



**SUMMARY OF KEY MATTERS DISCUSSED AT THE 6<sup>th</sup> ANNUAL GENERAL MEETING (“AGM”) OF CARIMIN PETROLEUM BERHAD (“CARIMIN” OR “THE COMPANY”) HELD ON THURSDAY, 29 NOVEMBER 2018 AT 2.30 P.M.**

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**Q1. Is the Board confident on the Company future prospects in the financial year ending 30 June 2019 (“FYE 2019”)?**

The Company is optimistic on the prospects for FYE 2019 as oil majors are starting their Opex spending with the current oil price level. Correspondingly, work orders have been issued under the Company’s MCM contract which involves maintenance activities, marine and services. All the Company’s business segment would be contributing towards the Company’s return to profitability for the FYE 2019.

**Q2. With reference to the Page 75 of the Annual Report 2018, why is there a negative cash flow from operating activities?**

The negative operating cash flow is mainly due to the financing cost on the vessels, payment of tax and impairments made on a trade debtor.

**Q3. With reference to the Page 107 of the Annual Report 2018, please clarify the unbilled construction contract which amounting to RM23,271,000 in the financial year ended 30 June 2018 (“FYE 2018”).**

The unbilled construction contract or “revenue accrual” represents work-done performed / material delivered during the month but remains unbilled pending substantiation. Examples on substantiation includes signed personnel time sheet (for manpower services), client certification/milestone completion certificate (for construction services & civil) and on hire/off hire note (for marine vessels) etc which could only be obtained in the following month.

**Q4. With reference to the Page 132 of the Annual Report 2018, please clarify the impairment of the trade receivables that are past.**

The Company has a trade receivable impairment policy where a general provision is made on the aged group debtor. Specific impairments are made on debts where legal action is initiated or on specific reasons. Out of the RM2.948 million impairment, RM2.43 million is specifically provided for a debtor in Marine services where legal action is initiated.

## **CARIMIN PETROLEUM BERHAD (908388-K)**

Summary of Key Matters discussed at the 6<sup>th</sup> AGM of the Company held on Thursday, 29 November 2018.....cont'd

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**Q5. What is the current and balance of the contract value of the Company? Will the contract value secured be sustainable throughout the FYE 2019?**

The current MCM contract obtained has no defined contract sum but was awarded on a 5 years duration with 1-year extension. Based on the indicative planned work program, the work orders are anticipated to be substantial for the next 5 years.

**Q6. What is the outlook of the civil construction of the Company? Any projects bided?**

The construction industry is undergoing some major revamp after the 14<sup>th</sup> Malaysia General Election where the new Government is reviewing and reprioritizing the implementation of projects. However, the Company would remain prudent in bidding for them while continuing to develop competencies to move up and become a main contractor.

**Q7. With reference to the Page 19 of the Annual Report 2018, how much capital the Company will invest in the newly acquired five acres of land at Teluk Kalung, Kemaman in Terengganu?**

The plan is to develop a new five acres yard into an integrated facility which would be partly financed from the listing proceeds. The Company is in the midst of preparing the plans and budget.

**Q8. Reference made to the Question 7 above, can the construction development of the five acres yard to be done by using the in-house resources of the Company?**

Awarding of sub-contract will have to go through tender process and bid will be awarded to the most qualified and competent bidder.