



COASTAL CONTRACTS BHD (Company No. 517649-A)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

		INDIVIDUAL		CUMULATIVE	
		3 months ended 30.06.2020 RM'000 (unaudited)	3 months ended 30.06.2019 RM'000 (unaudited)	12 months ended 30.06.2020 RM'000 (unaudited)	12 months ended 30.06.2019 RM'000 (audited)
	Note				
Revenue	8	46,576	44,574	211,008	156,329
Cost of sales and services		(28,040)	(26,281)	(136,694)	(89,416)
Gross profit		<u>18,536</u>	<u>18,293</u>	<u>74,314</u>	<u>66,913</u>
Other income		20,257	27,539	84,729	51,161
Administrative expenses		(3,913)	(4,881)	(17,991)	(24,411)
Other expenses		(198,142)	(46,008)	(215,632)	(48,138)
Finance costs		(2,813)	(3,692)	(12,581)	(15,687)
(Loss) / profit before tax	8, 19	<u>(166,075)</u>	<u>(8,749)</u>	<u>(87,161)</u>	<u>29,838</u>
Income tax expense	20	(4,290)	(3,691)	(17,329)	(15,431)
(Loss) / profit for the period		<u><u>(170,365)</u></u>	<u><u>(12,440)</u></u>	<u><u>(104,490)</u></u>	<u><u>14,407</u></u>
Attributable to:					
Owners of the Company		(170,365)	(12,440)	(104,490)	14,413
Non-controlling interests		-	-	-	(6)
		<u><u>(170,365)</u></u>	<u><u>(12,440)</u></u>	<u><u>(104,490)</u></u>	<u><u>14,407</u></u>
(Loss) / earnings per share attributable to owners of the Company:					
- basic (sen)	25	(32.32)	(2.36)	(19.78)	2.73
- diluted (sen)	25	<u><u>(32.32)</u></u>	<u><u>(2.36)</u></u>	<u><u>(19.77)</u></u>	<u><u>2.73</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 30 JUNE 2020

	Note	INDIVIDUAL		CUMULATIVE	
		3 months ended 30.06.2020 RM'000 (unaudited)	3 months ended 30.06.2019 RM'000 (unaudited)	12 months ended 30.06.2020 RM'000 (unaudited)	12 months ended 30.06.2019 RM'000 (audited)
(Loss) / profit for the period		(170,365)	(12,440)	(104,490)	14,407
Other comprehensive (loss) / income:					
<i>Items that may be subsequently reclassified to profit or loss:</i>					
Cash flow hedge:					
- Fair value gain / (loss) on derivatives		276	(1,551)	(1,270)	(4,236)
Currency translation differences arising from consolidation	15(a)	(7,210)	8,402	14,795	15,754
Total comprehensive (loss) / income for the period		<u>(177,299)</u>	<u>(5,589)</u>	<u>(90,965)</u>	<u>25,925</u>
Attributable to:					
Owners of the Company		(177,299)	(5,589)	(90,965)	25,921
Non-controlling interests		-	-	-	4
		<u>(177,299)</u>	<u>(5,589)</u>	<u>(90,965)</u>	<u>25,925</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 30 JUNE 2020

		As at 30.06.2020 RM'000 (unaudited)	As at 30.06.2019 RM'000 (audited)
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		701,041	701,984
Right-of-use assets		7,322	-
Investment properties		3,404	3,486
Investment securities	14	1,938	923
		<u>713,705</u>	<u>706,393</u>
Current assets			
Inventories	15(b)	138,602	252,123
Trade receivables	15(c)	127,082	88,936
Contract assets		-	559
Other receivables		50,924	93,507
Amount due from a joint venture		445	412
Short term investments	14	259,955	293,732
Derivative assets		-	773
Tax recoverable		55	264
Cash and bank balances		263,796	209,015
		<u>840,859</u>	<u>939,321</u>
TOTAL ASSETS	8	<u>1,554,564</u>	<u>1,645,714</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		307,050	302,519
Treasury shares		(10,399)	(7,045)
Share option reserve		27,540	28,336
Currency translation reserve		278,317	263,522
Cash flow hedge reserve		116	1,386
Retained earnings		483,887	588,144
Total equity		<u>1,086,511</u>	<u>1,176,862</u>
Non-current liabilities			
Borrowings	22	34,598	231,213
Lease liabilities		11	-
Deferred tax liabilities		612	523
		<u>35,221</u>	<u>231,736</u>
Current liabilities			
Borrowings	22	242,201	62,724
Lease liabilities		178	-
Trade payables		135,123	129,738
Contract liabilities		-	121
Other payables		52,945	44,318
Derivative liabilities	14	494	-
Income tax payable		1,891	215
		<u>432,832</u>	<u>237,116</u>
Total liabilities	8	<u>468,053</u>	<u>468,852</u>
TOTAL EQUITY AND LIABILITIES		<u>1,554,564</u>	<u>1,645,714</u>
Net assets per share (RM)		<u>2.0621</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 30 JUNE 2020

