



COASTAL CONTRACTS BHD.
Registration No. 200001015043 (517649-A)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Note	INDIVIDUAL		CUMULATIVE	
		3 months ended 31.03.2021 RM'000 (unaudited)	3 months ended 31.03.2020 RM'000 (unaudited)	9 months ended 31.03.2021 RM'000 (unaudited)	9 months ended 31.03.2020 RM'000 (unaudited)
Revenue	8	36,617	51,773	112,298	164,432
Cost of sales and services		(29,259)	(32,594)	(80,649)	(108,654)
Gross profit		<u>7,358</u>	<u>19,179</u>	<u>31,649</u>	<u>55,778</u>
Other income		28,160	39,476	52,384	64,472
Administrative expenses		(4,333)	(4,970)	(13,202)	(14,078)
Other expenses		(2,740)	(2,303)	(38,220)	(17,490)
Finance costs		(751)	(3,023)	(5,844)	(9,768)
Profit before tax	8, 19	<u>27,694</u>	<u>48,359</u>	<u>26,767</u>	<u>78,914</u>
Income tax expense	20	(5,341)	(4,520)	(14,125)	(13,039)
Profit for the period		<u><u>22,353</u></u>	<u><u>43,839</u></u>	<u><u>12,642</u></u>	<u><u>65,875</u></u>
Attributable to:					
Owners of the Company		23,119	43,839	13,408	65,875
Non-controlling interests		(766)	-	(766)	-
		<u><u>22,353</u></u>	<u><u>43,839</u></u>	<u><u>12,642</u></u>	<u><u>65,875</u></u>
Earnings per share attributable to owners of the Company:					
- basic (sen)	25	4.41	8.27	2.55	12.46
- diluted (sen)		<u><u>N/A</u></u>	<u><u>8.26</u></u>	<u><u>N/A</u></u>	<u><u>12.44</u></u>

The above Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to these interim financial statements.



COASTAL CONTRACTS BHD.
Registration No. 200001015043 (517649-A)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	Note	INDIVIDUAL		CUMULATIVE	
		3 months ended 31.03.2021 RM'000 (unaudited)	3 months ended 31.03.2020 RM'000 (unaudited)	9 months ended 31.03.2021 RM'000 (unaudited)	9 months ended 31.03.2020 RM'000 (unaudited)
Profit for the period		22,353	43,839	12,642	65,875
Other comprehensive (loss) / income:					
<i>Items that may be subsequently reclassified to profit or loss:</i>					
Cash flow hedge:					
- Fair value loss on derivatives		(33)	(975)	(149)	(1,546)
Currency translation differences arising from consolidation	15(a)	14,377	29,227	(10,812)	22,005
Total comprehensive income for the period		<u>36,697</u>	<u>72,091</u>	<u>1,681</u>	<u>86,334</u>
Attributable to:					
Owners of the Company		37,457	72,091	2,441	86,334
Non-controlling interests		<u>(760)</u>	<u>-</u>	<u>(760)</u>	<u>-</u>
		<u>36,697</u>	<u>72,091</u>	<u>1,681</u>	<u>86,334</u>

The above Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to these interim financial statements.



COASTAL CONTRACTS BHD.
Registration No. 200001015043 (517649-A)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

