COASTAL CONTRACTS BHD (Company No. 517649-A)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

		INDIVIDUAL		CUMULATIVE	
	Note	3 months ended 31.03.2020 RM'000 (unaudited)	3 months ended 31.03.2019 RM'000 (unaudited)	9 months ended 31.03.2020 RM'000 (unaudited)	9 months ended 31.03.2019 RM'000 (unaudited)
Revenue	8	51,773	36,902	164,432	111,754
Cost of sales and services		(32,594)	(20,590)	(108,654)	(63,008)
Gross profit		19,179	16,312	55,778	48,746
Other income		39,476	6,139	64,472	30,934
Administrative expenses		(4,970)	(7,764)	(14,078)	(19,522)
Other expenses		(2,303)	(7,184)	(17,490)	(9,554)
Finance costs		(3,023)	(3,823)	(9,768)	(11,995)
Profit before tax	8, 19	48,359	3,680	78,914	38,609
Income tax expense	20	(4,520)	(3,622)	(13,039)	(11,624)
Profit for the period		43,839	58	65,875	26,985
Attributable to:					
Owners of the Company		43,839	58	65,875	26,990
Non-controlling interests		-	-	-	(5)
		43,839	58	65,875	26,985
Earnings per share attributable to owners of the Company:					
- basic (sen)	25	8.27	0.01	12.46	5.12
- diluted (sen)	25	8.26	0.01	12.44	5.12

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 MARCH 2020

		INDIVIDUAL		CUMULATIVE	
	Note	3 months ended 31.03.2020 RM'000 (unaudited)	3 months ended 31.03.2019 RM'000 (unaudited)	9 months ended 31.03.2020 RM'000 (unaudited)	9 months ended 31.03.2019 RM'000 (unaudited)
Profit for the period		43,839	58	65,875	26,985
Other comprehensive (loss) / income:					
Items that may be subsequently reclassified to profit or loss:					
Cash flow hedge:					
- Fair value loss on derivatives		(975)	(1,143)	(1,546)	(2,685)
Currency translation differences arising from consolidation	15(a)	29,227	(9,268)	22,005	7,351
Total comprehensive income / (loss) for the period		72,091	(10,353)	86,334	31,651
Attributable to:					
Owners of the Company		72,091	(10,353)	86,334	31,647
Non-controlling interests		-	-	-	4
		72,091	(10,353)	86,334	31,651

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 MARCH 2020

	Note	As at 31.03.2020 RM'000 (unaudited)	As at 30.06.2019 RM'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		738,239	701,984
Right-of-use assets		528	-
Investment properties		3,424	3,486
Investment securities	14	316	923
		742,507	706,393
Current assets			
Inventories	15(b)	273,801	252,123
Trade receivables	15(c)	141,544	88,936
Contract assets		-	559
Other receivables		108,518	93,507
Amount due from a joint venture		430	412
Short term investments	14	270,325	293,732
Derivative assets		-	773
Tax recoverable		95	264
Cash and bank balances		182,845	209,015
		977,558	939,321
TOTAL ASSETS	8	1,720,065	1,645,714
EQUITY AND LIABILITIES			
Equity			
Share capital		307,050	302,519
Treasury shares		(9,759)	(7,045)
Share option reserve		27,612	28,336
Currency translation reserve		285,527	263,522
Cash flow hedge reserve		(160)	1,386
Retained earnings		654,180	588,144
Total equity		1,264,450	1,176,862
Non-current liabilities			
Borrowings	22	1,198	231,213
Lease liabilities		27	-
Deferred tax liabilities		611	523
		1,836	231,736
Current liabilities			
Borrowings	22	254,963	62,724
Lease liabilities		505	-
Trade payables		137,983	129,738
Contract liabilities		-	121
Other payables		57,879	44,318
Derivative liabilities	14	793	-
Income tax payable		1,656	215
		453,779	237,116
Total liabilities	8	455,615	468,852
TOTAL EQUITY AND LIABILITIES		1,720,065	1,645,714
Net assets per share (RM)		2.3955	2.2302

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.

COASTAL CONTRACTS BHD (Company No. 517649-A)

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

	Attributable to owners of the Company									
	Share capital	Share premium	Treasury shares	Share option reserve	Currency translation reserve	Cash flow hedge reserve	Retained earnings	Total	Non-controlling interests	Equity, Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 months ended 31 March 2019 (unaudited)										
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
Issuance of ordinary shares pursuant to the ESOS	277	-	-	(74)	-	-	-	203	-	203
Share options granted under ESOS	-	-	-	4,325	-	-	634	4,959	-	4,959
Changes in subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	(4)	-	89	85	(125)	(40)
Transfer in accordance with Section 618(2) of the Companies Act 2016	195,820	(195,820)	-		-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	-	7,342	(2,685)	26,990	31,647	4	31,651
Balance at 31 March 2019	302,417	-	(7,045)	28,346	255,119	2,937	600,446	1,182,220	-	1,182,220
9 months ended 31 March 2020 (unaudited)										
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

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.

