

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has only perused the contents of this Circular in respect of the proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature on a limited review basis pursuant to the provisions of the Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**SAPURA ENERGY BERHAD**

Registration No. 201101022755 (950894-T)  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO  
THE PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY  
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The Eleventh Annual General Meeting of the Company ("11<sup>th</sup> AGM") will be held on a fully virtual basis and entirely via remote participation and voting through live streaming and online remote voting using Remote Participation and Electronic Voting facilities via the online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC: D6A357657).

As a shareholder, you are encouraged to go online, participate, and vote at the 11<sup>th</sup> AGM using the Remote Participation and Voting Facilities as the Company will be conducting its 11<sup>th</sup> AGM fully virtual via live webcast and online remote voting. If you wish to appoint a proxy to participate and vote on your behalf, you may deposit your Form of Proxy at the office of our Share Registrar, Boardroom Share Registrars Sdn. Bhd. or alternatively, you may lodge your Form of Proxy by electronic means through Boardroom Smart Investor Portal at <https://www.boardroomlimited.my/> (for individual shareholders only) or via e-mail to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com). The completed Form of Proxy must be deposited/lodged not less than forty-eight (48) hours before the time set for holding the 11<sup>th</sup> AGM indicated below or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from participating the 11<sup>th</sup> AGM and voting in person at the 11<sup>th</sup> AGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 26 July 2022 at 10:00 a.m.

Date and time of our 11<sup>th</sup> AGM : Thursday, 28 July 2022 at 10:00 a.m.

**This Circular is dated 7 July 2022**

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## DEFINITIONS

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Except where the context otherwise requires or where otherwise defined herein, the following terms and abbreviations shall apply throughout this Circular:-

“Act”	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“Annual Report 2022”	:	Annual Report of the Company for the financial year ended 31 January 2022
“ATB”	:	AmanahRaya Trustees Berhad Amanah Saham Bumiputera, a fund managed by Permodalan Nasional Berhad
“Board” or “Directors”	:	Board of Directors of SEB and the Director shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which terms of the transaction were agreed upon, a Director of the Company or any other company which is its subsidiary or holding company, or a chief executive officer of the Company, its subsidiary or holding company
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“Circular”	:	This Circular dated 7 July 2022
“GIA”	:	Group Internal Audit of SEB
“JPB”	:	Johor Port Berhad [Registration No. 199201021890 (253394-D)]
“Listing Requirements” or “MMLR”	:	Main Market Listing Requirements of Bursa Securities and any amendments made thereto from time to time and any practice notes issued in relation thereto
“LPD”	:	30 June 2022, being the latest practicable date prior to the circulation of this Circular
“Major Shareholder(s)”	:	<p>A person, who includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company or any other corporation which is its subsidiary or holding company, has an interest or interests in one (1) or more voting shares in the Company and the total number of voting shares, or the aggregate of the total number of those voting shares, is:-</p> <p>(a) 10% or more of the total number of voting shares in the Company; or</p> <p>(b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.</p> <p>For the purpose of this definition “interest in shares” shall have the meaning given in Section 8 of the Act</p>
“Person(s) Connected”	:	<p>In relation to any person (referred to as “said Person”) means such person who falls under any one of the following categories:-</p> <p>(a) a family member of the said Person which family shall have the meaning given in Section 197 of the Act;</p> <p>(b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;</p> <p>(c) a partner of the said Person;</p>

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**DEFINITIONS (CONT'D)**

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	(d)	a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
	(e)	a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
	(f)	a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
	(g)	a body corporate which is a related corporation of the said Person.
“PNB”		Permodalan Nasional Berhad [Registration No. 197801001190 (38218-X)]
“Proposed New Shareholders’ Mandate”	:	Proposed new shareholders’ mandate for SEB Group to enter into recurrent related party transactions of a revenue or trading nature
“Recurrent Related Party Transaction(s)” or “RRPT(s)”	:	Recurrent related party transaction(s) of a revenue or trading nature of SEB Group which are necessary for the day-to-day operations and in the ordinary course of business of SEB Group as specified in Section 2.3 of this Circular
“Related Party(ies)”	:	“Director(s)”, “Major Shareholder(s)” or “person(s) connected” with such director(s) or major shareholder(s), who are interested in the RRPT(s), as set out in Section 2.3 of the Circular
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively, being the lawful currency of Malaysia
“SEB” or the “Company”	:	Sapura Energy Berhad [Registration No. 201101022755 (950894-T)]
“SEB Group” or the “Group”	:	SEB and its group of companies
“SDISB”	:	Sime Darby Industrial Sdn. Bhd. [Registration No. 198001005436 (59220-K)], a wholly-owned subsidiary of Sime Darby Berhad
“SDI(B)SB”	:	Sime Darby Industrial (B) Sdn. Bhd. [Registration No. RC/00001606], a 70% owned subsidiary of Sime Darby Berhad
“Shareholders’ Mandate”	:	Shareholders’ mandate pursuant to Paragraph 10.09 of the Listing Requirements for SEB and its subsidiary companies to enter into RRPT(s)
“TSL”	:	Tractors Singapore Limited [Company No. 200415367H], a wholly-owned subsidiary of Sime Darby Industrial Singapore Pte Ltd, which in turn 100% owned by Sime Darby Berhad
“UI(1985)SB”	:	UMW Industries (1985) Sdn. Bhd. [Registration No. 195901000121 (3470-X)], a 100% owned subsidiary of UMW Holdings Berhad held through UMW Corporation Sdn Bhd
“UIPSSB”	:	UMW Industrial Power Services Sdn. Bhd. [Registration No. 199901010349 (485249-D)], a 100% owned subsidiary of UMW Holdings Berhad held through UMW Corporation Sdn Bhd

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**DEFINITIONS (CONT'D)**

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All references to “**our Company**” or “**SEB**” in this Circular are to Sapura Energy Berhad. The reference to “**our Group**” is to our Company and our subsidiaries, and all references to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company, and where the context requires otherwise, shall include our subsidiaries. All references to “**you**” or “**your**” in this Circular are to our shareholders.

All references to dates and times in this Circular are references to dates and times in Malaysia, unless otherwise stated. Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Reference to persons shall include companies and corporations.

Any reference to any provisions of the statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

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**SAPURA ENERGY BERHAD**  
Registration No. 201101022755 (950894-T)  
(Incorporated in Malaysia)

**Registered Office:**

Sapura@Mines  
No. 7, Jalan Tasik  
The Mines Resort City  
43300 Seri Kembangan  
Selangor Darul Ehsan  
Malaysia

7 July 2022

**Board of Directors**

Dato' Mohammad Azlan Abdullah (Non-Independent Non-Executive Chairman)  
Datuk Mohd Anuar Taib (Group Chief Executive Officer/ Executive Director)  
Dato' Shahrman Shamsuddin (Non-Independent Non-Executive Director)  
Cosimo Borrelli (Non-Independent Non-Executive Director)  
Dato' Muhamad Noor Bin Hamid (Independent Non-Executive Director)  
Datuk Ramlan Abdul Rashid (Independent Non-Executive Director)  
Lim Tiang Siew (Senior Independent Non-Executive Director)  
Dato' Azmi Mohd Ali (Independent Non-Executive Director)  
Lim Fu Yen (Independent Non-Executive Director)  
Rohaizad Darus (Non-Independent Non-Executive Director)

**To: Our Shareholders**

Dear Sir/Madam,

**PROPOSED NEW SHAREHOLDERS' MANDATE**

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**1. INTRODUCTION**

Our Company will be seeking your mandate for the Group to enter into RRPT(s) with Related Parties in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detriment of the minority shareholders, which are necessary for our Group's day-to-day operations.

