



**PRESS RELEASE**

## **Coastal Contracts' JUGCSU continues to contribute to the Group's earnings**

- Recurring income from JUGCSU contributing to the Group's earnings
- Delivered 4 units of vessels valued at RM183.5 million despite dampened OSV demand
- Declares second interim dividend of 1.0 sen, to be paid on 3 October 2017 to shareholders registered on 18 September 2017



**Sandakan, Sabah, Malaysia, 30 August 2017 – Coastal Contracts Bhd's (Coastal Contracts, the Group, 沿海工程, Bloomberg COCO:MK, Reuters: CTAL.KL) revenue for the three months ended 30 June 2017 (4Q17), rose 10.1% to RM221.1 million, from RM200.8 million in the three months ended 30 June 2016 (6Q16), mainly attributable to four units of vessel delivered during the current quarter. Profit after tax for 4Q17, increased by RM1.31 million to RM14.18 million as compared to 6Q16. For 12 months ended 30 June 2017, the Group recorded profit after tax of RM49.04 million.**



JUGCSU has been the key contributor to the Group’s earnings. It has contributed consistent recurring stream of income to the Group. The JUGCSU, AGOSTO 12 marked its first anniversary since Commercial Operation Date achieved in August 2016. AGOSTO 12 is currently working at Pemex’s Cantarell Oil Field in the Gulf of Mexico. Since August last year AGOSTO 12 had been producing and supplying compressed gas smoothly to Pemex.

“Our shipbuilding division has managed to deliver 4 units of vessel in the current quarter. Even though the deliveries were not as good as it used to be when oil price was high, we have seen the market condition has improved as compared to the last two years. We expect that the OSV market rebalancing cycle will commence soon and would be ended by the year 2020.”

“Nevertheless, we are glad to see our gas compression business started nurturing success. We are very optimistic with this new business prospect given that this type of Enhance Oil Recovery initiative would be one of the most economical ways for oil producers to boost up their production under current lower-for-longer environment.”

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

In line with Coastal Contracts’ commendable performance under this challenging market condition, the Group today declared a second interim single tier dividend of 1.0 sen per share, payable to shareholders on 3 October 2017 based on the Record of Depositors on 18 September 2017.

Together with an earlier-declared dividend of 1.0 sen per share, dividends in respect of FY2017 amounted to 2.0 sen or RM10.5 million. This represents approximately 21.5% of group net profit in respect of FY2017.

Financial Summary (Unaudited Consolidated Results)						
	4Q17	6Q16		FY17	FY16*	
RM'000	30.06.17	30.06.16	Change	30.06.17	30.06.16	Change
Revenue	221,077	200,839	10.1%	420,377	1,490,929	(71.8%)
Pre-tax Profit	20,436	16,819	21.5%	69,633	71,430	(2.5%)
Net profit to shareholders	14,176	12,867	10.2%	49,037	65,467	(25.1%)
Basic EPS (sen)	2.69	2.43	10.7%	9.27	12.34	(24.9%)

\*Coastal Contracts has changed its financial year end from 31 December to 30 June. Comparatives for cumulative quarters consist of 12 months results beginning 1 July 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 Coastal Contracts Bhd. For media enquiries, please contact:**

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