



MINUTES of the Twenty Third Annual General Meeting of the Company held at the Registered Office, Block G, Lot 3B, Bandar Leila, 90000 Sandakan, Sabah on Thursday, 13 June 2024 at 10:00 am.

1. **PRESENT**

Members:

As per Attendance Lists attached.

Directors:

Mr Ng Chin Heng
Mr Ng Chin Shin
Madam Alice Ng
Mr Jacob O Pang Su Yin
Tuan Hj. Ir Intizam Bin Ayub
Mr Seeto Yee @ Seeto Tin Yee

2. **IN ATTENDANCE**

Ms Dorothy Luk Wei Kam - Company Secretary

3. **BY INVITATION**

Mr Kong Wei Ket - Chief Financial Officer/Group Accountant
Mr Vincent Delgado - Finance Manager, CCB
Madam Tan Shuk Wai – Chief Accountant, CCB
Mr Richard Tan Loke Yew - Messrs Crowe Malaysia PLT
Mr Chong Wei-Chnoong - Messrs Crowe Malaysia PLT
Ms Yee Fei Ting - Messrs. Tsang & Co.
Mr Chiang Wai Lik - Messrs. Tsang & Co.
Ms Siow Pui Nyuk - Messrs. Tsang & Co.

4. **CHAIRMAN OF THE MEETING**

The Meeting commenced at 10:00 am with the Chairman, Mr Ng Chin Heng in the Chair. The Chairman, on behalf of the Board and the Company, welcomed all present at the Twenty Third Annual General Meeting of the Company. The Chairman then reminded the members and proxies present to sign the Attendance Register.

5. **QUORUM**

The Company Secretary confirmed that the requisite quorum was present.



MINUTES OF THE TWENTY THIRD ANNUAL GENERAL MEETING [CONT'D]

6. NOTICE

The Chairman remarked that the notice convening the Meeting had been in the hands of the members for the necessary period and shall be taken as read.

7. AGENDA 1

REPORTS AND AUDITED FINANCIAL STATEMENTS

: The Chairman proceeded with the first item on the Agenda, to receive the Reports and Audited Financial Statements for the financial period ended 31 December 2023 ("FY 2023").

He informed the Members that this agenda is meant for the Members to receive and discuss on the Reports and Audited Financial Statements for the FY 2023 and that a formal approval by the Members is not required by Section 340(1)(a) of the Companies Act 2016. Hence, it will not be put forward for voting. He then invited the Members to raise questions, if any, on the aforesaid Financial Statements.

In view of the fact that no members or proxies raised any questions at the Meeting, the Chairman then informed the present that the Company had received the questions raised by the member, Badan Pengawas Pemegang Saham Minoriti Berhad ("MSWG") on 6 June 2024 and as per their request, the Company has replied to them in writing. There were a total of six questions: three questions related to Operational and Financial Matters, two questions related to Corporate Governance Matters and one question related to Sustainability Matter.

Madam Alice Ng was invited to read out the Company's answers to the questions of the MSWG for the information of the members present at the Meeting, a copy of which was annexed herewith as per Annexure I, to this Minutes of the Meeting.

After sharing the questions and answers of MSWG and since no further question was raised by the members, the Chairman continued with the Meeting and informed the members present that, pursuant to the requirement of the Main Market Listing Requirements, any proposed resolution set out in any Notice of General Meeting shall be voted by poll.

The Chairman proposed that in the interest of time, voting by poll for all the proposed resolutions be conducted at one go immediately after all the motions set out in Agenda 2 to Agenda 8 in the Notice of the Twenty Third Annual General Meeting, had been duly tabled.



MINUTES OF THE TWENTY THIRD ANNUAL GENERAL MEETING [CONT'D]

The aforesaid proposal of the Chairman was seconded by Mr Lam Jin Yip and it was RESOLVED:

“ THAT in the interest of time, voting by poll for all the proposed resolutions be conducted at one go immediately after all the motions set out in Agenda 2 to Agenda 8 in the Notice of the Twenty Third Annual General Meeting, had been duly tabled. ”

8. AGENDA 2

**APPROVAL FOR
THE PAYMENT OF
FEES AND
BENEFITS TO
NON-EXECUTIVE
DIRECTORS FOR
THE PERIOD
FROM 1
DECEMBER 2023
TO 13 JUNE 2024**

: RESOLUTION 1

The Chairman proceeded to Agenda 2, to approve the payment of Fees and Benefits to the Non-Executive Directors of up to but not exceeding the amount of RM80,000/- for the period from 1 December 2023 to 13 June 2024.