On 31 May 2022, our Company had announced to Bursa Securities its intention to seek your approval for the Proposed New Shareholders' Mandate pursuant to Paragraph 10.09 of the Listing Requirements at the forthcoming 11<sup>th</sup> AGM of the Company.

The purpose of this Circular is to provide you with relevant information of the Proposed New Shareholders' Mandate and to seek your approval for the ordinary resolution pertaining to the Proposed New Shareholders' Mandate to be tabled as Special Business at the forthcoming 11<sup>th</sup> AGM of the Company. The extract of ordinary resolution on the Proposed New Shareholders' Mandate to be tabled at the forthcoming 11<sup>th</sup> AGM is enclosed together with this Circular.

**THIS CIRCULAR SERVES TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE, TO SET OUT YOUR BOARD'S RECOMMENDATION AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED NEW SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING 11<sup>th</sup> AGM UNDER THE AGENDA OF SPECIAL BUSINESS.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED NEW SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING 11<sup>th</sup> AGM OF OUR COMPANY.**

## **2. DETAILS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE**

### **2.1 Background Information**

Paragraph 10.09(2), Part E of Chapter 10 of the Listing Requirements states that a listed issuer may seek its shareholders' mandate in respect of related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations subject to, inter alia, the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1)(a) of the Listing Requirements;
- (iii) a circular for the shareholders' mandate shall include the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain the shareholders' mandate, the interested director, major shareholder or person connected with a director or major shareholder; and where it involves the interest of the person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution to approve the transactions. An interested director or major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions;
- (v) the listed issuer shall immediately announce to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and the announcement must include the information as may be prescribed by Bursa Securities; and
- (vi) where a listed issuer has procured a shareholders' mandate in respect of RRPT(s) pursuant to Paragraph 10.09(2) of the Listing Requirements, the provisions under Paragraph 10.08 of the Listing Requirements shall not apply to the RRPT(s) which are comprised in the said mandate during the validity period of the mandate.

It is anticipated that SEB Group would, in the ordinary course of its business, enter into the RRPT(s)

The shareholders' mandate for the RRPT(s) is also subject to the following:-

- (a) the transactions are conducted on normal commercial terms;
- (b) the transactions are not detrimental to the minority shareholders;
- (c) the transactions are conducted on arm's length basis; and
- (d) details of the transactions containing the information as set out in Annexure PN12-A of the Listing Requirements are set out in the Circular.

which are necessary for its day-to-day operations with the classes of Related Parties which are disclosed in Section 2.4 of this Circular. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

Our Board is seeking your mandate which would allow our Group to enter into the RRPT(s) with the Related Parties as specified in Section 2.4 of this Circular provided that such transactions are necessary for its day-to-day operations, in the ordinary course of their business carried out on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of its minority shareholders.

The Proposed New Shareholders' Mandate, if approved by you at the forthcoming 11<sup>th</sup> AGM, applies in respect of the RRPT(s) to be entered into as set out in Section 2.4 of this Circular and shall take effect from and including the date of the forthcoming 11<sup>th</sup> AGM, and shall continue to be in force until:-

- i. the conclusion of the next AGM of our Company following the forthcoming 11<sup>th</sup> AGM at which the Proposed New Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed;
  - ii. the expiration of the period within which the next AGM after the date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
  - iii. revoked or varied by resolutions passed by our shareholders in general meeting,
- whichever is the earlier.

Thereafter, approval from our shareholders for annual renewal of the mandate will be sought at each subsequent AGM of our Company.

Our Company will disclose the aggregate value of the RRPT(s) conducted during a financial year in the annual report for the said financial year.

## 2.2 Principal Activities of SEB Group

Our Company is principally engaged in investment holding activities and provision of management services to its subsidiaries.

Our Group's spectrum of capabilities covers exploration, development, production, rejuvenation, decommissioning, and abandonment as follows:-

- (a) Engineering and Construction (E&C), which provides end-to-end turnkey Engineering, procurement, Construction, Installation and Commissioning ("EPCIC") solutions for the oil and gas industry.
- (b) Operations & Maintenance (O&M), where the Group provides services for brownfield works ranging from upgrading, modification and rejuvenation to topside life extension preventive and corrective maintenance works, subsea services ranging from Inspection, repair and Maintenance (IRM) services on offshore platforms, rigs, subsea pipelines and subsea facilities to subsea construction work, and Front-End Engineering Design, commissioning, to subsea markets in both shallow and deep water.
- (c) Drilling, where as one of the world's foremost tender assist rig owner and operator, the Group operates the world's largest fleet of tender assisted drilling rigs.
- (d) Exploration & Production (E&P), where the Group has formed a strategic partnership with OMV Exploration & Production GmbH to explore, develop, produce and operate a portfolio of oil and gas assets in Malaysia, Australia, New Zealand and Mexico through an associate entity, namely Sapura OMV Upstream.

The subsidiaries of SEB Group to which the Proposed New Shareholders' Mandate applies are as follows:-

<b>Subsidiaries of SEB</b>	<b>Effective Equity Interest</b>	<b>Principal Activities</b>
<b><i>Held through Sapura Drilling (Bermuda) Ltd (100%)</i></b>		
Sapura Drilling T-10 Ltd ("SD T-10")	100%	Leasing of offshore and gas drilling rig
Sapura Drilling T-11 Ltd ("SD T-11")	100%	Leasing of offshore and gas drilling rig
Sapura Drilling T-11 Ltd ("SD T-12")	100%	Leasing of offshore and gas drilling rig
Sapura Drilling Asia Limited ("SDAL")	100%	Investment holding and provision of oil drilling services



<b>Subsidiaries of SEB</b>	<b>Effective Equity Interest</b>	<b>Principal Activities</b>
<b><i>Held through Sapura Drilling Jaya Ltd (100%)</i></b> Sapura Drilling Jaya Ltd (“SDJL”)	100%	Leasing of drilling rig and providing drilling services to offshore oil and gas industry
<b><i>Held through Sapura Drilling Asia Limited (100%)</i></b> Sapura Drilling Asia Ltd (Thailand Branch) (“SDAL Thailand”)	100%	Investment holding and provision of oil drilling services
<b><i>Held through Sapura Drilling Pte Ltd (99.99%) and Sapura Drilling Asia Limited (0.01%)</i></b> Sapura Drilling Sdn. Bhd. (“SDSB”)	100%	Offshore drilling, workover and development of oil and gas wells
<b><i>Held through Sapura Drilling Probadi Sdn Bhd (51%) and Sapura Drilling Asia Ltd (49%)</i></b> Sapura Drilling Asia Sdn. Bhd. (“SDASB”)	100%	Provision of oil drilling services
<b><i>Held through Sapura Drilling Holdings Limited (Hong Kong) (100%)</i></b> Sapura Drilling Holdings Limited (Ivory Coast Branch) (“SDHL Ivory”)	100%	Investment holding and provision of oil drilling services
<b><i>Held through Sapura Energy Resources Sdn Bhd (100%)</i></b> Sapura Marine Ventures Sdn. Bhd. (“SMVSB”)	100%	Provision of crew, chartering and hiring of barge
Sapura Engineering (Offshore) Sdn. Bhd. (“SEOSB”)	100%	Chartering and hiring out of barges, vessels and operational equipment including provision of crew
<b><i>Subsidiary of Sapura Energy Berhad (100%)</i></b> Sapura Offshore Sdn. Bhd. (“SOSB”)	100%	Front-end engineering design (FEED), detailed design engineering (DDE), procurement, construction, offshore transportation and installation, hook-up, commissioning and maintenance of fixed and floating oil and gas facilities, diving and subsea services, flexible and rigid pipelay, installation of subsea umbilicals, risers and flowlines and cables, and decommissioning of offshore structures, and pipeline and chartering of vessels.
Sapura Fabrication Sdn. Bhd. (“SFSB”)	100%	Provision of offshore and onshore engineering, procurement, construction (fabrication), transportation, installation, hook-up, commissioning and maintenance of fixed and floating oil and gas facilities, brownfield rejuvenation, marine construction, marine conversion marine repair and infrastructure construction
Sapura Technology Solutions Sdn. Bhd. (“STSSB”)	100%	Investment holding, provision of operation and maintenance services and provision of management services.
Sapura 900 Pte Ltd (“S900”)	100%	Vessel owner and chartering

