



COASTAL CONTRACTS BHD.

Registration No. 200001015043 (517649-A)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

		INDIVIDUAL		CUMULATIVE	
		3 months ended 30.09.2022 RM'000 (unaudited)	3 months ended 30.09.2021 RM'000 (unaudited)	3 months ended 30.09.2022 RM'000 (unaudited)	3 months ended 30.09.2021 RM'000 (unaudited)
	Note				
Revenue	8	51,943	52,118	51,943	52,118
Cost of sales and services		(36,486)	(31,807)	(36,486)	(31,807)
Gross profit		<u>15,457</u>	<u>20,311</u>	<u>15,457</u>	<u>20,311</u>
Other income		42,303	14,664	42,303	14,664
Administrative expenses		(5,078)	(3,666)	(5,078)	(3,666)
Other expenses		(2,629)	(2,755)	(2,629)	(2,755)
Finance costs		(7,113)	(663)	(7,113)	(663)
Share of profit of joint venture, net of tax		109,803	-	109,803	-
Profit before tax	8, 19	<u>152,743</u>	<u>27,891</u>	<u>152,743</u>	<u>27,891</u>
Income tax expense	20	(11,281)	(5,084)	(11,281)	(5,084)
Profit for the period		<u><u>141,462</u></u>	<u><u>22,807</u></u>	<u><u>141,462</u></u>	<u><u>22,807</u></u>
Attributable to:					
Owners of the Company		140,968	21,954	140,968	21,954
Non-controlling interests		<u>494</u>	<u>853</u>	<u>494</u>	<u>853</u>
		<u><u>141,462</u></u>	<u><u>22,807</u></u>	<u><u>141,462</u></u>	<u><u>22,807</u></u>
Earnings per share attributable to owners of the Company:					
- basic (sen)	25	26.77	4.20	26.77	4.20
- diluted (sen)	25	<u><u>25.77</u></u>	<u><u>N/A</u></u>	<u><u>25.77</u></u>	<u><u>N/A</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 2022 and the accompanying explanatory notes attached to these interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

		INDIVIDUAL		CUMULATIVE	
		3 months ended 30.09.2022 RM'000 (unaudited)	3 months ended 30.09.2021 RM'000 (unaudited)	3 months ended 30.09.2022 RM'000 (unaudited)	3 months ended 30.09.2021 RM'000 (unaudited)
	Note				
Profit for the period		141,462	22,807	141,462	22,807
Other comprehensive income:					
<i>Items that may be subsequently reclassified to profit or loss:</i>					
Cash flow hedge:					
- Fair value gain on derivatives		-	6	-	6
Currency translation differences arising from consolidation	15(a)	59,180	1,714	59,180	1,714
Share of other comprehensive income of joint venture:					
- Currency translation differences		8,638	-	8,638	-
Total comprehensive income for the period		<u>209,280</u>	<u>24,527</u>	<u>209,280</u>	<u>24,527</u>
Attributable to:					
Owners of the Company		208,518	23,667	208,518	23,667
Non-controlling interests		<u>762</u>	<u>860</u>	<u>762</u>	<u>860</u>
		<u>209,280</u>	<u>24,527</u>	<u>209,280</u>	<u>24,527</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 2022 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 30 SEPTEMBER 2022

		As at 30.09.2022 RM'000 (unaudited)	As at 30.06.2022 RM'000 (audited)
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		727,490	714,619
Right-of-use assets		7,492	7,739
Investment in joint venture		214,626	95,595
Investment properties		3,219	3,240
Investment securities	14	11,545	11,958
Trade receivables		124,699	125,904
		<u>1,089,071</u>	<u>959,055</u>
Current assets			
Inventories		27,256	25,017
Trade receivables	15(b)	138,857	111,966
Contract assets		-	212
Other receivables		29,108	26,624
Amount due from joint ventures		771,051	650,548
Short term investments	14	17,213	15,554
Tax recoverable		258	253
Cash and bank balances		161,499	223,114
		<u>1,145,242</u>	<u>1,053,288</u>
TOTAL ASSETS	8	<u><u>2,234,313</u></u>	<u><u>2,012,343</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		312,146	311,976
Treasury shares		(13,336)	(13,336)
Share option reserve		10,808	10,897
Currency translation reserve		388,726	321,176
Retained earnings		864,483	723,459
Equity attributable to owners of the Company		<u>1,562,827</u>	<u>1,354,172</u>
Non-controlling interests		<u>5,454</u>	<u>4,692</u>
Total equity		<u><u>1,568,281</u></u>	<u><u>1,358,864</u></u>
Non-current liabilities			
Borrowings	22	115,083	119,521
Lease liabilities		175	183
Deferred tax liabilities		7,104	4,196
		<u>122,362</u>	<u>123,900</u>
Current liabilities			
Borrowings	22	346,637	343,766
Lease liabilities		368	571
Trade payables		147,011	140,850
Contract liabilities		2,665	-
Other payables		43,444	41,542
Income tax payable		3,545	2,850
		<u>543,670</u>	<u>529,579</u>
Total liabilities	8	<u><u>666,032</u></u>	<u><u>653,479</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,234,313</u></u>	<u><u>2,012,343</u></u>
Net assets per share (RM)		<u><u>2.9673</u></u>	<u><u>2.5718</u></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 2022 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 SEPTEMBER 2022

