
Profit from operations	3,324	791	4,115
Realised (loss)/gain on foreign exchange	(231)	478	247
Unrealised gain on foreign exchange	2,234	1,208	3,442
Finance costs	(2,134)	(537)	(2,671)
Other income	343	753	1,096
Profit before tax	3,536	2,693	6,229
Taxation	(2,717)	(322)	(3,039)
Profit for the period	819	2,371	3,190
Other information			
Depreciation and amortisation	5,342	7,418	12,760
Interest income	240	749	989
Addition to non-current assets other than financial instruments and deferred tax assets	(57,396)	(35,854)	(93,250)
	Drilling Services RM'000	Marine Services RM'000	Total RM'000
ASSETS AND LIABILITIES AS AT 30 SEPTEMBER 2019			
ASSETS			
Assets employed in the segment	535,042	252,364	787,406
Investment in associates	-	8,847	8,847
Investment in joint venture	2,084	-	2,084
	537,126	261,211	798,337
Unallocated corporate assets:			
Current tax assets			19,286
Deferred tax assets			643
Total assets			818,266
LIABILITIES			
Liabilities in segment	350,476	24,469	374,945
Unallocated corporate liabilities:			
Tax payable			15,692
Deferred tax liabilities			4,805
Total liabilities			395,442
Net assets			422,824

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

There are no material events subsequent to the end of the quarter under review that have not been reflected in these condensed financial statements.

A11 Changes in Composition of the Group

On 11 September 2020, Scomi Oilfield Limited, a wholly-owned subsidiary of the Company sold 99.9% equity interest in Scomi Oiltools Egypt S.A.E. for cash consideration of USD377,850 approximately equivalent to RM1.6 million. Scomi Oiltools Egypt S.A.E. has ceased to be a subsidiary of the Company as from 11 September 2020.

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

A12 Contingent Liabilities

There were no material changes in contingent liabilities arising since the last audited financial statements for the financial year ended 30 June 2020.

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	1,070	10,341	11,411
Vessels (drydocking)	2,865	14,135	17,000
	<u>3,935</u>	<u>24,476</u>	<u>28,411</u>

A13 Capital Commitments (Continued)

The future minimum lease payments under non-cancellable operating leases as at 30 September 2020 are as follows:

	30-Sep 2020 RM'000
Less than one year	5,401
Between one and five years	<u>3,236</u>
	<u>8,637</u>

A14 Related party transactions

There were no related party transactions incurred by the Group and the Company during the three months ended 30 September 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 quarter vs corresponding quarter of the preceding year

	Revenue 3 Months to		(Loss)/profit before tax 3 Months to	
	30 Sept 2020	30 Sept 2019	30 Sept 2020	30 Sept 2019
	RM'000	RM'000	RM'000	RM'000
Operating Segments:				
Drilling Services	59,012	81,461	(10,681)	3,536
Marine Services	17,156	26,426	(4,044)	2,693
	<u>76,168</u>	<u>107,887</u>	<u>(14,725)</u>	<u>6,229</u>

Group

Group revenue for the current quarter was lower by RM31.7 million or 29.4% compared to the corresponding quarter of the preceding year ("1QFY2020") with lower revenue in both Drilling Services ("DS") and Marine Services ("MS") segment.

Loss before tax ("LBT") for the current quarter was RM14.7 million as compared to a profit before tax ("PBT") of RM6.2 million in 1QFY2020, contributed by lower gross profit as a flow through of lower revenue and forex loss of RM3.7 million (1QFY2020 was a forex gain of RM3.7 million). This was partially offset by lower operating expenses of RM2.8 million as compared to 1QFY2020.

Drilling Services

The segment's revenue for the current quarter decreased by RM22.4 million or 27.6% as compared to 1QFY2020, mainly due to lower revenue in Russia, Pakistan, Indonesia and Nigeria.

DS segment recorded LBT of RM10.7 as compared to a PBT of RM3.5 million in 1QFY2020 mainly contributed by lower gross profit as a flow through of lower revenue coupled with forex loss of RM1.8 million (1QFY2020 was a forex gain of RM2.0 million). This was partially offset by lower operating expenses of RM2.7 million as compared to 1QFY2020.

B1 Review of Operating Segments (Continued)

Marine Services

The segment's revenue for the current quarter decreased by RM9.3 million or 35.1% as compared to 1QFY2020 resulting from lower shipments and tonnage carried.

MS LBT was RM4.0 million as compared to a PBT of RM2.7 million for 1QFY2020. This was mainly due to lower gross profit as a flow through of lower revenue and forex loss of RM1.9 million (1QFY2020 was a forex gain of RM1.7 million).

B2 Current quarter vs immediate preceding quarter

	Revenue		Loss before tax	
	3 Months to		3 Months to	
	30 Sept	30 June	30 Sept	30 June
	2020	2020	2020	2020
	RM'000	RM'000	RM'000	RM'000
Operating Segments:				
Drilling Services	59,012	65,872	(10,681)	(168,327)
Marine Services	17,156	14,906	(4,044)	(3,302)
	<u>76,168</u>	<u>80,778</u>	<u>(14,725)</u>	<u>(171,628)</u>

Group

Group revenue for the current quarter was lower by RM4.6 million or 5.7% as compared to the immediate preceding quarter ("4QFY2020") with lower revenue in DS segment, offset by higher revenue in MS segment.