<b>Subsidiaries of SEB</b>	<b>Effective Equity Interest</b>	<b>Principal Activities</b>
<b><i>Held through SOSB (100%)</i></b>		
Sapura Subsea Sdn. Bhd. ("SSSB")	100%	Provision of engineering, fabrication and construction work
Sapura 3500 Ltd ("S3500")	100%	Vessel owner and chartering
Sapura 1200 Ltd ("S1200")	100%	Vessel owner and chartering
Sapura Dana SPV Pte Ltd ("SDSPVSB")	100%	Chartering and hiring out of vessels and barges
<b><i>Held through Sapura Jaya Sdn. Bhd. (100%)</i></b>		
Sapura Geotechnics Sdn. Bhd. ("SGSB")	100%	Soil investigation and geotechnical services
<b><i>Held through Sapura Petroleum Ventures Sdn. Bhd. (100%)</i></b>		
Sapura Nautilus Sdn. Bhd. ("SNSB")	100%	Service provider for offshore support vessels

It is anticipated that our Group would, in the normal course of business, continue to enter into transactions with classes of Related Parties as set out in Sections 2.3 and 2.4. It is likely that such transactions will occur with some degree of frequency and could arise at any time. The Board is seeking the Proposed New Shareholders' Mandate which will allow the Group, in their normal course of business, to enter into RRPT with the classes of Related Parties set out in Sections 2.3 and 2.4 provided such transactions are made at arm's length and on normal commercial terms of the Group and are on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

### **2.3 Classes of Related Parties**

The Proposed New Shareholders' Mandate will apply to the following classes of Related Parties:-

- (i) Directors and / or Major Shareholders; and
- (ii) Persons Connected with the Directors and / or Major Shareholders.

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## 2.4 Classes of Related Parties and Nature of RRPT(s)

The classes of Related Parties and nature of the Recurrent Related Party Transaction(s) which have been entered into and are to be entered into by our Group are detailed as below:-

No.	Transacting Companies in SEB Group	Transacting Related Party	Nature of Recurrent Related Transactions	Interested Related Party	#Estimated Aggregate Value from the forthcoming AGM to the next AGM (RM'000)			
1	SD T-10	TSL <sup>(6)</sup>	Supply of equipment and spare parts and service support for Caterpillar main engines, air and compressors, Favco cranes and associated spare parts (for maintenance and overhaul) of rigs to SD T-10, SD T-11, SD T-12, SDSB, SDASB, SDAL, SDHL and SDJL	<ul style="list-style-type: none"> <li>• AmanahRaya Trustees Berhad – Amanah Saham Bumiputera <sup>(1)</sup></li> <li>• Dato' Mohammad Azlan Abdullah <sup>(2)</sup></li> <li>• Tan Sri Dato' Seri Shamsul Azhar Abbas <sup>(3)</sup></li> <li>• Bernard Rene Francois Di Tullio <sup>(4)</sup></li> <li>• Rohaizad Darus <sup>(5)</sup></li> </ul>	6,300			
2	SD T-11				6,300			
3	SD T-12				6,300			
4	SDSB				2,700			
5	SDASB				8,100			
6	SDAL				5,400			
7	SDHL				2,700			
8	SDJL				2,700			
9	SD T-10	SDISB <sup>(6)</sup>	Provision of maintenance & overhaul services and licenses for rigs' main engines to SD T-10, SD T-11, SD T-12, SDASB, SDAL (Thailand), SDHL (Ivory Coast) and SDJL		2,900			
10	SD T-11				2,900			
11	SD T-12				2,900			
12	SDASB				2,350			
13	SDAL (Thailand)				1,800			
14	SDHL (Ivory Coast)				515			
15	SDJL				1,300			
16	SSSB				Supply of equipment and spare parts and service support for vessels to SSSB, SOSB, STSSB, SGSB, SNSB, SMVSB, SEOSB, S900 and SFSB			5,000
17	SOSB							
18	STSSB							
19	SGSB							
20	SNSB							
21	SMVSB							
22	SEOSB							
23	S900							
24	SFSB							

No.	Transacting Companies in SEB Group	Transacting Related Party	Nature of Recurrent Related Transactions	Interested Related Party	#Estimated Aggregate Value from the forthcoming AGM to the next AGM (RM'000)	
25	SMVSB	SDI(B)SB <sup>(6)</sup>	Provision of consumables and spare parts		7,000	
26	SDSB		Provision of maintenance & overhaul services and licenses for rigs' main engines to SDSB		540	
27	SOSB	JPB <sup>(7)</sup>	Provision of vessel clearance service to SOSB, SSSB, S3500, S1200 and SDSPVSB			2,000
28	SSSB					
29	S3500					
30	S1200					
31	SDSPVSB					
32	SFSB	UI(1985)SB <sup>(8)</sup>	Supply of equipment and spare parts and service support for vessels to SFSB	<ul style="list-style-type: none"> <li>• AmanahRaya Trustees Berhad – Amanah Saham Bumiputera <sup>(1)</sup></li> <li>• Dato' Mohammad Azlan Abdullah <sup>(2)</sup></li> <li>• Tan Sri Dato' Seri Shamsul Azhar bin Abbas <sup>(3)</sup></li> <li>• Bernard Rene Francois Di Tullio <sup>(4)</sup></li> <li>• Rohaizad Darus <sup>(5)</sup></li> <li>• Dato' Azmi Mohd Ali <sup>(9)</sup></li> </ul>	50	
33	SFSB	UIPSSB <sup>(8)</sup>			5,000	
<b>Total</b>					<b>74,755</b>	

