



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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Note	INDIVIDUAL		CUMULATIVE *	
		3 months ended 30.09.2024 RM'000 (unaudited)	3 months ended 30.09.2023 RM'000 (unaudited)	9 months ended 30.09.2024 RM'000 (unaudited)	9 months ended 30.09.2023 RM'000 (unaudited)
Revenue	8	6,271	58,363	38,196	170,905
Cost of sales and services		(12,483)	(36,390)	(37,800)	(110,951)
Gross (loss) / profit		<u>(6,212)</u>	<u>21,973</u>	<u>396</u>	<u>59,954</u>
Other income		27,602	62,573	145,236	290,506
Administrative expenses		(4,534)	(4,919)	(14,842)	(14,688)
Other expenses		(76,130)	(259)	(89,166)	(23,490)
Finance costs		(765)	(1,577)	(2,535)	(19,906)
Loss on disposal of effective interest in joint venture		-	-	-	(155,322)
Share of profit of joint venture, net of tax		13,874	10,103	35,379	73,364
(Loss) / Profit before tax	8, 19	<u>(46,165)</u>	<u>87,894</u>	<u>74,468</u>	<u>210,418</u>
Income tax expense	20	(3,691)	(6,652)	(13,077)	(21,648)
(Loss) / Profit for the period		<u><u>(49,856)</u></u>	<u><u>81,242</u></u>	<u><u>61,391</u></u>	<u><u>188,770</u></u>
Attributable to:					
Owners of the Company		(49,073)	79,533	59,435	183,600
Non-controlling interests		<u>(783)</u>	<u>1,709</u>	<u>1,956</u>	<u>5,170</u>
		<u><u>(49,856)</u></u>	<u><u>81,242</u></u>	<u><u>61,391</u></u>	<u><u>188,770</u></u>
(Loss) / Earnings per share attributable to owners of the Company:					
- basic (sen)	25	(9.17)	14.93	11.12	34.54
- diluted (sen)	25	<u><u>(8.93)</u></u>	<u><u>14.40</u></u>	<u><u>10.84</u></u>	<u><u>33.16</u></u>

* The Group has changed its financial year end from 30 June to 31 December. Comparatives for cumulative quarters consist of 9 months results beginning 1 January 2023 to 30 September 2023.

The above Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the 18-month financial period ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Note	INDIVIDUAL		CUMULATIVE *	
		3 months ended 30.09.2024 RM'000 (unaudited)	3 months ended 30.09.2023 RM'000 (unaudited)	9 months ended 30.09.2024 RM'000 (unaudited)	9 months ended 30.09.2023 RM'000 (unaudited)
(Loss) / Profit for the period		(49,856)	81,242	61,391	188,770
Other comprehensive (loss) / income:					
<i>Items that may be subsequently reclassified to profit or loss:</i>					
Currency translation differences arising from consolidation	15(a)	(129,527)	(3,441)	(119,660)	60,333
Share of other comprehensive (loss) / income of joint venture:					
- Currency translation differences		(49,032)	(5,723)	(68,290)	52,956
Total comprehensive (loss) / income for the period		<u>(228,415)</u>	<u>72,078</u>	<u>(126,559)</u>	<u>302,059</u>
Attributable to:					
Owners of the Company		(225,636)	70,312	(126,912)	296,254
Non-controlling interests		<u>(2,779)</u>	<u>1,766</u>	<u>353</u>	<u>5,805</u>
		<u>(228,415)</u>	<u>72,078</u>	<u>(126,559)</u>	<u>302,059</u>

* The Group has changed its financial year end from 30 June to 31 December. Comparatives for cumulative quarters consist of 9 months results beginning 1 January 2023 to 30 September 2023.

