



COASTAL CONTRACTS BHD (Company No. 517649-A)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

	Note	INDIVIDUAL		CUMULATIVE	
		3 months ended 31.12.2019 RM'000 (unaudited)	3 months ended 31.12.2018 RM'000 (unaudited)	6 months ended 31.12.2019 RM'000 (unaudited)	6 months ended 31.12.2018 RM'000 (unaudited)
Revenue	8	51,432	37,726	112,659	74,852
Cost of sales and services		(37,070)	(21,833)	(76,060)	(42,418)
Gross profit		<u>14,362</u>	<u>15,893</u>	<u>36,599</u>	<u>32,434</u>
Other income		8,177	8,049	24,996	24,795
Administrative expenses		(4,727)	(6,004)	(9,108)	(11,758)
Other expenses		(11,364)	(84)	(15,187)	(2,370)
Finance costs		(3,238)	(4,051)	(6,745)	(8,172)
Profit before tax	8, 19	<u>3,210</u>	<u>13,803</u>	<u>30,555</u>	<u>34,929</u>
Income tax expense	20	(4,823)	(3,972)	(8,519)	(8,002)
(Loss) / profit for the period		<u><u>(1,613)</u></u>	<u><u>9,831</u></u>	<u><u>22,036</u></u>	<u><u>26,927</u></u>
Attributable to:					
Owners of the Company		(1,613)	9,831	22,036	26,932
Non-controlling interests		-	-	-	(5)
		<u><u>(1,613)</u></u>	<u><u>9,831</u></u>	<u><u>22,036</u></u>	<u><u>26,927</u></u>
(Loss) / earnings per share attributable to owners of the Company:					
- basic (sen)	25	(0.31)	1.86	4.17	5.11
- diluted (sen)	25	<u><u>(0.30)</u></u>	<u><u>1.86</u></u>	<u><u>4.17</u></u>	<u><u>5.11</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 2019 and the accompanying explanatory notes attached to these interim financial statements.



COASTAL CONTRACTS BHD (Company No. 517649-A)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

	Note	INDIVIDUAL		CUMULATIVE	
		3 months ended 31.12.2019 RM'000 (unaudited)	3 months ended 31.12.2018 RM'000 (unaudited)	6 months ended 31.12.2019 RM'000 (unaudited)	6 months ended 31.12.2018 RM'000 (unaudited)
(Loss) / profit for the period		(1,613)	9,831	22,036	26,927
Other comprehensive (loss) / income:					
<i>Items that may be subsequently reclassified to profit or loss:</i>					
Cash flow hedge:					
- Fair value loss on derivatives		(156)	(1,628)	(571)	(1,542)
Currency translation differences arising from consolidation	15(a)	(13,857)	(947)	(7,222)	16,619
Total comprehensive (loss) / income for the period		<u>(15,626)</u>	<u>7,256</u>	<u>14,243</u>	<u>42,004</u>
Attributable to:					
Owners of the Company		(15,626)	7,256	14,243	42,000
Non-controlling interests		-	-	-	4
		<u>(15,626)</u>	<u>7,256</u>	<u>14,243</u>	<u>42,004</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 2019 and the accompanying explanatory notes attached to these interim financial statements.



COASTAL CONTRACTS BHD (Company No. 517649-A)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	As at 31.12.2019 RM'000 (unaudited)	As at 30.06.2019 RM'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		720,994	701,984
Right-of-use assets		868	-
Investment properties		3,445	3,486
Investment securities	14	735	923
		<u>726,042</u>	<u>706,393</u>
Current assets			
Inventories	15(b)	170,275	252,123
Trade receivables	15(c)	108,337	88,936
Contract assets		-	559
Other receivables		127,397	93,507
Amount due from a joint venture		412	412
Short term investments	14	238,530	293,732
Derivative assets	14	203	773
Tax recoverable		74	264
Cash and bank balances		271,112	209,015
		<u>916,340</u>	<u>939,321</u>
TOTAL ASSETS	8	<u>1,642,382</u>	<u>1,645,714</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		306,777	302,519
Treasury shares		(7,045)	(7,045)
Share option reserve		27,685	28,336
Currency translation reserve		256,300	263,522
Cash flow hedge reserve		815	1,386
Retained earnings		610,341	588,144
Total equity		<u>1,194,873</u>	<u>1,176,862</u>
Non-current liabilities			
Borrowings	22	1,244	231,213
Lease liabilities		36	-
Deferred tax liabilities		581	523
		<u>1,861</u>	<u>231,736</u>
Current liabilities			
Borrowings	22	257,925	62,724
Lease liabilities		837	-
Trade payables		135,295	129,738
Contract liabilities		-	121
Other payables		50,443	44,318
Income tax payable		1,148	215
		<u>445,648</u>	<u>237,116</u>
Total liabilities	8	<u>447,509</u>	<u>468,852</u>
TOTAL EQUITY AND LIABILITIES		<u>1,642,382</u>	<u>1,645,714</u>
Net assets per share (RM)		<u>2.2505</u>	<u>2.2302</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 2019 and the accompanying explanatory notes attached to these interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