**Notes:-**

- (1) ATB (part of Permodalan Nasional Berhad (“PNB”) Group) is a Major Shareholder of SEB, having equity interest of 28.26% as at LPD.
- (2) Dato’ Mohammad Azlan Abdullah is deemed interested by virtue of his directorship in the Company and nominee director of PNB.
- (3) Tan Sri Dato’ Seri Shamsul Azhar Abbas is deemed interested by virtue of his directorship in the Company and a nominee director of PNB. He was the Chairman of SEB until his retirement on 7 May 2022. He and his spouse hold 0.16% indirect equity interest in SEB.
- (4) Bernard Rene Francois Di Tullio is deemed interested by virtue of his directorship in the Company and nominee director of PNB. He was a Director of SEB until his resignation on 31 May 2022.
- (5) Rohaizad Darus is deemed interested by virtue of his directorship in the Company and nominee director of PNB. He is appointed as Director on 1 June 2022.
- (6) PNB is deemed interested as it is a Major Shareholder of TSL, SDISB and SDI(B)SB by virtue of 6.18% direct equity in Sime Darby Berhad as at LPD. ATB (part of PNB) is also a Major Shareholder of Sime Darby Berhad by virtue of 40.15% as at LPD.
- (7) ATB (part of PNB) is deemed interested as it is a Major Shareholder of JPB by virtue of 19.06% direct equity in MMC Corporation Berhad. MMC Corporation Berhad own shares in MMC Port Holdings Sdn Bhd which in turn own 100% equity shares in JPB as at LPD.
- (8) ATB (part of PNB) is deemed interested as it is a Major Shareholder of UI(1985)SB and UIPSSB by virtue of 43.25% direct equity in UMW Holdings Berhad as at LPD. UMW Holdings Berhad owns 100% equity in UMW Corporation Sdn Bhd which in turn owns 100% equity in UI(1985)SB and UIPSSB as at LPD.
- (9) Dato’ Azmi Mohd Ali is deemed interested by virtue of his directorship in the Company and director of UMW Holdings Berhad. He does not own any shares in the Company and UMW Holdings Berhad.

# *The estimated value in respect of the transactions above is based on prevailing prices of which competitive market prices are obtained from the Related Parties and management estimates. The estimated amount is further based on the assumptions that current level of the Group’s operations will continue and all external conditions remain constant. Due to the nature of the transactions, the actual value of the transactions may vary from the estimated value disclosed above.*

**2.5 Amount Due and Owing under RRPT(s)**

For the financial year ended 31 January 2022, there were no amounts due and owing to the SEB Group by its Related Parties pursuant to the Recurrent Related Party Transactions which have exceeded the credit terms. Hence, there were no late payment charges imposed on the Related Party.

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## 2.6 Review Procedures for the RRPT(s)

SEB Group has established the following procedures and guidelines to ensure that the RRPT(s) are undertaken on an arm's length basis on transaction prices and on normal commercial terms consistent with the SEB Group's usual business practices and policies, which are not more favourable to the Related Parties than those generally available to third parties/public and are not to the detriment of the minority shareholders:-

- (i) The sale or purchase of goods and services shall be determined on the basis of the prevailing rates/prices of the goods and services (including preferential rates/prices/discounts accorded to a class or classes of customers of bulk purchases) according to their usual commercial terms and business practices or otherwise in accordance with other applicable industry norms/ considerations.
- (ii) A list of the identities of the Related Parties will be circulated within our Group. Prior to entering into any of the RRPT(s), SEB Group must ensure that all such transactions are consistent with our Group's normal business practices and policies, which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of SEB Group's minority shareholders.
- (iii) Transactions are verified by our Company's Supply Chain Management Department and reviewed by Group Finance Department if any transaction has triggered the threshold for announcement to Bursa Securities and for shareholders' approval. RRPT(s) reviewed by the Group Finance Department shall be subject to approval from appropriate level of authority as defined in SEB Related Party Transaction & Recurrent Related Party Transactions ("**RPT & RRPT Policy**").
- (iv) RRPT(s) reported to the Board Audit Committee will be reviewed on a quarterly basis or when required to ensure that the RRPT(s) entered into by the SEB Group were in line with the Company's RPT & RRPT Policy and the Listing Requirements of Bursa Securities.
- (v) Records shall be maintained to capture all RRPT(s) which are entered into pursuant to the Proposed New Shareholders' Mandate. Details of the RRPT(s) made during the financial year shall be submitted to the Group Finance Department quarterly, for disclosure in the Annual Report and where necessary, reports shall also be generated for review by the Board Audit Committee on a yearly basis or when required.
- (vi) Any Director who has an interest in any transaction shall abstain from board deliberation and voting on the relevant resolution(s) in respect of the RRPT(s).
- (vii) The Board Audit Committee shall review management's system and procedures to compile information pertaining to the RRPT(s) and, if necessary, may request the GIA to review management's procedures.
- (viii) Any member of the Board Audit Committee may, as he deemed fit, request for additional information pertaining to the RRPT(s) from independent sources or advisers.
- (ix) Wherever applicable and/or feasible, at least two other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities have been used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained as the products or services are proprietary in nature or where the end customer has specified the requirements for the Company/Group to source from related parties or if there are no unrelated third party vendors/customers of similar products or services, then the Company/Group will determine the price and terms based on market knowledge of prevailing industry norm and on normal commercial terms in accordance with the Group's relevant procurement processes, normal business practices, policies and commercial terms in line with the industry practices for the same or substantially similar type of transactions made by the Group with unrelated third parties to ensure that the RRPT(s) are not detrimental to the Company/Group.

- (x) All procurements to be undertaken by SEB Group are subject to the relevant procurement processes under the Group Procurement Policy.
- (xi) All divisions and subsidiaries within SEB Group are required to comply with the RPT Policy, which applies to both related party transactions and RRPT(s).
- (xii) A register will be maintained by the SEB Group to record all the RRPT(s) which are entered into pursuant to the Proposed New Shareholders' Mandate.
- (xiii) There are no specific thresholds for approval of Recurrent Related Party Transactions within the Group. However, all RRPT(s) are subject to the approval of the appropriate levels of authority set by the operating divisions.
- (xiv) Policies on conflict of interests which require Directors and employees to act in good faith at all times in the best interest of the companies within SEB Group.

### **3. STATEMENT BY THE BOARD AUDIT COMMITTEE**

The Board Audit Committee of our Company has seen and reviewed the procedures established in Section 2.6 above in treatment of RRPT(s) and is of the view that:-

- (i) the said procedures for the RRPT(s) as well as the periodic review to be made by the Board Audit Committee in relation thereto are sufficient to ensure that the RRPT(s) will be made at arm's length and in accordance with our Company's normal commercial terms and are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.
- (ii) our Group has in place adequate procedures and processes to monitor, track and identify RRPT(s) in a timely and orderly manner; and
- (iii) the Board Audit Committee will review these procedures and processes on an annual basis.

### **4. DISCLOSURE IN ANNUAL REPORT**

Disclosure will be made in accordance with Section 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPT(s) entered into during the financial year, amongst others, based on the following information:-

- (i) the type of the RRPT(s) made; and
- (ii) the names of the Related Parties involved in each type of the RRPT(s) made and their relationships with our Company.

The above disclosure will be made in our Company's Annual Report for each subsequent financial year after the Proposed New Shareholders' Mandate has been approved and renewed.

In addition, if the actual value of the RRPT(s) entered into by our Group exceeds the estimated value of the RRPT(s) disclosed in the circular to shareholders on the Proposed New Shareholders' Mandate by 10% or more, our Company will make an immediate announcement to Bursa Securities.

### **5. RATIONALE AND BENEFITS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE**

The RRPT(s) to be entered into by SEB Group with the Related Parties are all conducted in the ordinary course of business. They are recurring transactions of revenue or trading nature which are likely to occur with some degree of frequency and could arise at any time and from time to time. These transactions may be constrained by the time-sensitive nature and confidentiality of such transactions, and as such, it may be impractical to seek shareholders' approval on a case to-case basis before entering into such related party transactions.

The RRPT(s) are considered by our Board to be beneficial to SEB Group as they constitute transactions which are necessary for the day-to-day operations of the SEB Group, which contribute to the generation of its turnover and profit. The close commercial relationships that had been established with the Related Parties have created an effective network that the SEB Group can draw upon to support its operational needs, deriving synergistic and operational benefits to support its business functions.