The above Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the 18-month financial period ended 31 December 2023 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 2024

		As at 30.09.2024 RM'000 (unaudited)	As at 31.12.2023 RM'000 (audited)
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		326,524	398,300
Right-of-use assets		58,385	7,724
Investment in joint ventures		205,821	241,027
Investment properties		3,055	3,117
Investment securities	14	12,902	12,551
		<u>606,687</u>	<u>662,719</u>
Current assets			
Inventories		70,373	31,373
Trade receivables	15(b)	154,009	179,137
Contract assets		-	5,560
Other receivables		63,606	21,650
Amount due from joint ventures		674,881	764,380
Short term investments	14	83,012	172,499
Tax recoverable		3,718	1,780
Cash and bank balances		221,047	170,077
		<u>1,270,646</u>	<u>1,346,456</u>
TOTAL ASSETS	8	<u>1,877,333</u>	<u>2,009,175</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		324,604	321,263
Treasury shares		(17,018)	(17,018)
Share option reserve		8,240	8,930
Currency translation reserve		184,644	370,991
Retained earnings		1,109,810	1,050,342
Equity attributable to owners of the Company		<u>1,610,280</u>	<u>1,734,508</u>
Non-controlling interests		<u>24,891</u>	<u>14,234</u>
Total equity		<u>1,635,171</u>	<u>1,748,742</u>
Non-current liabilities			
Borrowings	22	5,710	22,199
Lease liabilities		17	6
Deferred tax liabilities		1,966	2,130
		<u>7,693</u>	<u>24,335</u>
Current liabilities			
Borrowings	22	27,752	33,487
Lease liabilities		271	1,079
Trade payables		148,688	149,082
Contract liabilities		12,088	6,758
Other payables		34,668	44,223
Income tax payable		2,002	1,469
Deferred purchase consideration		9,000	-
		<u>234,469</u>	<u>236,098</u>
Total liabilities	8	<u>242,162</u>	<u>260,433</u>
TOTAL EQUITY AND LIABILITIES		<u>1,877,333</u>	<u>2,009,175</u>
Net assets per share (RM)		<u>3.0094</u>	<u>3.2581</u>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the 18-month financial period ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.



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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Attributable to owners of the Company					Non-controlling interests	Equity, Total	
	Share capital	Treasury shares	Share option reserve	Currency translation reserve	Retained earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>9 months ended 30 September 2023 (unaudited)</u>								
Balance at 1 January 2023	314,802	(13,336)	10,279	301,500	1,003,521	1,616,766	6,836	1,623,602
Purchase of treasury shares	-	(3,613)	-	-	-	(3,613)	-	(3,613)
Issuance of ordinary shares pursuant to the ESOS	6,261	-	(1,232)	-	-	5,029	-	5,029
Value of share options forfeited	-	-	(65)	-	65	-	-	-
Total comprehensive income for the period	-	-	-	112,654	183,600	296,254	5,805	302,059
Effect of loss on disposal of effective interest in joint venture	-	-	-	(33,318)	-	(33,318)	-	(33,318)
Balance at 30 September 2023	321,063	(16,949)	8,982	380,836	1,187,186	1,881,118	12,641	1,893,759
<u>9 months ended 30 September 2024 (unaudited)</u>								
Balance at 1 January 2024	321,263	(17,018)	8,930	370,991	1,050,342	1,734,508	14,234	1,748,742
Issuance of ordinary shares pursuant to the ESOS	3,341	-	(657)	-	-	2,684	-	2,684
Value of share options forfeited	-	-	(33)	-	33	-	-	-
Dividend distributed by subsidiary to non-controlling interests	-	-	-	-	-	-	(946)	(946)
Acquisition of a subsidiary	-	-	-	-	-	-	11,250	11,250
Total comprehensive (loss) / income for the period	-	-	-	(186,347)	59,435	(126,912)	353	(126,559)
Balance at 30 September 2024	324,604	(17,018)	8,240	184,644	1,109,810	1,610,280	24,891	1,635,171

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the 18-month financial period ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.