The aforesaid motion was proposed by Madam Lee Fui Siam and seconded by Madam Fong Xiao Yun.

The Chairman stated that the motion had been proposed and seconded and he then proceeded to Agenda 3.

9. AGENDA 3

**APPROVAL FOR
THE PAYMENT OF
FEES AND
BENEFITS TO
NON-EXECUTIVE
DIRECTORS FOR
THE PERIOD
FROM 14 JUNE
2024 UNTIL THE
NEXT ANNUAL
GENERAL
MEETING**

: RESOLUTION 2

The Chairman proceeded to Agenda 3, to approve the payment of Fees and Benefits to the Non-Executive Directors of up to but not exceeding the amount of RM190,000/- for the period from 14 June 2024 until the next Annual General Meeting of the Company.

The aforesaid motion was proposed by Madam Wong Tshun Siow and seconded by Ms Wong Qiao Xin.

The Chairman stated that the motion had been proposed and seconded and he then proceeded to Agenda 4.

10. AGENDA 4

**RE-ELECTION OF
DIRECTORS**

: The Chairman announced that he, Mr Ng Chin Heng, would be retiring as director at this Annual General Meeting in accordance with Clause 100 of the Company's Constitution, while Madam Alice Ng and Mr Seeto Yee @ Seeto Tin Yee would be retiring as directors at this Annual General Meeting in accordance with Clause 97 of the Company's Constitution and being eligible, they all offered themselves for re-election.



MINUTES OF THE TWENTY THIRD ANNUAL GENERAL MEETING [CONT'D]

Agenda 4.1

RESOLUTION 3

The motion to approve the re-election of Mr Ng Chin Heng as a director was proposed by Mr Hiew Chee Vui and seconded by Mr Lam Jin Yip.

The Chairman stated that the motion had been proposed and seconded and he then proceeded to consider proposed Resolution 4.

Agenda 4.2

RESOLUTION 4

The motion to approve the re-election of Madam Alice Ng as a director of the Company was proposed by Madam Lee Fui Siam and seconded by Madam Fong Xiao Yun.

The Chairman stated that the motion had been proposed and seconded and he then proceeded to consider proposed Resolution 5.

Agenda 4.3

RESOLUTION 5

The motion to approve the re-election of Mr Seeto Yee @ Seeto Tin Yee as a director of the Company was proposed by Madam Wong Tshun Siow and seconded by Ms Wong Qiao Xin.

The Chairman stated that the motion had been proposed and seconded and he then proceeded to Agenda 5.

11. AGENDA 5

RE-APPOINTMENT OF AUDITORS : The Chairman announced that the next agenda was to re-appoint Messrs Crowe Malaysia PLT as auditors of the Company and to authorize the Directors to fix their remuneration. He informed the members present that Messrs Crowe Malaysia PLT, the retiring auditors, had indicated their willingness to accept re-appointment.

RESOLUTION 6

The motion to approve the re-appointment of Messrs Crowe Malaysia PLT as the Auditors of the Company until the conclusion of the next Annual General Meeting at a fee to be agreed with the Directors was proposed by Mr Hiew Chee Vui and seconded by Mr Lam Jin Yip.

The Chairman stated that the motion had been proposed and seconded and he then proceeded to Agenda 6.



MINUTES OF THE TWENTY THIRD ANNUAL GENERAL MEETING [CONT'D]

12. AGENDA 6

**PROPOSED
RETENTION OF
INDEPENDENT
NON-EXECUTIVE
DIRECTORS**

: The Chairman announced that the next agenda was to consider the proposed retention of Mr Jacob O Pang Su Yin and Tuan Hj. Intizam Bin Ayub who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than 9 years, to continue to act as Independent Non-Executive Directors of the Company until the next Annual General Meeting.

