



COASTAL CONTRACTS BHD (Company No. 517649-A)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012

	Note	INDIVIDUAL		CUMULATIVE	
		3 months ended 31.12.2012 RM'000 (unaudited)	3 months ended 31.12.2011 RM'000 (unaudited)	12 months ended 31.12.2012 RM'000 (unaudited)	12 months ended 31.12.2011 RM'000 (audited)
Revenue	8	193,652	219,244	764,372	719,133
Cost of sales and services		(160,445)	(162,419)	(637,355)	(522,484)
Gross profit		<u>33,207</u>	<u>56,825</u>	<u>127,017</u>	<u>196,649</u>
Other income		1,705	1,251	10,853	7,856
Administrative expenses		(5,309)	(5,067)	(12,647)	(11,641)
Other expenses		(1,444)	(846)	(7,761)	(1,024)
Finance costs		(33)	(35)	(136)	(519)
Profit before tax	8, 18	<u>28,126</u>	<u>52,128</u>	<u>117,326</u>	<u>191,321</u>
Income tax expense	19	259	(534)	1,262	(685)
Profit for the period		<u><u>28,385</u></u>	<u><u>51,594</u></u>	<u><u>118,588</u></u>	<u><u>190,636</u></u>
Attributable to: Owners of the parent		<u><u>28,385</u></u>	<u><u>51,594</u></u>	<u><u>118,588</u></u>	<u><u>190,636</u></u>
Earnings per share attributable to owners of the parent:					
- basic (sen)	26	5.88	10.68	24.54	39.45
- diluted (sen)	26	<u>5.88</u>	<u>10.68</u>	<u>24.54</u>	<u>39.45</u>

These Condensed Consolidated Income Statements should be read in conjunction with the the accompanying explanatory notes attached to these interim financial statements.



COASTAL CONTRACTS BHD (Company No. 517649-A)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012

	INDIVIDUAL		CUMULATIVE	
	3 months ended 31.12.2012 RM'000 (unaudited)	3 months ended 31.12.2011 RM'000 (unaudited)	12 months ended 31.12.2012 RM'000 (unaudited)	12 months ended 31.12.2011 RM'000 (audited)
Profit for the period	28,385	51,594	118,588	190,636
Other comprehensive (loss) / income:				
Currency translation differences arising from consolidation	14(a) (1,503)	(1,707)	(22,183)	17,711
Net gain on available-for-sale financial assets	29	-	29	-
Total comprehensive income for the period	<u>26,911</u>	<u>49,887</u>	<u>96,434</u>	<u>208,347</u>
Attributable to:				
Owners of the parent	<u>26,911</u>	<u>49,887</u>	<u>96,434</u>	<u>208,347</u>

These Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



COASTAL CONTRACTS BHD (Company No. 517649-A)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

		As at 31.12.2012 RM'000 (unaudited)	As at 31.12.2011 RM'000 (audited) (restated)	As at 01.01.2011 RM'000 (audited) (restated)
	Note			
ASSETS				
Non-current assets				
Property, plant and equipment		74,861	90,559	106,504
Investment properties		4,019	-	-
Intangible asset		5,884	5,884	5,884
Deferred tax assets		371	287	243
Other receivable		962	1,756	-
Investment securities	14(b)	365	-	-
		<u>86,462</u>	<u>98,486</u>	<u>112,631</u>
Current assets				
Inventories	14(c)	788,631	819,197	786,899
Trade receivables	14(d)	12,930	10,348	16,575
Other receivables	14(e)	50,997	53,061	26,450
Tax refundable		570	702	571
Cash and bank balances		208,323	150,000	149,792
		<u>1,061,451</u>	<u>1,033,308</u>	<u>980,287</u>
TOTAL ASSETS	8	<u>1,147,913</u>	<u>1,131,794</u>	<u>1,092,918</u>
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital		96,654	96,654	72,490
Share premium		-	-	18,664
Treasury shares		(303)	(82)	-
Currency translation reserve		(4,472)	17,711	-
Fair value adjustment reserve		29	-	-
Warrant reserve		25,269	25,269	-
Retained earnings	20	717,580	630,881	511,494
Total equity		<u>834,757</u>	<u>770,433</u>	<u>602,648</u>
Non-current liabilities				
Borrowings	22	7,519	11,414	14,747
Deferred tax liabilities		3,559	5,525	5,054
		<u>11,078</u>	<u>16,939</u>	<u>19,801</u>
Current liabilities				
Borrowings	22	4,018	4,089	36,332
Trade payables		6,081	8,077	4,582
Other payables	14(f)	291,692	332,233	429,502
Current tax payable		287	23	53
		<u>302,078</u>	<u>344,422</u>	<u>470,469</u>
Total liabilities		<u>313,156</u>	<u>361,361</u>	<u>490,270</u>
TOTAL EQUITY AND LIABILITIES		<u>1,147,913</u>	<u>1,131,794</u>	<u>1,092,918</u>
Net assets per share (RM)		<u>1.7278</u>	<u>1.5943</u>	<u>1.2470*</u>