The LBT for the current quarter was lower as 4QFY2020 has several one-off impairments such as impairment of goodwill & intangible assets, impairment of amount due from former holding company, impairment of receivables, and impairment of amount due from associate company.

Drilling Services

The segment's revenue for the current quarter decreased by RM6.9 million or 10.4% as compared to 4QFY2020 due to lower revenue from Australia, Nigeria, UAE and Indonesia resulting from the Covid-19 impact.

The LBT for the current quarter was lower as 4QFY2020 has several one-off impairments such as impairment of goodwill & intangible assets, impairment of amount due from former holding company, impairment of receivables, and impairment of amount due from associate company.

B2 Current quarter vs immediate preceding quarter (Continued)

Marine Services

The segment's revenue for the current quarter was higher by RM2.3 million or 15.1% compared to 4QFY2020 due to higher shipments & tonnage carried. Offshore vessel also generated revenue on a short-term job.

MS recorded a higher LBT by RM0.7 million or 22.5% mainly due to forex loss of RM1.9 million (4QFY2020 was a forex gain of RM2.8 million) and lower other income by RM0.9 million. However, these were partially offset by higher gross profit and lower other operating expenses totaling to RM4.8 million.

B3 Current Financial Year Prospects

Drilling Service Outlook

A cautious approach rather than increase in spending is the current industry norm. Uncertainties remain around a potential second wave of infections and the impact that could be, will determine the pace and magnitude in recovery of oil demand which will directly impact the activity level.

Marine Services Outlook

Indonesian thermal prices are once again on a downwards trend. According to Reuters, the government has set its coal benchmark price "Harga Batubara Acuan" (HBA) at US49.92 per tonne in September which is on a downward trend as compared to the previous months. Covid-19 has resulted in a drop in coal imports by China and demand from India is yet to recover post-lockdown. Activity is expected to be soft for the rest of the year.

B4 Profit Forecast

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

B5 Corporate Proposals

There was no corporate proposal at the date of this report.

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B6 Profit before taxation

	Current 3 months ended 30 Sept 2020 RM'000	Current 3 months ended 30 Sept 2019 RM'000	Cumulative 3 months ended 30 Sept 2020 RM'000	Cumulative 3 months ended 30 Sept 2019 RM'000
The profit before taxation is arrived at after crediting/(charging):				
Interest income	18	989	18	989
Depreciation and amortisation	(13,005)	(12,760)	(13,005)	(12,760)
(Loss)/gain on foreign exchange - net	(3,668)	3,689	(3,668)	3,689
Gain on disposal of property, plant and equipment	46	-	46	-
Interest expense	(3,110)	(2,501)	(3,110)	(2,501)
Gain on disposal of subsidiaries	694	-	694	-
Repayment from jointly controlled entity	899	-	899	-
	<u>899</u>	<u>-</u>	<u>899</u>	<u>-</u>

B7 Taxation

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

	Current 3 months ended 30 Sept 2020 RM'000	Current 3 months ended 30 Sept 2019 RM'000	Cumulative 3 months ended 30 Sept 2020 RM'000	Cumulative 3 months ended 30 Sept 2019 RM'000
Malaysian income tax - current year	-	-	-	-
Foreign income tax - current year	1,186	3,039	1,186	3,039
Total income tax	<u>1,186</u>	<u>3,039</u>	<u>1,186</u>	<u>3,039</u>
Effective tax rate	<u>-8.1%</u>	<u>48.8%</u>	<u>-8.1%</u>	<u>48.8%</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 30 Sept 2020 RM'000
Cash and bank balances	56,671
Short term deposits with licensed banks	800
	<u>57,471</u>
Less : restricted cash	(800)
Cash and cash equivalents	<u>56,671</u>

The restricted cash comprise of deposits pledged to financial institutions for bank guarantees.

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>136,213</u>	<u>0</u>	<u>136,213</u>

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

	RM'000
Ringgit Malaysia	103,524
US Dollar *	<u>32,689</u>
Total	<u>136,213</u>

* These relate to working capital loans.

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

B10 Other reserves

	As at 30 Sept 2020 RM'000	As at 30 June 2020 (Audited) RM'000
Capital reserve	586,885	586,885
Translation reserves	(106,116)	(130,446)
Merger reserve	(443,324)	(443,324)
	<u>37,445</u>	<u>13,115</u>

B11 Earnings per share

	3 months ended 30 Sept 2020 RM'000	3 months ended 30 Sept 2019 RM'000
<u>Basic and diluted earnings per share</u>		
Loss for the period	<u>(17,111)</u>	<u>3,541</u>
Issued and paid-up capital	468,355	2,341,775
Less : Treasury shares	<u>(31)</u>	<u>(154)</u>
Weighted average number of ordinary shares in issue ('000)	<u>468,324</u>	<u>2,341,621</u>
Basic earnings per share (sen)	<u>(3.65)</u>	<u>0.15</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 26 November 2020 by the Board of Directors.