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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Note	CUMULATIVE*	
		9 months ended 30.09.2024 RM'000 (unaudited)	9 months ended 30.09.2023 RM'000 (unaudited)
<u>Operating Activities</u>			
Profit before tax		74,468	210,418
Adjustments for non-cash items		(76,737)	(57,112)
Operating cash flows before changes in working capital		<u>(2,269)</u>	<u>153,306</u>
Changes in working capital:			
Increase in inventories		(40,437)	(1,722)
Increase in receivables		(35,641)	(144,202)
Increase / (Decrease) in payables		15,312	(4,169)
Cash flows (used in) / from operations		<u>(63,035)</u>	<u>3,213</u>
Interest paid		(2,451)	(22,779)
Income tax paid		<u>(14,359)</u>	<u>(28,057)</u>
Net cash flows used in operating activities		<u>(79,845)</u>	<u>(47,623)</u>
<u>Investing Activities</u>			
Acquisition of a subsidiary, net of cash and cash equivalents acquired	10(b)	(34,000)	-
Interest received		84,899	62,673
Movement in amount due from joint ventures		(4,730)	13,101
Proceeds from disposal of effective interest in joint venture		-	5
Net proceeds from disposal / (purchase) of investments		85,049	(2,957)
Income received from investments		1,314	744
Proceeds from disposal of property, plant and equipment		44,970	280,626
Purchase of property, plant and equipment		<u>(1,441)</u>	<u>(663)</u>
Net cash flows from investing activities		<u>176,061</u>	<u>353,529</u>
<u>Financing Activities</u>			
Dividend paid to non-controlling interests		(946)	-
Proceeds from issuance of ordinary shares		2,684	5,029
Purchase of treasury shares		-	(3,613)
Payment of lease liabilities		(812)	(793)
Net repayment of borrowings		<u>(19,982)</u>	<u>(329,205)</u>
Net cash flows used in financing activities		<u>(19,056)</u>	<u>(328,582)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		77,160	(22,676)
Effect of foreign exchange rate changes		(26,190)	(1,832)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD		<u>170,077</u>	<u>177,714</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD*		<u><u>221,047</u></u>	<u><u>153,206</u></u>
* Cash and cash equivalents at end of financial period comprise the following:			
Fixed deposits		150,895	86,516
Cash and bank balances		<u>70,152</u>	<u>66,690</u>
Cash and cash equivalents at end of financial period		<u><u>221,047</u></u>	<u><u>153,206</u></u>

* The Group has changed its financial year end from 30 June to 31 December. Comparatives for cumulative quarters consist of 9 months results beginning 1 January 2023 to 30 September 2023.

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the 18-month financial period ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.



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

Explanatory Notes
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

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 18-month financial period ended 31 December 2023. 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 period ended 31 December 2023.

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 18-month financial period ended 31 December 2023 except for the adoption of the following amendments to Malaysian Financial Reporting Standards ("MFRSs") where applicable to the Group's financial period beginning 1 January 2024:

MFRS 17 Insurance Contracts

Amendments to MFRS 16 Lease Liability in a Sale and Leaseback

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17 Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101 Disclosure of Accounting Policies

Amendments to MFRS 101 Classification of Liabilities as Current or Non-current

Amendments to MFRS 101 Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements

Amendments to MFRS 108 Disclosure of Accounting Estimates

Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112 International Tax Reform – Pillar Two Model Rules

The adoption of the abovementioned MFRS and 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.



COASTAL CONTRACTS BHD.

Registration No. 200001015043 (517649-A)

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 2,711,100 new ordinary shares were issued pursuant to the Company's Employees' Share Option Scheme.
- (b) As at 30 September 2024, the total number of treasury shares held was 14,506,200 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.

	Gas Processing RM'000	Vessel Chartering RM'000	Shipbuilding and Shiprepair RM'000	Hospitality RM'000	Eliminations RM'000	Consolidated RM'000
<u>3 months ended 30 September 2024</u>						
Revenue						
External revenue	-	6,271	-	-	-	6,271
Inter-segment revenue	-	-	174	-	(174)	-
Total revenue	-	6,271	174	-	(174)	6,271
Results						
Loss before tax	(39,920)	(3,954)	(1,943)	(348)	-	(46,165)
<u>9 months ended 30 September 2024</u>						
Revenue						
External revenue	-	37,589	607	-	-	38,196
Inter-segment revenue	63	-	789	-	(852)	-
Total revenue	63	37,589	1,396	-	(852)	38,196
Results						
Profit / (loss) before tax	38,413	34,141	(4,514)	6,428	-	74,468
Total Assets						
30 September 2024	1,455,027	209,996	150,109	62,201	-	1,877,333
31 December 2023	1,668,927	266,538	73,710	-	-	2,009,175
Total Liabilities						
30 September 2024	24,696	6,764	201,683	9,019	-	242,162
31 December 2023	45,478	13,068	201,887	-	-	260,433

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 17 January 2024, the Company had incorporated a wholly-owned subsidiary under Companies Act 2016 of Malaysia known as Coastal Hospitality Holdings Sdn. Bhd. ("CHH"). CHH is a private company limited by shares. The issued and paid-up ordinary share capital of CHH as of date of incorporation was RM3,000. The intended principal activity of CHH is investment holding.