* Restated for the effects of 1:3 bonus issue on 18 July 2011

These Condensed Consolidated Statements of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



COASTAL CONTRACTS BHD (Company No. 517649-A)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012

Note	Attributable to owners of the parent							Total
	Non distributable					Distributable		
	Share capital	Share premium	Treasury shares	Currency translation reserve	Fair value adjustment reserve	Warrant reserve	Retained earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 months ended 31 December 2011 (audited)								
Balance at 1 January 2011 (restated)	72,490	18,664	-	-	-	-	511,494	602,648
Issuance of ordinary shares pursuant to: - Bonus Issue	24,164	(18,664)	-	-	-	-	(5,500)	-
Issuance of warrants	-	-	-	-	-	25,269	(25,269)	-
Share and warrants issuance expenses	-	-	-	-	-	-	(249)	(249)
Purchase of treasury shares	-	-	(82)	-	-	-	-	(82)
Total comprehensive income for the period	-	-	-	17,711	-	-	190,636	208,347
Interim dividend for the financial year ended 31 December 2010	-	-	-	-	-	-	(19,935)	(19,935)
Interim dividend for the financial year ended 31 December 2011	-	-	-	-	-	-	(20,296)	(20,296)
Balance at 31 December 2011 (restated)	96,654	-	(82)	17,711	-	25,269	630,881	770,433
12 months ended 31 December 2012 (unaudited)								
Balance at 1 January 2012 (restated)	96,654	-	(82)	17,711	-	25,269	630,881	770,433
Purchase of treasury shares	6	-	(221)	-	-	-	-	(221)
Total comprehensive (loss) / income for the period	-	-	-	(22,183)	29	-	118,588	96,434
Interim dividend for the financial year ended 31 December 2011	7	-	-	-	-	-	(18,362)	(18,362)
Interim dividend for the financial year ended 31 December 2012	7	-	-	-	-	-	(13,527)	(13,527)
Balance at 31 December 2012	96,654	-	(303)	(4,472)	29	25,269	717,580	834,757

These Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



COASTAL CONTRACTS BHD (Company No. 517649-A)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2012**

	CUMULATIVE	
	12 months ended 31.12.2012 RM'000 (unaudited)	12 months ended 31.12.2011 RM'000 (audited)
<u>Operating Activities</u>		
Profit before tax	117,326	191,321
Adjustments for non-cash items	4,322	2,674
Operating cash flows before changes in working capital	121,648	193,995
Changes in working capital:		
Decrease / (increase) in inventories	4,017	(9,803)
Decrease / (increase) in receivables	29,962	(20,323)
Decrease in payables	(63,819)	(102,550)
Cash flows from operations	91,808	61,319
Interest paid	(968)	(1,492)
Income tax paid	(392)	(423)
Net cash flows from operating activities	90,448	59,404
<u>Investing Activities</u>		
Interest received	565	397
Proceeds from disposal of property, plant and equipment	8,326	16,684
Purchase of property, plant and equipment	(935)	(2,422)
Net cash flows from investing activities	7,956	14,659
<u>Financing Activities</u>		
Share and warrants issuance expense	-	(249)
Purchase of treasury shares	(221)	(82)
Dividends paid on ordinary shares	(31,889)	(40,231)
Proceeds from borrowings	43,430	8,708
Repayment of borrowings	(47,605)	(43,881)
Net cash flows used in financing activities	(36,285)	(75,735)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	62,119	(1,672)
Effect of foreign exchange rate changes	(3,796)	2,699
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	150,000	148,973
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD*	208,323	150,000
* Cash and cash equivalents at end of financial period comprise the following:		
Fixed deposits	146,873	90,153
Cash and bank balances	61,450	59,847
Cash and cash equivalents at end of financial period	208,323	150,000

Subsequent to 31 December 2012, RM67.7 million of fixed deposits were utilised for payment to contractors and suppliers.

These Condensed Consolidated Statements of Cash Flow should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.