The Chairman stated that the Board had, via the Nomination Committee, assessed, reviewed and determined that Mr Jacob and Tuan Hj Intizam who have served the Company as Independent Directors for more than 9 years, remains objective and independent based on the following justifications:

- (i) They fulfil the criteria of an Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- (ii) With their years of experience in the Company, they are familiar with the Company's business operations, thus enabling them to contribute actively and effectively during deliberations or discussions at Board Meetings;
- (iii) They have demonstrated their capability as independent directors and provided numerous constructive suggestions to the Board; and
- (iv) Their level of independence and competency have not been impaired with time.

He also informed the members that according to the Malaysian Code on Corporate Governance, the proposed retention of Mr Jacob and Tuan Hj Intizam as independent directors who have served the Company for a cumulative term of more than 9 years, would be subject to shareholders' approval via a two-tier voting process i.e. shareholders' votes would be cast in the following manner at the same Meeting:

Tier 1: Only the Large Shareholder(s) vote

Tier 2: Shareholders other than Large Shareholders vote

He further explained that "Large Shareholder" refers to a person who:

- 1. is entitled to exercise, or control the exercise of, not less than 33% of the voting shares in the Company.
- 2. is the largest shareholder of voting shares in the Company.



MINUTES OF THE TWENTY THIRD ANNUAL GENERAL MEETING [CONT'D]

3. has the power to appoint or cause to be appointed a majority of the directors of the Company; or
4. has the power to make or cause to be made decisions in respect of the business or administration of the Company and to give effect to such decisions or cause them to be given effect to.

The proposed resolution would be deemed passed provided both Tier 1 and Tier 2 votes supported the resolution.

Agenda 6.1

RESOLUTION 7

The following motion to approve the retention of Mr Jacob O Pang Su Yin as an Independent Non-Executive Director was proposed by Madam Lee Fui Siam and seconded by Madam Fong Xiao Yun:

ORDINARY RESOLUTION

Proposed Retention of Mr Jacob O Pang Su Yin as an Independent Non-Executive Director

“ THAT approval be and is hereby given for Mr Jacob O Pang Su Yin, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to be retained and to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting. ”

The Chairman stated that the motion had been proposed and seconded and he then proceeded to Resolution 8.

Agenda 6.2

RESOLUTION 8

The following motion to approve the retention of Tuan Hj. Intizam Bin Ayub as an Independent Non-Executive Director was proposed by Madam Wong Tshun Siow and seconded by Ms Wong Qiao Xin:

ORDINARY RESOLUTION

Proposed Retention of Tuan Hj. Intizam Bin Ayub as an Independent Non-Executive Director

“ THAT approval be and is hereby given for Tuan Hj. Intizam Bin Ayub, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to be retained and to continue



MINUTES OF THE TWENTY THIRD ANNUAL GENERAL MEETING [CONT'D]

to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting. ”

The Chairman stated that the motion had been proposed and seconded and he then proceeded to Agenda 7.

13. AGENDA 7

AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

: The Chairman announced that the next agenda was to empower the Directors to issue shares in the capital of the Company up to an aggregate amount not exceeding 10% of the total number of issued shares in the ordinary share capital of the Company for the time being and direction to the contrary of pre-emptive rights under Section 85 of the Companies Act 2016. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting.

RESOLUTION 9

The following motion in relation to the Authority to issue shares pursuant to the Companies Act 2016 was proposed by Mr Hiew Chee Vui and seconded by Mr Lam Jin Yip:

ORDINARY RESOLUTION

Authority to issue shares pursuant to the Companies Act 2016

“ THAT subject always to the Companies Act 2016, (“the Act”), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to allot and issue shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being.

AND THAT pursuant to Clause 14 of the Company’s Constitution, direction to the contrary of pre-emptive rights under Section 85 of the Act be and is hereby given



MINUTES OF THE TWENTY THIRD ANNUAL GENERAL MEETING [CONT'D]

for the Directors to offer and issue new shares of the Company ranking equally to the existing shares of the Company pursuant to the aforesaid authority, to such persons for such consideration as the Directors deem fit and in the best interest of the Company;

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company. ”

The Chairman stated that the motion had been proposed and seconded and he then proceeded to Agenda 8.