COASTAL CONTRACTS BHD.

Registration No. 200001015043 (517649-A)

- (b) Coastal Hospitality Holdings Sdn. Bhd. (“CHH”), a wholly-owned subsidiary of the Company had on 29 February 2024 entered into a Share Sale Agreement and on 12 March 2024 entered into a Shareholders Agreement (collectively known as “Transaction Documents”). Under the Transaction Documents, CHH shall acquire 100,000 shares in Jewel of Mabul Development Sdn. Bhd. (“JOMD”) from Richard Christopher Barnes (“Seller”) and subscribe another 1,722,222 ordinary shares in JOMD. Upon the completion of the share transfer and share subscription, CHH shall hold 82% equity interest in JOMD. The Conditions Precedent for Seller under the Transaction Documents was successfully fulfilled and satisfied by CHH on 14 March 2024.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	As at effective date of acquisition RM'000
<u><i>Fair value of purchase consideration</i></u>	
Cash	35,000
Deferred purchase consideration	9,000
Total consideration transferred	<u>44,000</u>
<u><i>Identifiable assets acquired and liabilities assumed</i></u>	
Property, plant and equipment	9,353
Right-of-use assets	52,147
Amount due from related corporations of JOMD	786 *
Cash and bank balances	16,025
Amount due to directors of JOMD	(14,302) *
Other payables	(1,509) *
Fair value of net identifiable assets acquired and liabilities assumed	<u>62,500</u>
<u><i>Gain on bargain purchase arising from acquisition</i></u>	
Total consideration transferred	44,000
Less: Fair value of net identifiable assets acquired and liabilities assumed	(62,500)
Add: Non-controlling interests	11,250
Gain on bargain purchase	<u>(7,250)</u>
<u><i>Cash flows arising from acquisition</i></u>	
Total consideration transferred	44,000
Less: Deferred purchase consideration	(9,000)
Less: Cash and bank balances of subsidiary acquired	(16,025)
Add: Net liabilities assumed and settled	15,025 *
Net cash outflow from the acquisition of subsidiary	<u>34,000</u>

- (c) On 15 April 2024, the Company received notification from the Accounting and Corporate Regulatory Authority (ACRA) of Singapore that the name of both of its dormant subsidiary companies, Coastal C I Pte. Ltd. and Coastal Supreme 1 Pte. Ltd. have been struck off from the register of ACRA.
- (d) On 21 August 2024, the Company had incorporated a wholly-owned subsidiary under Companies Act 2016 of Malaysia known as Coastal Power Holdings Sdn. Bhd. (“CPH”). CPH is a private company limited by shares. The issued and paid-up ordinary share capital of CPH is RM5,000. The intended principal activity of CPH is investment holding.
- (e) On 23 August 2024, CPH had incorporated a wholly-owned subsidiary under Companies Act 2016 of Malaysia known as Coastal Solar Sdn. Bhd. (“CS”). CS is a private company limited by shares. The issued and paid-up ordinary share capital of CS is RM5,000. The intended principal activity of CS is to own and operate renewable energy assets.
- (f) On 27 August 2024, the Company had incorporated a wholly-owned subsidiary in the British Virgin Islands known as Coastal Offshore Marine Inc. (“COM”). The issued and paid-up capital of COM is USD50,000. It is a company limited by shares and is registered under the BVI Business Companies Act 2004, Territory of the British Virgin Islands. The principal activity of COM is sale of offshore support and marine transportation vessels.