Explanatory Notes

FOR THE QUARTER ENDED 31 DECEMBER 2012

1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS")

These condensed consolidated interim financial statements, for the period ended 31 December 2012, 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. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ended 31 December 2012. MFRS 1 *First-Time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") has been applied.

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 year ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position, financial performance and cash flows is set out in Note 2 below. This note include reconciliation of equity for comparative period reported under FRS to those reported for those period under MFRS. The transition from FRS to MFRS has not had a material impact on the total comprehensive income and the statement of cash flows.

2 Significant Accounting Policies and Application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

Foreign Currency Translation Reserve

Under FRS, the Group recognised translation differences on foreign operations in a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be zero as at the date of transition to MFRS. Accordingly, at date of transition to MFRS, the cumulative foreign currency translation differences of RM44,879,251 (31 December 2011: RM44,879,251) were adjusted to retained earnings.

The reconciliation of equity for comparative period reported under FRS to those reported for those period under MFRS is provided below:

Reconciliation of equity as at 31 December 2011

	FRS as at 31 December 2011 RM'000	Reclassifications RM'000	MFRS as at 31 December 2011 RM'000
Equity			
Currency translation reserve	(27,168)	44,879	17,711
Retained earnings	675,760	(44,879)	630,881



COASTAL CONTRACTS BHD (Company No. 517649-A)

3 Seasonal or Cyclical Factors

The Group's performance is affected by the global and regional economic conditions. The demand for vessels as well as shiprepair and charter services are closely associated with the 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

For the period ended 31 December 2012, 110,000 ordinary shares of RM0.20 each were repurchased in the open market at an average price of RM2.02 per share. The total consideration paid for the repurchase including transaction costs amounted to RM221,748 and were financed by internally generated funds. The shares repurchased are retained as treasury shares of the Company. As at 31 December 2012, the total number of treasury shares held was 150,000 ordinary shares of RM0.20 each.

Save as disclosed above, there were no other issue, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period under review.

7 Dividends Paid

The following dividends were paid during the financial year-to-date:

	RM'000
Second interim tax exempt dividend of 19% equivalent to 3.8 sen per ordinary share paid on 10 April 2012 for the financial year ended 31 December 2011	18,362
First interim tax exempt dividend of 14% equivalent to 2.8 sen per ordinary share paid on 27 September 2012 for the financial year ended 31 December 2012	13,527
	31,889
	31,889

8 Segment Information

Segment information is presented in respect of the Group's primary business segments, which is based on the Company's management and internal reporting structure.

	Shipbuilding and Shiprepair RM'000	Vessel Chartering RM'000	Eliminations RM'000	Consolidated RM'000
<u>3 months ended 31 December 2012</u>				
Revenue				
External revenue	190,387	3,265	-	193,652
Inter-segment revenue	751	2,418	(3,169)	-
Total revenue	191,138	5,683	(3,169)	193,652

Results

Profit before tax	28,213	(87)	-	28,126
	28,213	(87)	-	28,126

12 months ended 31 December 2012

Revenue

External revenue	753,923	10,449	-	764,372
Inter-segment revenue	1,536	5,015	(6,551)	-
Total revenue	755,459	15,464	(6,551)	764,372
	755,459	15,464	(6,551)	764,372



COASTAL CONTRACTS BHD (Company No. 517649-A)

	Shipbuilding and Shiprepair RM'000	Vessel Chartering RM'000	Eliminations RM'000	Consolidated RM'000
Results				
Profit before tax	117,053	273	-	117,326
Total Assets				
31 December 2012	1,095,358	52,555	-	1,147,913
31 December 2011	1,063,271	68,523	-	1,131,794

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 subsidiaries	250,754

As at 31 December 2012, the Company is contingently liable for RM11,025,000 of banking facilities utilised by its subsidiaries.

12 Capital Commitments

There was no material capital commitment as at the end of the current quarter.

13 Related Party Transactions

	Individual 3 months ended 31 December 2012 RM'000	Cumulative 12 months ended 31 December 2012 RM'000
<i>Transactions with a company in which certain Directors of the Company have financial interests:</i>		
- Top Pride Sdn. Bhd. Rent of premises	3	10
<i>Transactions with a person connected with certain Directors of the Company:</i>		
- Ng Lai Whoon Rent of premises	5	19
<i>Transactions with a Director of the Company:</i>		
- Ng Chin Shin Rent of premises	5	19

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.