	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		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 30 September 2021 (unaudited)								
Balance at 1 July 2021	307,050	(12,700)	-	266,169	(26)	543,241	1,103,734	1,104,789
Purchase of treasury shares	-	(539)	-	-	-	-	(539)	(539)
Total comprehensive income for the period	-	-	-	1,707	6	21,954	23,667	24,527
Balance at 30 September 2021	307,050	(13,239)	-	267,876	(20)	565,195	1,126,862	1,128,777
3 months ended 30 September 2022 (unaudited)								
Balance at 1 July 2022	311,976	(13,336)	10,897	321,176	-	723,459	1,354,172	1,358,864
Issuance of ordinary shares pursuant to the ESOS	170	-	(33)	-	-	-	137	137
Value of share options forfeited	-	-	(56)	-	-	56	-	-
Total comprehensive income for the period	-	-	-	67,550	-	140,968	208,518	209,280
Balance at 30 September 2022	312,146	(13,336)	10,808	388,726	-	864,483	1,562,827	1,568,281

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 2022 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 SEPTEMBER 2022

	CUMULATIVE	
	3 months ended 30.09.2022 RM'000 (unaudited)	3 months ended 30.09.2021 RM'000 (unaudited)
<u>Operating Activities</u>		
Profit before tax	152,743	27,891
Adjustments for non-cash items	(116,402)	20,753
Operating cash flows before changes in working capital	36,341	48,644
Changes in working capital:		
Increase in inventories	(1,369)	(1,110)
(Increase) / Decrease in receivables	(10,150)	226
(Decrease) / Increase in payables	(2,075)	20,246
Cash flows from operations	22,747	68,006
Interest paid	(2,828)	(667)
Income tax paid	(7,826)	(3,614)
Net cash flows from operating activities	12,093	63,725
<u>Investing Activities</u>		
Interest received	26,642	209
Loan to joint venture	(81,993)	-
Net purchase of investment securities	-	(497)
Net purchase of short term investments	(1,574)	(366)
Income received from investments	152	586
Purchase of property, plant and equipment	(87)	(28,320)
Net cash flows used in investing activities	(56,860)	(28,388)
<u>Financing Activities</u>		
Proceeds from issuance of ordinary shares	137	-
Purchase of treasury shares	-	(539)
Payment of lease liabilities	(282)	(260)
Net repayment of borrowings	(25,276)	(10,953)
Net cash flows used in financing activities	(25,421)	(11,752)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(70,188)	23,585
Effect of foreign exchange rate changes	8,573	664
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	223,114	163,703
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD*	161,499	187,952
* Cash and cash equivalents at end of financial period comprise the following:		
Fixed deposits	74,250	67,494
Cash and bank balances	87,249	120,458
Cash and cash equivalents at end of financial period	161,499	187,952

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 2022 and the accompanying explanatory notes attached to these interim financial statements.



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Explanatory Notes
FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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 2022. 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 2022.

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 2022 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 2022:

Amendments to MFRS 3 *Reference to the Conceptual Framework*

Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*

Amendments to MFRS 137 *Onerous Contracts – Cost of Fulfilling a Contract*

Annual Improvements to MFRS Standards 2018 - 2020 Cycles

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:

- (a) During the financial year-to-date, a total of 138,160 new ordinary shares were issued pursuant to the Company's Employees' Share Option Scheme.
- (b) As at 30 September 2022, the total number of treasury shares held was 12,801,500 ordinary shares.



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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.