	Attributable to owners of the Company							Non-controlling interests	Equity, Total	
	Share capital	Share premium	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	RM'000	
<u>6 months ended 31 December 2018 (unaudited)</u>										
Balance at 1 July 2018	106,320	195,820	(7,045)	24,095	247,781	5,622	572,733	1,145,326	121	1,145,447
Share options granted under ESOS	-	-	-	906	-	-	476	1,382	-	1,382
Changes in subsidiaries' ownership interests that do not result in a loss of control	-	-	-	-	(4)	-	89	85	(125)	(40)
Total comprehensive income / (loss) for the period	-	-	-	-	16,610	(1,542)	26,932	42,000	4	42,004
Balance at 31 December 2018	106,320	195,820	(7,045)	25,001	264,387	4,080	600,230	1,188,793	-	1,188,793
<u>6 months ended 31 December 2019 (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
Issuance of ordinary shares pursuant to the ESOS	4,258	-	-	(1,135)	-	-	-	3,123	-	3,123
Share options granted under ESOS	-	-	-	484	-	-	161	645	-	645
Total comprehensive (loss) / income for the period	-	-	-	-	(7,222)	(571)	22,036	14,243	-	14,243
Balance at 31 December 2019	306,777	-	(7,045)	27,685	256,300	815	610,341	1,194,873	-	1,194,873

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 2019 and the accompanying explanatory notes attached to these interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

	CUMULATIVE	
	6 months ended 31.12.2019 RM'000 (unaudited)	6 months ended 31.12.2018 RM'000 (unaudited)
<u>Operating Activities</u>		
Profit before tax	30,555	34,929
Adjustments for non-cash items	38,582	33,862
Operating cash flows before changes in working capital	69,137	68,791
Changes in working capital:		
Decrease / (increase) in inventories	17,617	(3,509)
(Increase) / decrease in receivables	(55,371)	1,266
Increase / (decrease) in payables	13,459	(33,657)
Cash flows from operations	44,842	32,891
Interest paid	(6,583)	(8,869)
Income tax paid	(7,319)	(8,110)
Net cash flows from operating activities	30,940	15,912
<u>Investing Activities</u>		
Additional investments in existing subsidiaries	-	(46)
Interest received	2,749	2,121
Net proceeds from disposal / (purchase) of short term investments	55,303	(57,368)
Income received from short term investments	4,339	2,111
Proceeds from disposal of property, plant and equipment	221	-
Purchase of property, plant and equipment	(381)	(27,065)
Net cash flows from / (used in) investing activities	62,231	(80,247)
<u>Financing Activities</u>		
Proceeds from issuance of ordinary shares	3,123	-
Payment of lease liabilities	(678)	-
Repayment of borrowings	(31,838)	(31,816)
Net cash flows used in financing activities	(29,393)	(31,816)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	63,778	(96,151)
Effect of foreign exchange rate changes	(1,681)	(842)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	209,015	282,291
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD*	271,112	185,298
* Cash and cash equivalents at end of financial period comprise the following:		
Fixed deposits	212,270	128,774
Cash and bank balances	58,842	56,524
Cash and cash equivalents at end of financial period	271,112	185,298

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 2019 and the accompanying explanatory notes attached to these interim financial statements.



Explanatory Notes

FOR THE QUARTER ENDED 31 DECEMBER 2019

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 2019. 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 2019.

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 2019 except for the adoption of the following new Malaysian Financial Reporting Standards ("MFRSs"), Interpretation, amendments and annual improvements to certain MFRSs where applicable to the Group's financial period beginning 1 July 2019:

MFRS 16 *Leases*

IC Interpretation 23 *Uncertainty Over Income Tax Treatments*

Amendments to MFRS 9 *Prepayment Features with Negative Compensation*

Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*

Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*

Annual Improvements to MFRSs 2015 - 2017 Cycles

The adoption of the abovementioned new MFRSs, Interpretation, Amendments and Annual Improvements to MFRSs, where applicable, will have no material impact on the financial statements of the Group except as follows:

MFRS 16 Leases

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces MFRS 117 *Leases* and the related interpretations. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise right-of-use assets of the underlying assets and the related lease obligations in the statement of financial position (with limited exceptions). The leased assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method.