The Proposed New Shareholders' Mandate, if approved by the shareholders, will eliminate the need to make regular announcements to Bursa Securities or to issue separate circulars to shareholders and to convene separate general meetings on each occasion to seek shareholders' prior approval for the entry by our Group into such transactions. This would substantially reduce administrative time, inconvenience and expenses associated with the making of such announcements and the convening of such general meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the SEB Group.

Hence, the Directors are seeking approval from the shareholders on the RRPT(s) as described under Section 2.4 of this Circular.

## 6. FINANCIAL EFFECTS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

The Proposed New Shareholders' Mandate is not expected to have any material effect on the issued share capital of SEB, as well as the consolidated earnings and net assets of SEB Group for the financial year ending 31 January 2023.

## 7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

As at LPD, the direct and indirect shareholdings of the interested Directors, Major Shareholders in SEB Group in respect of the Proposed New Shareholders' Mandate are shown in the table below:-

Name	Direct Interest		Indirect Interest	
	No. of SEB shares	%*	No. of SEB shares	%*
<b><u>Interested Directors</u></b>				
Dato' Mohammad Azlan Abdullah <sup>(a)</sup>	-	-	-	-
Rohaizad Darus <sup>(a)</sup>	-	-	-	-
Tan Sri Dato' Seri Shamsul Azhar Abbas <sup>(a)</sup> (Retired on 7 May 2022)	2,455,000	0.02	6,774,100 <sup>(b)</sup>	0.04
Bernard Rene Francois Di Tullio <sup>(a)</sup> (Resigned on 31 May 2022)	-	-	-	-
Dato' Azmi Mohd Ali	-	-	-	-
<b><u>Interested Major Shareholder</u></b>				
ATB	4,515,762,406	28.26	-	-

**Notes:-**

\* Based on the issued share capital of 15,979,080,323 ordinary shares in the Company as at LPD.

(a) Non-Independent Non-Executive Director of the Company and Board Nominee of PNB.

(b) Deemed interested by virtue of his spouse and child's interest in our Company pursuant to Section 59(11)(c) of the Act.



The abovenamed interested Directors have abstained and will continue to abstain from all deliberations and voting on the RRPT(s) involving them, as comprised in the Proposed New Shareholders' Mandate at the relevant Board meetings and will also abstain from voting in respect of their direct and indirect shareholding on the Ordinary Resolution approving the Proposed New Shareholders' Mandate at the forthcoming 11<sup>th</sup> AGM.

The abovenamed interested Major Shareholder will also abstain from voting, in respect of their direct and indirect shareholdings in SEB, on the Ordinary Resolution approving the RRPT(s) involving their interests, which are comprised in the Proposed New Shareholders' Mandate at the forthcoming 11<sup>th</sup> AGM.

The abovenamed interested Directors and Major Shareholder have also undertaken to ensure that, where applicable, the persons connected to them in respect of direct and indirect shareholdings (if any), will abstain from deliberating, approving and voting on the Ordinary Resolution pertaining to the Proposed New Shareholders' Mandate to be tabled at the forthcoming 11<sup>th</sup> AGM.

Save as disclosed above, none of the other Directors and/or Major Shareholder or any persons connected with the Directors and/or Major Shareholder have any direct or indirect interest in the Proposed New Shareholders' Mandate.

## **8. APPROVALS REQUIRED**

The Proposed New Shareholders' Mandate is subject to approval to be obtained from the shareholders of our Company at the forthcoming 11<sup>th</sup> AGM.

## **9. DIRECTORS' RECOMMENDATION**

Having considered all aspects of the Proposed New Shareholders' Mandate, our Board (save for the interested Directors named in Section 7 of the Circular) is of the opinion that the said Proposed New Shareholders' Mandate is fair and reasonable and is in the best interest of our Company.

Accordingly, our Board (save for the interested Directors named in Section 7 of the Circular) recommends that you vote in favour of the Ordinary Resolution pertaining to the Proposed New Shareholders' Mandate to be tabled under the Agenda of Special Business as set out in the Notice of the 11<sup>th</sup> AGM.

## **10. AGM**

The Notice of 11<sup>th</sup> AGM together with the Administrative Guide are available on the Company's website at <https://www.sapuraenergy.com/>. The 11<sup>th</sup> AGM will be held on a fully virtual basis and entirely through live streaming and online remote voting using Remote Participation and Electronic Voting facilities via the online meeting platform at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC: D6A357657) on Thursday, 28 July 2022 at 10.00 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the ordinary resolution pertaining to the Proposed New Shareholders' Mandate as described herein.

As a shareholder, you are encouraged to go online, participate and vote at the 11<sup>th</sup> AGM using the Remote Participation and Voting Facilities. If you wish to appoint a proxy to participate and vote on your behalf, you may deposit your Form of Proxy at the office of our Share Registrar, Boardroom Share Registrars Sdn. Bhd. or alternatively, you may lodge your Form of Proxy by electronic means through Boardroom Smart Investor Portal at <https://www.boardroomlimited.my/> (for individual shareholders only) or via e-mail to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com). The completed Form of Proxy must be deposited/lodged not less than forty-eight (48) hours before the time set for holding the 11<sup>th</sup> AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from participating the 11<sup>th</sup> AGM and voting in person at the AGM if you subsequently wish to do so.

**11. FURTHER INFORMATION**

Shareholders are advised to refer to the attached Appendix I for further information.

Yours faithfully  
For and on behalf of the Board of  
**SAPURA ENERGY BERHAD**

**Lim Tiang Siew**  
Senior Independent Non-Executive Director

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## FURTHER INFORMATION

### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that after making all reasonable enquiries and to the best of its knowledge and belief, there are no other facts the omission of which would make any statement herein false or misleading.

### 2. MATERIAL CONTRACTS

Our Group has not entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business of our Group) during the two (2) years immediately preceding the date of this Circular.

### 3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Save as disclosed below, our Group is not involved in any material litigation, claims or arbitration, whether as plaintiff or defendant, and our Board is not aware of any proceedings, pending or threatened, against our Group or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial or business position of SEB Group:-

#### (i) Sarku Engineering Services Sdn. Bhd.

On 20 February 2006, Sarku Engineering Services Sdn. Bhd. ("**SESSB**"), a wholly owned subsidiary of the Company entered into a contract with Oil and Natural Gas Corporation Limited ("**ONGC**") for the performance of works by SESSB to revamp 26 well platforms located in Mumbai High South field offshore site ("Contract").

On 21 September 2012, SESSB commenced arbitration proceedings by filing a statement of claim against ONGC in relation to disputes pursuant to the Contract for a sum of Indian Rupee ("**INR**") 1,063,759,201 and USD123,819,632 (including interest, costs, losses and damages).

On 17 December 2012, ONGC has filed their reply to the Statement of Claim. No counter claims have been filed by ONGC. Documents and witness statements have been filed.

Examination in chief took place in January 2014 whereby revised list of documents were exchanged and recorded.

The cross examination of ONGC's witness were on 22 to 24 December 2014 and 5 to 6 January 2015.

In January 2018 and February 2018 sittings, SESSB have concluded its arguments on each of the claims filed before the tribunal. On 5 February 2018, submissions were made by SESSB's external counsel and thereafter arguments were closed.