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

11 Contingent Liabilities and Contingent Assets

	RM'000
Corporate guarantees to financial institutions in respect of banking facilities granted to the Group	40,000

As at 30 September 2024, the Company is contingently liable for RM26,541,000 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 September 2024 RM'000	Cumulative 9 months ended 30 September 2024 RM'000
<i>Transactions with a Director of the Company:</i>		
- Rent of premises	9	29
<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	15
<i>Transactions with a joint venture:</i>		
- Interest income	20,232	63,149
- Service fee income	648	2,070
	648	65,219

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 2024, 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	12,902	-	-	12,902
Short term investments	83,012	-	-	83,012
	95,914	-	-	95,914

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial period ended 31 December 2023.



COASTAL CONTRACTS BHD.

Registration No. 200001015043 (517649-A)

15 Detailed Analysis of Performance

The Group's revenue for the 3 months ended 30 September 2024 (3Q2024) stood at RM6.3 million, a decrease of 55% and 89% respectively compared to last quarter's (2Q2024) RM14.1 million and last year's corresponding period (5Q2023) of RM58.4 million.

Gas Processing Division

No revenue was generated by the division in 3Q2024 and 2Q2024 due to the absence of JUGCSU charter income since December 2023. The revenue reported in 5Q2023 was RM40.0 million.

The division recorded a loss before tax of RM39.9 million in 3Q2024 as compared to the profit before tax of RM17.4 million posted in 2Q2024. The loss incurred in the current quarter was mainly attributed to an unexpected unrealised foreign exchange loss of RM65.9 million (2Q2024: gain of RM5.4 million), which was resulted by the effect of USD weakening significantly against MYR and SGD in 3Q2024, i.e. RM4.719 and SGD1.358 for USD1 at the beginning of the quarter compared to RM4.122 and SGD1.281 for USD1 at the end of the quarter. Among this RM65.9 million unrealised foreign exchange loss, RM44.0 million was arising from the amount owing from the Mexican joint venture company, Coastoil Dynamic S.A. de C.V., to the wholly-owned Singapore subsidiary, Coastal Marine Pte. Ltd., whereas the remaining portion of RM21.9 million was mainly arising from USD bank balances held by the Group as at end of the quarter. For 5Q2023, the division achieved a profit before tax of RM86.7 million, mainly owing to the profit contributed from the JUGCSU chartering.

Vessel Chartering Division

In the current quarter under review, the division booked a lower revenue of RM6.3 million, compared to the RM13.9 million and RM17.7 million achieved in 2Q2024 and 5Q2023, a reduction of 55% and 64% respectively. The lower revenue was mainly owing to the liftboat was off-hire for periodic maintenance from mid of June 2024 until end of August 2024.

The division incurred a loss before tax of RM4.0 million in 3Q2024, against the profit before tax of RM6.1 million and RM3.1 million reported in 2Q2024 and 5Q2023, respectively. The loss in 3Q2024 was mainly attributed to the liftboat was off-hire for periodic maintenance.

Shipbuilding and Shiprepair Division

No revenue was generated from this division in 3Q2024. The revenue posted in 2Q2024 and 5Q2023 were RM0.2 million and RM0.6 million, respectively. This division's revenue was generated from ship repairing contract works.

The division reported a year-on-year constant loss before tax of RM1.9 million in 3Q2024. Against 2Q2024, the loss before tax was increased by 46% from RM1.3 million owing to the higher loss of foreign exchange.

- (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 RM154.0 million of trade receivables as at 30 September 2024, RM0.9 million was subsequently received by the Group.

16 Material Change in Profit Before Tax

The Group made a loss before tax of RM46.2 million in 3Q2024, against the profit before tax of RM21.8 million and RM87.9 million achieved in 2Q2024 and 5Q2023, respectively. The loss in the current quarter was mainly attributed to an unexpected unrealised foreign exchange loss of RM65.9 million.

17 Prospects

The global economy is on the path to the post-pandemic recovery, but the recovery has been weak in the major economies of the US, China, Japan and the EU. It is also 2 years since Russia's full-scale invasion of Ukraine which has weighed negatively on global economic activity, adding to inflationary pressures worldwide and delayed the post-pandemic recovery. The war has cause volatility and elevated commodity and energy prices besides exacerbating food shortages. Inflation has also been stoked across many regions globally. The current situation in the Red Sea has also heightened supply chain concerns on a major global trade route.