		As at 31.03.2021 RM'000 (unaudited)	As at 30.06.2020 RM'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		753,556	701,041
Right-of-use assets		8,706	7,322
Investment properties		3,342	3,404
Investment securities	14	10,849	1,938
		<u>776,453</u>	<u>713,705</u>
Current assets			
Inventories	15(b)	117,941	138,667
Trade receivables	15(c)	150,553	126,727
Contract assets		1,232	-
Other receivables		49,300	50,645
Amount due from a joint venture		319	445
Short term investments	14	119,507	259,955
Tax recoverable		232	55
Cash and bank balances		167,226	263,793
		<u>606,310</u>	<u>840,287</u>
TOTAL ASSETS	8	<u>1,382,763</u>	<u>1,553,992</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		307,050	307,050
Treasury shares		(12,274)	(10,400)
Share option reserve		-	27,540
Currency translation reserve		267,489	278,307
Cash flow hedge reserve		(33)	116
Retained earnings		524,274	483,326
Equity attributable to owners of the Company		<u>1,086,506</u>	<u>1,085,939</u>
Non-controlling interests		27	-
Total equity		<u>1,086,533</u>	<u>1,085,939</u>
Non-current liabilities			
Borrowings	22	59,749	34,598
Lease liabilities		938	11
Deferred tax liabilities		595	612
		<u>61,282</u>	<u>35,221</u>
Current liabilities			
Borrowings	22	43,120	242,201
Lease liabilities		744	178
Trade payables		140,391	135,713
Contract liabilities		38	-
Other payables		47,831	52,355
Derivative liabilities	14	33	494
Income tax payable		2,791	1,891
		<u>234,948</u>	<u>432,832</u>
Total liabilities	8	<u>296,230</u>	<u>468,053</u>
TOTAL EQUITY AND LIABILITIES		<u>1,382,763</u>	<u>1,553,992</u>
Net assets per share (RM)		<u>2.0738</u>	<u>2.0611</u>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to these interim financial statements.



COASTAL CONTRACTS BHD.
Registration No. 200001015043 (517649-A)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

Note	Attributable to owners of the Company						Non-controlling interests	Equity, Total	
	Share capital	Treasury shares	Share option reserve	Currency translation reserve	Cash flow hedge reserve	Retained earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>9 months ended 31 March 2020 (unaudited)</u>									
Balance at 1 July 2019	302,519	(7,045)	28,336	263,522	1,386	588,144	1,176,862	-	1,176,862
Purchase of treasury shares	-	(2,714)	-	-	-	-	(2,714)	-	(2,714)
Issuance of ordinary shares pursuant to the ESOS	4,531	-	(1,208)	-	-	-	3,323	-	3,323
Share options granted under ESOS	-	-	484	-	-	161	645	-	645
Total comprehensive income / (loss) for the period	-	-	-	22,005	(1,546)	65,875	86,334	-	86,334
Balance at 31 March 2020	307,050	(9,759)	27,612	285,527	(160)	654,180	1,264,450	-	1,264,450
<u>9 months ended 31 March 2021 (unaudited)</u>									
Balance at 1 July 2020	307,050	(10,400)	27,540	278,307	116	483,326	1,085,939	-	1,085,939
Purchase of treasury shares	6	(1,874)	-	-	-	-	(1,874)	-	(1,874)
Share options granted under ESOS	-	-	(27,540)	-	-	27,540	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	787	787
Total comprehensive (loss) / income for the period	-	-	-	(10,818)	(149)	13,408	2,441	(760)	1,681
Balance at 31 March 2021	307,050	(12,274)	-	267,489	(33)	524,274	1,086,506	27	1,086,533

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to these interim financial statements.



COASTAL CONTRACTS BHD.
Registration No. 200001015043 (517649-A)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

	CUMULATIVE	
	9 months ended 31.03.2021 RM'000 (unaudited)	9 months ended 31.03.2020 RM'000 (unaudited)
<u>Operating Activities</u>		
Profit before tax	26,767	78,914
Adjustments for non-cash items	67,481	29,729
Operating cash flows before changes in working capital	94,248	108,643
Changes in working capital:		
Decrease / (increase) in inventories	16,978	(71,997)
Increase in receivables	(23,106)	(56,764)
Increase in payables	2,795	14,183
Cash flows from / (used in) operations	90,915	(5,935)
Interest paid	(4,181)	(9,491)
Income tax paid	(13,367)	(11,397)
Net cash flows from / (used in) operating activities	73,367	(26,823)
<u>Investing Activities</u>		
Acquisition of a subsidiary	(24)	-
Interest received	4,479	4,702
Net purchase of investment securities	(8,576)	-
Net proceeds from disposal of short term investments	140,954	22,528
Income received from short term investments	2,061	5,865
Proceeds from disposal of property, plant and equipment	54	3,290
Purchase of property, plant and equipment	(134,374)	(628)
Net cash flows from investing activities	4,574	35,757
<u>Financing Activities</u>		
Proceeds from issuance of ordinary shares	-	3,323
Proceeds from issuance of ordinary shares to non-controlling interests	809	-
Purchase of treasury shares	(1,874)	(2,714)
Payment of lease liabilities	(782)	(1,020)
Net repayment of borrowings	(166,293)	(47,811)
Net cash flows used in financing activities	(168,140)	(48,222)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(90,199)	(39,288)
Effect of foreign exchange rate changes	(6,368)	13,118
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	263,793	209,015
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD*	167,226	182,845
 * Cash and cash equivalents at end of financial period comprise the following:		
Fixed deposits	61,314	128,793
Cash and bank balances	105,912	54,052
Cash and cash equivalents at end of financial period	167,226	182,845