ONGC counsel commenced their arguments in defence on 6 February 2018 and continued on 2 to 4 May 2018. They concluded their arguments in the said sittings and handed over Proceedings continued on 21, 22 and 23 November 2018 with submissions from SESSB's counsel. The tribunal heard ONGC's counsel present its submissions on 12 and 13 February 2019. Final written submission has been submitted to arbitrators on 15 April 2019. ONGC presented its submissions on 31 July 2019. The tribunal initially issued an award on 30 November 2019 and awarded to SESSB the sum of USD3,009,789 by the arbitral tribunal, comprised of work done of USD1,983,521 (subject to 4.368% withholding tax to be deducted by ONGC) and interest of USD1,026,267 (subject to income tax of 43.68%) ("**First Award**").

ONGC had instructed its solicitors to file an appeal against the Award dated 30 November 2019. The application of ONGC for correction of the errors in the award was allowed by the tribunal on 29 August 2020. The total amount payable by ONGC as per the Final Award is USD413,037 ("**Final Award**"). The difference between the First Award and the Final award is in the sum of USD2,596,752. Parties will have 90 days from the date of the Final Award to file an appeal to the courts.

SESSB has been advised by its solicitors, that SESSB has reasonably strong grounds to appeal against the arbitral tribunal's decision. The following are reasons provided by its solicitors as grounds of appeal against the arbitral tribunal's award.

- (a) The arbitral tribunal had failed to consider the record and detailed written and oral submissions on behalf of SESSB in arriving at its findings while rejecting most of SESSB's claims and that they had made an error in rejecting the claims; and
- (b) There were instances of procedural irregularities in the arbitration in favour of ONGC which may lead to a successful challenge of the award in the courts.

ONGC has since filed an application to the tribunal disputing the computation of the award and seeking a correction of the amounts awarded in respect of the interest portion of the award.

Parties had 90 days from the date of the Final Award to file an appeal to the courts. SESSB has instructed the counsel in charge for this matter to file an appeal to challenge or set aside that part of the First Award and the Final Award which rejects the claims of SESSB. The Appeal was duly filed on 8 December 2020. The matter is now pending admission stage where it is to be listed for hearing upon filing of the Petition. As of 30 June 2022, the appeal in the Mumbai High Court filed by SESSB has yet to be listed for hearing.

For the sums awarded to SESSB under the Final Award which are not being appealed against, a Letter of Demand was issued to ONGC on 7 May 2021 to demand for the sum of INR19,693,815 and USD146,904. Our solicitors advised that the Letter of Demand will not affect SESSB's position in respect of our action to challenge or set aside the award.

(ii) **Sapura Fabrication Sdn. Bhd.**

On 18 March 2011, Sapura Fabrication Sdn. Bhd. ("**SFSB**"), a wholly-owned subsidiary of the Company entered into a contract with Petrofac (Malaysia) Limited ("**PML**") to provide works for the engineering, procurement and construction of well head platforms for the Cendor Phase 2 Development Project and the Cendor field is located in Block PM 304 in the Malaysian sector of the South China Sea ("**Contract**").

On 26 March 2018, SFSB received a commencement request from PML to formally initiate a claim by way of arbitration proceedings at the Asian International Arbitration Centre for damages amounting to a sum of USD9,558,003 and RM16,785,227 vide its Re-amended Point of Claims in relation to disputes arising from the Contract. PML has alleged breach of riser height requirements and preservation obligations by SFSB. The claim by PML was made separately in two currencies as the claim is based on the rates and currencies prescribed in the Contract.

On 26 April 2018, SFSB responded to PML's claim and made a counter claim for a total amount of RM13,521,495.

The arbitrators have been appointed and parties had attended the first arbitration meeting on 21 July 2018. PML has filed their Points of Claim on 21 September 2018 and SFBSB has filed its Defence and Counterclaim on 3 December 2018. Subsequently, PML submitted their Points of Reply and Defence to Counterclaim on 4 February 2019. PML has requested to amend their Point of Claim and the same was filed on 8 March 2019. SFBSB's rejoinder is due on 18 March 2019 and the same was filed on the said date. The deadline for parties to exchange bundle of documents was on 5 April 2019 and any request for discovery/disclosure has been filed on 9 May 2019. The documents ordered to be produced by SFBSB was produced on 12 September 2019. On the other hand, the documents ordered to be produced by PML were partially tendered on 23 September 2019. Witness Statements were filed on 15 November 2019 and the rebuttal witness statements were filed on 15 December 2019.

The hearing proceeded on 26, 27 and 28 April 2021 as scheduled with 2 of PML's witnesses giving their evidences.

During the case management fixed on 6 April 2021, the tribunal has vacated the hearing dates scheduled on 26 to 28 April 2021, 31 April 2021, 3 to 7 May 2021 and 10 May 2021 as two of the PML's witnesses were unable to attend the April 2021 and May 2021 tranche of hearing dates due to their work arrangement.

The hearing proceeded on the following dates as scheduled:

- (i) 20 September 2021 to 24 September 2021;
- (ii) 27 September 2021 to 1 October 2021;
- (iii) 4, 6, 7 and 8 October 2021; and
- (iv) 13 November 2021.

The hearing dates scheduled in January and February 2022 were vacated and the Tribunal has fixed the following dates for continued hearing:

- (i) 25 April 2022 to 29 April 2022;
- (ii) 17 May 2022 to 20 May 2022;
- (iii) 8 August 2022 to 12 August 2022; and
- (iv) 15 August 2022 to 19 August 2022.

The matter was scheduled for case management on 22 April 2022 and the Tribunal decided to vacate the following hearing dates fixed earlier with PML's agreement, which was due to the effect of the High Court Order (the Restraining Order).

- (i) 25 April 2022 to 29 April 2022;
- (ii) 17 May 2022 to 20 May 2022; and
- (iii) 8 August 2022.

PML has indicated that they are currently awaiting to receive the applicable notice from the Company to allow PML to proceed with the filing of proof of debt exercise. Subject to the outcome of the proof of debt exercise, PML will then consider whether or not to seek leave to proceed with the arbitration pursuant to the terms of the High Court Order.

A case management conference is scheduled to be conducted on 11 August 2022 for parties to update the Tribunal vis-à-vis the status/outcome of the scheme and for the Tribunal to chart the course of the arbitration moving forward.

**(iii) Sapura Energy do Brasil Ltd.**

On 5 January 2020, Sapura Energy Berhad's subsidiary, Sapura Energy do Brasil Ltd. ("**SE Brasil**"), commenced arbitration proceedings against Centrais Elétricas de Sergipe S.A. ("**CELSE**") of Brazil. The arbitration is to resolve disputes arising out of an Engineering, Procurement, Construction and Installation Contract ("**Contract**") dated 20 November 2017.

SE Brasil had completed the works under the Contract in November 2019.

Due to unresolved disputes such as non-payment of milestone payments and non-payment of variation orders, SE Brasil commenced the arbitration proceedings against CELSE, which is conducted at the International Court of Arbitration in Sao Paulo, Brazil, under the International Chamber of Commerce (ICC) Arbitration Rules. The arbitration tribunal comprises of 3 arbitrators. Chairman for the arbitration proceeding has been appointed.

- (a) SE Brasil filed their Statement of Claims for the sum of USD84,606,035 on 29 March 2021.
- (b) CELSE filed Respondent's Statement of Claims for the sum of USD89,799,186.10 on 29 March 2021.
- (c) SE Brasil filed Claimant's and Additional Party's Statement of Defense against Respondent's Statement of Claim on 28 May 2021.
- (d) CELSE filed Respondent's Statement of Defense against Claimant's Statement of Claim on 28 May 2021.
- (e) SE Brasil filed Claimant's Reply on 28 June 2021.
- (f) CELSE filed Respondent's Reply on 28 June 2021.
- (g) SE Brasil filed Claimant's and Additional Party's Rejoinder on 28 July 2021.
- (h) CELSE filed Respondent's Rejoinder on 28 July 2021.