COASTAL CONTRACTS BHD (Company No. 517649-A)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

	CUMULATIVE	
	9 months ended 31.03.2020 RM'000 (unaudited)	9 months ended 31.03.2019 RM'000 (unaudited)
Operating Activities		
Profit before tax	78,914	38,609
Adjustments for non-cash items	29,729	60,980
Operating cash flows before changes in working capital	108,643	99,589
Changes in working capital:		
Increase in inventories	(71,997)	(5,215)
(Increase) / decrease in receivables	(56,764)	20,930
Increase / (decrease) in payables	14,183	(31,959)
Cash flows (used in) / from operations	(5,935)	83,345
Interest paid	(9,491)	(11,546)
Income tax paid	(11,397)	(11,939)
Net cash flows (used in) / from operating activities	(26,823)	59,860
Investing Activities		
Additional investments in existing subsidiaries	-	(46)
Interest received	4,702	5,952
Net proceeds from disposal / (purchase) of short term investments	22,528	(81,988)
Income received from short term investments	5,865	3,455
Proceeds from disposal of property, plant and equipment	3,290	-
Purchase of property, plant and equipment	(628)	(26,975)
Net cash flows from / (used in) investing activities	35,757	(99,602)
Financing Activities		
Purchase of treasury shares	(2,714)	-
Proceeds from issuance of ordinary shares	3,323	203
Payment of lease liabilities	(1,020)	-
Repayment of borrowings	(47,811)	(47,553)
Net cash flows used in financing activities	(48,222)	(47,350)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(39,288)	(87,092)
Effect of foreign exchange rate changes	13,118	(4,650)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	209,015	282,291
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD*	182,845	190,549
* Cash and cash equivalents at end of financial period comprise the following:		
Fixed deposits	128,793	151,030
Cash and bank balances	54,052	39,519
Cash and cash equivalents at end of financial period	182,845	190,549

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 MARCH 2020

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
Statement of Financial Position	
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)

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 3,461,100 new ordinary shares were issued pursuant to the Company's Employees' Share Option Scheme.

(b) For the 9-months period ended 31 March 2020, 3,315,500 ordinary shares were repurchased in the open market at an average price of RM0.82 per share. The total consideration paid for the repurchase including transaction costs amounted to RM2,713,456 and were financed by internally generated funds. The shares repurchased are retained as treasury shares of the Company. As at 31 March 2020, the total number of treasury shares held was 7,512,300 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
3 months ended 31 March 2020				
Revenue				
External revenue	3,553	48,220	-	51,773
Inter-segment revenue	334	-	(334)	-
Total revenue	3,887	48,220	(334)	51,773
Results				
Profit before tax	19,859	28,500	-	48,359
9 months ended 31 March 2020				
Revenue				
External revenue	27,704	136,728	-	164,432
Inter-segment revenue	2,365	7	(2,372)	-
Total revenue	30,069	136,735	(2,372)	164,432
Results				
Profit before tax	7,080	71,834	-	78,914

	Shipbuilding and Shiprepair RM'000	Vessel Chartering RM'000	Eliminations RM'000	Consolidated RM'000
Total Assets				
31 March 2020	761,389	958,676	-	1,720,065
30 June 2019	753,762	891,952	-	1,645,714
Total Liabilities				
31 March 2020	171,406	284,209	-	455,615
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	730,426

As at 31 March 2020, the Company is contingently liable for RM268,075,000 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 March 2020 RM'000	Cumulative 9 months ended 31 March 2020 RM'000
Transactions with a Director of the Company:		
- Rent of premises	14	43
Transactions with a company in which the Directors of the Company and of the Group are also directors and have financial interests:		
- Rent of premises	1	1

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 2020, 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
Financial assets				
Investment securities	316	-	-	316
Short term investments	270,325	-	-	270,325
	270,641	-	-	270,641
Financial liabilities				
Derivative liabilities	-	793	-	793

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

15 **Detailed Analysis of Performance**

The Group recorded a fairly consistent revenue of RM51.8 million in the current quarter ended 31 March 2020 (3Q2020), a marginal increase of 1% as compared to the RM51.4 million reported in the preceding quarter (2Q2020). Against last year's corresponding period (3Q2019), revenue has jumped 40% from RM36.9 million.

For the nine-month period, Coastal Group's net profit rose 144% to RM65.9 million with an increase in revenue of 47% to RM164.4 million compared with a year earlier.

Shipbuilding and Shiprepair Division

The division registered a lower revenue of RM3.6 million in 3Q2020, a quarter-on-quarter decrease of 28% from RM5.0 million. Current quarter's revenue was contributed from the delivery of 1 unit of low-end vessel while the revenue for 2Q2020 was generated from ship repairing works. For 3Q2019, the revenue posted was RM0.02 million, from ship repairing contract works.