14. AGENDA 8

**PROPOSED
RENEWAL OF
SHARE BUY-BACK
AUTHORITY**

: The Chairman announced that the next Agenda was in relation to the Proposed Renewal of Share Buy Back Authority to enable the Company to purchase its own shares. He explained that the proposed resolution if passed, shall empower the Directors of the Company to buy back and/or to hold the shares of the Company not exceeding 10% of its total number of issued shares in the ordinary share capital of the Company, as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company. He informed the members to refer to the Share Buy-Back Statement dated 30 April 2024 for details of the Proposed Renewal of Share-Buy Authority.

RESOLUTION 10

The following motion was proposed for approval by Madam Lee Fui Siam and seconded by Madam Fong Xiao Yun:

ORDINARY RESOLUTION

Proposed Renewal of Share Buy-Back Authority

“ THAT subject to the provisions of the Companies Act 2016 (“the Act”), the Constitution of the Company and the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), all other applicable laws, rules, regulations, and orders and the approvals of all relevant



MINUTES OF THE TWENTY THIRD ANNUAL GENERAL MEETING [CONT'D]

regulatory authorities, the Company is hereby authorised to purchase and/or hold such number of ordinary shares ("Shares") in the Company as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be purchased and/or held pursuant to this resolution shall not exceed ten percent 10% of the total number of issued shares in the ordinary share capital of the Company at any point in time and that an amount of the funds not exceeding the retained earnings of the Company, be utilised for Share buy-Back;

AND THAT such Shares purchased may be retained as treasury shares and/or distributed as dividends and/or resold on the market of Bursa Securities and/or be cancelled, as the Directors may deem fit and expedient in the interest of the Company;

AND THAT such authority hereby given shall take effect immediately and shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company at which time it shall lapse unless by a resolution passed at the meeting, the authority is renewed; or
- (b) the expiration of the period within which the next Annual General Meeting of the Company after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by a resolution passed by the Shareholders in a general meeting;

whichever is the earlier;

AND FURTHER THAT the Directors be hereby authorised to do all such acts and things as may be required by the relevant authorities (including executing any relevant documents) as they may consider expedient or necessary to complete and give effect to the aforesaid authorisation. "

The Chairman stated that the last motion had been proposed and seconded and he ordered voting by poll be taken at once on the proposed resolutions no. 1 to 10.



MINUTES OF THE TWENTY THIRD ANNUAL GENERAL MEETING [CONT'D]

The Chairman announced that Ms Yee Fei Ting of Messrs. Tsang & Co has been appointed as the scrutineer for the poll voting.

The Chairman advised the members and proxies that the voting right on a poll is one share entitled to one vote.

After all the members and proxies had exercised their voting, the Chairman proposed the meeting be adjourned until the completion of the vote counting.

Madam Wong Tshun Siow seconded the proposal.

After verification and confirmation of the poll results by the Scrutineer, the Chairman reconvened the meeting and declared that the quorum was present. He then called upon the Company Secretary to announce the results of the poll which had been verified and confirmed by the scrutineer, as per the Annexure II herewith.

15. CLOSURE

Upon completion of the announcement of the poll results and confirmation by the Company Secretary that there was no notice of other business which the Meeting was competent to consider, the Chairman thanked the Secretary and declared the Meeting closed at 11.35 am.

A vote of thanks was accorded to the Chairman.

Signed as a correct record

.....
NG CHIN HENG
(Chairman)



MINORITY SHAREHOLDERS WATCH GROUP
Shareholder Activism and Protection of Minority Interest

6 June 2024

BY EMAIL

The Board of Directors
COASTAL CONTRACTS BERHAD
Block G, Lot 3B, Bandar Leila
W.D.T. 259, 90009 Sandakan
Sabah

Attention: Dorothy Luk Wei Kam/ Ho Ling Ling
Company Secretaries

Dear Directors,

Re: 23rd Annual General Meeting ("AGM") of Coastal Contracts Berhad ("Coastal" or the "Company") to be held on Wednesday, 13 June 2024

In the interest of minority shareholders and all other stakeholders of the Company, we would like to raise the following questions: -

Operational & Financial Matters

1. For the charter of JUGCSU, the charterers had requested for a temporary suspension of the bareboat charter hire under the current contract from 27 November 2023 onwards until the charterers managed to finalise the terms and conditions of the extension of existing contract/new contract with Pemex. (page 15 of Annual Report (AR) 2023)
 - (a) What were the reasons for the temporary suspension by the charterers?
 - (b) What is the latest status of the JUGSCU charter?
 - (c) Does the Group expect an extension of the existing contract with the charterers?
 - (d) What were the revenue and pre-tax profit contributions from JUGCSU in FY2023?