Issues to be determined by the Arbitral Tribunal, witness statements and request for additional evidence was submitted on 27 September 2021.

- (a) On 30 September 2021, Sapura requested for leave to file expert rebuttal.
- (b) On 10 November 2021, leave for Sapura to file expert rebuttal was granted.
- (c) Sapura filed rebuttal to Technomar report on 10 December 2021.

The arbitral tribunal is now fully constituted following the ICC's confirmation of CELSE's third nominee. Evidentiary hearing was conducted on 26 January 2022.

- (a) 28 March 2022, Parties submitted their application for document production by the counterparty in the form of a Redfern Schedule;
- (b) 12 April 2022 – SE Brasil and SEB informed they did not object against the production of the documents requested by CELSE;
- (c) 12 April 2022 – CELSE objected to the production of the documents requested by SE Brasil and SEB (Answer to the Redfern Schedule);
- (d) April 2022 – SE Brasil and SEB submitted their answer to the objections presented by CELSE to the production of the requested documents (Reply to the Redfern Schedule);
- (e) 27 April 2022 – CELSE submitted a motion to the Arbitral Tribunal requesting that SE Brasil and SEB produced the non-objected documents immediately;
- (f) 28 April 2022 – SE Brasil and SEB presented a submission to the Arbitral Tribunal in attention to CELSE's submission dated 27 April 2022;
- (g) 3 May 2022 – The Arbitral Tribunal determined, via email, that SE Brasil and SEB provide the non-objected documents to CELSE by 10 May 2022;
- (h) 10 May 2022 – SE Brasil and SEB produced the non-objected documents to CELSE.

CELSE's counter claim against SE Brasil amounted to USD89,799,186 are in respect of delay penalties, damages and/or expenses due to failure to perform the contract, breach of warranty provision and claim for warranty extension items which CELSE had or will have to perform correction given SE Brasil's in action.

**(iv) Winding up petitions**

The following are the list and status of the Winding Petitions served to the Group and its subsidiaries. On 10 March 2022, in view of the Restraining Order obtained by the Group, the case management and hearing of the Petitions against Sapura Offshore Sdn. Bhd., Sapura Fabrication Sdn. Bhd., Sapura Pinewell Sdn. Bhd. and Sapura Subsea Services Sdn. Bhd. will be vacated as the winding up proceedings will be stayed for three months. By a court order dated 8 June 2022, the Restraining Order is now extended for a further period of nine months until 10 March 2023.

- (a) **Sun Hardware Enterprise Sdn. Bhd. vs Sapura Fabrication Sdn. Bhd. - Shah Alam High Court (BA-28NCC-634-12/2021)**
- i) Winding up petition date - 15 December 2021.
  - ii) Case management and hearing dates - 17 January 2022 and 10 March 2022.

Notice of discontinuance has been filed on 4 March 2022 and the winding up petition has been withdrawn.

- (b) **Hycotech Sdn Bhd vs Sapura Offshore Sdn. Bhd. - Shah Alam High Court (BA-28NCC-638-12/2021)**
- i) Winding up petition date - 17 December 2021.
  - ii) Case management and hearing dates - 17 February 2022 and 9 March 2022.

Court has scheduled 22 April 2022 for the hearing of the Order 14A and Striking Out Application, and for the hearing of the Petition itself.

- iii) Next Case Management is fixed on 13 March 2023.

- (c) **Perdana Nautika Sdn Bhd vs Sapura Offshore Sdn. Bhd. - Kuala Lumpur High Court (WA-28NCC-920-12/2021)**
- i) Winding up petition date - 20 December 2021.
  - ii) Case management and hearing dates - 22 February 2022 and 27 April 2022.
  - iii) Next Case Management is fixed on 13 March 2023.

- (d) **Perdana Nautika Sdn Bhd vs Sapura Pinewell Sdn. Bhd. - Kuala Lumpur High Court (WA-28NCC-921-12/2021)**
- i) Winding up petition date - 20 December 2021
  - ii) Case management and hearing dates - 23 February 2022 and 26 April 2022.
  - iii) Next Case Management is fixed on 14 March 2023.

- (e) **Hycotech Sdn Bhd vs Sapura Pinewell Sdn. Bhd. - Shah Alam High Court (BA-28NCC-639-12/2021)**
- i) Winding up petition date - 20 December 2021.
  - ii) Case management and hearing dates - 28 February 2022 and 9 March 2022.

Petitioner informed the Court during the hearing on 9 March 2022 the Petitioner wishes to withdraw the petition.

However, another creditor has appeared as a supporting creditor during the hearing on 9 March 2022, and the Court directed the creditor to file its formal application to be substituted as the petitioner within 14 days.

Next Case Management is fixed on 13 March 2023.

- (f) **Fast Global Link Services vs Sapura Subsea Services Sdn. Bhd. - Shah Alam High Court (BA-28NCC-27-01/2022)**
- i) Winding up petition date - 13 January 2022.
  - ii) Case management and hearing dates - 14 February 2022 and 12 April 2022.
  - iii) Next Case Management is fixed on 13 March 2023.

- (g) **Mectra Synergy (M) Sdn Bhd vs Sapura Subsea Services Sdn. Bhd. - Shah Alam High Court (BA-28NCC-31-01/2022)**
- i) Winding up petition date - 25 January 2022.
  - ii) Case management and hearing dates - 17 February 2022 and 20 April 2022.
  - iii) Next Case Management is fixed on 13 March 2023.

- (h) **Equatorial Marine Fuel Management vs Sapura Offshore Sdn. Bhd.**  
**- Shah Alam High Court (BA-28NCC-68-01/2022)**  
 i) Winding up petition date - 25 January 2022.  
 ii) Case management and hearing dates - 28 February 2022 and 25 April 2022.  
 iii) Next Case Management is fixed on 13 March 2023.
- (i) **DTEC Engineering and Construction Sdn. Bhd. vs Sapura Project Services Sdn. Bhd.**  
**- Shah Alam High Court (BA-28NCC-72- 01/2022)**  
 i) Winding up petition date - 27 January 2022.  
 ii) Case management and hearing dates - 28 February 2022 and 25 April 2022.

On 21 April 2022 Sapura Energy Berhad, Sapura Digital Solutions Sdn. Bhd., Sapura Diving Services Sdn. Bhd., Sapura Maintenance Services Sdn. Bhd., Sapura Fabrication Sdn. Bhd., Sapura Pinewell Sdn. Bhd., Sapura Onshore Sdn. Bhd., Sapura Subsea Services Sdn. Bhd., Sapura Services Sdn. Bhd., Sapura Management Services Sdn. Bhd., Sapura Marine Sdn. Bhd., Sapura Drilling Services Sdn. Bhd., Sapura Power Services Sdn. Bhd., Sapura Offshore Sdn. Bhd., and Sapura 3000 Pte Ltd as Creditors to Sapura Project Services Sdn. Bhd. filed an application to appoint Liquidator for the Respondent (Sapura Project Services Sdn. Bhd.).

On 17 May 2022 DTEC Engineering and Construction Sdn. Bhd. filed an application to appoint two liquidators.

Next Case Management is fixed on 14 September 2022.