US Fed has continued to maintain its interest rate which may be there for a longer period than previously anticipated. Additionally although not expected, it has not ruled out, a further hike, should it be necessary for the Fed to respond to changes in the US economic outlook. China's economic growth, post its opening after the pandemic, has also been weaker than expected, impacted by an ongoing housing crisis with weak consumer sentiments. All of these developments have resulted in greater uncertainty of the global economy.



COASTAL CONTRACTS BHD.

Registration No. 200001015043 (517649-A)

On the energy market outlook, natural gas demand is expected to experience substantial growth in the medium term as it is considered a cleaner energy alternative compared to other types of fossil energy sources. In the coming years ahead, natural gas will still play an important role in facilitating the transition to a neutral carbon world. In addition, demand for energy is expected to increase significantly in line with global population growth and economic growth of developing countries. The Management strongly believe that natural gas will be the primary fuel to meet this demand in the near to medium term.

After years of significant underinvestment in the O & G industry, the Management anticipates that global exploration and production capital expenditure spending will continue to rise in the near to medium term. The Group's strong balance sheet will provide the Group with ample room to materialise more opportunities in this industry upcycle. In line with our long term sustainable growth strategy, the Group will be scaling down its shipbuilding activities and to focus more on gas related infrastructure projects, as well as to pursue new opportunities in the renewable energy segment.

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 2024 RM'000	Cumulative 9 months ended 30 September 2024 RM'000
Interest income	22,724	69,889
Other income	1,476	5,244
Gain on bargain purchase	-	7,250
Gain on disposal of plant and equipment	-	24,564
Depreciation and amortisation	8,400	26,838
Reversal of impairment loss on receivables	-	107
Reversal of inventories written down	4	35
Fair value gain on short term investments	1,399	4,591
Fair value gain on quoted investments	1,341	1,111
Foreign exchange loss (net)	69,724	39,786

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 30 September 2024 RM'000	Cumulative 9 months ended 30 September 2024 RM'000
Income tax expense comprises:		
Current tax charge	3,689	13,076
Deferred tax charge / (reversal)	2	1
	<u>3,691</u>	<u>13,077</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 expenses of the Company and certain subsidiaries of the Group in other jurisdiction.



COASTAL CONTRACTS BHD.

Registration No. 200001015043 (517649-A)

21 Status of Corporate Proposals

There were no corporate proposals that have been announced but not completed as at 27 November 2024.

22 Group Borrowings and Debt Securities

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

	As at 30 September 2024 RM'000
Short term	
Secured	12,421
Unsecured	15,331
	<u>27,752</u>
Long term	
Secured	1,056
Unsecured	4,654
	<u>5,710</u>
Total	<u>33,462</u>

Apart from RM12.7 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 0.021 from last quarter's 0.022. The reduction was mainly due to repayment of short term borrowings. Internally generated funds derived from operations were utilised to sustain the Group's working capital requirements during the quarter under review.

The current gearing is within management comfort level.

23 Material Litigation

The Group is not engaged in any material litigation and is not aware of any proceedings which may materially affect the position or business of the Group as at 27 November 2024.

24 Dividend Payable

No interim dividend has been declared for the current quarter ended 30 September 2024.

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 September 2024	Cumulative 9 months ended 30 September 2024
<i>Basic (loss) / earnings per share</i>		
(Loss) / Profit attributable to owners of the Company (RM'000)	(49,073)	59,435
Weighted average number of ordinary shares in issue ('000)	534,866	534,313
Basic (loss) / earnings per share (sen)	(9.17)	11.12



COASTAL CONTRACTS BHD.

Registration No. 200001015043 (517649-A)

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 September 2024	Cumulative 9 months ended 30 September 2024
<i>Diluted (loss) / earnings per share</i>		
(Loss) / Profit attributable to owners of the Company (RM'000)	(49,073)	59,435
Weighted average number of ordinary shares in issue ('000)	534,866	534,313
Effect of dilution of ESOS ('000)	14,779	13,956
Adjusted weighted average number of ordinary shares ('000)	<u>549,645</u>	<u>548,269</u>
Diluted (loss) / earnings per share (sen)	(8.93)	10.84

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 18-month financial period ended 31 December 2023 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 November 2024.