2. For FY2023, the Group recognised a substantial impairment loss on receivables of RM185.2 million, which was attributable to the receivables owing from JUGCSU

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

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No. 30, JALAN SULTAN ISMAIL

50250 KUALA LUMPUR

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charterers as collection from the end user, Pemex was slower than expected. Nevertheless, The Group is positive that the impairment loss will progressively be reversed in the near to medium term. (page 16 of AR 2023)

- (a) What is the possibility of recovering this impairment, and what is the estimated percentage that can be recovered?
 - (b) How much of the impaired receivables have been recovered to date?
 - (c) Does the Group expect further impairment loss on receivables in FY2024?
3. As of 31 December 2023, the Group has trade receivables amounting to RM359.1 million (FY2022: RM26.6 million) that are past due but not impaired. (page 111 of AR 2023).
- (a) Please explain the reasons for the huge jump in trade receivables that are past due but not impaired.
 - (b) What measures is the Group taking to collect the overdue receivables?
 - (c) To date, how much of the said trade receivables have been collected?

Corporate Governance Matters

4. Practice 5.9 of the Malaysian Code of Corporate Governance (MCCG) stipulates that at least 30% of the Board should comprise women. As of FY2023, there was only one female director, representing 17% of the total number of directors on the Board.

What steps are being taken to achieve a 30% women representation on the Board as stipulated by the MCCG? What specific plans and strategies does the Board have in place to work towards this goal? And when do you expect to comply with Practice 5.9?

5. The Company is seeking shareholders' approvals to retain Mr Jacob O Pang Su Yin and Tuan Hj. Ir Intizam Bin Ayub (Ordinary Resolution 7 and Ordinary Resolution 8, respectively) as Independent Non-Executive Directors (INEDS) of the Company via a two-tier voting process. Both have served a cumulative term of more than nine years on the Board.

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Does the Company have any plans to replace the INEDs who have served on the board for more than nine years? If yes, by when?

Sustainability Matters

6. Other than focusing on cleaner energy, the Group intends to dispose of its Offshore Support Vessels (OSVs) gradually to further reduce its Co2 emissions footprint. In FY2023, the Group has disposed of 3 units of its OSV fleet. (page 30 of AR 2023)

What is the Group's remaining OSV fleet and its estimated market value? How much reduction in Co2 emissions does the Group expect from the disposal of all the remaining OSVs?

Please present the questions raised herein and the related answers, to the shareholders present at the forthcoming AGM. At the same time, we await a written reply for our records as soon as possible.

Thank you.

Yours sincerely



Minority Shareholders Watch Group

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

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Coastal Contracts Bhd.

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12 June 2024

Minority Shareholders Watch Group
Level 23, Unit 23-2, Menara AIA Sentral
No. 30, Jalan Sultan Ismail
50250 Kuala Lumpur

Dear Sir/Madam,

Re: 23rd Annual General Meeting ("AGM") of Coastal Contracts Berhad ("Coastal" or the "Company") to be held on Wednesday, 13 June 2024

Your letter dated 6 June 2024 refers.

Attached herewith Appendix 1 is our reply to the questions raised for your kind attention and records. Please do not hesitate to contact us should you require further information or clarification.

Thank you,

Yours faithfully,
for Coastal Contracts Bhd.

Ng Chin Heng
Executive Chairman

Answers for Questions by MSWG**Operational & Financial Matters**

1.

For the charter of JUGCSU, the charterers had requested for a temporary suspension of the bareboat charter hire under the current contract from 27 November 2023 onwards until the charterers managed to finalise the terms and conditions of the extension of existing contract/new contract with Pemex. (page 15 of Annual Report (AR) 2023).

(a) What were the reasons for the temporary suspension by the charterers?