As permitted by the transitional provisions of MFRS 16, the Group has elected the modified retrospective approach with no restatement of comparative amounts. The financial impacts upon the adoption of MFRS 16 are summarised below:

	RM'000
<u>Statement of Financial Position</u>	
Decrease in property, plant and equipment	(69)
Increase in right-of-use assets	1,398
Increase in lease liabilities	1,402
Decrease in borrowings	(73)
	<u> </u>

**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:

- (a) During the financial year-to-date, a total of 3,252,315 new ordinary shares were issued pursuant to the Company's Employees' Share Option Scheme.
- (b) As at 31 December 2019, the total number of treasury shares held was 4,196,800 ordinary shares.

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 December 2019</u>				
Revenue				
External revenue	4,999	46,433	-	51,432
Inter-segment revenue	1,990	7	(1,997)	-
Total revenue	<u>6,989</u>	<u>46,440</u>	<u>(1,997)</u>	<u>51,432</u>
Results				
(Loss) / profit before tax	<u>(18,027)</u>	<u>21,237</u>	<u>-</u>	<u>3,210</u>
<u>6 months ended 31 December 2019</u>				
Revenue				
External revenue	24,151	88,508	-	112,659
Inter-segment revenue	2,031	7	(2,038)	-
Total revenue	<u>26,182</u>	<u>88,515</u>	<u>(2,038)</u>	<u>112,659</u>
Results				
(Loss) / profit before tax	<u>(12,779)</u>	<u>43,334</u>	<u>-</u>	<u>30,555</u>



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	Shipbuilding and Shiprepair RM'000	Vessel Chartering RM'000	Eliminations RM'000	Consolidated RM'000
Total Assets				
31 December 2019	690,965	951,417	-	1,642,382
30 June 2019	753,762	891,952	-	1,645,714
Total Liabilities				
31 December 2019	162,810	284,699	-	447,509
30 June 2019	163,993	304,859	-	468,852

9 **Subsequent Event**

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

10 **Changes in the Composition of the Group**

- (a) On 5 November 2019, the Company had incorporated a wholly-owned subsidiary in Singapore known as Coastal Supreme 1 Pte. Ltd. (“CS1”). The issued and paid-up ordinary share capital of CS1 amounted to SGD1,000. CS1 is a company limited by shares and registered under the Companies Act (CAP.50), Singapore. The principal activity of CS1 is the provision of offshore support vessel chartering services.
- (b) On 17 December 2019, the Company had incorporated a wholly-owned subsidiary in Singapore known as Coastal C I Pte. Ltd. (“CCI”). The issued and paid-up ordinary share capital of CCI amounted to SGD1,000. CCI is a company limited by shares and registered under the Companies Act (CAP.50), Singapore.

11 **Contingent Liabilities and Contingent Assets**

	RM'000
Corporate guarantees to financial institutions in respect of banking facilities granted to subsidiaries	695,226

As at 31 December 2019, the Company is contingently liable for RM261,432,000 of banking facilities utilised by its subsidiaries.

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 December 2019 RM'000	Cumulative 6 months ended 31 December 2019 RM'000
<i>Transactions with a Director of the Company:</i>		
- Rent of premises	15	29

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 December 2019, 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	735	-	-	735
Short term investments	238,530	-	-	238,530
Derivative assets	-	203	-	203
	<u>239,265</u>	<u>203</u>	<u>-</u>	<u>239,468</u>

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial year ended 30 June 2019.

15 Detailed Analysis of Performance

The Group booked a lower revenue of RM51.4 million in the current quarter ended 31 December 2019 (2Q2020) as compared to last quarter's RM61.2 million (1Q2020), a reduction of 16%. Year-on-year, the Group's revenue was up by 36% from RM37.7 million.

Shipbuilding and Shiprepair Division

The revenue generated from this division in 2Q2020 stood at RM5.0 million, eased by RM14.1 million (or 74%) from RM19.1 million recorded in 1Q2020. The higher revenue recorded in last quarter was attributed to the successful delivery of 4 units of low-end vessels. For 2Q2019, the revenue posted was RM0.1 million. Both the 2Q2020's and 2Q2019's revenue were generated from ship repairing contract works.

The division incurred a loss before tax of RM18.0 million in 2Q2020, as compared to the profit before tax of RM5.2 million posted in 1Q2020 owing to foreign exchange loss recognised in the current quarter. The profit before tax achieved in 1Q2020 was mainly due to profit derived from the sales of vessels as well as foreign exchange gain. For 2Q2019, the division registered a loss before tax of RM6.0 million.

Vessel Chartering Division

The division registered a greater revenue of RM46.4 million in 2Q2020, an increase of 10% quarter-on-quarter from RM42.1 million. Against the corresponding quarter a year ago, the revenue was up by 23% from RM37.6 million. The improved revenue contribution this quarter was principally due to charter income earned from new vessel charter contracts secured during the quarter.

The division's profit margin before tax of 46% in 2Q2020 was lower than the 53% achieved in both 1Q2020 and 2Q2019. The lower profit margin derived this quarter was mainly attributed to the one-off re-activation costs incurred for a vessel after several years' of laid-up.