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to these interim financial statements.



COASTAL CONTRACTS BHD.

Registration No. 200001015043 (517649-A)

Explanatory Notes

FOR THE QUARTER ENDED 31 MARCH 2021

1 Basis of Preparation

These condensed consolidated interim financial statements are unaudited and have been prepared under the historical cost convention except for certain financial assets that are stated at fair value.

These condensed consolidated interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

These condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2020.

2 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised MFRSs

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2020 except for the adoption of the following amendments to Malaysian Financial Reporting Standards ("MFRSs") where applicable to the Group's financial period beginning 1 July 2020:

Amendments to MFRS 3 *Definition of a Business*

Amendments to MFRS 9, MFRS 139 and MFRS 7 *Interest Rate Benchmark Reform*

Amendments to MFRS 101 and MFRS 108 *Definition of Material*

Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the abovementioned Amendments to MFRSs, where applicable, will have no material impact on the financial statements of the Group.

3 Seasonal or Cyclical Factors

The Group's performance is affected by volatile crude oil prices as well as the global and regional economic conditions. The demand for vessels and offshore assets for exploration and production as well as shiprepair and charter services are closely associated with the crude oil prices and economic climate.

4 Unusual Items Affecting the Financial Statements

There were no items affecting assets, liabilities, equity, net income or cash flows during the financial period under review that were unusual because of their nature, size or incidence.

5 Change in Accounting Estimate

There were no changes in estimates that have had material effects in the financial period under review.

6 Debt and Equity Securities

There were no issue, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period under review except for the following:

For the 9-months period ended 31 March 2021, 2,975,300 ordinary shares were repurchased in the open market at an average price of RM0.63 per share. The total consideration paid for the repurchase including transaction costs amounted to RM1,874,471 and were financed by internally generated funds. The shares repurchased are retained as treasury shares of the Company. As at 31 March 2021, the total number of treasury shares held was 11,441,700 ordinary shares.

**COASTAL CONTRACTS BHD.**

Registration No. 200001015043 (517649-A)

7 Dividend Paid

No dividend was paid in the current quarter under review.

8 Segment Information

Segment information is presented in respect of the Group's primary business segments, which is based on the Company's management and internal reporting structure.

	Shipbuilding and Shiprepair RM'000	Vessel Chartering RM'000	Eliminations RM'000	Consolidated RM'000
<u>3 months ended 31 March 2021</u>				
Revenue				
External revenue	1,825	34,792	-	36,617
Inter-segment revenue	1,578	-	(1,578)	-
Total revenue	<u>3,403</u>	<u>34,792</u>	<u>(1,578)</u>	<u>36,617</u>
Results				
Profit before tax	<u>12,197</u>	<u>15,497</u>	<u>-</u>	<u>27,694</u>
<u>9 months ended 31 March 2021</u>				
Revenue				
External revenue	2,383	109,915	-	112,298
Inter-segment revenue	1,973	-	(1,973)	-
Total revenue	<u>4,356</u>	<u>109,915</u>	<u>(1,973)</u>	<u>112,298</u>
Results				
(Loss) / profit before tax	<u>(27,765)</u>	<u>54,532</u>	<u>-</u>	<u>26,767</u>
Total Assets				
31 March 2021	379,576	1,003,187	-	1,382,763
30 June 2020	<u>607,208</u>	<u>946,784</u>	<u>-</u>	<u>1,553,992</u>
Total Liabilities				
31 March 2021	163,448	132,782	-	296,230
30 June 2020	<u>169,028</u>	<u>299,025</u>	<u>-</u>	<u>468,053</u>

9 Subsequent Event

There was no material event subsequent to the end of the current quarter.