The main reason was the underlying contract with Pemex (Mexico's National Oil Company) for the "INTEGRAL SERVICE FOR SOUR GAS COMPRESSION WITH 200 MMCFD CAPACITY, INSTALLED ON A JACK-UP PLATFORM, TO INTERFACE TO MARINE FACILITIES OF CANTARELL PRODUCTION ASSETS" (contract no. 422213801) has expired on 26 November 2023. The immediate extension was not materialised because the charterers informed us that they need more time to discuss with Pemex on the extension of existing contract / new contract, which may take approximately 3 – 6 months to conclude.

The charterers recently informed us that after detailed feasibility studies on the field was conducted by Pemex, Pemex has indicated to the charterers that the demand of gas compression service in the existing field was no longer feasible from Pemex's perspective.

(b) What is the latest status of the JUGSCU charter?

The JUGCSU charter is currently still suspended, which means that the JUGCSU is idling and not entitled to any revenue.

(c) Does the Group expect an extension of the existing contract with the charterers?

Currently the charterers are exploring and in discussion on 2 proposals for the JUGCSU with Pemex. The first option is to convert JUGCSU into a Mobile Offshore Production Unit (MOPU) with oil production capacity. The estimated contract tenure for Option 1 is 5 years. The second option would be to move the JUGCSU to another field with greater gas compression demand. The estimated contract tenure for Option 2 is for 5 to 10 years.

(d) What were the revenue and pre-tax profit contributions from JUGCSU in FY2023?

Revenue is RM221.7 million and pre-tax loss is RM5.2 million, after deduction of an one-off impairment loss on receivables of RM177 million.

2.

For FY2023, the Group recognised a substantial impairment loss on receivables of RM185.2 million, which was attributable to the receivables owing from JUGCSU charterers as collection from the end user, Pemex was slower than expected.

Nevertheless, The Group is positive that the impairment loss will progressively be reversed in the near to medium term. (page 16 of AR 2023).

(a) What is the possibility of recovering this impairment, and what is the estimated percentage that can be recovered?

Based on the latest guidance from charterers, they will pay the Group at least USD40 million, which is equivalent to RM188 million should Pemex pays them the outstanding service fees by 2H 2024. As of 31 May 2024, the carrying amount attributable to the receivables owing from the charterers is approximately RM156 million. Should the Group be able to receive RM188 million repayment from charterers in 2H 2024, a reversal of impairment loss on receivables amounting to RM32 million would be recognised. Whether the Group can recover more on the receivables owing from JUGCSU charterers that has been impaired, it depends whether the charterers can secure a new contract (either Option 1 or Option 2 as mentioned above) for JUGCSU from Pemex.

(b) How much of the impaired receivables have been recovered to date?

Nil.

(c) Does the Group expect further impairment loss on receivables in FY2024?

The answer in 2(a) refers. In the previous 18-months financial period, the Group has impaired RM177 million of trade receivables. Based on our explanation on 2(a), the Group is expected to receive approximately USD40 million, which would exceed the carrying amount of receivables owing from the charterers. Therefore, there shall be no further impairment loss on receivables pertaining to the receivables owing from the charterers if the above-mentioned is materialised in 2H 2024.

3.

As of 31 December 2023, the Group has trade receivables amounting to RM359.1 million (FY2022: RM26.6 million) that are past due but not impaired. (page 111 of AR 2023).

(a) Please explain the reasons for the huge jump in trade receivables that are past due but not impaired.

First of all, please allow us to correct your above statement. As per the above, RM359.1 (FY2022 : RM26.6 million) representing gross amount before allowance for impairment. The trade receivables that are past due but not impaired should be as follows :

i) As at 31 December 2023 (Table 1)

	Gross past due (RM)	Allowance for impairment loss (RM)	Carrying amount (RM)
1 to 30 days past due	22,287,199	(1,077,603)	21,209,596
31 to 120 days past due	90,233,391	(10,284,279)	79,949,112
121 to 365 days past due	90,345,489	(19,009,382)	71,336,107
More than 365 days past due	156,232,114	(156,227,603)	4,511
	359,098,193	(186,598,867)	172,499,326

ii) Carrying amount of past due trade receivables after allowance for impairment (Table 2)

	31 Dec 2023 (RM)	30 Jun 2022 (RM)
1 to 30 days past due	21,209,596	1,496,456
31 to 120 days past due	79,949,112	10,052,638
121 to 365 days past due	71,336,107	1,675,198
More than 365 days past due	4,511	12,896,443
	172,499,326	26,120,735