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- (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 RM15.5 million (30 June 2019: RM92.5 million) and vessels work-in-progress of RM150.5 million (30 June 2019: RM155.0 million). For the current quarter under review and financial year-to-date, there were no provisions made for obsolete or slow-moving inventories or work-in-progress write-off.
- (c) Out of the RM108.3 million of trade receivables as at 31 December 2019, RM3.9 million was subsequently received by the Group.

16 Material Change in Profit Before Tax

The Group reported a RM3.2 million of profit before tax in 2Q2020, which was 88% lower compared to the RM27.3 million achieved in 1Q2020 owing to the foreign exchange loss recognised in the current quarter as compared to the exchange gain posted in last quarter, as well as one-off re-activation costs incurred for a vessel. Compared to 2Q2019, profit before tax was down by 77% from RM13.8 million on the account of the foreign exchange loss recorded.

17 Prospects

The Oil and Gas industry prospects are anticipated to be more favourable this year while there are many oil and gas companies struggled during the prolonged industry downturn. The overall outlooks for Oil and Gas industry remains challenging and exposes to the risks in terms of slow global economic growth, geopolitical conditions uncertainty, growth of United States shale oil production and sluggish oil demand. Apart from that, there is an indication of de-escalation in United States - China trade war with signing an interim trade agreement in 2020. In view of the above, the Management foresees a more favourable outlook in the short-to-medium term. Coastal Group remains vigilant and maintains prudent business strategy to experience the global economic and current market volatility.

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.

The Management believes that the OSV market remains oversupplied but the market equilibrium has improved in 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.

In FY2019, Coastal Group obtained its Petronas licence under the category for “Floating & Mobile Offshore Facilities – Mobile Offshore Facilities” by virtue of its successful track record gained from JUGCSU. Moving forward, one of our growth strategies would be pursuing for projects similar as MOPU, 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 December 2019 RM'000	Cumulative 6 months ended 31 December 2019 RM'000
Interest income	654	1,564
Other income	7,599	13,004
Reversal of inventories written-down	1	8
Depreciation and amortisation	20,171	39,429
Fair value (loss) / gain on short term investments	(526)	102
Fair value loss on quoted investment	39	188
Foreign exchange loss (net)	10,876	4,662

There were no impairment loss on receivables, provision for and write off of inventories, gain or loss on disposal of quoted or 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 December 2019 RM'000	Cumulative 6 months ended 31 December 2019 RM'000
Income tax expense comprises:		
Current tax charge	4,809	8,461
Deferred tax charge / (reversal)	14	58
	4,823	8,519

The effective tax rates for the current quarter and the financial year-to-date were higher than the statutory tax rate in Malaysia due to deferred tax assets not recognised and the non-deductible loss for certain subsidiaries of the Group in other jurisdictions.

21 Status of Corporate Proposals

There were no corporate proposals that have been announced but not completed as at 26 February 2020.

22 Group Borrowings and Debt Securities

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

	As at 31 December 2019 RM'000
Short term	
Secured	257,925
Long term	
Secured	1,244
Total	259,169



Apart from RM1.4 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 reduced to 0.217 from last quarter's 0.233. 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 26 February 2020.

24 Dividend Payable

No interim dividend has been declared for the current quarter ended 31 December 2019.

25 (Loss) / Earnings Per Share

Basic (loss) / earnings per share attributable to owners of the Company

Basic (loss) / earnings per share of the Group was calculated by dividing the (loss) / 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 December 2019	Cumulative 6 months ended 31 December 2019
<i>Basic (loss) / earnings per share</i>		
(Loss) / profit attributable to owners of the Company (RM'000)	(1,613)	22,036
Weighted average number of ordinary shares in issue ('000)	528,538	528,115
Basic (loss) / earnings per share (sen)	(0.31)	4.17

Diluted (loss) / earnings per share attributable to owners of the Company

For diluted (loss) / earnings per share calculation, the weighted average number of ordinary shares in issue was adjusted to assume that the maximum number of new ordinary shares have been issued pursuant to the share options granted under the ESOS. The dilutive portion of the ordinary shares deemed issued pursuant to the ESOS are accounted for in the diluted (loss) / earnings per share calculation.

	Individual 3 months ended 31 December 2019	Cumulative 6 months ended 31 December 2019
<i>Diluted (loss) / earnings per share</i>		
(Loss) / profit attributable to owners of the Company (RM'000)	(1,613)	22,036
Weighted average number of ordinary shares in issue ('000)	528,538	528,115
Effect of dilution of ESOS ('000)	1,546	872
Adjusted weighted average number of ordinary shares ('000)	530,084	528,987
Diluted (loss) / earnings per share (sen)	(0.30)	4.17

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



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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 2019 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 26 February 2020.