10 Changes in the Composition of the Group

On 1 February 2021, a wholly owned subsidiary of the Company, Coastal Drilling Pte Ltd ("CDPL") and its strategic business partner, JUB Pacific Pte Ltd ("JUB") had acquired the 100% equity interest in Elite Point Pte Ltd ("EPPL") from a third party individual, Sanathakumara Somunaidu. Upon completion of the acquisition, the respective % of shareholdings of CDPL and JUB in EPPL shall be 80% and 20%. The acquisition was completed on 11 February 2021.

11 Contingent Liabilities and Contingent Assets

	RM'000
Corporate guarantees to financial institutions in respect of banking facilities granted to subsidiaries	<u>740,674</u>

As at 31 March 2021, the Company is contingently liable for RM109,192,000 of banking facilities utilised by its subsidiaries.



COASTAL CONTRACTS BHD.

Registration No. 200001015043 (517649-A)

12 Capital Commitments

There was no material capital commitment as at the end of the current quarter.

13 Related Party Transactions

	Individual 3 months ended 31 March 2021 RM'000	Cumulative 9 months ended 31 March 2021 RM'000
<i>Transactions with a Director of the Company:</i>		
- Rent of premises	14	43
<i>Transactions with a company in which the Directors of the Company and of the Group are also directors and have financial interests:</i>		
- Rent of premises	5	16

The above transactions were entered into in the normal course of business and were established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

14 Fair Value of Financial Instruments

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

As at 31 March 2021, the Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<i>Financial assets</i>				
Investment securities	10,849	-	-	10,849
Short term investments	119,507	-	-	119,507
	<u>130,356</u>	<u>-</u>	<u>-</u>	<u>130,356</u>
<i>Financial liabilities</i>				
Derivative liabilities	-	33	-	33

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial year ended 30 June 2020.

15 Detailed Analysis of Performance

The Group reported a slightly lower revenue of RM36.6 million in the current quarter ended 31 March 2021 (3Q2021), as compared to the RM37.7 million posted in last quarter (2Q2021), a marginal decrease of 3% . Year-on-year (3Q2020), revenue has drop 29% from RM51.8 million.

Shipbuilding and Shiprepair Division

The division recorded a quarter-on-quarter increase in revenue from RM0.6 million to RM1.8 million. Both quarters' revenue were generated from ship repairing contract works. For 3Q2020, the revenue reported was RM3.6 million contributed from the delivery of 1 unit of low-end vessel.



COASTAL CONTRACTS BHD.

Registration No. 200001015043 (517649-A)

The division achieved a profit before tax of RM12.2 million in 3Q2021, as compared to the loss before tax of RM19.6 million posted in 2Q2021. For 3Q2020, the division achieved a profit before tax of RM19.9 million. The profit derived this quarter was mainly due to the unrealised foreign exchange gain of RM18.2 million on the account of strengthened USD exchange rate against RM from 4.017 to 4.146, whereas the poor performance in 2Q2021 was mainly attributed to the unrealised loss on foreign exchange of RM16.8 million on the account of depreciation of USD against RM, given that the exchange rate of USD/RM was depreciated from 4.1555 to 4.0170 during 2Q2021.

Vessel Chartering Division

The revenue generated from this division in 3Q2021 stood at RM34.8 million, eased by RM2.3 million (or 6%) from RM37.1 million in 2Q2021. Compared to 3Q2020, revenue was decreased by 28% from RM48.2 million. The year-on-year drop in revenue was principally due to lower utilisation of its OSV fleet as a result of the expiration of certain short term charter contracts.