COASTAL CONTRACTS BHD (Company No. 517649-A)

14 Detailed Analysis of Performance

For the final 3 months ended 31 December 2012 (4Q2012), Coastal Group achieved a revenue of RM193.7 million, an increase of 9% from RM177.1 million booked in last quarter (3Q2012). Compared against the fourth quarter of 2011 (4Q2011), revenue was down by 12% from RM219.2 million.

Shipbuilding and Shiprepair Division

In the current quarter under review, the division's revenue has edged up 10% to RM190.4 million from 3Q2012's RM173.5 million. Year-on-year, the revenue has dropped by 12% from RM215.5 million. Of the total 4 units of vessels delivered in 4Q2012 (3Q2012: 7 units; 4Q2011: 13 units), all were high-end offshore support vessels (3Q2012: 3 units; 4Q2011: 2 units).

The division registered a constant profit margin before tax of 15% (RM28.2 million) in 4Q2012 as compared to 3Q2012. Against 4Q2011, the profit margin before tax has fallen 9% from 24% (RM52.6 million) as a result of the narrower margins derived from the sale of vessels.

Vessel Chartering Division

The revenue generated from this division in 4Q2012 stood at RM3.3 million, eased by RM0.3 million (or 8%) from RM3.6 million recorded in 3Q2012 and by RM0.4 million (or 11%) from RM3.7 million in 4Q2011. The poorer performance was owing to lower tonnage transported.

The division incurred a loss margin before tax of 3% (RM0.1 million in loss) in 4Q2012 as compared to the profit margin before tax of 72% (RM2.6 million) achieved in 3Q2012, as a result of the higher administrative expenses incurred as well as lower gain on disposal of used vessels. Compared with 4Q2011, the loss margin before tax has improved by 8% from 11% (RM0.4 million in loss). This was mainly attributed to greater gain on disposal of used vessels.

- (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) The Group's investment securities comprises available-for-sale investment in quoted shares.
- (c) Included in inventories of the Group were finished goods of RM326.7 million (31 December 2011: RM430.9 million) and vessels work-in-progress of RM449.7 million (31 December 2011: RM373.1 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.
- (d) Out of the RM12.9 million of trade receivables as at 31 December 2012, RM2.5 million was subsequently received by the Group.
- (e) Included in other receivables of the Group were payments made to suppliers and contractors totalling RM31.1 million (31 December 2011: RM35.2 million) to secure the supply of input materials, equipment and services intended for the Group's rolling vessel building programme.
- (f) Included in other payables were advance payments received from vessel buyers totalling RM278.1 million (31 December 2011: RM320.0 million), a good testament of the Group's healthy order book.

15 Material Change in Profit Before Tax

The Group registered a fairly consistent profit before tax of RM28.1 million in 4Q2012, a marginal decrease of 3% compared with RM29.1 million recorded in 3Q2012. The constant profit achieved despite higher revenue reported was a combined effect of greater administrative expenses, lower capital gain and lower foreign exchange loss. Against 4Q2011, profit before tax has fallen by 46% from RM52.1 million, as a result of the narrower margins derived from the sale of vessels by Shipbuilding Division.



16 Prospects

More than five years after the financial crisis, the global economy remains weak, with very high unemployment in advanced economies and continued below trend growth overall. However, currently there are some signs of improvement although significant downside risks remain. Despite the oil market in 2012 has been strongly impacted by the great uncertainty in the global economy, the medium to long term fundamentals for the offshore and marine industry remains good, underpinned by growing energy demand from developing economies. The Group foresees the oil and gas market outlook for 2013 remains positive given that the OSV market is expected on a gradual road of recovery.

Moving forward, the Group will continue focus on building more expensive technologically advanced and deepwater-capable vessels in future given that the demand is anticipated to increase consistently with the increase in deepwater fields. At the meantime, the Group is working in tandem to pursue opportunities for diversifying into offshore structure fabrication business as well as upstream segment of oil and gas industry.

17 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.

18 Profit Before Tax

The following items have been included in arriving at profit before tax:

	Individual 3 months ended 31 December 2012 RM'000	Cumulative 12 months ended 31 December 2012 RM'000
Interest income	180	565
Other income	921	5,674
Depreciation and amortisation	1,795	7,491
Bad debts written off	-	114
Impairment loss on available-for-sale investment	-	694
Foreign exchange loss (net)	161	1,660

There were no provision for and write off of inventories, 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.

19 Income Tax Expense

	Individual 3 months ended 31 December 2012 RM'000	Cumulative 12 months ended 31 December 2012 RM'000
Income tax expense comprises:		
Current tax (reversal) / charge	(288)	789
Deferred tax charge / (reversal)	29	(2,051)
	(259)	(1,262)

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.