- (j) **Dura International Sdn. Bhd. vs Sapura Fabrication Sdn. Bhd.**  
**- Shah Alam High Court (BA-28NCC-83-02/2022)**  
 i) Winding up petition date - 7 February 2022.  
 ii) Case management and hearing dates - 10 March 2022 and 18 May 2022.  
 iii) Next Case Management is fixed on 13 March 2023.
- (k) **Astro Offshore Pte Ltd vs Sapura Fabrication Sdn. Bhd.**  
**- Shah Alam High Court (BA-28NCC-87-02/2022)**  
 i) Winding up petition date - 7 February 2022.  
 ii) Case management and hearing dates - 14 March 2022 and 19 May 2022.  
 iii) Next Case Management is fixed on 13 March 2023.
- (l) **Public Crane Heavy Equipment Sdn. Bhd. vs Sapura Fabrication Sdn. Bhd.**  
**- Shah Alam High Court (BA-28NCC-92-02/2022)**  
 i) Winding up petition date - 9 February 2022.  
 ii) Case management and hearing dates - 14 March 2022 and 19 May 2022.  
 iii) Next Case Management is fixed on 13 March 2023.
- (m) **MMA Offshore Malaysia Sdn. Bhd. vs Sapura Pinewell Sdn. Bhd.**  
**- Kuala Lumpur High Court (WA-28NCC-111-02/2022)**  
 i) Winding up petition date - 14 February 2022.  
 ii) Case management and hearing dates - 15 March 2022 and 8 June 2022.  
 iii) Next Case Management is fixed on 13 March 2023.
- (n) **Icon Offshore Group Sdn. Bhd. vs Sapura Offshore Sdn. Bhd.**  
**- Shah Alam High Court (BA-28NCC-119-02/2022)**  
 i) Winding up petition date - 25 February 2022.  
 ii) Case management and hearing dates - 17 March 2022 and 24 May 2022.  
 iii) Next Case Management is fixed on 13 March 2023.



- (o) **Posh Subsea Pte Ltd vs Sapura Fabrication Sdn. Bhd.**  
**- Shah Alam High Court (BA28NCC-145-03/2022)**  
 i) Winding up petition date - 3 March 2022.  
 ii) Case management and hearing dates - 6 April 2022 and 7 June 2022.  
 iii) Next Case Management is fixed on 13 March 2023.
- (p) **Lincoln Energy Sdn. Bhd. vs Sapura Offshore Sdn. Bhd.**  
**- Shah Alam High Court (BA-28NCC-146-03/2022)**  
 i) Winding up petition date - 4 March 2022.  
 ii) Case management and hearing dates - 6 April 2022 and 7 June 2022.  
 iii) Next Case Management is fixed on 13 March 2023.
- (q) **Semco Salvage (V) Pte Ltd vs Sapura Offshore Sdn. Bhd.**  
**- Shah Alam High Court (BA28NCC-144-03/2022)**  
 i) Winding up petition date - 3 March 2022.  
 ii) Case management and hearing dates - 6 April 2022 and 7 June 2022.  
 iii) Next Case Management is fixed on 13 March 2023.
- (r) **Danamin (M) Sdn. Bhd. vs Sapura Project Services Sdn. Bhd.**  
**- Shah Alam High Court (BA-28NCC-139-02/2022)**  
 i) Winding up petition date - 28 February 2022.  
 ii) Case management and hearing dates - 31 March 2022 and 30 May 2022.

On 31 March 2022 RLP informed the Court that a further date is required to confirm whether the debt under the winding up petition may be disputed.

On 13 May 2022 Sapura Energy Berhad, Sapura Digital Solutions Sdn. Bhd., Sapura Diving Services Sdn. Bhd., Sapura Maintenance Services Sdn. Bhd., Sapura Fabrication Sdn. Bhd., Sapura Pinewell Sdn. Bhd., Sapura Onshore Sdn. Bhd., Sapura Subsea Services Sdn. Bhd., Sapura Services Sdn. Bhd., Sapura Management Services Sdn. Bhd., Sapura Marine Sdn. Bhd., Sapura Drilling Services Sdn. Bhd., Sapura Power Services Sdn. Bhd., Sapura Offshore Sdn. Bhd., and Sapura 3000 Pte Ltd as Creditors to Sapura Project Services Sdn. Bhd. filed applications:

- (a) to appoint Liquidator for the Respondent (Sapura Project Services Sdn. Bhd.).  
 (b) to appoint Interim Liquidator for the Respondent (Sapura Project Services Sdn. Bhd.). This is pending the hearing for appointment of Liquidator.

The matter was fixed for case management on 30 May 2022. The Court has directed for a further case management to be fixed on 5 July 2022 to allow the parties to file their respective affidavit in replies for the applications to appoint Mr Lim as the interim liquidator and liquidator of Sapura Project Services.

The court fixed another Case Management date on 5 July 2022.

- (s) **VKI Marketing Sdn. Bhd. vs Sapura Offshore Sdn. Bhd.**  
**- Shah Alam High Court (BA-28NCC-159-03/2022)**  
 i) Winding up petition date - 22 February 2022.  
 ii) Case management and hearing dates - 11 April 2022 and 13 June 2022.  
 iii) Case Management fixed on 29 June 2022.  
 iv) Next Case Management is fixed on 7 July 2022.
- (t) **Tumpuan Megah Development Sdn. Bhd. vs Sapura Geosciences Sdn. Bhd.**  
**- Shah Alam High Court (BA-28NCC-181-03/2022)**  
 i) Winding up petition date - 17 March 2022.  
 ii) Case management and hearing dates - 14 April 2022 and 20 June 2022.  
 iii) Case Management fixed on 29 June 2022.  
 iv) Next Case Management is fixed on 7 July 2022.

#### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of our Company at Sapura@Mines, No. 7, Jalan Tasik, The Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia between 8.30 a.m. and 5.30 p.m. from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the 11<sup>th</sup> AGM:-

- (i) Constitution of SEB;
- (ii) Audited consolidated financial statements of SEB Group for the past two (2) financial years ended 31 January 2021 and 2022;
- (iii) Latest unaudited quarterly results for the financial period ended 30 April 2022;
- (iv) Material contracts referred to in Section 2 of Appendix I; and
- (v) Relevant cause papers in respect of material litigation, claims and arbitration referred to in Section 3 of Appendix I.

**EXTRACT OF THE NOTICE OF THE 11<sup>th</sup> AGM**

To consider and, if thought fit, to pass the following ordinary resolution, with or without any modifications:-

**PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")  
(Resolution 7)**

"THAT, subject to Paragraph 10.09 of the MMLR of Bursa Securities, the Company and its subsidiaries ("**Group**") be and are hereby authorised to enter into recurrent related party transactions of a revenue or trading nature with the Related Parties as set out in Section 2.4 of the Circular to Shareholders dated 7 July 2022, PROVIDED THAT such transactions are necessary for the Group's day-to-day operations and are in the ordinary course of business of the Group and at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;

THAT such approval shall continue to be in force until:-

- (i) the conclusion of the next AGM of the Company following the general meeting at which this Ordinary Resolution shall be passed, at which time it will lapse, unless by a resolution passed at the general meeting, the authority conferred by this resolution is renewed;
  - (ii) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
  - (iii) revoked or varied by resolution passed by the shareholders of the Company at a general meeting,
- whichever is earlier;

AND THAT the Directors of the Company and its subsidiaries be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate as authorised by this Ordinary Resolution."