The division's profit margin before tax of 45% (RM15.5 million) in 3Q2021 was lower than the 62% (RM23.1 million) and 59% (RM28.5 million) achieved in 2Q2021 and 3Q2020, respectively. The lower profit margin this quarter was mainly attributed to the pre-operation costs incurred for a vessel preparing for on-hire.

- (a) Currency translation differences arising from consolidation were a result of exchange differences arising on the translation of the financial statements of foreign operations.
- (b) Included in inventories of the Group were finished goods of RM88.8 million (30 June 2020: RM91.7 million) and vessels work-in-progress of RM24.5 million (30 June 2020: RM42.5 million).
- (c) Out of the RM150.6 million of trade receivables as at 31 March 2021, RM11 million was subsequently received by the Group.

16 Material Change in Profit Before Tax

The Group reported a higher profit before tax of RM27.7 million in 3Q2021, compared to RM3.5 million registered in 2Q2021. The better showing this quarter was principally due to foreign exchange gain recognised in the current quarter as compared to the exchange loss posted in last quarter. Year-on-year, profit before tax was down by 43% from RM48.4 million in line with the lower revenue recognised during the quarter as well as lesser foreign exchange gain.

17 Prospects

In view of the most rapid vaccine rollout globally, the global economy is expected to recover quickly from the Covid-19 pandemic triggered recession. At the meantime, joint commitment of Organisation of the Petroleum Exporting Countries (OPEC) plus non-OPEC major producers in tightening their supply shall further stabilise the global oil market. Given the strong recovery of oil prices driven by vaccine optimism and oil producers' supply cuts, Coastal Group shall have plenty of opportunities to materialise more deals in the short to medium term.

In accommodating long term demand for fossil fuels, Enhanced Oil Recovery (EOR) technology has been practised immensely since the past few years to ensure optimum exploitation of oil resources. With the Jack-up Gas Compression Service Unit ("JUGCSU") charter contract secured by the Group, which is currently in operation, the Group is able to effectively leverage its competitive advantage and strong foothold in this sector with promising prospects. Recently, Coastal Group diversified its earnings portfolio in Mexico by venturing into gas sweetening processing plant project. Natural gas burns fewer emissions of air pollutants and carbon dioxide compared to other types of fossils to produce equal amount of energy. Globally, the demand trend for natural gas is expected to increase mainly due to the development of industries and growth in electricity demand using natural gas as power generation source. In view of the above, the Management is optimistic with our JUGCSU business.

The Management believes that the OSV market remains oversupplied but the market equilibrium has improved since FY2019 mainly due to the gradual increase in upstream activities and also due to increasing consensus that a large number of vessels which have been laid up during the downturn may not return to service due to high reactivation costs and the reluctance of oil companies to contract vessels which have been out of service for longer period. These circumstances may reduce some of the supply overhang and provide a good opportunity for our shipbuilding division in the next few years. While waiting for the recovery of OSV market, Coastal Group has embarked into liftboat chartering with a long term plan to tap into the wind farm renewable energy sector which is currently the fastest growing energy sources in the world.

**COASTAL CONTRACTS BHD.**

Registration No. 200001015043 (517649-A)

Other than the above, Coastal Group shall still continue to pursue new business that suits its growth strategies, such as Floating Production Storage and Offloading (FPSO), Floating Production Unit (FPU), Floating Storage and Offloading (FSO), Floating Storage and Regassification Unit (FSRU) and other O & G related projects.

18 Explanatory Notes for Variance of Forecast and Profit Guarantee

The Company did not issue any profit forecast or profit guarantee and therefore, this note is not applicable.

19 Profit Before Tax

The following items have been included in arriving at profit before tax:

	Individual 3 months ended 31 March 2021 RM'000	Cumulative 9 months ended 31 March 2021 RM'000
Interest income	354	2,827
Other income	7,570	23,698
Reversal of inventories written-down	2	2
Reversal of impairment loss on receivables	160	1,988
Impairment loss on receivables	-	2
Depreciation and amortisation	20,967	62,366
Fair value (loss) / gain on short term investments	(544)	738
Fair value loss on quoted investments	247	522
Gain on disposal of quoted investments	-	772
Foreign exchange gain / (loss) (net)	<u>18,124</u>	<u>(14,652)</u>

There were no provision for and write off of inventories, gain or loss on disposal of unquoted investments or properties, impairment of assets, gain or loss on derivatives and other exceptional items for the current quarter under review and financial year-to-date.