	Gas Processing RM'000	Vessel Chartering RM'000	Shipbuilding and Shiprepair RM'000	Eliminations RM'000	Consolidated RM'000
<u>3 months ended 30 September 2022</u>					
<u>Revenue</u>					
External revenue	38,849	12,890	204	-	51,943
Inter-segment revenue	-	-	1,170	(1,170)	-
Total revenue	38,849	12,890	1,374	(1,170)	51,943
<u>Results</u>					
Profit / (loss) before tax	160,597	(5,066)	(2,788)	-	152,743
<u>3 months ended 30 September 2021 (restated) *</u>					
<u>Revenue</u>					
External revenue	40,138	11,804	176	-	52,118
Inter-segment revenue	-	-	363	(363)	-
Total revenue	40,138	11,804	539	(363)	52,118
<u>Results</u>					
Profit / (loss) before tax	31,210	(837)	(2,482)	-	27,891
<u>Total Assets</u>					
30 September 2022	1,722,781	449,671	61,861	-	2,234,313
30 June 2022	1,495,847	433,711	82,785	-	2,012,343
<u>Total Liabilities</u>					
30 September 2022	365,697	112,262	188,073	-	666,032
30 June 2022	365,123	110,585	177,771	-	653,479

* The segment information for the quarter ended 30 September 2021 was restated as a result of the change in the composition of the reportable segments in 3Q2022.

9 Subsequent Event

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

10 Changes in the Composition of the Group

There was no change in the composition of the Group for the financial period under review.

11 Contingent Liabilities and Contingent Assets

	RM'000
Corporate guarantees to financial institutions in respect of banking facilities granted to the Group	306,455

As at 30 September 2022, the Group is contingently liable for RM231,407,000 of banking facilities utilised by the Group.



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12 Capital Commitments

	As at 30 September 2022 RM'000
<i>Capital expenditure:</i>	
- Property, plant and equipment of the joint venture	51,349 #

Includes the Group's portion (after the completion of the Shares Sale stated in Note 21) of capital commitment under the Joint Venture Company (defined in Note 21).

13 Related Party Transactions

	Individual 3 months ended 30 September 2022 RM'000	Cumulative 3 months ended 30 September 2022 RM'000
<i>Transactions with Directors of the Company:</i>		
- Rent of premises	26	26
<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	5
<i>Transactions with a joint venture:</i>		
- Interest income	27,778	27,778
- Service fee income	2,009	2,009

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 September 2022, 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	11,545	-	-	11,545
Short term investments	17,213	-	-	17,213
	28,758	-	-	28,758

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial year ended 30 June 2022.



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15 Detailed Analysis of Performance

The Group's revenue for the 3 months ended 30 September 2022 (1Q2023) stood at RM51.9 million, 11% lower compared to the RM58.1 million achieved in last quarter (4Q2022). Against last year's corresponding quarter (1Q2022), current quarter's revenue was fairly consistent with the RM52.1 million reported in 1Q2022.

Gas Processing Division

The division recorded a constant revenue of RM38.8 million in 1Q2023 against RM38.4 million posted in 4Q2022. Year-on-year, the revenue was eased by RM1.3 million (or 3%) from RM40.1 million (restated) in 1Q2022. The slightly decrease in revenue was principally due to the subsidiary that contributed the onshore gas sweetening income in last year became a joint venture and accounted for using equity accounting method for the current year.

The division achieved a higher profit before tax of RM160.6 million in 1Q2023 compared to RM78.9 million and RM31.2 million (restated) reported in 4Q2022 and 1Q2022, respectively. The better showing this quarter was mainly due to the interest income earned from loans granted to a joint venture as well as greater profit shared from the joint venture.

Vessel Chartering Division

In the current quarter under review, the division's revenue has drop 33% to RM12.9 million from previous quarter's RM19.3 million, owing to the expiration of a short-term charter contract in 4Q2022. However, the revenue was up by 9% compared to the RM11.8 million (restated) reported in 1Q2022, due to the charter income earned from new vessel charter contracts secured.

The division incurred a loss margin before tax of 39% (RM5.1 million in loss) in 1Q2023 as compared to the profit margin before tax of 194% reported in 4Q2022 (RM37.6 million). The loss in 1Q2023 was mainly attributed to lower fleet utilisation whereas the profit in 4Q2022 was due to the gain on disposal of an offshore support vessel. For 1Q2022, the division posted a loss margin before tax of 7% (RM0.8 million in loss) (restated).

Shipbuilding and Shiprepair Division

The revenue generated from this division in 1Q2023 was RM0.2 million. The revenue posted in 4Q2022 and 1Q2022 were RM0.3 million and RM0.2 million (restated), respectively. This division's revenue was generated from ship repairing contract works.

