



## Coastal Contracts posts RM137.8 million net profit for 12M FY15/16

- *Recurring income from charter of Jack Up Gas Compression Service Unit (JUGCSU) on track to commence in 1H16*
- *Declares second interim single-tier dividend of 2.0 sen per share in respect of FY15/16\* payable on 28 March 2016*

Sandakan, Sabah, Malaysia, 25 February 2016 - Leading offshore support vessels (OSV) fabricator Coastal Contracts Bhd (Coastal Contracts, the Group, 沿海工程, Bloomberg COCO:MK, Reuters: CTAL.KL) posted net profit of RM137.8 million for the twelve months ended 31 December 2015 (12M FY15/16\*), down 27.0% from RM188.7 million in FY2014 due to fewer deliveries of OSV, in line with the challenging oil and gas (O&G) market globally.

Group revenue for 12M FY15/16 however rose 83.5% to RM1.6 billion compared to RM877.2 million a year ago, primarily due to the sale of the jack-up rig - Coastal Driller 4001.

“Going into 2016, we would strive to secure more orders from existing and new markets to strengthen our existing order book of about RM1.2 billion.

Additionally, our JUGCSU which comes with a 12-year charter contract to Petróleos Mexicanos (PEMEX) worth USD370 million, is currently undergoing commissioning in Mexican waters. It is on track to commence in the first half of 2016, and would provide us with a steady source of recurring income.

Overall, the Group is well placed financially to navigate these challenging times. This comes on the back of our long-standing industry experience over the past 30 years, effectively weathering various economic cycles.

**Ng Chin Heng (黄振兴)**  
*Executive Chairman, Coastal Contracts Bhd*

Of total 12M FY15/16 group revenue, the shipbuilding segment contributed RM756.3 million, while the vessel chartering segment contributed RM12.5 million. The balance RM841.0 million was contributed by sale of *Coastal Driller 4001*.

For the three months ended 31 December 2015 (4Q FY15/16), group net profit declined 66.0% to RM13.3 million compared to RM39.1 million in the previous year, due to lower margins for OSVs and foreign exchange losses.



Meanwhile, group revenue for 4Q FY15/16 was marginally changed at RM173.6 million compared to RM177.7 million a year ago.

Commenting on future prospects, Ng said that the current downturn in the global oil and gas market would cause a temporary slowdown in OSV orders.

“That said, we strive to position ourselves as one of the leading cost-effective OSV providers, and would continue to market our products through existing channels in order to tap into demand from the OSV replacement market.”

“We also seek to expand our brand into new markets, such as Mexico and South America, which would strengthen our prospects in the long run.”

The Group declared a second interim single-tier dividend of 2.0 sen per share in respect of FY15/16\*, translating into a payout of RM10.6 million. The dividend would be paid on 28 March 2016 to shareholders on the Record of Depositors on 14 March 2016.

Together with the earlier paid first interim dividend of 2.0 sen per share, total dividends in respect of FY15/16\* amount to 4.0 sen per share, translating into a payout of RM21.2 million.

Financial Summary (Consolidated Results)						
	Unaudited				Unaudited	Audited
	4Q FY15/16	4Q14		12M FY15/16*	FY14	
RM'mil	31.12.15	31.12.14	Change	31.12.15	31.12.14	Change
Revenue	173.6	177.7	(2.3%)	1,609.8	877.2	83.5%
Pre-tax Profit	12.7	39.5	(67.8%)	137.6	190.9	(27.9%)
Net profit to shareholders	13.3	39.1	(66.0%)	137.8	188.7	(27.0%)
Basic EPS (sen)	2.51	7.36	(65.9%)	25.96	36.26	(28.4%)

\*Coastal Contracts changed its financial year end from 31 December to 30 June as announced on 25 August 2015. The current financial period will therefore cover an 18 months period from 01 Jan 2015 to 30 June 2016.



## About Coastal Contracts Bhd

Established in 1982 and listed on the Main Market of Bursa Malaysia Securities Berhad since August 2003, Coastal Group has two main business units namely Shipbuilding Division and Oil & Gas Division. Shipbuilding Division specialises in fabrication and sale of Offshore Support Vessels (“OSV”) and marine transportation vessels whereas Oil & Gas Division focus on the development, ownership and chartering of strategic offshore assets for oil & gas upstream sector.

In addition, the Group’s combined yard space of about 100 acres is equipped with engineering facilities offering vessel and offshore structure fabrication, as well as repair and maintenance services.

Coastal Group has globe-straddling business networks and diversified customer base spanning across many geographical locations, from Malaysia, Indonesia and Singapore to as far away as the Middle East, Europe, Africa and the American continents. Coupled with proven track records and a visionary management team that has close to 30 years of extensive experience in the maritime industry, Coastal Group is primed to benefit from the global growth in offshore oil and gas exploration, development and production activities as well as in regional commodities shipping.

Coastal has the prestigious honour of being featured in Forbes Asia’s list of **200 Best Under a Billion** for six years running (2006 to 2011). The annual list picked 200 top-performing publicly traded corporations in Asia Pacific (with annual revenue between USD5 million and USD1 billion) based on earnings growth, sales growth and return on equity in the past twelve months and over three years. On top of that, Coastal was also a winner of the **KPMG Shareholder Value Award** for five straight years (in respect of financial performance for 2005 to 2010). KPMG’s awards applauded the top public listed companies in Malaysia that have focused on using their capital efficiency towards the creation of improved economic profits for shareholders. In addition to the commendations mentioned above, Coastal was also presented with “The Most Profitable Company Award” for the Industrial Products Sector at **TheEdge Billion Ringgit Club 2011 Corporate Awards** held in July 2011. Coastal won this distinctive award for achieving the highest return on equity over the last three financial years.

Issued for and on behalf of Coastal Contracts Bhd by Aquilas Advisory (Malaysia) Sdn. Bhd. For media enquiries, please contact:

Ms. Julia Pong    [julia@aquilas.com.my](mailto:julia@aquilas.com.my)    T: +603-2711 1391 / +6012-3909 258