The division achieved a profit before tax of RM19.9 million in 3Q2020, as compared to the loss before tax of RM18.0 million and RM13.6 million posted in 2Q2020 and 3Q2019 respectively, owing to foreign exchange gain recognised in the current quarter.

Vessel Chartering Division

The division achieved marginally higher revenue of RM48.2 million in 3Q2020 compared to RM46.4 million in 2Q2020, an increase of 4%. Year-on-year, revenue scaled up by 31% from RM36.9 million. The improved performance this quarter was principally due to higher utilisation of its OSV fleet.

The division's profit margin before tax of 59% in 3Q2020 was higher than the 46% achieved in 2Q2020 and 47% in 3Q2019. The better showing this quarter was mainly attributed to higher operating profit from OSV chartering as well as gain on foreign exchange on the account of depreciation of RM against USD.

(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 RM92.5 million (30 June 2019: RM92.5 million) and vessels work-in-progress of RM177.0 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 RM141.5 million of trade receivables as at 31 March 2020, RM52.5 million was subsequently received by the Group.

16 **Material Change in Profit Before Tax**

The Group reported a higher profit before tax of RM48.4 million in 3Q2020, an increase of over 14 times quarter-on-quarter from RM3.2 million, owing to the foreign exchange gain recognised in the current quarter as compared to the exchange loss posted in last quarter. The lower profit derived in 2Q2020 was also attributed by the one-off re-activation costs incurred for a vessel. Against 3Q2019, profit before tax has jumped over 12 times from RM3.7 million on the account of the foreign exchange gain recorded.

17 **Prospects**

The Oil and Gas industry remains challenging and exposes to the risks of global economic recession and sluggish global oil demand, which resulted from Coronavirus (Covid-19) pandemic. In the meantime, Saudi Arabia - Russia oil price war was kicked off at a time the world was dealing with the Covid-19 outbreak have resulted in the oil price to drop tremendously at an unprecedented rate. Many Oil and Gas companies have started to reduce their operational and capital spending as well as revise their investment plans to overcome the adverse impacts in the situation of global oil market downturn. However, there is an indication of "gradual recovery" in the global economy and global oil demand as many countries have lifted from Covid-19 prompted lockdowns or eased their movement control orders to resume business operations. Additionally, the joint commitment of Organisation of the Petroleum Exporting Countries (OPEC) plus non-OPEC major producers like Russia agreed to extend their subsequent oil productions cut in order to enhance global oil market stability. In view of the above, Coastal Group remains vigilant to maintain prudent business strategy and financial management policy to experience Oil and Gas market uncertainty and the impact of Covid-19 and United States - China trade war on the global economic.

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 March 2020 RM'000	Cumulative 9 months ended 31 March 2020 RM'000
Interest income	831	2,395
Other income	9,517	22,521
Reversal of inventories written-down	-	8
Reversal of impairment loss on receivables	834	834
Depreciation and amortisation	20,015	59,444
Fair value loss on short term investments	980	878
Fair value loss on quoted investment	420	608
Foreign exchange gain (net)	27,391	22,729

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 March 2020 RM'000	Cumulative 9 months ended 31 March 2020 RM'000
Income tax expense comprises:		
Current tax charge	4,490	12,951
Deferred tax charge / (reversal)	30	88
	4,520	13,039

The effective tax rates for the current quarter and the financial year-to-date were lower than the statutory tax rate in Malaysia due to the different income tax rate applicable to 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 29 June 2020.

22 **Group Borrowings and Debt Securities**

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

	As at 31 March 2020 RM'000
Short term	
Secured	254,963
Long term	
Secured	1,198
Total	256,161

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 0.203 from last quarter's 0.217. 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 29 June 2020.

24 **Dividend Payable**

No interim dividend has been declared for the current quarter ended 31 March 2020.

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 2020	Cumulative 9 months ended 31 March 2020
Basic earnings per share		
Profit attributable to owners of the Company (RM'000)	43,839	65,875
Weighted average number of ordinary shares in issue ('000)	530,301	528,839
Basic earnings per share (sen)	8.27	12.46

Diluted earnings per share attributable to owners of the Company

For diluted 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 earnings per share calculation.

	Individual 3 months ended 31 March 2020	Cumulative 9 months ended 31 March 2020
Diluted earnings per share		
Profit attributable to owners of the Company (RM'000)	43,839	65,875
Weighted average number of ordinary shares in issue ('000)	530,301	528,839
Effect of dilution of ESOS ('000)	364	681
Adjusted weighted average number of ordinary shares ('000)	530,665	529,520
Diluted earnings per share (sen)	8.26	12.44

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 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 29 June 2020.