The division incurred a greater loss before tax of RM2.8 million in 1Q2023, against the RM0.9 million and RM2.5 million (restated) recorded in 4Q2022 and 1Q2022, respectively. The losses incurred was attributed to the underperformance of the division.

- (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) Out of the RM138.9 million of short term trade receivables as at 30 September 2022, RM25.0 million was subsequently received by the Group.

16 Material Change in Profit Before Tax

The Group achieved a RM152.7 million of profit before tax in 1Q2023, an increase of 32% compared to the RM115.6 million reported in 4Q2022. For 1Q2022, the profit before tax was RM27.9 million. The improved performance this quarter was mainly attributed to greater interest income earned from loans granted to a joint venture and profit shared from the joint venture.

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.



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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 the prospect of our Gas Processing Division.

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.

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 30 September 2022 RM'000	Cumulative 3 months ended 30 September 2022 RM'000
Interest income	29,937	29,937
Other income	2,630	2,630
Depreciation and amortisation	24,197	24,197
Fair value gain on short term investments	85	85
Fair value loss on quoted investments	618	618
Foreign exchange gain (net)	7,657	7,657

There were no impairment loss on receivables, provision for write down 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 30 September 2022 RM'000	Cumulative 3 months ended 30 September 2022 RM'000
Income tax expense comprises:		
Current tax charge	8,374	8,374
Deferred tax charge / (reversal)	2,907	2,907
	<u>11,281</u>	<u>11,281</u>

The effective tax rate for the current quarter and the financial year-to-date (excluding the results of joint ventures which is equity accounted net of tax) were higher than the statutory tax rate in Malaysia mainly due to the non-deductible losses for certain subsidiaries of the Group in other jurisdictions.

21 Status of Corporate Proposals

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.

On 30 December 2021, the Joint Venture was completed as **all the conditions precedents stipulated in the Transaction Documents have been fulfilled**. The Company is in the progress of selling its 50% equity interests in the JVC to Alfair ("Shares Sale"), which would be delayed to second quarter of FY2023.

The JVC was accounted for as a "Joint Arrangement" using equity accounting method in accordance with MFRS 11 **upon all the conditions precedents stipulated in the Transaction Documents are fulfilled** (as mentioned in the previous paragraph). The Company accounted the results of the JVC according to its current effective shareholdings in the JVC, which is 100% as at 30 September 2022. As the Shares Sale is not completed as at 30 September 2022, the Company is required to account **100% of the JVC's results** under equity accounting method.

Should the Shares Sale was completed on 30 September 2022 and the equity accounting method been applied in accordance with MFRS 11 based on the Company's **eventual effective shareholdings** in the JVC which is 50%, the Effect of the Shares Sale to the profit for the period would have been as follows:

	Individual 3 months ended 30 September 2022 RM'000	Cumulative 3 months ended 30 September 2022 RM'000
Profit for the period	141,462	141,462
Less: Effect of the Shares Sale	(93,795)	(93,795)
Adjusted profit for the period	<u>47,667</u>	<u>47,667</u>

Upon completion of the Shares Sale, the Company shall account **50% of the JVC's results** under equity accounting method. In addition, the abovementioned Effect of the Shares Sale would be accounted for as a **loss on disposal of effective interest in the Joint Arrangement**.



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22 Group Borrowings and Debt Securities

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

	As at 30 September 2022 RM'000
Short term	
Secured	31,992
Unsecured	314,645
	<u>346,637</u>
Long term	
Secured	76,269
Unsecured	38,814
	<u>115,083</u>
Total	<u>461,720</u>

Apart from RM9.6 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 0.295 from last quarter's 0.342. 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 30 November 2022.

24 Dividend Payable

No interim dividend has been declared for the current quarter ended 30 September 2022.

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 30 September 2022	Cumulative 3 months ended 30 September 2022
<i>Basic earnings per share</i>		
Profit attributable to owners of the Company (RM'000)	140,968	140,968
Weighted average number of ordinary shares in issue ('000)	526,570	526,570
Basic earnings per share (sen)	26.77	26.77



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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 30 September 2022	Cumulative 3 months ended 30 September 2022
<i>Diluted earnings per share</i>		
Profit attributable to owners of the Company (RM'000)	140,968	140,968
Weighted average number of ordinary shares in issue ('000)	526,570	526,570
Effect of dilution of ESOS ('000)	20,416	20,416
Adjusted weighted average number of ordinary shares ('000)	<u>546,986</u>	<u>546,986</u>
Diluted earnings per share (sen)	25.77	25.77

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

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 2022 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 30 November 2022.