	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	RM'000
<u>12 months ended 30 June 2019 (audited)</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
Issuance of ordinary shares pursuant to the ESOS	379	-	-	(101)	-	-	-	278	-	278
Share options granted under ESOS	-	-	-	4,342	-	-	909	5,251	-	5,251
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	-	-	-	-	15,745	(4,236)	14,413	25,922	4	25,926
Balance at 30 June 2019	302,519	-	(7,045)	28,336	263,522	1,386	588,144	1,176,862	-	1,176,862
<u>12 months ended 30 June 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	-	-	(3,354)	-	-	-	-	(3,354)	-	(3,354)
Issuance of ordinary shares pursuant to the ESOS	4,531	-	-	(1,208)	-	-	-	3,323	-	3,323
Share options granted under ESOS	-	-	-	412	-	-	233	645	-	645
Total comprehensive income / (loss) for the period	-	-	-	-	14,795	(1,270)	(104,490)	(90,965)	-	(90,965)
Balance at 30 June 2020	307,050	-	(10,399)	27,540	278,317	116	483,887	1,086,511	-	1,086,511

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 30 JUNE 2020

	CUMULATIVE	
	12 months ended 30.06.2020 RM'000 (unaudited)	12 months ended 30.06.2019 RM'000 (audited)
<u>Operating Activities</u>		
(Loss) / profit before tax	(87,161)	29,838
Adjustments for non-cash items	242,360	112,836
Operating cash flows before changes in working capital	155,199	142,674
Changes in working capital:		
Decrease / (increase) in inventories	13,111	(4,813)
(Increase) / decrease in receivables	(125,940)	99,687
Increase / (decrease) in payables	7,813	(34,836)
Cash flows from operations	50,183	202,712
Interest paid	(12,170)	(15,154)
Income tax paid	(15,394)	(15,221)
Net cash flows from operating activities	22,619	172,337
<u>Investing Activities</u>		
Interest received	6,619	10,799
Net proceeds from disposal / (purchase) of short term investments	33,532	(171,346)
Income received from short term investments	7,537	5,825
Purchase of investment securities	(1,512)	-
Proceeds from disposal of property, plant and equipment	3,298	-
Purchase of property, plant and equipment	(674)	(27,219)
Net cash flows from / (used in) investing activities	48,800	(181,941)
<u>Financing Activities</u>		
Additional investments in existing subsidiaries	-	(46)
Purchase of treasury shares	(3,354)	-
Proceeds from issuance of ordinary shares	3,323	278
Payment of lease liabilities	(1,369)	-
Net repayment of borrowings	(26,796)	(63,476)
Net cash flows used in financing activities	(28,196)	(63,244)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	43,223	(72,848)
Effect of foreign exchange rate changes	11,558	(428)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	209,015	282,291
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD*	263,796	209,015
 * Cash and cash equivalents at end of financial period comprise the following:		
Fixed deposits	197,753	161,777
Cash and bank balances	66,043	47,238
Cash and cash equivalents at end of financial period	263,796	209,015

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.



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Explanatory Notes

FOR THE QUARTER ENDED 30 JUNE 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
<u>Statement of Financial Position</u>	
Decrease in property, plant and equipment	(7,339)
Increase in right-of-use assets	8,668
Increase in lease liabilities	1,402
Decrease in borrowings	<u>(73)</u>



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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 12-months period ended 30 June 2020, 4,269,600 ordinary shares were repurchased in the open market at an average price of RM0.79 per share. The total consideration paid for the repurchase including transaction costs amounted to RM3,354,111 and were financed by internally generated funds. The shares repurchased are retained as treasury shares of the Company. As at 30 June 2020, the total number of treasury shares held was 8,466,400 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 30 June 2020</u>				
Revenue				
External revenue	373	46,203	-	46,576
Inter-segment revenue	3,029	432	(3,461)	-
Total revenue	3,402	46,635	(3,461)	46,576
Results				
(Loss) / profit before tax	(184,794)	18,719	-	(166,075)
<u>12 months ended 30 June 2020</u>				
Revenue				
External revenue	28,077	182,931	-	211,008
Inter-segment revenue	5,394	439	(5,833)	-
Total revenue	33,471	183,370	(5,833)	211,008
Results				
(Loss) / profit before tax	(177,714)	90,553	-	(87,161)



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	Shipbuilding and Shiprepair RM'000	Vessel Chartering RM'000	Eliminations RM'000	Consolidated RM'000
Total Assets				
30 June 2020	608,445	946,119	-	1,554,564
30 June 2019	753,762	891,952	-	1,645,714
Total Liabilities				
30 June 2020	169,028	299,025	-	468,053
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	764,088

As at 30 June 2020, the Company is contingently liable for RM288,007,000 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 30 June 2020 RM'000	Cumulative 12 months ended 30 June 2020 RM'000
<i>Transactions with a Director of the Company:</i>		
- Rent of premises	14	57
<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	4	5

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 30 June 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
<u>Financial assets</u>				
Investment securities	1,938	-	-	1,938
Short term investments	259,955	-	-	259,955
	<u>261,893</u>	<u>-</u>	<u>-</u>	<u>261,893</u>
<u>Financial liabilities</u>				
Derivative liabilities	-	494	-	494

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 RM46.6 million in the current quarter ended 30 June 2020 (4Q2020) as compared to last quarter's (3Q2020) RM51.8 million, a reduction of 10%. Year-on-year, revenue was increased by 4% from RM44.6 million.