20 Income Tax Expense

	Individual 3 months ended 31 March 2021 RM'000	Cumulative 9 months ended 31 March 2021 RM'000
Income tax expense comprises:		
Current tax charge	5,349	14,142
Deferred tax charge / (reversal)	(8)	(17)
	<u>5,341</u>	<u>14,125</u>

The effective tax rate for the current quarter was lower than the statutory tax rate in Malaysia due to the non-taxable income as well as different income tax rate applicable to subsidiaries of the Group in other jurisdictions.

The effective tax rate for the financial year-to-date was higher than the statutory tax rate in Malaysia due to the non-deductible losses for certain subsidiaries of the Group in other jurisdictions.



COASTAL CONTRACTS BHD.

Registration No. 200001015043 (517649-A)

21 Status of Corporate Proposals

There were no other corporate proposals that have been announced but not completed as at 27 May 2021, other than as disclosed below:

- (a) On 17 February 2021, the Company and its Mexican strategic business partner, Grupo Empresarial Alfair S.A.P.I. De C.V. ("Alfair"), has entered into a Share Purchase Agreement ("SPA") to sell and transfer its 50% equity interest in its indirect wholly owned subsidiary, Coastoil Dynamic S.A.De C.V. (the Joint Venture Company or "JVC"), to its JV Partner, Alfair. On the same date, a Shareholders Agreement ("SA") was entered among a wholly owned subsidiary of the Company, Coastal Marine Pte Ltd, Alfair and JVC to set out the rights and obligations of Coastal Marine Pte Ltd and Alfair ("JV Partners") under the JVC. The SPA, SA and other executed related documents are collectively known as "Transaction Documents". Pursuant to the Transaction Documents, the JVC shall undertake an onshore gas sweetening plant project in Mexico for Petroleos Mexicanos ("Pemex"), Mexican state-owned petroleum company. The completion of the Joint Venture is subject to the fulfilment and satisfaction of the condition precedents stipulated in the Transaction Documents.

22 Group Borrowings and Debt Securities

The Group's borrowings as at the end of the quarter were as follows:

	As at 31 March 2021 RM'000
Short term Secured	43,120
Long term Secured	59,749
Total	<u>102,869</u>

Apart from RM1.3 million of secured borrowings which are denominated in Ringgit Malaysia, all the other borrowings are denominated in United States Dollar.

The debt-equity ratio of the Group has decreased to 0.095 from last quarter's 0.101. The reduction was mainly due to repayment of short term borrowings. Internally generated funds derived from operations were utilised to sustain the Group's working capital requirements during the quarter under review.

The current gearing is within management comfort level.

23 Material Litigation

The Group is not engaged in any material litigation and is not aware of any proceedings which may materially affect the position or business of the Group as at 27 May 2021.

24 Dividend Payable

No interim dividend has been declared for the current quarter ended 31 March 2021.



COASTAL CONTRACTS BHD.

Registration No. 200001015043 (517649-A)

25 Earnings Per Share

Basic earnings per share attributable to owners of the Company

Basic earnings per share of the Group was calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period excluding treasury shares held by the Company.

	Individual 3 months ended 31 March 2021	Cumulative 9 months ended 31 March 2021
<i>Basic earnings per share</i>		
Profit attributable to owners of the Company (RM'000)	23,119	13,408
Weighted average number of ordinary shares in issue ('000)	523,908	524,784
Basic earnings per share (sen)	4.41	2.55

As at the end of the quarter, there was only one class of shares in issue and they ranked pari passu among each other.

26 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the Group's most recent annual audited financial statements for the financial year ended 30 June 2020 was not subject to any qualification.

27 Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 27 May 2021.