20 Retained Earnings

The retained earnings as at 31 December 2012 and 31 December 2011 were further analysed as follows:

	As at 31 December 2012 RM'000	As at 31 December 2011 RM'000 (restated)
Total retained earnings of the Group:		
- Realised	774,077	684,376
- Unrealised	(1,889)	(3,581)
	772,188	680,795
Consolidation adjustments	(54,608)	(49,914)
Total Group retained earnings as per consolidated accounts	717,580	630,881

21 Status of Corporate Proposals

There were no corporate proposals that have been announced but not completed as at 25 February 2013.

22 Group Borrowings and Debt Securities

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

	As at 31 December 2012 RM'000
Secured	
Short term	4,018
Long term	7,519
Total	11,537

All the borrowings are denominated in Ringgit Malaysia.

The debt-equity ratio of the Group has reduced to 0.014 from last quarter's 0.016. The reduction was mainly due to repayment of short term borrowings and lower utilisation of credit facilities. 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 Financial Instruments

(a) Derivatives

There were no outstanding derivatives as at 31 December 2012.

(b) Gains or Losses Arising from Fair Value Changes of Financial Liabilities

As the Group did not have any financial liabilities measured at fair value through profit or loss, there were no gains or losses arising from fair value changes of financial liabilities for the current quarter and financial year-to-date.



24 Material Litigation

As announced on 26 September 2012, the Company's wholly-owned subsidiary, Seri Modalwan Sdn Bhd ("SM"), had on 24 September 2012 received a Writ of Summons and Statement of Claim dated 20 September 2012 from a customer, namely PT Mainstream Indonesia ("PTMI") and its affiliate, Mainstream Venture Sdn Bhd ("collectively referred to as the Plaintiffs") pertaining to the loss of use and damage to PTMI's vessel while under repair at SM's premises. The Plaintiffs alleged that the damage to the subject vessel by fire was due to negligence of SM, which allegation was denied by SM. The Plaintiffs claim for the sum of RM7,927,314.46 being the cost of the subject vessel and the loss of income for the subject vessel from September 2011 to July 2012 and other relevant costs, interest, cost and such other relief as may be appropriate or just. As announced on 19 November 2012, SM had via its solicitors filed a Statement of Defence on 16 November 2012 in response to the Statement of Claim served by the Plaintiffs. Subsequently on 30 November 2012, the Plaintiffs served a Statement of Reply against SM. There is no further development on the above litigation proceedings as of to date.

The Group is not engaged in other material litigation and is not aware of any proceedings which materially affect the position or business of the Group as at 25 February 2013.

25 Dividend Payable

On 25 February 2013, the Directors declared a second interim tax exempt dividend of 14% equivalent to 2.8 sen per ordinary share in respect of the financial year ended 31 December 2012. This dividend will be payable on 28 March 2013 to depositors registered in the Records of Depositors at close of business on 13 March 2013. There was no dividend declared in the corresponding period of last year.

Inclusive of the first interim tax exempt dividend of 2.8 sen per ordinary share paid on 27 September 2012, the total tax exempt dividend distribution per ordinary share in respect of the financial year ended 31 December 2012 was 5.6 sen.

26 Earnings Per Share

Basic earnings per share attributable to owners of the parent

Basic earnings per share of the Group was calculated by dividing the profit for the period attributable to owners of the parent by the weighted average number of ordinary shares in issue during the period excluding treasury shares held by the Company.

	Individual 3 months ended 31 December 2012	Cumulative 12 months ended 31 December 2012
<i>Basic earnings per share</i>		
Profit attributable to owners of the parent (RM'000)	28,385	118,588
Weighted average number of ordinary shares in issue ('000)	483,119	483,162
Basic earnings per share (sen)	5.88	24.54

Diluted earnings per share attributable to owners of the parent

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 warrants ("Warrants"). The dilutive portion of the ordinary shares deemed issued pursuant to the Warrants are accounted for in the diluted earnings per share calculation. The Warrants will have a dilutive effect only when the average market price of ordinary shares of the Company during the period exceeds the exercise price of the options granted. As the average market price of ordinary shares during the period (RM1.96) was lower than the exercise price of the options (RM3.18), the options were not assumed to be exercised because they were antidilutive in the period.

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)

27 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the Group's most recent annual audited financial statements for the year ended 31 December 2011 was not subject to any qualification.

28 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 25 February 2013.