The movements during the 18-months financial period for the carrying amount of past due debts are as follows (Table 3):

	JUGCSU (RM mil)	Others (RM mil)	Total (RM mil)
Balance as at 1 July 2022	-	26.12	26.12
Add : Additions of past due debts in FP2023	472.68	102.04	574.72
Less : Payments received (1.7.22 - 31.12.23)	(153.65)	(105.39)	(259.04)
Less : Allow. for impairment loss recognised in FP2023	(177.06)	(0.29)	(177.35)
Add : Forex adjustments	6.81	1.24	8.05
Balance as at 31 December 2023	148.78	23.72	172.50

Based on the above, the major carrying amount of past due trade receivables after allowance for impairment amounting to RM148.78 million was due from JUGCSU charterers. From the above movements, we will be able to note that during the 18-months period ended 31 December 2023, there are additions of past due debts in FP2023 amounting to RM472.68 million. Out of this amount, approximately RM204 million was brought forward balance from FY2022 whereas the remaining amount of approximately RM269 million were billed in FP2023. However, payments from charterers were still slow and majority invoices were still unpaid as at 31 December 2023. This was the main reason for the increase in the carrying amount of past due trade receivables from RM26.1 million (30 June 2022) to RM172.5 million (31 December 2023).

(b) What measures is the Group taking to collect the overdue receivables?

Charterers has informed us that they are still actively chasing the debts owing from Pemex regularly. However, considering Pemex is a government company, charterers are not able to escalate further despite slow payment from Pemex. In fact, charterers informed us that it is normal in Mexico for experiencing slow payment from Pemex, there are also many other contractors experiencing slow payment from Pemex (for reference, please refer : <https://www.reuters.com/business/energy/mexicos-pemex-prioritizes-paying-down-overdue-debts-big-service-providers-2024-02-22/>). Overall, charterers are still optimistic to recover those past due debts from Pemex but more time is required.

Nevertheless, as guided by charterers, Pemex is keen to redeploy our JUGCSU for the 2 options as stated in 1(c) above. Given that our JUGCSU is the only current available unit in Mexico that can be deployed at a short period of time for either of the 2 options, we have indicated to charterers that prior to the receipts of the last tranche of payment owing by Pemex to charterers, we will not proceed to redeploy our JUGCSU for the new contract with Pemex. By having this in place, it would put more pressure on Pemex to expedite the payment of the remaining service fees owing to the charterers.

(c) To date, how much of the said trade receivables have been collected?

Nil. Please refer to the answers provided in 2(c) for further explanation.

Corporate Governance Matters

4.

Practice 5.9 of the Malaysian Code of Corporate Governance (MCCG) stipulates that at least 30% of the Board should comprise women. As of FY2023, there was only one female director, representing 17% of the total number of directors on the Board.

What steps are being taken to achieve a 30% women representation on the Board as stipulated by the MCCG? What specific plans and strategies does the Board have in place to work towards this goal? And when do you expect to comply with Practice 5.9?

2 of Coastal's INEDs almost reached the term of cumulative 12 years limit. Once the Directors resign, Coastal shall prioritise women candidate to replace them. Should Coastal be able to identify a suitable women candidate with the required competencies, we expect that we would be able to comply with Practice 5.9 by year 2025.

5.

The Company is seeking shareholders' approvals to retain Mr Jacob O Pang Su Yin and Tuan Hj. Ir Intizam Bin Ayub (Ordinary Resolution 7 and Ordinary Resolution 8, respectively) as Independent Non-Executive Directors (INEDS) of the Company via a two-tier voting process. Both have served a cumulative term of more than nine years on the Board.

Does the Company have any plans to replace the INEDs who have served on the board for more than nine years? If yes, by when?

As mentioned in Page 39, Coastal does not have policy to limit the tenure of its INEDs. Therefore, the Company does not have any plans to replace INEDs who served the Board for more than 9 years. However, Coastal acknowledges and complies to the new regulations whereby the tenure of INEDs shall not exceed a cumulative term of 12 years.

Sustainability Matters

6.