Shipbuilding and Shiprepair Division

The revenue generated from this division in 4Q2020 stood at RM0.4 million, eased by RM3.2 million (or 89%) from RM3.6 million recorded in 3Q2020 and by RM1.9 million (or 83%) from RM2.3 million in 4Q2019. Current quarter's revenue was contributed from ship repairing contract works, whereas both the 3Q2020 and 4Q2019 revenue included the delivery of 1 unit of low-end vessel respectively.

The division recorded a loss before tax of RM184.8 million in 4Q2020, as compared to the profit before tax of RM19.9 million achieved in 3Q2020. For 4Q2019, the division reported a loss before tax of RM38.1 million. The significant loss incurred this current quarter was owing to the impairment loss on receivables of RM142.4 million and inventories written-down of RM41.2 million.

Vessel Chartering Division

The division generated a slightly lower revenue of RM46.2 million in 4Q2020, a quarter-on-quarter decrease of 4% from RM48.2 million. Against 4Q2019, revenue was up by 9% from RM42.3 million. The year-on-year improved performance was principally due to higher utilisation of its OSV fleet.

The division's profit margin before tax of 41% (RM18.7 million) in 4Q2020 was lower than the 59% (RM28.5 million) achieved in 3Q2020 and 70% (RM29.4 million) in 4Q2019. The lower profit margin derived this quarter was mainly attributed to lesser gain on foreign exchange and impairment of assets recognised.



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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 RM91.7 million (30 June 2019: RM92.5 million) and vessels work-in-progress of RM42.5 million (30 June 2019: RM155.0 million).
- (c) Out of the RM127.1 million of trade receivables as at 30 June 2020, RM12.8 million was subsequently received by the Group.

16 **Material Change in Profit Before Tax**

The Group made a RM166.1 million of loss before tax in 4Q2020. Comparatively, 3Q2020 recorded a profit before tax of RM48.4 million and 4Q2019 reported a loss before tax of RM8.7 million. The loss position in the current quarter was principally due to the inventories written down and impairment loss on financial assets.

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.



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19 (Loss) / Profit Before Tax

The following items have been included in arriving at (loss) / profit before tax:

	Individual 3 months ended 30 June 2020 RM'000	Cumulative 12 months ended 30 June 2020 RM'000
Interest income	323	2,718
Other income	6,195	28,716
Reversal of inventories written-down	-	8
Inventories written-down	41,248	41,248
Reversal of impairment loss on receivables	9,736	10,570
Impairment loss on receivables	144,767	144,767
Impairment loss on plant and equipment	5,555	5,555
Depreciation and amortisation	20,665	80,109
Fair value gain / (loss) on short term investments	633	(245)
Fair value gain / (loss) on quoted investment	110	(498)
Foreign exchange (loss) / gain (net)	(3,313)	19,416

There were no gain or loss on disposal of quoted or unquoted investments or properties, 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 30 June 2020 RM'000	Cumulative 12 months ended 30 June 2020 RM'000
Income tax expense comprises:		
Current tax charge	4,289	17,240
Deferred tax charge / (reversal)	1	89
	4,290	17,329

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 the non-deductible losses 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 27 August 2020.

22 Group Borrowings and Debt Securities

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

	As at 30 June 2020 RM'000
Short term	
Secured	242,201
Long term	
Secured	34,598
Total	276,799



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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 increased to 0.255 from last quarter's 0.203. A moderate amount of external borrowings was 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 August 2020.

24 Dividend Payable

No interim dividend has been declared for the current quarter ended 30 June 2020.

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 30 June 2020	Cumulative 12 months ended 30 June 2020
<i>Basic (loss) / earnings per share</i>		
Loss attributable to owners of the Company (RM'000)	(170,365)	(104,490)
Weighted average number of ordinary shares in issue ('000)	527,044	528,392
Basic loss per share (sen)	(32.32)	(19.78)

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 30 June 2020	Cumulative 12 months ended 30 June 2020
<i>Diluted (loss) / earnings per share</i>		
Loss attributable to owners of the Company (RM'000)	(170,365)	(104,490)
Weighted average number of ordinary shares in issue ('000)	527,044	528,392
Effect of dilution of ESOS ('000)	-	3
Adjusted weighted average number of ordinary shares ('000)	<u>527,044</u>	<u>528,395</u>
Diluted loss per share (sen)	(32.32)	(19.77)

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



COASTAL CONTRACTS BHD (Company No. 517649-A)

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 27 August 2020.