Other than focusing on cleaner energy, the Group intends to dispose of its Offshore Support Vessels (OSVs) gradually to further reduce its Co2 emissions footprint. In FY2023, the Group has disposed of 3 units of its OSV fleet. (page 30 of AR 2023)

What is the Group's remaining OSV fleet and its estimated market value? How much reduction in Co2 emissions does the Group expect from the disposal of all the remaining OSVs?

As of to-date, there is only 1 unit of OSV remaining (65M AHTS) with an estimated market value of USD10 million. From this disposal, we expect to reduce approximately 2,392 tons of Co2 emission equivalent per year.

COASTAL CONTRACTS BHD.

Registration No. 200001015043 (517649-A)

(Incorporated in Malaysia)

RESULT OF THE POLL**TWENTY THIRD ANNUAL GENERAL MEETING HELD AT BLOCK G, LOT 3B, BANDAR LEILA 90000 SANDAKAN, SABAH
ON THURSDAY, 13 JUNE 2024 at 10:00 AM**

No.	Resolution	Vote FOR			Vote AGAINST			Total Votes		
		No. of Voters	No. of Shares	%	No. of Voters	No. of Shares	%	No. of Voters	No. of Shares	%
1	To approve the payment of fees and benefits to Non-Executive Directors for the period from 1 December 2023 to 13 June 2024.	26	305,656,272	100%	0	0	0	26	305,656,272	100%
2	To approve the payment of fees and benefits to Non-Executive Directors for the period from 14 June 2024 until the next Annual General Meeting.	26	305,656,272	100%	0	0	0	26	305,656,272	100%
3	To re-elect Mr Ng Chin Heng as Director.	23	296,082,272	96.87%	3	9,574,000	3.13%	26	305,656,272	100%
4	To re-elect Madam Alice Ng as Director.	23	296,082,272	96.87%	3	9,574,000	3.13%	26	305,656,272	100%
5	To re-elect Mr Seeto Yee @ Seeto Tin Yee as Director.	26	305,656,272	100%	0	0	0	26	305,656,272	100%
6	To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	25	305,268,872	99.87%	1	387,400	0.13%	26	305,656,272	100%
7	Proposed retention of Mr Jacob O Pang Su Yin as an Independent Non-Executive Director	2	162,148,526	100%	0	0	0	2	162,148,526	100%
		18	132,718,713	92.48%	6	10789,033	7.52%	24	143,507,746	100%

COASTAL CONTRACTS BHD.

Registration No. 200001015043 (517649-A)

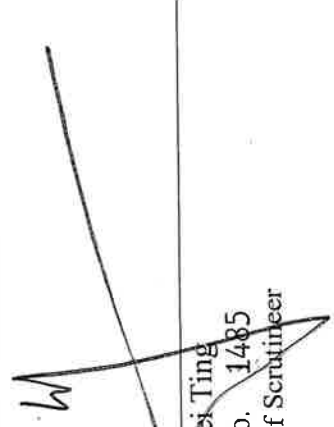
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RESULT OF THE POLL

**TWENTY THIRD ANNUAL GENERAL MEETING HELD AT BLOCK G, LOT 3B, BANDAR LEILA 90000 SANDAKAN, SABAH
ON THURSDAY, 13 JUNE 2024 at 10:00 AM**

No.	Resolution	Vote FOR			Vote AGAINST			Total Votes		
		No. of Voters	No. of Shares	%	No. of Voters	No. of Shares	%	No. of Voters	No. of Shares	%
8	Proposed retention of Tuan Hj. Intizam Bin Ayub as an Independent Non-Executive Director.	2	162,148,526	100%	0	0	0	2	162,148,526	100%
	Tier 1									
	Tier 2	18	13,718,713	92.48%	6	10,789,033	7.52%	24	143,507,746	100%
9	Authority to issue shares pursuant to the Companies Act 2016.	26	305,656,272	100%	0	0	0	26	305,656,272	100%
10	Proposed Renewal of Share Buy-Back Authority.	25	304,828,772	99.73%	1	827,500	0.27%	26	305,656,272	100%

Duly verified and confirmed by the
Scrutineer representing Messrs Tsang &
Co.


Yee Fei Ting
Roll No. 1485
Head of Scrutineer

Date: 13 June 2024